

Burrow-Giles Lithographic Co. v. Sarony

111 U.S. 53 (1884)

MR. JUSTICE MILLER delivered the opinion of the court: This is a writ of error to the Circuit Court for the Southern District of New York.

Plaintiff is a lithographer and defendant a photographer, with large business in those lines in the city of New York.

The suit was commenced by an action at law in which Sarony was plaintiff and the lithographic company was defendant, the plaintiff charging the defendant with violating his copyright in regard to a photograph, the title of which is "Oscar Wilde No. 18." A jury being waived, the court made a finding of facts on which a judgment in favor of the plaintiff was rendered for the sum of \$600 for the plates and 85,000 copies sold and exposed to sale, and \$10 for copies found in his possession, as penalties under section 4965 of the Revised Statutes.

Among the findings of fact made by the court the following presents the principal question raised by the assignment of errors in the case:

"3. That the plaintiff about the month of January, 1882, under an agreement with Oscar Wilde, became and was the author, inventor, designer, and proprietor of the photograph in suit, the title of which is 'Oscar Wilde No. 18,' being the number used to designate this particular photograph and of the negative thereof; that the same is a useful, new, harmonious, characteristic, and graceful picture, and that said plaintiff made the same at his place of business in said city of New York, and within the United States, entirely from his own original mental conception, to which he gave visible form by posing the said Oscar Wilde in front of the camera, selecting and arranging the costume, draperies, and other various accessories in said photograph, arranging the subject so as to present graceful outlines, arranging and disposing the light and shade, suggesting and evoking the desired expression, and from such disposition, arrangement, or representation, made entirely by the plaintiff, he produced the picture in suit, Exhibit A, April 14th, 1882, and that the terms 'author,' 'inventor,' and 'designer,' as used in the art of photography and in the complaint, mean the person who so produced the photograph."

Other findings leave no doubt that plaintiff had taken all the steps required by the act of Congress to obtain copyright of this photograph, and section 4952 names photographs among other things for which the author, inventor, or designer may obtain copyright, which is to secure him the sole privilege of reprinting, publishing, copying and vending the same. That defendant is liable under that section and section 4965 there can be no question, if those sections are valid as they relate to photographs.

Accordingly, the two assignments of error in this court by plaintiff in error, are:

1. That the court below decided that Congress had and has the constitutional right to protect photographs and negatives thereof by copyright.

The second assignment related to the sufficiency of the words "Copyright, 1882, by N. Sarony," in the photographs, as a notice of the copyright of Napoleon Sarony under the act of Congress on that subject.

With regard to this latter question, it is enough to say, that the object of the statute is to give notice of the copyright to the public, by placing upon each copy, in some visible shape, the name of the author, the existence of the claim of exclusive right, and the date at which this right was obtained.

This notice is sufficiently given by the words "Copyright, 1882, by N. Sarony," found on each copy of the photograph. It clearly shows that a copyright is asserted, the date of which is 1882, and if the name Sarony alone was used, it would be a sufficient designation of the author until it is shown that there is some other Sarony.

When, in addition to this, the initial letter of the Christian name Napoleon is also given, the notice is complete.

The constitutional question is not free from difficulty.

The eighth section of the first article of the Constitution is the great repository of the powers of Congress, and by the eighth clause of that section Congress is authorized:

"To promote the progress of science and useful arts, by securing, for limited times to authors and inventors, the exclusive right to their respective writings and discoveries."

The argument here is that a photograph is not a writing nor the production of an author. Under the acts of Congress designed to give effect to this section, the persons who are to be benefited are divided into two classes, authors and inventors. The monopoly which is granted to the former is called a copyright that given to the latter, letters patent, or, in the familiar language of the present day, patent right.

We have, then, copyright and patent right, and it is the first of these under which plaintiff asserts a claim for relief.

It is insisted in argument, that a photograph being a reproduction on paper of the exact features of some natural object or of some person, is not a writing of which the producer is the author.

Section 4952 of the Revised Statutes places photographs in the same class as things which may be copyrighted with "books, maps, charts, dramatic or musical compositions, engravings, cuts, prints, paintings, drawings, statues, statuary, and models or designs intended to be perfected as works of the fine arts." "According to the practice of legislation in England and America," says Judge Bouvier, 2 Law Dictionary, 363, "the copyright is confined to the exclusive right secured to the author or proprietor of a writing or drawing which may be multiplied by the arts of printing in any of its branches."

The first Congress of the United States, sitting immediately after the formation of the Constitution, enacted that the "author or authors of any map, chart, book or books, being a citizen or resident of the United States, shall have the sole right and liberty of printing, reprinting, publishing and vending the same for the period of fourteen years

from the recording of the title thereof in the clerk's office, as afterwards directed." 1 Stat. 124, 124.

This statute not only makes maps and charts subjects of copyright, but mentions them before books in the order of designation. The second section of an act to amend this act, approved April 29, 1802, 2 Stat. 171, enacts that from the first day of January thereafter, he who shall invent and design, engrave, etch or work, or from his own works shall cause to be designed and engraved, etched or worked, any historical or other print or prints shall have the same exclusive right for the term of fourteen years from recording the title thereof as prescribed by law.

By the first section of the act of February 3d, 1831, 4 Stat. 436, entitled an act to amend the several acts respecting copyright, musical compositions and cuts, in connection with prints and engravings, are added, and the period of protection is extended to twenty-eight years. The caption or title of this act uses the word copyright for the first time in the legislation of Congress.

The construction placed upon the Constitution by the first act of 1790, and the act of 1802, by the men who were contemporary with its formation, many of whom were members of the convention which framed it, is of itself entitled to very great weight, and when it is remembered that the rights thus established have not been disputed during a period of nearly a century, it is almost conclusive.

Unless, therefore, photographs can be distinguished in the classification on this point from the maps, charts, designs, engravings, etchings, cuts, and other prints, it is difficult to see why Congress cannot make them the subject of copyright as well as the others.

These statutes certainly answer the objection that books only, or writing in the limited sense of a book and its author, are within the constitutional provision. Both these words are susceptible of a more enlarged definition than this. An author in that sense is "he to whom anything owes its origin; originator; maker; one who completes a work of science or literature." Worcester. So, also, no one would now claim that the word writing in this clause of the Constitution, though the only word used as to subjects in regard to which authors are to be secured, is limited to the actual script of the author, and excludes books and all other printed matter. By writings in that clause is meant the literary productions of those authors, and Congress very properly has declared these to include all forms of writing, printing, engraving, etching, &c., by which the ideas in the mind of the author are given visible expression. The only reason why photographs were not included in the extended list in the act of 1802 is probably that they did not exist, as photography as an art was then unknown, and the scientific principle on which it rests, and the chemicals and machinery by which it is operated, have all been discovered long since that statute was enacted.

Nor is it to be supposed that the framers of the Constitution did not understand the nature of copyright and the objects to which it was commonly applied, for copyright, as the exclusive right of a man to the production of his own genius or intellect, existed in England at that time, and the contest in the English courts, finally decided by a very close vote in the House of Lords, whether the statute of 8 Anne, chap. 19, which authorized copyright for a limited time, was a restraint to that extent on the common law

or not, was then recent. It had attracted much attention, as the judgment of the King's Bench, delivered by Lord Mansfield, holding it was not such a restraint, in *Miller v. Taylor*, 4 Burrows, 2303, decided in 1769, was overruled on appeal in the House of Lords in 1774. *Ibid.* 2408. In this and other cases the whole question of the exclusive right to literary and intellectual productions had been freely discussed.

We entertain no doubt that the Constitution is broad enough to cover an act authorizing copyright of photographs, so far as they are representatives of original intellectual conceptions of the author.

But it is said that an engraving, a painting, a print, does embody the intellectual conception of its author, in which there is novelty, invention, originality, and therefore comes within the purpose of the Constitution in securing its exclusive use or sale to its author, while the photograph is the mere mechanical reproduction of the physical features or outlines of some object animate or inanimate, and involves no originality of thought or any novelty in the intellectual operation connected with its visible reproduction in shape of a picture. That while the effect of light on the prepared plate may have been a discovery in the production of these pictures, and patents could properly be obtained for the combination of the chemicals, for their application to the paper or other surface, for all the machinery by which the light reflected from the object was thrown on the prepared plate, and for all the improvements in this machinery, and in the materials, the remainder of the process is merely mechanical, with no place for novelty, invention or originality. It is simply the manual operation, by the use of these instruments and preparations, of transferring to the plate the visible representation of some existing object, the accuracy of this representation being its highest merit.

This may be true in regard to the ordinary production of a photograph, and, further, that in such case a copyright is no protection. On the question as thus stated we decide nothing.

In regard, however, to the kindred subject of patents for invention, they cannot by law be issued to the inventor until the novelty, the utility, and the actual discovery or invention by the claimant have been established by proof before the Commissioner of Patents; and when he has secured such a patent, and undertakes to obtain redress for a violation of his right in a court of law, the question of invention, of novelty, of originality, is always open to examination. Our copyright system has no such provision for previous examination by a proper tribunal as to the originality of the book, map, or other matter offered for copyright. A deposit of two copies of the article or work with the Librarian of Congress, with the name of the author and its title page, is all that is necessary to secure a copyright. It is, therefore, much more important that when the supposed author sues for a violation of his copyright, the existence of those facts of originality, of intellectual production, of thought, and conception on the part of the author should be proved, than in the case of a patent right.

In the case before us we think this has been done.

The third finding of facts says, in regard to the photograph in question, that it is a "useful, new, harmonious, characteristic, and graceful picture, and that plaintiff made the same ... entirely from his own original mental conception, to which he gave visible

form by posing the said Oscar Wilde in front of the camera, selecting and arranging the costume, draperies, and other various accessories in said photograph, arranging the subject so as to present graceful outlines, arranging and disposing the light and shade, suggesting and evoking the desired expression, and from such disposition, arrangement, or representation, made entirely by plaintiff, he produced the picture in suit.”

These findings, we think, show this photograph to be an original work of art, the product of plaintiff's intellectual invention, of which plaintiff is the author, and of a class of inventions for which the Constitution intended that Congress should secure to him the exclusive right to use, publish and sell, as it has done by section 4952 of the Revised Statutes.

The question here presented is one of first impression under our Constitution, but an instructive case of the same class is that of *Nottage v. Jackson*, 11 Q.B.D. 627, decided in that court on appeal, August, 1883.

The first section of the act of 25 and 26 Victoria, chap. 68, authorizes the author of a photograph, upon making registry of it under the copyright act of 1882, to have a monopoly of its reproduction and multiplication during the life of the author.

The plaintiffs in that case described themselves as the authors of the photograph which was pirated, in the registration of it. It appeared that they had arranged with the captain of the Australian cricketers to take a photograph of the whole team in a group; and they sent one of the artists in their employ from London to some country town to do it.

The question in the case was whether the plaintiffs, who owned the establishment in London, where the photographs were made from the negative and were sold, and who had the negative taken by one of their men, were the authors, or the man who, for their benefit, took the negative. It was held that the latter was the author, and the action failed, because plaintiffs had described themselves as authors.

Brett, M.R., said in regard to who was the author: “The nearest I can come to, is that it is the person who effectively is as near as he can be, the cause of the picture which is produced, that is, the person who has superintended the arrangement, who has actually formed the picture by putting the persons in position, and arranging the place where the people are to be — the man who is the effective cause of that.”

Lord Justice Cotton said: “In my opinion, ‘author’ involves originating, making, producing, as the inventive or master mind, the thing which is to be protected, whether it be a drawing, or a painting, or a photograph;” and Lord Justice Bowen says that photography is to be treated for the purposes of the act as an art, and the author is the man who really represents, creates, or gives effect to the idea, fancy, or imagination.

The appeal of plaintiffs from the original judgment against them was accordingly dismissed.

These views of the nature of authorship and of originality, intellectual creation, and right to protection confirm what we have already said.

The judgment of the Circuit Court is accordingly affirmed.

Bleistein v. Donaldson Lithographing Co.

188 U.S. 239 (1903)

MR. JUSTICE HOLMES delivered the opinion of the court: This case comes here from the United States Circuit Court of Appeals for the Sixth Circuit by writ of error. Act of March 3, 1891, c. 517, § 6, 26 Stat. 828. It is an action brought by the plaintiffs in error to recover the penalties prescribed for infringements of copyrights. Rev. Stat. §§ 4952, 4956, 4965, amended by act of March 3, 1891, c. 565, 26 Stat. 1109, and act of March 2, 1895, c. 194, 28 Stat. 965. The alleged infringements consisted in the copying in reduced form of three chromolithographs prepared by employes of the plaintiffs for advertisements of a circus owned by one Wallace. Each of the three contained a portrait of Wallace in the corner and lettering bearing some slight relation to the scheme of decoration, indicating the subject of the design and the fact that the reality was to be seen at the circus. One of the designs was of an ordinary ballet, one of a number of men and women, described as the Stirk family, performing on bicycles, and one of groups of men and women whitened to represent statues. The Circuit Court directed a verdict for the defendant on the ground that the chromolithographs were not within the protection of the copyright law, and this ruling was sustained by the Circuit Court of Appeals. *Courier Lithographing Co. v. Donaldson Lithographing Co.*, 104 Fed. Rep. 993.

We shall do no more than mention the suggestion that painting and engraving unless for a mechanical end are not among the useful arts, the progress of which Congress is empowered by the Constitution to promote. The Constitution does not limit the useful to that which satisfies immediate bodily needs. *Burrow-Giles Lithographic Co. v. Sarony*, [111 U.S. 53](#). It is obvious also that the plaintiffs' case is not affected by the fact, if it be one, that the pictures represent actual group visible things. They seem from the testimony to have been composed from hints or description, not from sight of a performance. But even if they had been drawn from the life, that fact would not deprive them of protection. The opposite proposition would mean that a portrait by Velasquez or Whistler was common property because others might try their hand on the same face. Others are free to copy the original. They are not free to copy the copy. *Blunt v. Patten*, 2 Paine, 397, 400. See *Kelly v. Morris*, L.R. 1 Eq. 697; *Morris v. Wright*, L.R. 5 Ch. 279. The copy is the personal reaction of an individual upon nature. Personality always contains something unique. It expresses its singularity even in handwriting, and a very modest grade of art has in it something irreducible, which is one man's alone. That something he may copyright unless there is a restriction in the words of the act.

If there is a restriction it is not to be found in the limited pretensions of these particular works. The least pretentious picture has more originality in it than directories and the like, which may be copyrighted. Drone, Copyright, 153. See *Henderson v. Tomkins*, 60 Fed. Rep. 758, 765. The amount of training required for humbler efforts than those before us is well indicated by Ruskin. "If any young person, after being taught what is, in polite circles, called 'drawing,' will try to copy the commonest piece of real work — suppose a lithograph on the title page of a new opera air, or a woodcut in the cheapest illustrated newspaper of the day — they will find themselves entirely beaten." Elements

of Drawing, 1st ed. 3. There is no reason to doubt that these prints in their ensemble and in all their details, in their design and particular combinations of figures, lines and colors, are the original work of the plaintiffs' designer. ***

We assume that the construction of Rev. Stat. § 4952, allowing a copyright to the "author, inventor, designer, or proprietor . . . of any engraving, cut, print . . . [or] chromo" is affected by the act of 1874, c. 301, § 3, 18 Stat. 78, 79. That section provides that "in the construction of this act the words 'engraving,' 'cut' and 'print' shall be applied only to pictorial illustrations or works connected with the fine arts." We see no reason for taking the words "connected with the fine arts" as qualifying anything except the word "works," but it would not change our decision if we should assume further that they also qualified "pictorial illustrations," as the defendant contends.

These chromolithographs are "pictorial illustrations." The word "illustrations" does not mean that they must illustrate the text of a book, and that the etchings of Rembrandt or Steinla's engraving of the Madonna di San Sisto could not be protected today if any man were able to produce them. Again, the act however construed, does not mean that ordinary posters are not good enough to be considered within its scope. The antithesis to "illustrations or works connected with the fine arts" is not works of title merit or of humble degree, or illustrations addressed to the less educated classes; it is "prints or labels designed to be used for any other articles of manufacture." Certainly works are not the less connected with the fine arts because their pictorial quality attracts the crowd and therefore gives them a real use — if use means to increase trade and to help to make money. A picture is none the less a picture and none the less a subject of copyright that it is used for an advertisement. And if pictures may be used to advertise soap, or the theatre, or monthly magazines, as they are, they may be used to advertise a circus. Of course, the ballet is as legitimate a subject for illustration as any other. A rule cannot be laid down that would excommunicate the paintings of Degas.

Finally, the special adaptation of these pictures to the advertisement of the Wallace shows does not prevent a copyright. That may be a circumstance for the jury to consider in determining the extent of Mr. Wallace's rights, but it is not a bar. Moreover, on the evidence, such prints are used by less pretentious exhibitions when those for whom they were prepared have given them up.

It would be a dangerous undertaking for persons trained only to the law to constitute themselves final judges of the worth of pictorial illustrations, outside of the narrowest and most obvious limits. At the one extreme some works of genius would be sure to miss appreciation. Their very novelty would make them repulsive until the public had learned the new language in which their author spoke. It may be more than doubted, for instance, whether the etchings of Goya or the paintings of Manet would have been sure of protection when seen for the first time. At the other end, copyright would be denied to pictures which appealed to a public less educated than the judge. Yet if they command the interest of any public, they have a commercial value. It would be bold to say that they have not an aesthetic and educational value, and the taste of any public is not to be treated with contempt. It is an ultimate fact for the moment, whatever may be our hopes for a change. That these pictures had their worth and their success is

sufficiently shown by the desire to reproduce them without regard to the plaintiffs' rights. See *Henderson v. Tomkins*, 60 Fed. Rep. 758, 765. We are of opinion that there was evidence that the plaintiffs have rights entitled to the protection of the law.

The judgment of the Circuit Court of Appeals is reversed; the judgment of the Circuit Court is also reversed and the cause remanded to that court with directions to set aside the verdict and grant a new trial.

MR. JUSTICE HARLAN, with whom concurred MR. JUSTICE MCKENNA, dissenting: Judges Lurton, Day and Severens, of the Circuit Court of Appeals, concurred in affirming the judgment of the District Court. Their views were thus expressed in an opinion delivered by Judge Lurton: "What we hold is this: That if a chromo, lithograph, or other print, engraving, or picture has no other use than that of a mere advertisement, and no value aside from this function, it would not be promotive of the useful arts, within the meaning of the constitutional provision, to protect the 'author' in the exclusive use thereof, and the copyright statute should not be construed as including such a publication, if any other construction is admissible. If a mere label simply designating or describing an article to which it is attached, and which has no value separated from the article, does not come within the constitutional clause upon the subject of copyright, it must follow that a pictorial illustration designed and useful only as an advertisement, and having no intrinsic value other than its function as an advertisement, must be equally without the obvious meaning of the Constitution. It must have some connection with the fine arts to give it intrinsic value, and that it shall have is the meaning which we attach to the act of June 18, 1874, amending the provisions of the copyright law. We are unable to discover anything useful or meritorious in the design copyrighted by the plaintiffs in error other than as an advertisement of acts to be done or exhibited to the public in Wallace's show. No evidence, aside from the deductions which are to be drawn from the prints themselves, was offered to show that these designs had any original artistic qualities. The jury could not reasonably have found merit or value aside from the purely business object of advertising a show, and the instruction to find for the defendant was not error. Many other points have been urged as justifying the result reached in the court below. We find it unnecessary to express any opinion upon them, in view of the conclusion already announced. The judgment must be affirmed." *Courier Lithographing Co. v. Donaldson Lithographing Co.*, 104 Fed. Rep. 993, 996.

I entirely concur in these views, and therefore dissent from the opinion and judgment of this court. The clause of the Constitution giving Congress power to promote the progress of science and useful arts, by securing for limited terms to authors and inventors the exclusive right to their respective works and discoveries, does not, as I think, embrace a mere advertisement of a circus.

MR. JUSTICE MCKENNA authorizes me to say that he also dissents.

White-Smith Music Pub. Co. v. Apollo Co.

209 U.S. 1 (1908)

MR. JUSTICE DAY delivered the opinion of the court: *** The actions were brought to restrain infringement of the copyrights of two certain musical compositions, published in the form of sheet music, entitled respectively, "Little Cotton Dolly" and "Kentucky Babe." The appellee, defendant below, is engaged in the sale of piano players and player pianos known as the "Apollo," and of perforated rolls of music used in connection therewith. The appellant, as assignee of Adam Geibel, the composer, alleged compliance with the copyright act, and that a copyright was duly obtained by it on or about March 17, 1897. The answer was general in its nature, and upon the testimony adduced a decree was rendered, as stated, in favor of the Apollo Company, defendant below, appellee here.

The action was brought under the provisions of the copyright act, § 4952, giving to the author, inventor, designer, or proprietor of any book, map, chart, dramatic or musical composition the sole liberty of printing, reprinting, publishing, completing, copying, executing, finishing and vending the same. *** The appellee is the manufacturer of certain musical instruments adapted to be used with perforated rolls. The testimony discloses that certain of these rolls, used in connection with such instruments, and being connected with the mechanism to which they apply, reproduce in sound the melody recorded in the two pieces of music copyrighted by the appellant.

The manufacture of such instruments and the use of such musical rolls has developed rapidly in recent years in this country and abroad. The record discloses that in the year 1902 from seventy to seventy-five thousand of such instruments were in use in the United States and that from one million to one million and a half of such perforated musical rolls, to be more fully described hereafter, were made in this country in that year.

It is evident that the question involved in the use of such rolls is one of very considerable importance, involving large property interests and closely touching the rights of composers and music publishers. The case was argued with force and ability, orally and upon elaborate briefs.

Without entering into a detailed discussion of the mechanical construction of such instruments and rolls, it is enough to say that they are what has become familiar to the public in the form of mechanical attachments to pianos, such as the pianola, and the musical rolls consist of perforated sheets, which are passed over ducts connected with the operating parts of the mechanism in such manner that the same are kept sealed until, by means of perforations in the rolls, air pressure is admitted to the ducts which operate the pneumatic devices to sound the notes. This is done with the aid of an operator, upon whose skill and experience the success of the rendition largely depends. As the roll is drawn over the tracker board the notes are sounded as the perforations admit the atmospheric pressure, the perforations having been so arranged that the effect is to produce the melody or tune for which the roll has been cut.

Speaking in a general way, it may be said that these rolls are made in three ways. First. With the score or staff notation before him the arranger, with the aid of a rule or guide

and a graduated schedule, marks the position and size of the perforations on a sheet of paper to correspond to the order of notes in the composition. The marked sheet is then passed into the hands of an operator who cuts the apertures, by hand, in the paper. This perforated sheet is inspected and corrected, and when corrected is called "the original." This original is used as a stencil and by passing ink rollers over it a pattern is prepared. The stenciled perforations are then cut, producing the master or templet. The master is placed in the perforating machine and reproductions thereof obtained, which are the perforated rolls in question. Expression marks are separately copied on the perforated music sheets by means of rubber stamps. Second. A perforated music roll made by another manufacturer may be used from which to make a new record. Third. By playing upon a piano to which is attached an automatic recording device producing a perforated matrix from which a perforated music roll may be produced.

It is evident, therefore, that persons skilled in the art can take such pieces of sheet music in staff notation, and, by means of the proper instruments, make drawings indicating the perforations, which are afterwards outlined and cut upon the rolls in such wise as to reproduce, with the aid of the other mechanism, the music which is recorded in the copyrighted sheets.

The learned counsel for the parties to this action advance opposing theories as to the nature and extent of the copyright given by statutory laws enacted by Congress for the protection of copyright, and a determination of which is the true one will go far to decide the rights of the parties in this case. On behalf of the appellant it is insisted that it is the intention of the copyright act to protect the intellectual conception which has resulted in the compilation of notes which, when properly played, produce the melody which is the real invention of the composer. It is insisted that this is the thing which Congress intended to protect, and that the protection covers all means of expression of the order of notes which produce the air or melody which the composer has invented.

Music, it is argued, is intended for the ear as writing is for the eye, and that it is the intention of the copyright act to prevent the multiplication of every means of reproducing the music of the composer to the ear.

On the other hand, it is contended that while it is true that copyright statutes are intended to reward mental creations or conceptions, that the extent of this protection is a matter of statutory law, and that it has been extended only to the tangible results of mental conception, and that only the tangible thing is dealt with by the law, and its multiplication or reproduction is all that is protected by the statute.

Before considering the construction of the statute as an independent question the appellee invokes the doctrine of *stare decisis* in its favor and it is its contention that in all the cases in which this question has been up for judicial consideration it has been held that such mechanical producers of musical tones as are involved in this case have not been considered to be within the protection of the copyright act; and that, if within the power of Congress to extend protection to such subjects, the uniform holdings have been that it is not intended to include them in the statutory protection given. While it may be that the decisions have not been of that binding character that would enable

the appellee to claim the protection of the doctrine of *stare decisis* to the extent of precluding further consideration of the question, it must be admitted that the decisions so far as brought to our attention in the full discussion had at the bar and upon the briefs have been uniformly to the effect that these perforated rolls operated in connection with mechanical devices for the production of music are not within the copyright act. It was so held in *Kennedy v. McTammany*, 33 Fed. 584. The decision was written by Judge Colt in the first circuit; the case was subsequently brought to this court, where it was dismissed for failure to print the record. In that case the learned judge said:

“I cannot convince myself that these perforated strips of paper are copies of sheet music within the meaning of the copyright law. They are not made to be addressed to the eye as sheet music, but they form part of a machine. They are not designed to be used for such purposes as sheet music, nor do they in any sense occupy the same field as sheet music. They are a mechanical invention made for the sole purpose of performing tunes mechanically upon a musical instrument.”

Again the matter was given careful consideration in the court of appeals of the District of Columbia in an opinion by Justice Shepard (*Stern v. Rosey*, 17 App. D.C. 562), in which that learned justice, speaking for the court, said:

“We cannot regard the reproduction, through the agency of a phonograph, of the sounds of musical instruments playing the music composed and published by the appellants, as the copy or publication of the same within the meaning of the act. The ordinary signification of the words ‘copying,’ ‘publishing,’ etc., cannot be stretched to include it.

“It is not pretended that the marks upon the wax cylinders can be made out by the eye or that they can be utilized in any other way than as parts of the mechanism of the phonograph.

“Conveying no meaning, then, to the eye of even an expert musician, and wholly incapable of use save in and as a part of a machine specially adapted to make them give up the records which they contain, these prepared wax cylinders can neither substitute the copyrighted sheets of music nor serve any purpose which is within their scope. In these respects there would seem to be no substantial difference between them and the metal cylinder of the old and familiar music box, and this, though in use at and before the passage of the copyright act, has never been regarded as infringing upon the copyrights of authors and publishers.”

*** Since these cases were decided Congress has repeatedly had occasion to amend the copyright law. The English cases, the decision of the District of Columbia court of appeals, and Judge Colt’s decision must have been well known to the members of Congress; and although the manufacture of mechanical musical instruments had not grown to the proportions which they have since attained, they were well known, and the omission of Congress to specifically legislate concerning them might well be taken to be an acquiescence in the judicial construction given to the copyright laws.

*** In the last analysis this case turns upon the construction of a statute, for it is perfectly well settled that the protection given to copyrights in this country is wholly statutory. *Wheaton v. Peters*, [8 Pet. 591](#).

Musical compositions have been the subject of copyright protection since the statute of February 3, 1831 (4 Stat. at L. 436, chap. 16), and laws have been passed including them since that time. When we turn to the consideration of the act it seems evident that Congress has dealt with the tangible thing, a copy of which is required to be filed with the Librarian of Congress, and wherever the words are used (copy or copies) they seem to refer to the term in its ordinary sense of indicating reproduction or duplication of the original. Section 4956 (U.S. Comp. Stat. 1901, p. 3407) provides that two copies of a book, map, chart, or musical composition, etc., shall be delivered at the office of the Librarian of Congress. Notice of copyright must be inserted in the several copies of every edition published, if a book, or, if a musical composition, etc., upon some visible portion thereof. Section 4962, copyright act ([18 Stat. at L. 78, chap. 301] U.S. Comp. Stat. 1901, p. 3411). Section 4965 (U.S. Comp. Stat. 1901, p. 3414) provides in part that the infringer “shall forfeit . . . every sheet thereof, and . . . one dollar for every sheet of the same found in his possession,” etc., evidently referring to musical compositions in sheets. Throughout the act it is apparent that Congress has dealt with the concrete, and not with an abstract, right of property in ideas or mental conceptions.

We cannot perceive that the amendment of § 4966 by the act of January 6, 1897 ([29 Stat. at L. 481, chap. 4] U.S. Comp. Stat. 1901, p. 3415), providing a penalty for any person publicly performing or representing any dramatic or musical composition for which a copyright has been obtained, can have the effect of enlarging the meaning of the previous sections of the act which were not changed by the amendment. The purpose of the amendment evidently was to put musical compositions on the footing of dramatic compositions, so as to prohibit their public performance. There is no complaint in this case of the public performance of copyrighted music; not is the question involved whether the manufacturers of such perforated music rolls when sold for use in public performance might be held as contributing infringers. This amendment was evidently passed for the specific purpose referred to, and is entitled to little consideration in construing the meaning of the terms of the act theretofore in force.

What is meant by a copy? We have already referred to the common understanding of it as a reproduction or duplication of a thing. A definition was given by Bailey, J., in *West v. Francis*, 5 Barn. & Ald. 743. He said: “A copy is that which comes so near to the original as to give to every person seeing it the idea created by the original.”

Various definitions have been given by the experts called in the case. The one which most commends itself to our judgment is perhaps as clear as can be made, and defines a copy of a musical composition to be “a written or printed record of it in intelligible notation.” It may be true that in a broad sense a mechanical instrument which reproduces a tune copies it; but this is a strained and artificial meaning. When the combination of musical sounds is reproduced to the ear it is the original tune as conceived by the author which is heard. These musical tones are not a copy which appeals to the eye. In no sense can musical sounds which reach us through the sense of hearing be said to

be copies, as that term is generally understood, and as we believe it was intended to be understood in the statutes under consideration. A musical composition is an intellectual creation which first exists in the mind of the composer; he may play it for the first time upon an instrument. It is not susceptible of being copied until it has been put in a form which others can see and read. The statute has not provided for the protection of the intellectual conception apart from the thing produced, however meritorious such conception may be, but has provided for the making and filing of a tangible thing, against the publication and duplication of which it is the purpose of the statute to protect the composer.

Also it may be noted in this connection that if the broad construction of publishing and copying contended for by the appellants is to be given to this statute it would seem equally applicable to the cylinder of a music box, with its mechanical arrangement for the reproduction of melodious sounds, or the record of the graphophone, or to the pipe organ operated by devices similar to those in use in the pianola. All these instruments were well known when these various copyright acts were passed. Can it be that it was the intention of Congress to permit them to be held as infringements and suppressed by injunctions?

After all, what is the perforated roll? The fact is clearly established in the testimony in this case that even those skilled in the making of these rolls are unable to read them as musical compositions, as those in staff notations are read by the performer. It is true that there is some testimony to the effect that great skill and patience might enable the operator to read this record as he could a piece of music written in staff notation. But the weight of the testimony is emphatically the other way, and they are not intended to be read as an ordinary piece of sheet music, which, to those skilled in the art, conveys, by reading, in playing or singing, definite impressions of the melody.

These perforated rolls are parts of a machine which, when duly applied and properly operated in connection with the mechanism to which they are adapted, produce musical tones in harmonious combination. But we cannot think that they are copies within the meaning of the copyright act.

It may be true that the use of these perforated rolls, in the absence of statutory protection, enables the manufacturers thereof to enjoy the use of musical compositions for which they pay no value. But such considerations properly address themselves to the legislative, and not to the judicial, branch of the government. As the act of Congress now stands we believe it does not include these records as copies or publications of the copyrighted music involved in these cases.

The decrees of the Circuit Court of Appeals are affirmed.

Mr. Justice Holmes, concurring specially: In view of the facts and opinions in this country and abroad to which my brother Day has called attention, I do not feel justified in dissenting from the judgment of the court, but the result is to give to copyright less scope than its rational significance and the ground on which it is granted seem to me to demand. Therefore I desire to add a few words to what he has said.

The notion of property starts, I suppose, from confirmed possession of a tangible object, and consists in the right to exclude others from interference with the more or

less free doing with it as one wills. But in copyright property has reached a more abstract expression. The right to exclude is not directed to an object in possession or owned, but is *in vacuo*, so to speak. It restrains the spontaneity of men where, but for it, there would be nothing of any kind to hinder their doing as they saw fit. It is a prohibition of conduct remote from the persons or tangibles of the party having the right. It may be infringed a thousand miles from the owner and without his ever becoming aware of the wrong. It is a right which could not be recognized or endured for more than a limited time and therefore, I may remark, in passing, it is one which hardly can be conceived except as a product of statute, as the authorities now agree.

The ground of this extraordinary right is that the person to whom it is given has invented some new collocation of visible or audible points of lines, colors, sounds, or words. The restraint is directed against reproducing this collocation, although, but for the invention and the statute, anyone would be free to combine the contents of the dictionary, the elements of the spectrum, or the notes of the gamut in any way that he had the wit to devise. The restriction is confined to the specific form, to the collocation devised, of course, but one would expect that, if it was to be protected at all, that collocation would be protected according to what was its essence. One would expect the protection to be coextensive not only with the invention, which, though free to all, only one had the ability to achieve, but with the possibility of reproducing the result which gives to the invention its meaning and worth. A musical composition is a rational collocation of sounds apart from concepts, reduced to a tangible expression from which the collocation can be reproduced either with or without continuous human intervention. On principle anything that mechanically reproduces that collocation of sounds ought to be held a copy, or, if the statute is too narrow, ought to be made so by a further act, except so far as some extraneous consideration of policy may oppose. What license may be implied from a sale of the copyrighted article is a different and harder question, but I leave it untouched, as license is not relied upon as a ground for the judgment of the court.

Bright Tunes Music Corp. v. Harrisongs Music, Ltc.

420 F.Supp. 177 (S.D.N.Y. 1976)

OWEN, District Judge: This is an action in which it is claimed that a successful song, My Sweet Lord, listing George Harrison as the composer, is plagiarized from an earlier successful song, He's So Fine, composed by Ronald Mack, recorded by a singing group called the "Chiffons," the copyright of which is owned by plaintiff, Bright Tunes Music Corp.

He's So Fine, recorded in 1962, is a catchy tune consisting essentially of four repetitions of a very short basic musical phrase, "sol-mi-re," (hereinafter motif A),¹ altered



as necessary to fit the words, followed by four repetitions of another short basic musical phrase, “sol-la-do-la-do,” (hereinafter motif B).² While neither motif is novel, the four repetitions of A, followed by four repetitions of B, is a highly unique pattern.³ In addition, in the second use of the motif B series, there is a grace note inserted making the phrase go “sol-la-do-la-re-do.”⁴

My Sweet Lord, recorded first in 1970, also uses the same motif A (modified to suit the words) four times, followed by motif B, repeated three times, not four. In place of He’s So Fine’s fourth repetition of motif B, My Sweet Lord has a transitional passage of musical attractiveness of the same approximate length, with the identical grace note in the identical second repetition.⁵ The harmonies of both songs are identical.⁶

George Harrison, a former member of The Beatles, was aware of He’s So Fine. In the United States, it was No. 1 on the billboard charts for five weeks; in England, Harrison’s home country, it was No. 12 on the charts on June 1, 1963, a date upon which one of the Beatle songs was, in fact, in first position. For seven weeks in 1963, He’s So Fine was one of the top hits in England.

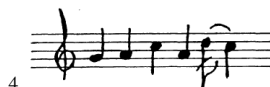
According to Harrison, the circumstances of the composition of My Sweet Lord were as follows. Harrison and his group, which include an American black gospel singer named Billy Preston, were in Copenhagen, Denmark, on a singing engagement. There was a press conference involving the group going on backstage. Harrison slipped away from the press conference and went to a room upstairs and began “vamping” some guitar chords, fitting on to the chords he was playing the words, “Hallelujah” and “Hare Krishna” in various ways. During the course of this vamping, he was alternating between what musicians call a Minor II chord and a Major V chord.

At some point, germinating started and he went down to meet with others of the group, asking them to listen, which they did, and everyone began to join in, taking first “Hallelujah” and then “Hare Krishna” and putting them into four part harmony. Harrison obviously started using the “Hallelujah,” etc., as repeated sounds, and from there developed the lyrics, to wit, “My Sweet Lord,” “Dear, Dear Lord,” etc. In any event, from this very free-flowing exchange of ideas, with Harrison playing his two chords and everybody singing “Hallelujah” and “Hare Krishna,” there began to emerge the My Sweet Lord text idea, which Harrison sought to develop a little bit further during



2

³ All the experts agreed on this.



4

⁵ This grace note, as will be seen infra, has a substantial significance in assessing the claims of the parties hereto.

⁶ Expert witnesses for the defendants asserted crucial differences in the two songs. These claimed differences essentially stem, however, from the fact that different words and number of syllables were involved. This necessitated modest alterations in the repetitions or the places of beginning of a phrase, which, however, has nothing to do whatsoever with the essential musical kernel that is involved.

the following week as he was playing it on his guitar. Thus developed motif A and its words interspersed with “Hallelujah” and “Hare Krishna.”

Approximately one week after the idea first began to germinate, the entire group flew back to London because they had earlier booked time to go to a recording studio with Billy Preston to make an album. In the studio, Preston was the principal musician. Harrison did not play in the session. He had given Preston his basic motif A with the idea that it be turned into a song, and was back and forth from the studio to the engineer’s recording booth, supervising the recording “takes.” Under circumstances that Harrison was utterly unable to recall, while everybody was working toward a finished song, in the recording studio, somehow or other the essential three notes of motif A reached polished form.

“Q. [By the Court]: . . . you feel that those three notes . . . the motif A in the record, those three notes developed somewhere in that recording session?

“Mr. Harrison: I’d say those three there were finalized as beginning there.”

* * * * *

“Q. [By the Court]: Is it possible that Billy Preston hit on those [notes comprising motif A]?”

“Mr. Harrison: Yes, but it’s possible also that I hit on that, too, as far back as the dressing room, just scat singing.”

Similarly, it appears that motif B emerged in some fashion at the recording session as did motif A. This is also true of the unique grace note in the second repetition of motif B.

“Q. [By the Court]: All I am trying to get at, Mr. Harrison, is if you have a recollection when that [grace] note popped into existence as it ends up in the Billy Preston recording.

* * * * *

“Mr. Harrison: . . . [Billy Preston] might have put that there on every take, but it just might have been on one take, or he might have varied it on different takes at different places.”

The Billy Preston recording, listing George Harrison as the composer, was thereafter issued by Apple Records. The music was then reduced to paper by someone who prepared a “lead sheet” containing the melody, the words and the harmony for the United States copyright application.⁹

Seeking the wellsprings of musical composition—why a composer chooses the succession of notes and the harmonies he does—whether it be George Harrison or Richard Wagner—is a fascinating inquiry. It is apparent from the extensive colloquy be-

⁹ It is of interest, but not of legal significance, in my opinion, that when Harrison later recorded the song himself, he chose to omit the little grace note, not only in his musical recording but in the printed sheet music that was issued following that particular recording. The genesis of the song remains the same, however modestly Harrison may have later altered it. Harrison, it should be noted, regards his song as that which he sings at the particular moment he is singing it and not something that is written on a piece of paper.

tween the Court and Harrison covering forty pages in the transcript that neither Harrison nor Preston were conscious of the fact that they were utilizing the He's So Fine theme.¹⁰ However, they in fact were, for it is perfectly obvious to the listener that in musical terms, the two songs are virtually identical except for one phrase. There is motif A used four times, followed by motif B, four times in one case, and three times in the other, with the same grace note in the second repetition of motif B.¹¹

What happened? I conclude that the composer,¹² in seeking musical materials to clothe his thoughts, was working with various possibilities. As he tried this possibility and that, there came to the surface of his mind a particular combination that pleased him as being one he felt would be appealing to a prospective listener; in other words, that this combination of sounds would work. Why? Because his subconscious knew it already had worked in a song his conscious mind did not remember. Having arrived at this pleasing combination of sounds, the recording was made, the lead sheet prepared for copyright and the song became an enormous success. Did Harrison deliberately use the music of He's So Fine? I do not believe he did so deliberately. Nevertheless, it is clear that My Sweet Lord is the very same song as He's So Fine with different words,¹³ and Harrison had access to He's So Fine. This is, under the law, infringement of copyright, and is no less so even though subconsciously accomplished. *Sheldon v. Metro-Goldwyn Pictures Corp.*, [81 F.2d 49, 54](#) (2nd Cir. 1936); *Northern Music Corp. v. Pacemaker Music Co., Inc.*, [147 U.S.P.Q. 358, 359](#) (S.D.N.Y. 1965).

Given the foregoing, I find for the plaintiff on the issue of plagiarism, and set the action down for trial on November 8, 1976 on the issue of damages and other relief as

¹⁰ Preston may well have been the "composer" of motif B and the telltale grace note appearing in the second use of the motif during the recording session, for Harrison testified:

"The Court: To be as careful as I can now in summing this up, you can't really say that you or Billy Preston or somebody else didn't somewhere along the line suggest these; all you know is that when Billy Preston sang them that way at the recording session, you felt they were a successful way to sing this, and you kept it?"

"The Witness: Yes, I mean at that time we chose what is a good performance."

"The Court: And you felt it was a worthy piece of music?"

"The Witness: Yes . . ."

¹¹ Even Harrison's own expert witness, Harold Barlow, long in the field, acknowledged that although the two motifs were in the public domain, their use here was so unusual that he, in all his experience, had never come across this unique sequential use of these materials. He testified:

"The Court: And I think you agree with me in this, that we are talking about a basic three-note structure that composers can vary in modest ways, but we are still talking about the same heart, the same essence?"

"The Witness: Yes."

"The Court: So you say that you have not seen anywhere four A's followed by three B's or four?"

"The Witness: Or four A's followed by four B's."

The uniqueness is even greater when one considers the identical grace note in the identical place in each song.

¹² I treat Harrison as the composer, although it appears that Billy Preston may have been the composer as to part. ***

¹³ Harrison himself acknowledged on the stand that the two songs were substantially similar. This same conclusion was obviously reached by a recording group called the "Belmonts" who recorded My Sweet Lord at a later time. With "tongue in cheek" they used the words from both He's So Fine and My Sweet Lord interchangeably at certain points.

to which the plaintiff may be entitled. The foregoing constitutes the Court's findings of fact and conclusions of law.

So Ordered.

Rogers v. Koons

960 F.2d 301 (2nd Cir. 1992)

CARDAMONE, Circuit Judge: The key to this copyright infringement suit, brought by a plaintiff photographer against a defendant sculptor and the gallery representing him, is defendants' borrowing of plaintiff's expression of a typical American scene--a smiling husband and wife holding a litter of charming puppies. The copying was so deliberate as to suggest that defendants resolved so long as they were significant players in the art business, and the copies they produced bettered the price of the copied work by a thousand to one, their piracy of a less well-known artist's work would escape being sullied by an accusation of plagiarism.

BACKGROUND FACTS

A. Rogers

We think it helpful to understanding this appeal to set forth the principals' professional backgrounds. Plaintiff, Art Rogers, a 43-year-old professional artist-photographer, has a studio and home at Point Reyes, California, where he makes his living by creating, exhibiting, publishing and otherwise making use of his rights in his photographic works. Exhibitions of his photographs have been held in California and as far away as Maine, Florida and New York. His work has been described in French ("Le Monde"), British ("The Photo") and numerous American publications, including the Journal of American Photography, Polaroid's Close-Up Magazine and the Popular Photography Annual. Rogers' photographs are part of the permanent collection of the San Francisco Museum of Modern Art, the Center for Creative Photography at the University of Arizona and Joseph E. Seagrams and Sons in New York City. He has taught photography at the San Francisco Museum of Modern Art.

B. Creating The Photograph "Puppies"

In 1980 an acquaintance, Jim Scanlon, commissioned Rogers to photograph his eight new German Shepherd puppies. When Rogers went to his home on September 21, 1980 he decided that taking a picture of the puppies alone would not work successfully, and chose instead to include Scanlon and his wife holding them. Substantial creative effort went into both the composition and production of "Puppies," a black and white photograph. At the photo session, and later in his lab, Rogers drew on his years of artistic development. He selected the light, the location, the bench on which the Scanlons are seated and the arrangement of the small dogs. He also made creative judgments concerning technical matters with his camera and the use of natural light. He

prepared a set of “contact sheets,” containing 50 different images, from which one was selected.

After the Scanlons purchased their prints for \$200, “Puppies” became part of Rogers’ catalogue of images available for further use, from which he, like many professional photographers, makes his living. “Puppies” has been used and exhibited a number of times. A signed print of it has been sold to a private collector, and in 1989 it was licensed for use in an anthology called “Dog Days.” Rogers also planned to use the picture in a series of hand-tinted prints of his works. In 1984 Rogers had licensed “Puppies”, along with other works, to Museum Graphics, a company that produces and sells notecards and postcards with high quality reproductions of photographs by well-respected American photographers including, for example, Ansel Adams. Museum Graphics has produced and distributed the “Puppies” notecard since 1984. The first printing was of 5,000 copies and there has been a second similar size printing.

C. Koons

Defendant Jeff Koons is a 37-year-old artist and sculptor residing in New York City. After receiving a Bachelor of Fine Arts degree from Maryland Institute College of Art in 1976, he worked at a number of jobs, principally membership development at the Museum of Modern Art in New York. While pursuing his career as an artist, he also worked until 1984 as a mutual funds salesman, a registered commodities salesman and broker, and a commodities futures broker. In the ten years from 1980 to 1990 Koons has exhibited his works in approximately 100 Group Exhibitions and in eleven one-man shows. His bibliography is extensive. Koons is represented by Sonnabend Gallery, New York, Donald Young Gallery, Chicago, and Galerie Max Hetzler, Cologne, Germany. His works sell at very substantial prices, over \$100,000. He is a controversial artist hailed by some as a “modern Michelangelo,” while others find his art “truly offensive.” A New York Times critic complained that “Koons is pushing the relationship between art and money so far that everyone involved comes out looking slightly absurd.”

D. Creating the Sculpture “String of Puppies”

After a successful Sonnabend show in 1986, Koons began creating a group of 20 sculptures for a 1988 exhibition at the same gallery that he called the “Banality Show.” He works in an art tradition dating back to the beginning of the twentieth century. This tradition defines its efforts as follows: when the artist finishes his work, the meaning of the original object has been extracted and an entirely new meaning set in its place. An example is Andy Warhol’s reproduction of multiple images of Campbell’s soup cans. Koons’ most famous work in this genre is a stainless steel casting of an inflatable rabbit holding a carrot. During 1986 and 1987 the sculptor traveled widely in Europe looking at materials and workshops where he might fabricate materials for the Banality Show. He decided to use porcelain, mirrors and wood as mediums. Certain European studios were chosen to execute his porcelain works, other studios chosen for the mirror pieces, and the small Demetz Studio, located in the northern hill country town of Ortessi, Italy, was selected to carve the wood sculptures.

Koons acknowledges that the source for “String of Puppies” was a Museum Graphics notecard of “Puppies” which he purchased in a “very commercial, tourist-like card shop” in 1987. After buying the card, he tore off that portion showing Rogers’ copyright of “Puppies.” Koons saw certain criteria in the notecard that he thought made it a workable source. He believed it to be typical, commonplace and familiar. The notecard was also similar to other images of people holding animals that Koons had collected. Thus, he viewed the picture as part of the mass culture “resting in the collective sub-consciousness of people regardless of whether the card had actually ever been seen by such people.”

Appellant gave his artisans one of Rogers’ notecards and told them to copy it. But in order to guide the creation of a three-dimensional sculptural piece from the two-dimensional photograph, Koons communicated extensively with the Demetz Studio. He visited it once a week during the period the piece was being carved by the workers and gave them written instructions. In his “production notes” Koons stressed that he wanted “Puppies” copied faithfully in the sculpture. For example, he told his artisans the “*work must be just like photo*—features of photo must be captured;” later, “*puppies need detail in fur. Details—Just Like Photo!*;” other notes instruct the artisans to “*keep man in angle of photo*—mild lean to side & mildly forward—same for woman,” to “keep woman’s big smile,” and to “keep [the sculpture] very, very realistic;” others state, “*Girl’s nose is too small. Please make larger as per photo,*” another reminds the artisans that “The puppies must have variation in fur *as per photo*—not just large area of paint—variation *as per photo.*” (Emphasis supplied).

To paint the polychromed wood “String of Puppies” sculptures, Koons provided a chart with an enlarged photocopy of “Puppies” in the center; painting directions were noted in the margin with arrows drawn to various areas of the photograph. The chart noted, “Puppies, painted in shades of blue. Variation of light-to-dark *as per photo*. Paint realistic *as per photo*, but in blues.” and “Man’s hair, white with shades of grey *as per black and white photo!*” (Emphasis supplied).

When it was finished, “String of Puppies” was displayed at the Sonnabend Gallery, which opened the Banality Show on November 19, 1988. Three of the four copies made were sold to collectors for a total of \$367,000; the fourth or artist’s copy was kept by Koons. Defendant Koons’ use of “Puppies” to create “String of Puppies” was not authorized by plaintiff. Rogers learned of Koons’ unauthorized use of his work through Jim Scanlon, the man who had commissioned Rogers to create “Puppies.” A friend of Scanlon’s, who was familiar with the photograph, called to tell him that what she took to be a “colorized” version of “Puppies” was on the front page of the calendar section of the May 7, 1989 Sunday *Los Angeles Times*. In fact, as she and Scanlon later learned, the newspaper actually depicted Koons’ “String of Puppies” in connection with an article about its exhibition at the Los Angeles Museum of Contemporary Art. ***

DISCUSSION

I Ownership of Copyright in an Original Work of Art

One of the powers given Congress under Art. I, § 8 of the United States Constitution is: “To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors, the exclusive Right to their respective Writings and Discoveries.” Madison noted that “[T]he utility of this power will scarcely be questioned.” The Federalist No. 43 (Madison) at 279. He further observed that copyright for authors was their right under common law. *Id.*; see 2 Blackstone, *Commentaries on the Laws of England* 407 (Univ. of Chicago ed. 1979). As a result, Congress enacted a copyright law, 17 U.S.C. § 101 *et seq.* (1976), under which the instant litigation was instituted.

To establish an infringement of a copyright, a plaintiff must show both ownership of a copyright and that defendant copied the protected material without authorization. The Copyright Act makes a certificate of registration from the U.S. Register of Copyrights *prima facie* evidence of the valid ownership of a copyright, *si* [17 U.S.C. § 410\(c\)](#), though that presumption of ownership may be rebutted. Protection under the copyright statute extends to pictorial works, [17 U.S.C. § 102\(a\)\(5\)](#). For more than a century photographs have been held to be copyrightable “writings” under Article I, § 8 of the Constitution. *Burrow-Giles Lithographic Co. v. Sarony*, [111 U.S. 53](#) (1884) (photograph of Oscar Wilde an original work of art).

Of the several issues before us, the first concerns the originality of “Puppies.” Defendants do not challenge plaintiff’s ownership of a valid copyright, but assert instead that the portion of Rogers’ work allegedly infringed was not an original work of authorship protected under the 1976 Copyright Act. Since the law protects authors’ exclusive rights to their works, the cornerstone of that law is that the work protected must be original. See *Feist Publications, Inc. v. Rural Telephone Service Co., Inc.*, [499 U.S. 340](#) (1991). Thus, that a whole work is copyrighted does not mean that every element of it is copyrighted; copyright protection extends only to those components of the work that are original to the creator. But the quantity of originality that need be shown is modest—only a dash of it will do.

Elements of originality in a photograph may include posing the subjects, lighting, angle, selection of film and camera, evoking the desired expression, and almost any other variant involved. See *Burrow Giles*, [111 U.S. at 60](#). To the extent that these factors are involved, “Puppies” is the product of plaintiff’s artistic creation. Rogers’ inventive efforts in posing the group for the photograph, taking the picture, and printing “Puppies” suffices to meet the original work of art criteria. Thus, in terms of his unique expression of the subject matter captured in the photograph, plaintiff has established valid ownership of a copyright in an original work of art.

II Unauthorized Copying by Defendant

Plaintiff next must demonstrate that defendant Koons copied his protected work without authorization. The district court granted summary judgment to Rogers on this issue, finding Koons’ sculpture “String of Puppies” an unauthorized copy of Rogers’

photograph. *** Here, the trial court found original elements of creative expression in the copyrighted work were copied and that the copying was so blatantly apparent as not to require a trial. We agree that no reasonable juror could find that copying did not occur in this case. First, this case presents the rare scenario where there is direct evidence of copying. Koons admittedly gave a copy of the photograph to the Italian artisans with the explicit instruction that the work be copied. Moreover, the importance of copying the very details of the photograph that embodied plaintiff's original contribution—the poses, the shading, the expressions—was stressed by Koons throughout the creation of the sculpture. His instructions invariably implored that the creation must be designed “as per photo.” This undisputed direct evidence of copying is sufficient to support the district court's granting of summary judgment.

Further, even were such direct evidence of copying unavailable, the district court's decision could be upheld in this case on the basis that defendant Koons' access to the copyrighted work is conceded, and the accused work is so substantially similar to the copyrighted work that reasonable jurors could not differ on this issue.

Substantial similarity does not require literally identical copying of every detail. Such similarity is determined by the ordinary observer test: the inquiry is “whether an average lay observer would recognize the alleged copy as having been appropriated from the copyrighted work.” *Ideal Toy Corp. v. Fab-Lu Ltd.*, [360 F.2d 1021, 1022](#) (2d Cir. 1966). Or, stated another way, whether “the ordinary observer, unless he set out to detect the disparities, would be disposed to overlook them, and regard their aesthetic appeal as the same.” *Peter Pan Fabrics, Inc. v. Martin Weiner Corp.*, [274 F.2d 487, 489](#) (2d Cir. 1960). Thus, Koons' allegation that a trial judge uneducated in art is not an appropriate decision-maker misses the mark; the decision-maker, whether it be a judge or a jury, need not have any special skills other than to be a reasonable and average lay person.

We recognize that ideas, concepts, and the like found in the common domain are the inheritance of everyone. What is protected is the original or unique way that an author expresses those ideas, concepts, principles or processes. Hence, in looking at these two works of art to determine whether they are substantially similar, focus must be on the similarity of the *expression* of an idea or fact, not on the similarity of the facts, ideas or concepts themselves. It is not therefore the idea of a couple with eight small puppies seated on a bench that is protected, but rather Roger's *expression* of this idea as caught in the placement, in the particular light, and in the expressions of the subjects that gives the photograph its charming and unique character, that is to say, makes it original and copyrightable.

Thus, had appellant simply used the *idea* presented by the photo, there would not have been infringing copying. But here Koons used the identical expression of the idea that Rogers created; the composition, the poses, and the expressions were all incorporated into the sculpture to the extent that, under the ordinary observer test, we conclude that no reasonable jury could have differed on the issue of substantial similarity. For this reason, the district court properly held that Koons “copied” the original.

Moreover, no copier may defend the act of plagiarism by pointing out how much of the copy he has not pirated. Thus, where substantial similarity is found, small changes

here and there made by the copier are unavailing. It is only where the points of dissimilarity exceed those that are similar and those similar are when compared to the original work of small import quantitatively or qualitatively that a finding of no infringement is appropriate. This is not the case here. Koons' additions, such as the flowers in the hair of the couple and the bulbous noses of the puppies, are insufficient to raise a genuine issue of material fact with regard to copying in light of the overwhelming similarity to the protected expression of the original work.

Because of Koons' extensive use of the same expression of the idea that Rogers' created, it was properly held that he "copied" the protected features of the original. No genuine issue of material fact exists with respect to this finding; "String of Puppies" was copied from the photograph "Puppies" based either on the direct evidence of copying or on proof of access and substantial similarity. In light of this summary judgment was properly granted on this issue. ***

III The Fair Use Doctrine

Defendant Koons further defends his use of Rogers' work "Puppies" to craft "String of Puppies" under a claim of a privilege of "fair use." This equitable doctrine permits other people to use copyrighted material without the owner's consent in a reasonable manner for certain purposes. Codified in § 107 of the 1976 Copyright Act, it is of ancient lineage. Section 107 states that an original work copied for purposes such as criticism or comment may not constitute infringement, but instead may be a fair use. The section provides an illustrative—but not exhaustive—list of factors for determining when a use is "fair." These factors include (1) the purpose and character of the use, (2) the nature of the copyrighted work, (3) the amount and substantiality of the work used, and (4) the effect of the use on the market value of the original. 17 U.S.C. § 107. *** Our examination of these factors leads us to conclude that the district court properly granted summary judgment in favor of plaintiff.

1. Purpose and Character of the Use

The first factor, purpose and character of the use, asks whether the original was copied in good faith to benefit the public or primarily for the commercial interests of the infringer. Knowing exploitation of a copyrighted work for personal gain militates against a finding of fair use. And—because it is an equitable doctrine—wrongful denial of exploitative conduct towards the work of another may bar an otherwise legitimate fair use claim. Relevant to this issue is Koons' conduct, especially his action in tearing the copyright mark off of a Rogers notecard prior to sending it to the Italian artisans. This action suggests bad faith in defendant's use of plaintiff's work, and militates against a finding of fair use.

The Supreme Court has held that copies made for commercial or profit-making purposes are presumptively unfair. See *Sony Corp. of America v. Universal City Studios, Inc.*, [464 U.S. 417, 449](#) (1984). The Court explained in a subsequent case that the "crux of the profit/nonprofit distinction is not whether the sole motive of the use is monetary gain but whether the user stands to profit from exploitation of the copyrighted material without paying the customary price." *Harper & Row, Publishers, Inc. v. Nation Enterprises*,

[471 U.S. 539, 562](#) (1985). We have stated that, though it is a significant factor, whether the profit element of the fair use calculus affects the ultimate determination of whether there is a fair use depends on the totality of the factors considered; it is not itself controlling. See *Maxtone-Graham v. Burtchaell*, [803 F.2d 1253, 1262](#) (2d Cir. 1986). Thus, while we note that Koons' substantial profit from his intentionally exploitive use of Rogers' work also militates against the finding of fair use, we turn next to consider his contention that the primary purpose of the use was for social comment.

Parody or Satire as Fair Use: The Act expressly provides that comment on or criticism of a copyrighted work may be a valid use under the fair use doctrine. We must analyze therefore whether "String of Puppies" is properly considered a comment on or criticism of the photograph "Puppies." Koons argues that his sculpture is a satire or parody of society at large. He insists that "String of Puppies" is a fair social criticism and asserts to support that proposition that he belongs to the school of American artists who believe the mass production of commodities and media images has caused a deterioration in the quality of society, and this artistic tradition of which he is a member proposes through incorporating these images into works of art to comment critically both on the incorporated object and the political and economic system that created it. These themes, Koons states, draw upon the artistic movements of Cubism and Dadaism, with particular influence attributed to Marcel Duchamp, who in 1913 became the first to incorporate manufactured objects (readymades) into a work of art, directly influencing Koons' work and the work of other contemporary American artists. We accept this definition of the objective of this group of American artists.

To analyze Koons' parody defense, we must first define it. Parody or satire, as we understand it, is when one artist, for comic effect or social commentary, closely imitates the style of another artist and in so doing creates a new art work that makes ridiculous the style and expression of the original. *** [P]arody and satire are valued forms of criticism, encouraged because this sort of criticism itself fosters the creativity protected by the copyright law. We have consistently held that a parody entitles its creator under the fair use doctrine to more extensive use of the copied work than is ordinarily allowed under the substantial similarity test.

Hence, it must first be determined whether "String of Puppies" is a parody of Rogers' work for purposes of the fair use doctrine. We agree with the district court that it is not. It is the rule in this Circuit that though the satire need not be only of the copied work and may, as appellants urge of "String of Puppies," also be a parody of modern society, the copied work must be, at least in part, an object of the parody, otherwise there would be no need to conjure up the original work.

We think this is a necessary rule, as were it otherwise there would be no real limitation on the copier's use of another's copyrighted work to make a statement on some aspect of society at large. If an infringement of copyrightable expression could be justified as fair use solely on the basis of the infringer's claim to a higher or different artistic use—without insuring public awareness of the original work—there would be no practicable boundary to the fair use defense. Koons' claim that his infringement of Rogers' work is fair use solely because he is acting within an artistic tradition of commenting upon

the commonplace thus cannot be accepted. The rule's function is to insure that credit is given where credit is due. By requiring that the copied work be an object of the parody, we merely insist that the audience be aware that underlying the parody there is an original and separate expression, attributable to a different artist. This awareness may come from the fact that the copied work is publicly known or because its existence is in some manner acknowledged by the parodist in connection with the parody. Of course, while our view of this matter does not necessarily prevent Koons' expression, although it may, it does recognize that any such exploitation must at least entail "paying the customary price." *Harper & Row Publishers, Inc.*, [471 U.S. at 562](#).

The problem in the instant case is that even given that "String of Puppies" is a satirical critique of our materialistic society, it is difficult to discern any parody of the photograph "Puppies" itself. We conclude therefore that this first factor of the fair use doctrine cuts against a finding of fair use. The circumstances of this case indicate that Koons' copying of the photograph "Puppies" was done in bad faith, primarily for profit-making motives, and did not constitute a parody of the original work.

2. Nature of the Copyrighted Work

The next fair use factor asks what is the nature of the work that has been copied. Where the original work is factual rather than fictional the scope of fair use is broader. Whether the original is creative, imaginative, or represents an investment of time in anticipation of a financial return also should be considered. Here "Puppies" was a published work of art. As an original expression it has more in common with fiction than with works based on facts, such as, for example, biographies or telephone directories. Since "Puppies" was creative and imaginative and Rogers, who makes his living as a photographer, hopes to gain a financial return for his efforts with this photograph, this factor militates against a finding of fair use.

3. Amount and Substantiality of Work Used

Where the amount of copying exceeds permissible levels, summary judgment has been upheld. To a large degree, this factor involves the same analysis as that used when determining if the copy is substantially similar to the original. Sometimes wholesale copying may be permitted, while in other cases taking even a small percentage of the original work has been held unfair use. "[W]hat is relevant is the amount and substantiality of the copyrighted *expression* that has been used, not the *factual content* of the material in the copyrighted works." *Salinger v. Random House, Inc.*, [811 F.2d 90, 97](#) (2d Cir. 1987) (emphasis in original). It is not fair use when more of the original is copied than necessary. Even more critical than the quantity is the qualitative degree of the copying: what degree of the essence of the original is copied in relation to its whole.

Appellants claim that under a parody defense their use of Rogers' work did not exceed the level permitted under the fair use doctrine. As discussed previously, this Circuit has traditionally afforded parodists significant leeway with respect to the extent and nature of their copying. Yet, even under such a defense there are limitations on what constitutes fair use. Here, the essence of Rogers' photograph was copied nearly in toto, much more than would have been necessary even if the sculpture had been a

parody of plaintiff's work. In short, it is not really the parody flag that appellants are sailing under, but rather the flag of piracy. Moreover, because we have already determined that "String of Puppies" is not a parody of Rogers' work, appellants cannot avail themselves of this heightened tolerance under a parody defense.

Nor does *Sony Corp. of America*, [464 U.S. at 449-50](#) bear the weight that appellants place on it for the proposition that even 100 percent copying does not preclude a fair use finding. Although correct as a general statement, it applied in *Sony* to a narrow set of circumstances. Sony's copying equipment (Betamax VCRs) was used by members of the public to record television programs—the copyright of which was owned by plaintiffs. The question was whether Sony's selling of the copying equipment violated plaintiffs' rights under the Copyright Act. The Supreme Court said "no" because "time-shifting" for those watching a television program enlarges the viewing audience, and does not impair plaintiffs' commercial right in the value of the copyright. Hence, no basis existed under the Act upon which plaintiffs could hold Sony liable for selling VCR's to the general public.

Those are not the facts found here. Instead, Koons' copying of Rogers' work was the essence of the photograph, and designedly done as the notes to the Italian artisans conclusively reveal. Koons went well beyond the factual subject matter of the photograph to incorporate the very expression of the work created by Rogers. We find that no reasonable jury could conclude that Koons did not exceed a permissible level of copying under the fair use doctrine.

4. Effect of the Use on the Market Value of the Original

The fourth factor looks at the effect of the use on the market value of the original. The Supreme Court in *Stewart*, [495 U.S. 207](#) stated that the fourth factor "is the `most important, and indeed, central fair use factor.'" *Id.* at 238. Under this factor a balance must be struck between the benefit gained by the copyright owner when the copying is found an unfair use and the benefit gained by the public when the use is held to be fair. The less adverse impact on the owner, the less public benefit need be shown to sustain non-commercial fair use. It is plain that where a use has no demonstrable impact on a copyright owners' potential market, the use need not be prohibited to protect the artist's incentive to pursue his inventive skills. Yet where the use is intended for commercial gain some meaningful likelihood of future harm is presumed. See *Sony Corp. of America*, [464 U.S. at 451](#).

A critical inquiry under this factor then is whether defendants Koons and Sonnabend planned to profit from their exploitation of "Puppies" without paying Rogers for their use of his photo—that is, whether Koons' work is primarily commercial in nature. We have already concluded that it is. In this case, of course, the copy was in a different medium than the original: one was a three-dimensional piece of sculpture, and the other a two-dimensional black and white photo. But the owner of a copyright with respect to this market-factor need only demonstrate that if the unauthorized use becomes "widespread" it would prejudice his potential market for his work. The reason for this rule relates to a central concern of copyright law that unfair copying undercuts demand

for the original work and, as an inevitable consequence, chills creation of such works. Hence the inquiry considers not only harm to the market for the original photograph, but also harm to the market for derivative works. It is obviously not implausible that another artist, who would be willing to purchase the rights from Rogers, would want to produce a sculpture like Rogers' photo and, with Koons' work extant, such market is reduced. Similarly, defendants could take and sell photos of "String of Puppies," which would prejudice Rogers' potential market for the sale of the "Puppies" notecards, in addition to any other derivative use he might plan.

Further, in discussing this fourth factor, the leading scholar in this area of the law uses an example that closely parallels the facts of the present case and demonstrates the irrelevance of copying in a different medium when analyzing this factor: a movie adaptation is made of a book. Even though the movie may boost book sales, it is an unfair use because of the effect on the potential sale of adaptation rights. 3 Nimmer, § 13.05[B]. The function of demand for each original work of art is a relevant facet in this factor's analysis; that is, fair use permits lyrics or music to be copied in a literary magazine, but where the same material is published in a song sheet magazine, purchased for playing and not simply for reading, it is an unfair use.

Here there is simply nothing in the record to support a view that Koons produced "String of Puppies" for anything other than sale as high-priced art. Hence, the likelihood of future harm to Rogers' photograph is presumed, and plaintiff's market for his work has been prejudiced.

IV Infringing Profits

The next issue concerns Rogers' claim for infringing profits in the amount of \$367,000. Under [17 U.S.C. § 504\(b\)](#) a copyright owner is entitled to recover actual damages suffered as a result of the infringement as well as apportioned profits. The section states: "In establishing the infringer's profits, the copyright owner is required to present proof only of the infringer's gross revenue, and the infringer is required to prove his or her deductible expenses and the elements of profit attributable to factors other than the copyrighted work." Alternatively, in place of actual damages and apportioned profits, a copyright owner may elect to recover an award of statutory damages. See [17 U.S.C. § 504\(c\)](#).

*** With respect to the calculation of actual damages, "the primary measure of recovery is the extent to which the market value of the copyrighted work at the time of the infringement has been injured or destroyed by the infringement." *Fitzgerald Pub. Co., Inc. v. Baylor Pub. Co., Inc.*, [807 F.2d 1110, 1118](#) (2d Cir. 1986). While we leave the ascertainment of damages to the district court, under the circumstances of this case, we think that a reasonable license fee for the use of "Puppies" best approximates the market injury sustained by Rogers as a result of Koons' misappropriation.

On the subject of apportioning profits, the copyright law requires that Koons have the opportunity to establish those "elements of profit attributable to factors other than the copyrighted work." [17 U.S.C. § 504\(b\)](#). These "elements" may include Koons' own notoriety and his related ability to command high prices for his work. To the extent

that Koons is able to prove that the profits at issue derive solely from his own position in the art world, he should be allowed to retain them.

Finally, we note that Rogers remains at liberty to elect statutory damages in lieu of an award of actual damages and apportioned profits. See [17 U.S.C. § 504\(c\)](#). In fact, given Koons' wilful and egregious behavior, we think Rogers may be a good candidate for enhanced statutory damages pursuant to [17 U.S.C. § 504\(c\)\(2\)](#). Of course, that determination remains for the district court to make in the first instance.

The case must be remanded therefore for the district court to determine the amount of the award, a matter which it had reserved to itself prior to the institution of this appeal.

V The Turn-Over Order

Finally, the turn-over order of the artist's copy is an equitable remedy issued under the broad powers vested in a trial judge under [17 U.S.C. § 503\(b\)](#) (court may order destruction or other reasonable disposition of infringing copies). In this case, after Judge Haight issued his turn-over order, Koons arranged to ship the fourth or artist's copy of "String of Puppies" from the United States to Germany. We see no abuse of the district court's discretion in directing turn-over and, under the circumstances, the contempt order for the direct violation of the turn-over order was entirely proper. ***

Baker v. Selden

101 U.S. 99 (1879)

MR. JUSTICE BRADLEY delivered the opinion of the Court: Charles Selden, the testator of the complainant in this case, in the year 1859 [wrote] a book entitled "Selden's Condensed Ledger, or Book-keeping Simplified," the object of which was to exhibit and explain a peculiar system of book-keeping. In 1860 and 1861, he took the copyright of several other books, containing additions to and improvements upon the said system. The bill of complaint was filed against the defendant, Baker, for an alleged infringement of these copyrights. The latter, in his answer, denied that Selden was the author or designer of the books, and denied the infringement charged, and contends on the argument that the matter alleged to be infringed is not a lawful subject of copyright.

The parties went into proofs, and the various books of the complainant, as well as those sold and used by the defendant, were exhibited before the examiner, and witnesses were examined on both sides. A decree was rendered for the complainant, and the defendant appealed.

The book or series of books of which the complainant claims the copyright consists of an introductory essay explaining the system of book-keeping referred to, to which are annexed certain forms or blanks, consisting of ruled lines and headings, illustrating the system and showing how it is to be used and carried out in practice. This system effects the same results as book-keeping by double entry; but, by a peculiar arrangement of columns and headings, presents the entire operation, of a day, a week, or a month, on a single page, or on two pages facing each other, in an account-book. The defendant uses a similar plan as far as results are concerned; but makes a different arrangement of the columns, and uses different headings. If the complainant's testator had the exclusive right to the use of the system explained in his book, it would be difficult to contend that the defendant does not infringe it, notwithstanding the difference in his form of arrangement; but if it be assumed that the system is open to public use, it seems to be equally difficult to contend that the books made and sold by the defendant are a violation of the copyright of the complainant's book considered merely as a book explanatory of the system. Where the truths of a science or the methods of an art are the common property of the whole world, an author has the right to express the one, or explain and use the other, in his own way. As an author, Selden explained the system in a particular way. It may be conceded that Baker makes and uses account-books arranged on substantially the same system; but the proof fails to show that he has violated the copyright of Selden's book, regarding the latter merely as an explanatory work; or that he has infringed Selden's right in any way, unless the latter became entitled to an exclusive right in the system.

The evidence of the complainant is principally directed to the object of showing that Baker uses the same system as that which is explained and illustrated in Selden's books. It becomes important, therefore, to determine whether, in obtaining the copyright of his books, he secured the exclusive right to the use of the system or method of book-keeping which the said books are intended to illustrate and explain. It is contended that

he has secured such exclusive right, because no one can use the system without using substantially the same ruled lines and headings which he has appended to his books in illustration of it. In other words, it is contended that the ruled lines and headings, given to illustrate the system, are a part of the book, and, as such, are secured by the copyright; and that no one can make or use similar ruled lines and headings, or ruled lines and headings made and arranged on substantially the same system, without violating the copyright. And this is really the question to be decided in this case. Stated in another form, the question is, whether the exclusive property in a system of book-keeping can be claimed, under the law of copyright, by means of a book in which that system is explained? The complainant's bill, and the case made under it, are based on the hypothesis that it can be.

There is no doubt that a work on the subject of book-keeping, though only explanatory of well-known systems, may be the subject of a copyright; but, then, it is claimed only as a book. Such a book may be explanatory either of old systems, or of an entirely new system; and, considered as a book, as the work of an author, conveying information on the subject of book-keeping, and containing detailed explanations of the art, it may be a very valuable acquisition to the practical knowledge of the community. But there is a clear distinction between the book, as such, and the art which it is intended to illustrate. The mere statement of the proposition is so evident, that it requires hardly any argument to support it. The same distinction may be predicated of every other art as well as that of book-keeping. A treatise on the composition and use of medicines, be they old or new; on the construction and use of ploughs, or watches, or churns; or on the mixture and application of colors for painting or dyeing; or on the mode of drawing lines to produce the effect of perspective—would be the subject of copyright; but no one would contend that the copyright of the treatise would give the exclusive right to the art or manufacture described therein. The copyright of the book, if not pirated from other works, would be valid without regard to the novelty, or want of novelty, of its subject-matter. The novelty of the art or thing described or explained has nothing to do with the validity of the copyright. To give to the author of the book an exclusive property in the art described therein, when no examination of its novelty has ever been officially made, would be a surprise and a fraud upon the public. That is the province of letters-patent, not of copyright. The claim to an invention or discovery of an art or manufacture must be subjected to the examination of the Patent Office before an exclusive right therein can be obtained; and it can only be secured by a patent from the government.

The difference between the two things, letters-patent and copyright, may be illustrated by reference to the subjects just enumerated. Take the case of medicines. Certain mixtures are found to be of great value in the healing art. If the discoverer writes and publishes a book on the subject (as regular physicians generally do), he gains no exclusive right to the manufacture and sale of the medicine; he gives that to the public. If he desires to acquire such exclusive right, he must obtain a patent for the mixture as a new art, manufacture, or composition of matter. He may copyright his book, if he pleases;

but that only secures to him the exclusive right of printing and publishing his book. So of all other inventions or discoveries.

The copyright of a book on perspective, no matter how many drawings and illustrations it may contain, gives no exclusive right to the modes of drawing described, though they may never have been known or used before. By publishing the book, without getting a patent for the art, the latter is given to the public. The fact that the art described in the book by illustrations of lines and figures which are reproduced in practice in the application of the art, makes no difference. Those illustrations are the mere language employed by the author to convey his ideas more clearly. Had he used words of description instead of diagrams (which merely stand in the place of words), there could not be the slightest doubt that others, applying the art to practical use, might lawfully draw the lines and diagrams which were in the author's mind, and which he thus described by words in his book.

The copyright of a work on mathematical science cannot give to the author an exclusive right to the methods of operation which he propounds, or to the diagrams which he employs to explain them, so as to prevent an engineer from using them whenever occasion requires. The very object of publishing a book on science or the useful arts is to communicate to the world the useful knowledge which it contains. But this object would be frustrated if the knowledge could not be used without incurring the guilt of piracy of the book. And where the art it teaches cannot be used without employing the methods and diagrams used to illustrate the book, or such as are similar to them, such methods and diagrams are to be considered as necessary incidents to the art, and given therewith to the public; not given for the purpose of publication in other works explanatory of the art, but for the purpose of practical application.

Of course, these observations are not intended to apply to ornamental designs, or pictorial illustrations addressed to the taste. Of these it may be said, that their form is their essence, and their object, the production of pleasure in their contemplation. This is their final end. They are as much the product of genius and the result of composition, as are the lines of the poet or the historian's periods. On the other hand, the teachings of science and the rules and methods of useful art have their final end in application and use; and this application and use are what the public derive from the publication of a book which teaches them. But as embodied and taught in a literary composition or book, their essence consists only in their statement. This alone is what is secured by the copyright. The use by another of the same methods of statement, whether in words or illustrations, in a book published for teaching the art, would undoubtedly be an infringement of the copyright.

Recurring to the case before us, we observe that Charles Selden, by his books, explained and described a peculiar system of book-keeping, and illustrated his method by means of ruled lines and blank columns, with proper headings on a page, or on successive pages. Now, whilst no one has a right to print or publish his book, or any material part thereof, as a book intended to convey instruction in the art, any person may practice and use the art itself which he has described and illustrated therein. The use of the

art is a totally different thing from a publication of the book explaining it. The copyright of a book on book-keeping cannot secure the exclusive right to make, sell, and use account-books prepared upon the plan set forth in such book. Whether the art might or might not have been patented, is a question which is not before us. It was not patented, and is open and free to the use of the public. And, of course, in using the art, the ruled lines and headings of accounts must necessarily be used as incident to it.

The plausibility of the claim put forward by the complainant in this case arises from a confusion of ideas produced by the peculiar nature of the art described in the books which have been made the subject of copyright. In describing the art, the illustrations and diagrams employed happen to correspond more closely than usual with the actual work performed by the operator who uses the art. Those illustrations and diagrams consist of ruled lines and headings of accounts; and it is similar ruled lines and headings of accounts which, in the application of the art, the book-keeper makes with his pen, or the stationer with his press; whilst in most other cases the diagrams and illustrations can only be represented in concrete forms of wood, metal, stone, or some other physical embodiment. But the principle is the same in all. The description of the art in a book, though entitled to the benefit of copyright, lays no foundation for an exclusive claim to the art itself. The object of the one is explanation; the object of the other is use. The former may be secured by copyright. The latter can only be secured, if it can be secured at all, by letters-patent.

The conclusion to which we have come is that blank accountbooks are not the subject of copyright; and that the mere copyright of Selden's book did not confer upon him the exclusive right to make and use account-books, ruled and arranged as designated by him and described and illustrated in said book.

The decree of the Circuit Court must be reversed, and the cause remanded with instructions to dismiss the complainant's bill; and it is

So ordered.

Rentmeester v. Nike, Inc.

883 F.3d 1111 (9th Cir. 2018)

WATFORD, Circuit Judge: This is a copyright infringement action brought by the renowned photographer Jacobus Rentmeester against Nike, Inc. The case involves a famous photograph Rentmeester took in 1984 of Michael Jordan, who at the time was a student at the University of North Carolina. The photo originally appeared in Life magazine as part of a photo essay featuring American athletes who would soon be competing in the 1984 Summer Olympic Games. We are asked to decide whether Nike infringed Rentmeester's copyright when it commissioned its own photograph of Jordan and then used that photo to create one of its most iconic trademarks.

I

The allegations in Rentmeester's complaint, which we accept as true at this stage of the proceedings, establish the following. Rentmeester's photograph of Jordan, reproduced in the Appendix, is highly original. It depicts Jordan leaping toward a basketball hoop with a basketball raised above his head in his left hand, as though he is attempting to dunk the ball. The setting for the photo is not a basketball court, as one would expect in a shot of this sort. Instead, Rentmeester chose to take the photo on an isolated grassy knoll on the University of North Carolina campus. He brought in a basketball hoop and backboard mounted on a tall pole, which he planted in the ground to position the hoop exactly where he wanted. Whether due to the height of the pole or its placement within the image, the basketball hoop appears to tower above Jordan, beyond his reach.

Rentmeester instructed Jordan on the precise pose he wanted Jordan to assume. It was an unusual pose for a basketball player to adopt, one inspired by ballet's grand jeté, in which a dancer leaps with legs extended, one foot forward and the other back. Rentmeester positioned the camera below Jordan and snapped the photo at the peak of his jump so that the viewer looks up at Jordan's soaring figure silhouetted against a cloudless blue sky. Rentmeester used powerful strobe lights and a fast shutter speed to capture a sharp image of Jordan contrasted against the sky, even though the sun is shining directly into the camera lens from the lower right-hand corner of the shot.

Not long after Rentmeester's photograph appeared in *Life* magazine, Nike contacted him and asked to borrow color transparencies of the photo. Rentmeester provided Nike with two color transparencies for \$150 under a limited license authorizing Nike to use the transparencies "for slide presentation only." It is unclear from the complaint what kind of slide presentation Nike may have been preparing, but the company was then beginning its lucrative partnership with Jordan by promoting the Air Jordan brand of athletic shoes.

In late 1984 or early 1985, Nike hired a photographer to produce its own photograph of Jordan, one obviously inspired by Rentmeester's. In the Nike photo, Jordan is again shown leaping toward a basketball hoop with a basketball held in his left hand above his head, as though he is about to dunk the ball. See Appendix. The photo was taken outdoors and from a similar angle as in Rentmeester's photo, so that the viewer looks up at Jordan's figure silhouetted against the sky. In the Nike photo, though, it is the city of Chicago's skyline that appears in the background, a nod to the fact that by then Jordan was playing professionally for the Chicago Bulls. Jordan wears apparel reflecting the colors of his new team, and he is of course wearing a pair of Nike shoes. Nike used this photo on posters and billboards as part of its marketing campaign for the new Air Jordan brand.

When Rentmeester saw the Nike photo, he threatened to sue Nike for breach of the limited license governing use of his color transparencies. To head off litigation, Nike entered into a new agreement with Rentmeester in March 1985, under which the company agreed to pay \$15,000 for the right to continue using the Nike photo on posters and billboards in North America for a period of two years. Rentmeester alleges that Nike continued to use the photo well beyond that period.

In 1987, Nike created its iconic “Jumpman” logo, a solid black silhouette that tracks the outline of Jordan’s figure as it appears in the Nike photo. See Appendix. Over the past three decades, Nike has used the Jumpman logo in connection with the sale and marketing of billions of dollars of merchandise. It has become one of Nike’s most recognizable trademarks.

Rentmeester filed this action in January 2015. He alleges that both the Nike photo and the Jumpman logo infringe the copyright in his 1984 photo of Jordan. His complaint asserts claims for direct, vicarious, and contributory infringement, as well as a claim for violation of the Digital Millennium Copyright Act, 17 USC 1202. Rentmeester seeks damages only for acts of infringement occurring within the Copyright Act’s three-year limitations period (January 2012 to the present). Doing so avoids the defense of laches that would otherwise arise from his 30-year delay in bringing suit.

The district court granted Nike’s motion to dismiss under Federal Rule of Civil Procedure 12(b)(6). The court dismissed Rentmeester’s claims with prejudice after concluding that neither the Nike photo nor the Jumpman logo infringe Rentmeester’s copyright as a matter of law. We review that legal determination *de novo*.

II

To state a claim for copyright infringement, Rentmeester must plausibly allege two things: (1) that he owns a valid copyright in his photograph of Jordan, and (2) that Nike copied protected aspects of the photo’s expression. See *Feist Publications, Inc. v. Rural Telephone Service Co.*, [499 U.S. 340, 361](#) (1991).

Although our cases have not always made this point explicit, the second element has two distinct components: “copying” and “unlawful appropriation.” *Sid & Marty Krofft Television Productions, Inc. v. McDonald’s Corp.*, [562 F.2d 1157, 1164-65](#) (9th Cir. 1977); *Arnstein v. Porter*, [154 F.2d 464, 468](#) (2d Cir. 1946); 4 Melville B. Nimmer & David Nimmer, *Nimmer on Copyright* § 13.01[B] (2017). Proof of copying by the defendant is necessary because independent creation is a complete defense to copyright infringement. No matter how similar the plaintiff’s and the defendant’s works are, if the defendant created his independently, without knowledge of or exposure to the plaintiff’s work, the defendant is not liable for infringement. See *Feist*, [499 U.S. at 345-46](#). Proof of unlawful appropriation—that is, illicit copying—is necessary because copyright law does not forbid all copying. The Copyright Act provides that copyright protection does not “extend to any idea, procedure, process, system, method of operation, concept, principle, or discovery, regardless of the form in which it is described, explained, illustrated, or embodied in [the copyrighted] work.” 17 USC 102(b). Thus, a defendant incurs no liability if he copies only the “ideas” or “concepts” used in the plaintiff’s work. To infringe, the defendant must also copy enough of the plaintiff’s expression of those ideas or concepts to render the two works “substantially similar.” *Mattel, Inc. v. MGA Entertainment, Inc.*, [616 F.3d 904, 913-14](#) (9th Cir. 2010).

When the plaintiff lacks direct evidence of copying, he can attempt to prove it circumstantially by showing that the defendant had access to the plaintiff’s work and that the two works share similarities probative of copying. See *Baxter v. MCA, Inc.*, [812 F.2d](#)

[421, 423](#) (9th Cir. 1987). Such proof creates a presumption of copying, which the defendant can then attempt to rebut by proving independent creation. *Three Boys Music Corp. v. Bolton*, [212 F.3d 477, 486](#) (9th Cir. 2000).

Unfortunately, we have used the same term—“substantial similarity”—to describe both the degree of similarity relevant to proof of copying and the degree of similarity necessary to establish unlawful appropriation. The term means different things in those two contexts. To prove copying, the similarities between the two works need not be extensive, and they need not involve protected elements of the plaintiff’s work. They just need to be similarities one would not expect to arise if the two works had been created independently. *Laureysens v. Idea Group, Inc.*, [964 F.2d 131, 140](#) (2d Cir. 1992). To prove unlawful appropriation, on the other hand, the similarities between the two works must be “substantial” and they must involve protected elements of the plaintiff’s work. *Laureysens*, [964 F.2d at 140](#).

In this case, Rentmeester has plausibly alleged the first element of his infringement claim—that he owns a valid copyright. The complaint asserts that he has been the sole owner of the copyright in his photo since its creation in 1984. And the photo obviously qualifies as an “original work of authorship,” given the creative choices Rentmeester made in composing it. See 17 USC 102(a)(5); *Burrow-Giles Lithographic Co. v. Sarony*, [111 U.S. 53, 60](#) (1884). Rentmeester alleges that he registered his photo with the Copyright Office in 2014, which permits him to bring this suit. 17 USC 411(a).

Rentmeester has also plausibly alleged the “copying” component of the second element. He alleges that he provided color transparencies of his photo to Nike’s creative director shortly before production of the Nike photo. That allegation establishes that Nike had access to Rentmeester’s photo, which in this context means a reasonable opportunity to view it. *L.A. Printex Industries, Inc. v. Aeropostale, Inc.*, [676 F.3d 841, 846](#) (9th Cir. 2012). Nike’s access to Rentmeester’s photo, combined with the obvious conceptual similarities between the two photos, is sufficient to create a presumption that the Nike photo was the product of copying rather than independent creation.

The remaining question is whether Rentmeester has plausibly alleged that Nike copied enough of the protected expression from Rentmeester’s photo to establish unlawful appropriation. To prove this component of his claim, Rentmeester does not have to show that Nike produced an exact duplicate of his photo. See *Rogers v. Koons*, [960 F.2d 301, 307](#) (2d Cir. 1992). But, as mentioned, he does have to show that Nike copied enough of the photo’s protected expression to render their works “substantially similar.” See *Mattel*, [616 F.3d at 913-14](#).

In our circuit, determining whether works are substantially similar involves a two-part analysis consisting of the “extrinsic test” and the “intrinsic test.” The extrinsic test assesses the objective similarities of the two works, focusing only on the protectable elements of the plaintiff’s expression. *Cavalier v. Random House, Inc.*, [297 F.3d 815, 822](#) (9th Cir. 2002). Before that comparison can be made, the court must “filter out” the unprotectable elements of the plaintiff’s work—primarily ideas and concepts, material in the public domain, and scènes à faire (stock or standard features that are commonly associated with the treatment of a given subject). The protectable elements that remain

are then compared to corresponding elements of the defendant's work to assess similarities in the objective details of the works. The intrinsic test requires a more holistic, subjective comparison of the works to determine whether they are substantially similar in "total concept and feel." *Id.* at 822 (internal quotation marks omitted). To prevail, a plaintiff must prove substantial similarity under both tests. *Funky Films, Inc. v. Time Warner Entertainment Co.*, [462 F.3d 1072, 1077](#) (9th Cir. 2006).

Only the extrinsic test's application may be decided by the court as a matter of law, so that is the only test relevant in reviewing the district court's ruling on a motion to dismiss. Before applying the extrinsic test ourselves, a few words are in order about the filtering process that the test demands.

Certain types of works can be dissected into protected and unprotected elements more readily than others. With novels, plays, and motion pictures, for instance, even after filtering out unprotectable elements like ideas and *scènes à faire*, many protectable elements of expression remain that can be objectively compared. "[P]lot, themes, dialogue, mood, setting, pace, characters, and sequence of events" are elements we have previously identified. *Funky Films*, [462 F.3d at 1077](#) (internal quotation marks omitted).

Photographs cannot be dissected into protected and unprotected elements in the same way. To be sure, photos can be broken down into objective elements that reflect the various creative choices the photographer made in composing the image—choices related to subject matter, pose, lighting, camera angle, depth of field, and the like. See *Ets-Hokin v. Skyy Spirits, Inc.*, [225 F.3d 1068, 1074-75](#) (9th Cir. 2000). But none of those elements is subject to copyright protection when viewed in isolation. For example, a photographer who produces a photo using a highly original lighting technique or a novel camera angle cannot prevent other photographers from using those same techniques to produce new images of their own, provided the new images are not substantially similar to the earlier, copyrighted photo. With respect to a photograph's subject matter, no photographer can claim a monopoly on the right to photograph a particular subject just because he was the first to capture it on film. A subsequent photographer is free to take her own photo of the same subject, again so long as the resulting image is not substantially similar to the earlier photograph.

That remains true even if, as here, a photographer creates wholly original subject matter by having someone pose in an unusual or distinctive way. Without question, one of the highly original elements of Rentmeester's photo is the fanciful (non-natural) pose he asked Jordan to assume. That pose was a product of Rentmeester's own "intellectual invention," *Burrow-Giles*, [111 U.S. at 60](#); it would not have been captured on film but for Rentmeester's creativity in conceiving it. The pose Rentmeester conceived is thus quite unlike the pose at issue in *Harney v. Sony Pictures Television, Inc.*, [704 F.3d 173](#) (1st Cir. 2013), which consisted of nothing more than a daughter riding piggyback on her father's shoulders. The photographer there did not orchestrate the pose and, even if he had, the pose is so commonplace as to be part of the public domain. *Id.* at 187; see also *Leibovitz v. Paramount Pictures Corp.*, [137 F.3d 109, 116](#) (2d Cir. 1998) (pose of a nude, pregnant woman in profile is part of the public domain).

Without gainsaying the originality of the pose Rentmeester created, he cannot copyright the pose itself and thereby prevent others from photographing a person in the same pose. He is entitled to protection only for the way the pose is expressed in his photograph, a product of not just the pose but also the camera angle, timing, and shutter speed Rentmeester chose. If a subsequent photographer persuaded Michael Jordan to assume the exact same pose but took her photo, say, from a bird's eye view directly above him, the resulting image would bear little resemblance to Rentmeester's photo and thus could not be deemed infringing.

What is protected by copyright is the photographer's selection and arrangement of the photo's otherwise unprotected elements. If sufficiently original, the combination of subject matter, pose, camera angle, etc., receives protection, not any of the individual elements standing alone. In that respect (although not in others), photographs can be likened to factual compilations. An author of a factual compilation cannot claim copyright protection for the underlying factual material—facts are always free for all to use. *Feist*, 499 U.S. at 347-48. If sufficiently original, though, an author's selection and arrangement of the material are entitled to protection. The individual elements that comprise a photograph can be viewed in the same way, as the equivalent of unprotectable "facts" that anyone may use to create new works. A second photographer is free to borrow any of the individual elements featured in a copyrighted photograph, "so long as the competing work does not feature the same selection and arrangement" of those elements. *Id.* at 349. In other words, a photographer's copyright is limited to "the particular selection and arrangement" of the elements as expressed in the copyrighted image. *Id.* at 350-51.

This is not to say, as Nike urges us to hold, that all photographs are entitled to only "thin" copyright protection, as is true of factual compilations. A copyrighted work is entitled to thin protection when the range of creative choices that can be made in producing the work is narrow. *Mattel*, 616 F.3d at 913-14. In *Mattel*, we noted by way of illustration that "there are only so many ways to paint a red bouncy ball on blank canvas." *Id.* at 914. We contrasted that with the "gazillions of ways to make an aliens-attack movie," a work that would be entitled to "broad" protection given the much wider range of creative choices available in producing it. *Id.* at 913-14. When only a narrow range of expression is possible, copyright protection is thin because the copyrighted work will contain few protectable features.

Some photographs are entitled to only thin protection because the range of creative choices available in selecting and arranging the photo's elements is quite limited. That was the case in *Ets-Hokin v. Skyy Spirits, Inc.*, 323 F.3d 763 (9th Cir. 2003), where we held that the plaintiff's commercial product shots of a vodka bottle were entitled to only thin protection. Given the constraints imposed by the subject matter and conventions of commercial product shots, there were relatively few creative choices a photographer could make in producing acceptable images of the bottle. As a result, subtle differences in lighting, camera angle, and background were sufficient to render the defendant's otherwise similar-looking photos of the same bottle non-infringing.

With other photographs, however, the range of creative choices available to the photographer will be far broader, and very few of those choices will be dictated by subject matter or convention. On the spectrum we set out in *Mattel*—the relatively small number of ways “to paint a red bouncy ball on blank canvas” on one end, and the “gazillions of ways to make an aliens-attack movie” on the other—many photos will land more on the “aliens-attack movie” end of the range. [616 F.3d at 913-14](#). As with any other work, the greater the range of creative choices that may be made, the broader the level of protection that will be afforded to the resulting image.

Rentmeester’s photo is undoubtedly entitled to broad rather than thin protection. The range of creative choices open to Rentmeester in producing his photo was exceptionally broad; very few of those choices were dictated by convention or subject matter. In fact, Rentmeester’s photo is distinctive precisely because he chose not to be bound by the conventions commonly followed in photographing a basketball player attempting to dunk a basketball. Such photos would typically call for a basketball court as the setting, whether indoors or out. Rentmeester chose instead to place Jordan on an open, grassy knoll with a basketball hoop inserted as a prop, whimsically out of place and seeming to tower well above regulation height. Rentmeester also departed from convention by capturing Jordan in a fanciful, highly original pose, one inspired more by ballet’s grand jeté than by any pose a basketball player might naturally adopt when dunking a basketball. These creative choices—along with the other choices Rentmeester made with respect to lighting, camera angle, depth of field, and selection of foreground and background elements—resulted in a photo with many non-standard elements. Rentmeester’s selection and arrangement of those elements produced an image entitled to the broadest protection a photograph can receive.

With those preliminary observations out of the way, we can now turn to whether Rentmeester has plausibly alleged that his photo and the Nike photo are substantially similar under the extrinsic test. As discussed, that inquiry requires us to assess similarities in the selection and arrangement of the photos’ elements, as reflected in the objective details of the two works. We do not have a well-defined standard for assessing when similarity in selection and arrangement becomes “substantial,” and in truth no hard-and-fast rule could be devised to guide determinations that will necessarily turn on the unique facts of each case. See *Peter Pan Fabrics, Inc. v. Martin Weiner Corp.*, [274 F.2d 487, 489](#) (2d Cir. 1960). The best we can do is borrow from the standard Judge Learned Hand employed in a case involving fabric designs: The two photos’ selection and arrangement of elements must be similar enough that “the ordinary observer, unless he set out to detect the disparities, would be disposed to overlook them.” *Id.*

We conclude that the works at issue here are as a matter of law not substantially similar. Just as Rentmeester made a series of creative choices in the selection and arrangement of the elements in his photograph, so too Nike’s photographer made his own distinct choices in that regard. Those choices produced an image that differs from Rentmeester’s photo in more than just minor details.

Let’s start with the subject matter of the photographs. The two photos are undeniably similar in the subject matter they depict: Both capture Michael Jordan in a leaping pose

inspired by ballet's grand jeté. But Rentmeester's copyright does not confer a monopoly on that general "idea" or "concept"; he cannot prohibit other photographers from taking their own photos of Jordan in a leaping, grand jeté-inspired pose. Because the pose Rentmeester conceived is highly original, though, he is entitled to prevent others from copying the details of that pose as expressed in the photo he took. Had Nike's photographer replicated those details in the Nike photo, a jury might well have been able to find unlawful appropriation even though other elements of the Nike photo, such as background and lighting, differ from the corresponding elements in Rentmeester's photo.

But Nike's photographer did not copy the details of the pose as expressed in Rentmeester's photo; he borrowed only the general idea or concept embodied in the photo. Thus, in each photo Jordan is holding a basketball above his head in his left hand with his legs extended, in a pose at least loosely based on the grand jeté. The position of each of his limbs in the two photos is different, however, and those differences in detail are significant because, among other things, they affect the visual impact of the images. In Rentmeester's photo, Jordan's bent limbs combine with the background and foreground elements to convey mainly a sense of horizontal (forward) propulsion, while in the Nike photo Jordan's completely straight limbs combine with the other elements to convey mainly a sense of vertical propulsion. While the photos embody a similar idea or concept, they express it in different ways.

As to the other highly original element of Rentmeester's photo—the unusual outdoor setting he chose—Nike's photographer did not copy the details of that element either. The two photos again share undeniable similarities at the conceptual level: Both are taken outdoors without the usual trappings of a basketball court, other than the presence of a lone hoop and backboard. But when comparing the details of how that concept is expressed in the two photos, stark differences are readily apparent. Rentmeester set his shot on a grassy knoll with a whimsically out-of-place basketball hoop jutting up from a pole planted in the ground. The grassy knoll in the foreground of Rentmeester's photo is wholly absent from the Nike photo. In fact, in the Nike photo there is no foreground element at all. The positioning of the basketball hoops is also materially different in the two photos. In Rentmeester's photo, the hoop is positioned at a height that appears beyond the ability of anyone to dunk on (even someone as athletic as Jordan), which further contributes to the whimsical rather than realistic nature of the depiction. The hoop in the Nike photo, by contrast, appears to be easily within Jordan's reach.

The other major conceptual similarity shared by the two photos is that both are taken from a similar angle so that the viewer looks up at Jordan's soaring figure silhouetted against a clear sky. This is a far less original element of Rentmeester's photo, as photographers have long used similar camera angles to capture subjects silhouetted against the sky. But even here, the two photos differ as to expressive details in material respects. In Rentmeester's photo, the background is a cloudless blue sky; in the Nike photo, it is the Chicago skyline silhouetted against the orange and purple hues of late dusk or early dawn. In Rentmeester's photo, the sun looms large in the lower right-

hand corner of the image; in the Nike photo the sun does not appear at all. And in Rentmeester's photo, parts of Jordan's figure are cast in shadow, while in the Nike photo every inch of Jordan's figure is brightly lit.

Finally, the arrangement of the elements within the photographs is materially different in two further respects. In Rentmeester's photo, Jordan is positioned slightly left of center and appears as a relatively small figure within the frame. In the Nike photo, he is perfectly centered and dominates the frame. In Rentmeester's photo, the basketball hoop stands atop a tall pole planted in the ground, and the hoop's position within the frame balances Jordan's left-of-center placement. In the Nike photo, the hoop takes up the entire right border of the frame, highlighting Jordan's dominant, central position. The hoops are also lit and angled differently toward the viewer, further distinguishing their expressive roles in the photographs.

In our view, these differences in selection and arrangement of elements, as reflected in the photos' objective details, preclude as a matter of law a finding of infringement. Nike's photographer made choices regarding selection and arrangement that produced an image unmistakably different from Rentmeester's photo in material details—disparities that no ordinary observer of the two works would be disposed to overlook. What Rentmeester's photo and the Nike photo share are similarities in general ideas or concepts: Michael Jordan attempting to dunk in a pose inspired by ballet's grand jeté; an outdoor setting stripped of most of the traditional trappings of basketball; a camera angle that captures the subject silhouetted against the sky. Rentmeester cannot claim an exclusive right to ideas or concepts at that level of generality, even in combination. Permitting him to claim such a right would withdraw those ideas or concepts from the "stock of materials" available to other artists, 4 Nimmer on Copyright § 13.03[B][2][a], thereby thwarting copyright's "fundamental objective" of "foster[ing] creativity." *Warner Bros. Inc. v. American Broadcasting Cos.*, [720 F.2d 231, 240](#) (2d Cir. 1983). Copyright promotes the progress of science and the useful arts by "encourag[ing] others to build freely upon the ideas and information conveyed by a work." *Feist*, [499 U.S. at 349-50](#). That is all Nike's photographer did here.

If the Nike photo cannot as a matter of law be found substantially similar to Rentmeester's photo, the same conclusion follows ineluctably with respect to the Jumpman logo. The logo is merely a solid black silhouette of Jordan's figure as it appears in the Nike photo, which, as we have said, differs materially from the way Jordan's figure appears in Rentmeester's photo. Isolating that one element from the Nike photo and rendering it in a stylized fashion make the Jumpman logo even less similar to Rentmeester's photo than the Nike photo itself. ***

AFFIRMED.

Appendix



Rentmeester's photograph



Nike's photograph



Nike's Jumpman logo

OWENS, Circuit Judge, concurring in part and dissenting in part: I agree with most of the majority's analysis, and with its holding that Rentmeester cannot prevail on his

Jumpman logo copyright infringement claim. However, I respectfully disagree with the majority's conclusion as to the Nike photo.

After correctly (1) setting out the law of copyright as applied to photographs, and (2) recognizing that Rentmeester's photo is entitled to "broad" copyright protection, the majority then dissects why, in its view, the Rentmeester and Nike photos are, as a matter of law, not substantially similar. This section of the majority reads like a compelling motion for summary judgment or closing argument to a jury, and it may be correct at the end of the day. Yet such questions of substantial similarity are inherently factual, and should not have been made at this stage of the game.

Where no discovery has taken place, we should not say that, as a matter of law, the Nike photo could never be substantially similar to the Rentmeester photo. This is an inherently factual question which is often reserved for the jury, and rarely for a court to decide at the motion to dismiss stage. See, e.g., *Leigh v. Warner Bros., Inc.*, [212 F.3d 1210, 1213](#) (11th Cir. 2000) ("Copyright infringement is generally a question of fact for the jury to decide ... and the court erred in holding as a matter of law that no reasonable jury could find that the Warner Brothers promotional single-frame images were substantially similar to the aspects of [the photographer's] work protected by copyright.").

"Although it may be easy to identify differences between" the two photos, the Nike photo also has "much in common" with the broadly protected Rentmeester photo. *Leigh*, [212 F.3d at 1216](#) (reversing summary judgment for defendant with respect to its alleged infringement of a photograph notwithstanding "undeniably[] significant differences between the pictures"). For example, in addition to the similarity of both photos capturing Michael Jordan doing a grand-jeté pose while holding a basketball, both photos are taken from a similar angle, have a silhouette aspect of Jordan against a contrasting solid background, and contain an outdoor setting with no indication of basketball apart from an isolated hoop and backboard.

I cannot say that no reasonable jury could find in favor of Rentmeester regarding the Nike photo, so I would hesitate in granting summary judgment. Here, the majority did not permit the case even to go that far. Rather, it substituted its own judgment—with no factual record development by the parties—as to why the photos are not substantially similar.

While I disagree with the majority's ruling as to the Nike photo, I agree with its holding as to the Jumpman logo. The only element of the Rentmeester photo which Nike possibly could have copied to create the Jumpman logo is the outline of Jordan doing a grand-jeté pose while holding a basketball. As the cases that the majority cites make clear, the outline of a pose isolated from a photograph enjoys, at best, "thin" copyright protection. A grand-jeté dunking pose cannot receive the broad protection that Rentmeester claims, even if Rentmeester encouraged Jordan to strike it. The pose is ultimately no different from the Vulcan salute of Spock, the double thumbs up of Arthur Fonzarelli, or John Travolta's iconic Saturday Night Fever dance pose. See, e.g., *Harney v. Sony Pictures Television, Inc.*, [704 F.3d 173, 187](#) (1st Cir. 2013) (holding that piggyback pose in photograph was unprotected element); *Mattel, Inc. v. Azrak-Hamway Int'l, Inc.*, [724 F.2d 357, 360](#) (2d Cir. 1983) (per curiam) (holding that figurine's "traditional

fighting pose” was unprotected element); *Reece v. Island Treasures Art Gallery, Inc.*, [468 F.Supp.2d 1197, 1206-07](#) (D. Haw. 2006) (holding that hula pose in photograph was unprotected element); cf. *Bikram’s Yoga College of India, L.P. v. Evolution Yoga, LLC*, [803 F.3d 1032, 1036-44](#) (9th Cir. 2015) (holding that yoga sequence fell outside of copyright protection).

All of these poses can exist independently of the photographer taking them. It does not matter that Rentmeester told Jordan to pose that way-standing alone, a photograph of a mannequin or marionette in that same pose would receive the same thin protection. Cf. *Folkens v. Wyland Worldwide, LLC*, [882 F.3d 768, 774-76](#) (9th Cir. 2018) (holding that two dolphins crossing each other was an unprotected element because that pose can be found in nature and it was irrelevant that the dolphins were posed by animal trainers). Indeed, Rentmeester cannot cite any cases to suggest that Jordan’s pose, in isolation, enjoys anything more than the thinnest of copyright protection. To hold otherwise would mean that a photographer would own a broad copyright over photos of human movements, including facial expressions. I cannot find any authority in our cases or the relevant copyright statutes that would permit such a radical change in our intellectual property laws.

At this stage of the litigation, we assume that (1) Nike traced the Jumpman logo directly from the Nike photo, and (2) that Nike based its photo on the Rentmeester photo. Even assuming all of this to be true, the Jumpman logo is not “virtually identical” to the image of Jordan in the Rentmeester photo. *Mattel, Inc. v. MGA Entm’t, Inc.*, [616 F.3d 904, 914](#) (9th Cir. 2010). For example, there are differences in the angles of Jordan’s arms and legs, and the Jumpman logo is a black silhouette. And without being virtually identical, the Jumpman logo—the outline of a pose by Jordan in the Nike photo—cannot infringe upon any thin copyright protection enjoyed by the few elements of the Rentmeester photo allegedly copied. See *id.*

Accordingly, while I agree with the majority regarding the Jumpman logo, I think that whether the Nike photo is substantially similar is not an uncontested breakaway layup, and therefore dismissal of that copyright infringement claim is premature.

Feist Publications, Inc. v. Rural Telephone Service Co.

499 U.S. 340 (1991)

JUSTICE O'CONNOR delivered the opinion of the Court: This case requires us to clarify the extent of copyright protection available to telephone directory white pages.

I

Rural Telephone Service Company, Inc., is a certified public utility that provides telephone service to several communities in northwest Kansas. It is subject to a state regulation that requires all telephone companies operating in Kansas to issue annually an updated telephone directory. Accordingly, as a condition of its monopoly franchise, Rural publishes a typical telephone directory, consisting of white pages and yellow pages. The white pages list in alphabetical order the names of Rural's subscribers, together with their towns and telephone numbers. The yellow pages list Rural's business subscribers alphabetically by category and feature classified advertisements of various sizes. Rural distributes its directory free of charge to its subscribers, but earns revenue by selling yellow pages advertisements.

Feist Publications, Inc., is a publishing company that specializes in area-wide telephone directories. Unlike a typical directory, which covers only a particular calling area, Feist's area-wide directories cover a much larger geographical range, reducing the need to call directory assistance or consult multiple directories. The Feist directory that is the subject of this litigation covers 11 different telephone service areas in 15 counties and contains 46,878 white pages listings—compared to Rural's approximately 7,700 listings. Like Rural's directory, Feist's is distributed free of charge and includes both white pages and yellow pages. Feist and Rural compete vigorously for yellow pages advertising.

As the sole provider of telephone service in its service area, Rural obtains subscriber information quite easily. Persons desiring telephone service must apply to Rural and provide their names and addresses; Rural then assigns them a telephone number. Feist is not a telephone company, let alone one with monopoly status, and therefore lacks independent access to any subscriber information. To obtain white pages listings for its area-wide directory, Feist approached each of the 11 telephone companies operating in northwest Kansas and offered to pay for the right to use its white pages listings.

Of the 11 telephone companies, only Rural refused to license its listings to Feist. Rural's refusal created a problem for Feist, as omitting these listings would have left a gaping hole in its area-wide directory, rendering it less attractive to potential yellow pages advertisers. In a decision subsequent to that which we review here, the District Court determined that this was precisely the reason Rural refused to license its listings. The refusal was motivated by an unlawful purpose "to extend its monopoly in telephone service to a monopoly in yellow pages advertising." *Rural Telephone Service Co. v. Feist Publications, Inc.*, [737 F.Supp. 610, 622](#) (Kan. 1990).

Unable to license Rural's white pages listings, Feist used them without Rural's consent. Feist began by removing several thousand listings that fell outside the geographic

range of its area-wide directory, then hired personnel to investigate the 4,935 that remained. These employees verified the data reported by Rural and sought to obtain additional information. As a result, a typical Feist listing includes the individual's street address; most of Rural's listings do not. Notwithstanding these additions, however, 1,309 of the 46,878 listings in Feist's 1983 directory were identical to listings in Rural's 1982-1983 white pages. Four of these were fictitious listings that Rural had inserted into its directory to detect copying.

Rural sued for copyright infringement in the District Court for the District of Kansas taking the position that Feist, in compiling its own directory, could not use the information contained in Rural's white pages. Rural asserted that Feist's employees were obliged to travel door-to-door or conduct a telephone survey to discover the same information for themselves. Feist responded that such efforts were economically impractical and, in any event, unnecessary because the information copied was beyond the scope of copyright protection. The District Court granted summary judgment to Rural ***. In an unpublished opinion, the Court of Appeals for the Tenth Circuit affirmed ***.

II

A

This case concerns the interaction of two well-established propositions. The first is that facts are not copyrightable; the other, that compilations of facts generally are. Each of these propositions possesses an impeccable pedigree. That there can be no valid copyright in facts is universally understood. The most fundamental axiom of copyright law is that “[n]o author may copyright his ideas or the facts he narrates.” *Harper & Row, Publishers, Inc. v. Nation Enterprises*, [471 U.S. 539, 556](#) (1985). *** At the same time, however, it is beyond dispute that compilations of facts are within the subject matter of copyright. Compilations were expressly mentioned in the Copyright Act of 1909, and again in the Copyright Act of 1976.

There is an undeniable tension between these two propositions. Many compilations consist of nothing but raw data--*i.e.*, wholly factual information not accompanied by any original written expression. On what basis may one claim a copyright in such a work? Common sense tells us that 100 uncopyrightable facts do not magically change their status when gathered together in one place. Yet copyright law seems to contemplate that compilations that consist exclusively of facts are potentially within its scope.

The key to resolving the tension lies in understanding why facts are not copyrightable. The *sine qua non* of copyright is originality. To qualify for copyright protection, a work must be original to the author. Original, as the term is used in copyright, means only that the work was independently created by the author (as opposed to copied from other works), and that it possesses at least some minimal degree of creativity. 1 M. Nimmer & D. Nimmer, *Copyright* §§ 2.01[A], [B] (1990) (hereinafter Nimmer). To be sure, the requisite level of creativity is extremely low; even a slight amount will suffice. The vast majority of works make the grade quite easily, as they possess some creative

spark, “no matter how crude, humble or obvious” it might be. *Id.*, § 1.08[C] [1]. Originality does not signify novelty; a work may be original even though it closely resembles other works so long as the similarity is fortuitous, not the result of copying. To illustrate, assume that two poets, each ignorant of the other, compose identical poems. Neither work is novel, yet both are original and, hence, copyrightable.

Originality is a constitutional requirement. The source of Congress’ power to enact copyright laws is Article I, § 8, cl. 8, of the Constitution, which authorizes Congress to “secur[e] for limited Times to Authors ... the exclusive Right to their respective Writings.” In two decisions from the late 19th century—*The Trade-Mark Cases*, [100 U.S. 82](#) (1879); and *Burrow-Giles Lithographic Co. v. Sarony*, [111 U.S. 53](#) (1884)—this Court defined the crucial terms “authors” and “writings.” In so doing, the Court made it unmistakably clear that these terms presuppose a degree of originality.

In *The Trade-Mark Cases*, the Court addressed the constitutional scope of “writings.” For a particular work to be classified “under the head of writings of authors,” the Court determined, “originality is required.” 100 U.S., at 94. The Court explained that originality requires independent creation plus a modicum of creativity: “[W]hile the word *writings* may be liberally construed, as it has been, to include original designs for engraving, prints, &c., it is only such as are *original*, and are founded in the creative powers of the mind. The writings which are to be protected are *the fruits of intellectual labor*, embodied in the form of books, prints, engravings, and the like.” *Ibid.* (emphasis in original).

In *Burrow-Giles*, the Court distilled the same requirement from the Constitution’s use of the word “authors.” The Court defined “author,” in a constitutional sense, to mean “he to whom anything owes its origin; originator; maker.” [111 U.S., at 58](#) (internal quotation marks omitted). As in *The Trade-Mark Cases*, the Court emphasized the creative component of originality. It described copyright as being limited to “original intellectual conceptions of the author,” [111 U.S., at 58](#), and stressed the importance of requiring an author who accuses another of infringement to prove “the existence of those facts of originality, of intellectual production, of thought, and conception.” *Id.*, [at 59-60](#).

The originality requirement articulated in *The Trade-Mark Cases* and *Burrow-Giles* remains the touchstone of copyright protection today. *** It is this bedrock principle of copyright that mandates the law’s seemingly disparate treatment of facts and factual compilations. “No one may claim originality as to facts.” Nimmer § 2.11[A], p. 2-157. This is because facts do not owe their origin to an act of authorship. The distinction is one between creation and discovery: The first person to find and report a particular fact has not created the fact; he or she has merely discovered its existence. ***

Factual compilations, on the other hand, may possess the requisite originality. The compilation author typically chooses which facts to include, in what order to place them, and how to arrange the collected data so that they may be used effectively by readers. These choices as to selection and arrangement, so long as they are made independently by the compiler and entail a minimal degree of creativity, are sufficiently original that Congress may protect such compilations through the copyright laws. Thus, even a directory that contains absolutely no protectible written expression, only facts,

meets the constitutional minimum for copyright protection if it features an original selection or arrangement.

This protection is subject to an important limitation. The mere fact that a work is copyrighted does not mean that every element of the work may be protected. Originality remains the *sine qua non* of copyright; accordingly, copyright protection may extend only to those components of a work that are original to the author. Thus, if the compilation author clothes facts with an original collocation of words, he or she may be able to claim a copyright in this written expression. Others may copy the underlying facts from the publication, but not the precise words used to present them. *** Where the compilation author adds no written expression but rather lets the facts speak for themselves, the expressive element is more elusive. The only conceivable expression is the manner in which the compiler has selected and arranged the facts. Thus, if the selection and arrangement are original, these elements of the work are eligible for copyright protection. No matter how original the format, however, the facts themselves do not become original through association.

This inevitably means that the copyright in a factual compilation is thin. Notwithstanding a valid copyright, a subsequent compiler remains free to use the facts contained in another's publication to aid in preparing a competing work, so long as the competing work does not feature the same selection and arrangement. ***

It may seem unfair that much of the fruit of the compiler's labor may be used by others without compensation. As Justice Brennan has correctly observed, however, this is not "some unforeseen byproduct of a statutory scheme." *Harper & Row*, [471 U.S., at 589](#) (dissenting opinion). It is, rather, "the essence of copyright," and a constitutional requirement. The primary objective of copyright is not to reward the labor of authors, but "[t]o promote the Progress of Science and useful Arts." Art. I, § 8, cl. 8. To this end, copyright assures authors the right to their original expression, but encourages others to build freely upon the ideas and information conveyed by a work. This principle, known as the idea/expression or fact/expression dichotomy, applies to all works of authorship. As applied to a factual compilation, assuming the absence of original written expression, only the compiler's selection and arrangement may be protected; the raw facts may be copied at will. This result is neither unfair nor unfortunate. It is the means by which copyright advances the progress of science and art. ***

This, then, resolves the doctrinal tension: Copyright treats facts and factual compilations in a wholly consistent manner. Facts, whether alone or as part of a compilation, are not original and therefore may not be copyrighted. A factual compilation is eligible for copyright if it features an original selection or arrangement of facts, but the copyright is limited to the particular selection or arrangement. In no event may copyright extend to the facts themselves.

B

As we have explained, originality is a constitutionally mandated prerequisite for copyright protection. The Court's decisions announcing this rule predate the Copyright Act of 1909, but ambiguous language in the 1909 Act caused some lower courts temporarily

to lose sight of this requirement. *** Making matters worse, these courts developed a new theory to justify the protection of factual compilations. Known alternatively as “sweat of the brow” or “industrious collection,” the underlying notion was that copyright was a reward for the hard work that went into compiling facts. The classic formulation of the doctrine appeared in *Jeweler’s Circular Publishing Co. v. Keystone Publishing Co.*, 281 F. 83, 88 (CA2 1922):

The right to copyright a book upon which one has expended labor in its preparation does not depend upon whether the materials which he has collected consist or not of matters which are *publici juris*, or whether such materials show literary skill or *originality*, either in thought or in language, or anything more than industrious collection. The man who goes through the streets of a town and puts down the names of each of the inhabitants, with their occupations and their street number, acquires material of which he is the author (emphasis added).

The “sweat of the brow” doctrine had numerous flaws, the most glaring being that it extended copyright protection in a compilation beyond selection and arrangement—the compiler’s original contributions—to the facts themselves. Under the doctrine, the only defense to infringement was independent creation. A subsequent compiler was “not entitled to take one word of information previously published,” but rather had to “independently wor[k] out the matter for himself, so as to arrive at the same result from the same common sources of information.” *Id.*, at 88-89 (internal quotation marks omitted). “Sweat of the brow” courts thereby eschewed the most fundamental axiom of copyright law—that no one may copyright facts or ideas.

Decisions of this Court applying the 1909 Act make clear that the statute did not permit the “sweat of the brow” approach. ***

C

*** In enacting the Copyright Act of 1976, *** [t]o ensure that the mistakes of the “sweat of the brow” courts would not be repeated, Congress took additional measures. For example, § 3 of the 1909 Act had stated that copyright protected only the “copyrightable component parts” of a work, but had not identified originality as the basis for distinguishing those component parts that were copyrightable from those that were not. The 1976 Act deleted this section and replaced it with § 102(b), which identifies specifically those elements of a work for which copyright is not available: “In no case does copyright protection for an original work of authorship extend to any idea, procedure, process, system, method of operation, concept, principle, or discovery, regardless of the form in which it is described, explained, illustrated, or embodied in such work.” Section 102(b) is universally understood to prohibit any copyright in facts. As with § 102(a), Congress emphasized that § 102(b) did not change the law, but merely clarified it. ***

Congress took another step to minimize confusion by deleting the specific mention of “directories ... and other compilations” in § 5 of the 1909 Act. As mentioned, this section had led some courts to conclude that directories were copyrightable *per se* and

that every element of a directory was protected. In its place, Congress enacted two new provisions. First, to make clear that compilations were not copyrightable *per se*, Congress provided a definition of the term “compilation.” Second, to make clear that the copyright in a compilation did not extend to the facts themselves, Congress enacted § 103.

The definition of “compilation” is found in § 101 of the 1976 Act. It defines a “compilation” in the copyright sense as “a work formed by the collection and assembling of preexisting materials or of data *that* are selected, coordinated, or arranged *in such a way* that the resulting work as a whole constitutes an original work of authorship” (emphasis added).

The purpose of the statutory definition is to emphasize that collections of facts are not copyrightable *per se*. It conveys this message through its tripartite structure, as emphasized above by the italics. The statute identifies three distinct elements and requires each to be met for a work to qualify as a copyrightable compilation: (1) the collection and assembly of pre-existing material, facts, or data; (2) the selection, coordination, or arrangement of those materials; and (3) the creation, by virtue of the particular selection, coordination, or arrangement, of an “original” work of authorship. ***

At first glance, the first requirement does not seem to tell us much. It merely describes what one normally thinks of as a compilation—a collection of pre-existing material, facts, or data. What makes it significant is that it is not the sole requirement. It is not enough for copyright purposes that an author collects and assembles facts. To satisfy the statutory definition, the work must get over two additional hurdles. In this way, the plain language indicates that not every collection of facts receives copyright protection. Otherwise, there would be a period after “data.”

The third requirement is also illuminating. It emphasizes that a compilation, like any other work, is copyrightable only if it satisfies the originality requirement (“an original work of authorship”). Although § 102 states plainly that the originality requirement applies to all works, the point was emphasized with regard to compilations to ensure that courts would not repeat the mistake of the “sweat of the brow” courts by concluding that fact-based works are treated differently and measured by some other standard. ***

The key to the statutory definition is the second requirement. It instructs courts that, in determining whether a fact-based work is an original work of authorship, they should focus on the manner in which the collected facts have been selected, coordinated, and arranged. This is a straightforward application of the originality requirement. Facts are never original, so the compilation author can claim originality, if at all, only in the way the facts are presented. To that end, the statute dictates that the principal focus should be on whether the selection, coordination, and arrangement are sufficiently original to merit protection.

Not every selection, coordination, or arrangement will pass muster. This is plain from the statute. ***[W]e conclude that the statute envisions that there will be some fact-based works in which the selection, coordination, and arrangement are not sufficiently original to trigger copyright protection.

As discussed earlier, however, the originality requirement is not particularly stringent. A compiler may settle upon a selection or arrangement that others have used; novelty is not required. Originality requires only that the author make the selection or arrangement independently (*i.e.*, without copying that selection or arrangement from another work), and that it display some minimal level of creativity. Presumably, the vast majority of compilations will pass this test, but not all will. There remains a narrow category of works in which the creative spark is utterly lacking or so trivial as to be virtually non-existent. Such works are incapable of sustaining a valid copyright.

Even if a work qualifies as a copyrightable compilation, it receives only limited protection. This is the point of § 103 of the Act. Section 103 explains that “[t]he subject matter of copyright ... includes compilations,” § 103(a), but that copyright protects only the author’s original contributions—not the facts or information conveyed:

The copyright in a compilation ... extends only to the material contributed by the author of such work, as distinguished from the preexisting material employed in the work, and does not imply any exclusive right in the preexisting material.

§ 103(b).

As § 103 makes clear, copyright is not a tool by which a compilation author may keep others from using the facts or data he or she has collected. “The most important point here is one that is commonly misunderstood today: copyright ... has no effect one way or the other on the copyright or public domain status of the preexisting material.” H.R.Rep., at 57; S.Rep., at 55, U.S. Code Cong. & Admin. News 1976, p. 5670. The 1909 Act did not require, as “sweat of the brow” courts mistakenly assumed, that each subsequent compiler must start from scratch and is precluded from relying on research undertaken by another. Rather, the facts contained in existing works may be freely copied because copyright protects only the elements that owe their origin to the compiler—the selection, coordination, and arrangement of facts.

In summary, the 1976 revisions to the Copyright Act leave no doubt that originality, not “sweat of the brow,” is the touchstone of copyright protection in directories and other fact-based works. Nor is there any doubt that the same was true under the 1909 Act. The 1976 revisions were a direct response to the Copyright Office’s concern that many lower courts had misconstrued this basic principle, and Congress emphasized repeatedly that the purpose of the revisions was to clarify, not change, existing law. The revisions explain with painstaking clarity that copyright requires originality, § 102(a); that facts are never original, § 102(b); that the copyright in a compilation does not extend to the facts it contains, § 103(b); and that a compilation is copyrightable only to the extent that it features an original selection, coordination, or arrangement, § 101. ***

III

There is no doubt that Feist took from the white pages of Rural’s directory a substantial amount of factual information. At a minimum, Feist copied the names, towns, and telephone numbers of 1,309 of Rural’s subscribers. Not all copying, however, is copy-

right infringement. To establish infringement, two elements must be proven: (1) ownership of a valid copyright, and (2) copying of constituent elements of the work that are original. The first element is not at issue here; Feist appears to concede that Rural's directory, considered as a whole, is subject to a valid copyright because it contains some foreword text, as well as original material in its yellow pages advertisements.

The question is whether Rural has proved the second element. In other words, did Feist, by taking 1,309 names, towns, and telephone numbers from Rural's white pages, copy anything that was "original" to Rural? Certainly, the raw data does not satisfy the originality requirement. Rural may have been the first to discover and report the names, towns, and telephone numbers of its subscribers, but this data does not "ow[e] its origin" to Rural. *Burrow-Giles*, [111 U.S., at 58](#). Rather, these bits of information are uncopyrightable facts; they existed before Rural reported them and would have continued to exist if Rural had never published a telephone directory. ***

Rural essentially concedes the point by referring to the names, towns, and telephone numbers as "preexisting material." Section 103(b) states explicitly that the copyright in a compilation does not extend to "the preexisting material employed in the work."

The question that remains is whether Rural selected, coordinated, or arranged these uncopyrightable facts in an original way. As mentioned, originality is not a stringent standard; it does not require that facts be presented in an innovative or surprising way. It is equally true, however, that the selection and arrangement of facts cannot be so mechanical or routine as to require no creativity whatsoever. The standard of originality is low, but it does exist. As this Court has explained, the Constitution mandates some minimal degree of creativity, see *The Trade-Mark Cases*, [100 U.S., at 94](#); and an author who claims infringement must prove "the existence of ... intellectual production, of thought, and conception." *Burrow-Giles*, *supra*, [111 U.S., at 59-60](#).

The selection, coordination, and arrangement of Rural's white pages do not satisfy the minimum constitutional standards for copyright protection. As mentioned at the outset, Rural's white pages are entirely typical. Persons desiring telephone service in Rural's service area fill out an application and Rural issues them a telephone number. In preparing its white pages, Rural simply takes the data provided by its subscribers and lists it alphabetically by surname. The end product is a garden-variety white pages directory, devoid of even the slightest trace of creativity.

Rural's selection of listings could not be more obvious: It publishes the most basic information—name, town, and telephone number—about each person who applies to it for telephone service. This is "selection" of a sort, but it lacks the modicum of creativity necessary to transform mere selection into copyrightable expression. Rural expended sufficient effort to make the white pages directory useful, but insufficient creativity to make it original.

We note in passing that the selection featured in Rural's white pages may also fail the originality requirement for another reason. Feist points out that Rural did not truly "select" to publish the names and telephone numbers of its subscribers; rather, it was required to do so by the Kansas Corporation Commission as part of its monopoly

franchise. Accordingly, one could plausibly conclude that this selection was dictated by state law, not by Rural.

Nor can Rural claim originality in its coordination and arrangement of facts. The white pages do nothing more than list Rural's subscribers in alphabetical order. This arrangement may, technically speaking, owe its origin to Rural; no one disputes that Rural undertook the task of alphabetizing the names itself. But there is nothing remotely creative about arranging names alphabetically in a white pages directory. It is an age-old practice, firmly rooted in tradition and so commonplace that it has come to be expected as a matter of course. It is not only unoriginal, it is practically inevitable. This time-honored tradition does not possess the minimal creative spark required by the Copyright Act and the Constitution.

We conclude that the names, towns, and telephone numbers copied by Feist were not original to Rural and therefore were not protected by the copyright in Rural's combined white and yellow pages directory. As a constitutional matter, copyright protects only those constituent elements of a work that possess more than a *de minimis* quantum of creativity. Rural's white pages, limited to basic subscriber information and arranged alphabetically, fall short of the mark. As a statutory matter, 17 U.S.C. § 101 does not afford protection from copying to a collection of facts that are selected, coordinated, and arranged in a way that utterly lacks originality. Given that some works must fail, we cannot imagine a more likely candidate. Indeed, were we to hold that Rural's white pages pass muster, it is hard to believe that any collection of facts could fail.

Because Rural's white pages lack the requisite originality, Feist's use of the listings cannot constitute infringement. This decision should not be construed as demeaning Rural's efforts in compiling its directory, but rather as making clear that copyright rewards originality, not effort. As this Court noted more than a century ago, "great praise may be due to the plaintiffs for their industry and enterprise in publishing this paper, yet the law does not contemplate their being rewarded in this way." *Baker v. Selden*, [101 U.S., at 105](#).

The judgment of the Court of Appeals is
Reversed.

Experian Information Solutions, Inc. v. Nationwide Marketing Services Inc.

893 F.3d 1176 (9th Cir. 2018)

SCHROEDER, Circuit Judge: The novel federal question in this appeal is whether lists of names with addresses are copyrightable when they are the product of a sophisticated process to ensure accuracy and utility. In other words, whether such lists are more like a telephone book, that the Supreme Court has held lacks any creative spark, or more like Joyce's *Ulysses* that changed the course of 20th century literature. The answer, it turns out, lies somewhere in between, but closer to a telephone book. The name and address pairings are only entitled to limited protection under the copyright laws. If proper safeguards are maintained, the lists may also be protected as trade secrets. We

hold in this case that the Plaintiff, Experian Information Solutions, Inc., (“Experian”), established that its lists were copyrightable but failed to establish that its copyright had been infringed. We therefore affirm the District Court’s summary judgment in favor of the Defendant, Nationwide Marketing Services, Inc., (“Natimark”), on the copyright infringement claim, but reverse the state law trade secret claim and remand it for further proceedings.

Factual and Procedural Background

Experian is in the business of compiling databases and licensing portions of them to companies for use in their marketing campaigns. Since 1998, it has compiled what is now known as the ConsumerView Database (“CVD”) that has a copyright registration for the “selection, coordination, arrangement and compilation of data...” The CVD contains more than 250 million records, each pertaining to an individual consumer, and includes hundreds of “fields,” each denoting a particular attribute of the consumer, such as age, earnings, or purchase habits, as well as behavior predictions. This litigation concerns compiled pairings of names and addresses. These represent one of the most lucrative components of the CVD, because mail marketers pay substantial amounts for licenses to utilize Experian’s name and address pairings. The value, according to Experian, results from the process by which Experian determines the accuracy of its pairings and the utility of the selection of the pairings it includes in the CVD for its marketing clients.

Experian obtains its name and address data from a variety of sources, such as catalogue purchase data, cable company records, real estate deeds, and warranty cards signed by consumers at retail stores. For its database, Experian picks from roughly 2,200 public and proprietary sources that it believes have reliable, value-adding data. In determining whether to include a new source in its database, Experian runs the source through tests to measure the potential new data’s quality and to identify the differences between the new source’s data and existing data in the CVD. Experian’s employees review the test results and do not add any data to the CVD until they approve the source. Even if a source is validated, however, not all name and address data are added to the CVD. Experian excludes name and address pairings it believes are not valuable to its clients. Excluded are business addresses and addresses of individuals in prison and the very elderly.

Experian also resolves conflicts between data sources. Such conflicts are resolved utilizing thousands of “business rules” or algorithms to analyze data from each source and determine which name and address pairing should be included in the CVD. The data must be kept current, and the business rules are regularly updated on the basis of client feedback. Experian estimates that it expends more than \$10 million annually to compile and update the CVD.

Experian is not alone in the database compiling industry. There are at least four other major compilers. Their respective methodologies also yield lists, but according to Experian, the lists have material differences in content.

Defendant Natimark is a smaller and more recent addition to the consumer database compilation industry. It is located in Phoenix, Arizona. In 2011 it acquired a database, the National Consumer List (“NCL”) in order to resell the data. The NCL has data for approximately 200 million consumers.

The seeds of this litigation were sown in April 2012 when a data broker acting on behalf of Natimark attempted to sell Experian a data compilation of children’s birthdays, coupled with the name and address pairings of their parents. When Experian tested the name and address pairings in the sample the data broker provided, and compared them with Experian’s own CVD pairings, Experian found a match rate of more than 97%, leading it to suspect that the data had been stolen. Experian’s expert later compared Natimark’s pairings with Experian’s and found similar match rates of approximately 94%. Also suggesting stolen data was the price Natimark paid for the data which, according to Experian, was unusually low and unaccompanied by a customary written agreement with industry-standard restrictions on maintenance and use.

After confronting Natimark with its conclusion that the data had been copied, Experian filed this action in March 2013 in the U.S. District Court for the District of Arizona claiming copyright infringement. When the District Court ruled that the allegedly-infringed pairings were not copyrightable, Experian added a claim for trade secret misappropriation, and argued that the pairings were trade secrets that had been stolen. The District Court granted summary judgment for Natimark, holding that Experian did not have a valid copyright or trade secret in its compilation of names and addresses. The court held that the compilation of pairings lacked sufficient creativity or originality to merit copyright protection. It similarly held that the pairings of names and addresses could not constitute trade secrets and, even if they could, Experian had not established a triable issue with respect to its claim that Natimark knew or had reason to know that the pairings were either secret or stolen.

Experian filed a timely appeal with respect to both the copyright and trade secret claims.

Discussion

I. Copyright infringement claim

A. Copyrightability of the pairings as compilations

The boundaries of copyright protection are by now well-settled. Facts are not copyrightable and original works are. See *Feist Publ’ns, Inc. v. Rural Tel. Serv., Co.*, [499 U.S. 340, 344-45](#) (1991) (*Feist*). In between, however, are to be found a variety of works, including lists, compilations, directories, and guides that include facts, but demonstrate varying degrees of creativity in their selection, arrangement, or coordination. This case is about the area in between. ***

Facts are not copyrightable, because they lack any degree of creativity. This is so whether facts stand alone or as part of a compilation. See 17 USC §§ 101-03. Facts exist and are not created. Thus, there is a distinction between creating a work and discovering a fact. As the Supreme Court put it in *Feist*, “[t]he first person to find and report a

particular fact has not created the fact; he or she has merely discovered its existence.” [499 U.S. at 347](#).

Even though facts themselves are not copyrightable, the Copyright Act recognizes that collections or compilations of facts may possess the originality necessary for copyright protection. 17 USC 101-03; see also *Feist*, [499 U.S. at 348](#). A “compilation” is defined under the Copyright Act as “[1] a work formed by the collection and assembling of preexisting materials or of data [2] that are selected, coordinated, or arranged in such a way that [3] the resulting work as a whole constitutes an original work of authorship.” 17 USC 101. The Copyright Act makes clear, however, that when a collection of facts is copyrightable, the underlying facts themselves are not protected. Copyright protection “extends only to the material contributed by the author of such work, as distinguished from the preexisting material employed in the work, and does not imply any exclusive right in the preexisting material.” 17 USC 103(b). The Supreme Court stated this principle in *Feist* as follows: “[C]hoices as to selection and arrangement, so long as they are made independently by the compiler and entail a minimal degree of creativity, are sufficiently original that Congress may protect such compilations through the copyright laws.” [499 U.S. at 348](#) (citations omitted). ***

After *Feist*, there has been a considerable amount of federal litigation concerning when compilations of facts are copyrightable. Such litigation, not surprisingly, has served to illustrate that not a great deal of creativity in selection or arrangement is required. We briefly review the principal circuit court decisions.

Our Court has decided two significant cases since *Feist*. In *CDN Inc. v. Kapes*, [197 F.3d 1256, 1257, 1262](#) (9th Cir. 1999), we held that published lists of wholesale prices for collectible coins contained sufficient originality to sustain copyright protection. This was because the prices were not facts, but were estimates based on empirical research. They were “wholly the product of [CDN’s] creativity.” *CDN*, [197 F.3d at 1260](#). They were therefore “not mere listings of actual prices paid; rather, they [were] CDN’s best estimate of the fair value of [each] coin.” *Id.* For that reason, the lists were copyrightable.

More recently, we decided *Bikram’s Yoga College of India, L.P. v. Evolution Yoga, LLC*, [803 F.3d 1032](#) (9th Cir. 2015) (*Bikram’s Yoga*). There, we considered a book containing depictions of a sequence of yoga poses and breathing exercises. The sequence itself was not copyrightable, because it was an idea or process under the Copyright Act. *Bikram’s Yoga*, [803 F.3d at 1042, 1044](#); see also 17 USC 102(b) (“In no case does copyright protection for an original work of authorship extend to any idea ... [or] process, ... regardless of the form in which it is described, explained, illustrated, or embodied in such work.”). The depiction of the sequence in the book, however, was protected by copyright, because the depiction was the expression of the idea, i.e., the words and pictures that described the sequence. The book was thus entitled to copyright protection.

Other circuit decisions have more directly considered compilations of factual or other non-copyrightable elements. The Second Circuit has addressed the copyrightability of

compilations in two cases in which it found fairly minimal creativity sufficient for protection. In *Key Publications, Inc. v. Chinatown Today Publishing Enterprises, Inc.*, [945 F.2d 509, 511](#) (2d Cir. 1991), the court considered a directory intended for the New York City Chinese-American community. The directory consisted of business names, addresses, and phone numbers, which were arranged into separate descriptive categories. *Key Publ'ns*, [945 F.2d at 512-13](#). The court held this was a sufficiently creative factual compilation to warrant copyright protection. Similar to Experian in this case, the compiler in *Key Publications* excluded information that she thought would not be useful for her customers. She excluded businesses that would not remain open long, including “certain insurance brokers, take-out restaurants, and traditional Chinese medical practitioners.” *Id.* The court held that this process of exclusion “indicate[d] thought and creativity in the selection of businesses,” and that the work was copyrightable. *Id.*

In *Kregos v. Associated Press*, [937 F.2d 700, 702](#) (2d Cir. 1991), the Second Circuit dealt with a form or chart that conveyed information about the past performances of the opposing baseball pitchers scheduled to start each day’s game. The form was protected because, similar to Experian’s compilation, there were no other pitching forms that were identical or nearly identical to the plaintiff’s. *Kregos*, [937 F.2d at 705](#). The form included nine items of information about each pitcher’s past performance, grouped into three categories. The protection was for the form itself, not for the daily factual statistics it contained. The court also cautioned that any relief would be extremely limited because the plaintiff could prevail only against those who used forms that exactly copied his selection of information. Nevertheless, the statistical compilation was entitled to some protection.

The Second Circuit reached a different result when considering publications of judicial opinions. In *Matthew Bender & Co. v. West Publishing Co.*, [158 F.3d 674, 677](#) (2d Cir. 1998), the court held that West’s publications of judicial opinions did not merit copyright protection. Although West claimed it had demonstrated sufficient creativity in several respects, including its arrangement of information about parties, courts, and dates of decisions and its addition of certain information concerning counsel, the court concluded that West’s selection and arrangement were “obvious, typical, and lack[ed] even minimal creativity.” *Matthew Bender & Co.*, [158 F.3d at 677](#). Creativity was lacking because industry conventions, such as those in the legal profession, made the choices obvious. Such conventions, the court stated, “so dictate selection that any person composing a compilation of the type at issue would necessarily select the same categories of information,” and that “creativity inheres in making non-obvious choices from among more than a few options.” *Id.* at 677, 682. In this case, Experian’s choices are not obvious, as illustrated by Experian’s evidence that the content in its database differs materially from the content in other compilations of consumer data.

Closer to our case are two Eleventh Circuit decisions involving directories. *Warren Publishing, Inc. v. Microdos Data Corp.*, [115 F.3d 1509, 1511-12](#) (11th Cir. 1997) (en banc), involved a compilation of information about cable system operators. The information was printed in a directory that included “the name, address, and telephone number of the cable system operator, the number of subscribers, the channels offered, the price

of service, and the types of equipment used.” *Warren Publ’g*, [115 F.3d at 1512](#). The compiler used whatever information the cable companies provided in response to the compiler’s request for information. The compilation was not copyrightable under *Feist* because there was no selectivity; unlike in this case, the compiler included the “entire relevant universe known to it” in the directory. *Id.* at 1518, 1520.

In *BellSouth Advertising & Publishing Corp. v. Donnelley Information Publishing, Inc.*, [999 F.2d 1436, 1439, 1442](#) (11th Cir. 1993) (en banc) (*BellSouth*), the Eleventh Circuit similarly held that the plaintiff’s Miami yellow page business directory was not sufficiently original to merit copyright protection because the contents involved no more creativity than the telephone book in *Feist*. Unlike this case, the listed businesses in *BellSouth* chose whether to be listed and the information to be included. [999 F.2d at 1441](#).

A Fifth Circuit case involved a process of data selection similar to the one in this case. The underlying information conveyed was factual, but the manner of selecting and displaying the information involved originality. *Mason v. Montgomery Data, Inc.*, [967 F.2d 135, 141-42](#) (5th Cir. 1992). In *Mason*, the plaintiff selected real estate ownership information and displayed it on maps. The court held that this was sufficiently creative in selection to warrant copyright protection, because the compiler made “choices ... independently... to select information from numerous and sometimes conflicting sources,” including from factual public records, and combined that information to make “an effective pictorial expression of those locations.” *Id.* at 136 n.3, 140, 141. The same is true here.

From this survey of circuit decisions since *Feist*, we draw three general principles. First, although facts are not entitled to copyright protection, factual compilations are entitled to some protection as long as there is creativity in the selection, arrangement, or coordination of the facts. Second, the creativity that suffices to establish copyright protection in factual compilations is minimal. For illustration, the compilation of business names, addresses, and phone numbers of interest to the New York City Chinese-American community was sufficiently creative to warrant copyright protection of a directory in *Key Publications*. Third, such compilations of factual information receive only limited protection. 17 USC 103(b). This means that a compiler may freely use the facts contained in a compilation when preparing a competing work, as long as the competing work does not exhibit the same selection or arrangement.

Applying these principles to this case leads to the conclusion that Experian’s lists are entitled to limited protection. Experian’s selection process in culling data from multiple sources and selecting the appropriate pairing of addresses with names before entering them in the database involves a process of at least minimal creativity. The listings are compiled by first collecting and comparing multiple sources, and then sorting conflicting information through the creation of business rules that Experian created to select from among the conflicts. As the Fifth Circuit said in *Mason*, selection is sufficiently creative when the compiler makes “choices ... independently ... to select information from numerous and sometimes conflicting sources.” [967 F.2d at 141](#). Experian’s pro-

cess more than meets that standard. Much like the compilers in *Mason* and *Key Publications*, Experian's employees choose from multiple and sometimes conflicting sources, and they use their judgment in selecting which names and addresses to include in the database.

Experian's employees, like the compiler in *Key Publications*, also exclude information they deem irrelevant to the interests of Experian's marketing clients, information such as business addresses, and the names and addresses of the very elderly and incarcerated. Such exclusions indicate some "thought and creativity in the selection" of names and addresses to include in the database, *id.*, which indicates the "modicum of creativity necessary to transform mere selection into copyrightable expression." *Feist*, [499 U.S. at 362](#). The name and address pairings in Experian's database are also materially different from those in other databases. With respect to the baseball pitching form in *Kregos*, the Second Circuit observed that "[t]here is no prior form that is identical ... nor one from which [it] varies in only a trivial degree." [937 F.2d at 705](#). The same observation can be made here.

Natimark asserts that Experian's selectivity cannot be creative, because it is no more than a lengthy process to discover facts, which are not copyrightable. Natimark attempts to match Experian's process to the Supreme Court's discussion in *Feist* of "industrious collection," *i.e.*, the hard work that a compiler exerts in gathering facts that lacks creativity to warrant copyright protection.

Experian's methods, however, do not entail simple replication of the data that Experian receives, as was the situation in *Feist*, [499 U.S. at 362](#); see also *Warren Publ'g*, [115 F.3d at 1517-20](#); *BellSouth*, [999 F.2d at 1441](#). In all those cases, the directory compilers were simply fed the data. Experian does not include the "entire relevant universe known to it," as in *Warren Publishing*. [115 F.3d at 1518](#). Rather, Experian's selection process produces different, and at least according to Experian, more reliable data than the other four largest database compilers in the United States.

On the basis of our review of the decisions in this and other circuits, we must conclude that the name and address pairings in this case are copyrightable as compilations under post-*Feist* standards.

That does not end the copyright claim inquiry, however. To establish copyright infringement, the plaintiff must prove not only ownership of a valid copyright, but copying by the alleged infringer of constituent elements of the protected work. We therefore must consider whether Experian has shown that Natimark infringed, *i.e.*, copied the material. ***

B. Whether Experian established infringement

Even though the factual compilation at issue here is entitled to some protection, "the scope of protection in fact-based works" is severely limited. *Feist*, [499 U.S. at 350](#). The facts themselves can be copied at will. As the Supreme Court said in *Feist*, "This result is neither unfair nor unfortunate. It is the means by which copyright advances the progress of science." [499 U.S. at 350](#). ***

For this reason, we have repeatedly recognized in this circuit that when dealing with factual compilations, infringement cannot be based on a showing that only a part of the work has been copied. In the context of factual compilations, we have held that infringement should not be found in the absence of “bodily appropriation of expression,” or “unauthorized use of substantially the entire item.” *Harper House, Inc. v. Thomas Nelson, Inc.*, [889 F.2d 197, 205](#) (9th Cir. 1989) (citations omitted). As we said in *Apple Computer, Inc. v. Microsoft Corp.*, [35 F.3d 1435, 1446](#) (9th Cir. 1994), “Under *Harper House* ... there can be no infringement unless the works are virtually identical.” It is not enough to compare the allegedly infringing compilation with only a portion of the copyrighted work.

The bodily appropriation principle is consistent with our more general rule that to establish that a work has been copied, the two works must be compared side-by-side. *** In this case, the Experian database that was allegedly infringed was one updated through September 2011. Neither that entire database nor Natimark’s entire, allegedly infringing database was introduced into evidence, and perhaps as a practical matter could not have been. Nevertheless, there must be sufficient evidence of content to make a fair comparison. ***

It is undisputed that Natimark’s database was materially smaller than Experian’s. While Experian’s database at the relevant time included approximately 250 million pairings, Natimark’s database contained name and address pairings for only 200 million consumers. Even assuming Natimark’s pairings were exact copies of their counterparts in the Experian database, the match rate would only be 80% and insufficient to establish a bodily appropriation of Experian’s work. *** An 80% match rate between two compilations of names and addresses in databases is insufficient to establish bodily appropriation.

Because Experian has not introduced the version of its database that it claimed was copied, it cannot establish infringement. Even if Experian could establish a triable issue as to copying by comparing later versions of its database with the alleged infringing database, however, the undisputed evidence shows that Experian could not establish bodily appropriation of expression. It can at best show a match rate of 80%. Experian therefore cannot establish infringement. For that reason, we must affirm the District Court’s grant of summary judgment to Natimark on the copyright claim.

II. Trade secret claim

The District Court granted Natimark summary judgment on the state law trade secret claim as well, holding that Experian did not have a valid trade secret in its compilation of names and addresses because the names and addresses were public knowledge and Experian did not explain how it derived economic value from its compilation. The court also held that even if there were a valid trade secret, there were no triable issues of fact as to whether Natimark knew or had reason to know that the data were either secret or stolen when Natimark acquired the data. *** Experian therefore submitted sufficient evidence to withstand summary judgment on the issue of whether Natimark knew or had reason to know that it acquired and used a trade secret that was obtained

through improper means. The District Court erred in granting summary judgment to Natimark on the trade secret claim.

Conclusion

The District Court correctly granted Natimark summary judgment on Experian's copyright claim. Experian's name and address pairings are factual compilations entitled to only thin copyright protection. Experian failed to establish infringement. The District Court erred in granting Natimark summary judgment on the trade secret claim, because there are triable issues of fact as to Natimark's knowledge of misappropriation. We reverse and remand for further proceedings on that claim.

AFFIRMED in part and REVERSED in part and REMANDED.

Thomson v. Larson

147 F.3d 195 (2nd Cir. 1998)

CALABRESI, Circuit Judge: Plaintiff-appellant Lynn Thomson claims that, along with principal playwright Jonathan Larson, she co-authored a “new version” of the critically acclaimed Broadway musical *Rent*. Since Thomson and Larson did not specify their respective rights by contract, this case raises two issues: (1) whether *Rent* qualifies as a statutory “joint work,” co-authored by Thomson; and (2) whether, even if Thomson is not deemed a co-author, she automatically retains exclusive copyright interests in the material she contributed to the work. The first question is squarely answered by the nuanced co-authorship test announced in *Childress v. Taylor*, [945 F.2d 500](#) (2d Cir. 1991), and, on that basis, we affirm the district court’s conclusion that Thomson is not a co-author of *Rent*. The second question—ownership of a copyright (in the absence of any written contract) in a “non-co-author’s” contribution to a work—was not addressed in *Childress*. Because Thomson did not plead infringement of any such putative copyright interest, however, this issue is not properly before us, and so we do not decide it.

BACKGROUND

The facts given below and found by the district court are essentially uncontested.

Rent, the Pulitzer Prize and Tony Award-winning Broadway modern musical based on Puccini’s opera *La Bohème*, began in 1989 as the joint project of Billy Aronson and composer Jonathan Larson. Aronson and Larson collaborated on the work until their amicable separation in 1991.² At that time, Larson obtained Aronson’s permission to develop the play on his own. By written agreement, Larson promised that the title would always be “RENT a rock opera by Jonathan Larson. Original concept and additional lyrics by Billy Aronson.” In return, Aronson agreed that he would “not ... be considered [an] active collaborator or co-author of RENT.”³

In the summer of 1992, Larson’s *Rent* script was favorably received by James Nicola, Artistic Director of the New York Theatre Workshop (“NYTW”), a non-profit theater company in the East Village. Larson continued to develop and revise the “workshop version” of his *Rent* script. In the spring of 1993, Nicola urged Larson to allow the NYTW to hire a playwright or a bookwriter to help revamp the storyline and narrative structure of the play. But Larson “absolutely, vehemently and totally rejected [Nicola’s] suggestion of hiring a bookwriter” and “was insistent on making RENT entirely his own project.” Larson received a grant in the spring of 1994 to pay for a workshop production of *Rent*, which was presented to the public in the fall of 1994 in a series of ten staged performances produced by the NYTW and directed by Michael Greif.⁴

² During that time, from 1989-1991, the names of both Larson and Aronson appeared on the title pages of *Rent* drafts (in identical typeface). After their separation, Larson moved Aronson’s credit from the title page to the final page of the *Rent* scripts.

³ Larson agreed that Aronson would be compensated at “the standard going rate” if the play ever made any money. Aronson later transferred his copyrights to the heirs of Jonathan Larson in exchange for four percent of the authors’ share of royalties.

⁴ At this point, Larson did not have any contract with the NYTW, nor had the theater obtained any production

“[T]he professional consensus concerning the show, after the studio production, was that it was, at a minimum, very promising and that it needed a great deal of work.” Artistic Director Nicola once again suggested to Larson that he consider working with a bookwriter, which Larson “adamantly and steadfastly refused, consistently emphasizing his intention to be the only author of *RENT*.”

In May 1995, in preparation for *Rent*'s off-Broadway opening scheduled for early 1996, Larson agreed to the NYTW's hiring of Lynn Thomson, a professor of advanced playwrighting at New York University, as a dramaturg⁵ to assist him in clarifying the storyline of the musical. Thomson signed a contract with the NYTW, in which she agreed to provide her services with the workshop production from May 1, 1995, through the press opening, scheduled for early February of 1996. The agreement stated that Thomson's “responsibilities shall include, but not be limited to: Providing dramaturgical assistance and research to the playwright and director.” In exchange, the NYTW agreed to pay “a fee” of \$2000, “[i]n full consideration of the services to be rendered” and to provide for billing credit for Thomson as “Dramaturg.” The Thomson/NYTW agreement was silent as to any copyright interests or any issue of ownership with respect to the final work.

In the summer and fall of 1995, Thomson and Larson worked extremely intensively together on the show. For the most part, the two worked on the script alone in Larson's apartment. Thomson testified that revisions to the text of *Rent* didn't begin until early August 1995. Larson himself entered all changes directly onto his computer, where he kept the script, and Thomson made no contemporaneous notes of her specific contributions of language or other structural or thematic suggestions. Thomson alludes to the “October Version” of *Rent* as the culmination of her collaborative efforts with Larson. That new version was characterized by experts as “a radical transformation of the show.”

A “sing-through” of the “October Version” of *Rent* took place in early November 1995. And on November 3, 1995, Larson signed a contract with the NYTW for ongoing revisions to *Rent*. This agreement identified Larson as the “Author” of *Rent* and made no reference to Thomson. The contract incorporated by reference an earlier draft author's agreement that set forth the terms that would apply if the NYTW opted to produce *Rent*. The earlier draft author's agreement gave Larson approval rights over all changes in text, provided that any changes in text would become his property, and assured him billing as “sole author.”

The final dress rehearsal was held on January 24, 1996. Just hours after it ended, Larson died suddenly of an aortic aneurysm. Over the next few weeks, Nicola, Greif,

rights in the play.

⁵ Dramaturgs provide a range of services to playwrights and directors in connection with the production and development of theater pieces. According to Thomson's testimony, the role of the dramaturg “can include any number of the elements that go into the crafting of a play,” such as “actual plot elements, dramatic structure, character details, themes, and even specific language.”

Thomson, and musical director Tim Weil worked together to fine-tune the script.⁷ The play opened off-Broadway on February 13, 1996, to rave reviews. On February 23, *Rent's* move to Broadway was announced. Since its opening on Broadway on April 29, 1996, the show has been “an astounding critical, artistic, and commercial success.”

Before the Broadway opening, Thomson, in view of her contributions to *Rent*, sought compensation and title page dramaturgical credit from the Broadway producers. And on April 2, 1996, she signed a contract in which the producers agreed to pay her \$10,000 plus a nominal \$50/week for her dramaturgical services. Around the same time, upon the producers' advice, Thomson approached Allan S. Larson, Nanette Larson, and Julie Larson McCollum (“Larson Heirs”), the surviving members of Jonathan Larson's family, to request a percentage of the royalties derived from the play. In a letter to the Larson family, dated April 8, 1996, Thomson stated that she believed Larson, had he lived, would have offered her a “small percentage of his royalties to acknowledge the contribution I made.” In reply, the Larson Heirs offered Thomson a gift of 1% of the author's royalties. Negotiations between Thomson and the Larson Heirs, however, broke down.

After the parties failed to reach a settlement, Thomson brought suit against the Larson Heirs, claiming that she was a co-author of *Rent*¹⁰ and that she had never assigned, licensed, or otherwise transferred her rights. Thomson sought declaratory relief and a retroactive and on-going accounting under the Copyright Act. Specifically, she asked that the court declare her a “co-author” of *Rent* and grant her 16% of the author's share of the royalties.¹¹

A bench trial was held in the United States District Court for the Southern District of New York (Lewis A. Kaplan, Judge) from July 18-23, 1997. Judge Kaplan considered the testimony of over two dozen witnesses, as well as thousands of pages of documentary evidence, including *Rent* scripts, playbills, production notes, journal entries, and correspondence. In a decision rendered from the bench, Judge Kaplan concluded that Thomson was not a joint author of *Rent* and dismissed the remainder of Thomson's complaint.

On appeal, Thomson concedes that she has “virtually no disagreement with the District Court's findings with respect to what happened between her and Jon Larson, or with respect to the evidence of Larson's intent.” Reply Brief for Plaintiff-Appellant at

⁷ All four agreed that they would not claim authorship in any of the material created during this time. Accordingly, before *Rent* opened off-Broadway, Nancy Dickmann, Managing Director of the NYTW, asked each of them to sign waivers disclaiming any copyright interest in the material they contributed. Thomson alone refused.

¹⁰ Thomson's amended complaint alleges that “she developed the plot and theme, contributed extensively to the story, created many character elements, wrote a significant portion of the dialogue and song lyrics, and made other copyrightable contributions to the Work.”

¹¹ Thomson claims that she seeks 16% of the proceeds “because of her respect for Larson's role as the principal creator of the work.” Thomson derives the 16% figure in the following way: she alleges that 48% of the *Rent* script is new in relation to the 1994 Workshop version (prior to her involvement); as co-author, she is, therefore, entitled to 50% of this part (or 24% of the total revenues); but since there are three components to *Rent* (book, lyrics, and music) and she did not contribute to one (music), she is entitled to 2/3, or 16% of the total revenues. Thomson also sought the right to quote freely from various versions of *Rent* in a book that she planned to write.

2. Instead, the focus of Thomson’s appeal is on whether the district court correctly applied the *Childress* test of co-authorship, and, secondarily, whether the district court’s declaration that Thomson is not a co-author nevertheless means that she retains exclusive copyright interests in any material that she contributed to the work.

DISCUSSION

The district court properly defined the principal question in this case as: “not whether Lynn Thomson made a great contribution to the show. It is not whether she has been or ought to be compensated differently than she has been compensated. It is about whether what happened between Lynn Thomson and Jon Larson met the statutory definition as it has been construed by the higher courts of a joint work.” In analyzing this issue, the district court made numerous findings of fact and then applied the *Childress* test to these facts. ***

I. THOMSON’S CO-AUTHORSHIP CLAIM

A. Statutory Definition of “Joint Work”

Thomson’s request for a declaratory judgment establishing her co-authorship under the Copyright Act of 1976, 17 U.S.C. §§ 101 *et seq.*, requires us to interpret and apply the copyright ownership provisions of the Act. The Copyright Act defines a “joint work” as “a work prepared by two or more authors with the intention that their contributions be merged into inseparable or interdependent parts of a unitary whole.” 17 U.S.C. § 101 (1994). The touchstone of the statutory definition “is the intention at the time the writing is done that the parts be absorbed or combined into an integrated unit.” H.R. Rep. No. 1476, 94th Cong. 120, 121 (1976).

Joint authorship entitles the co-authors to equal undivided interests in the whole work—in other words, each joint author has the right to use or to license the work as he or she wishes, subject only to the obligation to account to the other joint owner for any profits that are made. See 17 U.S.C. § 201(a).

B. Childress Requirements

In *Childress v. Taylor*, our court interpreted this section of the Act and set forth “standards for determining when a contributor to a copyrighted work is entitled to be regarded as a joint author” where the parties have failed to sign any written agreement dealing with coauthorship. [945 F.2d at 501](#). While the Copyright Act states only that co-authors must intend that their contributions “be merged into ... a unitary whole,” in *Childress*, Judge Newman explained why a more stringent inquiry than the statutory language would seem to suggest is required:

[A]n inquiry so limited would extend joint author status to many persons who are not likely to have been within the contemplation of Congress. For example, a writer frequently works with an editor who makes numerous useful revisions to the first draft, some of which will consist of additions of copyrightable expression. Both intend their contributions to be merged into inseparable parts of a unitary whole, yet very few editors and even fewer writers would expect the

editor to be accorded the status of joint author, enjoying an undivided half interest in the copyright in the published work.

Id. at 507.

The facts of *Childress* highlighted this concern with “overreaching” contributors. Actress Clarice Taylor wrote a script based on the life of legendary comedienne Jackie “Moms” Mabley, but Taylor was unable to get it produced as a play. Taylor convinced playwright Alice Childress to rescue the project by writing a new script. After Childress’ completion of the script, Taylor took a copy of Childress’ copyrighted play and produced it at another theater without permission. Childress sued Taylor for copyright infringement, and Taylor asserted a defense of co-authorship.

The court concluded that there was “no evidence that [Taylor’s contribution] ever evolved into more than the helpful advice that might come from the cast, the directors, or the producers of any play.” On that basis, the court upheld a grant of summary judgment for Childress.

The potential danger of allowing anyone who makes even a minimal contribution to the writing of a work to be deemed a statutory co-author—as long as the two parties intended the contributions to merge—motivated the court to set forth a two-pronged test. A co-authorship claimant bears the burden of establishing that each of the putative co-authors (1) made independently copyrightable contributions to the work; and (2) fully intended to be co-authors. The court attempted to strike a balance between “ensur[ing] that true collaborators in the creative process are accorded the perquisites of co-authorship,” *id.* at 504, while at the same time, “guard[ing] against the risk that a sole author is denied exclusive authorship status simply because another person render[s] some form of assistance,” *id.*

1. Independently Copyrightable Contributions

Childress held that collaboration alone is not sufficient to establish joint authorship. Rather, the contribution of each joint author must be independently copyrightable. See [945 F.2d at 507](#). It noted that this is “the position taken by the case law and endorsed by the agency administering the Copyright Act.” *Id.*

Without making specific findings as to any of Thomson’s claims regarding lyrics or other contributions, the district court concluded that Thomson “made at least some non-*de minimis* copyrightable contribution,” and that Thomson’s contributions to the *Rent* libretto were “certainly not zero.”¹⁴ Once having said that, the court decided the case on the second *Childress* prong—mutual intent of co-authorship. It hence did not reach the issue of the individual copyrightability of Thomson’s varied alleged contributions (plot developments, thematic elements, character details, and structural components).

¹⁴ Judge Kaplan stated that “there are lines in *Rent* that originated verbatim with Ms. Thomson. I don’t think they amount to 9 percent, and certainly not zero. There is probably enough there that it is not *de minimis*.”

2. Intent of the Parties

a. Mutual Intent Requirement

Childress mandates that the parties “entertain in their minds the concept of joint authorship.” [945 F.2d at 508](#). This requirement of mutual intent recognizes that, since coauthors are afforded equal rights in the coauthored work, the “equal sharing of rights should be reserved for relationships in which all participants fully intend to be joint authors.” *Id.* at 509.

The *Childress* court noted that “[a]n inquiry into how the putative joint authors regarded themselves in relation to the work has previously been part of our approach in ascertaining the existence of joint authorship.” *Id.* at 508 (citing *Gilliam v. American Broad. Cos., Inc.*, [538 F.2d 14, 22](#) (2d Cir. 1976); *Fisher v. Klein*, [16 U.S.P.Q.2d 1795, 1798](#) (S.D.N.Y. 1990); *Maurel v. Smith*, [220 F. 195, 198](#) (S.D.N.Y. 1915), *aff’d*, [271 F. 211](#) (2d Cir. 1921)). Moreover, the *Childress* rule of mutual co-authorship intent has subsequently been followed in this circuit and elsewhere.

Childress and its progeny, however, do not explicitly define the nature of the necessary intent to be co-authors. The court stated that “[i]n many instances, a useful test will be whether, in the absence of contractual arrangements concerning listed authorship, each participant intended that all would be identified as co-authors.” *Childress*, [945 F.2d at 508](#). But it is also clear that the intention standard is not strictly subjective. In other words, co-authorship intent does not turn solely on the parties’ own words or professed state of mind. See *id.* (“[J]oint authorship can exist without any explicit discussion of this topic by the parties.”). Rather, the *Childress* court suggested a more nuanced inquiry into factual indicia of ownership and authorship, such as how a collaborator regarded herself in relation to the work in terms of billing and credit, decisionmaking, and the right to enter into contracts. See *id.* at 508-09. In this regard, the court stated that “[t]hrough joint authorship does not require an understanding by the co-authors of the legal consequences of their relationship, obviously some distinguishing characteristic of the relationship must be understood for it to be the subject of their intent.” *Id.* at 508.

Finally, the *Childress* court emphasized that the requirement of intent is particularly important where “one person ... is indisputably the dominant author of the work and the only issue is whether that person is the sole author or she and another ... are joint authors.” *Id.* “Care must be taken ... to guard against the risk that a sole author is denied exclusive authorship status simply because another person render[s] some form of assistance.” *Id.* at 504.

Thomson intimates that *Childress*’s stringent mutual intent standard is properly limited, by its facts, to cases involving claimants who have made “minimal contribution[s] to the writing of a work.” Brief for Appellant at 30. And she asserts that her purported *major* contribution of copyrightable expression to *Rent*, by itself, is evidence of Larson’s intent that she be a co-author. Indeed, Thomson goes further and claims that this proof is enough to give her relationship with Larson the “distinguishing characteristics” needed to establish co-authorship. But *Childress* makes clear that the contribution even

of significant language to a work does not automatically suffice to confer co-author status on the contributor. Under *Childress*, a specific finding of mutual intent remains necessary. See [945 F.2d at 508](#). We therefore turn to an examination of the factual indicia of ownership and authorship relevant to this inquiry, as they are defined in prior cases.

b. Evidence of Larson’s Intent²⁰

i. Decisionmaking Authority

An important indicator of authorship is a contributor’s decisionmaking authority over what changes are made and what is included in a work. The district court determined that Larson “retained and intended to retain at all times sole decision-making authority as to what went into [*Rent*].” In support of its conclusion, the court relied upon Thomson’s statement that she was “flattered that [Larson] was asking [her] to contribute actual language to the text” and found that this statement demonstrated that even Thomson understood “that the question whether any contribution she might make would go into the script was within Mr. Larson’s sole and complete discretion.”²¹ Moreover, as the court recognized, the November agreement between Larson and the NYTW expressly stated that Larson had final approval over all changes to *Rent* and that all such changes would become Larson’s property.

ii. Billing

In discerning how parties viewed themselves in relation to a work, *Childress* also deemed the way in which the parties bill or credit themselves to be significant. See [945 F.2d at 508](#) (“Though ‘billing’ or ‘credit’ is not decisive in all cases ... consideration of the topic helpfully serves to focus the fact-finder’s attention on how the parties implicitly regarded their undertaking.”). As the district court noted, “billing or credit is ... a window on the mind of the party who is responsible for giving the billing or the credit.” And a writer’s attribution of the work to herself alone is “persuasive proof ... that she intended this particular piece to represent her own individual authorship” and is “*prima facie* proof that [the] work was not intended to be joint.” *Weissmann*, [868 F.2d at 1320](#).

Thomson claims that Larson’s decision to credit her as “dramaturg” on the final page of *Rent* scripts reflected some co-authorship intent. Thomson concedes that she never

²⁰ Under *Childress*, each putative co-author must intend to be a co-author in order to give rise to a co-author relationship. See [945 F.2d at 508](#). The Larson Heirs suggest that “Thomson’s lack of co-authorship intent provides a second and independent basis for affirming the decision below.” Brief for Defendants-Appellees at 49. The district court, having found that “Mr. Larson never regarded himself as a joint author with Ms. Thomson,” stated that it had no reason to rule on this alternative basis for dismissal. (It noted that “arguments could be made both ways.”) Because we affirm the district court’s conclusion that Larson lacked co-authorship intent, we too will refrain from addressing Ms. Thomson’s intent, except as it may seem to bear on Larson’s.

²¹ There was also documentary evidence before the district court that confirmed the advisory nature of Thomson’s role. Thus, a set of notes Thomson wrote to Larson began, “Please know that everything is intended as a question but might sound differently in the shorthand of the writing.” And other notes, addressed to Nicola and Grief, read: “Usual disclaimer; the following is meant to generate discussion. Even when I offer ‘solutions’ what I mean is only to communicate a response by example....”

sought equal billing with Larson, but argues that she did not need to do so in order to be deemed a statutory co-author.

The district court found, instead, that the billing was unequivocal: Every script brought to [the court's] attention says "*Rent*, by Jonathan Larson." In addition, Larson "described himself in the biography he submitted for the playbill in January 1996, nine days before he died, as the author/composer, and listed Ms. Thomson on the same document as dramaturg." And while, as Ms. Thomson argues, it may indeed have been highly unusual for an author/composer to credit his dramaturg with a byline, we fail to see how Larson's decision to style her as "dramaturg" on the final page in *Rent* scripts reflects a co-authorship intent on the part of Larson. The district court properly concluded that "the manner in which [Larson] listed credits on the scripts strongly supports the view that he regarded himself as the sole author."

iii. Written Agreements with Third Parties

Just as the parties' written agreements with each other can constitute evidence of whether the parties considered themselves to be co-authors, see *Gilliam v. American Broad. Cos.*, [538 F.2d 14, 22](#) (2d Cir. 1976) (written screenwriters' agreement between the parties indicate that they did not consider themselves joint authors of a single work); *Erickson*, [13 F.3d at 1072](#) (licensing agreement evidences lack of co-authorship intent); see also *Maurel v. Smith*, [271 F. at 214-15](#) (contracts evidence co-authorship relationship), so the parties' agreements with outsiders also can provide insight into co-authorship intent, albeit to a somewhat more attenuated degree.

The district court found that Larson "listed himself or treated himself as the author in the November 1995 revisions contract that he entered into with the NYTW, which in turn incorporated the earlier draft author's agreement that had not been signed." That agreement identifies Larson as *Rent*'s "Author" and does not mention Thomson. It also incorporates the terms of a September 1995 draft agreement (termed "Author's Agreement") that states that Larson "shall receive billing as sole author." The district court commented, moreover, that "[t]he fact that [Larson] felt free to enter into the November 1995 contract on his own, without the consent of and without any reference to Ms. Thomson quite apart from whatever the terms of the agreements are, indicates that his intention was to be the sole author."

iv. Additional Evidence

Beside relying on evidence that Larson retained decisionmaking authority over the final work, that he was billed as sole author, and that he entered into written agreements with third parties as sole author, the district court found much other evidence that indicated a lack of intent on Larson's part to make Thomson a co-author.

Thus, at various times during the development of *Rent* (once shortly before Thomson was hired as dramaturg in the summer of 1995), Artistic Director Nicola suggested to Larson that he work with a bookwriter to assist him in the refinement of the script. Larson, however, "absolutely, vehemently and totally" rejected the idea of a bookwriter and was steadfast in his determination to make *Rent* "entirely his own project." The

district court found that Larson’s “rejection of a book writer ... speaks to Mr. Larson’s intent[] ... [and] is part of a broader pattern that persuades me that Mr. Larson never intended the joint authorship relationship.”

Moreover, the evidence before the district court established that Larson not only understood the concept of co-authorship, but that he had used the term “co-author” on two separate copyright applications for different versions of a screenplay he wrote in 1991 and 1992. Larson had also used the term “coauthor” in the November 1993 written agreement with Billy Aronson, which provided that Aronson would “not ... be considered an active collaborator or co-author of RENT.” On the basis of this evidence, the district court found that, while Larson “understood that the phrase ‘co-author’ was one freighted with legal significance[] ... there is absolutely no evidence whatever ... that [Larson] ever regarded himself as a co-author with Ms. Thomson of *Rent*.”

Finally, the court relies on “an explicit discussion on the topic of co-authorship” that Thomson claims she and Larson had. Brief for Appellant at 9. According to Thomson’s written trial testimony, the conversation was as follows:

I told him I was flattered that he was asking me to contribute actual language to the text. He responded by saying “Of course I want you to do that!” ... He then told me the following: “I’ll always acknowledge your contribution,” and “I would never say that I wrote what you did.”

The district court found that the alleged conversation was “entirely consistent with Mr. Larson’s view that he was the sole author and that Ms. Thomson ... was the dramaturg, which he conceived to be a different role.”

c. Conclusion

Based on all of the evidence, the district court concluded that “Mr. Larson never regarded himself as a joint author with Ms. Thomson.” We believe that the district court correctly applied the *Childress* standards to the evidence before it and hold that its finding that Larson never intended co-authorship was not clearly erroneous.

II. THOMSON’S ALLEGED COPYRIGHT INTERESTS

The Copyright Act declares that “[c]opyright in a work protected under this title vests initially in the author or authors of the work.” 17 U.S.C. § 201(a). Each author’s rights in a joint work are non-exclusive, see *id.*, whereas a sole author retains exclusive rights in his or her own work, see *id.* § 106.

In this respect, the instant case presents somewhat of a conundrum. “[M]ost dramaturgs work on play scripts as employees of the producing theater company, and even absent an employment agreement waiving ownership of copyrights, in the ordinary course they would not have any copyright interests, under the work-for-hire doctrine.” Brief for *Amici Curiae* The National Writers Union and Literary Managers and Dramaturgs of the Americas, Inc. at 4-5. Thomson, however, independently contracted with the NYTW. (It is unclear whether the NYTW was Larson’s agent, but this, seemingly, is of no significance.) Accordingly, there was no written agreement between Thomson

and Larson. It is also undisputed that Larson never asked Thomson to state that her contribution would be work for hire, or that she would own no copyrights or transfer them to anyone.

Thomson argues that, if she is not deemed to be a joint author of *Rent*, then “she must have all of the rights of a sole author with respect to her own contribution.” Brief for Plaintiff-Appellant at 17. On appeal, she asserts for the first time that the only alternative to finding co-authorship is to split a cocreated work into its components—*i.e.*, she must be entitled to withdraw her purported contributions. The National Writers Union, a trade union of freelance writers, and Literary Managers and Dramaturgs of the Americas, Inc., a professional association, as *amici curiae* in support of Thomson, further suggest that Thomson has grounds to file an infringement suit relating to the same material on which her co-authorship claim is premised. Brief for *Amici Curiae* The National Writers Union and Literary Managers and Dramaturgs of the Americas, Inc. at 13 n.1.

The Larson Heirs contend that “[u]nder *Childress*, copyrightable contributions by an editor or other person retained to assist an author belong to the author, absent mutual co-authorship intent.” Brief for Defendants-Appellees at 46. They conclude that “[b]ecause she is not a joint author, Thomson has no rights.” *Id.* at 47. In the alternative, the Larson Heirs claim that “even if, despite *Childress*, the sole author is not the copyright owner of the materials contributed by others, the suggestions proffered by Thomson were impliedly or expressly licensed to Larson for use in *Rent*.” *Id.* In a similar vein, The Dramatists Guild, Inc., a professional association of playwrights, librettists, composers, and lyricists, posits that “[g]iven the collaborative nature of theater, any ‘contribution’ of copyrightable material should be understood as conveying with it to the playwright a non-exclusive license to use the collaborator’s material in the work, absent some other arrangement in writing.” Brief for *Amicus Curiae* The Dramatists Guild, Inc. at 30.

Our circuit has not decided whether a person who makes a non-*de minimis* copyrightable contribution but cannot meet the mutual intent requirement of co-authorship, retains, in the absence of a work-for-hire agreement or of any explicit contractual assignment of the copyright, any rights and interests in his or her own contribution. This issue, however, was not presented to the district court by the parties. The only ground for relief asserted by Thomson was her purported co-authorship of *Rent*. Thomson’s assertion that, if she is not deemed a co-author, she has exclusive rights with respect to the material that she contributed to *Rent*, is raised for the first time on appeal:

[I]f it were to be affirmed that *Rent* is not a statutory joint work, [Thomson] then would be awarded rights which she never imagined, much less sought, and which she would be loathe to enforce. Under Section 106, she would have the right to enjoin any use of her contributions in any stage production, book, cast album, or motion picture.

Brief for Appellant at 44. In other words, she contends that “other than an argument of joint authorship between Thomson and Larson, there would be no defense to an

infringement suit brought by Thomson.” Brief for *Amici Curiae* The National Writers Union and Literary Managers and Dramaturgs of the Americas, Inc. at 13 n.1.

But Thomson has not brought such an infringement suit. Nor has she yet attempted to restrain any use of her allegedly copyrighted material. Accordingly, the district court had no occasion to rule on: (1) whether Thomson, if not deemed a co-author, nevertheless had copyright interests in the material that she contributed to *Rent* or, alternatively, (2) whether Thomson granted Larson a license to use the material that she purportedly contributed to *Rent*, and if so on what terms. Because these issues were not raised below and therefore are not properly before us, we express no opinion on them.

CONCLUSION

The district court found that Jonathan Larson lacked the requisite intent to accept Lynn Thomson as a co-author of *Rent*. We hold that the district court properly applied the *Childress v. Taylor* test of co-authorship and that its factual finding with respect to Larson’s intent is not clearly erroneous. We therefore affirm the judgment of the district court.

Community for Creative Non-Violence v. Reid

490 U.S. 730 (1989)

JUSTICE MARSHALL delivered the opinion of the Court: In this case, an artist and the organization that hired him to produce a sculpture contest the ownership of the copyright in that work. To resolve this dispute, we must construe the “work made for hire” provisions of the Copyright Act of 1976 (Act or 1976 Act), 17 U.S.C. §§ 101 and 201(b), and in particular, the provision in § 101, which defines as a “work made for hire” a “work prepared by an employee within the scope of his or her employment” (hereinafter § 101(1)).

I

Petitioners are the Community for Creative Non-Violence (CCNV), a nonprofit unincorporated association dedicated to eliminating homelessness in America, and Mitch Snyder, a member and trustee of CCNV. In the fall of 1985, CCNV decided to participate in the annual Christmastime Pageant of Peace in Washington, D.C., by sponsoring a display to dramatize the plight of the homeless. As the District Court recounted:

“Snyder and fellow CCNV members conceived the idea for the nature of the display: a sculpture of a modern Nativity scene in which, in lieu of the traditional Holy Family, the two adult figures and the infant would appear as contemporary homeless people huddled on a streetside steam grate. The family was to be black (most of the homeless in Washington being black); the figures were to be life-sized, and the steam grate would be positioned atop a platform ‘pedestal,’ or base, within which special-effects equipment would be enclosed to emit simulated ‘steam’ through the grid to swirl about the figures. They also settled upon

a title for the work—“Third World America”—and a legend for the pedestal: ‘and still there is no room at the inn.’”652 F. Supp. 1453, 1454 (DC 1987).

Snyder made inquiries to locate an artist to produce the sculpture. He was referred to respondent James Earl Reid, a Baltimore, Maryland, sculptor. In the course of two telephone calls, Reid agreed to sculpt the three human figures. CCNV agreed to make the steam grate and pedestal for the statue. Reid proposed that the work be cast in bronze, at a total cost of approximately \$100,000 and taking six to eight months to complete. Snyder rejected that proposal because CCNV did not have sufficient funds, and because the statue had to be completed by December 12 to be included in the pageant. Reid then suggested, and Snyder agreed, that the sculpture would be made of a material known as “Design Cast 62,” a synthetic substance that could meet CCNV’s monetary and time constraints, could be tinted to resemble bronze, and could withstand the elements. The parties agreed that the project would cost no more than \$15,000, not including Reid’s services, which he offered to donate. The parties did not sign a written agreement. Neither party mentioned copyright.

After Reid received an advance of \$3,000, he made several sketches of figures in various poses. At Snyder’s request, Reid sent CCNV a sketch of a proposed sculpture showing the family in a crechelike setting: the mother seated, cradling a baby in her lap; the father standing behind her, bending over her shoulder to touch the baby’s foot. Reid testified that Snyder asked for the sketch to use in raising funds for the sculpture. Snyder testified that it was also for his approval. Reid sought a black family to serve as a model for the sculpture. Upon Snyder’s suggestion, Reid visited a family living at CCNV’s Washington shelter but decided that only their newly born child was a suitable model. While Reid was in Washington, Snyder took him to see homeless people living on the streets. Snyder pointed out that they tended to recline on steam grates, rather than sit or stand, in order to warm their bodies. From that time on, Reid’s sketches contained only reclining figures.

Throughout November and the first two weeks of December 1985, Reid worked exclusively on the statue, assisted at various times by a dozen different people who were paid with funds provided in installments by CCNV. On a number of occasions, CCNV members visited Reid to check on his progress and to coordinate CCNV’s construction of the base. CCNV rejected Reid’s proposal to use suitcases or shopping bags to hold the family’s personal belongings, insisting instead on a shopping cart. Reid and CCNV members did not discuss copyright ownership on any of these visits.

On December 24, 1985, 12 days after the agreed-upon date, Reid delivered the completed statue to Washington. There it was joined to the steam grate and pedestal prepared by CCNV and placed on display near the site of the pageant. Snyder paid Reid the final installment of the \$15,000. The statue remained on display for a month. In late January 1986, CCNV members returned it to Reid’s studio in Baltimore for minor repairs. Several weeks later, Snyder began making plans to take the statue on a tour of several cities to raise money for the homeless. Reid objected, contending that the Design Cast 62 material was not strong enough to withstand the ambitious itinerary. He urged CCNV to cast the statue in bronze at a cost of \$35,000, or to create a master

mold at a cost of \$5,000. Snyder declined to spend more of CCNV's money on the project.

In March 1986, Snyder asked Reid to return the sculpture. Reid refused. He then filed a certificate of copyright registration for "Third World America" in his name and announced plans to take the sculpture on a more modest tour than the one CCNV had proposed. Snyder, acting in his capacity as CCNV's trustee, immediately filed a competing certificate of copyright registration.

Snyder and CCNV then commenced this action against Reid and his photographer, Ronald Purtee, seeking return of the sculpture and a determination of copyright ownership. The District Court granted a preliminary injunction, ordering the sculpture's return. After a 2-day bench trial, the District Court declared that "Third World America" was a "work made for hire" under § 101 of the Copyright Act and that Snyder, as trustee for CCNV, was the exclusive owner of the copyright in the sculpture. 652 F. Supp., at 1457. The court reasoned that Reid had been an "employee" of CCNV within the meaning of § 101(1) because CCNV was the motivating force in the statue's production. Snyder and other CCNV members, the court explained, "conceived the idea of a contemporary Nativity scene to contrast with the national celebration of the season," and "directed enough of [Reid's] effort to assure that, in the end, he had produced what they, not he, wanted." *Id.*, at 1456.

The Court of Appeals for the District of Columbia Circuit reversed and remanded, holding that Reid owned the copyright because "Third World America" was not a work for hire. Adopting what it termed the "literal interpretation" of the Act as articulated by the Fifth Circuit in *Easter Seal Society for Crippled Children & Adults of Louisiana, Inc. v. Playboy Enterprises*, [815 F.2d 323, 329](#) (1987), the court read § 101 as creating "a simple dichotomy in fact between employees and independent contractors." Because, under agency law, Reid was an independent contractor, the court concluded that the work was not "prepared by an employee" under § 101(1). Nor was the sculpture a "work made for hire" under the second subsection of § 101 (hereinafter § 101(2)): sculpture is not one of the nine categories of works enumerated in that subsection, and the parties had not agreed in writing that the sculpture would be a work for hire. The court suggested that the sculpture nevertheless may have been jointly authored by CCNV and Reid and remanded for a determination whether the sculpture is indeed a joint work under the Act.

We granted certiorari to resolve a conflict among the Courts of Appeals over the proper construction of the "work made for hire" provisions of the Act. We now affirm.

II

A

The Copyright Act of 1976 provides that copyright ownership "vests initially in the author or authors of the work." 17 U.S.C. § 201(a). As a general rule, the author is the party who actually creates the work, that is, the person who translates an idea into a fixed, tangible expression entitled to copyright protection. § 102. The Act carves out

an important exception, however, for “works made for hire.” If the work is for hire, “the employer or other person for whom the work was prepared is considered the author” and owns the copyright, unless there is a written agreement to the contrary. § 201(b). Classifying a work as “made for hire” determines not only the initial ownership of its copyright, but also the copyright’s duration, §302(c), and the owners’ renewal rights, § 304(a), termination rights, § 203(a), and right to import certain goods bearing the copyright, § 601(b)(1). The contours of the work for hire doctrine therefore carry profound significance for freelance creators—including artists, writers, photographers, designers, composers, and computer programmers—and for the publishing, advertising, music, and other industries which commission their works.

Section 101 of the 1976 Act provides that a work is “for hire” under two sets of circumstances:

- “(1) a work prepared by an employee within the scope of his or her employment;
- or
- (2) a work specially ordered or commissioned for use as a contribution to a collective work, as a part of a motion picture or other audiovisual work, as a translation, as a supplementary work, as a compilation, as an instructional text, as a test, as answer material for a test, or as an atlas, if the parties expressly agree in a written instrument signed by them that the work shall be considered a work made for hire.”

Petitioners do not claim that the statue satisfies the terms of § 101(2). Quite clearly, it does not. Sculpture does not fit within any of the nine categories of “specially ordered or commissioned” works enumerated in that subsection, and no written agreement between the parties establishes “Third World America” as a work for hire.

The dispositive inquiry in this case therefore is whether “Third World America” is “a work prepared by an employee within the scope of his or her employment” under § 101(1). The Act does not define these terms. In the absence of such guidance, four interpretations have emerged. The first holds that a work is prepared by an employee whenever the hiring party retains the right to control the product. See *Peregrine v. Lauren Corp.*, [601 F. Supp. 828, 829](#) (Colo. 1985); *Clarkstown v. Reeder*, [566 F. Supp. 137, 142](#) (SDNY 1983). Petitioners take this view. A second, and closely related, view is that a work is prepared by an employee under § 101(1) when the hiring party has actually wielded control with respect to the creation of a particular work. This approach was formulated by the Court of Appeals for the Second Circuit, *Aldon Accessories Ltd. v. Spiegel, Inc.*, [738 F.2d 548 \(1984\)](#), and adopted by the Fourth Circuit, *Brunswick Beacon, Inc. v. Schock-Hopchas Publishing Co.*, [810 F.2d 410](#) (1987), the Seventh Circuit, *Evans Newton, Inc. v. Chicago Systems Software*, [793 F.2d 889](#) (1986) *** . A third view is that the term “employee” within § 101(1) carries its common-law agency law meaning. This view was endorsed by the Fifth Circuit in *Easter Seal Society for Crippled Children & Adults of Louisiana, Inc. v. Playboy Enterprises*, [815 F.2d 323](#) (1987), and by the Court of Appeals below. Finally, respondent and numerous *amici curiae* contend that the term “employee” only refers to “formal, salaried” employees. The Court of Appeals for the Ninth Circuit recently adopted this view. See *Dumas v. Gommerman*, [865 F.2d 1093](#) (1989).

The starting point for our interpretation of a statute is always its language. The Act nowhere defines the terms “employee” or “scope of employment.” It is, however, well established that “[w]here Congress uses terms that have accumulated settled meaning under . . . the common law, a court must infer, unless the statute otherwise dictates, that Congress means to incorporate the established meaning of these terms.” *NLRB v. Amax Coal Co.*, [453 U.S. 322, 329](#) (1981). In the past, when Congress has used the term “employee” without defining it, we have concluded that Congress intended to describe the conventional master-servant relationship as understood by common-law agency doctrine. Nothing in the text of the work for hire provisions indicates that Congress used the words “employee” and “employment” to describe anything other than “the conventional relation of employer and employe.” *Kelley, supra*, [at 323](#), quoting *Robinson, supra*, [at 94](#). On the contrary, Congress’ intent to incorporate the agency law definition is suggested by § 101(1)’s use of the term, “scope of employment,” a widely used term of art in agency law. See Restatement (Second) of Agency § 228 (1958) (hereinafter Restatement).

In past cases of statutory interpretation, when we have concluded that Congress intended terms such as “employee,” “employer,” and “scope of employment” to be understood in light of agency law, we have relied on the general common law of agency, rather than on the law of any particular State, to give meaning to these terms. *** Establishment of a federal rule of agency, rather than reliance on state agency law, is particularly appropriate here given the Act’s express objective of creating national, uniform copyright law by broadly pre-empting state statutory and common-law copyright regulation. See 17 U.S.C. § 301(a). We thus agree with the Court of Appeals that the term “employee” should be understood in light of the general common law of agency.

In contrast, neither test proposed by petitioners is consistent with the text of the Act. The exclusive focus of the right to control the product test on the relationship between the hiring party and the product clashes with the language of § 101(1), which focuses on the relationship between the hired and hiring parties. The right to control the product test also would distort the meaning of the ensuing subsection, § 101(2). Section 101 plainly creates two distinct ways in which a work can be deemed for hire: one for works prepared by employees, the other for those specially ordered or commissioned works which fall within one of the nine enumerated categories and are the subject of a written agreement. The right to control the product test ignores this dichotomy by transforming into a work for hire under § 101(1) any “specially ordered or commissioned” work that is subject to the supervision and control of the hiring party. Because a party who hires a “specially ordered or commissioned” work by definition has a right to specify the characteristics of the product desired, at the time the commission is accepted, and frequently until it is completed, the right to control the product test would mean that many works that could satisfy § 101(2) would already have been deemed works for hire under § 101(1). Petitioners’ interpretation is particularly hard to square with § 101(2)’s enumeration of the nine specific categories of specially ordered or commissioned works eligible to be works for hire, *e. g.*, “a contribution to a collective work,” “a part of a motion picture,” and “answer material for a test.” The unifying feature of these works is that they are usually prepared at the instance, direction, and risk of a publisher

or producer. By their very nature, therefore, these types of works would be works by an employee under petitioners' right to control the product test.

The actual control test, articulated by the Second Circuit in *Aldon Accessories*, fares only marginally better when measured against the language and structure of § 101. Under this test, independent contractors who are so controlled and supervised in the creation of a particular work are deemed "employees" under § 101(1). Thus work for hire status under § 101(1) depends on a hiring party's *actual* control of, rather than *right* to control, the product. *Aldon Accessories*, [738 F.2d, at 552](#). Under the actual control test, a work for hire could arise under § 101(2), but not under § 101(1), where a party commissions, but does not actually control, a product which falls into one of the nine enumerated categories. Nonetheless, we agree with the Court of Appeals for the Fifth Circuit that "[t]here is simply no way to milk the 'actual control' test of *Aldon Accessories* from the language of the statute." *Easter Seal Society*, [815 F.2d, at 334](#). Section 101 clearly delineates between works prepared by an employee and commissioned works. Sound though other distinctions might be as a matter of copyright policy, there is no statutory support for an additional dichotomy between commissioned works that are actually controlled and supervised by the hiring party and those that are not.

We therefore conclude that the language and structure of § 101 of the Act do not support either the right to control the product or the actual control approaches. The structure of § 101 indicates that a work for hire can arise through one of two mutually exclusive means, one for employees and one for independent contractors, and ordinary canons of statutory interpretation indicate that the classification of a particular hired party should be made with reference to agency law.

This reading of the undefined statutory terms finds considerable support in the Act's legislative history. The Act, which almost completely revised existing copyright law, was the product of two decades of negotiation by representatives of creators and copyright-using industries, supervised by the Copyright Office and, to a lesser extent, by Congress. Despite the lengthy history of negotiation and compromise which ultimately produced the Act, two things remained constant. First, interested parties and Congress at all times viewed works by employees and commissioned works by independent contractors as separate entities. Second, in using the term "employee," the parties and Congress meant to refer to a hired party in a conventional employment relationship. These factors militate in favor of the reading we have found appropriate.

Transforming a commissioned work into a work by an employee on the basis of the hiring party's right to control, or actual control of, the work is inconsistent with the language, structure, and legislative history of the work for hire provisions. To determine whether a work is for hire under the Act, a court first should ascertain, using principles of general common law of agency, whether the work was prepared by an employee or an independent contractor. After making this determination, the court can apply the appropriate subsection of § 101.

B

We turn, finally, to an application of § 101 to Reid's production of "Third World America." In determining whether a hired party is an employee under the general common law of agency, we consider the hiring party's right to control the manner and means by which the product is accomplished. Among the other factors relevant to this inquiry are the skill required; the source of the instrumentalities and tools; the location of the work; the duration of the relationship between the parties; whether the hiring party has the right to assign additional projects to the hired party; the extent of the hired party's discretion over when and how long to work; the method of payment; the hired party's role in hiring and paying assistants; whether the work is part of the regular business of the hiring party; whether the hiring party is in business; the provision of employee benefits; and the tax treatment of the hired party. See Restatement § 220(2) (setting forth a nonexhaustive list of factors relevant to determining whether a hired party is an employee). No one of these factors is determinative.

Examining the circumstances of this case in light of these factors, we agree with the Court of Appeals that Reid was not an employee of CCNV but an independent contractor. True, CCNV members directed enough of Reid's work to ensure that he produced a sculpture that met their specifications. But the extent of control the hiring party exercises over the details of the product is not dispositive. Indeed, all the other circumstances weigh heavily against finding an employment relationship. Reid is a sculptor, a skilled occupation. Reid supplied his own tools. He worked in his own studio in Baltimore, making daily supervision of his activities from Washington practicably impossible. Reid was retained for less than two months, a relatively short period of time. During and after this time, CCNV had no right to assign additional projects to Reid. Apart from the deadline for completing the sculpture, Reid had absolute freedom to decide when and how long to work. CCNV paid Reid \$15,000, a sum dependent on "completion of a specific job, a method by which independent contractors are often compensated." *Holt v. Wimpisinger*, [811 F.2d 1532, 1540](#) (1987). Reid had total discretion in hiring and paying assistants. "Creating sculptures was hardly 'regular business' for CCNV." 846 F.2d, at 1494, n.11. Indeed, CCNV is not a business at all. Finally, CCNV did not pay payroll or Social Security taxes, provide any employee benefits, or contribute to unemployment insurance or workers' compensation funds.

Because Reid was an independent contractor, whether "Third World America" is a work for hire depends on whether it satisfies the terms of § 101(2). This petitioners concede it cannot do. Thus, CCNV is not the author of "Third World America" by virtue of the work for hire provisions of the Act. However, as the Court of Appeals made clear, CCNV nevertheless may be a joint author of the sculpture if, on remand, the District Court determines that CCNV and Reid prepared the work "with the intention that their contributions be merged into inseparable or interdependent parts of a unitary whole." 17 U.S.C. § 101. In that case, CCNV and Reid would be co-owners of the copyright in the work. See § 201(a).

For the aforesaid reasons, we affirm the judgment of the Court of Appeals for the District of Columbia Circuit. ***

Marvel Characters, Inc. v. Kirby

726 F.3d 119 (2nd Cir. 2013)

SACK, Circuit Judge: This appeal requires us to revisit our case law applying the work-for-hire doctrine in the context of section 304 of the Copyright Act of 1976 (or, the “1976 Act”), 17 U.S.C. § 304. Defendants-counter-claimants-appellants Lisa, Neal, Susan, and Barbara Kirby (collectively, the “Kirbys”) are the children of the late Jack Kirby. Kirby is considered one of the most influential comic book artists of all time. At various times throughout his career, he produced drawings for Marvel Comics, a comic book publisher that has since grown into the multifaceted enterprise reflected in the case caption: Marvel Characters, Inc., Marvel Worldwide, Inc., MVL Rights, LLC, and Marvel Entertainment, Inc. (collectively, “Marvel”). At issue here are the rights to drawings Kirby allegedly created between 1958 and 1963.

The Kirbys appeal from the district court’s grant of summary judgment to Marvel, which was based on the conclusion that all of the works at issue are “works made for hire” within the meaning of section 304(c), and that the Kirbys therefore have no rights to the works. *** We conclude that the district court *** was correct in concluding that the works at issue are “works made for hire” under section 304(c). ***

BACKGROUND

*** Jack Kirby, born Jacob Kurtzberg in New York City’s Lower East Side in 1917, began his career in the comic book business in the late 1930s. In the summer of 1940, a young woman named Rosalind moved into the apartment above his with her family. The day they met, Kirby asked Rosalind if she “[w]ould like to see [his] etchings[.]” She thought he wanted “to fool around”; he only wanted to show her his drawings for a new comic book series called Captain America. Kirby and “Roz” were married in 1942. After Kirby’s military service in World War II, the couple had four children: Susan, Neal, Barbara, and Lisa.

Kirby’s career in comic book illustration spanned more than half a century. His influence was substantial. An obituary marking his death in 1994 quoted Joe Simon, Kirby’s creative partner for fifteen years: “He brought the action drawing to a new level. His style was imitated all over and still is today to a certain extent.” Jack Kirby, 76; Created Comic Book Superheroes, N.Y. Times, Feb. 8, 1994, at D22. Kirby was prolific, too. In 1951 alone, 308 pages of Kirby’s work appeared in published comic books. This output was typical for him in the years between 1940 and 1978.

Marvel was founded as Timely Comics in 1939 by one Martin Goodman. In 1940, Marvel purchased the first ten issues of Captain America from Kirby and Joe Simon. But Kirby and Simon would soon move on to a competitor, DC Comics. To replace them, Goodman hired one Stanley Lieber.

Lieber would come to be known by his pen name, Stan Lee. Lee is in his own right a towering figure in the comic book world, and a central one in this case. He in effect directed Marvel from the early 1940s until sometime in the 1970s, serving, in his words, as “Editor,” “Art Director” and “a staff writer.” He continued to work for Marvel in one capacity or another at least to the day of his deposition testimony in this litigation.

But in the 1940s and 50s, Marvel, hobbled by poor business decisions, was hardly a success story.¹ In 1958, Kirby began producing drawings for Marvel once again. And by 1961, its fortunes began to change. That year, Marvel released the first issues of *The Fantastic Four*. On its heels were releases of the first issues of some of Marvel's most enduring and profitable titles, including *The Incredible Hulk*, *The X-Men*, and *Spider-Man*.

This litigation concerns the property rights in 262 works published by Marvel between 1958 and 1963. Who owns these rights depends upon the nature of Kirby's arrangement with Marvel during that period.

It is undisputed that Kirby was a freelancer, i.e., he was not a formal employee of Marvel, and not paid a fixed wage or salary. He did not receive benefits, and was not reimbursed for expenses or overhead in creating his drawings. He set his own hours and worked from his home. Marvel, usually in the person of Stan Lee, was free to reject Kirby's drawings or ask him to redraft them. When Marvel accepted drawings, it would pay Kirby by check at a per-page rate.

Despite the absence of a formal employment agreement, however, the record suggests that Kirby and Marvel were closely affiliated during the relevant time period. Lee assigned Kirby, whom he considered his best artist, a steady stream of work during that period. And Kirby seems to have done most of his work with Marvel projects in mind. Although the Kirby children assert that their father could and did produce and sell his work to other publishers during those years, lists of Kirby's works cited by both parties establish that the vast majority of his published work in that time frame was published by Marvel (or Atlas Comics, as part of Marvel Comics Group).

The specifics of Kirby and Marvel's creative relationship during this time period are less clear. According to Lee, at the relevant time, artists worked using what the parties call the "Marvel Method." It was developed as a way to "keep a lot of artists busy" when Lee or another writer could not provide the artist with a completed script. The first step was for Lee to meet with an artist at a "plotting conference." Lee would provide the artist with a "brief outline" or "synopsis" of an issue; sometimes he would "just talk ... with the artist" about ideas. The artist would then "draw it any way they wanted to." Then a writer, such as Lee, would "put in all the dialogue and the captions." *Id.* According to Lee, he "maintain[ed] the ability to edit and make changes or reject what the other writers or artists had created."

Lee testified that he worked this way with Kirby "for years":

And Jack Kirby and I would, let's say when we did the *Fantastic Four*, I first wrote a synopsis of what I thought the *Fantastic Four* should be, who the characters should be, what their personalities were. And I gave it to Jack, and then I told him what I thought the first story should be, how to open it, who the

¹ Certainly not helping matters was a mid-1950s investigation by the United States Senate into comics' alleged corrupting influence on America's youth. On April 21, 1954, a subcommittee of the Senate Judiciary Committee held a televised hearing on the topic. Louis Menand, *The Horror: Congress investigates the comics*, *The New Yorker*, Mar. 31, 2008, at 124. ***

villain should be, and how we would end it. And that was all. Jack went home and drew the whole thing. I put the dialogue in.

Other evidence in the record, including some of Lee's own deposition testimony, indicates, however, that Kirby had a freer hand within this framework than did comparable artists. For example, Lee explained that "instead of telling [Kirby] page by page" what to draw, Lee might simply tell him to "[d]evote five pages to this, five pages to that, and three pages to that." Sometimes during plotting sessions, Kirby might "contribute something or he might say, 'Stan, let's also do this or do that.'"

It is beyond dispute, moreover, that Kirby made many of the creative contributions, often thinking up and drawing characters on his own, influencing plotting, or pitching fresh ideas.

The dispute before us began in September 2009, when the Kirbys served various Marvel entities with documents entitled "Notice of Termination of Transfer Covering Extended Renewal Term" (the "Termination Notices"). The Termination Notices purport to exercise statutory termination rights under section 304(c)(2) of the Copyright Act of 1976, 17 U.S.C. § 304, with respect to 262 works in all.

Each notice states an effective date sometime in the future, presumably between 2014 and 2019. The effective dates are calculated according to section 304(c)'s timing provision, which states in relevant part that "[t]ermination ... may be effected at any time during a period of five years beginning at the end of fifty-six years from the date copyright was originally secured...." 17 U.S.C. § 304(c)(3).

*** On July 28, 2011, the district court *** granted Marvel's motion for summary judgment. *Marvel Worldwide, Inc. v. Kirby*, [777 F.Supp.2d 720](#) (S.D.N.Y. 2011). It relied upon case law in this Circuit applying the so-called "instance and expense test" to determine whether a work is "made for hire" under section 304(c). The court concluded that undisputed facts in the record establish as a matter of law that the works at issue were made at Marvel's instance and expense, and were therefore works made for hire. This being so, the Kirbys had no termination rights, and their Termination Notices were ineffective. The district court entered judgment accordingly on August 8, 2011.

The Kirbys appeal.

DISCUSSION

*** We thus, at last, arrive at the merits of Marvel's summary judgment motion. At issue is section 304(c) of the Copyright Act of 1976, which, insofar as bears on this litigation, provides:

Termination of Transfers and Licenses Covering Extended Renewal Term.—
In the case of any copyright subsisting in either its first or renewal term on January 1, 1978, other than a copyright in a work made for hire, the exclusive or nonexclusive grant of a transfer or license of the renewal copyright or any right under it, executed before January 1, 1978 ... is subject to termination....

17 U.S.C. § 304(c).

If the author is no longer alive, section 304(c)(2) grants his or her termination rights to specified heirs. See *id.* § 304(c)(2)(B). The provision "protect[s] the property rights

of widows and children in copyrights” by granting them the power to undo earlier transfers and to enjoy the remainder of the copyright term.⁷

But section 304(c) provides that termination rights under that section do not exist with respect to “work[s] made for hire.” 17 U.S.C. § 304(c). Where a work is “made for hire,” copyright law deems the employer to be the “author” for purposes of copyright ownership. Copyright Act of 1909 § 62 (formerly codified at 17 U.S.C. § 26) (“[T]he word ‘author’ shall include an employer in the case of works made for hire.”); see also Copyright Act of 1976 § 201(b), 17 U.S.C. § 201(b) (“In the case of a work made for hire, the employer or other person for whom the work was prepared is considered the author for purposes of this title....”). The hired party, although “the ‘author’ in the colloquial sense,” *Shapiro, Bernstein & Co. v. Bryan*, [123 F.2d 697, 699](#) (2d Cir. 1941), therefore never owned the copyrights to assign. It stands to reason, then, that there are no rights the assignment of which his or her heirs may now terminate.

Marvel argues that all of the works at issue in this case fall into the category of “work made for hire.”

1. The Instance and Expense Test.

To determine whether a work is “work made for hire” within the meaning of section 304(c), we apply case law interpreting that term as used in the 1909 Act, the law in effect when the works were created. See *Estate of Burne Hogarth v. Edgar Rice Burroughs, Inc.*, [342 F.3d 149, 156-63](#) (2d Cir. 2003). This requires us to apply what is known as the “instance and expense test.”

a. Origins.

The origins of the instance and expense test were described at some length by Judge Newman’s opinions in *Estate of Burne Hogarth v. Edgar Rice Burroughs, Inc.*, [supra](#), and *Martha Graham School and Dance Foundation, Inc. v. Martha Graham Center of Contemporary Dance, Inc.*, [380 F.3d 624, 633-36](#) (2d Cir. 2004).

The test was developed from two lines of cases. One was our court-made work-for-hire jurisprudence. “Because the 1909 Act did not define ‘employer’ or ‘works made for hire,’ the task of shaping these terms fell to the courts.” *Community for Creative Non-Violence v. Reid*, [490 U.S. 730, 744](#) (1989). Using *Bleistein v. Donaldson Lithographing Co.*, [188 U.S. 239, 248](#) (1903)—the Supreme Court’s first encounter with the work-for-hire phenomenon—as a guidepost, our early cases focused principally on whether the work at issue was created within the scope of a traditional employment relationship. Work-for-hire doctrine thus served to identify which party within the traditional employment

⁷ Thirty-nine years, to be precise. Termination rights may be effected “during a period of five years beginning at the end of fifty-six years from the date copyright was originally secured, or beginning on January 1, 1978, whichever is later.” 17 U.S.C. § 304(c)(3). Under section 304, as amended by the Sonny Bono Copyright Term Extension Act, the full copyright term of the works at issue—consisting of a 28-year initial term plus a 67-year renewal term—is 95 years. See 17 U.S.C. § 304(a), (b). At stake here, then, is the 39 years that will be remaining on each of the works’ copyright terms at the time they turn 56.

relationship was the statutory “author,” and hence owned the copyright in the work from the time of creation.

The second doctrine developed to address what was initially considered a separate issue under the 1909 Act: rights in commissioned works created by independent contractors. The issue in this situation, at least in the early cases, was not who the statutory author was—the author was the independent contractor. The issue was whether the hiring party nevertheless owned copyrights by way of the author’s implied assignment of those rights; and, if so, whether the assignment applied to only the “original” copyright term, or to both the “original” term and an “expectancy” in the so-called “renewal” term.

*** And when we next confronted the issue, in *Playboy Enterprises, Inc. v. Dumas*, [53 F.3d 549, 554](#) (2d Cir. 1995), we explained that “an independent contractor is an ‘employee’ and a hiring party an ‘employer’ for purposes of the [1909 Act] if the work is made at the hiring party’s ‘instance and expense.’”

b. General Principles

We have stated as a general rule that “[a] work is made at the hiring party’s ‘instance and expense’ when the employer induces the creation of the work and has the right to direct and supervise the manner in which the work is carried out.” *Martha Graham*, [380 F.3d at 635](#). Our case law is, however, not so tidy. To the extent we can distill from our prior cases a set of principles applicable here, they are these:

“Instance” refers to the extent to which the hiring party provided the impetus for, participated in, or had the power to supervise the creation of the work. Actual creative contributions or direction strongly suggest that the work is made at the hiring party’s instance. The “right to direct and supervise the manner in which the work is carried out,” *Martha Graham*, [380 F.3d at 635](#), moreover, even if not exercised, is in some circumstances enough to satisfy the “instance” requirement. It may be sufficient, for example, where the hiring party makes a particularly strong showing that the work was made at its expense, or where prior dealings between the parties on similar assignments, as part of an ongoing arrangement, have rendered fine-grained supervision unnecessary.

But “inducement” or “control” alone can be incidental enough not to vest copyright ownership in the hiring party. For example, in *Siegel v. National Periodical Publications, Inc.*, [508 F.2d 909, 914](#) (2d Cir. 1974), we concluded that it was insufficient that the independent contractor “revise[d] and expand[ed] the Superman material at the request of the [hiring party],” because “Superman had been spawned by the [independent contractor] four years before the relationship [with the hiring party] existed.” Indeed, even in cases arising under traditional employment law, a work created “as a special job assignment” may not be a “work made for hire.” *Shapiro, Bernstein & Co.*, [221 F.2d at 570](#).

The “expense” component refers to the resources the hiring party invests in the creation of the work. We have, at least in some cases, continued the tradition of treating the incidents of a traditional employment relationship as relevant to the analysis. We

have, moreover, suggested that the hiring party's provision of tools, resources, or overhead may be controlling. In other cases, however, we seem to have focused mostly on the nature of payment: payment of a "sum certain" suggests a work-for-hire arrangement; but "where the creator of a work receives royalties as payment, that method of payment generally weighs against finding a work-for-hire relationship." We note, though, that this distinction appears to be a rather inexact method of properly rewarding with ownership the party that bears the risk with respect to the work's success.

Our case law counsels against rigid application of these principles. Whether the instance and expense test is satisfied turns on the parties' creative and financial arrangement as revealed by the record in each case.

If the hiring party is able to satisfy the instance and expense test, it "is presumed to be the author of the work," and the independent contractor can overcome the presumption only "by evidence of an agreement to the contrary." *Playboy Enterprises, Inc.*, [53 F.3d at 556](#).

2. Application of the Instance and Expense Test in the Present Case.

Applying these principles to the facts in the record before us—a challenging endeavor in some respects—we conclude that the works were created at Marvel's instance and expense, and that Barbara and Susan have not adduced evidence of an agreement to the contrary contemporaneous with the creation of the works. We therefore conclude that the district court was correct to award summary judgment in favor of Marvel.

a. Instance.

The evidence, construed in favor of the Kirbys, establishes beyond dispute that the works in question were made at Marvel's instance.

Although Jack Kirby was a freelancer, his working relationship with Marvel between the years of 1958 and 1963 was close and continuous. Stan Lee considered Kirby to be Marvel's best artist, an assessment reinforced by the admiration of Kirby by his contemporaries, and Kirby appears to have been kept busy with assignments from Marvel.

Marvel published the great majority of Kirby's work during these years—1958 through 1963. There are indications in the record that artists did customarily work with more than one publisher during the relevant time period, and a handful of Kirby's works between 1958 and 1963 were not published by Marvel. But it is beyond dispute that most of Kirby's work during this period was published by Marvel and for established Marvel titles.

Understood as products of this overarching relationship, Kirby's works during this period were hardly self-directed projects in which he hoped Marvel, as one of several potential publishers, might have an interest; rather, he created the relevant works pursuant to Marvel's assignment or with Marvel specifically in mind. Kirby's ongoing partnership with Marvel, however unbalanced and under-remunerative to the artist, is therefore what induced Kirby's creation of the works.

Marvel also played at least some creative role with respect to the works. Kirby undoubtedly enjoyed more creative discretion than most artists did under the "Marvel

Method,” a fact Lee readily admits. But the only evidence on the issue indicates that he did not work on “spec” (speculation)—that is, he worked within the scope of Marvel’s assignments and titles. There is no disputing, moreover, that Marvel had the power to reject Kirby’s pages and require him to redo them, or to alter them, a power it exercised from time to time. And there is evidence that Kirby collaborated with Lee with respect to many of the works.

Marvel’s inducement, right to supervise, exercise of that right, and creative contribution with respect to Kirby’s work during the relevant time period is more than enough to establish that the works were created at Marvel’s instance.

The Kirbys’ attempts to avoid this conclusion are unsuccessful. Their argument is that the “right to supervise” referred to in our case law requires a legal, presumably contractual, right. We find no hint of this requirement in our case law applying the instance and expense test. Nor do the Kirbys provide a principled reason why Marvel’s active involvement in the creative process, coupled with its power to reject pages and request that they be redone, should not suffice.

The Kirbys also point to factual disputes over who actually created the characters, plots, and other concepts in Marvel’s comic books during the relevant time period, mostly in an attempt to discredit Lee and find fault in the district court’s reading of the record. Questions of who created the characters are mostly beside the point. That Marvel owes many of its triumphs to Kirby is beyond question. But the hired party’s ingenuity and acumen are a substantial reason for the hiring party to have enlisted him. It makes little sense to foreclose a finding that work is made for hire because the hired artist indeed put his exceptional gifts to work for the party that contracted for their benefit.

b. Expense.

Whether the Works were created at Marvel’s expense presents a more difficult question. We ultimately find ourselves in agreement with the district court and in favor of Marvel here too.

The facts underlying the expense component are not in dispute. Marvel paid Kirby a flat rate per page for those pages it accepted, and no royalties. It did not pay for Kirby’s supplies or provide him with office space. It was free to reject Kirby’s pages and pay him nothing for them. The record contains anecdotal evidence that Marvel did in fact reject Kirby’s work or require him to redo it on occasion, if less often than it did the work of other artists, but with what frequency is unclear.

Marvel argues that its payment of a flat rate for Kirby’s pages is all that matters. It relies on our suggestion in *Playboy Enterprises*, [53 F.3d at 555](#), that “the ‘expense’ requirement [is] met where a hiring party simply pays an independent contractor a sum certain for his or her work.” Because, Marvel argues, it paid Kirby a sum certain when it accepted his pages—irrespective of whether the pages required edits or additions, were ultimately published, or were part of a comic book that was a commercial success—it took on the risk of financial loss.

The Kirbys urge us to focus not on the risk Marvel took at the time it purchased the pages, but on the risk Kirby took when he set out to create them. Until Marvel purchased Kirby's pages, they point out, Kirby had undertaken all of the costs of producing the drawings—time, tools, overhead—and shouldered the risk that Marvel would reject them, leaving him in the lurch. Marvel's purely contingent payment, they argue, thus acted more like a royalty than a sum certain.

This argument might give us pause if Kirby's relationship with Marvel comprised discrete engagements with materially uncertain prospects for payment, or, indeed, if he undertook to create the works independent of Marvel. But there is no evidence of which we are aware to either effect. The evidence suggests instead that Marvel and Kirby had a standing engagement whereby Kirby would produce drawings designed to fit within specific Marvel universes that his previously purchased pages had helped to define. When Kirby sat down to draw, then, it was not in the hope that Marvel or some other publisher might one day be interested enough in them to buy, but with the expectation, established through their ongoing, mutually beneficial relationship, that Marvel would pay him. And the record makes clear that in the run of assignments, this expectation proved warranted.

Kirby's completed pencil drawings, moreover, were generally not free-standing creative works, marketable to any publisher as a finished or nearly finished product. They built on preexisting titles and themes that Marvel had expended resources to establish—and in which Marvel held rights—and they required both creative contributions and production work that Marvel supplied. That the works are now valuable is therefore in substantial part a function of Marvel's expenditures over and above the flat rate it paid Kirby for his drawings.

In the final analysis, then, the record suggests that both parties took on risks with respect to the works' success—Kirby that he might occasionally not be paid for the labor and materials for certain pages, and Marvel that the pages it did pay for might not result in a successful comic book. But we think that Marvel's payment of a flat rate and its contribution of both creative and production value, in light of the parties' relationship as a whole, is enough to satisfy the expense requirement.

c. Agreement to the Contrary.

Because Marvel has satisfied the instance and expense test, a presumption arises that the works in question were "works made for hire" under section 304(c). This presumption can be overcome only by evidence of an agreement to the contrary contemporaneous with the creation of the works.

The Kirbys' showing in this regard consists mostly of negative or elliptical inferences concerning the parties' agreement at the time. For example, they point to a 1975 assignment executed by Jack Kirby that purported to transfer interests in certain works to Marvel (but also averred that all of his work was for hire), which they say suggests the parties' understanding that Marvel did not already own the rights. They also call to our attention evidence that indicates that Marvel paid Kirby during the relevant time

periods with checks that contained a legend with assignment, instead of work-for-hire, language.

This evidence is not enough to enable the Kirbys to survive the motion for summary judgment. It is all too likely that, if the parties thought about it at all, Kirby's assignments at the time he was paid or later were redundancies insisted upon by Marvel to protect its rights; we decline to infer from Marvel's suspenders that it had agreed to give Kirby its belt.

* * *

In sum, the district court made no error, in our view, in determining as a matter of law that the works were made at Marvel's instance and expense, and that the parties had no agreement to the contrary. The remaining Kirbys, Barbara and Susan, are therefore without termination rights under section 304(c), and the district court properly granted Marvel's motion for summary judgment as to them. ***

Markham Concepts, Inc. v. Hasbro, Inc.

1 F.4th 74 (1st Cir. 2021)

LIPEZ, Circuit Judge: "The Game of Life" is a classic family board game, introduced in 1960 by the Milton Bradley Company to great success. This case involves a long-running dispute between Rueben Klammer, a toy developer who came up with the initial concept of the game, and Bill Markham, a game designer whom Klammer approached to design and create the actual game prototype. Eventually, their dispute (which now involves various assignees, heirs, and successors-in-interest) reduced to one primary issue: whether the game qualified as a "work for hire" under the Copyright Act of 1909. If it did, Markham's successors-in-interest would not possess the termination rights that would allow them to reassert control over the copyright in the game. After considering the evidence produced at a bench trial, the district court concluded that the game was, indeed, such a work. Plaintiff-appellants, who all trace their interest in the game to Markham, challenge that determination. We affirm.

I.

We begin with a summary of the facts, as found by the district court. In 1959, Bill Markham, an experienced game designer and the head of a California-based product development company, was approached by Rueben Klammer, a toy developer with extensive industry contacts. Klammer had just visited Milton Bradley's Massachusetts headquarters, where he had been asked to develop an idea for a product that would commemorate the company's 1960 centennial. While searching for inspiration in the company's archive, he discovered a copy of the company's first board game: "The Checkered Game of Life," created by Milton Bradley himself in 1860. The original game was intended to instill its youthful players with lessons about vice and virtue. Klammer saw potential in an updated version, modified to reflect contemporary American society and values. On the trip back to California, Klammer developed the concept, even scribbling some thoughts on the flight home. Klammer was more of an ideas person, though,

and he needed help developing the concept and creating a working prototype that could be pitched to Milton Bradley. Klamer chose Markham's firm partly because of two talented artists who worked there: Grace Chambers and Leonard Israel.

Markham and his team started work on the project in the summer of 1959. To ensure that a product launch coincided with Milton Bradley's 1960 centennial, they rushed to produce a prototype in just a few weeks. Markham and Klamer together contributed key features of the game: play would advance along a track winding through a three-dimensional game board, with a spinner determining how far players would move on each turn (thereby progressing through various "life milestones"). Klamer visited Markham's firm once or twice per week to offer feedback on the development of the physical game board and the box cover. Chambers built most of the prototype board. She constructed houses, mountains, and the elevated track out of balsa wood, cardboard, and paper. Israel focused on the art for the prototype's box cover. He produced various sketches, Markham and Klamer chose the one they liked best, and Chambers integrated it into a box cover. As the game took shape, Markham, Klamer, Chambers, and Israel would all play the prototype together, suggesting (and vetoing) various rules and refinements. Sue Markham, Bill's wife and a copywriter by trade, memorialized the agreed-upon changes in what became the prototype's rulebook.

After approximately six weeks, the prototype was ready. At a meeting at Chasen's (a famous Hollywood restaurant), Klamer and Markham pitched it to a group of Milton Bradley executives. Also present was an associate of Klamer's, Art Linkletter, a well-known radio and television personality. Klamer and Linkletter were co-founders of a company called Link Research Corporation, which developed products and used Linkletter's celebrity to promote them. Part of the pitch was that Linkletter could help market the game. The pitch worked. The Milton Bradley executives liked the game and thought that it had commercial potential.

The parties subsequently entered into two agreements regarding rights to the game. The first was a license agreement between Link Research and Milton Bradley. It gave Milton Bradley the exclusive right to make and sell the game and noted that Link Research "ha[d] had . . . [the game] designed and constructed." The license agreement also gave Milton Bradley the right to use Linkletter's name and image in promoting the game. In exchange, Link Research would receive a six percent royalty on sales, including a \$5,000 non-refundable advance. The second was an assignment agreement between Link Research and Markham. Stating that Markham had "invented, designed[,] and developed [the] game," it assigned "all of [Markham's] right, title[,] and interest in and to the Game[] to LINK." In exchange, it gave Markham thirty percent of Link Research's six percent royalty, including a \$773.05 non-refundable advance. It also noted that Markham would be paid \$2,423.16 to cover the costs of producing the prototype. In fact, Klamer had agreed at the beginning of the project to cover Markham's costs, and Markham had already billed Link Research for his expenses (including the salaries of Chambers and Israel and the cost of the materials used to create the prototype). Klamer ultimately paid Markham's bill from the \$5,000 Milton Bradley advance.

Milton Bradley, meanwhile, began refining the prototype and made some design changes, often with input from Markham and Klamer. It ultimately published the game in early 1960. Milton Bradley applied to register copyrights in the game board and rules later that year, identifying itself as the author of both. Separately, Link Research applied for copyright registration of the game's box, and likewise identified Milton Bradley as the author. The game was a hit, and even today remains a money-maker for Hasbro, which acquired Milton Bradley (and rights to the game) in the 1980s.

In the decades following publication, however, Markham and Klamer clashed (in and out of court) over who deserved credit for creating the game. Generally speaking, Markham felt that he was not given proper public recognition for his role, and that his share of the royalties under the assignment agreement was unfairly low. Markham passed away in 1993.

This litigation is the latest chapter in the dispute over the origins of the game. Markham's successors-in-interest sued Klamer, the heirs of Art Linkletter, and Hasbro, seeking (among other things) a judicial declaration that they possess "termination rights" under the 1976 Copyright Act. Such rights give the authors of works the power to terminate the grant of a copyright after a certain period of time, see 17 U.S.C. §§ 203, 304(c), and 304(d), thereby permitting them to extricate themselves from "ill-advised" grants made before the "true value" of their work was apparent. *Mills Music, Inc. v. Snyder*, [469 U.S. 153, 172-73](#) (1985). With termination rights, Markham's successors-in-interest would be able to cancel the original assignment agreement and presumably negotiate a more lucrative royalty deal. There is, however, a crucial qualifier. As all parties agree, termination rights do not extend to "work[s] made for hire." 17 U.S.C. § 304(c). Accordingly, whether the game qualified as a work for hire became the focal point of the case.

After a bench trial (which included testimony from Klamer, Chambers, and Israel), the district court concluded that the game was a work for hire under the so-called "instance and expense" test. Specifically, the court found that Klamer "provided the instance for and bore the expense of the prototype's invention." As a result, according to the court, Markham's successors-in-interest lacked termination rights under the 1976 Copyright Act. They now challenge that conclusion on appeal, arguing that the district court erred in using the instance and expense test, and, even under that test, reached the wrong conclusion. They also challenge the court's failure to strike one of the defendants' discovery responses.

II.

*** B. What work-for-hire test applies?

1. Doctrinal background

American copyright law has long recognized that a work created by an employee belongs to the employer, who is then viewed as the author and copyright holder. See *Bleistein v. Donaldson Lithographing Co.*, [188 U.S. 239, 248](#) (1903). This judge-made doctrine was "later codified in the Copyright Act of 1909." *Forward v. Thorogood*, [985 F.2d](#)

[604, 606](#) (1st Cir. 1993). However, the 1909 Act did not provide much detail. It indicated that “[t]he word ‘author’ shall include an employer in the case of works made for hire,” 17 U.S.C. § 26 (1976 ed.) (1909 Act), but did not define “employer” or “works made for hire.” As a result, “the task of shaping these terms fell to the courts.” *Cnty. for Creative Non-Violence v. Reid*, [490 U.S. 730, 744](#) (1989).

Initially, courts limited the doctrine to “the traditional employer-employee relationship,” that is, to “a work created by an employee acting within the scope of employment.” *Forward*, [985 F.2d at 606](#). Later, however, courts extended the doctrine “to include commissioned works created by independent contractors.” *Id.* In these situations, courts would “treat[] the contractor as an employee and creat[e] a presumption of copyright ownership in the commissioning party at whose ‘instance and expense’ the work was done.” *Id.* In practice, this test often favors the hiring party.

In the Copyright Act of 1976, Congress introduced a more explicit, two-part framework that applied to works created on or after January 1, 1978 (the effective date of the Act). 17 U.S.C. § 101. The 1976 Act defined a “work made for hire” as either:

- (1) a work prepared by an employee within the scope of his or her employment;
or
- (2) a work specially ordered or commissioned for use as a contribution to a collective work, as a part of a motion picture or other audiovisual work, as a translation, as a supplementary work, as a compilation, as an instructional text, as a test, as answer material for a test, or as an atlas, if the parties expressly agree in a written instrument signed by them that the work shall be considered a work made for hire.

17 U.S.C. § 101. By adopting this two-part definition, Congress seemingly “meant to address the situation of the full-time or conventional employee in the first provision, and the situation of the independent contractor in the second.” *Principles of Copyright Law* § 5.2.2. Significantly, Congress’s new approach was friendlier to commissioned parties than under the 1909 Act, at least in certain ways. In the absence of an employee-employer relationship, only specific kinds of works could be treated as works for hire, and then only if there was a written agreement to do so. See *id.*

The latest relevant development, for our purposes, came in *Community for Creative Non-Violence v. Reid*, [490 U.S. 730](#) (1989). *Reid* dealt with the proper interpretation of “a work prepared by an employee within the scope of his or her employment”—that is, the first way in which a work can qualify as a work for hire under the 1976 Act. [490 U.S. at 738](#) (quoting 17 U.S.C. § 101(1)). Noting that the Act did not define “employee,” *Reid* explained that the term should “be understood in light of the general common law of agency.” *Id.* at 739-41. In so holding, the Court rejected an approach to § 101(1), adopted by some circuits, that had deemed a hired party an “employee” if the hiring party had “a right to control” or “actual control of” the work. *Id.* at 742.

2. Discussion

Because *The Game of Life* was created long before the 1976 Act took effect, there is no question that the standard for a work for hire under the 1909 Act governs. See

Forward, [985 F.2d at 606 n.2](#) (noting that the 1976 Act “altered the works for hire doctrine,” but only “prospectively”). However, appellants claim that the instance and expense test—the prevailing approach under the 1909 Act for determining whether a commissioned work is a work for hire—is no longer applicable, even as to pre-1978 works. This is so, they argue, because of *Reid*. Appellants acknowledge that *Reid* addressed the 1976 Act, but they maintain that its underlying logic applies equally to the 1909 Act. They argue that *Reid* requires courts to read the 1909 Act’s reference to “employer”² in light of standard agency principles, and thus forecloses the instance and expense test. In other words, according to appellants, the work-for-hire doctrine under the 1909 Act is limited to works produced under a traditional employer-employee relationship defined by principles of agency law, and does not extend to commissioned works, for which the lower courts developed the instance and expense test. In that circumstance, Markham would retain his status as the original author, a status precluded by the work for hire doctrine, and enjoy the termination rights that go with that original author status. Appellants thus urge us (or the district court on remand) to apply the agency law factors set forth in *Reid* in order to determine whether Klammer qualifies as an employer. Upon doing so, they say, it would be clear that he does not, and the game would therefore not qualify as a work for hire.

Even if we were disposed to appellants’ view, however, it does not account for our own precedent. In *Forward*, which was decided four years after *Reid*, we applied the instance and expense test to a work governed by the 1909 Act, noting that the test controlled whether a commissioned work qualified as a work for hire. Under our law of the circuit doctrine, we are bound to apply a prior panel decision that is closely on point. ***

The facts of *Forward* plainly demonstrate that the instance and expense test was essential to the result there. John Forward was a music aficionado and record collector who became a fan of a band—George Thorogood and the Destroyers—after seeing them play at a Boston nightclub in 1975. Drawing on his industry contacts, Forward arranged and paid for two recording sessions for the band at Rounder Records, with the aim of producing a demo tape that would get the attention of the label. Besides suggesting specific songs to be recorded, Forward’s input was limited to arranging and paying for the sessions. Rounder Records liked what it heard and signed the band to a contract; the band agreed that Forward could keep the 1976 demo tapes for his own use and enjoyment. More than a decade later, after the band had achieved wider success, Forward informed the band that he was planning to sell the tapes as part of a commercial release. The band objected, and Forward sought a declaratory judgment that he held copyright ownership in the tapes. In part, he argued that the tapes were commissioned works for hire under the 1909 Act because they were created at his instance and expense—and, thus, he was the presumptive copyright owner.

² *Reid* did not specifically address the meaning of the word “employer” because the provision at issue—the first part of the work-for-hire definition in the 1976 Act—does not use the term. See 17 U.S.C. § 101(1) (referring to “a work prepared by an employee within the scope of his or her employment”). Nonetheless, *Reid* could fairly be read to mean that the term “employer” also should be understood in light of standard agency principles.

Applying the instance and expense test, the panel rejected Forward's argument. The panel found that the evidence supported the district court's conclusion that "although Forward booked and paid for the studio time, he neither employed nor commissioned the band members nor did he compensate or agree to compensate them." In short, "Forward was a fan and friend who fostered [the band's] effort [to secure a record contract], not the Archbishop of Salzburg [sic] commissioning works by Mozart." Put simply, *Forward* applied the instance and expense test to reach the outcome it did. Accordingly, the panel necessarily held that, post-*Reid*, the instance and expense test remained applicable to commissioned works under the 1909 Act. That holding is binding on us here. *** In sum, we stand by the approach in *Forward* and reiterate that the instance and expense test applies to works governed by the 1909 Act.

C. Application of the instance and expense test

Even under the instance and expense test, Markham's successors-in-interest insist that they prevail. They offer two arguments, both of which were considered and rejected by the district court. First, they maintain that the game fails to satisfy the second prong of the test because it was not made at Klamer's expense. Second, arguing that the test creates only a presumption that the work qualifies as a work for hire, they contend that language in the assignment agreement between Link Research and Markham is enough to rebut the presumption. We construe these arguments as raising fact-intensive mixed questions, which we review with some deference to the district court.

As to the first argument, the evidence amply supports the district court's finding that the game was created at Klamer's expense. In general, the expense requirement looks to the parties' relative investment of resources in the work and the related financial risk. See *Marvel Characters, Inc. v. Kirby*, [726 F.3d 119, 140](#) (2d Cir. 2013) (noting that the overall purpose of the expense requirement is to "reward[] with ownership the party that bears the risk with respect to the work's success"). Here, Klamer promised at the outset to pay Markham any costs incurred—regardless of whether Milton Bradley ultimately liked the game and paid for the rights. Hence, if the dinner at Chasen's had gone poorly, Klamer still would have been obligated to pay Markham's costs. As a result, Markham's downside was limited.

Appellants argue that the game was in fact made at the expense of Milton Bradley, not Klamer, with the result that Klamer cannot satisfy the instance and expense test. They seize on the district court's passing remark that "[a]n argument could have been made (but was not)" that the game was made at the expense of Milton Bradley, as "it was Milton Bradley that, once it accepted the Game, paid Klamer \$5,000 and bore the risk of its failure to sell to the public." *Markham Concepts, Inc. v. Hasbro, Inc.*, [355 F. Supp. 3d 119, 129 n.5](#) (D.R.I. 2019). But the district court's remark focuses on a later stage in the chronology, after the creation of the work. No doubt, after Milton Bradley paid for the rights to the game, it ran the risk of not recouping its investment. But at the more relevant time period—when the prototype was being developed—it was Klamer who bore the primary risk, as he was on the hook for the costs if Milton Bradley passed on the game.

As for Markham himself, it is true that he was paid in the form of a royalty, rather than a sum certain, which “generally weighs against finding a ‘work for hire’ relationship.” *Urbont v. Sony Music Entm’t*, [831 F.3d 80, 90](#) (2d Cir. 2016). However, the form of payment is “not conclusive,” *Warren v. Fox Family Worldwide, Inc.*, [328 F.3d 1136, 1142](#) (9th Cir. 2003), and distinguishing between a royalty and fixed sum payment can be “a rather inexact method” of determining which party bears the main financial risk. *Marvel Characters*, [726 F.3d at 140](#). In this case, we think it significant that Markham’s initial royalty payment (\$773.05) was a non-refundable advance, meaning that he could keep the money even if the game did not sell a single copy. In that respect, the arrangement resembled payment of a sum certain plus a running royalty, rather than a pure royalty deal. See *Warren*, [328 F.3d at 1142-43](#) (finding a work-for-hire relationship when the hired party was paid a fixed sum *and* a royalty); cf. *Picture Music, Inc. v. Bourne, Inc.*, [314 F. Supp. 640, 651](#) (S.D.N.Y. 1970), *aff’d*, [457 F.2d 1213](#) (2d Cir. 1972) (“[T]he fact that the author *was* obliged to repay advances on royalties which were never accrued is an indicant that the relationship was *not* an employment for hire[.]” (emphasis added)). Overall, we find no error, clear or otherwise, in the district court’s determination that the game was made at Klamer’s expense.

The second argument—that the assignment agreement rebuts the presumption created by the instance and expense test—presents a closer question. Some cases suggest that a contemporaneous agreement can clarify that a work, even if made at the instance and expense of another, is not a work for hire (and therefore that the hired party remains the “author,” entitled to termination rights). Assuming that a contemporaneous agreement could indeed alter the game’s work-for-hire status, the independent contractor bears the burden of showing that such a contrary agreement was made, and courts generally demand clear and specific evidence of such an agreement, see *Lin-Brook Builders Hardware v. Gertler*, [352 F.2d 298, 300](#) (9th Cir. 1965) (requiring “an express contractual reservation of the copyright in the artist” to rebut the presumption);

Markham’s successors-in-interest point to two parts of the assignment agreement which, they say, overcome the presumption. First, the agreement recited that, “[a]t the request of LINK, MARKHAM has invented, designed[,] and developed a game tentatively known as ‘THE GAME OF LIFE.’” But that language falls well short of an express reservation of copyright. In fact, insofar as it makes clear that the work was done “[a]t the request” of Link, it supports, rather than undermines, the idea that the game was a work for hire.

Second, the agreement provided that [u]pon the request of LINK, MARKHAM will pursue any copyright, trade-mark and patent applications . . . to which he may be entitled as the inventor, designer and developer of the Game MARKHAM will assign any such copyright, trade-mark, patent or application therefor to LINK, provided that said assignments will revert to MARKHAM upon the termination of this agreement.

We agree with the district court that this language is best read not as a reservation in Markham, but as a kind of failsafe for Link. That is, it makes clear that if, contrary to expectations, Markham were entitled to the copyright in the game, he would, at Link’s

request, assign it over. See *Marvel Characters*, [726 F.3d at 143](#) (suggesting that a freelancer’s assignments could be “redundancies insisted upon by [the hiring party] to protect its rights” rather than an indication that the hiring party “did not already own the rights”). This reading is supported by the tentative, open-ended language (“to which he may be entitled,” “any such copyright”) (emphasis added), which appears to be an attempt to cover all conceivable bases without acknowledging that any rights actually belong to Markham. Regardless, this language is not the required “express contractual reservation of the copyright in the artist.” *Lin-Brook*, [352 F.2d at 300](#). The district court thus supportably found that the assignment agreement did not overcome the presumption that the game was a work for hire made for Klamer. As a result, Markham “never owned the copyrights to assign,” and “there are no rights the assignment of which his . . . heirs may now terminate.” *Marvel Characters*, [726 F.3d at 137](#).⁸

Because the evidence amply supports the district court’s conclusion that the game was created at the instance and expense of Klamer and that there is insufficient evidence to rebut the resulting work for hire presumption, we need not address the defendants’ alternative theory for affirmance: that the game was a work for hire created by Chambers and Israel—with Markham as the “employer.” This alternative argument—essentially, another way of establishing that the game was a work for hire—would also mean that no termination rights exist and would similarly spell defeat for Markham’s successors-in-interest. ***

Accordingly, the judgment of the district court is affirmed. So ordered.

⁸ In a separate provision not relied upon by Markham’s successors-in-interest, the agreement also states that “MARKHAM does hereby assign all of his right, title[,] and interest in and to the Game, to LINK, and LINK accepts said assignment.” This statement is consistent with the understanding that the agreement gave Link whatever rights Markham may have had in the game, without making any representation about the nature of those rights or the status of the work. In other words, the provision falls short of clear and specific evidence that the game was not intended to be a work for hire.

Gaiman v. McFarlane

360 F.3d 644 (7th Cir. 2004)

POSNER, Circuit Judge: Neil Gaiman brought suit under the Copyright Act against Todd McFarlane and corporations controlled by him that we can ignore, seeking a declaration that he (Gaiman) owns copyrights jointly with McFarlane in certain comic-book characters. He sought additional relief under the Act, other provisions of federal law, and state law, as well. The case was tried to a jury, which brought in a verdict for Gaiman. The judge entered a judgment that declared Gaiman to be the co-owner of the characters in question, ordered McFarlane to so designate Gaiman on undistributed copies in which these characters appear, provided modest monetary relief in respect of Gaiman's supplemental claim for damages for breach of his right of publicity, and ordered an accounting of the profits that McFarlane has obtained that are rightfully Gaiman's. The accounting is not yet complete, and so the judgment is not final; McFarlane's appeal is therefore limited to the injunction requiring him to acknowledge Gaiman's co-ownership.

McFarlane contends that a reasonable jury would not have rejected his statute of limitations defense and that in any event two of the comic-book characters at issue are not copyrightable. The parties agree that the alternative defense, the defense of uncopyrightability, is strictly an issue for the court. *** [O]ur own *Publications Int'l, Ltd. v. Meredith Corp.*, [88 F.3d 473, 478](#) (7th Cir. 1996) *** hold[s] that copyrightability is always an issue of law. Whether a particular work is copyrightable is fact-specific, which argues against treating the question as one of law, but tugging the other way is the concern that property rights not be placed at the mercy of a jury. A nice issue, but this is not an apt occasion on which to reexamine our resolution of it in *Publications Int'l*.

Gaiman's cross-appeal, in which he is joined by a company controlled by him, is from the dismissal of his auxiliary claim for breach of contract. The cross-appeal is contingent on our reversing the copyright judgment, since Gaiman seeks no additional relief on his contract claim; it's just a backstop to his copyright claim.

We need to do some stage setting. Gaiman and McFarlane are both celebrated figures in the world of comic books, but they play different though overlapping roles. Gaiman just writes scripts; McFarlane writes scripts too, but he also illustrates and publishes the comic books. In 1992, shortly after forming his own publishing house, McFarlane began publishing a series of comic books entitled *Spawn*, which at first he wrote and illustrated himself. "Spawn," more precisely "Hellspawn," are officers in an army of the damned commanded by a devil named Malebolgia, who hopes one day to launch his army against Heaven. The leading character in the series is a man named Al Simmons, who is dead but has returned to the world of the living as a Hellspawn.

Al's story is an affecting one. Born in a quiet neighborhood outside of Pittsburgh, he was recruited by the CIA and eventually became a member of an elite military unit that guards the President. He saved the President from an assassin's bullet and was rewarded with a promotion to lieutenant colonel. He was placed under the command of Jason Wynn, who became his mentor and inducted him into the sinister inner recesses of the intelligence community. When Al began to question Wynn's motives, Wynn sent

two agents, significantly named Chapel and Priest, to kill Al with laser weapons, and they did, burning him beyond recognition. Al was buried with great fanfare in Arlington National Cemetery.

Now Al had always had an Achilles' heel, namely that he loved his wife beyond bearing and so, dying, he vowed that he would do anything to see her again. Malebolgia took him at his word ("would do anything") and returned Al to Earth. But a deal with the devil is always a Faustian pact. Al discovered that he was now one of Malebolgia's handpicked Hellspawn and had been remade (a full makeover, as we'll see) and infused with Hell-born energy.

Returned to Earth in his new persona, Al discovers that his wife has remarried his best friend, who was able to give her the child he never could. He absorbs the blow but thirsts for revenge against Jason Wynn. He bides his time, living with homeless people and pondering the unhappy fact that once he exhausts his Hell-born energy he will be returned to Malebolgia's domain and become a slave in an army of the damned with no hope of redemption. He must try somehow to break his pact with the devil.

The early issues in the series were criticized for bad writing, so McFarlane decided to invite four top writers each to write the script for one issue of *Spawn*. One of those invited was Gaiman. He accepted the invitation and wrote the script for *Spawn* issue No. 9. Their contract, made in 1992, was oral. There was no mention of copyright, nor, for that matter, of how Gaiman would be compensated for his work, beyond McFarlane's assuring Gaiman that he would treat him "better than the big guys" did. The reference was to the two leading comic book publishers, Marvel Comics (not to be confused with Gaiman's company, Marvels and Miracles) and DC Comics, for which Gaiman and other writers write on a "work made for hire" basis. 17 U.S.C. § 101. This means that the publishers own the copyrights on their work. § 201(b).

It might seem that when McFarlane told Gaiman that he would treat Gaiman "better than the big guys" did, he just meant he'd compensate him more generously for work made for hire. But McFarlane rightly does not argue this. Gaiman's work for him was not work made for hire. It was neither (1) work created by an employee within the scope of his employment nor (2) "a work specially ordered or commissioned for use as a contribution to a collective work, as a part of a motion picture or other audiovisual work, as a translation, as a supplementary work, as a compilation, as an instructional text, as a test, as answer material for a test, or as an atlas, if the parties expressly agree in a written instrument signed by them that the work shall be considered a work made for hire." 17 U.S.C. § 101. There was no written agreement between Gaiman and McFarlane, and Gaiman was not an employee of McFarlane. *** But there is nothing to suggest that Gaiman ever became a de facto employee of McFarlane. And while Gaiman could have assigned to McFarlane his copyright in any work he did under the oral contract, copyright assignments must be in writing, 17 U.S.C. § 204(a); *Schiller & Schmidt, Inc. v. Nordisco Corp.*, [969 F.2d 410, 413](#) (7th Cir. 1992), and there was no written assignment.

In his script for *Spawn* No. 9, Gaiman introduced three new characters—Medieval Spawn (as he was later called by McFarlane—Gaiman had not named it and in the issue

he is just referred to as a Spawn, with no further identifier), Angela (no last name), and Count Nicholas Cogliostro. Gaiman described, named, and wrote the dialogue for them, but McFarlane drew them. Gaiman contends that he and McFarlane are joint owners of the copyrights on the three characters by reason of their respective contributions to joint (indivisible) work. 17 U.S.C. § 101; *Seshadri v. Kasraian*, [130 F.3d 798, 803-04](#) (7th Cir. 1997); *Erickson v. Trinity Theatre, Inc.*, [13 F.3d 1061, 1067-72](#) (7th Cir. 1994); *Thomson v. Larson*, [147 F.3d 195, 199-205](#) (2d Cir. 1998). McFarlane concedes Gaiman's joint ownership of Angela, but not of the other two; we postpone our consideration of the issue until we have disposed of the statute of limitations defense, to which we now turn. Evaluation of the defense requires us to consider a chain of events running from 1992—when the contract was made and *Spawn* No. 9, which states on its inside cover that it is copyrighted by McFarlane (actually by one of his companies, but that is immaterial), was published—to 1999.

Spawn No. 9 was a huge success, selling more than a million copies. McFarlane paid Gaiman \$100,000 for his work on it. Gaiman testified that this was about what he would have expected to receive from DC Comics had he written the script of *Spawn* No. 9 for that company as a work made for hire.

Because Angela was a big hit with *Spawn*'s readers, McFarlane asked Gaiman to do a “mini-series” of three issues starring her, which he did. He also wrote several pages for *Spawn* No. 26 to form a bridge to the *Angela* series; because Angela hadn't appeared in *Spawn* Nos. 10 through 25, Gaiman was concerned that readers would not realize that *Angela* was an offshoot of *Spawn*. McFarlane paid Gaiman \$3,300 for his contribution to *Spawn* No. 26 and more than \$30,000 (the exact amount is not in the record) for the *Angela* series. Only one of these four issues (the second *Angela*) contains a copyright notice; the notice is similar to the one in *Spawn* No. 9.

The *Angela* series was first published in 1994. The following year, having created a toy company to manufacture statuettes (“action figures”) of *Spawn* characters, one a statuette of Medieval Spawn, McFarlane mailed Gaiman a check for \$20,000 designated as royalties, presumably on sales of the statuette, though the record is unclear.

McFarlane subsequently licensed the publication of paperback books that reprinted the comic books to which Gaiman had contributed. The books carry a copyright notice similar to the one in *Spawn* No. 9 and *Angela* No. 2 except that it adds that “all related characters” are also copyrighted by McFarlane. Besides inserting the copyright notices that we've mentioned, McFarlane applied to the Register of Copyrights for, and received, copyright registrations on these issues and books.

In 1996, learning that McFarlane might sell his enterprise, Gaiman decided that he needed the protection of a written contract and he asked McFarlane for one. McFarlane agreed to give him a written contract and also to pay him royalties for a statuette of Angela that McFarlane's toy company had manufactured and sold.

After desultory negotiations, Gaiman's lawyer wrote a letter to McFarlane's negotiator stating that Gaiman had created the characters of Medieval Spawn, Angela, and Cogliostro not as work for hire but “pursuant to the terms of an oral agreement under which Mr. McFarlane agreed that Mr. Gaiman would be compensated on the same

terms as set forth in Mr. Gaiman's DC Comics Agreements dated August 1, 1993." This was a surprising interpretation of the oral agreement, since in it McFarlane had promised to treat Gaiman better than DC Comics treated him; but as nothing turns on this interpretation we'll ignore it. The letter goes on to "demand" that McFarlane "immediately forward all monies which are currently owed to Mr. Gaiman in accordance with the terms of the DC Agreement." We'll call this the demand letter.

Direct negotiations between Gaiman and McFarlane ensued. A tentative agreement was reached that McFarlane would pay royalties on the statuettes on the same terms as Gaiman would have gotten from DC Comics but that Gaiman would exchange his rights in Medieval Spawn and Cogliostro for McFarlane's rights in another comic book character, Miracleman. Once the exchange was made, Gaiman would no longer receive royalties on Medieval Spawn and Cogliostro.

For the rest of 1997 and 1998, McFarlane sent Gaiman royalty checks totaling about \$16,000, presumably on account of the statuettes and the paperback books, together with royalty reports that referred to Gaiman as a "co-creator" of Medieval Spawn, Angela, and Cogliostro. On February 14, 1999, however, Gaiman received a letter from McFarlane announcing that McFarlane was "officially rescind[ing] any previous offers I have placed on the table." The letter offered Gaiman the following deal on a take-it-or-leave-it basis: Gaiman would relinquish "all rights to Angela" in exchange for "all rights to Miracle Man," and "all rights to Medieval Spawn and Cogliostro shall continue to be owned by Todd McFarlane Productions."

The statement "all rights to Medieval Spawn and Cogliostro shall continue to be owned by Todd McFarlane Productions" was an unambiguous denial of Gaiman's copyright interest and therefore is the last date on which his claim could have accrued and the three-year copyright statute of limitations, 17 U.S.C. § 507(b), thus have begun to run. This suit was brought in January of 2002—a month short of three years after Gaiman's receipt of McFarlane's letter. By the time of trial, *Spawn* was up to issue No. 120 and had spawned a large number of derivative works, including posters, trading cards, clothing, the statuettes, an animated series on HBO, video games, and a motion picture. Many of these derivative works include all three characters to which Gaiman contributed, so that the financial stakes in the case are considerable. ***

But we must consider McFarlane's alternative ground for reversal—that Medieval Spawn and Cogliostro are not copyrightable. (Partial reversal, actually, because McFarlane concedes that Gaiman is a joint owner of Angela.) This ground may seem inconsistent with McFarlane's contention that the "all related characters" copyright notice established that he, not Gaiman, owned the copyrights on Medieval Spawn and Cogliostro. If they were not copyrightable, McFarlane had no copyright in them. In fact, it became apparent at argument that McFarlane thinks that he owns copyright on them but that Gaiman doesn't. His theory seems to be that they became copyrightable, after *Spawn* No. 9 was published, as a result of further work done on them by him. We think they were copyrightable from the start, and that Gaiman owns the copyrights jointly with McFarlane. To explain this we must say more about the characters, black and

white pictures of whom we append to this opinion. A detailed description of the characters may be found, along with color pictures, at <http://spawn.home.sapo.pt/Characters.html>.

McFarlane's original Spawn, Al Simmons, was a tall figure clad in what looks like spandex (it is actually "a neural parasite") beneath a huge blood-red cloak, making him a kind of malevolent Superman figure, although actually rather weak and stupid. His face is a shiny plastic oval with eyeholes but no other features. Gaiman decided to begin *Spawn* No. 9 with a different Spawn, whom he called "Olden Days Spawn." He explained to McFarlane that "[Olden Days] Spawn rides up on a huge horse. He's wearing a kind of Spawn suit and mask, although the actual costume under the cloak is reminiscent of a suit of armour." McFarlane drew "Olden Days Spawn" as (in the words of his brief) "essentially Spawn, only he dressed him as a knight from the Middle Ages with a shield bearing the Spawn logo." To make him credibly medieval, Gaiman in his script has Olden Days Spawn say to a damsel in apparent distress, "Good day, sweet maiden." The "damsel" is none other than Angela, a "maiden" only in the sense of making her maiden appearance in *Spawn* No. 9. Angela is in fact a "warrior angel and villain" who, scantily clad in a dominatrix outfit, quickly dispatches the unsuspecting Olden Days Spawn with her lance.

We learn that this event occurred in the thirteenth century, and the scene now shifts to the present day. Angela is dressed as a modern professional woman. The Al Simmons Spawn is lurking about in an alley and it is here that we meet Count Cogliostro for the first time. McFarlane had wanted a character who would be "basically ... the wisened [sic] sage that could sort of come down and give all the information and assimilate it." Gaiman interpreted this as an instruction to create "a character who can talk to Spawn and tell him a little bit more about what's going on in the background and can move the story along." So he created an "old man, who starts talking to Spawn and then telling him all these sort of things about Spawn's super powers that Spawn couldn't have known. And when you first meet him [Cogliostro] in the alley you think he's a drunken bum with the rest of them, and then we realize no, he's not. He's some kind of mysterious stranger who knows things."

Gaiman further described Cogliostro in a draft of *Spawn* No. 9 as "a really old bum, a skinny, balding old man, with a grubby greyish-yellow beard, like a skinny santa claus. He calls himself Count Nicholas Cagliostro" (later spelled Cogliostro). In a brief scene, Cogliostro, drawn by McFarlane as an old man with a long grey beard who faintly resembles Moses—McFarlane had been dissatisfied with Gaiman's verbal description, which made Cogliostro sound like a wino—explains to Simmons-Spawn some of the powers of Hellspawn of which Simmons is unaware. Cogliostro displays his mysterious wisdom by calling him "Simmons," to the latter's bafflement—how could Cogliostro have known? Angela then appears in her dominatrix costume, there is another duel, and she vanquishes Simmons (whose powers are in fact unimpressive), but does not kill him. He then blows himself up by accidentally pushing the wrong button on Angela's lance, which she had left behind. Happily he is not killed—merely (it seems) translated into another dimension—and will reappear in subsequent issues of *Spawn*.

McFarlane makes two arguments for why Gaiman does not have copyright in Medieval Spawn (the name that McFarlane settled on for Olden Days Spawn) or Cogliostro. The first is that all that Gaiman contributed was the idea for the characters, and ideas are not copyrightable, only expression is and the expression was due to McFarlane's drawing of the characters. It is true that people who contribute merely nonexpressive elements to a work are not copyright owners. As we said in *Sesbadri v. Kasraian*, *supra*, [130 F.3d at 803](#), "the assistance that a research assistant or secretary or draftsman or helpfully commenting colleague provides in the preparation of a scholarly paper does not entitle the helper to claim the status of a joint author." There has to be some original expression contributed by anyone who claims to be a co-author, and the rule (we'll consider an exception momentarily) is that his contribution must be independently copyrightable. *E.g.*, *Erickson v. Trinity Theatre, Inc.*, *supra*, [13 F.3d at 1071](#); *Aalmuhammed v. Lee*, *supra*, [202 F.3d at 1231](#). Had someone merely remarked to McFarlane one day, "you need a medieval Spawn" or "you need an old guy to move the story forward," and McFarlane had carried it from there, and if later a copyeditor had made some helpful editorial changes, neither the suggester nor the editor would be a joint owner. Cf. *Erickson v. Trinity Theatre, Inc.*, *supra*, [13 F.3d at 1064, 1071-72](#). Otherwise almost every expressive work would be a jointly authored work, and copyright would explode.

But where two or more people set out to create a character jointly in such mixed media as comic books and motion pictures and succeed in creating a copyrightable character, it would be paradoxical if though the result of their joint labors had more than enough originality and creativity to be copyrightable, no one could claim copyright. That would be peeling the onion until it disappeared. The decisions that say, rightly in the generality of cases, that each contributor to a joint work must make a contribution that if it stood alone would be copyrightable weren't thinking of the case in which it couldn't stand alone because of the nature of the particular creative process that had produced it.

Here is a typical case from academe. One professor has brilliant ideas but can't write; another is an excellent writer, but his ideas are commonplace. So they collaborate on an academic article, one contributing the ideas, which are not copyrightable, and the other the prose envelope, and unlike the situation in the superficially similar case of *Balkin v. Wilson*, [863 F.Supp. 523](#) (W.D. Mich. 1994), they sign as coauthors. Their intent to be the joint owners of the copyright in the article would be plain, and that should be enough to constitute them joint authors within the meaning of 17 U.S.C. § 201(a). This is the valid core of the Nimmers' heretical suggestion that "if authors A and B work in collaboration, but A's contribution is limited to plot ideas that standing alone would not be copyrightable, and B weaves the ideas into a completed literary expression, it would seem that A and B are joint authors of the resulting work." 1 Nimmer & Nimmer, *supra*, § 6.07, p. 6-23.

The contents of a comic book are typically the joint work of four artists—the writer, the penciler who creates the art work (McFarlane), the inker (also McFarlane, in the case of *Spawn* No. 9, but it would often be a different person from the penciler) who makes a black and white plate of the art work, and the colorist who colors it. The

finished product is copyrightable, yet one can imagine cases in which none of the separate contributions of the four collaborating artists would be. The writer might have contributed merely a stock character (not copyrightable, as we're about to see) that achieved the distinctiveness required for copyrightability only by the combined contributions of the penciler, the inker, and the colorist, with each contributing too little to have by his contribution alone carried the stock character over the line into copyright land.

McFarlane's second argument against the copyrightability of Medieval Spawn and Cogliostro appeals to the confusingly named doctrine of "scènes à faire" (literally "scenes for action," a theatrical term meaning the climactic scene in a play or opera, which is not the legal meaning). Related to the fundamental idea-expression dichotomy that we've already mentioned, the doctrine teaches that "a copyright owner can't prove infringement by pointing to features of his work that are found in the defendant's work as well but that are so rudimentary, commonplace, standard, or unavoidable that they do not serve to distinguish one work within a class of works from another." *Bucklew v. Hawkins, Ash, Baptie & Co.*, [329 F.3d 923, 929](#) (7th Cir. 2003). If standard features could be used to prove infringement, not only would there be great confusion because it would be hard to know whether the alleged infringer had copied the feature from a copyrighted work or from the public domain, but the net of liability would be cast too wide; authors would find it impossible to write without obtaining a myriad of copyright permissions.

A stock character is a stock example of the operation of the doctrine, e.g., *Cavalier v. Random House, Inc.*, [297 F.3d 815, 824-25](#) (9th Cir. 2002), and a drunken old bum is a stock character. *Walker v. Time Life Films, Inc.*, [784 F.2d 44, 50](#) (2d Cir. 1986). If a drunken old bum were a copyrightable character, so would be a drunken suburban housewife, a gesticulating Frenchman, a fire-breathing dragon, a talking cat, a Prussian officer who wears a monocle and clicks his heels, a masked magician, and, in Learned Hand's memorable paraphrase of *Twelfth Night*, "a riotous knight who kept wassail to the discomfort of the household, or a vain and foppish steward who became amorous of his mistress." *Nichols v. Universal Pictures Corp.*, [45 F.2d 119, 121](#) (2d Cir. 1930). It would be difficult to write successful works of fiction without negotiating for dozens or hundreds of copyright licenses, even though such stereotyped characters are the products not of the creative imagination but of simple observation of the human comedy.

McFarlane argues that even as dolled up by the penciler, the inker, and the colorist, Cogliostro is too commonplace to be copyrightable. Gaiman could not copyright a character described merely as an unexpectedly knowledgeable old wino, that is true; but that is not his claim. He claims to be the joint owner of the copyright on a character that has a specific name and a specific appearance. Cogliostro's age, obviously phony title ("Count"), what he knows and says, his name, and his faintly Mosaic facial features combine to create a distinctive character. No more is required for a character copyright. *DC Comics Inc. v. Reel Fantasy, Inc.*, [696 F.2d 24, 25, 28](#) (2d Cir. 1982) (Batman, though assumed rather than actually determined to be copyrightable); *Walt Disney Productions v.*

Air Pirates, [581 F.2d 751, 753-55](#) (9th Cir. 1978) (Mickey Mouse et al.); *Detective Comics v. Bruns Publications*, [111 F.2d 432, 433-34](#) (2d Cir. 1940) (Superman); *Fleischer Studios, Inc. v. Ralph A. Freundlich, Inc.*, *supra*, [73 F.2d at 278](#) (Betty Boop). As long as the character is distinctive, other authors can use the stock character out of which it may have been built without fear (well, without too much fear) of being accused as infringers.

We are mindful that the Ninth Circuit denied copyrightability to Dashiell Hammett's famously distinctive detective character Sam Spade in *Warner Bros. Pictures, Inc. v. Columbia Broadcasting System, Inc.*, [216 F.2d 945](#) (9th Cir. 1954). That decision is wrong, though perhaps understandable on the "legal realist" ground that Hammett was not claiming copyright in Sam Spade—on the contrary, he wanted to reuse his own character but to be able to do so he had to overcome Warner Brothers' claim to own the copyright. The Ninth Circuit has killed the decision, see *Olson v. National Broadcasting Co.*, [855 F.2d 1446, 1452 and n.7](#) (9th Cir. 1988); *Walt Disney Productions v. Air Pirates*, *supra*, [581 F.2d at 755 and n.11](#), though without the usual obsequies, but even if the decision were correct and were binding authority in this circuit, it would not rule this case. The reason is the difference between literary and graphic expression. The description of a character in prose leaves much to the imagination, even when the description is detailed—as in Dashiell Hammett's description of Sam Spade's physical appearance in the first paragraph of *The Maltese Falcon*. "Samuel Spade's jaw was long and bony, his chin a jutting v under the more flexible v of his mouth. His nostrils curved back to make another, smaller, v. His yellow-grey eyes were horizontal. The v motif was picked up again by thickish brows rising outward from twin creases above a hooked nose, and his pale brown hair grew down—from high flat temples—in a point on his forehead. He looked rather pleasantly like a blond satan." Even after all this, one hardly knows what Sam Spade looked like. But everyone knows what Humphrey Bogart looked like. A reader of unillustrated fiction completes the work in his mind; the reader of a comic book or the viewer of a movie is passive. That is why kids lose a lot when they don't read fiction, even when the movies and television that they watch are aesthetically superior.

Although Gaiman's verbal description of Cogliostro may well have been of a stock character, once he was drawn and named and given speech he became sufficiently distinctive to be copyrightable. Gaiman's contribution may not have been copyrightable by itself, but his contribution had expressive content without which Cogliostro wouldn't have been a character at all, but merely a drawing. The expressive work that is the comic-book character Count Nicholas Cogliostro was the joint work of Gaiman and McFarlane—their contributions strike us as quite equal—and both are entitled to ownership of the copyright.

Medieval Spawn may seem to present a closer case than Cogliostro so far as copyrightability is concerned, because he has no name in *Spawn* No. 9. In fact he has never been named—"Medieval Spawn" is a description, not a proper name. But the Lone Ranger doesn't have a proper name either (at least not one known to most of his audience—actually he does have a proper name, John Reid), so that can't be critical. A more telling objection to copyrightability is that the identifier, "Medieval Spawn," was added by McFarlane in subsequent issues of *Spawn* to which Gaiman did not contribute. Only

his costume and manner of speech, together with the medieval background, distinguish him in *Spawn* No. 9 from other Hellspawn.

But that is enough expressive content for copyrightability, because *Spawn* itself (the original *Spawn*, né Al Simmons) is not a stock character (McFarlane would have a heart attack if we said he was). *Spawn* is copyrightable, and the question is simply whether Medieval *Spawn* is sufficiently distinct from *Spawn* also to be copyrightable as a derivative work. 17 U.S.C. §§ 101, 103; *Lee v. A.R.T. Co.*, [125 F.3d 580, 581-82](#) (7th Cir. 1997); *Gracen v. Bradford Exchange*, [698 F.2d 300, 305](#) (7th Cir. 1983); *Entertainment Research Group, Inc. v. Genesis Creative Group, Inc.*, [122 F.3d 1211, 1219-20](#) (9th Cir. 1997); *Woods v. Bourne Co.*, [60 F.3d 978, 990](#) (2d Cir. 1995).

The purpose of requiring that a derivative work to be copyrightable be significantly different from the copyrighted original is twofold: to avoid the confusion that would be created if two indistinguishable works were copyrighted, *Pickett v. Prince*, [207 F.3d 402, 405](#) (7th Cir. 2000); *Gracen v. Bradford Exchange*, *supra*, [698 F.2d at 304](#); *Entertainment Research Group, Inc. v. Genesis Creative Group, Inc.*, *supra*, [122 F.3d at 1220](#), and to prevent a copyright owner from extending his copyright beyond the statutory period by making an identical work as the statutory period was nearing its end, calling it a derivative work, and copyrighting it. *Lee v. A.R.T. Co.*, *supra*, [125 F.3d at 581-83](#). These are really one point rather than two, since the second ploy would work only because a copier would find it difficult to prove that he had copied the expired original rather than the unexpired derivative work. Just suppose that the copyright on Work A expires in 2000 and the copyright on B in 2020, and in 2001 someone produces a work indistinguishable from either and claims that he is copying A, not B, and so is not an infringer, and the owner of the unexpired copyright on B replies no, it's B you're copying.

That is no problem here. A *Spawn* who talks medieval and has a knight's costume would infringe Medieval *Spawn*, and if he doesn't talk medieval and doesn't look like a knight then he would infringe *Spawn*.

To summarize, we find no error in the district court's decision, and since the decision gave Gaiman all the relief he sought, there is no need to consider the cross-appeal.

AFFIRMED.

APPENDIX:

SPAWN, MEDIEVAL SPAWN, ANGELA, AND COUNT NICHOLAS
COGLIOSTRO



SPAWN



MEDIEVAL SPAWN



ANGELA



COGLIOSTRO

DC Comics v. Towle

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

IKUTA, Circuit Judge: We are asked to decide whether defendant Mark Towle infringed DC Comics' exclusive rights under a copyright when he built and sold replicas of the Batmobile, as it appeared in the 1966 television show *Batman* and the 1989 film *BATMAN*. Holy copyright law, Batman!

I

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.

Originally introduced in the *Batman* comic books in 1941, the 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 that is "years ahead of anything else on wheels."

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). In 1965, National Periodical entered into a licensing agreement with ABC (the 1965 ABC Agreement) in which it granted ABC "an exclusive license to produce a series of half-hour television programs... based upon the literary property consisting of the comic book and comic strip stories entitled 'Batman' ... including the characters therein." This exclusive right included the right to "translate, adapt, [or] arrange" the *Batman* literary property "to such extent as ABC may desire" in the making of the television programs, and the right to secure copyrights in the television programs produced. The agreement also provided that "[a]ll rights in the property not specifically granted to ABC are hereby reserved to and may be exercised by National at all times during the term of this agreement" except as otherwise expressly stated in the agreement. National Periodical's reserved rights included "[a]ll rights of publication," and the exclusive merchandising rights to all products manufactured or distributed under the name of any character in the *Batman* comic books.

Under this agreement, ABC (through a series of sub-licensing agreements) produced the 1966 television show starring Adam West as Batman. In addition to *Batman*, Robin, and the use of visual onomatopoeia that flashed on screen during fight scenes—Pow!

Boff! Thwack!—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.¹

In 1979, DC again licensed its rights in the Batman literary property, this time to Batman Productions, Inc. (BPI). In the agreement (the 1979 BPI Agreement), DC granted BPI the exclusive right to create a motion picture based on the “Property,” which was defined to include “[t]he names, titles, fictional locations and fictional conveyances... as depicted and contained in the comic magazines [published by DC], which are identifiable with or associated with the fictional character known as ‘Batman,’ such as ... that certain conveyance known as the ‘Batmobile.’” The 1979 BPI Agreement also granted BPI the right to “adapt, use, ... modify, [or] alter ... the Property” for the purpose of producing the motion picture. Like the 1965 ABC Agreement, the 1979 BPI Agreement provided that “[a]ll rights in the Property not specifically granted to” BPI under the agreement “are reserved to DC and may be exercised by DC at all times without any limitation or restriction whatsoever except as specifically set forth herein.” These reserved rights included “[a]ll rights of publication in and to the Property,” as well as “[a]ll ‘merchandising rights’” in “products manufactured or distributed under the name of or using a representation of ‘Batman’ or any other character or thing included in the Property ... or under a name which incorporates any phrase, clause or expression used in DC’s comic strips or comic magazines....”

BPI subsequently sub-licensed its rights to Warner Bros., Inc., who eventually (through a number of additional sub-licensing agreements) produced the 1989 motion picture *BATMAN*, starring Michael Keaton as 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.²

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.

¹ A photo of the Batmobile depicted in the 1966 television series, as well as a photo of Towle’s replica of this Batmobile, can be found in Appendix A.

² A photo of the Batmobile depicted in the 1989 motion picture, as well as a photo of Towle’s replica of this Batmobile, can be found in Appendix B.

Before DC brought this lawsuit, Towle advertised each replica as the “Batmobile,” and used the domain name *batmobilereplicas.com* to market his business. He also advertised that the replicas included such features as “custom bat insignias, wheel bats, [and a] bat steering wheel,” and would attract attention due to the fame of the Batmobile. By his own admission, Towle is not authorized by DC to manufacture or sell any products bearing DC’s copyright or trademark.

In May 2011, DC filed this action against Towle, alleging, among other things, causes of action for copyright infringement, trademark infringement, and unfair competition arising from Towle’s manufacture and sale of the Batmobile replicas. Towle denied that he had infringed upon DC’s copyright. He claimed that the Batmobile as it appeared in the 1966 television show and 1989 motion picture was not subject to copyright protection. Alternatively, Towle argued that DC did not own the copyright in the Batmobile as it appeared in either production. Towle also asserted the affirmative defense of laches. The parties subsequently filed cross motions for partial summary judgment as to DC’s trademark, copyright, and unfair competition claims, and as to Towle’s laches defense.

In a published order, the 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). First, the district court held that the Batmobile was a character entitled to copyright protection. In reaching this conclusion, the district court made a number of findings. Among other things, it found that the Batmobile “is known by one consistent name that identifies it as Batman’s personal vehicle,” and, although some of its physical traits have changed over time, several have remained consistent, including its “high-tech gadgets and weaponry,” “bat-like motifs,” and its jet black color. Additionally, the district court found that the Batmobile is always “depicted as being swift, cunning, strong and elusive,” and is even portrayed as a “superhero” and “Batman’s sidekick, if not an extension of Batman’s own persona.”⁴

Second, the district court held that DC maintained a copyright in the Batmobile as it appeared in both the 1966 television show and the 1989 motion picture based on its ownership of the merchandising rights. Alternatively, the district court concluded that DC owns a copyright in the Batmobile as it appeared in each production because the appearance of the Batmobile in each production was derived from the Batmobile depicted in DC’s comic books. Finally, the district court concluded that Towle infringed upon DC’s copyright because he copied the Batmobile as it appeared in the 1966 and 1989 productions in his replicas. Accordingly, the district court granted summary judgment on the copyright infringement claim to DC. ***

⁴ The district court also concluded, in the alternative, that the 1966 and 1989 Batmobiles were entitled to copyright protection as a sculptural work under 17 U.S.C. § 102(a)(5). Because we agree that the Batmobile is a character entitled to copyright protection, we need not reach this issue.

II

In order to prevail on its claim for copyright infringement, DC must prove that it owns a copyright in the Batmobile as it appeared in the 1966 television series and 1989 movie, and that Towle infringed that copyright by creating unauthorized replicas.

To the Batmobile!

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. See *Ets-Hokin v. Skyway Spirits, Inc.*, [225 F.3d 1068, 1073](#) (9th Cir. 2000). In the context of copyright law, where, as here, “the question requires us to consider legal concepts in the mix of fact and law and to exercise judgment about the values that animate legal principles, ... the question should be classified as one of law and reviewed de novo.” *Harper House, Inc. v. Thomas Nelson, Inc.*, [889 F.2d 197, 201](#) (9th Cir. 1989).

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). In *Air Pirates*, for instance, we considered a number of subversive comic books that portrayed well-known Disney characters as being active participants in “a free thinking, promiscuous, drug ingesting counterculture.” *Id.* at 753. In holding that the Disney characters were copyrightable (and that Disney’s copyright in those characters had been infringed), we distinguished a prior decision suggesting that literary “characters ordinarily are not copyrightable,” *id.* at 755 (citing *Warner Bros. Pictures, Inc. v. Columbia Broad. Sys., Inc.*, [216 F.2d 945](#) (9th Cir. 1954)), on the grounds that a comic book character “has physical as well as conceptual qualities” and “is more likely to contain some unique elements of expression” than a purely literary character. *Id.*⁵ (citing *Detective Comics, Inc. v. Bruns Publications Inc.*, [111 F.2d 432](#) (2d Cir. 1940) (holding that comic book characters are copyrightable). We subsequently held that characters in a television series or a motion picture may also be entitled to copyright protection. See *Olson v. National Broadcasting Co.*, [855 F.2d 1446](#) (9th Cir. 1988).

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.*

⁵ We later indicated that the analysis in *Warner Bros. Pictures, Inc. v. Columbia Broad Syst., Inc.* regarding the noncopyrightability of literary characters was dicta or an alternative holding. See *Walt Disney Productions*, [581 F.2d at 755 n. 10](#).

William Morrow & Co., Inc., [33 F.Supp.2d 1206, 1215](#) (C.D. Cal. 1998) (Godzilla)). A masked magician “dressed in standard magician garb” whose role “is limited to performing and revealing the magic tricks,” for example, is not “an ‘especially distinct’ character differing from an ordinary magician in a manner that warrants copyright protection.” *Id.* Further, characters that have been “lightly sketched” and lack descriptions may not merit copyright protection. *Olson*, [855 F.2d at 1452-53](#).

We have previously determined that an automotive character can be copyrightable. See *Halicki*, [547 F.3d at 1224](#). In *Halicki*, we considered whether “Eleanor,” a car that appeared in both the original 1971 and 2000 remake motion picture *Gone in 60 Seconds*, could be entitled to copyright protection as a character. *Id.* at 1224-25. Considering Eleanor’s persistent attributes in both the original and remake of *Gone in 60 Seconds*, we concluded that Eleanor met some of the key factors necessary to qualify for copyright protection. *Id.* at 1225. We first noted that Eleanor was more like a comic book character than a literary character given Eleanor’s “physical as well as conceptual qualities.” *Id.* We also stated that Eleanor “displays consistent, widely identifiable traits and is especially distinctive.” *Id.* (alteration, citation, and internal quotation marks omitted). We gave several examples of these traits. First, we noted that “[i]n both films, the thefts of the other cars go largely as planned, but whenever the main human character tries to steal Eleanor, circumstances invariably become complicated.” *Id.* Second, we noted that in the original, “the main character says ‘I’m getting tired of stealing this Eleanor car,’” and in the remake “the main character refers to his history with Eleanor.” *Id.* Despite this evidence of distinctive traits, we were sensitive to the fact that the district court had implied that Eleanor was deserving of copyright protection, but had not directly examined this “fact-intensive issue.” *Id.* Therefore, we remanded the issue to the district court to decide in the first instance. *Id.*

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). For example, in *Halicki*, Eleanor’s ability to consistently disrupt heists by her presence was more pertinent to our analysis of whether the car should qualify as a sufficiently distinctive character than Eleanor’s make and model. [547 F.3d at 1225](#). Indeed, *Halicki* put no weight on the fact that Eleanor was a customized yellow 1971 Fastback Ford Mustang in one film, and a silver 1967 Shelby GT-500 in another.

Similarly, district courts have determined that James Bond, Batman, and Godzilla are characters protected by copyright, despite their changes in appearance. See *Metro-Goldwyn-Mayer, Inc. v. Am. Honda Motor Co.*, [900 F.Supp. 1287, 1295-96](#) (C.D. Cal. 1995) (James Bond) (cited with approval in *Rice*); *Tobo Co. v. William Morrow & Co.*, [33 F.Supp.2d 1206, 1216](#) (C.D. Cal. 1998) (Godzilla) (cited with approval in *Rice*); *Sapon v. DC Comics*, [No. 00 CIV. 8992\(WHP\), 2002 WL 485730, at *3-4](#) (S.D.N.Y. Mar. 29, 2002) (Batman). 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*, [900 F.Supp. 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.” *Tobo 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*, [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*, [330 F.3d at 1175](#). 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. Because (unlike in *Halicki*) the district court here addressed this question in detail, we consider its factual findings in analyzing this issue. 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. 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.

B

Having concluded that the Batmobile is a copyrightable character, we next consider whether Towle's copies of the Batmobile as it appeared in the 1966 and 1989 productions infringed on DC's copyright. Here, Towle does not contest that his replicas copy the Batmobile as it appeared in the 1966 and 1989 productions, even if they do not copy every feature. Rather, Towle's main argument is that DC does not own any copyright interest in the 1966 and 1989 productions and therefore lacks standing to pursue its copyright infringement claim against Towle.

To analyze Towle's argument, we begin with the applicable legal framework. Under the Copyright Act, “copyright ownership ‘vests initially in the author or authors of the work,’ which is generally the creator of the copyrighted work.” *U.S. Auto Parts Network, Inc. v. Parts Geek, LLC*, [692 F.3d 1009, 1015](#) (9th Cir. 2012) (quoting 17 U.S.C. § 201(a)). The owner of a copyright has a number of exclusive rights, including the right “to prepare derivative works” based on its original work of authorship, 17 U.S.C. § 106. A derivative work is a “work based upon one or more preexisting works that recasts, transforms, or adapts the preexisting work,” *Parts Geek*, [692 F.3d at 1015-16](#) (alterations omitted) (quoting 17 U.S.C. § 101), such as a motion picture that is based on a literary work, see, e.g., *Stewart v. Abend*, [495 U.S. 207, 212-14](#) (1990), a three-dimensional costume based upon two-dimensional cartoon characters, see *Entm't Research Grp.*, [122 F.3d at 1218](#), or three-dimensional figurines based on cartoon characters, *Durham Indus., Inc. v. Tomy Corp.*, [630 F.2d 905, 909](#) (2nd Cir. 1980). If an unauthorized third party prepares a derivative work, the copyright owner of the underlying work can sue for infringement.

A copyright owner also has the exclusive right to “authorize others to prepare derivative works based on their copyrighted works.” *Lewis Galoob Toys, Inc. v. Nintendo of Am., Inc.*, [964 F.2d 965, 967](#) (9th Cir. 1992). When a copyright owner authorizes a third party to prepare a derivative work, the owner of the underlying work retains a copyright in that derivative work with respect to all of the elements that the derivative creator drew

from the underlying work and employed in the derivative work. By contrast, the creator of the derivative work has a copyright only as to those original aspects of the work that the derivative creator contributed, and only to the extent the derivative creator's contributions are "more than trivial." *Parts Geek*, [692 F.3d at 1016](#). Moreover, a copyright in a derivative work "must not in any way affect the scope of any copyright protection in that preexisting material." *Id.*; see 17 U.S.C. § 103(a) ("The copyright in a ... derivative work ... is independent of, and does not affect or enlarge the scope, duration, ownership, or subsistence of, any copyright protection in the preexisting material."). Logically, therefore, if a third party copies a derivative work without authorization, it infringes the original copyright owner's copyright in the underlying work to the extent the unauthorized copy of the derivative work also copies the underlying work.

*** [A]s a leading copyright commentator explained, "if the material copied was derived from a copyrighted underlying work, this will constitute an infringement of such work regardless of whether the defendant copied directly from the underlying work, or indirectly via the derivative work." 1 Melville B. Nimmer & David Nimmer, *Nimmer on Copyright* § 3.05, at 3-34.31 (Matthew Bender, Rev. Ed.) (hereafter *Nimmer on Copyright*). This conclusion is consistent with our determination that a copyright in an authorized derivative work "must not in any way affect the scope of any copyright protection in" the underlying work. *Parts Geek*, [692 F.3d at 1016](#) (quoting *Entm't Research Grp.*, [122 F.3d at 1220](#) (quoting *Durham Indus.*, [630 F.2d at 909](#))). Accordingly, the author of an underlying work is entitled to sue a third party who makes an unauthorized copy of an authorized derivative work to the extent that the material copied derived from the underlying work.

Applying these principles, we conclude that DC owns a copyright interest in the Batmobile character, as it is depicted in the 1966 and 1989 productions. There is no dispute that DC is the original creator of the Batmobile character. While DC licensed rights to produce derivative works of this character in the 1965 ABC Agreement and the 1979 BPI Agreement, DC did not transfer its underlying rights to the Batmobile character.⁸ DC therefore owns the copyright in the Batmobile character, as expressed in the 1966 and 1989 productions, at least to the extent these productions drew on DC's underlying work. Accordingly, it is irrelevant that Towle's replica Batmobiles were an indirect copy of the Batmobile character, because DC is entitled to sue for infringement of its underlying work.

Towle argues that his replicas of the Batmobile as it appeared in the 1966 and 1989 productions do not infringe on DC's underlying work because those versions of the Batmobile look substantially different from any particular depiction of the Batmobile in the comic books. We reject this argument. As a copyrightable character, the Batmobile need not have a consistent appearance in every context, so long as the character has distinctive character traits and attributes. For instance, as we explained above, an

⁸ Indeed, DC expressly retained all rights not specifically granted to the licensees, including the merchandising rights to all of its characters in both the 1965 ABC Agreement and the 1979 BPI Agreement. See *supra*, at 1016, 1016-17. As a result, DC retained the exclusive right to produce three-dimensional expressions of the Batmobile character.

automotive character may be copyrightable even if it appears as a yellow Fastback Ford Mustang in one film, and a silver 1967 Shelby GT-500 in another. *Halicki*, [547 F.3d at 1218, 1224](#). Here, DC retained its copyright in the Batmobile character even though its appearance in the 1966 and 1989 productions did not directly copy any comic book depiction. Because Towle produced a three-dimensional expression of the entire Batmobile character as it appeared in the 1966 and 1989 productions, and the Batmobile character in each of those productions was derived from DC's underlying work, we conclude that Towle's replicas necessarily copied some aspects of DC's underlying works. See *e.g.*, *Durham Indus.*, [630 F.2d at 909](#) (noting that three-dimensional "small, plastic, wind-up toys" of Disney characters Mickey, Donald, and Pluto were derivative works of these characters). Therefore, while we question whether a derivative work based on a character could ever have any independently copyrightable elements that would not "affect the scope of any copyright protection in that preexisting material," *Parts Geek*, [692 F.3d at 1016](#), we need not address that issue here.

For the same reason, we reject Towle's argument that his replicas of the Batmobile as it appeared in the 1966 television series and 1989 movie did not infringe DC's underlying work because the series and movies were produced by third parties, pursuant to sub-licensing agreements with ABC and BPI. Towle argues that while DC had an agreement with ABC and BPI to retain certain rights, DC failed to show that the agreements between ABC and BPI and the sublicensees also protected DC's interests. This argument fails because DC retained its rights to the underlying Batmobile character, and the creation of derivative works by sublicensees cannot deprive DC of such rights. DC may sue any third party who infringes on that work, even if the third party copies "indirectly via the derivative work." *Nimmer on Copyright* § 3.05.

C

Having established that the Batmobile character is entitled to copyright protection, and that DC owns a copyright to this character as it appears in the 1966 television series and 1989 motion picture, we conclude that Towle infringed upon these copyrights when he produced replicas of the Batmobile. While we ordinarily apply a two-part "substantial similarity" test to determine whether a plaintiff has established "copying of constituent elements of the work that are original," *Funky Films, Inc. v. Time Warner Entm't Co., L.P.*, [462 F.3d 1072, 1076-77](#) (9th Cir. 2006) (internal quotation marks omitted), we need not do so where, as here, "the copying of the substance of the entire work" is admitted, *Narell v. Freeman*, [872 F.2d 907, 910](#) (9th Cir. 1989). Based on the undisputed facts, Towle's production and sale of replicas of the Batmobile, as it appeared in the 1966 and 1989 productions, infringed DC's exclusive right to produce derivative works of this character. Therefore, there is no genuine issue of material fact as to whether he infringed DC's copyrighted material. DC is entitled to judgment, and we affirm. ***

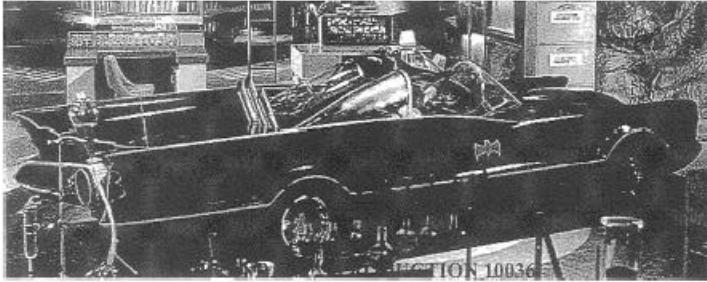
As Batman so sagely told Robin, "In our well-ordered society, protection of private property is essential." *Batman: The Penguin Goes Straight*, (Greenway Productions television broadcast March 23, 1966). Here, we conclude that the Batmobile character is the property of DC, and Towle infringed upon DC's 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.

AFFIRMED.

APPENDIX A

Batmobile Depicted in the 1966 Television Series

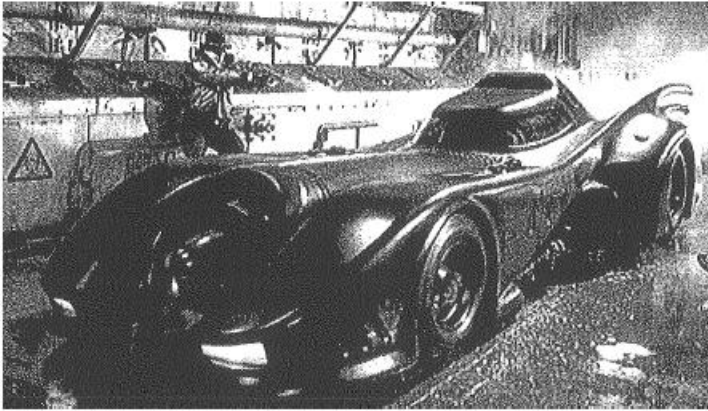


Towle Replica

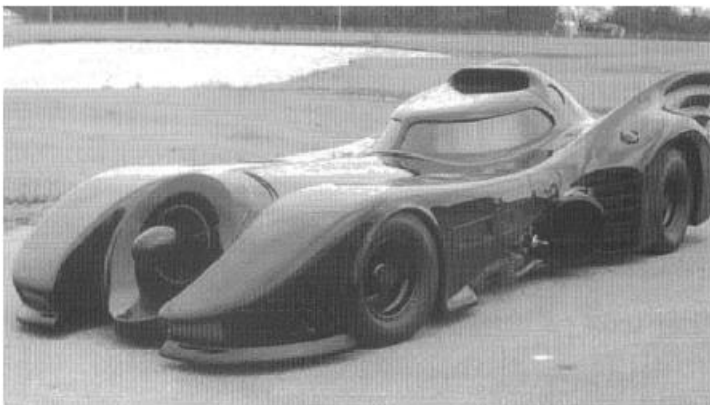


APPENDIX B

Batmobile Depicted in the 1989 Motion Picture



Towle Replica



Mazer v. Stein

347 U.S. 201 (1954)

MR. JUSTICE REED delivered the opinion of the Court. This case involves the validity of copyrights obtained by respondents for statuettes of male and female dancing figures made of semivitreous china. The controversy centers around the fact that although copyrighted as “works of art,” the statuettes were intended for use and used as bases for table lamps, with electric wiring, sockets and lamp shades attached.

Respondents are partners in the manufacture and sale of electric lamps. One of the respondents created original works of sculpture in the form of human figures by traditional clay-model technique. From this model, a production mold for casting copies was made. The resulting statuettes, without any lamp components added, were submitted by the respondents to the Copyright Office for registration as “works of art” or reproductions thereof under § 5 (g) or § 5 (h) of the copyright law, and certificates of registration issued. Sales (publication in accordance with the statute) as fully equipped lamps preceded the applications for copyright registration of the statuettes. 17 U.S.C. §§ 10, 11, 13, 209; Rules and Regulations, 37 CFR, 1949, §§ 202.8 and 202.9. Thereafter, the statuettes were sold in quantity throughout the country both as lamp bases and as statuettes. The sales in lamp form accounted for all but an insignificant portion of respondents’ sales.

Petitioners are partners and, like respondents, make and sell lamps. Without authorization, they copied the statuettes, embodied them in lamps and sold them. ***

Petitioners, charged by the present complaint with infringement of respondents’ copyrights of reproductions of their works of art, seek here a reversal of the Court of Appeals decree upholding the copyrights. Petitioners in their petition for certiorari present a single question:

“Can statuettes be protected in the United States by copyright when the copyright applicant intended primarily to use the statuettes in the form of lamp bases to be made and sold in quantity and carried the intentions into effect?”

“Stripped down to its essentials, the question presented is: Can a lamp manufacturer copyright his lamp bases?”

The first paragraph accurately summarizes the issue. The last gives it a quirk that unjustifiably, we think, broadens the controversy. The case requires an answer, not as to a manufacturer’s right to register a lamp base but as to an artist’s right to copyright a work of art intended to be reproduced for lamp bases. As petitioners say in their brief, their contention “questions the validity of the copyright based upon the actions of the respondents.” Petitioners question the validity of a copyright of a work of art for “mass” production. “Reproduction of a work of art” does not mean to them unlimited reproduction. Their position is that a copyright does not cover industrial reproduction of the protected article. Thus their reply brief states:

“When an artist becomes a manufacturer or a designer for a manufacturer he is subject to the limitations of design patents and deserves no more consideration than any other manufacturer or designer.”

It is not the right to copyright an article that could have utility under §§ 5 (g) and (h), note 1, *supra*, that petitioners oppose. Their brief accepts the copyrightability of the great carved golden saltcellar of Cellini but adds:

“If, however, Cellini designed and manufactured this item in quantity so that the general public could have salt cellars, then an entirely different conclusion would be reached. In such case, the salt cellar becomes an article of manufacture having utility in addition to its ornamental value and would therefore have to be protected by design patent.”

It is publication as a lamp and registration as a statue to gain a monopoly in manufacture that they assert is such a misuse of copyright as to make the registration invalid.

In 1790 the First Congress conferred a copyright on “authors of any map, chart, book or books already printed.” Later, designing, engraving and etching were included; in 1831 musical compositions; dramatic compositions in 1856; and photographs and negatives thereof in 1865.

The Act of 1870 defined copyrightable subject matter as:

“. . . any book, map, chart, dramatic or musical composition, engraving, cut, print, or photograph or negative thereof, or of a painting, drawing, chromo, *statue, statuary, and of models or designs intended to be perfected as works of the fine arts.*” (Emphasis supplied.)

The italicized part added three-dimensional work of art to what had been protected previously. In 1909 Congress again enlarged the scope of the copyright statute. The new Act provided in § 4:

“That the works for which copyright may be secured under this Act shall include all the writings of an author.”

Some writers interpret this section as being coextensive with the constitutional grant, but the House Report, while inconclusive, indicates that it was “declaratory of existing law” only. Section 5 relating to classes of writings in 1909 read as shown in the margin with subsequent additions not material to this decision. Significant for our purposes was the deletion of the fine-arts clause of the 1870 Act. Verbal distinctions between purely aesthetic articles and useful works of art ended insofar as the statutory copyright language is concerned.

The practice of the Copyright Office, under the 1870 and 1874 Acts and before the 1909 Act, was to allow registration “as works of the fine arts” of articles of the same character as those of respondents now under challenge. *** In 1910, interpreting the 1909 Act, the pertinent Copyright Regulations read as shown in the margin. Because, as explained by the Government, this regulation “made no reference to articles which might fairly be considered works of art although they might also serve a useful purpose,” it was reworded in 1917 as shown below. The amicus brief gives sixty examples selected at five-year intervals, 1912-1952, said to be typical of registrations of works of art possessing utilitarian aspects. The current pertinent regulation, published in 37 CFR, 1949, § 202.8, reads thus:

“*Works of art (Class G)—(a) In General.* This class includes works of artistic craftsmanship, in so far as their form but not their mechanical or utilitarian aspects are concerned, such as artistic jewelry, enamels, glassware, and tapestries, as well as all works belonging to the fine arts, such as paintings, drawings and sculpture. . . .”

So we have a contemporaneous and long-continued construction of the statutes by the agency charged to administer them that would allow the registration of such a statuette as is in question here.

*** It is clear Congress intended the scope of the copyright statute to include more than the traditional fine arts. Herbert Putnam, Esq., then Librarian of Congress and active in the movement to amend the copyright laws, told the joint meeting of the House and Senate Committees:

“The term ‘works of art’ is deliberately intended as a broader specification than ‘works of the fine arts’ in the present statute with the idea that there is subject-matter (for instance, of applied design, not yet within the province of design patents), which may properly be entitled to protection under the copyright law.”

The successive acts, the legislative history of the 1909 Act and the practice of the Copyright Office unite to show that “works of art’ and “reproductions of works of art” are terms that were intended by Congress to include the authority to copyright these statuettes. Individual perception of the beautiful is too varied a power to permit a narrow or rigid concept of art. As a standard we can hardly do better than the words of the present Regulation, § 202.8, *supra*, naming the things that appertain to the arts. They must be original, that is, the author’s tangible expression of his ideas. Compare *Burrow-Giles Lithographic Co. v. Sarony*, [111 U.S. 53, 59-60](#). Such expression, whether meticulously delineating the model or mental image or conveying the meaning by modernistic form or color, is copyrightable. ***

The conclusion that the statues here in issue may be copyrighted goes far to solve the question whether their intended reproduction as lamp stands bars or invalidates their registration. This depends solely on statutory interpretation. Congress may after publication protect by copyright any writing of an author. Its statute creates the copyright. It did not exist at common law even though he had a property right in his unpublished work.

But petitioners assert that congressional enactment of the design patent laws should be interpreted as denying protection to artistic articles embodied or reproduced in manufactured articles. They say:

“Fundamentally and historically, the Copyright Office is the repository of what each claimant considers to be a cultural treasure, whereas the Patent Office is the repository of what each applicant considers to be evidence of the advance in industrial and technological fields.”

Their argument is that design patents require the critical examination given patents to protect the public against monopoly. Attention is called to *Gorham Co. v. White*, [14 Wall. 511](#), interpreting the design patent law of 1842, 5 Stat. 544, granting a patent to anyone who by “their own industry, genius, efforts, and expense, may have invented

or produced any new and original design for a manufacture” A pattern for flat silver was there upheld. The intermediate and present law differs little. “Whoever invents any new, original and ornamental design for an article of manufacture may obtain a patent therefor, . . . “ subject generally to the provisions concerning patents for invention. § 171, 66 Stat. 805. As petitioner sees the effect of the design patent law:

“If an industrial designer can not satisfy the novelty requirements of the design patent laws, then his design as used on articles of manufacture can be copied by anyone.”

Petitioner has furnished the Court a booklet of numerous design patents for statuettes, bases for table lamps and similar articles for manufacture, quite indistinguishable in type from the copyrighted statuettes here in issue.³⁵ Petitioner urges that overlapping of patent and copyright legislation so as to give an author or inventor a choice between patents and copyrights should not be permitted. We assume petitioner takes the position that protection for a statuette for industrial use can only be obtained by patent, if any protection can be given.

As we have held the statuettes here involved copyrightable, we need not decide the question of their patentability. Though other courts have passed upon the issue as to whether allowance by the election of the author or patentee of one bars a grant of the other, we do not. We do hold that the patentability of the statuettes, fitted as lamps or unfitted, does not bar copyright as works of art. Neither the Copyright Statute nor any other says that because a thing is patentable it may not be copyrighted. We should not so hold.

Unlike a patent, a copyright gives no exclusive right to the art disclosed; protection is given only to the expression of the idea—not the idea itself. Thus, in *Baker v. Selden*, [101 U.S. 99](#), the Court held that a copyrighted book on a peculiar system of bookkeeping was not infringed by a similar book using a similar plan which achieved similar results where the alleged infringer made a different arrangement of the columns and used different headings. The distinction is illustrated in *Fred Fisher, Inc. v. Dillingham*, [298 F. 145, 151](#), when the court speaks of two men, each a perfectionist, independently making maps of the same territory. Though the maps are identical, each may obtain the exclusive right to make copies of his own particular map, and yet neither will infringe the other’s copyright. Likewise a copyrighted directory is not infringed by a similar directory which is the product of independent work. The copyright protects originality rather than novelty or invention—conferring only “the sole right of multiplying copies.” Absent copying there can be no infringement of copyright. Thus, respondents may not exclude others from using statuettes of human figures in table lamps; they may only prevent use of copies of their statuettes as such or as incorporated in some other article. Regulation § 202.8, *supra*, makes clear that artistic articles are protected in “form but not their mechanical or utilitarian aspects.” See *Stein v. Rosenthal*, [103 F.Supp. 227, 231](#). The dichotomy of protection for the aesthetic is not beauty and utility but art for

³⁵ E. g., Design Patent 170.445 Base for table lamps, a fanciful statuette of a girl standing in front of a high rock in bathing costume.

the copyright and the invention of original and ornamental design for design patents. We find nothing in the copyright statute to support the argument that the intended use or use in industry of an article eligible for copyright bars or invalidates its registration. We do not read such a limitation into the copyright law.

Nor do we think the subsequent registration of a work of art published as an element in a manufactured article, is a misuse of the copyright. This is not different from the registration of a statuette and its later embodiment in an industrial article.

“The copyright law, like the patent statutes, makes reward to the owner a secondary consideration.” *United States v. Paramount Pictures*, [334 U.S. 131, 158](#). However, it is “intended definitely to grant valuable, enforceable rights to authors, publishers, etc., without burdensome requirements; ‘to afford greater encouragement to the production of literary [or artistic] works of lasting benefit to the world.’” *Washingtonian Co. v. Pearson*, [306 U.S. 30, 36](#).

The economic philosophy behind the clause empowering Congress to grant patents and copyrights is the conviction that encouragement of individual effort by personal gain is the best way to advance public welfare through the talents of authors and inventors in “Science and useful Arts.” Sacrificial days devoted to such creative activities deserve rewards commensurate with the services rendered.

Affirmed.

Opinion of MR. JUSTICE DOUGLAS, in which MR. JUSTICE BLACK concurs: An important constitutional question underlies this case—a question which was stirred on oral argument but not treated in the briefs. It is whether these statuettes of dancing figures may be copyrighted. Congress has provided that “works of art,” “models or designs for works of art,” and “reproductions of a work of art” may be copyrighted (17 U.S.C. § 5); and the Court holds that these statuettes are included in the words “works of art.” But may statuettes be granted the monopoly of the copyright?

Article I, § 8 of the Constitution grants Congress the power “To promote the Progress of Science and useful Arts, by securing for limited Times to Authors . . . the exclusive Right to their respective Writings” The power is thus circumscribed: it allows a monopoly to be granted only to “authors” for their “writings.” Is a sculptor an “author” and is his statue a “writing” within the meaning of the Constitution? We have never decided the question.

Burrow-Giles Lithographic Co. v. Sarony, [111 U.S. 53](#), held that a photograph could be copyrighted.

Bleistein v. Donaldson Lithographing Co., [188 U.S. 239](#), held that chromolithographs to be used as advertisements for a circus were “pictorial illustrations” within the meaning of the copyright laws. Broad language was used in the latter case, “. . . a very modest grade of art has in it something irreducible, which is one man’s alone. That something he may copyright unless there is a restriction in the words of the act.” [188 U.S., at 250](#). But the constitutional range of the meaning of “writings” in the field of art was not in issue either in the *Bleistein* case nor in *Woolsworth Co. v. Contemporary Arts*, [344 U.S. 228](#), recently here on a writ of certiorari limited to a question of damages.

At times the Court has on its own initiative considered and decided constitutional issues not raised, argued, or briefed by the parties. *** We could do the same here and decide the question here and now. This case, however, is not a pressing one, there being no urgency for a decision. ***

The interests involved in the category of “works of art,” as used in the copyright law, are considerable. The Copyright Office has supplied us with a long list of such articles which have been copyrighted—statuettes, book ends, clocks, lamps, door knockers, candlesticks, inkstands, chandeliers, piggy banks, sundials, salt and pepper shakers, fish bowls, casseroles, and ash trays. Perhaps these are all “writings” in the constitutional sense. But to me, at least, they are not obviously so. It is time that we came to the problem full face. I would accordingly put the case down for reargument.

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

580 U.S. ____ (2017)

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

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

I

Respondents Varsity Brands, Inc., 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.” App. 237. At issue in this case are Designs 299A, 299B, 074, 078, and 0815. See Appendix, *infra*.

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. 2014 WL 819422, *8-9 (W.D.Tenn., Mar. 1, 2014).

The Court of Appeals for the Sixth Circuit reversed. 799 F.3d 468, 471 (2015). 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. 799 F.3d, at 491, 492.

Judge McKeague dissented. He would have held that, because "identifying the wearer as a cheerleader" is a utilitarian function of a cheerleading uniform and the surface designs were "integral to" achieving that function, the designs were inseparable from the uniforms. *Id.*, at 495-496.

II

*** "Works of authorship" include "pictorial, graphic, and sculptural works," § 102(a)(5), which the statute defines to include "two-dimensional and three-dimensional works of fine, graphic, and applied art, photographs, prints and art reproductions, maps, globes, charts, diagrams, models, and technical drawings, including architectural plans," § 101. And a work of authorship is "'fixed' in a tangible medium of expression when it [is] embodi[ed] in a" "material objec[t] ... from which the work can be perceived, reproduced, or otherwise communicated." *Ibid.* (definitions of "fixed" and "copies").

The Copyright Act also 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." *Ibid.* 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. Respondents argue that “[s]eparability is only implicated when a [pictorial, graphic, or sculptural] work is the ‘design of a useful article.’” Brief for Respondents 25. 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. *Id.*, at 52. 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.” Brief for Respondents 26.

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 freestanding art or as features of useful articles. The ultimate separability question, then, is whether the feature for which copyright protection is claimed would have been eligible for copyright protection as a pictorial, graphic, or sculptural work had it originally been fixed in some tangible medium other than a useful article before being applied to a useful article.

3

This interpretation is also consistent with the history of the Copyright Act. In *Mazer*, a case decided under the 1909 Copyright Act, the respondents copyrighted a statuette depicting a dancer. The statuette was intended for use as a lamp base, “with electric wiring, sockets and lamp shades attached.” [347 U.S., at 202](#). Copies of the statuette were sold both as lamp bases and separately as statuettes. The petitioners copied the statuette and sold lamps with the statuette as the base. They defended against the respondents’ infringement suit by arguing that the respondents did not have a copyright in a statuette intended for use as a lamp base.

Two of *Mazer*’s holdings are relevant here. First, the Court held that the respondents owned a copyright in the statuette even though it was intended for use as a lamp base. In doing so, the Court approved the Copyright Office’s regulation extending copyright protection to works of art that might also serve a useful purpose. See *ibid.* (approving

37 C.F.R. § 202.8(a) (1949) (protecting “works of artistic craftsmanship, in so far as their form but not their mechanical or utilitarian aspects are concerned”).

Second, the Court held that it was irrelevant to the copyright inquiry whether the statuette was initially created as a freestanding sculpture or as a lamp base. *Mazer* thus interpreted the 1909 Act consistently with the rule discussed above: If a design would have been copyrightable as a standalone pictorial, graphic, or sculptural work, it is copyrightable if created first as part of a useful article.

Shortly thereafter, the Copyright Office enacted a regulation implementing the holdings of *Mazer*. See 1 Nimmer § 2A.08[B][1][b] (2016). As amended, the regulation introduced the modern separability test to copyright law:

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

37 C.F.R. § 202.10(c) (1960) (punctuation altered).

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

C

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

Applying this test to the surface decorations on the cheerleading uniforms is straightforward. First, one can identify the decorations as features having pictorial, graphic, or sculptural qualities. Second, if the arrangement of colors, shapes, stripes, and chevrons on the surface of the cheerleading uniforms were separated from the uniform and applied in another medium—for example, on a painter’s canvas—they would qualify as “two-dimensional... works of ... art,” § 101. And imaginatively removing the surface decorations from the uniforms and applying them in another medium would not replicate the uniform itself. Indeed, respondents have applied the designs in this case to other media of expression—different types of clothing—without replicating the uniform. See App. 273-279. The decorations are therefore separable from the uniforms and eligible for copyright protection.

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

from the useful article, they retain the outline of a cheerleading uniform. Brief for Petitioner 48-49.

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. Brief for Petitioner 33. According to petitioner, if a feature of a useful

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 USC 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.

article “advance[s] the utility of the article,” *id.*, at 38, then it is categorically beyond the scope of copyright, *id.*, at 33. The designs here are not protected, it argues, because they are necessary to two of the uniforms’ “inherent, essential, or natural functions”—identifying the wearer as a cheerleader and enhancing the wearer’s physical appearance. *Id.*, at 38, 48; Reply Brief 2, 16. 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. Brief for Petitioner 50.

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[ly] *similarly* useful.” Brief for United States as Amicus Curiae 29 (emphasis added). In the view of the United States, however, a plain white cheerleading uniform is “similarly useful” to uniforms with respondents’ designs. *Id.*, at 27-28.

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); 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). According to this view, a feature is physically separable from the underlying useful article if it can "be physically separated from the article by ordinary means while leaving the utilitarian aspects of the article completely intact." Compendium § 924.2(A). Conceptual separability applies if the feature physically could not be removed from the useful article by ordinary means.

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, Reply Brief 9, 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," Brief for Petitioner 34 (emphasis deleted and internal quotation marks omitted), 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," *id.*, at 35 (emphasis deleted and internal quotation marks omitted).

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) ("It would be a dangerous undertaking for persons trained only to the law to constitute themselves final judges of the worth of pictorial illustrations, outside of the narrowest and most obvious limits").

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, see *id.*, at 9-11 (citing S. 22, Tit. II, 94th Cong., 2d Sess., 122 Cong. Rec. 3856-3859 (1976)), and that it has enacted laws protecting designs for specific useful articles—semiconductor chips and boat hulls, see 17 USC §§ 901-914, 1301-1332—while declining to enact other industrial design statutes, Brief for Petitioner 29, 43. 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. *Id.*, at 27.

We do not share petitioner’s concern. *** [W]e 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.

It is so ordered.

APPENDIX TO OPINION OF THE COURT



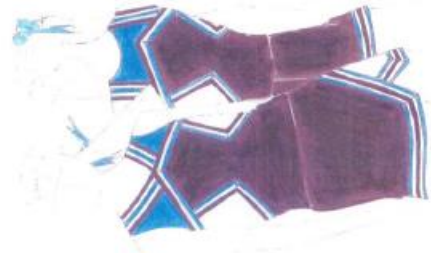
Design 299A



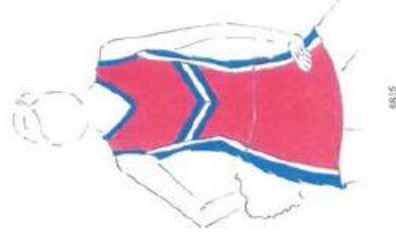
Design 299B



Design 074



Design 078



Design 0815

JUSTICE GINSBURG, concurring in the judgment: I concur in the Court’s judgment but not in its opinion. Unlike the majority, I would not take up in this case the separability test appropriate under 17 USC 101. Consideration of that test is unwarranted because the designs at issue are not designs of useful articles. Instead, the designs are themselves copyrightable pictorial or graphic works reproduced on useful articles.

A pictorial, graphic, or sculptural work (PGS work) is copyrightable. § 102(a)(5). PGS works include “two-dimensional and three-dimensional works of fine, graphic, and applied art.” § 101. Key to this case, a copyright in a standalone PGS work “includes the right to reproduce the work in or on any kind of article, whether useful or otherwise.” § 113(a). Because the owner of a copyright in a pre-existing PGS work may exclude a would-be infringer from reproducing that work on a useful article, there is no need to engage in any separability inquiry to resolve the instant petition.

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

In short, Varsity’s designs are not themselves useful articles meet for separability determination under § 101; they are standalone PGS works that may gain copyright protection as such, including the exclusive right to reproduce the designs on useful articles.

APPENDIX

EXHIBIT 15

<p>Certificate of Registration Additional certificate (17 U.S.C. 706) [Seal of the United States Copyright Office 1870] This Certificate issued under the seal of the Copyright Office in accordance with title 17, <i>United States Code</i>, attests that registration has been made for the work identified below. The information on this certificate has been made a part of the Copyright Office records.</p>	<p>Form VA For a Work of the Visual Arts UNITED STATES COPYRIGHT OFFICE RE VA 1-417-427 EFFECTIVE DATE OF REGISTRATION <u>5 21 07</u> Month Day Year Maria A. Pallante Acting Register of Copyrights, United States of America</p>
---	--

DO NOT WRITE ABOVE THIS LINE. IF YOU NEED MORE SPACE, USE A SEPARATE CONTINUATION SHEET

<p>1 Title of This Work <u>Design Number 078</u></p>	<p>NATURE OF THIS WORK See instructions <u>2-dimensional artwork</u> ←</p>
--	--

Previous or Alternative Titles

Publication as a Contribution If this work was published as a contribution to a periodical, serial, or collection, give information about the collective work in which the contribution appeared. Title of Collective Work

If published in a periodical or serial give:
Volume Number Issue Date On Pages

2 NOTE Under the law the "author" of a "work made for hire" is generally the employer, not the employee (see instructions). For any part of this work that was "made for hire" check "Yes" in the space provided, give the employer (or other person for whom the work was prepared) as "Author" of that part, and leave the space for dates of birth and death blank.

a **NAME OF AUTHOR**

Varsity Brands, Inc. _____

DATES OF BIRTH AND DEATH

Year Born _____ Year Died _____

Was this contribution to the work a "work made for hire"? Yes No

Author's Nationality or Domicile

Name of Country _____

Citizen of _____

or

Domiciled in United States _____

Was this Author's Contribution to the Work

Anonymous? Yes No

Pseudonymous? Yes No

If the answer to either of these questions is "Yes," see detailed instructions.

Nature of Authorship Check appropriate box(es)

See Instructions

3-Dimensional sculpture

2-Dimensional artwork



EXHIBIT 16

Certificate of Registration Additional certificate (17 U.S.C. 706) [Seal of the United States Copyright Office 1870] This Certificate issued under the seal of the Copyright Office in accordance with title 17, <i>United States Code</i> , attests that registration has been made for the work identified below. The infor- mation on this certificate has been made a part of the Copyright Office records.	Registration Number: VA 1-675-905 Effective date of registration: May 12, 2008 Maria A. Pallante Acting Register of Copyrights, United States of America
---	---

Title _____
Title of Work: 0815
Nature of Work: 2-dimensional artwork ←

Completion/Publication _____
Year of Completion: 2007
Date of 1st Publication: January 2, 2008
Nation of 1st Publication: United States

Author _____
Author: Varsity Brands, Inc.
Author Created: 2-dimensional artwork ←
Work made for hire: Yes
Domiciled in: United States
Anonymous: No
Pseudonymous: No

Copyright claimant _____
Copyright Claimant: Varsity Brands, Inc.

EXHIBIT 17

Certificate of Registration	Form	VA
Additional certificate (17	For a Work of the	
U.S.C. 706)	Visual Arts	
[Seal of the United States	UNITED STATES	
Copyright Office 1870]	COPYRIGHT OFFICE	

This Certificate issued under the seal of the Copyright Office in accordance with title 17, <i>United States Code</i> , attests that registration has been made for the work identified below. The information on this certificate has been made a part of the Copyright Office records.	RE VA	1-319-228
	EFFECTIVE DATE	
	OF REGISTRATION	

<u>April 29</u>	<u>2005</u>
Month Day	Year

Maria A. Pallante
Acting Register of
Copyrights, United
States of America

DO NOT WRITE ABOVE THIS LINE. IF YOU NEED MORE SPACE, USE A SEPARATE CONTINUATION SHEET

1 Title of This Work	NATURE OF THIS
<u>299A</u>	WORK See instructions
	<u>FABRIC DESIGN</u>
	<u>(ARTWORK)</u>



Previous or Alternative Titles

Publication as a Contribution If this work was published as a contribution to a periodical, serial, or collection, give information about the collective work in which the contribution appeared. **Title of Collective Work**

If published in a periodical or serial give:

Volume Number Issue Date On Pages

2 NOTE Under the law the "author" of a "work made for hire" is generally the employer not the employee (see instructions) For any part of this work that was *made for hire* check "Yes" in the space provided, give the employer (or other person for whom the work was prepared) as "Author" of that part and leave the space for dates of birth and death blank.

a **NAME OF AUTHOR**

VARSIITY SPIRIT FASHIONS & SUPPLIES INC

DATES OF BIRTH AND DEATH

Year Born _____

Year Died _____

Was this contribution to the work a "work made for hire"? Yes No

Author's Nationality or Domicile

Name of Country _____

Citizen of _____

or

Domiciled in United States

Was this Author's Contribution to the Work

Anonymous? Yes No

Pseudonymous? Yes No

If the answer to either of these questions is "Yes," see detailed instructions.

Nature of Authorship Check appropriate box(es)

See Instructions

3 Dimensional sculpture

- 2 Dimensional artwork
 Reproduction of work of art
 Map
 Photograph
 Jewelry design
 Technical drawing
 Text
 Architectural work

**b Name of Author**
_____**Dates of Birth and Death**

Year Born _____ Year Died _____

Was this contribution to the work a “work made for hire”? Yes No**Author’s Nationality or Domicile**

Name of Country _____

Citizen of _____

or

Domiciled at _____

Was this Author’s Contribution to the WorkAnonymous? Yes NoPseudonymous? Yes No

If the answer to either of these questions is “Yes,” see detailed instructions.

Nature of Authorship Check appropriate box(es)**See Instructions**

-
- 3 Dimensional sculpture

EXHIBIT 18

Certificate of Registration **Form** **VA**
Additional certificate (17 **For a Work of the**
U.S.C. 706) **Visual Arts**

[Seal of the United States UNITED STATES
Copyright Office 1870] COPYRIGHT OFFICE

This Certificate issued RE VA 1-319-226
under the seal of the Copy EFFECTIVE DATE
right Office in accordance OF REGISTRATION
with title 17, *United States* Month Day Year
Code, attests that registra April 29 2005
tion has been made for the

work identified below. The Maria A. Pallante
information on this certifi Acting Register of
cate has been made a part Copyrights, United
of the Copyright Office States of America
records.

**DO NOT WRITE ABOVE THIS LINE. IF YOU
NEED MORE SPACE, USE A SEPARATE CON-
TINUATION SHEET**

1 Title of This Work **NATURE OF THIS**
299B **WORK** See instructions
FABRIC DESIGN ←
(ARTWORK)

Previous or Alternative Titles

Publication as a Contribution If this work was
published as a contribution to a periodical, serial, or
collection, give information about the collective work
in which the contribution appeared.

Title of Collective Work

If published in a periodical or serial give: **Volume
Number Issue Date On Pages**

2 NOTE Under the law the "author" of a "**work made for hire**" is generally the employer not the employee (see Instructions) For any part of this work that was made for hire, check Yes in the space provided, give the employer (or other person for whom the work was prepared) as "Author" of that part and leave the space for dates of birth and death blank.

a **NAME OF AUTHOR**

VARSIY SPIRIT FASHIONS & SUPPLIES INC

DATES OF BIRTH AND DEATH

Year Born _____ Year Died _____

Was this contribution to the work a "**work made for hire**"? Yes No

Author's Nationality or Domicile

Name of Country _____

Citizen of _____

or

Domiciled in USA

Was this Author's Contribution to the Work:

Anonymous? Yes No

Pseudonymous? Yes No

If the answer to either of these questions is "Yes," see detailed instructions.

Nature of Authorship Check appropriate box(es)
See Instructions

- 3 Dimensional sculpture
 2 Dimensional artwork
 Reproduction of work of art
 Map
 Photograph
 Jewelry design
 Technical drawing
 Text
 Architectural work



b Name of Author

Dates of Birth and Death

Year Born _____ Year Died _____

Was this contribution to the work a “work made for hire”? Yes No

Author’s Nationality or Domicile

Name of Country _____

Citizen of _____

or

Domiciled in _____

Was this Author’s Contribution to the Work

Anonymous? Yes No

Pseudonymous? Yes No

If the answer to either of these questions is “Yes,” see detailed instructions.

Nature of Authorship Check appropriate box(es)
See Instructions

AMENDED EXHIBIT 19

Certificate of Registration Form VA
 [Seal of the United States For a Work of the
 Copyright Office 1870] Visual Arts

This Certificate issued UNITED STATES
 under the seal of the COPYRIGHT OFFICE
 Copyright Office in RE VA 1-411-535
 accordance with title 17, [BARCODE]
United States Code, EFFECTIVE DATE
 attests that registration OF REGISTRATION
 has been made for the May 09 2007
 work identified below. Month Day Year
 The information on this
 certificate has been made
 a part of the Copyright
 Office records.

[Marybeth Peters]
 Register of Copyrights,
 United States of America

RATE CONTINUATION SHEET:

1 Title of This Work	NATURE OF THIS
Design Number 074	WORK See instructions
	2-dimensional artwork ←

Previous or Alternative Titles

Publication as a Contribution If this work was published as a contribution to a periodical, serial, or collection, give information about the collective work in which the contribution appeared. Title of Collective Work

If published in a periodical or serial give:
Volume Number Issue Date On Pages

2 NOTE Under the law the "author" of a "work made for hire" is generally the employer, not the employee (see instructions). For any part of this work that was "made for hire" check "Yes" in the space provided, give the employer (or other person for whom the "work" was prepared) as "Author" of that part and leave the space for dates of birth and death blank

a NAME OF AUTHOR

Varsity Brands, Inc.

DATES OF BIRTH AND DEATH

Year Born _____ Year Died _____

Was this contribution to the work a "work made for hire"? Yes No

Author & Nationality or Domicile

Name of Country _____

Citizen of _____

or

Domiciled at United States

Was this Author a Contribution to the Work

Anonymous? Yes No

Pseudonymous? Yes No

If the answer to either of these questions is "Yes," see detailed instructions.

Nature of Authorship Check appropriate box(es)

See Instructions

3 Dimensional sculpture

2 Dimensional artwork

Reproduction of work of art



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

Look at the designs that Varsity submitted to the Copyright Office. See Appendix to opinion of the Court, ante. 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 USC 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." Ante.

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." Ante. They help clarify the concept of separateness. They are consistent with Congress' own expressed intent. 17 USC 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) (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 lamp. Hence the cat is conceptually separate from the utilitarian article that is the lamp. The pair of lamps pictured at Figures 1 and 2 in the Appendix to this opinion illustrate this principle. ***

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. See Appendix, fig. 3, *infra*; 17 USC §§ 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, *Bonazoli v. R.S.V.P. Int’l, Inc.*, [353 F.Supp.2d 218, 226-227](#) (D.R.I. 2005); candleholders shaped like sailboats, *Design Ideas, Ltd. v. Yankee Candle Co.*, [889 F.Supp.2d 1119, 1128](#) (C.D. Ill. 2012); and wire spokes on a wheel cover, *Norris Industries, Inc. v. International Tel. & Tel. Corp.*, [696 F.2d 918, 922-924](#) (C.A.11 1983). 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 wheel covers 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 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.” Ante. 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 “readymades” series, the functional mass-produced objects he designated as art. See Appendix, fig. 4, *infra*. 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 USC §§ 171, 173. But, if they are one, Congress did not intend a century or more of copyright protection.

III

The conceptual approach that I have described reflects Congress’ answer to a problem that is primarily practical and economic. *** The Constitution grants Congress primary responsibility for assessing comparative costs and benefits and drawing copyright’s statutory lines. Courts must respect those lines and not grant copyright protection where Congress has decided not to do so. And it is clear that Congress has not extended broad copyright protection to the fashion design industry.

Congress’ decision not to grant full copyright protection to the fashion industry has not left the industry without protection. Patent design protection is available. 35 USC 171, 173. A maker of clothing can obtain trademark protection under the Lanham Act for signature features of the clothing. 15 USC 1051 et seq. And a designer who creates an original textile design can receive copyright protection for that pattern as placed, for example, on a bolt of cloth, or anything made with that cloth. E.g., *Compendium* § 924.3(A)(1). “[T]his [type of] claim ... is generally made by the fabric producer rather than the garment or costume designer,” and is “ordinarily made when the two-dimensional design is applied to the textile fabric and before the garment is cut from the fabric.” 56 Fed.Reg. 56531 (1991).

The fashion industry has thrived against this backdrop, and designers have contributed immeasurably to artistic and personal self-expression through clothing. But a decision by this Court to grant protection to the design of a garment would grant the designer protection that Congress refused to provide. It would risk increased prices and unforeseeable disruption in the clothing industry, which in the United States alone encompasses nearly \$370 billion in annual spending and 1.8 million jobs. Brief for Council of Fashion Designers of America, Inc., as Amicus Curiae 3-4 (citing U.S. Congress, Joint Economic Committee, *The New Economy of Fashion 1* (2016)). That is why I believe it important to emphasize those parts of the Court’s opinion that limit the scope of its interpretation. That language, as I have said, makes clear that one may not “claim a copyright in a useful article merely by creating a replica of that article in some other medium,” which “would not give rise to any rights in the useful article that inspired it.” Ante.

IV

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

Consider designs 074, 078, and 0815. They certainly look like cheerleader uniforms. That is to say, they look like pictures of cheerleader uniforms, just like Van Gogh's old shoes look like shoes. I do not see how one could see them otherwise. Designs 299A and 2999B present slightly closer questions. They omit some of the dresslike context that the other designs possess. But the necklines, the sleeves, and the cut of the skirt suggest that they too are pictures of dresses. Looking at all five of Varsity's pictures, I do not see how one could conceptualize the design features in a way that does not picture, not just artistic designs, but dresses as well.

Were I to accept the majority's invitation to "imaginatively remov[e]" the chevrons and stripes as they are arranged on the neckline, waistline, sleeves, and skirt of each uniform, and apply them on a "painter's canvas," ante, that painting would be of a cheerleader's dress. The esthetic elements on which Varsity seeks protection exist only as part of the uniform design—there is nothing to separate out but for dress-shaped lines that replicate the cut and style of the uniforms. Hence, each design is not physically separate, nor is it conceptually separate, from the useful article it depicts, namely, a cheerleader's dress. They cannot be copyrighted.

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

But that is not the nature of Varsity's copyright claim. It has instead claimed ownership of the particular "treatment and arrangement" of the chevrons and lines of the design as they appear at the neckline, waist, skirt, sleeves, and overall cut of each uniform. Brief for Respondents 50. 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. Ante. That is to say, one cannot obtain a copyright that would give its holder “any rights in the useful article that inspired it.” Ante.

With respect, I dissent.

APPENDIX TO OPINION OF BREYER, J.



Fig. 2

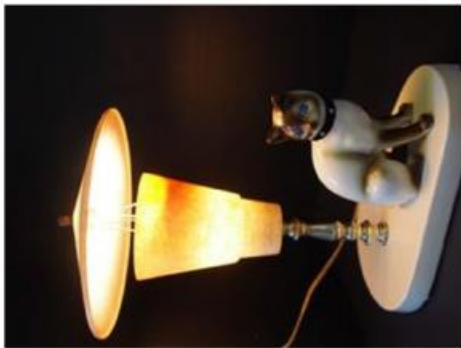


Fig. 1

APPENDIX TO OPINION OF BREYER, J.



Fig. 3: Vincent Van Gogh, "Shoes"

APPENDIX TO OPINION OF BREYER, J.

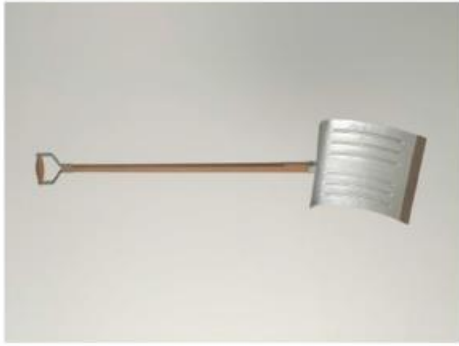


Fig. 4: Marvel Duchamp,
"In Advances of the Broken Arm"

Lotus Development Corp. v. Borland International, Inc.

49 F.3d 807 (1st Cir. 1995), aff'd by an equally divided court,
516 U.S. 233 (1996)

STAHL, Circuit Judge: This appeal requires us to decide whether a computer menu command hierarchy is copyrightable subject matter. In particular, we must decide whether, as the district court held, plaintiff-appellee Lotus Development Corporation's copyright in Lotus 1-2-3, a computer spreadsheet program, was infringed by defendant-appellant Borland International, Inc., when Borland copied the Lotus 1-2-3 menu command hierarchy into its Quattro and Quattro Pro computer spreadsheet programs.

I.

Background

Lotus 1-2-3 is a spreadsheet program that enables users to perform accounting functions electronically on a computer. Users manipulate and control the program via a series of menu commands, such as "Copy," "Print," and "Quit." Users choose commands either by highlighting them on the screen or by typing their first letter. In all, Lotus 1-2-3 has 469 commands arranged into more than 50 menus and submenus.

Lotus 1-2-3, like many computer programs, allows users to write what are called "macros." By writing a macro, a user can designate a series of command choices with a single macro keystroke. Then, to execute that series of commands in multiple parts of the spreadsheet, rather than typing the whole series each time, the user only needs to type the single pre-programmed macro keystroke, causing the program to recall and perform the designated series of commands automatically. Thus, Lotus 1-2-3 macros shorten the time needed to set up and operate the program.

Borland released its first Quattro program to the public in 1987, after Borland's engineers had labored over its development for nearly three years. Borland's objective was to develop a spreadsheet program far superior to existing programs, including Lotus 1-2-3. In Borland's words, "[f]rom the time of its initial release ... Quattro included enormous innovations over competing spreadsheet products."

The district court found, and Borland does not now contest, that Borland included in its Quattro and Quattro Pro version 1.0 programs "a virtually identical copy of the entire 1-2-3 menu tree." In so doing, Borland did not copy any of Lotus's underlying computer code; it copied only the words and structure of Lotus's menu command hierarchy. Borland included the Lotus menu command hierarchy in its programs to make them compatible with Lotus 1-2-3 so that spreadsheet users who were already familiar with Lotus 1-2-3 would be able to switch to the Borland programs without having to learn new commands or rewrite their Lotus macros.

In its Quattro and Quattro Pro version 1.0 programs, Borland achieved compatibility with Lotus 1-2-3 by offering its users an alternate user interface, the "Lotus Emulation Interface." By activating the Emulation Interface, Borland users would see the Lotus menu commands on their screens and could interact with Quattro or Quattro Pro as if using Lotus 1-2-3, albeit with a slightly different looking screen and with many Borland

options not available on Lotus 1-2-3. In effect, Borland allowed users to choose how they wanted to communicate with Borland's spreadsheet programs: either by using menu commands designed by Borland, or by using the commands and command structure used in Lotus 1-2-3 augmented by Borland-added commands. ***

II.

Discussion

On appeal, Borland does not dispute that it factually copied the words and arrangement of the Lotus menu command hierarchy. Rather, Borland argues that it "lawfully copied the unprotectable menus of Lotus 1-2-3." Borland contends that the Lotus menu command hierarchy is not copyrightable because it is a system, method of operation, process, or procedure foreclosed from protection by [17 U.S.C. § 102\(b\)](#). Borland also raises a number of affirmative defenses.

A. Copyright Infringement Generally

To establish copyright infringement, a plaintiff must prove "(1) ownership of a valid copyright, and (2) copying of constituent elements of the work that are original." *Feist Publications, Inc. v. Rural Tel. Serv. Co.*, [499 U.S. 340, 361](#) (1991). To show ownership of a valid copyright and therefore satisfy *Feist's* first prong, a plaintiff must prove that the work as a whole is original and that the plaintiff complied with applicable statutory formalities. ***

To show actionable copying and therefore satisfy *Feist's* second prong, a plaintiff must first prove that the alleged infringer copied plaintiff's copyrighted work as a factual matter; to do this, he or she may either present direct evidence of factual copying or, if that is unavailable, evidence that the alleged infringer had access to the copyrighted work and that the offending and copyrighted works are so similar that the court may infer that there was factual copying (i.e., probative similarity). The plaintiff must then prove that the copying of copyrighted material was so extensive that it rendered the offending and copyrighted works substantially similar.

In this appeal, we are faced only with whether the Lotus menu command hierarchy is copyrightable subject matter in the first instance, for Borland concedes that Lotus has a valid copyright in Lotus 1-2-3 as a whole and admits to factually copying the Lotus menu command hierarchy. As a result, this appeal is in a very different posture from most copyright-infringement cases, for copyright infringement generally turns on whether the defendant has copied protected expression as a factual matter. Because of this different posture, most copyright-infringement cases provide only limited help to us in deciding this appeal. This is true even with respect to those copyright-infringement cases that deal with computers and computer software. ***

D. The Lotus Menu Command Hierarchy: A "Method of Operation"

Borland argues that the Lotus menu command hierarchy is uncopyrightable because it is a system, method of operation, process, or procedure foreclosed from copyright protection by [17 U.S.C. § 102\(b\)](#). Section 102(b) states: "In no case does copyright

protection for an original work of authorship extend to any idea, procedure, process, system, method of operation, concept, principle, or discovery, regardless of the form in which it is described, explained, illustrated, or embodied in such work.” Because we conclude that the Lotus menu command hierarchy is a method of operation, we do not consider whether it could also be a system, process, or procedure.

We think that “method of operation,” as that term is used in § 102(b), refers to the means by which a person operates something, whether it be a car, a food processor, or a computer. Thus a text describing how to operate something would not extend copyright protection to the method of operation itself; other people would be free to employ that method and to describe it in their own words. Similarly, if a new method of operation is used rather than described, other people would still be free to employ or describe that method.

We hold that the Lotus menu command hierarchy is an uncopyrightable “method of operation.” The Lotus menu command hierarchy provides the means by which users control and operate Lotus 1-2-3. If users wish to copy material, for example, they use the “Copy” command. If users wish to print material, they use the “Print” command. Users must use the command terms to tell the computer what to do. Without the menu command hierarchy, users would not be able to access and control, or indeed make use of, Lotus 1-2-3’s functional capabilities.

The Lotus menu command hierarchy does not merely explain and present Lotus 1-2-3’s functional capabilities to the user; it also serves as the method by which the program is operated and controlled. The Lotus menu command hierarchy is different from the Lotus long prompts, for the long prompts are not necessary to the operation of the program; users could operate Lotus 1-2-3 even if there were no long prompts. The Lotus menu command hierarchy is also different from the Lotus screen displays, for users need not “use” any expressive aspects of the screen displays in order to operate Lotus 1-2-3; because the way the screens look has little bearing on how users control the program, the screen displays are not part of Lotus 1-2-3’s “method of operation.” The Lotus menu command hierarchy is also different from the underlying computer code, because while code is necessary for the program to work, its precise formulation is not. In other words, to offer the same capabilities as Lotus 1-2-3, Borland did not have to copy Lotus’s underlying code (and indeed it did not); to allow users to operate its programs in substantially the same way, however, Borland had to copy the Lotus menu command hierarchy. Thus the Lotus 1-2-3 code is not a uncopyrightable “method of operation.”

The district court held that the Lotus menu command hierarchy, with its specific choice and arrangement of command terms, constituted an “expression” of the “idea” of operating a computer program with commands arranged hierarchically into menus and sub-menus. Under the district court’s reasoning, Lotus’s decision to employ hierarchically arranged command terms to operate its program could not foreclose its competitors from also employing hierarchically arranged command terms to operate their programs, but it did foreclose them from employing the specific command terms and arrangement that Lotus had used. In effect, the district court limited Lotus 1-2-3’s “method of operation” to an abstraction.

Accepting the district court's finding that the Lotus developers made some expressive choices in choosing and arranging the Lotus command terms, we nonetheless hold that that expression is not copyrightable because it is part of Lotus 1-2-3's "method of operation." We do not think that "methods of operation" are limited to abstractions; rather, they are the means by which a user operates something. If specific words are essential to operating something, then they are part of a "method of operation" and, as such, are unprotectable. This is so whether they must be highlighted, typed in, or even spoken, as computer programs no doubt will soon be controlled by spoken words.

The fact that Lotus developers could have designed the Lotus menu command hierarchy differently is immaterial to the question of whether it is a "method of operation." In other words, our initial inquiry is not whether the Lotus menu command hierarchy incorporates any expression. Rather, our initial inquiry is whether the Lotus menu command hierarchy is a "method of operation." Concluding, as we do, that users operate Lotus 1-2-3 by using the Lotus menu command hierarchy, and that the entire Lotus menu command hierarchy is essential to operating Lotus 1-2-3, we do not inquire further whether that method of operation could have been designed differently. The "expressive" choices of what to name the command terms and how to arrange them do not magically change the uncopyrightable menu command hierarchy into copyrightable subject matter. ***

III.

Conclusion

Because we hold that the Lotus menu command hierarchy is uncopyrightable subject matter, we further hold that Borland did not infringe Lotus's copyright by copying it. Accordingly, we need not consider any of Borland's affirmative defenses. The judgment of the district court is

Reversed.

BOUDIN, Circuit Judge, concurring: The importance of this case, and a slightly different emphasis in my view of the underlying problem, prompt me to add a few words to the majority's tightly focused discussion.

I.

Most of the law of copyright and the "tools" of analysis have developed in the context of literary works such as novels, plays, and films. In this milieu, the principal problem—simply stated, if difficult to resolve—is to stimulate creative expression without unduly limiting access by others to the broader themes and concepts deployed by the author. The middle of the spectrum presents close cases; but a "mistake" in providing too much protection involves a small cost: subsequent authors treating the same themes must take a few more steps away from the original expression.

The problem presented by computer programs is fundamentally different in one respect. The computer program is a means for causing something to happen; it has a mechanical utility, an instrumental role, in accomplishing the world's work. Granting pro-

tection, in other words, can have some of the consequences of patent protection in limiting other people's ability to perform a task in the most efficient manner. Utility does not bar copyright (dictionaries may be copyrighted), but it alters the calculus.

Of course, the argument for protection is undiminished, perhaps even enhanced, by utility: if we want more of an intellectual product, a temporary monopoly for the creator provides incentives for others to create other, different items in this class. But the "cost" side of the equation may be different where one places a very high value on public access to a useful innovation that may be the most efficient means of performing a given task. Thus, the argument for extending protection may be the same; but the stakes on the other side are much higher.

It is no accident that patent protection has preconditions that copyright protection does not—notably, the requirements of novelty and non-obviousness—and that patents are granted for a shorter period than copyrights. This problem of utility has sometimes manifested itself in copyright cases, such as *Baker v. Selden*, [101 U.S. 99](#) (1879), and been dealt with through various formulations that limit copyright or create limited rights to copy. But the case law and doctrine addressed to utility in copyright have been brief detours in the general march of copyright law.

Requests for the protection of computer menus present the concern with fencing off access to the commons in an acute form. A new menu may be a creative work, but over time its importance may come to reside more in the investment that has been made by users in learning the menu and in building their own mini-programs—macros—in reliance upon the menu. Better typewriter keyboard layouts may exist, but the familiar QWERTY keyboard dominates the market because that is what everyone has learned to use. See P. David, *CLIO and the Economics of QWERTY*, 75 Am. Econ. Rev. 332 (1985). The QWERTY keyboard is nothing other than a menu of letters.

Thus, to assume that computer programs are just one more new means of expression, like a filmed play, may be quite wrong. The "form"—the written source code or the menu structure depicted on the screen—look hauntingly like the familiar stuff of copyright; but the "substance" probably has more to do with problems presented in patent law or, as already noted, in those rare cases where copyright law has confronted industrially useful expressions. Applying copyright law to computer programs is like assembling a jigsaw puzzle whose pieces do not quite fit.

All of this would make no difference if Congress had squarely confronted the issue, and given explicit directions as to what should be done. The Copyright Act of 1976 took a different course. While Congress said that computer programs might be subject to copyright protection, it said this in very general terms; and, especially in § 102(b), Congress adopted a string of exclusions that if taken literally might easily seem to exclude most computer programs from protection. The only detailed prescriptions for computers involve narrow issues (like back-up copies) of no relevance here.

Of course, one could still read the statute as a congressional command that the familiar doctrines of copyright law be taken and applied to computer programs, in cookie cutter

fashion, as if the programs were novels or play scripts. Some of the cases involving computer programs embody this approach. It seems to be mistaken on two different grounds: the tradition of copyright law, and the likely intent of Congress.

The broad-brush conception of copyright protection, the time limits, and the formalities have long been prescribed by statute. But the heart of copyright doctrine—what may be protected and with what limitations and exceptions—has been developed by the courts through experience with individual cases. Occasionally Congress addresses a problem in detail. For the most part the interstitial development of copyright through the courts is our tradition.

Nothing in the language or legislative history of the 1976 Act, or at least nothing brought to our attention, suggests that Congress meant the courts to abandon this case-by-case approach. Indeed, by setting up § 102(b) as a counterpoint theme, Congress has arguably recognized the tension and left it for the courts to resolve through the development of case law. And case law development is adaptive: it allows new problems to be solved with help of earlier doctrine, but it does not preclude new doctrines to meet new situations.

II.

In this case, the raw facts are mostly, if not entirely, undisputed. Although the inferences to be drawn may be more debatable, it is very hard to see that Borland has shown any interest in the Lotus menu except as a fall-back option for those users already committed to it by prior experience or in order to run their own macros using 1-2-3 commands. At least for the amateur, accessing the Lotus menu in the Borland Quattro or Quattro Pro program takes some effort.

Put differently, it is unlikely that users who value the Lotus menu for its own sake— independent of any investment they have made themselves in learning Lotus' commands or creating macros dependent upon them—would choose the Borland program in order to secure access to the Lotus menu. Borland's success is due primarily to other features. Its rationale for deploying the Lotus menu bears the ring of truth.

Now, any use of the Lotus menu by Borland is a commercial use and deprives Lotus of a portion of its "reward," in the sense that an infringement claim if allowed would increase Lotus' profits. But this is circular reasoning: broadly speaking, every limitation on copyright or privileged use diminishes the reward of the original creator. Yet not every writing is copyrightable or every use an infringement. The provision of reward is one concern of copyright law, but it is not the only one. If it were, copyrights would be perpetual and there would be no exceptions.

The present case is an unattractive one for copyright protection of the menu. The menu commands (*e.g.*, "print," "quit") are largely for standard procedures that Lotus did not invent and are common words that Lotus cannot monopolize. What is left is the particular combination and sub-grouping of commands in a pattern devised by Lotus. This arrangement may have a more appealing logic and ease of use than some other configurations; but there is a certain arbitrariness to many of the choices.

If Lotus is granted a monopoly on this pattern, users who have learned the command structure of Lotus 1-2-3 or devised their own macros are locked into Lotus, just as a typist who has learned the QWERTY keyboard would be the captive of anyone who had a monopoly on the production of such a keyboard. Apparently, for a period Lotus 1-2-3 has had such sway in the market that it has represented the *de facto* standard for electronic spreadsheet commands. So long as Lotus is the superior spreadsheet—either in quality or in price—there may be nothing wrong with this advantage.

But if a better spreadsheet comes along, it is hard to see why customers who have learned the Lotus menu and devised macros for it should remain captives of Lotus because of an investment in learning made by the users and not by Lotus. Lotus has already reaped a substantial reward for being first; assuming that the Borland program is now better, good reasons exist for freeing it to attract old Lotus customers: to enable the old customers to take advantage of a new advance, and to reward Borland in turn for making a better product. If Borland has not made a better product, then customers will remain with Lotus anyway.

Thus, for me the question is not whether Borland should prevail but on what basis. Various avenues might be traveled, but the main choices are between holding that the menu is not protectable by copyright and devising a new doctrine that Borland's use is privileged. No solution is perfect and no intermediate appellate court can make the final choice.

To call the menu a “method of operation” is, in the common use of those words, a defensible position. After all, the purpose of the menu is not to be admired as a work of literary or pictorial art. It is to transmit directions from the user to the computer, *i.e.*, *to operate the computer*. The menu is also a “method” in the dictionary sense because it is a “planned way of doing something,” an “order or system,” and (aptly here) an “orderly or systematic arrangement, sequence or the like.” Random House Webster's College Dictionary 853 (1991).

A different approach would be to say that Borland's use is privileged because, in the context already described, it is not seeking to appropriate the advances made by Lotus' menu; rather, having provided an arguably more attractive menu of its own, Borland is merely trying to give former Lotus users an option to exploit their own prior investment in learning or in macros. The difference is that such a privileged use approach would not automatically protect Borland if it had simply copied the Lotus menu (using different codes), contributed nothing of its own, and resold Lotus under the Borland label.

The closest analogue in conventional copyright is the fair use doctrine. *E.g.*, *Harper & Row, Publishers, Inc. v. Nation Enters.*, [471 U.S. 539](#) (1985). Although invoked by Borland, it has largely been brushed aside in this case because the Supreme Court has said that it is “presumptively” unavailable where the use is a “commercial” one. See *id.* at [562](#). In my view, this is something less than a definitive answer; “presumptively” does not mean “always” and, in any event, the doctrine of fair use was created by the courts and can be adapted to new purposes.

But a privileged use doctrine would certainly involve problems of its own. It might more closely tailor the limits on copyright protection to the reasons for limiting that

protection; but it would entail a host of administrative problems that would cause cost and delay, and would also reduce the ability of the industry to predict outcomes. Indeed, to the extent that Lotus' menu is an important standard in the industry, it might be argued that any use ought to be deemed privileged.

In sum, the majority's result persuades me and its formulation is as good, if not better, than any other that occurs to me now as within the reach of courts. Some solutions (*e.g.*, a very short copyright period for menus) are not options at all for courts but might be for Congress. In all events, the choices are important ones of policy, not linguistics, and they should be made with the underlying considerations in view.

Oracle America, Inc. v. Google Inc.

750 F.3d 1339 (Fed. Cir. 2014)

O'MALLEY, Circuit Judge. This copyright dispute involves 37 packages of computer source code. The parties have often referred to these groups of computer programs, individually or collectively, as "application programming interfaces," or API packages, but it is their content, not their name, that matters. The predecessor of Oracle America, Inc. ("Oracle") wrote these and other API packages in the Java programming language, and Oracle licenses them on various terms for others to use. Many software developers use the Java language, as well as Oracle's API packages, to write applications (commonly referred to as "apps") for desktop and laptop computers, tablets, smartphones, and other devices.

Oracle filed suit against Google Inc. ("Google") in the United States District Court for the Northern District of California, alleging that Google's Android mobile operating system infringed Oracle's patents and copyrights. The jury found no patent infringement, and the patent claims are not at issue in this appeal. As to the copyright claims, the parties agreed that the jury would decide infringement, fair use, and whether any copying was *de minimis*, while the district judge would decide copyrightability and Google's equitable defenses. The jury found that Google infringed Oracle's copyrights in the 37 Java packages and a specific computer routine called "rangeCheck," but returned a noninfringement verdict as to eight decompiled security files. The jury deadlocked on Google's fair use defense.

After the jury verdict, the district court denied Oracle's motion for judgment as a matter of law ("JMOL") regarding fair use as well as Google's motion for JMOL with respect to the rangeCheck files. Order on Motions for Judgment as a Matter of Law, Oracle Am., Inc. v. Google Inc., No. 3:10-cv-3561 (N.D. Cal. May 10, 2012), ECF No. 1119. Oracle also moved for JMOL of infringement with respect to the eight decompiled security files. In granting that motion, the court found that: (1) Google admitted to copying the eight files; and (2) no reasonable jury could find that the copying was *de minimis*. *Oracle Am., Inc. v. Google Inc.*, No. C 10-3561, [2012 U.S. Dist. LEXIS 66417](#) (N.D. Cal. May 11, 2012).

Shortly thereafter, the district court issued its decision on copyrightability, finding that the replicated elements of the 37 API packages—including the declaring code and

the structure, sequence, and organization—were not subject to copyright protection. *Oracle Am., Inc. v. Google Inc.*, [872 F.Supp.2d 974](#) (N.D. Cal. 2012) (“Copyrightability Decision”). Accordingly, the district court entered final judgment in favor of Google on Oracle’s copyright infringement claims, except with respect to the rangeCheck code and the eight decompiled files. Final Judgment, *Oracle Am., Inc. v. Google Inc.*, [No. 3:10-cv3561, 2012 WL 9028839](#), (N.D. Cal. June 20, 2012) ECF No. 1211. Oracle appeals from the portion of the final judgment entered against it, and Google cross-appeals from the portion of that same judgment entered in favor of Oracle as to the rangeCheck code and eight decompiled files.

Because we conclude that the declaring code and the structure, sequence, and organization of the API packages are entitled to copyright protection, we reverse the district court’s copyrightability determination with instructions to reinstate the jury’s infringement finding as to the 37 Java packages. Because the jury deadlocked on fair use, we remand for further consideration of Google’s fair use defense in light of this decision. With respect to Google’s cross-appeal, we affirm the district court’s decisions: (1) granting Oracle’s motion for JMOL as to the eight decompiled Java files that Google copied into Android; and (2) denying Google’s motion for JMOL with respect to the rangeCheck function. Accordingly, we affirm-in-part, reverse-in-part, and remand for further proceedings.

BACKGROUND

A. The Technology

Sun Microsystems, Inc. (“Sun”) developed the Java “platform” for computer programming and released it in 1996. The aim was to relieve programmers from the burden of writing different versions of their computer programs for different operating systems or devices. “The Java platform, through the use of a virtual machine, enable[d] software developers to write programs that [we]re able to run on different types of computer hardware without having to rewrite them for each different type.” *Copyrightability Decision*, [872 F.Supp.2d at 977](#). With Java, a software programmer could “write once, run anywhere.”

The Java virtual machine (“JVM”) plays a central role in the overall Java platform. The Java programming language itself—which includes words, symbols, and other units, together with syntax rules for using them to create instructions—is the language in which a Java programmer writes source code, the version of a program that is “in a human-readable language.” *Id.* For the instructions to be executed, they must be converted (or compiled) into binary machine code (object code) consisting of 0s and 1s understandable by the particular computing device. In the Java system, “source code is first converted into ‘bytecode,’ an intermediate form, before it is then converted into binary machine code by the Java virtual machine” that has been designed for that device. *Id.* The Java platform includes the “Java development kit (JDK), javac compiler, tools and utilities, runtime programs, class libraries (API packages), and the Java virtual machine.” *Id.* at 977 n. 2.

Sun wrote a number of ready-to-use Java programs to perform common computer functions and organized those programs into groups it called “packages.” These packages, which are the application programming interfaces at issue in this appeal, allow programmers to use the prewritten code to build certain functions into their own programs, rather than write their own code to perform those functions from scratch. They are shortcuts. Sun called the code for a specific operation (function) a “method.” It defined “classes” so that each class consists of specified methods plus variables and other elements on which the methods operate. To organize the classes for users, then, it grouped classes (along with certain related “interfaces”) into “packages.” See *id.* at 982 (describing organization: “[e]ach package [i]s broken into classes and those in turn [are] broken into methods”). The parties have not disputed the district court’s analogy: Oracle’s collection of API packages is like a library, each package is like a bookshelf in the library, each class is like a book on the shelf, and each method is like a how-to chapter in a book. *Id.* at 977.

The original Java Standard Edition Platform (“Java SE”) included “eight packages of pre-written programs.” *Id.* at 982. The district court found, and Oracle concedes to some extent, that three of those packages—`java.lang.java.io`, and `java.util`—were “core” packages, meaning that programmers using the Java language had to use them “in order to make any worthwhile use of the language.” *Id.* By 2008, the Java platform had more than 6,000 methods making up more than 600 classes grouped into 166 API packages. There are 37 Java API packages at issue in this appeal, three of which are the core packages identified by the district court. These packages contain thousands of individual elements, including classes, subclasses, methods, and interfaces.

Every package consists of two types of source code—what the parties call (1) declaring code; and (2) implementing code. Declaring code is the expression that identifies the prewritten function and is sometimes referred to as the “declaration” or “header.” As the district court explained, the “main point is that this header line of code introduces the method body and specifies very precisely the inputs, name and other functionality.” *Id.* at 979-80. The expressions used by the programmer from the declaring code command the computer to execute the associated implementing code, which gives the computer the step-by-step instructions for carrying out the declared function.

To use the district court’s example, one of the Java API packages at issue is “`java.lang`.” Within that package is a class called “`math`,” and within “`math`” there are several methods, including one that is designed to find the larger of two numbers: “`max`.” The declaration for the “`max`” method, as defined for integers, is: “`public static int max(int x, int y)`,” where the word “`public`” means that the method is generally accessible, “`static`” means that no specific instance of the class is needed to call the method, the first “`int`” indicates that the method returns an integer, and “`int x`” and “`int y`” are the two numbers (inputs) being compared. *Copyrightability Decision*, [872 F.Supp.2d at 980-82](#). A programmer calls the “`max`” method by typing the name of the method stated in the declaring code and providing unique inputs for the variables “`x`” and “`y`.” The expressions used command the computer to execute the implementing code that carries out the operation of returning the larger number.

Although Oracle owns the copyright on Java SE and the API packages, it offers three different licenses to those who want to make use of them. The first is the General Public License, which is free of charge and provides that the licensee can use the packages—both the declaring and implementing code—but must “contribute back” its innovations to the public. This arrangement is referred to as an “open source” license. The second option is the Specification License, which provides that the licensee can use the declaring code and organization of Oracle’s API packages but must write its own implementing code. The third option is the Commercial License, which is for businesses that “want to use and customize the full Java code in their commercial products and keep their code secret.” Appellant Br. 14. Oracle offers the Commercial License in exchange for royalties. To maintain Java’s “write once, run anywhere” motto, the Specification and Commercial Licenses require that the licensees’ programs pass certain tests to ensure compatibility with the Java platform.

The testimony at trial also revealed that Sun was licensing a derivative version of the Java platform for use on mobile devices: the Java Micro Edition (“Java ME”). Oracle licensed Java ME for use on feature phones and smartphones. Sun/Oracle has never successfully developed its own smartphone platform using Java.

B. Google’s Accused Product: Android

The accused product is Android, a software platform that was designed for mobile devices and competes with Java in that market. Google acquired Android, Inc. in 2005 as part of a plan to develop a smartphone platform. Later that same year, Google and Sun began discussing the possibility of Google “taking a license to use and to adapt the entire Java platform for mobile devices.” *Copyrightability Decision*, [872 F.Supp.2d at 978](#). They also discussed a “possible co-development partnership deal with Sun under which Java technology would become an open-source part of the Android platform, adapted for mobile devices.” *Id.* The parties negotiated for months but were unable to reach an agreement. The point of contention between the parties was Google’s refusal to make the implementation of its programs compatible with the Java virtual machine or interoperable with other Java programs. Because Sun/Oracle found that position to be anathema to the “write once, run anywhere” philosophy, it did not grant Google a license to use the Java API packages.

When the parties’ negotiations reached an impasse, Google decided to use the Java programming language to design its own virtual machine—the Dalvik virtual machine (“Dalvik VM”)—and “to write its own implementations for the functions in the Java API that were key to mobile devices.” *Id.* Google developed the Android platform, which grew to include 168 API packages—37 of which correspond to the Java API packages at issue in this appeal.

With respect to the 37 packages at issue, “Google believed Java application programmers would want to find the same 37 sets of functionalities in the new Android system callable by the same names as used in Java.” *Id.* To achieve this result, Google copied the declaring source code from the 37 Java API packages verbatim, inserting that code into parts of its Android software. In doing so, Google copied the elaborately organized

taxonomy of all the names of methods, classes, interfaces, and packages—the “overall system of organized names—covering 37 packages, with over six hundred classes, with over six thousand methods.” *Copyrightability Decision*, [872 F.Supp.2d at 999](#). The parties and district court referred to this taxonomy of expressions as the “structure, sequence, and organization” or “SSO” of the 37 packages. It is undisputed, however, that Google wrote its own implementing code, except with respect to: (1) the rangeCheck function, which consisted of nine lines of code; and (2) eight decompiled security files.

As to rangeCheck, the court found that the Sun engineer who wrote it later worked for Google and contributed two files he created containing the rangeCheck function—“Timsort.java” and “ComparableTimsort”—to the Android platform. In doing so, the nine-line rangeCheck function was copied directly into Android. As to the eight decompiled files, the district court found that they were copied and used as test files but “never found their way into Android or any handset.” *Id.* at 983.

Google released the Android platform in 2007, and the first Android phones went on sale the following year. Although it is undisputed that certain Android software contains copies of the 37 API packages’ declaring code at issue, neither the district court nor the parties specify in which programs those copies appear. Oracle indicated at oral argument, however, that all Android phones contain copies of the accused portions of the Android software. Android smartphones “rapidly grew in popularity and now comprise a large share of the United States market.” *Copyrightability Decision*, [872 F.Supp.2d at 978](#). Google provides the Android platform free of charge to smartphone manufacturers and receives revenue when customers use particular functions on the Android phone. Although Android uses the Java programming language, it is undisputed that Android is not generally Java compatible. As Oracle explains, “Google ultimately designed Android to be incompatible with the Java platform, so that apps written for one will not work on the other.” Appellant Br. 29.

C. Trial and Post-Trial Rulings

*** On May 7, 2012, the jury returned a verdict finding that Google infringed Oracle’s copyright in the 37 Java API packages and in the nine lines of rangeCheck code, but returned a noninfringement verdict as to eight decompiled security files. The jury hung on Google’s fair use defense. *** The district court granted Oracle’s motion for JMOL of infringement as to the eight decompiled files, however. In its order, the court explained that: (1) Google copied the files in their entirety; (2) the trial testimony revealed that the use of those files was “significant”; and (3) no reasonable jury could find the copying de minimis.

On May 31, 2012, the district court issued the primary decision at issue in this appeal, finding that the replicated elements of the Java API packages—including the declarations and their structure, sequence, and organization—were not copyrightable. As to the declaring code, the court concluded that “there is only one way to write” it, and thus the “merger doctrine bars anyone from claiming exclusive copyright ownership of that expression.” *Copyrightability Decision*, [872 F.Supp.2d at 998](#). The court further found that the declaring code was not protectable because “names and short phrases cannot

be copyrighted.” *Id.* As such, the court determined that “there can be no copyright violation in using the identical declarations.” *Id.*

As to the overall structure, sequence, and organization of the Java API packages, the court recognized that “nothing in the rules of the Java language ... required that Google replicate the same groupings even if Google was free to replicate the same functionality.” *Id.* at 999. Therefore, the court determined that “Oracle’s best argument ... is that while no single name is copyrightable, Java’s overall system of organized names—covering 37 packages, with over six hundred classes, with over six thousand methods—is a ‘taxonomy’ and, therefore, copyrightable.” *Id.*

Although it acknowledged that the overall structure of Oracle’s API packages is creative, original, and “resembles a taxonomy,” the district court found that it “is nevertheless a command structure, a system or method of operation—a long hierarchy of over six thousand commands to carry out pre-assigned functions”—that is not entitled to copyright protection under Section 102(b) of the Copyright Act. *Id.* at 999-1000. In reaching this conclusion, the court emphasized that, “[o]f the 166 Java packages, 129 were not violated in any way.” *Id.* at 1001. And, of the 37 Java API packages at issue, “97 percent of the Android lines were new from Google and the remaining three percent were freely replicable under the merger and names doctrines.” *Id.* On these grounds, the court dismissed Oracle’s copyright claims, concluding that “the particular elements replicated by Google were free for all to use under the Copyright Act.” *Id.*

On June 20, 2012, the district court entered final judgment in favor of Google and against Oracle on its claim for copyright infringement, except with respect to the `rangeCheck` function and the eight decompiled files. As to `rangeCheck` and the decompiled files, the court entered judgment for Oracle and against Google in the amount of zero dollars, per the parties’ stipulation. Final Judgment, *Oracle Am., Inc. v. Google Inc.*, No. 3:10-cv3561 (N.D.Cal. June 20, 2012), ECF No. 1211. Oracle timely appealed from the portion of the district court’s final judgment entered against it and Google timely cross-appealed with respect to `rangeCheck` and the eight decompiled files. Because this action included patent claims, we have jurisdiction pursuant to 28 U.S.C. § 1295(a)(1).

DISCUSSION

I. ORACLE’S APPEAL

It is undisputed that the Java programming language is open and free for anyone to use. Except to the limited extent noted below regarding three of the API packages, it is also undisputed that Google could have written its own API packages using the Java language. Google chose not to do that. Instead, it is undisputed that Google copied 7,000 lines of declaring code and generally replicated the overall structure, sequence, and organization of Oracle’s 37 Java API packages. The central question before us is whether these elements of the Java platform are entitled to copyright protection. The district court concluded that they are not, and Oracle challenges that determination on appeal. Oracle also argues that the district court should have dismissed Google’s fair use defense as a matter of law.

According to Google, however, the district court correctly determined that: (1) there was only one way to write the Java method declarations and remain “interoperable” with Java; and (2) the organization and structure of the 37 Java API packages is a “command structure” excluded from copyright protection under Section 102(b). Google also argues that, if we reverse the district court’s copyrightability determination, we should direct the district court to retry its fair use defense.

“When the questions on appeal involve law and precedent on subjects not exclusively assigned to the Federal Circuit, the court applies the law which would be applied by the regional circuit.” *Atari Games Corp. v. Nintendo of Am., Inc.*, [897 F.2d 1572, 1575](#) (Fed. Cir. 1990). Copyright issues are not exclusively assigned to the Federal Circuit. See 28 U.S.C. § 1295. The parties agree that Ninth Circuit law applies and that, in the Ninth Circuit, whether particular expression is protected by copyright law is “subject to de novo review.” *Ets-Hokin v. Skyy Spirits, Inc.*, [225 F.3d 1068, 1073](#) (9th Cir. 2000).

We are mindful that the application of copyright law in the computer context is often a difficult task. See *Lotus Dev. Corp. v. Borland Int’l, Inc.*, [49 F.3d 807, 820](#) (1st Cir. 1995) (Boudin, J., concurring) (“Applying copyright law to computer programs is like assembling a jigsaw puzzle whose pieces do not quite fit.”). On this record, however, we find that the district court failed to distinguish between the threshold question of what is copyrightable—which presents a low bar—and the scope of conduct that constitutes infringing activity. The court also erred by importing fair use principles, including interoperability concerns, into its copyrightability analysis.

For the reasons that follow, we conclude that the declaring code and the structure, sequence, and organization of the 37 Java API packages are entitled to copyright protection. Because there is an insufficient record as to the relevant fair use factors, we remand for further proceedings on Google’s fair use defense.

A. Copyrightability

The Copyright Act provides protection to “original works of authorship fixed in any tangible medium of expression,” including “literary works.” 17 U.S.C. § 102(a). It is undisputed that computer programs—defined in the Copyright Act as “a set of statements or instructions to be used directly or indirectly in a computer in order to bring about a certain result,” 17 U.S.C. § 101—can be subject to copyright protection as “literary works.” See *Atari Games Corp. v. Nintendo of Am., Inc.*, [975 F.2d 832, 838](#) (Fed. Cir. 1992) (“As literary works, copyright protection extends to computer programs.”). Indeed, the legislative history explains that “literary works” includes “computer programs to the extent that they incorporate authorship in the programmer’s expression of original ideas, as distinguished from the ideas themselves.” H.R. Rep. No. 1476, 94th Cong., 2d Sess. 54, reprinted in 1976 U.S.C.C.A.N. 5659, 5667.

By statute, a work must be “original” to qualify for copyright protection. 17 U.S.C. § 102(a). This “originality requirement is not particularly stringent,” however. *Feist Publ’ns, Inc. v. Rural Tel. Serv. Co.*, [499 U.S. 340, 358](#) (1991). “Original, as the term is used in copyright, means only that the work was independently created by the author (as

opposed to copied from other works), and that it possesses at least some minimal degree of creativity.” *Id.* at 345.

Copyright protection extends only to the expression of an idea—not to the underlying idea itself. *Mazer v. Stein*, [347 U.S. 201, 217](#) (1954)¹ (“Unlike a patent, a copyright gives no exclusive right to the art disclosed; protection is given only to the expression of the idea—not the idea itself.”). This distinction—commonly referred to as the “idea/expression dichotomy”—is codified in Section 102(b) of the Copyright Act, which provides:

In no case does copyright protection for an original work of authorship extend to any idea, procedure, process, system, method of operation, concept, principle, or discovery, regardless of the form in which it is described, explained, illustrated, or embodied in such work.

17 U.S.C. § 102(b).

The idea/expression dichotomy traces back to the Supreme Court’s decision in *Baker v. Selden*, [101 U.S. 99, 101](#) (1879). In *Baker*, the plaintiff Selden wrote and obtained copyrights on a series of books setting out a new system of bookkeeping. *Id.* at 100. The books included an introductory essay explaining the system and blank forms with ruled lines and headings designed for use with that system. *Id.* Baker published account books employing a system with similar forms, and Selden filed suit alleging copyright infringement. According to Selden, the “ruled lines and headings, given to illustrate the system, are a part of the book” and “no one can make or use similar ruled lines and headings, or ruled lines and headings made and arranged on substantially the same system, without violating the copyright.” *Id.* at 101.

The Supreme Court framed the issue on appeal in *Baker* as “whether the exclusive property in a system of book-keeping can be claimed, under the law of copyright, by means of a book in which that system is explained.” *Id.* In reversing the circuit court’s decision, the Court concluded that the “copyright of a book on book-keeping cannot secure the exclusive right to make, sell, and use account-books prepared upon the plan set forth in such book.” *Id.* at 104. Likewise, the “copyright of a work on mathematical science cannot give to the author an exclusive right to the methods of operation which he propounds.” *Id.* at 103. The Court found that, although the copyright protects the way Selden “explained and described a peculiar system of book-keeping,” it does not prevent others from using the system described therein. *Id.* at 104. The Court further indicated that, if it is necessary to use the forms Selden included in his books to make use of the accounting system, that use would not amount to copyright infringement.

Courts routinely cite *Baker* as the source of several principles incorporated into Section 102(b) that relate to this appeal, including that: (1) copyright protection extends only to expression, not to ideas, systems, or processes; and (2) “those elements of a computer program that are necessarily incidental to its function are ... unprotectable.” See *Computer Assocs. Int’l v. Altai, Inc.*, [982 F.2d 693, 704-05](#) (2nd Cir. 1992) (“*Altai*”) (discussing *Baker*, [101 U.S. at 103-04](#)).

It is well established that copyright protection can extend to both literal and non-literal elements of a computer program. See *Altai*, [982 F.2d at 702](#). The literal elements

of a computer program are the source code and object code. See *Johnson Controls, Inc. v. Phoenix Control Sys., Inc.*, [886 F.2d 1173, 1175](#) (9th Cir. 1989). Courts have defined source code as “the spelled-out program commands that humans can read.” *Lexmark Int’l, Inc. v. Static Control Components, Inc.*, [387 F.3d 522, 533](#) (6th Cir. 2004). Object code refers to “the binary language comprised of zeros and ones through which the computer directly receives its instructions.” *Altai*, [982 F.2d at 698](#). Both source and object code “are consistently held protected by a copyright on the program.” *Johnson Controls*, [886 F.2d at 1175](#). Google nowhere disputes that premise.

The non-literal components of a computer program include, among other things, the program’s sequence, structure, and organization, as well as the program’s user interface. *Johnson Controls*, [886 F.2d at 1175](#). As discussed below, whether the non-literal elements of a program “are protected depends on whether, on the particular facts of each case, the component in question qualifies as an expression of an idea, or an idea itself.” *Id.*

In this case, Oracle claims copyright protection with respect to both: (1) literal elements of its API packages—the 7,000 lines of declaring source code; and (2) non-literal elements—the structure, sequence, and organization of each of the 37 Java API packages.

The distinction between literal and non-literal aspects of a computer program is separate from the distinction between literal and non-literal copying. See *Altai*, [982 F.2d at 701-02](#). “Literal” copying is verbatim copying of original expression. “Non-literal” copying is “paraphrased or loosely paraphrased rather than word for word.” *Lotus Dev. Corp. v. Borland Int’l*, [49 F.3d 807, 814](#) (1st Cir. 1995). Here, Google concedes that it copied the declaring code verbatim. Oracle explains that the lines of declaring code “embody the structure of each [API] package, just as the chapter titles and topic sentences represent the structure of a novel.” Appellant Br. 45. As Oracle explains, when Google copied the declaring code in these packages “it also copied the ‘sequence and organization’ of the packages (i.e., the three-dimensional structure with all the chutes and ladders)” employed by Sun/Oracle in the packages. Appellant Br. 27. Oracle also argues that the nonliteral elements of the API packages—the structure, sequence, and organization that led naturally to the implementing code Google created—are entitled to protection. Oracle does not assert “literal” copying of the entire SSO, but, rather, that Google literally copied the declaring code and then paraphrased the remainder of the SSO by writing its own implementing code. It therefore asserts non-literal copying with respect to the entirety of the SSO.

At this stage, it is undisputed that the declaring code and the structure and organization of the Java API packages are original. The testimony at trial revealed that designing the Java API packages was a creative process and that the Sun/Oracle developers had a vast range of options for the structure and organization. In its copyrightability decision, the district court specifically found that the API packages are both creative and original, and Google concedes on appeal that the originality requirements are met. The court found, however, that neither the declaring code nor the SSO was entitled to copyright protection under the Copyright Act.

Although the parties agree that Oracle's API packages meet the originality requirement under Section 102(a), they disagree as to the proper interpretation and application of Section 102(b). For its part, Google suggests that there is a two-step copyrightability analysis, wherein Section 102(a) grants copyright protection to original works, while Section 102(b) takes it away if the work has a functional component. To the contrary, however, Congress emphasized that Section 102(b) "in no way enlarges or contracts the scope of copyright protection" and that its "purpose is to restate ... that the basic dichotomy between expression and idea remains unchanged." *Feist*, [499 U.S. at 356](#) (quoting H.R. Rep. No. 1476, 94th Cong., 2d Sess. 54, reprinted in 1976 U.S.C.C.A.N. 5659, 5670). "Section 102(b) does not extinguish the protection accorded a particular expression of an idea merely because that expression is embodied in a method of operation." *Mitel, Inc. v. Iqtel, Inc.*, [124 F.3d 1366, 1372](#) (10th Cir. 1997). Section 102(a) and 102(b) are to be considered collectively so that certain expressions are subject to greater scrutiny. *Id.* In assessing copyrightability, the district court is required to ferret out apparent expressive aspects of a work and then separate protectable expression from "unprotectable ideas, facts, processes, and methods of operation." See *Atari*, [975 F.2d at 839](#).

*** When assessing whether the non-literal elements of a computer program constitute protectable expression, the Ninth Circuit has endorsed an "abstraction-filtration-comparison" test formulated by the Second Circuit and expressly adopted by several other circuits. *Sega Enters. Ltd. v. Accolade, Inc.*, [977 F.2d 1510, 1525](#) (9th Cir. 1992). This test rejects the notion that anything that performs a function is necessarily uncopyrightable. See *Mitel*, [124 F.3d at 1372](#) (rejecting the *Lotus* court's formulation, and concluding that, "although an element of a work may be characterized as a method of operation, that element may nevertheless contain expression that is eligible for copyright protection."). And it also rejects as flawed the *Whelan* assumption that, once any separable idea can be identified in a computer program everything else must be protectable expression, on grounds that more than one idea may be embodied in any particular program.

Thus, this test eschews bright line approaches and requires a more nuanced assessment of the particular program at issue in order to determine what expression is protectable and infringed. As the Second Circuit explains, this test has three steps. In the abstraction step, the court "first break[s] down the allegedly infringed program into its constituent structural parts." *Altai*, [982 F.2d at 705-06](#). In the filtration step, the court "sift[s] out all non-protectable material," including ideas and "expression that is necessarily incidental to those ideas." *Id.* In the final step, the court compares the remaining creative expression with the allegedly infringing program.

In the second step, the court is first to assess whether the expression is original to the programmer or author. The court must then determine whether the particular inclusion of any level of abstraction is dictated by considerations of efficiency, required by factors already external to the program itself, or taken from the public domain—all of which would render the expression unprotectable. *Id.* These conclusions are to be informed by traditional copyright principles of originality, merger, and scenes a faire.

In all circuits, it is clear that the first step is part of the copyrightability analysis and that the third is an infringement question. It is at the second step of this analysis where the circuits are in less accord. Some treat all aspects of this second step as part of the copyrightability analysis, while others divide questions of originality from the other inquiries, treating the former as a question of copyrightability and the latter as part of the infringement inquiry. ***

In the Ninth Circuit, while questions regarding originality are considered questions of copyrightability, concepts of merger and scenes a faire are affirmative defenses to claims of infringement. *Ets-Hokin*, [225 F.3d at 1082](#). The Ninth Circuit has acknowledged that “there is some disagreement among courts as to whether these two doctrines figure into the issue of copyrightability or are more properly defenses to infringement.” *Ets-Hokin*, [225 F.3d at 1082](#) (citations omitted). It, nonetheless, has made clear that, in that circuit, these concepts are to be treated as defenses to infringement.

With these principles in mind, we turn to the trial court’s analysis and judgment and to Oracle’s objections thereto. While the trial court mentioned the abstraction–filtration–comparison test when describing the development of relevant law, it did not purport to actually apply that test. Instead, it moved directly to application of familiar principles of copyright law when assessing the copyrightability of the declaring code and interpreted Section 102(b) to preclude copyrightability for any functional element “essential for interoperability” “regardless of its form.” *Copyrightability Decision*, [872 F.Supp.2d at 997](#).

Oracle asserts that all of the trial court’s conclusions regarding copyrightability are erroneous. Oracle argues that its Java API packages are entitled to protection under the Copyright Act because they are expressive and could have been written and organized in any number of ways to achieve the same functions. Specifically, Oracle argues that the district court erred when it: (1) concluded that each line of declaring code is uncopyrightable because the idea and expression have merged; (2) found the declaring code uncopyrightable because it employs short phrases; (3) found all aspects of the SSO devoid of protection as a “method of operation” under 17 U.S.C. § 102(b); and (4) invoked Google’s “interoperability” concerns in the copyrightability analysis. For the reasons explained below, we agree with Oracle on each point.

1. Declaring Source Code

First, Oracle argues that the district court erred in concluding that each line of declaring source code is completely unprotected under the merger and short phrases doctrines. *** The court specifically found that the declaring code was not entitled to copyright protection under the merger and short phrases doctrines. We address each in turn.

a. Merger

The merger doctrine functions as an exception to the idea/expression dichotomy. It provides that, when there are a limited number of ways to express an idea, the idea is said to “merge” with its expression, and the expression becomes unprotected. *Altai*, [982 F.2d at 707-08](#). As noted, the Ninth Circuit treats this concept as an affirmative

defense to infringement. *Ets-Hokin*, [225 F.3d at 1082](#). Accordingly, it appears that the district court’s merger analysis is irrelevant to the question of whether Oracle’s API packages are copyrightable in the first instance. Regardless of when the analysis occurs, we conclude that merger does not apply on the record before us.

Under the merger doctrine, a court will not protect a copyrighted work from infringement if the idea contained therein can be expressed in only one way. For computer programs, “this means that when specific [parts of the code], even though previously copyrighted, are the only and essential means of accomplishing a given task, their later use by another will not amount to infringement.” *Altai*, [982 F.2d at 708](#) (citation omitted). We have recognized, however, applying Ninth Circuit law, that the “unique arrangement of computer program expression ... does not merge with the process so long as alternate expressions are available.” *Atari*, [975 F.2d at 840](#).

In *Atari*, for example, Nintendo designed a program—the 10NES—to prevent its video game system from accepting unauthorized game cartridges. [975 F.2d at 836](#). Nintendo “chose arbitrary programming instructions and arranged them in a unique sequence to create a purely arbitrary data stream” which “serves as the key to unlock the NES.” *Id.* at 840. Because Nintendo produced expert testimony “showing a multitude of different ways to generate a data stream which unlocks the NES console,” we concluded that Nintendo’s specific choice of code did not merge with the process. *Id.*

Here, the district court found that, “no matter how creative or imaginative a Java method specification may be, the entire world is entitled to use the same method specification (inputs, outputs, parameters) so long as the line-by-line implementations are different.” *Copyrightability Decision*, [872 F.Supp.2d at 998](#). In its analysis, the court identified the method declaration as the idea and found that the implementation is the expression. *Id.* (“The method specification is the *idea*. The method implementation is the expression. No one may monopolize the *idea*.”) (emphases in original). The court explained that, under the rules of Java, a programmer must use the identical “declaration or method header lines” to “declare a method specifying the same functionality.” *Id.* at 976. Because the district court found that there was only one way to write the declaring code for each of the Java packages, it concluded that “the merger doctrine bars anyone from claiming exclusive copyright ownership” of it. *Id.* at 998. Accordingly, the court held there could be “no copyright violation in using the identical declarations.” *Id.*

Google agrees with the district court that the implementing code is the expression entitled to protection—not the declaring code. Indeed, at oral argument, counsel for Google explained that, “it is not our position that none of Java is copyrightable. Obviously, Google spent two and a half years ... to write from scratch all of the implementing code.” Oral Argument at 33:16. Because it is undisputed that Google wrote its own implementing code, the copyrightability of the precise language of that code is not at issue on appeal. Instead, our focus is on the declaring code and structure of the API packages.

On appeal, Oracle argues that the district court: (1) misapplied the merger doctrine; and (2) failed to focus its analysis on the options available to the original author. We

agree with Oracle on both points. First, we agree that merger cannot bar copyright protection for any lines of declaring source code unless Sun/Oracle had only one way, or a limited number of ways, to write them. The evidence showed that Oracle had “unlimited options as to the selection and arrangement of the 7000 lines Google copied.” Appellant Br. 50. Using the district court’s “java.lang.Math.max” example, Oracle explains that the developers could have called it any number of things, including “Math.maximum” or “Arith.larger.” This was not a situation where Oracle was selecting among preordained names and phrases to create its packages. As the district court recognized, moreover, “the Android method and class names could have been different from the names of their counterparts in Java and still have worked.” *Copyrightability Decision*, [872 F.Supp.2d at 976](#). Because “alternative expressions [we]re available,” there is no merger. See *Atari*, [975 F.2d at 840](#).

We further find that the district court erred in focusing its merger analysis on the options available to Google at the time of copying. It is well-established that copyrightability and the scope of protectable activity are to be evaluated at the time of creation, not at the time of infringement. The focus is, therefore, on the options that were available to Sun/Oracle at the time it created the API packages. Of course, once Sun/Oracle created “java.lang.Math.max,” programmers who want to use that particular package have to call it by that name. But, as the court acknowledged, nothing prevented Google from writing its own declaring code, along with its own implementing code, to achieve the same result. In such circumstances, the chosen expression simply does not merge with the idea being expressed.

It seems possible that the merger doctrine, when properly analyzed, would exclude the three packages identified by the district court as core packages from the scope of actionable infringing conduct. This would be so if the Java authors, at the time these packages were created, had only a limited number of ways to express the methods and classes therein if they wanted to write in the Java language. In that instance, the idea may well be merged with the expression in these three packages. Google did not present its merger argument in this way below and does not do so here, however. Indeed, Google does not try to differentiate among the packages for purposes of its copyrightability analysis and does not appeal the infringement verdict as to the packages. For these reasons, we reject the trial court’s merger analysis.

b. Short Phrases

The district court also found that Oracle’s declaring code consists of uncopyrightable short phrases. Specifically, the court concluded that, “while the Android method and class names could have been different from the names of their counterparts in Java and still have worked, copyright protection never extends to names or short phrases as a matter of law.” *Copyrightability Decision*, [872 F.Supp.2d at 976](#).

The district court is correct that “[w]ords and short phrases such as names, titles, and slogans” are not subject to copyright protection. 37 C.F.R. § 202.1(a). The court failed to recognize, however, that the relevant question for copyrightability purposes is not whether the work at issue contains short phrases—as literary works often do—but,

rather, whether those phrases are creative. And, by dissecting the individual lines of declaring code at issue into short phrases, the district court further failed to recognize that an original combination of elements can be copyrightable.

By analogy, the opening of Charles Dickens' *A Tale of Two Cities* is nothing but a string of short phrases. Yet no one could contend that this portion of Dickens' work is unworthy of copyright protection because it can be broken into those shorter constituent components. The question is not whether a short phrase or series of short phrases can be extracted from the work, but whether the manner in which they are used or strung together exhibits creativity.

Although the district court apparently focused on individual lines of code, Oracle is not seeking copyright protection for a specific short phrase or word. Instead, the portion of declaring code at issue is 7,000 lines, and Google's own "Java guru" conceded that there can be "creativity and artistry even in a single method declaration." Joint Appendix ("J.A.") 20,970. Because Oracle "exercised creativity in the selection and arrangement" of the method declarations when it created the API packages and wrote the relevant declaring code, they contain protectable expression that is entitled to copyright protection. See *Atari*, [975 F.2d at 840](#); see also 17 U.S.C. §§ 101, 103 (recognizing copyright protection for "compilations" which are defined as work that is "selected, coordinated, or arranged in such a way that the resulting work as a whole constitutes an original work of authorship"). Accordingly, we conclude that the district court erred in applying the short phrases doctrine to find the declaring code not copyrightable.

c. Scenes a Faire

The scenes a faire doctrine, which is related to the merger doctrine, operates to bar certain otherwise creative expression from copyright protection. *Apple Computer, Inc. v. Microsoft Corp.*, [35 F.3d 1435, 1444](#) (9th Cir. 1994). It provides that "expressive elements of a work of authorship are not entitled to protection against infringement if they are standard, stock, or common to a topic, or if they necessarily follow from a common theme or setting." *Mitel*, [124 F.3d at 1374](#). Under this doctrine, "when certain commonplace expressions are indispensable and naturally associated with the treatment of a given idea, those expressions are treated like ideas and therefore [are] not protected by copyright." *Swirsky v. Carey*, [376 F.3d 841, 850](#) (9th Cir. 2004). In the computer context, "the scene a faire doctrine denies protection to program elements that are dictated by external factors such as 'the mechanical specifications of the computer on which a particular program is intended to run' or 'widely accepted programming practices within the computer industry.'" *Softel*, [118 F.3d at 963](#) (citation omitted).

The trial court rejected Google's reliance on the scenes a faire doctrine. It did so in a footnote, finding that Google had failed to present evidence to support the claim that either the grouping of methods within the classes or the code chosen for them "would be so expected and customary as to be permissible under the scenes a faire doctrine." *Copyrightability Decision*, [872 F.Supp.2d at 999 n. 9](#). Specifically, the trial court found that "it is impossible to say on this record that all of the classes and their contents are typical

of such classes and, on this record, this order rejects Google’s global argument based on scenes a faire.” Id.

On appeal, Google refers to scenes a faire concepts briefly, as do some amici, apparently contending that, because programmers have become accustomed to and comfortable using the groupings in the Java API packages, those groupings are so commonplace as to be indispensable to the expression of an acceptable programming platform. As such, the argument goes, they are so associated with the “idea” of what the packages are accomplishing that they should be treated as ideas rather than expression.

Google cannot rely on the scenes a faire doctrine as an alternative ground upon which we might affirm the copyrightability judgment of the district court. This is so for several reasons. First, as noted, like merger, in the Ninth Circuit, the scenes a faire doctrine is a component of the infringement analysis. “[S]imilarity of expression, whether literal or non-literal, which necessarily results from the fact that the common idea is only capable of expression in more or less stereotyped form, will preclude a finding of actionable similarity.” 4 Nimmer on Copyright § 13.03[B][3]. Thus, the expression is not excluded from copyright protection; it is just that certain copying is forgiven as a necessary incident of any expression of the underlying idea.

Second, Google has not objected to the trial court’s conclusion that Google failed to make a sufficient factual record to support its contention that the groupings and code chosen for the 37 Java API packages were driven by external factors or premised on features that were either commonplace or essential to the idea being expressed. Google provides no record citations indicating that such a showing was made and does not contend that the trial court erred when it expressly found it was not. Indeed, Google does not even make this argument with respect to the core packages.

Finally, Google’s reliance on the doctrine below and the amici reference to it here are premised on a fundamental misunderstanding of the doctrine. Like merger, the focus of the scenes a faire doctrine is on the circumstances presented to the creator, not the copier. The court’s analytical focus must be upon the external factors that dictated Sun’s selection of classes, methods, and code—not upon what Google encountered at the time it chose to copy those groupings and that code. It is this showing the trial court found Google failed to make, and Google cites to nothing in the record which indicates otherwise.

For these reasons, the trial court was correct to conclude that the scenes a faire doctrine does not affect the copyrightability of either the declaring code in, or the SSO of, the Java API packages at issue.

2. The Structure, Sequence, and Organization of the API Packages

The district court found that the SSO of the Java API packages is creative and original, but nevertheless held that it is a “system or method of operation ... and, therefore, cannot be copyrighted” under 17 U.S.C. § 102(b). *Copyrightability Decision*, [872 F.Supp.2d at 976-77](#). In reaching this conclusion, the district court seems to have relied upon

language contained in a First Circuit decision: *Lotus Development Corp. v. Borland International, Inc.*, [49 F.3d 807](#) (1st Cir. 1995), *aff'd* without opinion by equally divided court, [516 U.S. 233](#) (1996).

In *Lotus*, it was undisputed that the defendant copied the menu command hierarchy and interface from Lotus 1-2-3, a computer spreadsheet program “that enables users to perform accounting functions electronically on a computer.” [49 F.3d at 809](#). The menu command hierarchy referred to a series of commands—such as “Copy,” “Print,” and “Quit”—which were arranged into more than 50 menus and submenus. *Id.* Although the defendant did not copy any Lotus source code, it copied the menu command hierarchy into its rival program. The question before the court was “whether a computer menu command hierarchy is copyrightable subject matter.” *Id.*

Although it accepted the district court’s finding that Lotus developers made some expressive choices in selecting and arranging the command terms, the First Circuit found that the command hierarchy was not copyrightable because, among other things, it was a “method of operation” under Section 102(b). In reaching this conclusion, the court defined a “method of operation” as “the means by which a person operates something, whether it be a car, a food processor, or a computer.” *Id.* at 815. Because the Lotus menu command hierarchy provided “the means by which users control and operate Lotus 1-2-3,” it was deemed unprotectable. *Id.* For example, if users wanted to copy material, they would use the “Copy” command and the command terms would tell the computer what to do. According to the *Lotus* court, the “fact that Lotus developers could have designed the Lotus menu command hierarchy differently is immaterial to the question of whether it is a ‘method of operation.’” *Id.* at 816. (noting that “our initial inquiry is not whether the Lotus menu command hierarchy incorporates any expression”). The court further indicated that, “[i]f specific words are essential to operating something, then they are part of a ‘method of operation’ and, as such, are unprotectable.” *Id.*

On appeal, Oracle argues that the district court’s reliance on *Lotus* is misplaced because it is distinguishable on its facts and is inconsistent with Ninth Circuit law. We agree. First, while the defendant in *Lotus* did not copy any of the underlying code, Google concedes that it copied portions of Oracle’s declaring source code verbatim. Second, the *Lotus* court found that the commands at issue there (copy, print, etc.) were not creative, but it is undisputed here that the declaring code and the structure and organization of the API packages are both creative and original. Finally, while the court in *Lotus* found the commands at issue were “essential to operating” the system, it is undisputed that—other than perhaps as to the three core packages—Google did not need to copy the structure, sequence, and organization of the Java API packages to write programs in the Java language.

More importantly, however, the Ninth Circuit has not adopted the court’s “method of operation” reasoning in *Lotus*, and we conclude that it is inconsistent with binding precedent. Specifically, we find that *Lotus* is inconsistent with Ninth Circuit case law recognizing that the structure, sequence, and organization of a computer program is eligible for copyright protection where it qualifies as an expression of an idea, rather

than the idea itself. See *Johnson Controls*, [886 F.2d at 1175-76](#). And, while the court in *Lotus* held “that expression that is part of a ‘method of operation’ cannot be copyrighted,” [49 F.3d at 818](#), this court—applying Ninth Circuit law—reached the exact opposite conclusion, finding that copyright protects “the expression of [a] process or method,” *Atari*, [975 F.2d at 839](#).

We find, moreover, that the hard and fast rule set down in *Lotus* and employed by the district court here—i.e., that elements which perform a function can never be copyrightable—is at odds with the Ninth Circuit’s endorsement of the abstraction-filtration-comparison analysis discussed earlier. As the Tenth Circuit concluded in expressly rejecting the *Lotus* “method of operation” analysis, in favor of the Second Circuit’s abstraction-filtration-comparison test, “although an element of a work may be characterized as a method of operation, that element may nevertheless contain expression that is eligible for copyright protection.” *Mitel*, [124 F.3d at 1372](#). Specifically, the court found that Section 102(b) “does not extinguish the protection accorded a particular expression of an idea merely because that expression is embodied in a method of operation at a higher level of abstraction.” *Id.* ***

Here, the district court recognized that the SSO “resembles a taxonomy,” but found that “it is nevertheless a command structure, a system or method of operation—a long hierarchy of over six thousand commands to carry out pre-assigned functions.” *Copyrightability Decision*, [872 F.Supp.2d at 999-1000](#). In other words, the court concluded that, although the SSO is expressive, it is not copyrightable because it is also functional. The problem with the district court’s approach is that computer programs are by definition functional—they are all designed to accomplish some task. Indeed, the statutory definition of “computer program” acknowledges that they function “to bring about a certain result.” See 17 U.S.C. § 101 (defining a “computer program” as “a set of statements or instructions to be used directly or indirectly in a computer in order to bring about a certain result”). If we were to accept the district court’s suggestion that a computer program is uncopyrightable simply because it “carr[ies] out pre-assigned functions,” no computer program is protectable. That result contradicts Congress’s express intent to provide copyright protection to computer programs, as well as binding Ninth Circuit case law finding computer programs copyrightable, despite their utilitarian or functional purpose. Though the trial court did add the caveat that it “does not hold that the structure, sequence and organization of all computer programs may be stolen,” *Copyrightability Decision*, [872 F.Supp.2d at 1002](#), it is hard to see how its method of operation analysis could lead to any other conclusion.

While it does not appear that the Ninth Circuit has addressed the precise issue, we conclude that a set of commands to instruct a computer to carry out desired operations may contain expression that is eligible for copyright protection. See *Mitel*, [124 F.3d at 1372](#). We agree with Oracle that, under Ninth Circuit law, an original work—even one that serves a function—is entitled to copyright protection as long as the author had multiple ways to express the underlying idea. Section 102(b) does not, as Google seems to suggest, automatically deny copyright protection to elements of a computer program

that are functional. Instead, as noted, Section 102(b) codifies the idea/expression dichotomy and the legislative history confirms that, among other things, Section 102(b) was “intended to make clear that the expression adopted by the programmer is the copyrightable element in a computer program.” H.R. Rep. No. 1476, 94th Cong., 2d Sess. 54, reprinted in 1976 U.S.C.C.A.N. 5659, 5670. Therefore, even if an element directs a computer to perform operations, the court must nevertheless determine whether it contains any separable expression entitled to protection.

On appeal, Oracle does not—and concedes that it cannot—claim copyright in the idea of organizing functions of a computer program or in the “package-class-method” organizational structure in the abstract. Instead, Oracle claims copyright protection only in its particular way of naming and organizing each of the 37 Java API packages. Oracle recognizes, for example, that it “cannot copyright the idea of programs that open an internet connection,” but “it can copyright the precise strings of code used to do so, at least so long as ‘other language is available’ to achieve the same function.” Appellant Reply Br. 13-14 (citation omitted). Thus, Oracle concedes that Google and others could employ the Java language—much like anyone could employ the English language to write a paragraph without violating the copyrights of other English language writers. And, that Google may employ the “package-class-method” structure much like authors can employ the same rules of grammar chosen by other authors without fear of infringement. What Oracle contends is that, beyond that point, Google, like any author, is not permitted to employ the precise phrasing or precise structure chosen by Oracle to flesh out the substance of its packages—the details and arrangement of the prose.

As the district court acknowledged, Google could have structured Android differently and could have chosen different ways to express and implement the functionality that it copied. Specifically, the court found that “the very same functionality could have been offered in Android without duplicating the exact command structure used in Java.” *Copyrightability Decision*, [872 F.Supp.2d at 976](#). The court further explained that Google could have offered the same functions in Android by “rearranging the various methods under different groupings among the various classes and packages.” *Id.* The evidence showed, moreover, that Google designed many of its own API packages from scratch, and, thus, could have designed its own corresponding 37 API packages if it wanted to do so.

Given the court’s findings that the SSO is original and creative, and that the declaring code could have been written and organized in any number of ways and still have achieved the same functions, we conclude that Section 102(b) does not bar the packages from copyright protection just because they also perform functions.

3. Google’s Interoperability Arguments are Irrelevant to Copyrightability

Oracle also argues that the district court erred in invoking interoperability in its copyrightability analysis. Specifically, Oracle argues that Google’s interoperability arguments are only relevant, if at all, to fair use—not to the question of whether the API packages are copyrightable. We agree.

In characterizing the SSO of the Java API packages as a “method of operation,” the district court explained that “[d]uplication of the command structure is necessary for interoperability.” *Copyrightability Decision*, [872 F.Supp.2d at 977](#). The court found that, “[i]n order for at least some of [the pre-Android Java] code to run on Android, Google was required to provide the same `java.package.Class.method()` command system using the same names with the same ‘taxonomy’ and with the same functional specifications.” *Id.* at 1000 (emphasis omitted). And, the court concluded that “Google replicated what was necessary to achieve a degree of interoperability—but no more, taking care, as said before, to provide its own implementations.” *Id.* In reaching this conclusion, the court relied primarily on two Ninth Circuit decisions: *Sega Enterprises v. Accolade, Inc.*, [977 F.2d 1510](#) (1992), and *Sony Computer Entertainments, Inc. v. Connectix, Corp.*, [203 F.3d 596](#) (9th Cir. 2000).

Both *Sega* and *Sony* are fair use cases in which copyrightability was addressed only tangentially. In *Sega*, for example, Sega manufactured a video game console and game cartridges that contained hidden functional program elements necessary to achieve compatibility with the console. Defendant Accolade: (1) reverse-engineered Sega’s video game programs to discover the requirements for compatibility; and (2) created its own games for the Sega console. *Sega*, [977 F.2d at 1514-15](#). As part of the reverse-engineering process, Accolade made intermediate copies of object code from Sega’s console. *Id.* Although the court recognized that the intermediate copying of computer code may infringe Sega’s copyright, it concluded that “disassembly of copyrighted object code is, as a matter of law, a fair use of the copyrighted work if such disassembly provides the only means of access to those elements of the code that are not protected by copyright and the copier has a legitimate reason for seeking such access.” *Id.* at 1518. The court agreed with Accolade that its copying was necessary to examine the unprotected functional aspects of the program. *Id.* at 1520. And, because Accolade had a legitimate interest in making its cartridges compatible with Sega’s console, the court found that Accolade’s intermediate copying was fair use.

Likewise, in *Sony*, the Ninth Circuit found that the defendant’s reverse engineering and intermediate copying of Sony’s copyrighted software program “was a fair use for the purpose of gaining access to the unprotected elements of Sony’s software.” *Sony*, [203 F.3d at 602](#). The court explained that Sony’s software program contained unprotected functional elements and that the defendant could only access those elements through reverse engineering. *Id.* at 603. The defendant used that information to create a software program that let consumers play games designed for Sony’s PlayStation console on their computers. Notably, the defendant’s software program did not contain any of Sony’s copyrighted material. *Id.* at 598.

The district court characterized *Sony* and *Sega* as “close analogies” to this case. *Copyrightability Decision*, [872 F.Supp.2d at 1000](#). According to the court, both decisions “held that interface procedures that were necessary to duplicate in order to achieve interoperability were functional aspects not copyrightable under Section 102(b).” *Id.* The district court’s reliance on *Sega* and *Sony* in the copyrightability context is misplaced, however.

As noted, both cases were focused on fair use, not copyrightability. In *Sega*, for example, the only question was whether Accolade's intermediate copying was fair use. The court never addressed the question of whether Sega's software code, which had functional elements, also contained separable creative expression entitled to protection. Likewise, although the court in *Sony* determined that Sony's computer program had functional elements, it never addressed whether it also had expressive elements. *Sega* and *Sony* are also factually distinguishable because the defendants in those cases made intermediate copies to understand the functional aspects of the copyrighted works and then created new products. See *Sony*, [203 F.3d at 606-07](#); *Sega*, [977 F.2d at 1522-23](#). This is not a case where Google reverse-engineered Oracle's Java packages to gain access to unprotected functional elements contained therein. As the former Register of Copyrights of the United States pointed out in his brief amicus curiae, "[h]ad Google reverse engineered the programming packages to figure out the ideas and functionality of the original, and then created its own structure and its own literal code, Oracle would have no remedy under copyright whatsoever." Br. for Amicus Curiae Ralph Oman 29. Instead, Google chose to copy both the declaring code and the overall SSO of the 37 Java API packages at issue.

We disagree with Google's suggestion that *Sony* and *Sega* created an "interoperability exception" to copyrightability. Although both cases recognized that the software programs at issue there contained unprotected functional elements, a determination that some elements are unprotected is not the same as saying that the entire work loses copyright protection. To accept Google's reading would contradict Ninth Circuit case law recognizing that both the literal and non-literal components of a software program are eligible for copyright protection. See *Johnson Controls*, [886 F.2d at 1175](#). And it would ignore the fact that the Ninth Circuit endorsed the abstraction-filtration-comparison inquiry in *Sega* itself.

As previously discussed, a court must examine the software program to determine whether it contains creative expression that can be separated from the underlying function. See *Sega*, [977 F.2d at 1524-25](#). In doing so, the court filters out the elements of the program that are "ideas" as well as elements that are "dictated by considerations of efficiency, so as to be necessarily incidental to that idea; required by factors external to the program itself." *Altai*, [982 F.2d at 707](#).

To determine "whether certain aspects of an allegedly infringed software are not protected by copyright law, the focus is on external factors that influenced the choice of the creator of the infringed product." *Dun & Bradstreet Software Servs., Inc. v. Grace Consulting, Inc.*, [307 F.3d 197, 215](#) (3rd Cir. 2002) (citing *Altai*, [982 F.2d at 714](#); *Mitel*, [124 F.3d at 1375](#)). The Second Circuit, for example, has noted that programmers are often constrained in their design choices by "extrinsic considerations" including "the mechanical specifications of the computer on which a particular program is intended to run" and "compatibility requirements of other programs with which a program is designed to operate in conjunction." *Altai*, [982 F.2d at 709-10](#) (citing 3 Melville B. Nimmer & David Nimmer, *Nimmer on Copyright* § 13.01 at 13-66-71 (1991)). The Ninth Circuit has likewise recognized that: (1) computer programs "contain many logical,

structural, and visual display elements that are dictated by ... external factors such as compatibility requirements and industry demands”; and (2) “[i]n some circumstances, even the exact set of commands used by the programmer is deemed functional rather than creative for purposes of copyright.” *Sega*, [977 F.2d at 1524](#) (internal citation omitted).

Because copyrightability is focused on the choices available to the plaintiff at the time the computer program was created, the relevant compatibility inquiry asks whether the plaintiff’s choices were dictated by a need to ensure that its program worked with existing third-party programs. Whether a defendant later seeks to make its program interoperable with the plaintiff’s program has no bearing on whether the software the plaintiff created had any design limitations dictated by external factors. Stated differently, the focus is on the compatibility needs and programming choices of the party claiming copyright protection—not the choices the defendant made to achieve compatibility with the plaintiff’s program. Consistent with this approach, courts have recognized that, once the plaintiff creates a copyrightable work, a defendant’s desire “to achieve total compatibility... is a commercial and competitive objective which does not enter into the ... issue of whether particular ideas and expressions have merged.” *Apple Computer*, [714 F.2d at 1253](#).

Given this precedent, we conclude that the district court erred in focusing its interoperability analysis on Google’s desires for its Android software. Whether Google’s software is “interoperable” in some sense with any aspect of the Java platform (although as Google concedes, certainly not with the JVM) has no bearing on the threshold question of whether Oracle’s software is copyrightable. It is the interoperability and other needs of Oracle—not those of Google—that apply in the copyrightability context, and there is no evidence that when Oracle created the Java API packages at issue it did so to meet compatibility requirements of other pre-existing programs.

Google maintains on appeal that its use of the “Java class and method names and declarations was ‘the only and essential means’ of achieving a degree of interoperability with existing programs written in the [Java language].” Appellee Br. 49. Indeed, given the record evidence that Google designed Android so that it would not be compatible with the Java platform, or the JVM specifically, we find Google’s interoperability argument confusing. While Google repeatedly cites to the district court’s finding that Google had to copy the packages so that an app written in Java could run on Android, it cites to no evidence in the record that any such app exists and points to no Java apps that either pre-dated or post-dated Android that could run on the Android platform. The compatibility Google sought to foster was not with Oracle’s Java platform or with the JVM central to that platform. Instead, Google wanted to capitalize on the fact that software developers were already trained and experienced in using the Java API packages at issue. The district court agreed, finding that, as to the 37 Java API packages, “Google believed Java application programmers would want to find the same 37 sets of functionalities in the new Android system callable by the same names as used in Java.” *Copyrightability Decision*, [872 F.Supp.2d at 978](#). Google’s interest was in accelerating its development process by “leverag[ing] Java for its existing base of developers.”

J.A.2033, 2092. Although this competitive objective might be relevant to the fair use inquiry, we conclude that it is irrelevant to the copyrightability of Oracle's declaring code and organization of the API packages.

Finally, to the extent Google suggests that it was entitled to copy the Java API packages because they had become the effective industry standard, we are unpersuaded. Google cites no authority for its suggestion that copyrighted works lose protection when they become popular, and we have found none. In fact, the Ninth Circuit has rejected the argument that a work that later becomes the industry standard is uncopyrightable. See *Practice Mgmt. Info Corp. v. Am. Med. Ass'n*, [121 F.3d 516, 520 n. 8](#) (9th Cir. 1997). Google was free to develop its own API packages and to "lobby" programmers to adopt them. Instead, it chose to copy Oracle's declaring code and the SSO to capitalize on the preexisting community of programmers who were accustomed to using the Java API packages. That desire has nothing to do with copyrightability. For these reasons, we find that Google's industry standard argument has no bearing on the copyrightability of Oracle's work.

B. Fair Use

As noted, the jury hung on Google's fair use defense, and the district court declined to order a new trial given its conclusion that the code and structure Google copied were not entitled to copyright protection. *** On balance, we find that due respect for the limit of our appellate function requires that we remand the fair use question for a new trial. ***

III. GOOGLE'S POLICY-BASED ARGUMENTS

Many of Google's arguments, and those of some amici, appear premised on the belief that copyright is not the correct legal ground upon which to protect intellectual property rights to software programs; they opine that patent protection for such programs, with its insistence on non-obviousness, and shorter terms of protection, might be more applicable, and sufficient. Indeed, the district court's method of operation analysis seemed to say as much. *Copyrightability Decision*, [872 F.Supp.2d at 984](#) (stating that this case raises the question of "whether the copyright holder is more appropriately asserting an exclusive right to a functional system, process, or method of operation that belongs in the realm of patents, not copyrights"). Google argues that "[a]fter *Sega*, developers could no longer hope to protect [software] interfaces by copyright ... *Sega* signaled that the only reliable means for protecting the functional requirements for achieving interoperability was by patenting them." Appellee Br. 40 (quoting Pamela Samuelson, *Are Patents on Interfaces Impeding Interoperability?* 93 Minn. L.Rev.1943, 1959 (2009)). ***

Importantly for our purposes, the Supreme Court has made clear that "[n]either the Copyright Statute nor any other says that because a thing is patentable it may not be copyrighted." *Mazer v. Stein*, [347 U.S. 201, 217](#) (1954). *** Until either the Supreme Court or Congress tells us otherwise, we are bound to respect the Ninth Circuit's de-

cision to afford software programs protection under the copyright laws. We thus decline any invitation to declare that protection of software programs should be the domain of patent law, and only patent law.

CONCLUSION

For the foregoing reasons, we conclude that the declaring code and the structure, sequence, and organization of the 37 Java API packages at issue are entitled to copyright protection. We therefore reverse the district court's copyrightability determination with instructions to reinstate the jury's infringement verdict. Because the jury hung on fair use, we remand Google's fair use defense for further proceedings consistent with this decision. ***

AFFIRMED-IN-PART, REVERSED-IN-PART, AND REMANDED

Lee v. A.R.T. Co.125 F.3d 580 (7th Cir. 1997)

EASTERBROOK, Circuit Judge: Annie Lee creates works of art, which she sells through her firm Annie Lee & Friends. Deck the Walls, a chain of outlets for modestly priced art, is among the buyers of her works. One Deck the Walls store sold some of Lee's notecards and small lithographs to A.R.T. Company, which mounted the works on ceramic tiles (covering the art with transparent epoxy resin in the process) and resold the tiles. Lee contends that these tiles are derivative works, which under [17 U.S.C. § 106\(2\)](#) may not be prepared without the permission of the copyright proprietor. She seeks both monetary and injunctive relief.

“Derivative work” is a defined term:

A “derivative work” is a work based upon one or more preexisting works, such as a translation, musical arrangement, dramatization, fictionalization, motion picture version, sound recording, art reproduction, abridgment, condensation, or any other form in which a work may be recast, transformed, or adapted. A work consisting of editorial revisions, annotations, elaborations, or other modifications which, as a whole, represent an original work of authorship, is a “derivative work”.

[17 U.S.C. § 101](#). The district court concluded that A.R.T.'s mounting of Lee's works on tile is not an “original work of authorship” because it is no different in form or function from displaying a painting in a frame or placing a medallion in a velvet case. No one believes that a museum violates §106(2) every time it changes the frame of a painting that is still under copyright, although the choice of frame or glazing affects the impression the art conveys, and many artists specify frames (or pedestals for sculptures) in detail.

Nonetheless, the Ninth Circuit held [in a related case involving some of these same parties] that what A.R.T. does creates a derivative work because the epoxy resin bonds the art to the tile. Our district judge thought this a distinction without a difference, and we agree. If changing the way in which a work of art will be displayed creates a derivative work, and if Lee is right about what “prepared” means, then the derivative work is “prepared” when the art is mounted; what happens later is not relevant, because the violation of the §106(2) right has already occurred. If the framing process does not create a derivative work, then mounting art on a tile, which serves as a flush frame, does not create a derivative work. What is more, the Ninth Circuit erred in assuming that normal means of mounting and displaying art are easily reversible. A painting is placed in a wooden “stretcher” as part of the framing process; this leads to some punctures (commonly tacks or staples), may entail trimming the edges of the canvas, and may affect the surface of the painting as well. Works by Jackson Pollock are notoriously hard to mount without damage, given the thickness of their paint. As a prelude to framing, photographs, prints, and posters may be mounted on stiff boards using wax sheets, but sometimes glue or another more durable substance is employed to create the bond.

Lee wages a vigorous attack on the district court's conclusion that A.R.T.'s mounting process cannot create a derivative work because the change to the work "as a whole" is not sufficiently original to support a copyright. Cases such as *Gracen v. The Bradford Exchange, Inc.*, [698 F.2d 300](#) (7th Cir. 1983) show that neither A.R.T. nor Lee herself could have obtained a copyright in the card-on-a-tile, thereby not only extending the period of protection for the images but also eliminating competition in one medium of display. After the Ninth Circuit held that its mounting process created derivative works, A.R.T. tried to obtain a copyright in one of its products; the Register of Copyrights sensibly informed A.R.T. that the card-on-a-tile could not be copyrighted independently of the note card itself. But Lee says that this is irrelevant—that a change in a work's appearance may infringe the exclusive right under §106(2) even if the alteration is too trivial to support an independent copyright. Pointing to the word "original" in the second sentence of the statutory definition, the district judge held that "originality" is essential to a derivative work. *** Pointing to the fact that the first sentence in the statutory definition omits any reference to originality, Lee insists that a work may be derivative despite the mechanical nature of the transformation. ***

Fortunately, it is not necessary for us to choose sides. Assume for the moment that the first sentence recognizes a set of non-original derivative works. To prevail, then, Lee must show that A.R.T. altered her works in one of the ways mentioned in the first sentence. The tile is not an "art reproduction"; A.R.T. purchased and mounted Lee's original works. That leaves the residual clause: "any other form in which a work may be recast, transformed, or adapted." None of these words fits what A.R.T. did. Lee's works were not "recast" or "adapted". "Transformed" comes closer and gives the Ninth Circuit some purchase for its view that the permanence of the bond between art and base matters. Yet the copyrighted note cards and lithographs were not "transformed" in the slightest. The art was bonded to a slab of ceramic, but it was not changed in the process. It still depicts exactly what it depicted when it left Lee's studio. If mounting works a "transformation," then changing a painting's frame or a photograph's mat equally produces a derivative work. Indeed, if Lee is right about the meaning of the definition's first sentence, then any alteration of a work, however slight, requires the author's permission. We asked at oral argument what would happen if a purchaser jotted a note on one of the note cards, or used it as a coaster for a drink, or cut it in half, or if a collector applied his seal (as is common in Japan); Lee's counsel replied that such changes prepare derivative works, but that as a practical matter artists would not file suit. A definition of derivative work that makes criminals out of art collectors and tourists is jarring despite Lee's gracious offer not to commence civil litigations.

AFFIRMED

Ty Inc. v. Publications International Ltd.

292 F.3d 512 (7th Cir. 2002)

POSNER, Circuit Judge: Ty is the manufacturer of Beanie Babies. These well-known beanbag stuffed animals are copyrightable as “sculptural works,” [17 U.S.C. §§ 101, 102\(a\)\(5\)](#), and are copyrighted by Ty, which brought this suit for copyright and trademark infringement against Publications International, Ltd. (PIL), publisher of a series of books, with titles such as *For the Love of Beanie Babies* and *Beanie Babies Collector’s Guide*, that contain photographs of Beanie Babies. PIL concedes that photographs of Beanie Babies are derivative works, which, being copies of copyrighted works, can be produced only under license from Ty—and PIL has no license. PIL’s defense to the charge of copyright infringement is the doctrine of fair use. On Ty’s motion for summary judgment, the district court rejected the defense, granted the motion, and issued a permanent injunction against PIL’s selling any of its Beanie Babies books. It also awarded Ty PIL’s profits from the sale of those books, \$1.36 million, plus more than \$200,000 in prejudgment interest.

*** So we have jurisdiction *** and thus can proceed to the merits, where the only question is whether PIL is entitled to a trial on its defense of fair use. “Fair use is a mixed question of law and fact,” *Harper & Row Publishers, Inc. v. Nation Enterprises*, [471 U.S. 539, 560](#) (1985), which means that it “may be resolved on summary judgment if a reasonable trier of fact could reach only one conclusion”—but not otherwise. *Narell v. Freeman*, [872 F.2d 907, 910](#) (9th Cir. 1989).

The defense of fair use, originally judge-made, now codified, plays an essential role in copyright law. Without it, any copying of copyrighted material would be a copyright infringement. A book reviewer could not quote from the book he was reviewing without a license from the publisher. Quite apart from the impairment of freedom of expression that would result from giving a copyright holder control over public criticism of his work, to deem such quotation an infringement would greatly reduce the credibility of book reviews, to the detriment of copyright owners as a group, though not to the owners of copyright on the worst books. Book reviews would no longer serve the reading public as a useful guide to which books to buy. Book reviews that quote from (“copy”) the books being reviewed increase the demand for copyrighted works; to deem such copying infringement would therefore be perverse, and so the fair-use doctrine permits such copying. On the other hand, were a book reviewer to quote the entire book in his review, or so much of the book as to make the review a substitute for the book itself, he would be cutting into the publisher’s market, and the defense of fair use would fail.

Generalizing from this example in economic terminology that has become orthodox in fair-use case law, we may say that copying that is complementary to the copyrighted work (in the sense that nails are complements of hammers) is fair use, but copying that is a substitute for the copyrighted work (in the sense that nails are substitutes for pegs or screws), or for derivative works from the copyrighted work is not fair use. If the price of nails fell, the demand for hammers would rise but the demand for pegs would fall. The hammer manufacturer *wants* there to be an abundant supply of cheap nails,

and likewise publishers want their books reviewed and wouldn't want reviews inhibited and degraded by a rule requiring the reviewer to obtain a copyright license from the publisher if he wanted to quote from the book. So, in the absence of a fair-use doctrine, most publishers would disclaim control over the contents of reviews. The doctrine makes such disclaimers unnecessary. It thus economizes on transaction costs.

The distinction between complementary and substitutional copying (sometimes—though as it seems to us, confusingly—said to be between “transformative” and “superseding” copies is illustrated not only by the difference between quotations from a book in a book review and the book itself, but also by the difference between parody (fair use) and burlesque (often not fair use). A parody, which is a form of criticism (good-natured or otherwise), is not intended as a substitute for the work parodied. But it must quote enough of that work to make the parody recognizable as such, and that amount of quotation is deemed fair use. A burlesque, however, is often just a humorous substitute for the original and so cuts into the demand for it: one might choose to see *Abbott and Costello Meet Frankenstein* or *Young Frankenstein* rather than *Frankenstein*, or *Love at First Bite* rather than *Dracula*, or even *Clueless* rather than *Emma*. Burlesques of that character, catering to the humor-loving segment of the original's market, are not fair use. The distinction is implicit in the proposition, affirmed in all the cases we have cited, that the parodist must not take more from the original than is necessary to conjure it up and thus make clear to the audience that his work is indeed a parody. If he takes much more, he may begin to attract the audience *away* from the work parodied, not by convincing them that the work is no good (for that is not a substitution effect) but by providing a substitute for it.

Book reviews and parodies are merely examples of types of work that quote or otherwise copy from copyrighted works yet constitute fair use because they are complements of (though sometimes negative complements, as in the case of a devastating book review) rather than substitutes for the copyrighted original. The commonest type is simply a quotation from a copyrighted work in a book or article on the same or a related subject. The complementary effect may be quite weak, but the quotation is unlikely to reduce the demand for the copyrighted work; nor could the copyright owner command a license fee commensurate with the costs of transacting with the copier. Such copying is therefore fair use.

Were control of derivative works not part of a copyright owner's bundle of rights, it would be clear that PIL's books fell on the complement side of the divide and so were sheltered by the fair-use defense. A photograph of a Beanie Baby is not a substitute for a Beanie Baby. No one who wants a Beanie Baby, whether a young child who wants to play with it or an adult (or older child) who wants to collect Beanie Babies, would be tempted to substitute a photograph. But remember that photographs of Beanie Babies are conceded to be derivative works, for which there may be a separate demand that Ty may one day seek to exploit, and so someone who without a license from Ty sold photographs of Beanie Babies would be an infringer of Ty's sculpture copyrights. The complication here is that the photographs are embedded in text, in much the same way that quotations from a book are embedded in a review of the book. Ty regards the text

that surrounds the photographs in PIL's Beanie Baby books as incidental; implicitly it compares the case to one in which a book reviewer quotes the whole book in his review. Or to a case in which a purveyor of pornographic pictures pastes a copy of the Declaration of Independence on the back of each picture and argues that judged as a whole his product has redeeming social value. PIL argues, to the contrary, that the photographs are indispensable to the creation of a collectors' guide to Beanie Babies; and, as we'll see shortly, collectors' guides are not derivative works.

The proper characterization of PIL's Beanie Baby books is the kind of fact-laden issue appropriate for summary judgment only in extreme cases, which this case is not—in part because of differences among the books that the district court found infringed Ty's copyright. At one end of the spectrum is *For the Love of Beanie Babies*. This large-print book with hard shiny covers seems directed at a child audience. All the different Beanie Babies, more than 150 of them, are pictured. Each picture is accompanied by a brief commentary. Some of the commentary seems aimed exclusively at a child (or infantile adult) audience, such as the commentary on Snip the Siamese Cat: "That darn cat has nerve! Just like the real thing, Ty's Siamese has plenty of attitude. The champagne-colored cat with blue-ringed black eyes and chocolate-covered points is a beautiful specimen of the Far Eastern breed. And she knows it! Stretched out on all fours, this finicky feline is the only purebred in Ty's cathouse. This pretty kitty is definitely the cat's meow." The commentary seems distinctly secondary to the photograph. An even clearer case is a two page spread in *For the Love of Beanie Babies* entitled "Kitty Corner," which we reproduce (without Ty's permission!—a good example of the fair-use doctrine in action) at the end of this opinion. The text is childish and pretty clearly secondary to the more than full-page photograph of feline Beanie Babies. Some of the commentary on photographs in *For the Love of Beanie Babies* does contain information relevant to collectors, such as "mint-condition Allys with older tags are very difficult to find. Retired." ("Retired" means no longer being manufactured.) But *For the Love of Beanie Babies* might well be thought *essentially* just a collection of photographs of Beanie Babies, and photographs of Beanie Babies are derivative works from the copyrighted Beanie Babies themselves.

At the opposite extreme is PIL's *Beanie Babies Collector's Guide*. This is a small paperback book with small print, clearly oriented toward adult purchasers—indeed, as the title indicates, toward collectors. Each page contains, besides a photograph of a Beanie Baby, the release date, the retired date, the estimated value of the Beanie Baby, and other information relevant to a collector, such as that "Spooky is the only Beanie ever to have carried his designer's name," or that "Prance should be a member of the Beanie line for some time, so don't panic and pay high secondary-market prices for her just because she's fairly new."

Some of the text is quite critical, for example accusing Ty of frequent trademark infringements. Ty doesn't like criticism, and so the copyright licenses that it grants to those publishers whom it is willing to allow to publish Beanie Baby collectors' guides reserve to it the right to veto any text in the publishers' guides. It also forbids its licensees to reveal that they are licensees of Ty. Its standard licensing agreement requires

the licensee to print on the title page and back cover of its publication the following misleading statement: “This publication is not sponsored or endorsed by, or otherwise affiliated with Ty Inc. All Copyrights and Trademarks of Ty Inc. are used by permission. All rights reserved.” Notice the analogy to a publisher’s attempting to use licensing to prevent critical reviews of its books—an attempt that the doctrine of fair use blocks. We need not consider whether such a misleading statement might constitute copyright misuse, endangering Ty’s copyrights.

But we do need to explain the oddity of there being collectors’ guides for a line of children’s toys; otherwise it might seem clear that the *Beanie Babies Collector’s Guide* was a device for circumventing Ty’s lawful monopoly of derivative works. As a marketing gimmick, Ty deliberately creates a shortage in each Beanie Baby by selling it at a very low price and not producing enough copies to clear the market at that price. As a result, a secondary market is created, just like the secondary market in works of art. The secondary market gives widespread publicity to Beanie Babies, and the shortage that creates the secondary market stampedes children into nagging their parents to buy them the latest Beanie Babies, lest they be humiliated by not possessing the Beanie Babies that their peers possess. The appeal is to the competitive conformity of children—but also to the mentality of collectors.

When *Beanie Babies Collector’s Guide* was published in 1998, some Beanie Babies were selling in the secondary market for thousands of dollars, while others were selling for little more than their original purchase price. The range was vast, creating a demand for collectors’ guides. Ty acknowledges as it must that a collectors’ guide to a series of copyrighted works is no more a derivative work than a book review is. We cannot find a case on the point but the Copyright Act is clear. It defines a derivative work as “a work based upon one or more preexisting works, such as a translation, musical arrangement, dramatization, fictionalization, motion picture version, sound recording, art reproduction, abridgment, condensation, or any other form in which a work may be recast, transformed, or adapted.” [17 U.S.C. § 101](#). A derivative work thus must either be in one of the forms named or be “recast, transformed, or adapted.” The textual portions of a collectors’ guide to copyrighted works are not among the examples of derivative works listed in the statute, and guides don’t recast, transform, or adapt the things to which they are guides. A guide to Parisian restaurants is not a recasting, transforming, or adapting of Parisian restaurants. Indeed, a collectors’ guide is very much like a book review, which is a guide to a book and which no one supposes is a derivative work. Both the book review and the collectors’ guide are critical and evaluative as well as purely informational; and ownership of a copyright does not confer a legal right to control public evaluation of the copyrighted work.

Ty’s concession that a Beanie Babies collectors’ guide is not a derivative work narrows the issue presented by PIL’s appeal nicely (at least as to those books that are plausibly regarded as collectors’ guides) to whether PIL copied more than it had to in order to produce a marketable collectors’ guide. Ty points out that PIL’s books copied (more precisely, made photographic copies of) the entire line of Beanie Babies, just like the book reviewer who copies the entire book. But the cases are clear that a complete

copy is not *per se* an unfair use and the suggested analogy overlooks the fact that a collectors' guide, to compete in the marketplace, has to be comprehensive. Given that Ty can license (in fact has licensed) the publication of collectors' guides that contain photos of all the Beanie Babies, how could a competitor forbidden to publish photos of the complete line compete? And if it couldn't compete, the result would be to deliver into Ty's hands a monopoly of Beanie Baby collectors' guides even though Ty acknowledges that such guides are not derivative works and do not become such by being licensed by it. *Castle Rock Entertainment, Inc. v. Carol Publishing Group, Inc.*, [150 F.3d 132, 145 n. 11](#) (2d Cir. 1998) ("by developing or licensing a market for parody, news reporting, educational or other transformative uses of its own creative work, a copyright owner plainly cannot prevent others from entering those fair use markets"); *Twin Peaks Productions, Inc. v. Publications Int'l, Ltd.*, [996 F.2d 1366, 1377](#) (2d Cir. 1993) ("the author of 'Twin Peaks' cannot preserve for itself the entire field of publishable works that wish to cash in on the 'Twin Peaks' phenomenon").

Granted, there is some question how, if Beanie Babies collectors' guides are indeed a complement to Beanie Babies (and they are), and Ty has a monopoly of Beanie Babies (and it does), Ty can get a second monopoly profit by taking over the guides market. The higher the price it charges for guides, the lower will be the demand for such guides and hence for collecting Beanie Babies and so the less effective will Ty's strategy of marketing Beanie Babies as collectibles be. This is the sort of question that has engendered skepticism among economists about the antitrust rule against tie-in agreements. But there is an answer here: Ty wants to suppress criticism of its product in these guides.

Ty goes so far as to argue that PIL not only cannot publish photos of *all* the Beanie Babies but cannot publish color photos of *any* of them, and perhaps cannot publish black and white photos of any of them or even sketches but must instead be content with the name of the Beanie Baby and a verbal description. Such a guide would sink like a stone in the marketplace no matter how clever and informative its text, since Ty licenses publishers to publish photos of all the Beanie Babies in the licensees' collectors' guides. It would be like trying to compete with a CD of Beethoven's *Fifth Symphony* by selling the score.

We have thus far discussed the application of the fair-use doctrine in terms of the purpose of the doctrine rather than its statutory definition, which though extensive is not illuminating. (More can be less, even in law.) The statute provides that "the fair use of a copyrighted work ... for purposes such as criticism, comment, news reporting, teaching ... scholarship or research, is not an infringement of copyright." [17 U.S.C. § 107](#). (Notice that the purposes listed are illustrative rather than comprehensive. *Campbell v. Acuff-Rose Music, Inc.*, *supra*, [510 U.S. at 577-78](#).) In deciding whether a particular use is fair, the "factors to be considered shall include"—and notice again that the listing is illustrative rather than exhaustive; Congress "intended that courts continue the common law tradition of fair use adjudication" and section 107 "permits and requires courts to avoid rigid application of the copyright statute, when, on occasion, it would stifle the very creativity which that law is designed to foster," *id.* at 577—"(1) the purpose

and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes; (2) the nature of the copyrighted work; (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and (4) the effect of the use upon the potential market for or value of the copyrighted work.” Factors (1) and (2) are empty, except that (1) suggests a preference for noncommercial educational uses, picking up the reference earlier in the statute to “teaching ... scholarship or research.” Factor (3) is inapplicable to Beanie Babies, each one of which is copyrighted separately, so that there can be no partial copying as a matter of fact (no one, we imagine, wants a photograph of part of a Beanie Baby). Factor (4) at least glances at the distinction we noted earlier between substitute and complementary copying, since the latter does not impair the potential market or value of the copyrighted work except insofar as it criticizes the work, which is the opposite of taking a free ride on its value.

The important point is simply that *** the four factors are a checklist of things to be considered rather than a formula for decision; and likewise the list of statutory purposes. Because the factors and purposes are not exhaustive, Ty can get nowhere in defending the judgment by arguing that some or even all of them lean against the defense of fair use. The question is whether it would be unreasonable to conclude, with reference to one or more of the enjoined publications, such as the *Beanie Babies Collector’s Guide*, that the use of the photos is a fair use because it is the only way to prepare a collectors’ guide.

Ty relies primarily on two cases. *Twin Peaks Productions, Inc. v. Publications International, Ltd.*, *supra*, involved a book published by PIL concerning a television series. The book included a detailed recounting of the plot of the first eight episodes: “every intricate plot twist and element of character development appear in the Book in the same sequence as in the teleplays.” [996 F.2d at 1373](#). The court held that the book was basically an abridgment of the script and that abridgments (despite contrary, aged authority) are generally not fair use. *Id.* at 1375-76. The plot summaries were so extensive as to be substitutes for rather than complements of the copyrighted scripts.

The other case on which Ty principally relies, *Castle Rock Entertainment, Inc. v. Carol Publishing Group, Inc.*, *supra*, involved another television series, *Seinfeld*, and another book, *The Seinfeld Aptitude Test*, a collection of trivia questions testing viewers’ knowledge of obscure details of the series’ plot and characters. There was evident complementarity: people who bought the book *had* to watch the show in order to pick up the answers to the questions in the book; no one would read the book in lieu of watching the show. When the book first appeared, the show’s producers requested free copies and distributed them as promotional material, [150 F.3d at 136](#); and the book’s blurb told readers to “open this book to satisfy your between-episode cravings.” *Id.* The court nevertheless held that the book wasn’t insulated from copyright liability by the doctrine of fair use. The holding seems to rest in part, and very dubiously we must say, on the court’s judgment that the book was frivolous. *Id.* at 146: “Undoubtedly, innumerable books could ‘expose’ the ‘nothingness’ or otherwise comment upon, criticize, educate the

public about, or research *Seinfeld* and contemporary television culture. The [*Seinfeld Aptitude Test*], however, is not such a book.” But the fair-use doctrine is not intended to set up the courts as judges of the quality of expressive works. That would be an unreasonable burden to place on judges, as well as raising a First Amendment question.

But there was more to the court’s decision. *The Seinfeld Aptitude Test* may have been a subterfuge for copying the script of the television series—and the script was a derivative work. The court said that “each ‘fact’ tested by The SAT is in reality fictitious expression created by Seinfeld’s authors. The SAT does not quiz such true facts as the identity of the actors in Seinfeld, the number of days it takes to shoot an episode, the biographies of the actors, the location of the Seinfeld set, etc. Rather, The SAT tests whether the reader knows that the character Jerry places a Pez dispenser on Elaine’s leg during a piano recital, that Kramer enjoys going to the airport because he’s hypnotized by the baggage carousels, and that Jerry, opining on how to identify a virgin, said ‘It’s not like spotting a toupee.’” *Castle Rock Entertainment, Inc. v. Carol Publishing Group, Inc.*, *supra*, [150 F.3d at 139](#). A similar judgment might be possible here with regard to *For the Love of Beanie Babies*, which we described as basically just a picture book; and the pictures are derivative works from Ty’s copyrighted soft sculptures. This raises the question whether, while summary judgment is plainly not warranted with regard to *all* the books that the district court found infringed Ty’s copyrights, it might be warranted with regard to some of them, specifically *For the Love of Beanie Babies*. However, three reasons counsel against this course. The first is that the record actually contains not one but three versions of *For the Love of Beanie Babies*, and our earlier description was of the one furthest removed from a collectors’ guide; the others are closer. Second, Ty is not asking us to consider the appropriateness of partial summary judgment. Third, and related to the second point, the briefs do not analyze the various books separately, making us reluctant to rule separately on them. We do not preclude consideration on remand of the possibility of partial summary judgment. ***

Kitty Corner

W hen edge-cutter's survey their cats will find: "Take the mouse trap."

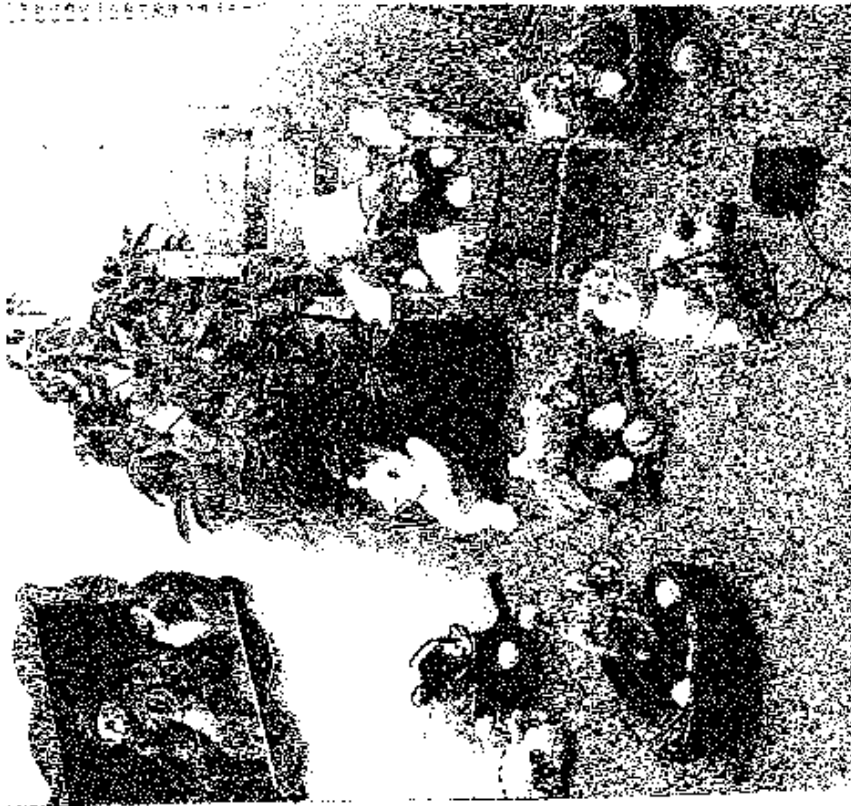
Just repeat the sentence into the phone key-- clip it to the dog's pocket about the time the mouse



who is looking on the making about. City the nation and that found a man's uniform into place to work up a hole (the has gone to the west, its center to the west of the city. The mouse is not visible in the scene.

ABS Entertainment, Inc. v. CBS Corp. 908 F.3d 405 (9th Cir. 2018)

"KITTY CORNER" (FROM THE LOGO OF BRUNSWICK RECORDS)



ABS Entertainment, Inc. v. CBS Corp.

908 F.3d 405 (9th Cir. 2018)

LINN, Circuit Judge: Appellants ABS Entertainment, Inc., Barnaby Records, Inc., Brunswick Record Corp. and Malaco, Inc. (collectively, "ABS") appeal from the grant of summary judgment by the Central District of California in favor of CBS Corporation and CBS Radio, Inc. (collectively, "CBS"), holding that CBS did not violate any state law copyrights possessed by ABS in sound recordings originally fixed before 1972. ***

We conclude that the district court erred in finding a lack of a genuine issue of material fact about the copyright eligibility of remastered sound recordings distributed by CBS.

I

In 1971, Congress passed the Sound Recording Act. This Act for the first time created federal copyright protection for certain sound recordings. Under that law, sound recordings fixed after February 15, 1972 were made subject to a compulsory license regime for performance via digital transmission and were excused from infringement for performance via terrestrial radio. 17 U.S.C. §§ 114, 301(c).

ABS owns sound recordings embodying musical performances initially fixed in analog format prior to February 15, 1972 (“pre-1972 sound recordings”).¹ As digital formats replaced analog ones, ABS hired remastering engineers to remaster the pre-1972 sound recordings onto digital formats (“remastered sound recordings”). In doing so, ABS determined to optimize the recordings for the new digital format using standard, technical processes to create accurate reproductions of its original pre-1972 analog recordings and did not set out to create any new and different sound recordings. ABS contends that this resulted in a change in quality but not a substantial difference in the identity or essential character of the sound recordings themselves. ABS argues that injecting a substantial difference in the digital remasters from their analog originals would have diminished the value of the remastered sound recordings, contrary to ABS’s objective in seeking to fully exploit its intellectual property in those sound recordings.

ABS did not enter copies of the contracts between ABS and the remastering engineers into the record, but both parties agree that ABS authorized the creation of the remastered sound recordings at issue here. There is no dispute that the remastered sound recordings contain only the sounds (i.e. the vocals and instruments) originally performed and fixed in the studio before 1972 and contained in the pre-1972 sound recordings, and that no sounds were removed or rearranged from the original fixed version. ABS agrees that the remastered sound recordings are not identical to the pre-1972 sound recordings, but contends that any differences were trivial and of no copyrightable consequence.

CBS delivers music content through terrestrial radio and digital streaming, including 18 music stations in California that are themselves streamed over the internet in “simulcast.” CBS’s Radio 2.0 system logs “all sound recordings it digitally transmits over the Internet,” and a third party, Triton, tracks CBS’s simulcasts. CBS does not use any analog sound recordings; it exclusively relies on digitally mastered or remastered sound recordings for the content it delivers to its customers. For all the broadcast content, CBS paid a royalty to the owner of the underlying musical composition. For the digitally streamed content, CBS paid the compulsory license fee under the Sound Recording Act to Sound Exchange. For content delivered by terrestrial radio, CBS does not pay a

¹ For purposes of this appeal, the sound recordings at issue are defined by a series of 174 “representative samples” by artists including Al Green, the Everly Brothers, Jackie Wilson, King Floyd, and other artists.

license fee pursuant, as permitted, to the Sound Recording Act's safe haven for terrestrial radio performance. See 17 U.S.C. § 114(d).

II

On August 17, 2015, ABS filed a putative class action against CBS in the Central District of California, alleging that CBS's transmission and distribution of the remastered sound recordings violated California state law—specifically, California Civil Code § 980(a)(2) (protecting the property rights of an author of a sound recording fixed prior to February 15, 1972); misappropriation and conversion; and unfair competition, under California Business and Professions Code § 17200. ***

CBS thereafter filed a motion for summary judgment, arguing that there was no genuine issue of material fact that the remastered sound recordings were authorized original derivative works, subject only to federal copyright law. In support of its motion, CBS submitted declarations from music engineers, including from Durand R. Begault, attesting that the remastering process involved originality and aesthetic judgment. In response, ABS submitted expert declarations of its own, including from Paul Geluso, who testified that the pre-1972 and remastered recordings “embodied” the same performance based on waveform, spectral, and critical listening analysis.

The district court decided two important evidentiary issues and granted summary judgment to CBS. The district court excluded Geluso's testimony under Federal Rule of Evidence 702 and *Daubert v. Merrell Dow Pharms., Inc.*, [509 U.S. 579, 589-90](#) (1993) as “unscientific” and “unnecessary to aid a fact finder capable of listening to the sound recordings on his or her own,” and, “[a]lternatively” because Geluso's testimony was “irrelevant.” The court reasoned that Geluso limited his forensic analysis to only the first five seconds of each sound recording, which was “clearly inadequate to rule out the possibility that non-trivial differences exist between the [pre-1972 and remastered sound recordings].” The court also rejected Geluso's reliance on “critical listening” as undefined and unscientific, and objected to Geluso's failure to include in his report the results of his phase inversion testing, which the court categorized as “adverse to Plaintiffs' position.”

Considering only Begault's expert testimony, the district court then held that there was no genuine issue of material fact that the remastering created original derivative works protected by federal copyright law. The district court explained that “during the remastering process, at least some perceptible changes were made to Plaintiff's Pre-1972 Sound Recordings,” and that these changes were not merely “mechanical” or “trivial” changes, but rather “reflect multiple kinds of creative authorship, such as adjustments of equalization, sound editing, and channel assignment.” The court thus concluded that as to the 57 works reviewed by both parties' experts, the remastered sound recordings were entitled to federal copyright protection as original derivative works.

Next, the district court concluded that ABS authorized the creation of the remastered sound recordings, because ABS had failed to meet its burden to show that its authorization to create the remastered sound recordings did not extend to the creation of a

derivative work, and because, in any event, “the right to claim copyright in a non-infringing derivative work arises by operation of law, not through authority from the copyright owner of the underlying work.”

The district court also concluded that, because the remastered sound recordings, created after 1972, were original and authorized, the remastered sound recordings were exclusively governed by federal copyright law. Therefore, the district court held, CBS had the right to perform the remastered sound recordings by complying with the statutory compulsory license obligations and taking advantage of the terrestrial radio performance safe harbor under 17 U.S.C. § 114. The district court assumed that because the right to perform the remastered sound recordings had been secured, CBS’s performance of the remastered sound recordings could not infringe the pre-1972 sound recordings. ***

IV

We begin with the district court’s determination that “there is no genuine dispute of material fact that CBS performed a post-1972 version of Plaintiffs’ pre-1972 Sound Recordings which contained federally-copyrightable original expression added during the remastering process.”

A

The constitutional purpose of copyright law is “to promote the Progress of Science and the useful Arts” by securing to “authors the right to their original expression, but encourage[ing] others to build freely upon the ideas and information conveyed by a work.” *Feist Pubs., Inc. v. Rural Tel. Serv. Co.*, [499 U.S. 340, 349-50](#) (1991). “The sine qua non of copyright is originality.” *Id.* at 345. “Original, as the term is used in copyright, means only that the work was independently created by the author (as opposed to copied from other works), and that it possesses at least some minimal degree of creativity.” *Id.* A product of independent creation is distinguished from a copy in that it contains something which “owes its origin” to the independent creator. *Burrow-Giles Lithographic Co. v. Sarony*, [111 U.S. 53, 58](#) (1884). A copy, on the other hand, is not a separate work, but a mere representation or duplication of a prior creative expression.³

A “derivative work” is defined in the Copyright Act as a work “based upon one or more preexisting works” that “recast[s], transform[s], or adapt[s]” a preexisting work and “consist[s] of editorial revisions, annotations, elaborations, or other modifications which, as a whole, represent an original work of authorship.” 17 U.S.C. § 101. A derivative work is copyrightable when it meets two criteria: (1) “the original aspects of a derivative work must be more than trivial,” and (2) “the original aspects of a derivative

³ The Copyright Act defines “Copies” as “material objects, other than phonorecords, in which a work is fixed by any method now known or later developed, and from which the work can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device. The term ‘copies’ includes the material object, other than a phonorecord, in which the work is first fixed.” 17 U.S.C. § 101. “Phonorecords” are “material objects in which sounds, other than those accompanying a motion picture or other audiovisual work, are fixed by any method now known or later developed, and from which the sounds can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device.” *Id.*

work must reflect the degree to which it relies on preexisting material and must not in any way affect the scope of any copyright protection in that preexisting material.” *U.S. Auto Parts*, [692 F.3d at 1016](#) (citing *Durham Indus. v. Tomy Corp.*, [630 F.2d 905, 909](#) (2d Cir. 1980)). This is known as the *Durham* test. Both prongs arise out of Copyright’s basic focus on originality. The first prong asks “whether the derivative work is original to the author and non-trivial” and the second prong ensures that the derivative work author does not hinder the original copyright owner’s ability to exercise all of its rights. *Id.* at 1017.

Because derivative works do not start from scratch, courts have endeavored to determine the kinds of contributions in the derivative work that qualify as original. In most circumstances, derivative works contain obvious creative contributions and so are easily recognizable as distinct from the underlying work. The casting, lighting, cinematography, props, editing, acting, and directing required to craft a movie from a screenplay, for example, easily render the movie distinct from the screenplay. Likewise, the authors of most sound recordings that use a sample of another sound recording to create distinct derivative works do so by adding new vocals, instruments, and edits to the underlying sample. Where the alleged derivative work, however, is intended as, and is in fact, a direct representation of the original work, the contributions of the derivative work author are harder to identify.

This court applied the two-part *Durham* test in *Entertainment Research Group, Inc. v. Genesis Creative Group, Inc.*, [122 F.3d 1211](#) (9th Cir. 1997). In that case, Entertainment Research Group (“ERG”) made three-dimensional inflatable costumes based on copyrighted characters like “Toucan Sam” and “Cap’n Crunch.” *Id.* at 1217-18. In relevant part, the court, in applying the originality prong, concluded that the costume-maker’s contributions—including the change in format from 2D to 3D; changes in the proportion of textures, facial features and facial expressions; and the changes attendant to the functional addition of movement—were insufficient to render the costumes copyright eligible as derivative works.

The court first discounted the changes occasioned by technical, functional, and utilitarian concerns, such as the differences in proportion (necessitated by the requirement that a human body must fit within the costume) and texture (necessitated by the material choice), because copyright in a sculptural work is limited to its form and cannot extend to its mechanical or utilitarian aspects under 17 U.S.C. § 101. The remaining changes in the facial expressions were also deemed insufficient to support a derivative work copyright, because “no reasonable trier of fact would see anything but a direct replica of the underlying characters.” *Id.* at 1224. “Viewing the three-dimensional costumes and the two-dimensional drawings upon which they are based, it is immediately apparent that the costumes are not exact replicas of the two-dimensional drawings.” *Id.* at 1223. These identifiable changes “themselves reflect[] no independent creation, no distinguishable variation from preexisting works, nothing recognizably the author’s own contribution that sets [ERG’s costumes] apart from the prototypical [characters]” the costumes represented. *Id.* at 1223 (quoting *Durham*, [630 F.2d at 910](#)). In other words, the costumes did not constitute new works, despite the independent decision-

making involved in their creation. *Id.* at 1224 (holding that the different facial expressions, proportions, and functional capabilities were “clearly not the defining aspect[s] of the costumes” when viewed “in the context of the overall costume” and, thus, were not considered distinguishable variations capable of supporting independent copyright protection). The court then went on to apply the second prong of *Durham*, noting that because of the similarity between ERG’s costumes and the underlying characters, granting a derivative work copyright in the costumes would improperly give ERG “a de facto monopoly on all inflatable costumes depicting the copyrighted characters also in ERG’s costumes.” *Id.*

The Tenth Circuit similarly held that a digital work must be more than a copy of an underlying analog work to support copyright as a derivative work. In *Meshwerks, Inc. v. Toyota Motor Sales U.S.A.*, [528 F.3d 1258](#) (10th Cir. 2008), the Tenth Circuit considered the copyright eligibility of Meshwerks’ digital wire frame models used as skeletons for the interactive display of Toyota’s vehicle designs online and in advertising. Meshwerks measured Toyota’s vehicles with an articulated arm tethered to a computer and mapped the results onto a computerized grid using modeling software; connected the measured points to create a wire frame; and manually adjusted about ninety-percent of the data points to make the models more closely resemble the vehicles. The Tenth Circuit drew a sharp distinction between copies and original works, explaining that copies cannot qualify for copyright protection “since obviously a copier is not a creator, much less an ‘independent’ creator.” *Id.* at 1267 (citing Patry on Copyright § 3:28). The wire frames were copies, according to the court, because they “depict nothing more than unadorned Toyota vehicles—the car as car,” the visual designs of “which do not owe their origins to Meshwerks.” *Id.* at 1265, 1268.

Meshwerks relied on three important doctrines in coming to that conclusion. First, as in *Entertainment Research Group*, the mere act of translating the derivative work into a different medium did not confer a distinct identity on the derivative work. *Id.* at 1267 (“[T]he fact that a work in one medium has been copied from a work in another medium does not render it any the less a ‘copy.’” (citing 2 Nimmer on Copyright § 8.01[B])); *id.* (noting that although the wire models did not “recreate Toyota vehicles outright— steel, rubber, and all,” “what Meshwerks accomplished was a peculiar kind of copying”). Second, the court analyzed originality by comparing the start and end products—the underlying vehicle designs and the wire models—not the process used to get from one to the other. *Id.* at 1268 (“[I]n assessing the originality of a work for which copyright protection is sought, we look only at the final product, not the process, and the fact that intensive, skillful, and even creative labor is invested in the process of creating a product does not guarantee its copyrightability.”). Finally, the court considered Toyota’s intent in authorizing Meshwerks to create an accurate representation of Toyota’s vehicles, not something new and different: “If an artist affirmatively sets out to be unoriginal—to make a copy of someone else’s creation, rather than to create an original work—it is far more likely that the resultant product will, in fact, be unoriginal.” *Id.*

The Second Circuit considered the originality needed to justify copyright protection for a derivative work in *L. Batlin & Son, Inc. v. Snyder*, [536 F.2d 486](#) (2d Cir. 1976). In that case, appellant Snyder obtained a copyright registration for a plastic version of a cast metal Uncle Sam bank that had previously entered the public domain.⁴ Snyder made several changes in the plastic version: he made it shorter “in order to fit into the required price range and quality and quantity of material to be used;” changed the proportions of Uncle Sam’s face, bag, hat, and eagle; changed the textures of several components; created a single-piece mold incorporating the umbrella instead of the two-piece mold of the metal bank; and replaced the arrows in the eagle’s talons with leaves, because “the arrows did not reproduce well in plastic on a smaller size.” *Id.* at 488-89.

Even though the plastic bank was not identical to the metal original, the Second Circuit held that the changes did not amount to a distinguishable variation in the identity or essential character of the original work. The transfer of the expression from the underlying cast iron Uncle Sam to a plastic version, despite overcoming technical challenges and, arguably, improving the original in terms of lowering the price, did not result in a copyrightable derivative work, because the changes did not constitute the “substantial variation” necessary to support copyright. Instead, they were merely the “trivial” results of the “translation to a different medium.” *Id.* The plastic bank was not new work—it did not embody “the author’s tangible expression of his ideas,” *id.* at 492 (quoting *Mazer v. Stein*, [347 U.S. 201, 214](#) (1954)), and was thus a mere copy of the underlying work.

The Copyright Office guidance provided in Circular 56 reflects that a similar analysis applies specifically to derivative sound recordings.⁵ In relevant part, Circular 56 explains the following about derivative sound recordings:

A derivative sound recording is an audio recording that incorporates preexisting sounds, such as sounds that were previously registered or published or sounds that were fixed before February 15, 1972. The preexisting recorded sounds must be rearranged, remixed, or otherwise altered in sequence or character, or the recording must contain additional new sounds. The new or revised sounds must contain at least a minimum amount of original sound recording authorship. Examples of derivative sound recordings include:

- A mashup comprising tracks and sounds from multiple sources.
- Additional tracks added to a previously published album.

⁴ The public domain metal bank comprised: “Uncle Sam, dressed in his usual stove pipe hat, blue full dress coat, starred vest and red and white striped trousers, and leaning on his umbrella, stands on a four- or five-inch wide base, on which sits his carpetbag. A coin may be placed in Uncle Sam’s extended hand. When a lever is pressed, the arm lowers, and the coin falls into the bag, while Uncle Sam’s whiskers move up and down. The base has an embossed American eagle on it with the words ‘Uncle Sam’ on streamers above it, as well as the word ‘Bank’ on each side.” [536 F.2d at 488](#).

⁵ Circulars provide Copyright Office guidance on various issues. We may rely on them as persuasive but not binding authority. See *Kitchens of Sara Lee, Inc. v. Nifty Foods Corp.*, [266 F.2d 541, 544](#) (2d Cir. 1959) (citing Copyright Office publication); *In re World Aux. Power Co.*, [303 F.3d 1120, 1131 n.73](#) (9th Cir. 2002) (citing Circular 4).

Mechanical changes or processes, such as a change in format, declipping, or noise reduction, generally do not contain enough original authorship to warrant registration

United States Copyright Office's Circular No. 56, Copyright Registration for Sound Recordings, Revised Sept. 2017 ("Circular 56"), available at <<https://www.copyright.gov/circs/circ56.pdf>>. ⁶ In common with the cases noted above, Circular 56 identifies original authorship as the touchstone of a copyright eligible derivative work and calls for either "additional new sounds" or some other minimum amount of original sound recording authorship, such as the rear-rangement, remixing, or alteration of sounds in sequence or character. *Id.* According to the Circular, changes to format, declipping and noise reduction, even if perceptible, do not amount to the minimal amount of original sound recording authorship necessary under the law and do not warrant separate copyright protection.

From the foregoing, it should be evident that a remastered sound recording is not eligible for independent copyright protection as a derivative work unless its essential character and identity reflect a level of independent sound recording authorship that makes it a variation distinguishable from the underlying work. The essential character and identity of a sound recording include, *inter alia*, the aggregate of the "emphasis or the shading of a musical note, the tone of voice, the inflection, the timing of a vocal rendition, musical or spoken," 1 Nimmer on Copyright § 2.10 (2018); the choice of instrumental, vocal and percussion components; and the subtleties of dynamics and other performance characteristics that together result in "something irreducible, which is one [band's] alone." See *Bleistein v. Donaldson Lithographing Co.*, [188 U.S. 239, 250](#) (1903) (Holmes, J.). Such factors distinguish an original vocal rendition of a song from the vocal rendition of the same song by another singer and are not present when an original vocal rendition is merely remastered. A remastering, for example, of Tony Bennett's "I Left My Heart in San Francisco" recording from its original analog format into digital format, even with declipping, noise reduction and small changes in volume or emphasis, is no less Bennett's "I Left My Heart in San Francisco" recording—it retains the same essential character and identity as the underlying original sound recording, notwithstanding the presence of trivial, minor or insignificant changes from the original. That is so even if the digital version would be perceived by a listener to be a brighter or cleaner rendition.

If an allegedly derivative sound recording does not add or remove any sounds from the underlying sound recording, does not change the sequence of the sounds, and does not remix or otherwise alter the sounds in sequence or character, the recording is likely to be nothing more than a copy of the underlying sound recording and is presumptively devoid of the original sound recording authorship required for copyright protection.

⁶ The district court discussed an earlier version of Copyright Office Circular 56 and cited a key example therein of a derivative sound recording: "a remastering that involves multiple kinds of creative authorship, such as adjustments of equalization, sound editing, and channel assignment." This example has since been removed from the updated version of Circular 56.

Such a work lacks originality. This presumption may, of course, be overcome, by showing that the work contains independent creative content, recognizable contributions of sound recording authorship or variations in defining aspects that give a derivative sound recording a new and different essential character and identity.

A number of practical considerations, including but not limited to the considerations that follow, inform a determination of the essential character and identity of a remastered sound recording. First, the mere translation of a work from an analog to a digital medium to take advantage of technological improvements does not itself transform the essential character and identity of the underlying work. See *Meshwerks*, [528 F.3d at 1267](#) (“[W]e hold, as many before us have already suggested, that standing alone, ‘[t]he fact that a work in one medium has been copied from a work in another medium does not render it any the less a ‘copy’” (citing 2 Nimmer on Copyright § 8.01[B])); *L. Batlin*, [536 F.2d at 489](#) (holding that changes in the plastic bank, such as the “functional one of making a more suitable (and probably less expensive) figure in the plastic medium” and the aesthetic decision to replace the arrows with feathers because arrows did not reproduce well in plastic, were not original); *Entm’t Res. Grp.*, [122 F.3d at 1221, 1223](#) (with respect to sculptural works, explaining that “any aspects of ERG’s costumes that are purely functional, utilitarian or mechanical will not be given any copyright protection” and agreeing “with the district court’s conclusion that the differences in form, texture and proportionality that ERG points to as nontrivial differences all stemmed from functional considerations”). See also *Durham*, [630 F.2d at 913](#) (“[C]opyright protection extends only to the artistic aspects, but not the mechanical or utilitarian features, of a protected work.”). Such functionally driven decisionmaking does not demonstrate the kind of originality with which copyright is exclusively concerned.

Second, a remastering engineer’s objective “to make a copy of someone else’s creation, rather than to create an original work,” *Meshwerks*, [528 F.3d at 1268](#), even if that task seeks to improve quality, brightness or crispness of sound, is persuasive evidence that the final product likely contains little more than a trivial contribution and does not, in fact, result in an original work. See *Entm’t Res. Grp.*, [122 F.3d at 1223](#) (“ERG’s customers—the companies—wanted costumes replicating their characters. Thus, because ERG followed detailed instructions from its customers regarding exactly how they wanted the costumes to appear, it cannot be said that ERG’s artistic contributions were more than merely trivial contributions.”).

Finally, the process used to create the derivative work is seldom informative of originality in the copyright sense. *Meshwerks*, [528 F.3d at 1268](#). The remastering engineer’s application of “intensive, skillful, and even creative labor... does not guarantee its copyrightability.” *Id.*; see also *L. Batlin*, [536 F.2d at 491](#) (“Nor can the requirement of originality be satisfied simply by the demonstration of ‘physical skill’ or ‘special training.’”). In *Meshwerks*, the exercise of independent technical and aesthetic judgment in adjusting the wire-frames did not result in a copyright eligible work, as those efforts were directed wholly to more effectively representing the underlying works, not to changing or adding to those works. [528 F.3d at 1268](#).

B

In this case, the district court determined that “at least some perceptible changes were made to Plaintiff’s Pre-1972 Sound Recordings” and that these changes were not merely “mechanical” or “trivial.” Therefore, the district court held, there was no genuine dispute of material fact that the remastered works performed by CBS were “sufficient[ly] original[.]” *Id.* at 12. This conclusion was legal error.

In *Entertainment Research Group*, for example, the costumes were clearly distinguishable from the underlying characters. We nevertheless held that the costume-makers’ contributions were not original because the costumes would not be identified as distinguishable variations; i.e., the essential character and identity of each were not changed. *Entm’t Res. Grp.*, [122 F.3d at 1223-24](#) (“Viewing the three-dimensional costumes and the two-dimensional drawings upon which they are based, it is immediately apparent that the costumes are not exact replicas of the two-dimensional drawings,” but there was no originality because “no reasonable trier of fact would see anything but a direct replica of the underlying characters.”); see also *Meshwerks*, [528 F.3d at 1267](#) (holding that the derivative digital wire frame models were “a peculiar kind of copy” of Toyota vehicles, although the wire models did not “recreate Toyota vehicles outright—steel, rubber, and all”); *Durham*, [630 F.2d at 909](#) (“The three Tomy figures are instantly identifiable as embodiments of the Disney characters in yet another form: Mickey, Donald and Pluto are now represented as small, plastic, wind-up toys,” although the underlying Disney characters did not include the wind-up mechanism in the derivative toys.).

Here, there is no dispute that all of the sounds contained in the remastered sound recordings—the vocals, instruments, inflection, dynamics, rhythms, and sequences—were initially fixed in a studio before 1972. There is also no dispute that the remastering engineers did not add or remove any sounds and did not edit or resequence the fixed performances. For these reasons, the remasters presumptively lacked the originality necessary to support copyright protection as derivative works.

The district court, in ruling otherwise and concluding that no genuine issues of material fact exist on the originality of the digital remasters, applied an incorrect test. In doing so, the district court placed critical reliance on the testimony of CBS’s expert, Begault. Begault explained that the digitally perceptible changes to “timbre, spatial imagery, sound balance, and loudness range” that he identified in the remastered sound recordings were measures of sound quality.⁷ Such technical improvements associated with the translation of the analog pre-1972 sound recordings into a digital medium, however, do not support a finding of originality. See *L. Batlin*, [536 F.2d at 489](#) (rejecting changes made for the “functional” purpose “of making a more suitable (and probably less expensive) figure in the plastic medium”); *Entm’t Res. Grp.*, [122 F.3d at 1223](#) (discounting differences in form, texture and proportionality arising out of the need to

⁷ Title 17, Section 114(b) explains that the exclusive right of a copyright holder in a sound recording “is limited to the right to prepare a derivative work in which the actual sounds fixed in the sound recording are rearranged, remixed, or otherwise altered in sequence or *quality*.” (emphasis added). We read “quality” in § 114 to be referring to character and identity rather than a measure of improvement. See *Quality*, Merriam-Webster (July 19, 2018), <https://www.merriam-webster.com/dictionary/quality>.

create space for a human to fit into a 3-D costume); *Meshwerks*, [528 F.3d at 1267](#) (holding that the technical adjustments of data points to more accurately reflect Toyota vehicles in a digital medium did not constitute the kind of contribution to qualify for copyright).

The purpose and effect of the remastering here was similarly a technical improvement. In its brief to this court, CBS explained that the reason for the remastering was to overcome the technical limitations of vinyl using the “nearly unlimited” sound range that CDs could reproduce. William Ingot, a remastering engineer responsible for some of the remastered sound recordings here and one of CBS’s witnesses, testified that his goal was to do a “good job,” to “do a better version of maybe what the production process was at that time because you have a little more control than maybe they had,” by “taking advantage of the technology.”

Begault analyzed the differences between the pre-1972 sound recordings and the remastered sound recordings using sensitive digital analysis and concluded that the remastered sound recordings would be different if there was any difference in any of the four analyzed characteristics. But Begault nowhere analyzed whether the changes he identified reflected any original sound recording authorship that might have changed the essential character and identity of the resulting sound recordings. The technical changes as measured by sensitive digital analysis does not necessarily result in a change in the essential character and identity of the work in question. ABS’s expert, Geluso, aptly explained this shortcoming of Begault’s analysis: “I believe that two sound recordings would have to be nearly identical to pass all four of [Begault’s] tests. For example, Begault set a standard of 1 dB of loudness differential for two recordings as his passing mark. This is unreasonably extreme. In my experience, 1dB of dynamic range compression is barely audible and will most likely go undetected by a listener.” Geluso also explained that the spectral balance of a sound recording can be adjusted on most consumer listening equipment, and the loudness can be adjusted on most consumer software used to create and edit music. It is unlikely that such changes—even if made with more technical expertise by a remastering engineer and fixed in a sound recording—would amount to a change in the essential character and identity of the sound recording.

The district court excluded several paragraphs of Geluso’s declaration as unscientific, based on unreliable methodology, lacking adequate foundation as expert testimony, unnecessary and irrelevant. The district court found Geluso’s critical listening methods to be unscientific, and “unexplained in Mr. Geluso’s declaration.” But in his declaration, Geluso cited an FBI report on forensic sound recording analysis that held out critical listening as an essential component of forensic audio analysis. Also, despite Geluso’s testimony that he critically listened to all of the recordings he examined, the district court found fatally deficient the fact that Geluso limited his waveform and spectral analysis to the first five seconds of each recording. While the shortness of the technical analysis impacts the weight of that testimony, there is no reason to question the science behind or the methodology of such testing for whatever it may show. And

the district court failed to explain why five seconds of waveform analysis was insufficient to determine whether the pre-1972 and remastered sound recordings embodied the same performances. Moreover, Geluso's testimony, offered in rebuttal to the testimony of CBS's expert, Begault, addressed the nature and extent of the differences between the original analog recordings and the digitally remastered sound recordings and was thus directly relevant to the issue of originality before the court. The district court also found deficient the fact that Geluso excluded from his report a phase inversion test from the first test he attempted. But that is not an adequate basis to exclude Geluso's testimony. That test merely identifies the fact of difference—something that ABS and Geluso do not contest exists between the pre-1972 and remastered sound recordings. The district court's exclusion of Geluso's testimony was an abuse of discretion, and his testimony should be considered in full by the district court on remand.

The district court also erred in failing to consider ABS's objective in creating the digital remasters. ABS hired recording engineers to create digitally remastered sound recordings of the pre-1972 sound recordings in order to allow for digital distribution and compilation albums and to take advantage of the improvements enabled by digital technology, not to introduce any substantive changes. As one ABS representative explained: "we understood as the technology increased, as things went from LP and cassette to CD [that the recordings would be re-mastered] ... in such a way that they could be CD's made out of them. They had to go digital. We knew they were going to have to be converted analog to digital." Plaintiff Brunswick's representative agreed, stating that "in order to release recordings in a digital format that they would in fact be remastered." And Ingot testified that his goal was to "do a better version of maybe what the production process was at that time because you have a little more control than maybe they had" by "taking advantage of the technology." Another declaration submitted by Plaintiffs averred that they "never would have permitted a Licensee to make any substantial or non-trivial changes to the sound of the Recordings when creating a remastered copy." Nothing in the record suggests that ABS set out to make any substantive changes or distinguishable variations that would give the digital remasters a different essential character or identity, to add any original sound recording authorship or to do anything other than make accurate copies in digital format of the original analog sound recordings.

Notwithstanding the above, CBS argues that all that is needed to support copyright is "more than a merely trivial variation," *Schrock v. Learning Curve Int'l, Inc.*, [586 F.3d 513, 521](#) (7th Cir. 2009), and that this is the test mandated by *U.S. Auto Parts* and properly adopted by the district court. CBS argues that it met its burden when it pointed out deficiencies in ABS's claims, and that ABS failed to provide significant probative evidence that the differences between the pre-1972 and the remastered sound recordings were mechanical, trivial, or insufficiently original.

CBS is correct that the threshold of creativity for copyright eligibility often is characterized as minimal, and that the courts police the amount of creativity only within the "narrowest and most obvious limits." *Bleistein*, [188 U.S. at 251](#). But that relatively low bar does not eliminate the fundamental requirement of originality that is the touchstone

of copyright protection. Here, the district court's identification of "perceptible changes" between the recordings in characteristics relating to "quality" did not ensure that the remastered versions contained anything of consequence owing its origin to the remastering engineers. As discussed above, a derivative sound recording that merely exhibits perceptible changes does not necessarily exhibit a change to the essential character and identity of the work or reflect the addition of even a minimal amount of sound recording authorship or originality.***

We therefore conclude that a derivative sound recording distinctly identifiable solely by the changes incident to the change in medium generally does not exhibit the minimum level of originality to be copyrightable. In this case, the district court did not analyze whether the changes in quality identified by Begault were anything other than merely incidental to the transfer from the analog to the digital medium.

Nothing in this opinion should be construed to question or limit the creative contributions of the recording engineers and/or record producers responsible for the recording session that led to the initial fixation of the sound recording. The initial producer/engineer's role is often to work in collaboration with the performing artists to make many of the creative decisions that define the overall sound of the recording as fixed, including such things as microphone choice, microphone placement, setting sound levels, equipment used, processing filters employed, tapes selected, session structure, and other similar decisions analogous to the creative choices of photographers that courts have consistently held to be original.

The role of remastering engineers, however is usually very different from the role of the studio engineers. Studio engineers' decisions almost always contribute to the essential character and identity contained in the original sound recording. By contrast, the remastering engineer's role is ordinarily to preserve and protect the essential character and identity of the original sound recording, and to present that original sound recording in the best light possible by taking advantage of technological improvements. For example, Inglot testified that his goal was to "do a better version of maybe what the production process was at that time because you have a little more control than maybe they had" by "taking advantage of the technology." Although we do not hold that a remastered sound recording cannot be eligible for a derivative work copyright, a digitally remastered sound recording made as a copy of the original analog sound recording will rarely exhibit the necessary originality to qualify for independent copyright protection.

C

The second prong of the *U.S. Auto Parts/Durham* test requires that a copyright-eligible derivative work must "reflect the degree to which it relies on preexisting material and must not in any way affect the scope of any copyright protection in that preexisting material." *U.S. Auto Parts*, [692 F.3d at 1016](#). This prong ensures that a derivative work author—even one who contributes the requisite amount of creative authorship under the first prong—does not "prevent the owner of the preexisting work from exercising some of its rights under copyright law." *Id.* at 1017. This prong protects the author's

right to authorize later derivative works without concern for aggressive enforcement against those later derivative works by the earlier derivative work copyright holder. In *Entertainment Research Group*, for example, we explained that “if ERG had copyrights for its costumes, any future licensee who was hired to manufacture costumes depicting these characters would likely face a strong copyright infringement suit from ERG.” [122 F.3d at 1224](#); see also *U.S. Auto Parts*, [692 F.3d at 1020](#) (applying the second prong of the *Durham* test and concluding in that case, copyright in a derivative work would not circumscribe rights of the copyright holder in the underlying work).

The district court’s failure to fully consider this second prong here was legal error. Moreover, applying that prong, there is at least a genuine issue of material fact whether granting copyright protection for the remastered sound recordings here would undermine ABS’s rights in the pre-1972 sound recordings to authorize additional derivative works. Were ABS intent on granting an authorization to create an intentionally derivative work, for example by authorizing use of the underlying works as samples or remixes, those authorized works would be at high risk of infringement suits from the remastered sound recording copyright holders. This risk would, in effect, grant the remastered sound recording copyright holder a “de facto monopoly” on derivative works. Indeed, in this case, where the underlying and derivative works are both sound recordings with few, if any, readily discernable differences, and the derivative work is the only one available in the vastly more accessible and marketable digital medium, the danger that the copyright holder of the derivative work could bring suit against a potential licensee of the underlying work is particularly acute.

If, on remand, the factfinder concludes that any or all of the remastered sound recordings here do manifest a change sufficient to create a derivative, copyrightable work, the factfinder should also consider the effect of recognizing a copyright in the remastered sound recording on ABS’s ability to exercise whatever copyrights it may possess in the pre-1972 sound recording.

For the above reasons, we conclude that the district court erred in holding that there were no genuine issues of material fact that the remastered sound recordings used by CBS were independently copyright eligible. We therefore reverse the grant of summary judgment to CBS as to that issue.

D

The parties here dispute whether ABS authorized the remastering engineer to create derivative works, whether such permission was necessary, and which party bears the burden to show such authorization (or lack thereof). This issue arises, of course, only if the remastered recordings were derivative works. As we have determined that CBS was not entitled to summary judgment on that question, we address the authorization issue for guidance on remand.

The owner of a copyright has the exclusive right to prepare derivative works, 17 U.S.C. § 106(2), and to grant or withhold authorization to create such derivative works. *Schrock*, [586 F.3d at 522-23](#). In *Schrock*, photographer Schrock was hired by Learning

Curve to photograph Thomas the Tank Engine. Learning Curve and HIT Entertainment, the Thomas the Tank Engine copyright holder, used Schrock's photographs for several years. When Learning Curve stopped hiring Schrock as a photographer, he registered his photographs and sued Learning Curve and HIT for infringement. Like here, it was undisputed that Schrock had permission to make the photographs. But Learning Curve argued that the photographer also needed Learning Curve's permission to copyright the photographs. The district court granted summary judgment to Learning Curve, concluding that the photographs were derivative works, and that although Schrock had permission to make the photographs, he did not have permission to copyright them. *Id.* The Seventh Circuit reversed, stating: "As long as he was authorized to make the photos (he was), he owned the copyright in the photos to the extent of their incremental original expression." *Id.* We agree with that holding. The Seventh Circuit also explained that although this was the default rule, parties could alter this rule by contract. Because the license agreements among the parties were not entered into the record, the Seventh Circuit remanded to the district court to determine whether the parties altered the default rule by contract.

It is undisputed here that the remastering engineers were authorized to do exactly what they did. On remand, if the authorization issue is raised in a further summary judgment motion or at trial, the district court should give ABS the opportunity to produce copies of its license agreements and should determine whether any such agreements altered the default rule on authorization. ***

VII

On October 11, 2018, Congress enacted the Orrin G. Hatch-Bob Goodlatte Music Modernization Act, Pub. L. No. 115-264 ("Music Modernization Act"). That Act replaced 17 U.S.C. § 301(c) with a new section preempting certain state law claims for digital transmissions of pre-1972 sound recordings that occur after the effective date of the Act. See Pub. L. No. 115-264, sec. 202(a)(1). The Act also includes a provision that

preempts any claim of common law copyright or equivalent right under the laws of any State arising from a digital audio transmission or reproduction that is made before the date of enactment of this section of a sound recording fixed before February 15, 1972, if [certain requirements for compulsory licensing and other criteria are met].

Pub. L. No. 115-264, sec. 202(a)(2) (to be codified at 17 U.S.C. § 1401(e)).

We need not and do not decide the extent to which these and other sections of the newly passed legislation may be relevant to any remaining issues and leave those determinations to the district court to decide in the first instance on remand. ***

Bobbs-Merrill Co. v. Straus

210 U.S. 339 (1908)

Mr. Justice Day delivered the opinion of the court: The complainant in the circuit court, appellant here, the Bobbs-Merrill Company, brought suit against the respondents, appellees here, Isidor Straus and Nathan Straus, partners as R.H. Macy & Company, in the circuit court of the United States for the southern district of New York, to restrain the sale of a copyrighted novel, entitled "The Castaway," at retail at less than \$1 for each copy. The circuit court dismissed the bill on final hearing. The decree of the circuit court was affirmed on appeal by the circuit court of appeals.

The appellant is the owner of the copyright upon "The Castaway," obtained on the 18th day of May, 1904, in conformity to the copyright statutes of the United States. Printed immediately below the copyright notice, on the page in the book following the title page, is inserted the following notice:

The price of this book at retail is \$1 net. No dealer is licensed to sell it at a less price, and a sale at a less price will be treated as an infringement of the copyright.
The Bobbs-Merrill Company.

Macy & Company, before the commencement of the action, purchased copies of the book for the purpose of selling the same at retail. Ninety per cent of such copies were purchased by them at wholesale at a price below the retail price by about 40 per cent, and 10 per cent of the books purchased by them were purchased at retail, and the full price paid therefor.

It is stipulated in the record:

Defendants, at the time of their purchase of copies of the book, knew that it was a copyrighted book, and were familiar with the terms of the notice printed in each copy thereof, as above set forth, and knew that this notice was printed in every copy of the book purchased by them.

The wholesale dealers, from whom defendants purchased copies of the book, obtained the same either directly from the complainant or from other wholesale dealers at a discount from the net retail price, and, at the time of their purchase, knew that the book was a copyrighted book, and were familiar with the terms of the notice printed in each copy thereof, as described above, and such knowledge was in all wholesale dealers through whom the books passed from the complainants to defendants. But the wholesale dealers were under no agreement or obligation to enforce the observance of the terms of the notice by retail dealers, or to restrict their sales to retail dealers who would agree to observe the terms stated in the notice.

The defendants have sold copies of the book at retail at the uniform price of 89 cents a copy, and are still selling, exposing for sale, and offering copies of the book at retail at the price of 89 cents per copy, without the consent of the complainant. ***

The present case involves rights under the copyright act. The facts disclose a sale of a book at wholesale by the owners of the copyright, at a satisfactory price, and this without agreement between the parties to such sale obligating the purchaser to control future sales, and where the alleged right springs from the protection of the copyright

law alone. It is contended that this power to control further sales is given by statute to the owner of such a copyright in conferring the sole right to “vend” a copyrighted book. ***

We *** approach the consideration of this question as a new one in this court, and one that involves the extent of the protection which is given by the copyright statutes of the United States to the owner of a copyright under the facts disclosed in this record. Recent cases in this court have affirmed the proposition that copyright property under the Federal law is wholly statutory, and depends upon the right created under the acts of Congress passed in pursuance of the authority conferred under article 1, § 8, of the Federal Constitution: “To promote the progress of science and useful arts, by securing, for limited times, to authors and inventors, the exclusive right to their respective writings and discoveries.”

The learned counsel for the appellant in this case, in the argument at bar, disclaims relief because of any contract, and relies solely upon the copyright statutes, and rights therein conferred. The copyright statutes ought to be reasonably construed, with a view to effecting the purposes intended by Congress. They ought not to be unduly extended by judicial construction to include privileges not intended to be conferred, nor so narrowly construed as to deprive those entitled to their benefit of the rights Congress intended to grant.

At common law an author had a property in his manuscript, and might have redress against anyone who undertook to realize a profit from its publication without authority of the author. *Wheaton v. Peters*, [8 Pet. 591-659](#).

In *Drone on Copyright*, that author says, page 100:

“As the law is now expounded, there are important differences between the statutory and the common-law right. The former exists only in works which have been published within the meaning of the statute, and the latter only in works which have not been so published. In the former case, ownership is limited to a term of years; in the latter, it is perpetual. The rights do not co-exist in the same composition; when the statutory right beings the common-law right ends. Both may be defeated by publication. Thus, when a work is published in print, the owner’s common-law rights are lost; and, unless the publication be in accordance with the requirements of the statute, the statutory right is not secured.”

While the nature of the property and the protection intended to be given the inventor or author as the reward of genius or intellect in the production of his book or work of art is to be considered in construing the act of Congress, it is evident that to secure the author the right to multiply copies of his work may be said to have been the main purpose of the copyright statutes. ***

In order to secure this right it was provided in that statute, as it has been in subsequent ones, that the authors of books, their executors, administrators, or assigns, shall have the “sole right and liberty of printing, reprinting, publishing, and vending” such book for a term of years, upon complying with the statutory conditions set forth in the act as essential to the acquiring of a valid copyright. Each and all of these statutory

rights should be given such protection as the act of Congress requires, in order to secure the rights conferred upon authors and others entitled to the benefit of the act. Let us see more specifically what are the statutory rights, in this behalf, secured to one who has complied with the provisions of the law and become the owner of a copyright. They may be found in §§ 4952, 4965, and 4970 of the Revised Statutes of the United States, and are as follows:

“Sec. 4952. Any citizen of the United States or resident therein, who shall be the author, inventor, designer, or proprietor of any book, map, chart, dramatic or musical composition, engraving, cut, print, or photograph or negative thereof, or of a painting, drawing, chromo, statue, statuary, and of models or designs intended to be perfected as works of the fine arts, and the executors, administrators, or assigns of any such person, shall, upon complying with the provisions of this chapter, have the sole liberty of printing, reprinting, publishing, completing, copying, executing, finishing, and vending the same.” U.S. Comp. Stat. 1901, p. 3406.

“Sec. 4965. If any person, after the recording of the title of any map, chart, musical composition, print, cut, engraving, or photograph, or chromo, or of the description of any painting, drawing, statue, statuary, or model or design intended to be perfected and executed as a work of the fine arts, as provided by this chapter, shall, within the term limited, and without the consent of the proprietor of the copyright first obtained in writing, signed in presence of two or more witnesses, engrave, etch, work, copy, print, publish, or import, either in whole or in part, or by varying the main design with intent to evade the law, or, knowing the same to be so printed, published, or imported, shall sell or expose to sale any copy of such map or other article, as aforesaid, he shall forfeit to the proprietor all the plates on which the same shall be copied, and every sheet thereof, either copied or printed, and shall further forfeit one dollar for every sheet of the same found in his possession, either printing, printed, copied, published, imported, or exposed for sale; and in case of a painting, statue, or statuary, he shall forfeit ten dollars for every copy of the same in his possession, or by him sold or exposed for sale, one half thereof to the proprietor and the other half to the use of the United States.” U.S. Comp. Stat. 1901, p. 3414.

Section 4970 is as follows:

“The circuit courts, and district courts having the jurisdiction of circuit courts, shall have power, upon bill in equity filed by any party aggrieved, to grant injunctions to prevent the violation of any right secured by the laws respecting copyrights, according to the course and principles of courts of equity, on such terms as the court may deem reasonable.” U. S. Comp. Stat. 1901, p. 3416.

Section 4965 undertakes to work a forfeiture of copyrighted articles, and confers a right of action for a penalty. Relief is given in a single suit, one half of the money recovered going to the United States.

As this is a suit in equity for relief under § 4970 of the U.S. Revised Statutes, giving to the circuit and district courts of the United States the right to grant relief by injunctions to prevent the violation of rights secured by the copyright statutes, we are not concerned with rights and remedies under § 4965.

It is the contention of the appellant that the circuit court erred in failing to give effect to the provision of § 4952, protecting the owners of the copyright in the sole right of vending the copyrighted book or other article, and the argument is that the statute vested the whole field of the right of exclusive sale in the copyright owner; that he can part with it to another to the extent that he sees fit, and may withhold to himself, by proper reservations, so much of the right as he pleases.

What does the statute mean in granting “the sole right of vending the same?” Was it intended to create a right which would permit the holder of the copyright to fasten, by notice in a book or upon one of the articles mentioned within the statute, a restriction upon the subsequent alienation of the subject-matter of copyright after the owner had parted with the title to one who had acquired full dominion over it and had given a satisfactory price for it? It is not denied that one who has sold a copyrighted article, without restriction, has parted with all right to control the sale of it. The purchaser of a book, once sold by authority of the owner of the copyright, may sell it again, although he could not publish a new edition of it.

In this case the stipulated facts show that the books sold by the appellant were sold at wholesale, and purchased by those who made no agreement as to the control of future sales of the book, and took upon themselves no obligation to enforce the notice printed in the book, undertaking to restrict retail sales to a price of \$1 per copy.

The precise question, therefore, in this case is, Does the sole right to vend (named in § 4952) secure to the owner of the copyright the right, after a sale of the book to a purchaser, to restrict future sales of the book at retail, to the right to sell it at a certain price per copy, because of a notice in the book that a sale at a different price will be treated as an infringement, which notice has been brought home to one undertaking to sell for less than the named sum? We do not think the statute can be given such a construction, and it is to be remembered that this is purely a question of statutory construction. There is no claim in this case of contract limitation, nor license agreement controlling the subsequent sales of the book.

In our view the copyright statutes, while protecting the owner of the copyright in his right to multiply and sell his production, do not create the right to impose, by notice, such as is disclosed in this case, a limitation at which the book shall be sold at retail by future purchasers, with whom there is no privity of contract. This conclusion is reached in view of the language of the statute, read in the light of its main purpose to secure the right of multiplying copies of the work, a right which is the special creation of the statute. True, the statute also secures, to make this right of multiplication effectual, the sole right to vend copies of the book, the production of the author’s thought and conception. The owner of the copyright in this case did sell copies of the book in quantities and at a price satisfactory to it. It has exercised the right to vend. What the complainant contends for embraces not only the right to sell the copies, but to qualify the title of a future purchaser by the reservation of the right to have the remedies of the statute against an infringer because of the printed notice of its purpose so to do unless the purchaser sells at a price fixed in the notice. To add to the right of exclusive sale the authority to control all future retail sales, by a notice that such sales must be made at a

fixed sum, would give a right not included in the terms of the statute, and, in our view, extend its operation, by construction, beyond its meaning, when interpreted with a view to ascertaining the legislative intent in its enactment.

This conclusion renders it unnecessary to discuss other questions noticed in the opinion in the circuit court of appeals, or to examine into the validity of the publisher's agreements, alleged to be in violation of the acts to restrain combinations creating a monopoly or directly tending to the restraint of trade.

The decree of the Circuit Court of Appeals is affirmed.

Kirtsaeng v. John Wiley & Sons, Inc.

568 U.S. 519 (2013)

JUSTICE BREYER, delivered the opinion of the Court: Section 106 of the Copyright Act grants “the owner of copyright under this title” certain “exclusive rights,” including the right “to distribute copies . . . of the copyrighted work to the public by sale or other transfer of ownership.” 17 U.S.C. §106(3). These rights are qualified, however, by the application of various limitations set forth in the next several sections of the Act, §§107 through 122. Those sections, typically entitled “Limitations on exclusive rights,” include, for example, the principle of “fair use” (§107), permission for limited library archival reproduction, (§108), and the doctrine at issue here, the “first sale” doctrine (§109).

Section 109(a) sets forth the “first sale” doctrine as follows:

“Notwithstanding the provisions of section 106(3) [the section that grants the owner exclusive distribution rights], the owner of a particular copy or phonorecord *lawfully made under this title* . . . is entitled, without the authority of the copyright owner, to sell or otherwise dispose of the possession of that copy or phonorecord.” (Emphasis added.)

Thus, even though §106(3) forbids distribution of a copy of, say, the copyrighted novel Herzog without the copyright owner's permission, §109(a) adds that, once a copy of Herzog has been lawfully sold (or its ownership otherwise lawfully transferred), the buyer of *that copy* and subsequent owners are free to dispose of it as they wish. In copyright jargon, the “first sale” has “exhausted” the copyright owner's §106(3) exclusive distribution right.

What, however, if the copy of Herzog was printed abroad and then initially sold with the copyright owner's permission? Does the “first sale” doctrine still apply? Is the buyer, like the buyer of a domestically manufactured copy, free to bring the copy into the United States and dispose of it as he or she wishes?

To put the matter technically, an “importation” provision, §602(a)(1), says that

“[i]mportation into the United States, without the authority of the owner of copyright under this title, of copies . . . of a work that have been acquired outside the United States is an infringement of the exclusive right to distribute copies . . . *under section 106*” 17 U.S.C. §602(a)(1) (emphasis added).

Thus §602(a)(1) makes clear that importing a copy without permission violates the owner's exclusive distribution right. But in doing so, §602(a)(1) refers explicitly to the §106(3) exclusive distribution right. As we have just said, §106 is by its terms "[s]ubject to" the various doctrines and principles contained in §§107 through 122, including §109(a)'s "first sale" limitation. Do those same modifications apply—in particular, does the "first sale" modification apply—when considering whether §602(a)(1) prohibits importing a copy?

In *Quality King Distributors, Inc. v. L'anza Research Int'l, Inc.*, [523 U.S. 135, 145](#) (1998), we held that §602(a)(1)'s reference to §106(3)'s exclusive distribution right incorporates the later subsections' limitations, including, in particular, the "first sale" doctrine of §109. Thus, it might seem that, §602(a)(1) notwithstanding, one who buys a copy abroad can freely import that copy into the United States and dispose of it, just as he could had he bought the copy in the United States.

But *Quality King* considered an instance in which the copy, though purchased abroad, was initially manufactured in the United States (and then sent abroad and sold). This case is like *Quality King* but for one important fact. The copies at issue here were manufactured abroad. That fact is important because §109(a) says that the "first sale" doctrine applies to "a particular copy or phonorecord *lawfully made under this title.*" And we must decide here whether the five words, "lawfully made under this title," make a critical legal difference.

Putting section numbers to the side, we ask whether the "first sale" doctrine applies to protect a buyer or other lawful owner of a copy (of a copyrighted work) lawfully manufactured abroad. Can that buyer bring that copy into the United States (and sell it or give it away) without obtaining permission to do so from the copyright owner? Can, for example, someone who purchases, say at a used bookstore, a book printed abroad subsequently resell it without the copyright owner's permission?

In our view, the answers to these questions are, yes. We hold that the "first sale" doctrine applies to copies of a copyrighted work lawfully made abroad.

I

A

Respondent, John Wiley & Sons, Inc., publishes academic textbooks. Wiley obtains from its authors various foreign and domestic copyright assignments, licenses and permissions—to the point that we can, for present purposes, refer to Wiley as the relevant American copyright owner. See 654 F.3d 210, 213, n. 6 (CA2 2011). Wiley often assigns to its wholly owned foreign subsidiary, John Wiley & Sons (Asia) Pte Ltd., rights to publish, print, and sell Wiley's English language textbooks abroad. Each copy of a Wiley Asia foreign edition will likely contain language making clear that the copy is to be sold only in a particular country or geographical region outside the United States. 654 F.3d, at 213.

For example, a copy of Wiley's American edition says, "Copyright © 2008 John Wiley & Sons, Inc. All rights reserved. . . . Printed in the United States of America." J. Walker,

Fundamentals of Physics, p. vi (8th ed. 2008). A copy of Wiley Asia's Asian edition of that book says:

“Copyright © 2008 John Wiley & Sons (Asia) Pte Ltd[,] All rights reserved. This book is authorized for sale in Europe, Asia, Africa, and the Middle East only and may be not exported out of these territories. Exportation from or importation of this book to another region without the Publisher's authorization is illegal and is a violation of the Publisher's rights. The Publisher may take legal action to enforce its rights. . . . Printed in Asia.” J. Walker, *Fundamentals of Physics*, p. vi (8th ed. 2008 Wiley Int'l Student ed.).

Both the foreign and the American copies say:

“No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means . . . except as permitted under Sections 107 or 108 of the 1976 United States Copyright Act.” Compare, *e.g.*, *ibid.* (Int'l ed.), with Walker, *supra*, at vi (American ed.).

The upshot is that there are two essentially equivalent versions of a Wiley textbook, 654 F.3d, at 213, each version manufactured and sold with Wiley's permission: (1) an American version printed and sold in the United States, and (2) a foreign version manufactured and sold abroad. And Wiley makes certain that copies of the second version state that they are not to be taken (without permission) into the United States. *Ibid.*

Petitioner, Supap Kirtsaeng, a citizen of Thailand, moved to the United States in 1997 to study mathematics at Cornell University. He paid for his education with the help of a Thai Government scholarship which required him to teach in Thailand for 10 years on his return. Kirtsaeng successfully completed his undergraduate courses at Cornell, successfully completed a Ph.D. program in mathematics at the University of Southern California, and then, as promised, returned to Thailand to teach. While he was studying in the United States, Kirtsaeng asked his friends and family in Thailand to buy copies of foreign edition Englishlanguage textbooks at Thai book shops, where they sold at low prices, and mail them to him in the United States. Kirtsaeng would then sell them, reimburse his family and friends, and keep the profit.

B

In 2008 Wiley brought this federal lawsuit against Kirtsaeng for copyright infringement. 654 F.3d, at 213. Wiley claimed that Kirtsaeng's unauthorized importation of its books and his later resale of those books amounted to an infringement of Wiley's §106(3) exclusive right to distribute as well as §602's related import prohibition. 17 U.S.C. §§106(3), 602(a). See also §501 (authorizing infringement action). Kirtsaeng replied that the books he had acquired were “lawfully made” and that he had acquired them legitimately. Thus, in his view, §109(a)'s “first sale” doctrine permitted him to resell or otherwise dispose of the books without the copyright owner's further permission.

The District Court held that Kirtsaeng could not assert the “first sale” defense because, in its view, that doctrine does not apply to “foreign-manufactured goods” (even if made abroad with the copyright owner's permission). The jury then found that Kirtsaeng had willfully infringed Wiley's American copyrights by selling and importing

without authorization copies of eight of Wiley's copyrighted titles. And it assessed statutory damages of \$600,000 (\$75,000 per work).

On appeal, a split panel of the Second Circuit agreed with the District Court. It pointed out that §109(a)'s "first sale" doctrine applies only to "the owner of a particular copy . . . lawfully made under this title." *Id.*, at 218-219 (emphasis added). And, in the majority's view, this language means that the "first sale" doctrine does not apply to copies of American copyrighted works manufactured abroad. A dissenting judge thought that the words "lawfully made under this title" do not refer "to a place of manufacture" but rather "focu[s] on whether a particular copy was manufactured lawfully under" America's copyright statute, and that "the lawfulness of the manufacture of a particular copy should be judged by U.S. copyright law." *Id.*, at 226 (opinion of Murtha, J.). ***

II

We must decide whether the words "lawfully made under this title" restrict the scope of §109(a)'s "first sale" doctrine geographically. The Second Circuit, the Ninth Circuit, Wiley, and the Solicitor General (as *amicus*) all read those words as imposing a form of *geographical* limitation. The Second Circuit held that they limit the "first sale" doctrine to particular copies "made in territories *in which the Copyright Act is law*," which (the Circuit says) are copies "manufactured domestically," not "outside of the United States." 654 F.3d, at 221-222 (emphasis added). Wiley agrees that those five words limit the "first sale" doctrine "to copies made in conformance with the [United States] Copyright Act *where the Copyright Act is applicable*," which (Wiley says) means it does not apply to copies made "outside the United States" and at least not to "foreign production of a copy for distribution exclusively abroad." Brief for Respondent 15-16. Similarly, the Solicitor General says that those five words limit the "first sale" doctrine's applicability to copies "*made subject to and in compliance with [the Copyright Act]*," which (the Solicitor General says) are copies "made in the United States." Brief for United States as *Amicus Curiae* 5 (hereinafter Brief for United States) (emphasis added). And the Ninth Circuit has held that those words limit the "first sale" doctrine's applicability (1) to copies lawfully made in the United States, and (2) to copies lawfully made outside the United States but initially sold in the United States with the copyright owner's permission. *Denbicare U.S.A. Inc. v. Toys "R" Us, Inc.*, 84 F.3d 1143, 1149-1150 (1996).

Under any of these geographical interpretations, §109(a)'s "first sale" doctrine would not apply to the Wiley Asia books at issue here. And, despite an American copyright owner's permission to *make* copies abroad, one who *buys* a copy of any such book or other copyrighted work—whether at a retail store, over the Internet, or at a library sale—could not resell (or otherwise dispose of) that particular copy without further permission.

Kirtsaeng, however, reads the words "lawfully made under this title" as imposing a *non-geographical* limitation. He says that they mean made "in accordance with" or "in compliance with" the Copyright Act. Brief for Petitioner 26. In that case, §109(a)'s "first sale" doctrine would apply to copyrighted works as long as their manufacture

met the requirements of American copyright law. In particular, the doctrine would apply where, as here, copies are manufactured abroad with the permission of the copyright owner. See §106 (referring to the owner's right to authorize).

In our view, §109(a)'s language, its context, and the common-law history of the "first sale" doctrine, taken together, favor a *non*-geographical interpretation. We also doubt that Congress would have intended to create the practical copyright-related harms with which a geographical interpretation would threaten ordinary scholarly, artistic, commercial, and consumer activities. See Part II-D, *infra*. We consequently conclude that Kirtsaeng's nongeographical reading is the better reading of the Act.

A

The language of §109(a) read literally favors Kirtsaeng's nongeographical interpretation, namely, that "lawfully made under this title" means made "in accordance with" or "in compliance with" the Copyright Act. The language of §109(a) says nothing about geography. The word "under" can mean "[i]n accordance with." 18 Oxford English Dictionary 950 (2d ed. 1989). See also Black's Law Dictionary 1525 (6th ed. 1990) ("according to"). And a nongeographical interpretation provides each word of the five-word phrase with a distinct purpose. The first two words of the phrase, "lawfully made," suggest an effort to distinguish those copies that were made lawfully from those that were not, and the last three words, "under this title," set forth the standard of "lawful[ness]." Thus, the nongeographical reading is simple, it promotes a traditional copyright objective (combatting piracy), and it makes word-by-word linguistic sense.

The geographical interpretation, however, bristles with linguistic difficulties. It gives the word "lawfully" little, if any, linguistic work to do. (How could a book be *un*lawfully "made under this title"?) It imports geography into a statutory provision that says nothing explicitly about it. And it is far more complex than may at first appear.

To read the clause geographically, Wiley, like the Second Circuit and the Solicitor General, must first emphasize the word "under." *** One difficulty is that neither "under" nor any other word in the phrase means "where." It might mean "subject to," but as this Court has repeatedly acknowledged, the word evades a uniform, consistent meaning.

A far more serious difficulty arises out of the uncertainty and complexity surrounding the second step's effort to read the necessary geographical limitation into the word "applicable" (or the equivalent). Where, precisely, is the Copyright Act "applicable"? The Act does not instantly *protect* an American copyright holder from unauthorized piracy taking place abroad. But that fact does not mean the Act is *inapplicable* to copies made abroad. As a matter of ordinary English, one can say that a statute imposing, say, a tariff upon "any rhododendron grown in Nepal" applies to *all* Nepalese rhododendrons. And, similarly, one can say that the American Copyright Act is *applicable* to *all* pirated copies, including those printed overseas. Indeed, the Act itself makes clear that (in the Solicitor General's language) foreign-printed pirated copies are "subject to" the

Act. §602(a)(2) (referring to importation of copies “the making of which either constituted an infringement of copyright, or which would have constituted an infringement of copyright if this title had been applicable”).

The appropriateness of this linguistic usage is underscored by the fact that §104 of the Act itself says that works “*subject to protection under this title*” include unpublished works “without regard to the nationality or domicile of the author,” and works “first published” in any one of the nearly 180 nations that have signed a copyright treaty with the United States. §§104(a), (b) (emphasis added); §101 (defining “treaty party”). Thus, ordinary English permits us to say that the Act “applies” to an Irish manuscript lying in its author’s Dublin desk drawer as well as to an original recording of a ballet performance first made in Japan and now on display in a Kyoto art gallery.

The Ninth Circuit’s geographical interpretation produces still greater linguistic difficulty. As we said, that Circuit interprets the “first sale” doctrine to cover both (1) copies manufactured in the United States and (2) copies manufactured abroad but first sold in the United States with the American copyright owner’s permission. *Denbicare U.S.A.*, [84 F.3d, at 1149-1150](#).

We can understand why the Ninth Circuit may have thought it necessary to add the second part of its definition. As we shall later describe, see Part II-D, *infra*, without some such qualification a copyright holder could prevent a buyer from domestically reselling or even giving away copies of a video game made in Japan, a film made in Germany, or a dress (with a design copyright) made in China, even if the copyright holder has granted permission for the foreign manufacture, importation, and an initial domestic sale of the copy. A publisher such as Wiley would be free to print its books abroad, allow their importation and sale within the United States, but prohibit students from later selling their used texts at a campus bookstore. We see no way, however, to reconcile this half-geographical/half-nongeographical interpretation with the language of the phrase, “lawfully made under this title.” As a matter of English, it would seem that those five words either do cover copies lawfully made abroad or they do not.

In sum, we believe that geographical interpretations create more linguistic problems than they resolve. And considerations of simplicity and coherence tip the purely linguistic balance in Kirtsaeng’s, nongeographical, favor.

B

Both historical and contemporary statutory context indicate that Congress, when writing the present version of §109(a), did not have geography in mind. In respect to history, we compare §109(a)’s present language with the language of its immediate predecessor. That predecessor said:

“[N]othing in this Act shall be deemed to forbid, prevent, or restrict the transfer of any copy of a copyrighted work *the possession of which has been lawfully obtained*.”
Copyright Act of 1909, §41, 35 Stat. 1084 (emphasis added).

See also Copyright Act of 1947, §27, 61 Stat. 660. The predecessor says nothing about geography (and Wiley does not argue that it does). So we ask whether Congress, in

changing its language implicitly *introduced* a geographical limitation that previously was lacking.

A comparison of language indicates that it did not. The predecessor says that the “first sale” doctrine protects “the transfer of any copy *the possession of which has been lawfully obtained.*” The present version says that “*the owner* of a particular copy or phonorecord lawfully made under this title is entitled to sell or otherwise dispose of the possession of that copy or phonorecord.” What does this change in language accomplish?

The language of the former version referred to those *who are not owners* of a copy, but mere possessors who “lawfully obtained” a copy. The present version covers only those who are *owners* of a “lawfully made” copy. Whom does the change leave out? Who might have lawfully *obtained* a copy of a copyrighted work but not *owned* that copy? One answer is owners of movie theaters, who during the 1970’s (and before) often *leased* films from movie distributors or filmmakers. Because the theater owners had “lawfully obtained” their copies, the earlier version could be read as allowing them to sell that copy, *i.e.*, it might have given them “first sale” protection. Because the theater owners were lessees, not owners, of their copies, the change in language makes clear that they (like bailees and other lessees) cannot take advantage of the “first sale” doctrine. ***

This objective perfectly well explains the new language of the present version, including the five words here at issue. Section 109(a) now makes clear that a lessee of a copy will *not* receive “first sale” protection but one who *owns* a copy *will* receive “first sale” protection, *provided*, of course, that the copy was “*lawfully made*” and not pirated. The new language also takes into account that a copy may be “lawfully made under this title” when the copy, say of a phonorecord, comes into its owner’s possession through use of a compulsory license, which “this title” provides for elsewhere, namely, in §115. ***

Other provisions of the present statute also support a nongeographical interpretation. For one thing, the statute phases out the “manufacturing clause,” a clause that appeared in earlier statutes and had limited importation of many copies (of copyrighted works) printed outside the United States. §601, 90 Stat. 2588 (“Prior to July 1, 1982. . . the importation into or public distribution in the United States of copies of a work consisting preponderantly of nondramatic literary material . . . is prohibited unless the portions consisting of such material have been manufactured in the United States or Canada”). The phasing out of this clause sought to equalize treatment of copies manufactured in America and copies manufactured abroad.

The “equal treatment” principle, however, is difficult to square with a geographical interpretation of the “first sale” clause that would grant the holder of an American copyright (perhaps a foreign national) permanent control over the American distribution chain (sales, resales, gifts, and other distribution) in respect to copies printed abroad but not in respect to copies printed in America. And it is particularly difficult to believe that Congress would have sought this unequal treatment while saying nothing about it and while, in a related clause (the manufacturing phase-out), seeking the opposite kind of policy goal.

Finally, we normally presume that the words “lawfully made under this title” carry the same meaning when they appear in different but related sections. But doing so here produces surprising consequences. Consider:

(1) Section 109(c) says that, despite the copyright owner’s exclusive right “to display” a copyrighted work (provided in §106(5)), the owner of a particular copy “lawfully made under this title” may publicly display it without further authorization. To interpret these words geographically would mean that one who buys a copyrighted work of art, a poster, or even a bumper sticker, in Canada, in Europe, in Asia, could not display it in America without the copyright owner’s further authorization.

(2) Section 109(e) specifically provides that the owner of a particular copy of a copyrighted video arcade game “lawfully made under this title” may “publicly perform or display that game in coin-operated equipment” without the authorization of the copyright owner. To interpret these words geographically means that an arcade owner could not (“without the authority of the copyright owner”) perform or display arcade games (whether new or used) originally made in Japan.

(3) Section 110(1) says that a teacher, without the copyright owner’s authorization, is allowed to perform or display a copyrighted work (say, an audiovisual work) “in the course of face-to-face teaching activities”—unless the teacher knowingly used “a copy that was not lawfully made under this title.” To interpret these words geographically would mean that the teacher could not (without further authorization) use a copy of a film during class if the copy was lawfully made in Canada, Mexico, Europe, Africa, or Asia.

(4) In its introductory sentence, §106 provides the Act’s basic exclusive rights to an “owner of a copyright under this title.” The last three words cannot support a geographic interpretation.

Wiley basically accepts the first three readings, but argues that Congress intended the restrictive consequences. And it argues that context simply requires that the words of the fourth example receive a different interpretation. Leaving the fourth example to the side, we shall explain in Part II-D, *infra*, why we find it unlikely that Congress would have intended these, and other related consequences.

C

*** The “first sale” doctrine is a common-law doctrine with an impeccable historic pedigree. In the early 17th century Lord Coke explained the common law’s refusal to permit restraints on the alienation of chattels. *** Coke emphasizes the importance of leaving buyers of goods free to compete with each other when reselling or otherwise disposing of those goods. American law too has generally thought that competition, including freedom to resell, can work to the advantage of the consumer.

The “first sale” doctrine also frees courts from the administrative burden of trying to enforce restrictions upon difficult-to-trace, readily movable goods. And it avoids the selective enforcement inherent in any such effort. Thus, it is not surprising that for at

least a century the “first sale” doctrine has played an important role in American copyright law. See *Bobbs-Merrill Co. v. Straus*, [210 U.S. 339](#) (1908).

The common-law doctrine makes no geographical distinctions; nor can we find any in *Bobbs-Merrill* (where this Court first applied the “first sale” doctrine) or in §109(a)’s predecessor provision, which Congress enacted a year later. Rather, as the Solicitor General acknowledges, “a straightforward application of *Bobbs-Merrill*” would not preclude the “first sale” defense from applying to authorized copies made overseas. Brief for United States 27. And we can find no language, context, purpose, or history that would rebut a “straightforward application” of that doctrine here.

The dissent argues that another principle of statutory interpretation works against our reading, and points out that elsewhere in the statute Congress used different words to express something like the non-geographical reading we adopt. *Post* (quoting §602(a)(2) (prohibiting the importation of copies “the making of which either constituted an infringement of copyright, or which would have constituted an infringement of copyright if this title had been applicable” (emphasis deleted))). Hence, Congress, the dissent believes, must have meant §109(a)’s different language to mean something different (such as the dissent’s own geographical interpretation of §109(a)). We are not aware, however, of any canon of interpretation that forbids interpreting different words used in different parts of the same statute to mean roughly the same thing. Regardless, were there such a canon, the dissent’s interpretation of §109(a) would also violate it. That is because Congress elsewhere in the 1976 Act included the words “manufactured in the United States or Canada,” 90 Stat. 2588, which express just about the same geographical thought that the dissent reads into §109(a)’s very different language.

D

Associations of libraries, used-book dealers, technology companies, consumer-goods retailers, and museums point to various ways in which a geographical interpretation would fail to further basic constitutional copyright objectives, in particular “promot[ing] the Progress of Science and useful Arts.” U. S. Const., Art. I, §8, cl. 8.

The American Library Association tells us that library collections contain at least 200 million books published abroad (presumably, many were first published in one of the nearly 180 copyright-treaty nations and enjoy American copyright protection under 17 U.S.C. §104); that many others were first published in the United States but printed abroad because of lower costs; and that a geographical interpretation will likely require the libraries to obtain permission (or at least create significant uncertainty) before circulating or otherwise distributing these books.

How, the American Library Association asks, are the libraries to obtain permission to distribute these millions of books? How can they find, say, the copyright owner of a foreign book, perhaps written decades ago? They may not know the copyright holder’s present address. And, even where addresses can be found, the costs of finding them, contacting owners, and negotiating may be high indeed. Are the libraries to stop circulating or distributing or displaying the millions of books in their collections that were printed abroad?

Used-book dealers tell us that, from the time when Benjamin Franklin and Thomas Jefferson built commercial and personal libraries of foreign books, American readers have bought used books published and printed abroad. But under a geographical interpretation a contemporary tourist who buys, say, at Shakespeare and Co. (in Paris), a dozen copies of a foreign book for American friends might find that she had violated the copyright law. The usedbook dealers cannot easily predict what the foreign copyright holder may think about a reader's effort to sell a used copy of a novel. And they believe that a geographical interpretation will injure a large portion of the used-book business.

Technology companies tell us that "automobiles, microwaves, calculators, mobile phones, tablets, and personal computers" contain copyrightable software programs or packaging. Many of these items are made abroad with the American copyright holder's permission and then sold and imported (with that permission) to the United States. A geographical interpretation would prevent the resale of, say, a car, without the permission of the holder of each copyright on each piece of copyrighted automobile software. Yet there is no reason to believe that foreign auto manufacturers regularly obtain this kind of permission from their software component suppliers, and Wiley did not indicate to the contrary when asked. See Tr. of Oral Arg. 29-30. Without that permission a foreign car owner could not sell his or her used car.

*** Art museum directors ask us to consider their efforts to display foreign-produced works by, say, Cy Twombly, René Magritte, Henri Matisse, Pablo Picasso, and others. A geographical interpretation, they say, would require the museums to obtain permission from the copyright owners before they could display the work—even if the copyright owner has already sold or donated the work to a foreign museum. What are the museums to do, they ask, if the artist retained the copyright, if the artist cannot be found, or if a group of heirs is arguing about who owns which copyright?

These examples, and others previously mentioned, help explain *why* Lord Coke considered the "first sale" doctrine necessary to protect "Trade and Traffi[c], and bargaining and contracting," and they help explain *why* American copyright law has long applied that doctrine.

Neither Wiley nor any of its many *amici* deny that a geographical interpretation could bring about these "horribles"—at least in principle. Rather, Wiley essentially says that the list is artificially invented. It points out that a federal court first adopted a geographical interpretation more than 30 years ago. Yet, it adds, these problems have not occurred. Why not? Because, says Wiley, the problems and threats are purely theoretical; they are unlikely to reflect reality.

We are less sanguine. *** [R]eliance upon the "first sale" doctrine is deeply embedded in the practices of those, such as booksellers, libraries, museums, and retailers, who have long relied upon its protection. Museums, for example, are not in the habit of asking their foreign counterparts to check with the heirs of copyright owners before sending, *e.g.*, a Picasso on tour. That inertia means a dramatic change is likely necessary before these institutions, instructed by their counsel, would begin to engage in the complex permission-verifying process that a geographical interpretation would demand.

And this Court's adoption of the geographical interpretation could provide that dramatic change. These intolerable consequences (along with the absurd result that the copyright owner can exercise downstream control even when it authorized the import or first sale) have understandably led the Ninth Circuit, the Solicitor General as *amicus*, and the dissent to adopt textual readings of the statute that attempt to mitigate these harms. But those readings are not defensible, for they require too many unprecedented jumps over linguistic and other hurdles that in our view are insurmountable.

Finally, the fact that harm has proved limited so far may simply reflect the reluctance of copyright holders so far to assert geographically based resale rights. They may decide differently if the law is clarified in their favor. Regardless, a copyright law that can work in practice only if unenforced is not a sound copyright law. It is a law that would create uncertainty, would bring about selective enforcement, and, if widely unenforced, would breed disrespect for copyright law itself.

Thus, we believe that the practical problems that petitioner and his *amici* have described are too serious, too extensive, and too likely to come about for us to dismiss them as insignificant—particularly in light of the evergrowing importance of foreign trade to America. The upshot is that copyright-related consequences along with language, context, and interpretive canons argue strongly against a geographical interpretation of §109(a).

III

Wiley and the dissent make several additional important arguments in favor of the geographical interpretation. *First*, they say that our *Quality King* decision strongly supports its geographical interpretation. In that case we asked whether the Act's "importation provision," now §602(a)(1) (then §602(a)), barred importation (without permission) of a copyrighted item (labels affixed to hair care products) where an American copyright owner authorized the first sale and export of hair care products with copyrighted labels made in the United States, and where a buyer sought to import them back into the United States without the copyright owner's permission. [523 U.S., at 138-139](#).

We held that the importation provision did *not* prohibit sending the products back into the United States (without the copyright owner's permission). That section says:

"Importation into the United States, without the authority of the owner of copyright under this title, of copies or phonorecords of a work that have been acquired outside the United States *is an infringement* of the exclusive right to distribute copies or phonorecords *under section 106*." 17 U.S.C. §602(a)(1) (emphasis added). See also §602(a).

We pointed out that this section makes importation an infringement of the "exclusive right to distribute . . . *under 106*." We noted that §109(a)'s "first sale" doctrine limits the scope of the §106 exclusive distribution right. We took as given the fact that the products at issue had at least once been sold. And we held that consequently, importation of the copyrighted labels does not violate §602(a)(1). [523 U.S., at 145](#).

In reaching this conclusion we endorsed *Bobbs-Merrill* and its statement that the copyright laws were not "intended to create a right which would permit the holder of the

copyright to fasten, by notice in a book . . . a restriction upon the subsequent alienation of the subject-matter of copyright after the owner had parted with the title to one who had acquired full dominion over it.” [210 U.S., at 349-350](#).

We also explained why we rejected the claim that our interpretation would make §602(a)(1) pointless. Those advancing that claim had pointed out that the 1976 Copyright Act amendments retained a prior anti-piracy provision, prohibiting the importation of *pirated* copies. *Quality King*, *supra*, [at 146](#). Thus, they said, §602(a)(1) must prohibit the importation of lawfully made copies, for to allow the importation of those lawfully made copies *after a first sale*, as *Quality King*’s holding would do, would leave §602(a)(1) without much to prohibit. It would become superfluous, without any real work to do.

We do not believe that this argument is a strong one. Under *Quality King*’s interpretation, §602(a)(1) would still forbid importing (without permission, and subject to the exceptions in §602(a)(3)) copies lawfully made abroad, for example, where (1) a foreign publisher operating as the licensee of an American publisher prints copies of a book overseas but, prior to any authorized sale, seeks to send them to the United States; (2) a foreign printer or other manufacturer (if not the “owner” for purposes of §109(a), *e.g.*, before an authorized sale) sought to send copyrighted goods to the United States; (3) “a book publisher transports copies to a wholesaler” and the wholesaler (not yet the owner) sends them to the United States, see Copyright Law Revision, pt. 4, at 211 (giving this example); or (4) a foreign film distributor, having leased films for distribution, or any other licensee, consignee, or bailee sought to send them to the United States. These examples show that §602(a)(1) retains significance. We concede it has less significance than the dissent believes appropriate, but the dissent also adopts a construction of §106(3) that “significantly curtails” §109(a)’s effect, and so limits the scope of that provision to a similar, or even greater, degree.

In *Quality King* we rejected the “superfluous” argument for similar reasons. But, when rejecting it, we said that, where an author gives exclusive American distribution rights to an American publisher and exclusive British distribution rights to a British publisher, “presumably *only those [copies] made by the publisher of the United States edition would be ‘lawfully made under this title’* within the meaning of §109(a).” [523 U.S., at 148](#) (emphasis added). Wiley now argues that this phrase in the *Quality King* opinion means that books published abroad (under license) must fall outside the words “lawfully made under this title” and that we have consequently already given those words the geographical interpretation that it favors.

We cannot, however, give the *Quality King* statement the legal weight for which Wiley argues. The language “lawfully made under this title” was not at issue in *Quality King*; the point before us now was not then fully argued; we did not canvas the considerations we have here set forth; we there said nothing to suggest that the example assumes a “first sale”; and we there hedged our statement with the word “presumably.” Most importantly, the statement is pure dictum. It is dictum contained in a rebuttal to a counterargument. And it is *unnecessary* dictum even in that respect. Is the Court having once written dicta calling a tomato a vegetable bound to deny that it is a fruit forever after?

To the contrary, we have written that we are not necessarily bound by dicta should more complete argument demonstrate that the dicta is not correct. And, given the bit part that our *Quality King* statement played in our *Quality King* decision, we believe the view of *stare decisis* set forth in these opinions applies to the matter now before us.

Second, Wiley and the dissent argue (to those who consider legislative history) that the Act's legislative history supports their interpretation. But the historical events to which it points took place more than a decade before the enactment of the Act and, at best, are inconclusive. ***

Third, Wiley and the dissent claim that a nongeographical interpretation will make it difficult, perhaps impossible, for publishers (and other copyright holders) to divide foreign and domestic markets. We concede that is so. A publisher may find it more difficult to charge different prices for the same book in different geographic markets. But we do not see how these facts help Wiley, for we can find no basic principle of copyright law that suggests that publishers are especially entitled to such rights. *** Congress enacted a copyright law that (through the "first sale" doctrine) limits copyright holders' ability to divide domestic markets. *** Whether copyright owners should, or should not, have more than ordinary commercial power to divide international markets is a matter for Congress to decide. We do no more here than try to determine what decision Congress has taken. ***

IV

For these reasons we conclude that the considerations supporting Kirtsaeng's nongeographical interpretation of the words "lawfully made under this title" are the more persuasive. The judgment of the Court of Appeals is reversed, and the case is remanded for further proceedings consistent with this opinion.

It is so ordered.

JUSTICE KAGAN, with whom JUSTICE ALITO joins, concurring: I concur fully in the Court's opinion. *** That said, John Wiley is right that the Court's decision, when combined with *Quality King*, substantially narrows §602(a)(1)'s ban on unauthorized importation. *Quality King* held that the importation ban does not reach any copies receiving first-sale protection under §109(a). See [523 U.S., at 151-152](#). So notwithstanding §602(a)(1), an "owner of a particular copy . . . lawfully made under this title" can import that copy without the copyright owner's permission. §109(a). In now holding that copies "lawfully made under this title" include copies manufactured abroad, we unavoidably diminish §602(a)(1)'s scope—indeed, limit it to a fairly esoteric set of applications.

But if Congress views the shrinking of §602(a)(1) as a problem, it should recognize *Quality King*—not our decision today—as the culprit. Here, after all, we merely construe §109(a); *Quality King* is the decision holding that §109(a) limits §602(a)(1). Had we come out the opposite way in that case, §602(a)(1) would allow a copyright owner to restrict the importation of copies irrespective of the first-sale doctrine. That result would enable the copyright owner to divide international markets in the way John Wiley claims Congress intended when enacting §602(a)(1). But it would do so without imposing down-stream liability on those who purchase and resell in the United States copies that

happen to have been manufactured abroad. In other words, that outcome would target unauthorized importers alone, and not the “libraries, used-book dealers, technology companies, consumer-goods retailers, and museums” with whom the Court today is rightly concerned. Assuming Congress adopted §602(a)(1) to permit market segmentation, I suspect that is how Congress thought the provision would work—not by removing first-sale protection from every copy manufactured abroad (as John Wiley urges us to do here), but by enabling the copyright holder to control imports even when the first-sale doctrine applies (as *Quality King* now prevents).²

At bottom, John Wiley (together with the dissent) asks us to misconstrue §109(a) in order to restore §602(a)(1) to its purportedly rightful function of enabling copyright holders to segment international markets. I think John Wiley may have a point about what §602(a)(1) was designed to do; that gives me pause about *Quality King*'s holding that the first-sale doctrine limits the importation ban's scope. But the Court today correctly declines the invitation to save §602(a)(1) from *Quality King* by destroying the first-sale protection that §109(a) gives to every owner of a copy manufactured abroad. That would swap one (possible) mistake for a much worse one, and make our reading of the statute only less reflective of Congressional intent. If Congress thinks copyright owners need greater power to restrict importation and thus divide markets, a ready solution is at hand—not the one John Wiley offers in this case, but the one the Court rejected in *Quality King*.

JUSTICE GINSBURG, with whom JUSTICE KENNEDY joins, and with whom JUSTICE SCALIA joins except as to Parts III and V-B-1, dissenting: ***

I

Because economic conditions and demand for particular goods vary across the globe, copyright owners have a financial incentive to charge different prices for copies of their works in different geographic regions. Their ability to engage in such price discrimination, however, is undermined if arbitrageurs are permitted to import copies from low-price regions and sell them in high-price regions. The question in this case is whether the unauthorized importation of foreign-made copies constitutes copyright infringement under U. S. law.

To answer this question, one must examine three provisions of Title 17 of the U. S. Code: §§106(3), 109(a), and 602(a)(1). *** As the District Court and the Court of Appeals concluded, see 654 F.3d 210, 221-222 (CA2 2011), application of the *Quality King*

² Indeed, allowing the copyright owner to restrict imports irrespective of the first-sale doctrine—*i.e.*, reversing *Quality King*—would yield a far more sensible scheme of market segmentation than would adopting John Wiley's argument here. That is because only the former approach turns on the *intended market* for copies; the latter rests instead on their *place of manufacture*. To see the difference, imagine that John Wiley prints all its textbooks in New York, but wants to distribute certain versions only in Thailand. Without *Quality King*, John Wiley could do so—*i.e.*, produce books in New York, ship them to Thailand, and prevent anyone from importing them back into the United States. But with *Quality King*, that course is not open to John Wiley even under its reading of §109(a): To prevent someone like Kirtsaeng from reimporting the books—and so to segment the Thai market—John Wiley would have to move its printing facilities abroad. I can see no reason why Congress would have conditioned a copyright owner's power to divide markets on outsourcing its manufacturing to a foreign country.

analysis to the facts of this case would preclude any invocation of §109(a). Petitioner Supap Kirtsaeng imported and then sold at a profit over 600 copies of copyrighted textbooks printed outside the United States by the Asian subsidiary of respondent John Wiley & Sons, Inc. (Wiley). In the words the Court used in *Quality King*, these copies “were ‘lawfully made’ not under the United States Copyright Act, but instead, under the law of some other country.” [523 U.S., at 147](#). Section 109(a) therefore does not apply, and Kirtsaeng’s unauthorized importation constitutes copyright infringement under §602(a)(1). *** I would hold, consistently with *Quality King*’s dictum, that §602(a)(1) authorizes a copyright owner to bar the importation of a copy manufactured abroad for sale abroad.

II

The text of the Copyright Act demonstrates that Congress intended to provide copyright owners with a potent remedy against the importation of foreign-made copies of their copyrighted works. As the Court recognizes, this case turns on the meaning of the phrase “lawfully made under this title” in §109(a). In my view, that phrase is most sensibly read as referring to instances in which a copy’s creation is governed by, and conducted in compliance with, Title 17 of the U.S. Code. ***

Section 109(a), properly read, affords Kirtsaeng no defense against Wiley’s claim of copyright infringement. The Copyright Act, it has been observed time and again, does not apply extraterritorially. The printing of Wiley’s foreign-manufactured textbooks therefore was not governed by Title 17. The textbooks thus were not “lawfully made under [Title 17],” the crucial precondition for application of §109(a). And if §109(a) does not apply, there is no dispute that Kirtsaeng’s conduct constituted copyright infringement under §602(a)(1).

*** Only by disregarding this established meaning of “under” can the Court arrive at the conclusion that Wiley’s foreign-manufactured textbooks were “lawfully made under” U.S. copyright law, even though that law did not govern their creation. It is anomalous, however, to speak of particular conduct as “lawful” under an inapplicable law. ***

The logical implication of the Court’s definition of the word “under” is that *any* copy manufactured abroad—even a piratical one made without the copyright owner’s authorization and in violation of the law of the country where it was created—would fall within the scope of §109(a). Any such copy would have been made “in accordance with” or “in compliance with” the U.S. Copyright Act, in the sense that manufacturing the copy did not violate the Act (because the Act does not apply extraterritorially).

The Court rightly refuses to accept such an absurd conclusion. Instead, it interprets §109(a) as applying only to copies whose making actually complied with Title 17, or would have complied with Title 17 had Title 17 been applicable (*i.e.*, had the copies been made in the United States). Congress, however, used express language when it called for such a counterfactual inquiry in 17 U.S.C. §§602(a)(2) and (b). Had Congress intended courts to engage in a similarly hypothetical inquiry under §109(a), Congress would presumably have included similar language in that section.

Not only does the Court adopt an unnatural construction of the §109(a) phrase “lawfully made under this title.” Concomitantly, the Court reduces §602(a)(1) to insignificance. As the Court appears to acknowledge, the only independent effect §602(a)(1) has under today’s decision is to prohibit unauthorized importations carried out by persons who merely have possession of, but do not own, the imported copies. See 17 U.S.C. §109(a) (§109(a) applies to any “owner of a particular copy or phonorecord lawfully made under this title” (emphasis added)). If this is enough to avoid rendering §602(a)(1) entirely “superfluous,” it hardly suffices to give the owner’s importation right the scope Congress intended it to have. Congress used broad language in §602(a)(1); it did so to achieve a broad objective. Had Congress intended simply to provide a copyright remedy against larcenous lessees, licensees, consignees, and bailees of films and other copyright-protected goods, it likely would have used language tailored to that narrow purpose.

The Court’s decision also overwhelms 17 U.S.C. §602(a)(3)’s exceptions to §602(a)(1)’s importation prohibition. 2 P. Goldstein, Copyright §7.6.1.2(a), p. 7:141 (3d ed. 2012) (hereinafter Goldstein). Those exceptions permit the importation of copies without the copyright owner’s authorization for certain governmental, personal, scholarly, educational, and religious purposes. 17 U.S.C. §602(a)(3). Copies imported under these exceptions “will often be lawfully made gray market goods purchased through normal market channels abroad.” 2 Goldstein §7.6.1.2(a), at 7:141.⁹ But if, as the Court holds, such copies can in any event be imported by virtue of §109(a), §602(a)(3)’s work has already been done. For example, had Congress conceived of §109(a)’s sweep as the Court does, what earthly reason would there be to provide, as Congress did in §602(a)(3)(C), that a library may import “no more than five copies” of a non-audiovisual work for its “lending or archival purposes”?

The far more plausible reading of §§109(a) and 602(a), then, is that Congress intended §109(a) to apply to copies made in the United States, not to copies manufactured and sold abroad. That reading of the first sale and importation provisions leaves §602(a)(3)’s exceptions with real, meaningful work to do. In the range of circumstances covered by the exceptions, §602(a)(3) frees individuals and entities who purchase foreign-made copies abroad from the requirement they would otherwise face under §602(a)(1) of obtaining the copyright owner’s permission to import the copies into the United States.

V

I turn now to the Court’s justifications for a decision difficult to reconcile with the Copyright Act’s text and history. ***

⁹ The term “gray market good” refers to a good that is “imported outside the distribution channels that have been contractually negotiated by the intellectual property owner.” Forsyth & Rothnie, *Parallel Imports*, in *The Interface Between Intellectual Property Rights and Competition Policy* 429 (S. Anderman ed. 2007). Such goods are also commonly called “parallel imports.” *Ibid.*

B

The Court sees many “horribles” following from a holding that the §109(a) phrase “lawfully made under this title” does not encompass foreign-made copies. If §109(a) excluded foreign-made copies, the Court fears, then copyright owners could exercise perpetual control over the downstream distribution or public display of such copies. A ruling in Wiley’s favor, the Court asserts, would shutter libraries, put used-book dealers out of business, cripple art museums, and prevent the resale of a wide range of consumer goods, from cars to calculators. Copyright law and precedent, however, erect barriers to the anticipated horrors.

1

Recognizing that foreign-made copies fall outside the ambit of §109(a) would not mean they are forever free of the first sale doctrine. As earlier observed, the Court stated that doctrine initially in its 1908 *Bobbs-Merrill* decision. At that time, no statutory provision expressly codified the first sale doctrine. Instead, copyright law merely provided that copyright owners had “the sole liberty of printing, reprinting, publishing, completing, copying, executing, finishing, and vending” their works. Copyright Act of 1891, §1, 26 Stat. 1107.

In *Bobbs-Merrill*, the Court addressed the scope of the statutory right to “ven[d].” In granting that right, the Court held, Congress did not intend to permit copyright owners “to fasten . . . a restriction upon the subsequent alienation of the subject-matter of copyright after the owner had parted with the title to one who had acquired full dominion over it and had given a satisfactory price for it.” [210 U.S., at 349-350](#). “[O]ne who has sold a copyrighted article... without restriction,” the Court explained, “has parted with all right to control the sale of it.” *Id.*, at 350. Thus, “[t]he purchaser of a book, once sold by authority of the owner of the copyright, may sell it again, although he could not publish a new edition of it.” *Ibid.*

Under the logic of *Bobbs-Merrill*, the sale of a foreign-manufactured copy in the United States carried out with the copyright owner’s authorization would exhaust the copyright owner’s right to “vend” that copy. The copy could thenceforth be resold, lent out, or otherwise redistributed without further authorization from the copyright owner. Although §106(3) uses the word “distribute” rather than “vend,” there is no reason to think Congress intended the word “distribute” to bear a meaning different from the construction the Court gave to the word “vend” in *Bobbs-Merrill*. See *ibid.* (emphasizing that the question before the Court was “purely [one] of statutory construction”). Thus, in accord with *Bobbs-Merrill*, the first authorized distribution of a foreign-made copy in the United States exhausts the copyright owner’s distribution right under §106(3). After such an authorized distribution, a library may lend, or a used-book dealer may resell, the foreign-made copy without seeking the copyright owner’s permission.

For example, if Wiley, rather than Kirtsaeng, had imported into the United States and then sold the foreign-made textbooks at issue in this case, Wiley’s §106(3) distribution right would have been exhausted under the rationale of *Bobbs-Merrill*. Purchasers of the

textbooks would thus be free to dispose of the books as they wished without first gaining a license from Wiley.

This line of reasoning, it must be acknowledged, significantly curtails the independent effect of §109(a). If, as I maintain, the term “distribute” in §106(3) incorporates the first sale doctrine by virtue of *Bobbs-Merrill*, then §109(a)’s codification of that doctrine adds little to the regulatory regime. Section 109(a), however, does serve as a statutory bulwark against courts deviating from *Bobbs-Merrill* in a way that increases copyright owners’ control over downstream distribution, and legislative history indicates that is precisely the role Congress intended §109(a) to play. Congress first codified the first sale doctrine in §41 of the Copyright Act of 1909, 35 Stat. 1084. *** In enacting §41 and its successors, I would hold, Congress did not “change . . . existing law,” H.R. Rep. No. 2222, 60th Cong., 2d Sess., 19 (1909), by stripping the word “vend” (and thus its substitute “distribute”) of the limiting construction imposed in *Bobbs-Merrill*.

In any event, the reading of the Copyright Act to which I subscribe honors Congress’ aim in enacting §109(a) while the Court’s reading of the Act severely diminishes §602(a)(1)’s role. My position in no way tugs against the principle underlying §109(a)—*i.e.*, that certain conduct by the copyright owner exhausts the owner’s §106(3) distribution right. The Court, in contrast, fails to give meaningful effect to Congress’ manifest intent in §602(a)(1) to grant copyright owners the right to control the importation of foreign-made copies of their works.

2

Other statutory prescriptions provide further protection against the absurd consequences imagined by the Court. For example, §602(a)(3)(C) permits “an organization operated for scholarly, educational, or religious purposes” to import, without the copyright owner’s authorization, up to five foreign-made copies of a non-audiovisual work—notably, a book—for “library lending or archival purposes.”

The Court also notes that *amici* representing art museums fear that a ruling in Wiley’s favor would prevent museums from displaying works of art created abroad. These *amici* observe that a museum’s right to display works of art often depends on 17 U.S.C. §109(c). That provision addresses exhaustion of a copyright owner’s exclusive right under §106(5) to publicly display the owner’s work. Because §109(c), like §109(a), applies only to copies “lawfully made under this title,” *amici* contend that a ruling in Wiley’s favor would prevent museums from invoking §109(c) with respect to foreign-made works of art.

Limiting §109(c) to U.S.-made works, however, does not bar art museums from lawfully displaying works made in other countries. Museums can, of course, seek the copyright owner’s permission to display a work. Furthermore, the sale of a work of art to a U.S. museum may carry with it an implied license to publicly display the work. Displaying a work of art as part of a museum exhibition might also qualify as a “fair use” under 17 U.S.C. §107. Cf. *Bouchat v. Baltimore Ravens Ltd. Partnership*, [619 F.3d 301, 313-316](#) (CA4 2010) (display of copyrighted logo in museum-like exhibition constituted “fair use”).

The Court worries about the resale of foreign-made consumer goods “contain[ing] copyrightable software programs or packaging.” For example, the Court observes that a car might be programmed with diverse forms of software, the copyrights to which might be owned by individuals or entities other than the manufacturer of the car. Must a car owner, the Court asks, obtain permission from all of these various copyright owners before reselling her car? Although this question strays far from the one presented in this case and briefed by the parties, principles of fair use and implied license (to the extent that express licenses do not exist) would likely permit the car to be resold without the copyright owners’ authorization.

Most telling in this regard, no court, it appears, has been called upon to answer any of the Court’s “horribles” in an actual case. Three decades have passed since a federal court first published an opinion reading §109(a) as applicable exclusively to copies made in the United States. Yet Kirtsaeng and his supporting *amici* cite not a single case in which the owner of a consumer good authorized for sale in the United States has been sued for copyright infringement after reselling the item or giving it away as a gift or to charity. The absence of such lawsuits is unsurprising. Routinely suing one’s customers is hardly a best business practice. Manufacturers, moreover, may be hesitant to do business with software programmers taken to suing consumers. Manufacturers may also insist that software programmers agree to contract terms barring such lawsuits.

The Court provides a different explanation for the absence of the untoward consequences predicted in its opinion—namely, that lower court decisions regarding the scope of §109(a)’s first sale prescription have not been uniform. Uncertainty generated by these conflicting decisions, the Court notes, may have deterred some copyright owners from pressing infringement claims. But if, as the Court suggests, there are a multitude of copyright owners champing at the bit to bring lawsuits against libraries, art museums, and consumers in an effort to exercise perpetual control over the downstream distribution and public display of foreign-made copies, might one not expect that at least a handful of such lawsuits would have been filed over the past 30 years? The absence of such suits indicates that the “practical problems” hypothesized by the Court are greatly exaggerated. They surely do not warrant disregarding Congress’ intent, expressed in §602(a)(1), to grant copyright owners the authority to bar the importation of foreign-made copies of their works.

VI

*** First, in enacting §602(a)(1), Congress intended to grant copyright owners permission to segment international markets by barring the importation of foreign-made copies into the United States. Second, as codification of the first sale doctrine underscores, Congress did not want the exclusive distribution right conferred in §106(3) to be boundless. Instead of harmonizing these objectives, the Court subordinates the first entirely to the second. ***

Rather than adopting the very international-exhaustion rule the United States has consistently resisted in international-trade negotiations, I would adhere to the national-exhaustion framework set by the Copyright Act’s text and history. Under that regime,

codified in §602(a)(1), Kirtsaeng's unauthorized importation of the foreign-made textbooks involved in this case infringed Wiley's copyrights. I would therefore affirm the Second Circuit's judgment.

Eldred v. Ashcroft

537 U.S. 186 (2003)

JUSTICE GINSBURG delivered the opinion of the Court: This case concerns the authority the Constitution assigns to Congress to prescribe the duration of copyrights. The Copyright and Patent Clause of the Constitution, Art. I, § 8, cl. 8, provides as to copyrights: “Congress shall have Power ... [t]o promote the Progress of Science ... by securing [to Authors] for limited Times ... the exclusive Right to their ... Writings.” In 1998, in the measure here under inspection, Congress enlarged the duration of copyrights by 20 years. Copyright Term Extension Act (CTEA), Pub.L. 105-298, § § 102(b) and (d), 112 Stat. 2827-2828 (amending 17 U.S.C. § § 302, 304). As in the case of prior extensions, principally in 1831, 1909, and 1976, Congress provided for application of the enlarged terms to existing and future copyrights alike.

Petitioners are individuals and businesses whose products or services build on copyrighted works that have gone into the public domain. They seek a determination that the CTEA fails constitutional review under both the Copyright Clause’s “limited Times” prescription and the First Amendment’s free speech guarantee. Under the 1976 Copyright Act, copyright protection generally lasted from the work’s creation until 50 years after the author’s death. Pub.L. 94-553, § 302(a), 90 Stat. 2572 (1976 Act). Under the CTEA, most copyrights now run from creation until 70 years after the author’s death. 17 U.S.C. § 302(a). Petitioners do not challenge the “life-plus-70-years” timespan itself. “Whether 50 years is enough, or 70 years too much,” they acknowledge, “is not a judgment meet for this Court.” Brief for Petitioners 14. Congress went awry, petitioners maintain, not with respect to newly created works, but in enlarging the term for published works with existing copyrights. The “limited Tim[e]” in effect when a copyright is secured, petitioners urge, becomes the constitutional boundary, a clear line beyond the power of Congress to extend. As to the First Amendment, petitioners contend that the CTEA is a content-neutral regulation of speech that fails inspection under the heightened judicial scrutiny appropriate for such regulations.

In accord with the District Court and the Court of Appeals, we reject petitioners’ challenges to the CTEA. In that 1998 legislation, as in all previous copyright term extensions, Congress placed existing and future copyrights in parity. In prescribing that alignment, we hold, Congress acted within its authority and did not transgress constitutional limitations.

I

A

We evaluate petitioners’ challenge to the constitutionality of the CTEA against the backdrop of Congress’ previous exercises of its authority under the Copyright Clause. The Nation’s first copyright statute, enacted in 1790, provided a federal copyright term of 14 years from the date of publication, renewable for an additional 14 years if the author survived the first term. Act of May 31, 1790, ch. 15, § 1, 1 Stat. 124 (1790 Act). The 1790 Act’s renewable 14-year term applied to existing works (*i.e.*, works already published and works created but not yet published) and future works alike. Congress

expanded the federal copyright term to 42 years in 1831 (28 years from publication, renewable for an additional 14 years), and to 56 years in 1909 (28 years from publication, renewable for an additional 28 years). Act of Feb. 3, 1831, ch. 16, § 1, 16, 4 Stat. 436, 439 (1831 Act); Act of Mar. 4, 1909, ch. 320, § 23-24, 35 Stat. 1080-1081 (1909 Act). Both times, Congress applied the new copyright term to existing and future works, 1831 Act § 1, 16; 1909 Act § 23-24; to qualify for the 1831 extension, an existing work had to be in its initial copyright term at the time the Act became effective, 1831 Act § 1, 16.

In 1976, Congress altered the method for computing federal copyright terms. 1976 Act § 302-304. For works created by identified natural persons, the 1976 Act provided that federal copyright protection would run from the work's creation, not—as in the 1790, 1831, and 1909 Acts—its publication; protection would last until 50 years after the author's death. § 302(a). In these respects, the 1976 Act aligned United States copyright terms with the then-dominant international standard adopted under the Berne Convention for the Protection of Literary and Artistic Works. For anonymous works, pseudonymous works, and works made for hire, the 1976 Act provided a term of 75 years from publication or 100 years from creation, whichever expired first. § 302(c).

These new copyright terms, the 1976 Act instructed, governed all works not published by its effective date of January 1, 1978, regardless of when the works were created. § 302-303. For published works with existing copyrights as of that date, the 1976 Act granted a copyright term of 75 years from the date of publication, § 304(a) and (b), a 19-year increase over the 56-year term applicable under the 1909 Act.

The measure at issue here, the CTEA, installed the fourth major duration extension of federal copyrights. Retaining the general structure of the 1976 Act, the CTEA enlarges the terms of all existing and future copyrights by 20 years. For works created by identified natural persons, the term now lasts from creation until 70 years after the author's death. 17 U.S.C. § 302(a). This standard harmonizes the baseline United States copyright term with the term adopted by the European Union in 1993. See Council Directive 93/98/EEC of 29 October 1993 Harmonizing the Term of Protection of Copyright and Certain Related Rights, 1993 Official J. Eur. Coms. (L290), p. 9 (EU Council Directive 93/98). For anonymous works, pseudonymous works, and works made for hire, the term is 95 years from publication or 120 years from creation, whichever expires first. 17 U.S.C. § 302(c).

Paralleling the 1976 Act, the CTEA applies these new terms to all works not published by January 1, 1978. § 302(a), 303(a). For works published before 1978 with existing copyrights as of the CTEA's effective date, the CTEA extends the term to 95 years from publication. § 304(a) and (b). Thus, in common with the 1831, 1909, and 1976 Acts, the CTEA's new terms apply to both future and existing copyrights.

B

Petitioners' suit challenges the CTEA's constitutionality under both the Copyright Clause and the First Amendment. ***

II

A

We address first the determination of the courts below that Congress has authority under the Copyright Clause to extend the terms of existing copyrights. Text, history, and precedent, we conclude, confirm that the Copyright Clause empowers Congress to prescribe “limited Times” for copyright protection and to secure the same level and duration of protection for all copyright holders, present and future.

The CTEA’s baseline term of life plus 70 years, petitioners concede, qualifies as a “limited Tim[e]” as applied to future copyrights. Petitioners contend, however, that existing copyrights extended to endure for that same term are not “limited.” Petitioners’ argument essentially reads into the text of the Copyright Clause the command that a time prescription, once set, becomes forever “fixed” or “inalterable.” The word “limited,” however, does not convey a meaning so constricted. At the time of the Framing, that word meant what it means today: “confine[d] within certain bounds,” “restrain[ed],” or “circumscribe[d].” S. Johnson, *A Dictionary of the English Language* (7th ed. 1785); see T. Sheridan, *A Complete Dictionary of the English Language* (6th ed. 1796) (“confine[d] within certain bounds”); Webster’s Third New International Dictionary 1312 (1976) (“confined within limits”; “restricted in extent, number, or duration”). Thus understood, a timespan appropriately “limited” as applied to future copyrights does not automatically cease to be “limited” when applied to existing copyrights. And as we observe, *infra*, there is no cause to suspect that a purpose to evade the “limited Times” prescription prompted Congress to adopt the CTEA.

To comprehend the scope of Congress’ power under the Copyright Clause, “a page of history is worth a volume of logic.” *New York Trust Co. v. Eisner*, [256 U.S. 345, 349](#) (1921) (Holmes, J.). History reveals an unbroken congressional practice of granting to authors of works with existing copyrights the benefit of term extensions so that all under copyright protection will be governed evenhandedly under the same regime. As earlier recounted, see *supra*, the First Congress accorded the protections of the Nation’s first federal copyright statute to existing and future works alike. 1790 Act § 1. Since then, Congress has regularly applied duration extensions to both existing and future copyrights. 1831 Act § § 1, 16; 1909 Act § § 23-24; 1976 Act § § 302-303; 17 U.S.C. § § 302-304.

Justice STEVENS stresses the rejection of a proposed amendment to the Statute of Anne that would have extended the term of existing copyrights, and reports that opponents of the extension feared it would perpetuate the monopoly position enjoyed by English booksellers. But the English Parliament confronted a situation that never existed in the United States. Through the late 17th century, a government-sanctioned printing monopoly was held by the Stationers’ Company, “the ancient London guild of printers and booksellers.” M. Rose, *Authors and Owners: The Invention of Copyright* 4 (1993); see L. Patterson, *Copyright in Historical Perspective* ch. 3 (1968). Although that legal monopoly ended in 1695, concerns about monopolistic practices remained, and the 18th-century English Parliament was resistant to any enhancement of

booksellers' and publishers' entrenched position. In this country, in contrast, competition among publishers, printers, and booksellers was "intens[e]" at the time of the founding, and "there was not even a rough analog to the Stationers' Company on the horizon." Nachbar, *Constructing Copyright's Mythology*, 6 *Green Bag* 2d 37, 45 (2002). The Framers guarded against the future accumulation of monopoly power in booksellers and publishers by authorizing Congress to vest copyrights only in "Authors." Justice STEVENS does not even attempt to explain how Parliament's response to England's experience with a publishing monopoly may be construed to impose a constitutional limitation on Congress' power to extend copyrights granted to "Authors."

Because the Clause empowering Congress to confer copyrights also authorizes patents, congressional practice with respect to patents informs our inquiry. We count it significant that early Congresses extended the duration of numerous individual patents as well as copyrights. See, e.g., Act of Jan. 7, 1808, ch. 6, 6 Stat. 70 (patent); Act of Mar. 3, 1809, ch. 35, 6 Stat. 80 (patent); Act of Feb. 7, 1815, ch. 36, 6 Stat. 147 (patent); Act of May 24, 1828, ch. 145, 6 Stat. 389 (copyright); Act of Feb. 11, 1830, ch. 13, 6 Stat. 403 (copyright). The courts saw no "limited Times" impediment to such extensions; renewed or extended terms were upheld in the early days, for example, by Chief Justice Marshall and Justice Story sitting as circuit justices. See *Evans v. Jordan*, 8 F. Cas. 872, 874 (No. 4,564) (CC Va. 1813) (Marshall, J.) ("Th[e] construction of the constitution which admits the renewal of a patent, is not controverted. A renewed patent ... confers the same rights, with an original."), *aff'd*, 9 Cranch 199, 3 L.Ed. 704 (1815).

Further, although prior to the instant case this Court did not have occasion to decide whether extending the duration of existing copyrights complies with the "limited Times" prescription, the Court has found no constitutional barrier to the legislative expansion of existing patents. *McClurg v. Kingsland*, 1 How. 202, 11 L.Ed. 102 (1843), is the pathsetting precedent. The patentee in that case was unprotected under the law in force when the patent issued because he had allowed his employer briefly to practice the invention before he obtained the patent. Only upon enactment, two years later, of an exemption for such allowances did the patent become valid, retroactive to the time it issued. *McClurg* upheld retroactive application of the new law. The Court explained that the legal regime governing a particular patent "depend[s] on the law as it stood at the emanation of the patent, together with such changes as have been since made; for though they may be retrospective in their operation, that is not a sound objection to their validity." *Id.*, at 206. Neither is it a sound objection to the validity of a copyright term extension, enacted pursuant to the same constitutional grant of authority, that the enlarged term covers existing copyrights.

Congress' consistent historical practice of applying newly enacted copyright terms to future and existing copyrights reflects a judgment stated concisely by Representative Huntington at the time of the 1831 Act: "[J]ustice, policy, and equity alike forb[id]" that an "author who had sold his [work] a week ago, be placed in a worse situation than the author who should sell his work the day after the passing of [the] act." 7 Cong. Deb. 424 (1831). The CTEA follows this historical practice by keeping the duration

provisions of the 1976 Act largely in place and simply adding 20 years to each of them. Guided by text, history, and precedent, we cannot agree with petitioners' submission that extending the duration of existing copyrights is categorically beyond Congress' authority under the Copyright Clause.

Satisfied that the CTEA complies with the "limited Times" prescription, we turn now to whether it is a rational exercise of the legislative authority conferred by the Copyright Clause. On that point, we defer substantially to Congress. *Sony*, [464 U.S., at 429](#) ("[I]t is Congress that has been assigned the task of defining the scope of the limited monopoly that should be granted to authors ... in order to give the public appropriate access to their work product.").

The CTEA reflects judgments of a kind Congress typically makes, judgments we cannot dismiss as outside the Legislature's domain. As respondent describes, see Brief for Respondent 37-38, a key factor in the CTEA's passage was a 1993 European Union (EU) directive instructing EU members to establish a copyright term of life plus 70 years. EU Council Directive 93/98, Art. 1(1), p. 11; see 144 Cong. Rec. S12377-S12378 (daily ed. Oct. 12, 1998) (statement of Sen. Hatch). Consistent with the Berne Convention, the EU directed its members to deny this longer term to the works of any non-EU country whose laws did not secure the same extended term. See Berne Conv. Art. 7(8); P. Goldstein, *International Copyright* § 5.3, p. 239 (2001). By extending the baseline United States copyright term to life plus 70 years, Congress sought to ensure that American authors would receive the same copyright protection in Europe as their European counterparts. The CTEA may also provide greater incentive for American and other authors to create and disseminate their work in the United States.

In addition to international concerns, Congress passed the CTEA in light of demographic, economic, and technological changes, and rationally credited projections that longer terms would encourage copyright holders to invest in the restoration and public distribution of their works.

Congress also heard testimony from Register of Copyrights Marybeth Peters and others regarding the economic incentives created by the CTEA. According to the Register, extending the copyright for existing works "could ... provide additional income that would finance the production and publication of new works." House Hearings 158. "Authors would not be able to continue to create," the Register explained, "unless they earned income on their finished works. The public benefits not only from an author's original work but also from his or her further creations. Although this truism may be illustrated in many ways, one of the best examples is Noah Webster [,] who supported his entire family from the earnings on his speller and grammar during the twenty years he took to complete his dictionary." *Id.*, at 165.

In sum, we find that the CTEA is a rational enactment; we are not at liberty to second-guess congressional determinations and policy judgments of this order, however debatable or arguably unwise they may be. Accordingly, we cannot conclude that the CTEA—which continues the unbroken congressional practice of treating future and existing copyrights in parity for term extension purposes—is an impermissible exercise of Congress' power under the Copyright Clause.

B

Petitioners' Copyright Clause arguments rely on several novel readings of the Clause. We next address these arguments and explain why we find them unpersuasive.

1

Petitioners contend that even if the CTEA's 20-year term extension is literally a "limited Tim[e]," permitting Congress to extend existing copyrights allows it to evade the "limited Times" constraint by creating effectively perpetual copyrights through repeated extensions. We disagree.

As the Court of Appeals observed, a regime of perpetual copyrights "clearly is not the situation before us." [239 F.3d, at 379](#). Nothing before this Court warrants construction of the CTEA's 20-year term extension as a congressional attempt to evade or override the "limited Times" constraint. Critically, we again emphasize, petitioners fail to show how the CTEA crosses a constitutionally significant threshold with respect to "limited Times" that the 1831, 1909, and 1976 Acts did not. Those earlier Acts did not create perpetual copyrights, and neither does the CTEA.

2

Petitioners dominantly advance a series of arguments all premised on the proposition that Congress may not extend an existing copyright absent new consideration from the author. They pursue this main theme under three headings. Petitioners contend that the CTEA's extension of existing copyrights (1) overlooks the requirement of "originality," (2) fails to "promote the Progress of Science," and (3) ignores copyright's *quid pro quo*.

Petitioners' "originality" argument draws on *Feist Publications, Inc. v. Rural Telephone Service Co.*, [499 U.S. 340](#) (1991). In *Feist*, we observed that "[t]he *sine qua non* of copyright is originality," *id.*, at 345, and held that copyright protection is unavailable to "a narrow category of works in which the creative spark is utterly lacking or so trivial as to be virtually nonexistent," *id.*, at 359. Relying on *Feist*, petitioners urge that even if a work is sufficiently "original" to qualify for copyright protection in the first instance, any extension of the copyright's duration is impermissible because, once published, a work is no longer original.

Feist, however, did not touch on the duration of copyright protection. Rather, the decision addressed the core question of copyrightability, *i.e.*, the "creative spark" a work must have to be eligible for copyright protection at all. Explaining the originality requirement, *Feist* trained on the Copyright Clause words "Authors" and "Writings." *Id.*, at 346-347. The decision did not construe the "limited Times" for which a work may be protected, and the originality requirement has no bearing on that prescription.

More forcibly, petitioners contend that the CTEA's extension of existing copyrights does not "promote the Progress of Science" as contemplated by the preambular language of the Copyright Clause. Art. I, § 8, cl. 8. To sustain this objection, petitioners do not argue that the Clause's preamble is an independently enforceable limit on Congress' power. Rather, they maintain that the preambular language identifies the sole end

to which Congress may legislate; accordingly, they conclude, the meaning of “limited Times” must be “determined in light of that specified end.” Brief for Petitioners 19. The CTEA’s extension of existing copyrights categorically fails to “promote the Progress of Science,” petitioners argue, because it does not stimulate the creation of new works but merely adds value to works already created.

As petitioners point out, we have described the Copyright Clause as “both a grant of power and a limitation,” *Graham v. John Deere Co. of Kansas City*, [383 U.S. 1, 5](#) (1966), and have said that “[t]he primary objective of copyright” is “[t]o promote the Progress of Science,” *Feist*, [499 U.S., at 349](#). The “constitutional command,” we have recognized, is that Congress, to the extent it enacts copyright laws at all, create a “system” that “promote[s] the Progress of Science.” *Graham*, [383 U.S., at 6](#). We have also stressed, however, that it is generally for Congress, not the courts, to decide how best to pursue the Copyright Clause’s objectives. The justifications we earlier set out for Congress’ enactment of the CTEA provide a rational basis for the conclusion that the CTEA “promote[s] the Progress of Science.”

On the issue of copyright duration, Congress, from the start, has routinely applied new definitions or adjustments of the copyright term to both future works and existing works not yet in the public domain. Such consistent congressional practice is entitled to “very great weight, and when it is remembered that the rights thus established have not been disputed during a period of [over two] centur[ies], it is almost conclusive.” *Burrow-Giles Lithographic Co. v. Sarony*, [111 U.S., at 57](#). Indeed, “[t]his Court has repeatedly laid down the principle that a contemporaneous legislative exposition of the Constitution when the founders of our Government and framers of our Constitution were actively participating in public affairs, acquiesced in for a long term of years, fixes the construction to be given [the Constitution’s] provisions.” *Myers v. United States*, [272 U.S. 52, 175](#) (1926). Congress’ unbroken practice since the founding generation thus overwhelms petitioners’ argument that the CTEA’s extension of existing copyrights fails *per se* to “promote the Progress of Science.”

Closely related to petitioners’ preambular argument, or a variant of it, is their assertion that the Copyright Clause “imbeds a quid pro quo.” Brief for Petitioners 23. They contend, in this regard, that Congress may grant to an “Autho[r]” an “exclusive Right” for a “limited Tim[e],” but only in exchange for a “Writin[g].” Congress’ power to confer copyright protection, petitioners argue, is thus contingent upon an exchange: The author of an original work receives an “exclusive Right” for a “limited Tim[e]” in exchange for a dedication to the public thereafter. Extending an existing copyright without demanding additional consideration, petitioners maintain, bestows an unpaid-for benefit on copyright holders and their heirs, in violation of the *quid pro quo* requirement.

We can demur to petitioners’ description of the Copyright Clause as a grant of legislative authority empowering Congress “to secure a bargain—this for that.” *Id.*, at 16. But the legislative evolution earlier recalled demonstrates what the bargain entails. Given the consistent placement of existing copyright holders in parity with future holders, the author of a work created in the last 170 years would reasonably comprehend,

as the “this” offered her, a copyright not only for the time in place when protection is gained, but also for any renewal or extension legislated during that time. Congress could rationally seek to “promote ... Progress” by including in every copyright statute an express guarantee that authors would receive the benefit of any later legislative extension of the copyright term. Nothing in the Copyright Clause bars Congress from creating the same incentive by adopting the same position as a matter of unbroken practice. ***

III

Petitioners separately argue that the CTEA is a content-neutral regulation of speech that fails heightened judicial review under the First Amendment. We reject petitioners’ plea for imposition of uncommonly strict scrutiny on a copyright scheme that incorporates its own speech-protective purposes and safeguards. The Copyright Clause and First Amendment were adopted close in time. This proximity indicates that, in the Framers’ view, copyright’s limited monopolies are compatible with free speech principles. Indeed, copyright’s purpose is to *promote* the creation and publication of free expression. As *Harper & Row* observed: “[T]he Framers intended copyright itself to be the engine of free expression. By establishing a marketable right to the use of one’s expression, copyright supplies the economic incentive to create and disseminate ideas.” [471 U.S., at 558](#).

In addition to spurring the creation and publication of new expression, copyright law contains built-in First Amendment accommodations. First, it distinguishes between ideas and expression and makes only the latter eligible for copyright protection. Specifically, 17 U.S.C. § 102(b) provides: “In no case does copyright protection for an original work of authorship extend to any idea, procedure, process, system, method of operation, concept, principle, or discovery, regardless of the form in which it is described, explained, illustrated, or embodied in such work.” As we said in *Harper & Row*, this “idea/expression dichotomy strike[s] a definitional balance between the First Amendment and the Copyright Act by permitting free communication of facts while still protecting an author’s expression.” [471 U.S., at 556](#) (internal quotation marks omitted). Due to this distinction, every idea, theory, and fact in a copyrighted work becomes instantly available for public exploitation at the moment of publication. See *Feist*, [499 U.S., at 349-350](#).

Second, the “fair use” defense allows the public to use not only facts and ideas contained in a copyrighted work, but also expression itself in certain circumstances. Codified at 17 U.S.C. § 107, the defense provides: “[T]he fair use of a copyrighted work, including such use by reproduction in copies ..., for purposes such as criticism, comment, news reporting, teaching (including multiple copies for classroom use), scholarship, or research, is not an infringement of copyright.” The fair use defense affords considerable “latitude for scholarship and comment,” *Harper & Row*, [471 U.S., at 560](#), and even for parody, see *Campbell v. Acuff-Rose Music, Inc.*, [510 U.S. 569](#) (1994) (rap group’s musical parody of Roy Orbison’s “Oh, Pretty Woman” may be fair use).

The CTEA itself supplements these traditional First Amendment safeguards. First, it allows libraries, archives, and similar institutions to “reproduce” and “distribute, display, or perform in facsimile or digital form” copies of certain published works “during the last 20 years of any term of copyright ... for purposes of preservation, scholarship, or research” if the work is not already being exploited commercially and further copies are unavailable at a reasonable price. 17 U.S.C. § 108(h). Second, Title II of the CTEA, known as the Fairness in Music Licensing Act of 1998, exempts small businesses, restaurants, and like entities from having to pay performance royalties on music played from licensed radio, television, and similar facilities. 17 U.S.C. § 110(5)(B). ***

The CTEA *** does not oblige anyone to reproduce another’s speech against the carrier’s will. Instead, it protects authors’ original expression from unrestricted exploitation. Protection of that order does not raise the free speech concerns present when the government compels or burdens the communication of particular facts or ideas. The First Amendment securely protects the freedom to make—or decline to make—one’s own speech; it bears less heavily when speakers assert the right to make other people’s speeches. To the extent such assertions raise First Amendment concerns, copyright’s built-in free speech safeguards are generally adequate to address them. We recognize that the D.C. Circuit spoke too broadly when it declared copyrights “categorically immune from challenges under the First Amendment.” [239 F.3d, at 375](#). But when, as in this case, Congress has not altered the traditional contours of copyright protection, further First Amendment scrutiny is unnecessary.

IV

If petitioners’ vision of the Copyright Clause held sway, it would do more than render the CTEA’s duration extensions unconstitutional as to existing works. Indeed, petitioners’ assertion that the provisions of the CTEA are not severable would make the CTEA’s enlarged terms invalid even as to tomorrow’s work. The 1976 Act’s time extensions, which set the pattern that the CTEA followed, would be vulnerable as well.

As we read the Framers’ instruction, the Copyright Clause empowers Congress to determine the intellectual property regimes that, overall, in that body’s judgment, will serve the ends of the Clause. Beneath the facade of their inventive constitutional interpretation, petitioners forcefully urge that Congress pursued very bad policy in prescribing the CTEA’s long terms. The wisdom of Congress’ action, however, is not within our province to second-guess. Satisfied that the legislation before us remains inside the domain the Constitution assigns to the First Branch, we affirm the judgment of the Court of Appeals.

It is so ordered.

JUSTICE STEVENS, dissenting: *** It is well settled that the [Copyright] Clause is “both a grant of power and a limitation” and that Congress “may not overreach the restraints imposed by the stated constitutional purpose.” *Graham v. John Deere Co. of Kansas City*, [383 U.S. 1, 5-6](#) (1966). As we have made clear in the patent context, that purpose has two dimensions. Most obviously the grant of exclusive rights to their respective writings and discoveries is intended to encourage the creativity of “Authors and Inventors.”

But the requirement that those exclusive grants be for “limited Times” serves the ultimate purpose of promoting the “Progress of Science and useful Arts” by guaranteeing that those innovations will enter the public domain as soon as the period of exclusivity expires ***.

The issuance of a patent is appropriately regarded as a *quid pro quo*—the grant of a limited right for the inventor’s disclosure and subsequent contribution to the public domain. It would be manifestly unfair if, after issuing a patent, the Government as a representative of the public sought to modify the bargain by shortening the term of the patent in order to accelerate public access to the invention. The fairness considerations that underlie the constitutional protections against *ex post facto* laws and laws impairing the obligation of contracts would presumably disable Congress from making such a retroactive change in the public’s bargain with an inventor without providing compensation for the taking. Those same considerations should protect members of the public who make plans to exploit an invention as soon as it enters the public domain from a retroactive modification of the bargain that extends the term of the patent monopoly. ***

Neither the purpose of encouraging new inventions nor the overriding interest in advancing progress by adding knowledge to the public domain is served by retroactively increasing the inventor’s compensation for a completed invention and frustrating the legitimate expectations of members of the public who want to make use of it in a free market. Because those twin purposes provide the only avenue for congressional action under the Copyright/Patent Clause of the Constitution, any other action is manifestly unconstitutional. ***

III

*** Congress *** passed the first Copyright Act, 1 Stat. 124, in 1790. At that time there were a number of maps, charts, and books that had already been printed, some of which were copyrighted under state laws and some of which were arguably entitled to perpetual protection under the common law. The federal statute applied to those works as well as to new works. In some cases the application of the new federal rule reduced the pre-existing protections, and in others it may have increased the protection. What is significant is that the statute provided a general rule creating new federal rights that supplanted the diverse state rights that previously existed. It did not extend or attach to any of those pre-existing state and common-law rights: “That congress, in passing the act of 1790, did not legislate in reference to existing rights, appears clear.” *Wheaton v. Peters*, 8 Pet. 591, 661 (1834). Congress set in place a federal structure governing certain types of intellectual property for the new Republic. That Congress exercised its unquestionable constitutional authority to *create* a new federal system securing rights for authors and inventors in 1790 does not provide support for the proposition that Congress can *extend pre-existing* federal protections retroactively.

Respondent places great weight on this first congressional action, arguing that it proves that “Congress thus unquestionably understood that it had authority to apply a new, more favorable copyright term to existing works.” Brief for Respondent 12-13.

That understanding, however, is not relevant to the question presented by this case—whether “Congress has the power under the Copyright Clause to extend retroactively the term of existing copyrights?” Brief for Petitioners i. Precisely put, the question presented by this case does not even implicate the 1790 Act, for that Act created, rather than extended, copyright protection. That this law applied to works already in existence says nothing about the First Congress’ conception of its power to extend this newly created federal right.

Moreover, Members of Congress in 1790 were well aware of the distinction between the creation of new copyright regimes and the extension of existing copyrights. The 1790 Act was patterned, in many ways, after the Statute of Anne enacted in England in 1710. 8 Ann., c. 19. The English statute, in addition to providing authors with copyrights on new works for a term of 14 years renewable for another 14-year term, also replaced the booksellers’ claimed perpetual rights in existing works with a single 21-year term. In 1735, the booksellers proposed an amendment that would have extended the terms of existing copyrights until 1756, but the amendment was defeated. Opponents of the amendment had argued that if the bill were to pass, it would “in Effect be establishing a perpetual Monopoly ... only to increase the private Gain of the Booksellers” The authors of the federal statute that used the Statute of Anne as a model were familiar with this history. Accordingly, this Court should be especially wary of relying on Congress’ creation of a new system to support the proposition that Congress unquestionably understood that it had constitutional authority to extend existing copyrights.

IV

Since the creation of federal patent and copyright protection in 1790, Congress has passed a variety of legislation, both providing specific relief for individual authors and inventors as well as changing the general statutes conferring patent and copyright privileges. Some of the changes did indeed, as the majority describes, extend existing protections retroactively. Other changes, however, did not do so. A more complete and comprehensive look at the history of congressional action under the Copyright/Patent Clause demonstrates that history, in this case, does not provide the “volume of logic,” *ante*, necessary to sustain the Sonny Bono Act’s constitutionality.

Congress, aside from changing the process of applying for a patent in the 1793 Patent Act, did not significantly alter the basic patent and copyright systems for the next 40 years. *** The federal Copyright Act was first amended in 1831. That amendment, like later amendments, not only authorized a longer term for new works, but also extended the terms of unexpired copyrights. Respondent argues that that historical practice effectively establishes the constitutionality of retroactive extensions of unexpired copyrights. Of course, the practice buttresses the presumption of validity that attaches to every Act of Congress. But, as our decision in *INS v. Chadha*, 462 U.S. 919 (1983), demonstrates, the fact that Congress has repeatedly acted on a mistaken interpretation of the Constitution does not qualify our duty to invalidate an unconstitutional practice when it is finally challenged in an appropriate case. *** Regardless of the effect of unconstitutional enactments of Congress, the scope of “the constitutional power of

Congress ... is ultimately a judicial rather than a legislative question, and can be settled finally only by this Court.” *United States v. Morrison*, [529 U.S. 598, 614](#), (2000) (quoting *Heart of Atlanta Motel, Inc. v. United States*, [379 U.S. 241, 273](#) (1964) (Black, J., concurring)). ***

It would be particularly unwise to attach constitutional significance to the 1831 amendment because of the very different legal landscape against which it was enacted. Congress based its authority to pass the amendment on grounds shortly thereafter declared improper by the Court. The Judiciary Committee Report prepared for the House of Representatives asserted that “an author has an exclusive and perpetual right, in preference to any other, to the fruits of his labor.” 7 Cong. Deb., App., p. cxx (1831). The floor debate echoed this same sentiment. See, e.g., *id.*, at 424 (statement of Mr. Verplanck (rejecting the idea that copyright involved “an implied contract existing between an author and the public” for “[t]here was no contract; the work of an author was the result of his own labor” and copyright was “merely a legal provision for the protection of a natural right”). This sweat-of-the-brow view of copyright, however, was emphatically rejected by this Court in 1834 in *Wheaton v. Peters*, 8 Pet., at 661, 8 L.Ed. 1055 (“Congress, then, by this act, instead of sanctioning an existing right, as contended for, created it”). No presumption of validity should attach to a statutory enactment that relied on a shortly thereafter discredited interpretation of the basis for congressional power.

In 1861, Congress amended the term of patents, from a 14-year term plus opportunity for 7-year extension to a flat 17 years with no extension permitted. Act of Mar. 2, 1861, ch. 88, § 16, 12 Stat. 249. This change was not retroactive, but rather only applied to “all patents hereafter granted.” To be sure, Congress, at many times in its history, has retroactively extended the terms of existing copyrights and patents. This history, however, reveals a much more heterogeneous practice than respondent contends. It is replete with actions that were unquestionably unconstitutional. Though relevant, the history is not dispositive of the constitutionality of the Sonny Bono Act.

The general presumption that historic practice illuminates the constitutionality of congressional action is not controlling in this case. That presumption is strongest when the earliest acts of Congress are considered, for the overlap of identity between those who created the Constitution and those who first constituted Congress provides “contemporaneous and weighty evidence” of the Constitution’s “true meaning.” *Wisconsin v. Pelican Ins. Co.*, [127 U.S. 265, 297](#) (1888). But that strong presumption does not attach to congressional action in 1831, because no member of the 1831 Congress had been a delegate to the framing convention 44 years earlier. ***

The history of retroactive extensions of existing and expired copyrights ***, though relevant, is not conclusive of the constitutionality of the Sonny Bono Act. The fact that the Court has not previously passed upon the constitutionality of retroactive copyright extensions does not insulate the present extension from constitutional challenge.

VI

Finally, respondent relies on concerns of equity to justify the retroactive extension. If Congress concludes that a longer period of exclusivity is necessary in order to provide an adequate incentive to authors to produce new works, respondent seems to believe that simple fairness requires that the same lengthened period be provided to authors whose works have already been completed and copyrighted. This is a classic non sequitur. The reason for increasing the inducement to create something new simply does not apply to an already-created work. To the contrary, the equity argument actually provides strong support for petitioners. Members of the public were entitled to rely on a promised access to copyrighted or patented works at the expiration of the terms specified when the exclusive privileges were granted. On the other hand, authors will receive the full benefit of the exclusive terms that were promised as an inducement to their creativity, and have no equitable claim to increased compensation for doing nothing more.

One must indulge in two untenable assumptions to find support in the equitable argument offered by respondent—that the public interest in free access to copyrighted works is entirely worthless and that authors, as a class, should receive a windfall solely based on completed creative activity. Indeed, Congress has apparently indulged in those assumptions for under the series of extensions to copyrights, with the exception of works which required renewal and which were not renewed, no copyrighted work created in the past 80 years has entered the public domain or will do so until 2019. But as our cases repeatedly and consistently emphasize, ultimate public access is the overriding purpose of the constitutional provision. See, *e.g.*, *Sony Corp.*, [464 U.S.](#), at 429. *Ex post facto* extensions of existing copyrights, unsupported by any consideration of the public interest, frustrate the central purpose of the Clause.

VII

The express grant of a perpetual copyright would unquestionably violate the textual requirement that the authors' exclusive rights be only "for limited Times." Whether the extraordinary length of the grants authorized by the 1998 Act are invalid because they are the functional equivalent of perpetual copyrights is a question that need not be answered in this case because the question presented by the certiorari petition merely challenges Congress' power to extend retroactively the terms of existing copyrights. Accordingly, there is no need to determine whether the deference that is normally given to congressional policy judgments may save from judicial review its decision respecting the appropriate length of the term. It is important to note, however, that a categorical rule prohibiting retroactive extensions would effectively preclude perpetual copyrights. More importantly, as the House of Lords recognized when it refused to amend the Statute of Anne in 1735, unless the Clause is construed to embody such a categorical rule, Congress may extend existing monopoly privileges *ad infinitum* under the majority's analysis.

By failing to protect the public interest in free access to the products of inventive and artistic genius—indeed, by virtually ignoring the central purpose of the Copyright/Patent Clause—the Court has quitclaimed to Congress its principal responsibility in this area of the law. Fairly read, the Court has stated that Congress’ actions under the Copyright/Patent Clause are, for all intents and purposes, judicially unreviewable. That result cannot be squared with the basic tenets of our constitutional structure. It is not hyperbole to recall the trenchant words of Chief Justice John Marshall: “It is emphatically the province and duty of the judicial department to say what the law is.” *Marbury v. Madison*, [1 Cranch 137, 177](#) (1803). We should discharge that responsibility as we did in *Chadha*.

I respectfully dissent.

JUSTICE BREYER, dissenting: *** I would find that the statute lacks the constitutionally necessary rational support (1) if the significant benefits that it bestows are private, not public; (2) if it threatens seriously to undermine the expressive values that the Copyright Clause embodies; and (3) if it cannot find justification in any significant Clause-related objective. Where, after examination of the statute, it becomes difficult, if not impossible, even to dispute these characterizations, Congress’ “choice is clearly wrong.” *Helvering v. Davis*, [301 U.S. 619, 640](#) (1937).

II

A

Because we must examine the relevant statutory effects in light of the Copyright Clause’s own purposes, we should begin by reviewing the basic objectives of that Clause. The Clause authorizes a “tax on readers for the purpose of giving a bounty to writers.” 56 Parl. Deb. (3d Ser.) (1841) 341, 350 (Lord Macaulay). Why? What constitutional purposes does the “bounty” serve? ***

For present purposes, then, we should take the following as well established: that copyright statutes must serve public, not private, ends; that they must seek “to promote the Progress” of knowledge and learning; and that they must do so both by creating incentives for authors to produce and by removing the related restrictions on dissemination after expiration of a copyright’s “limited Tim[e]”—a time that (like “a *limited* monarch”) is “restrain[ed]” and “circumscribe[d],” “not [left] at large,” 2 S. Johnson, *A Dictionary of the English Language* 1151 (4th rev. ed. 1773). I would examine the statute’s effects in light of these well-established constitutional purposes.

B

This statute, like virtually every copyright statute, imposes upon the public certain expression-related costs in the form of (1) royalties that may be higher than necessary to evoke creation of the relevant work, and (2) a requirement that one seeking to reproduce a copyrighted work must obtain the copyright holder’s permission. The first of these costs translates into higher prices that will potentially restrict a work’s dissemination. The second means search costs that themselves may prevent reproduction even

where the author has no objection. Although these costs are, in a sense, inevitable concomitants of copyright protection, there are special reasons for thinking them especially serious here.

First, the present statute primarily benefits the holders of existing copyrights, *i.e.*, copyrights on works already created. And a Congressional Research Service (CRS) study prepared for Congress indicates that the added royalty-related sum that the law will transfer to existing copyright holders is large. E. Rappaport, CRS Report for Congress, Copyright Term Extension: Estimating the Economic Values (1998) (hereinafter CRS Report). In conjunction with official figures on copyright renewals, the CRS Report indicates that only about 2% of copyrights between 55 and 75 years old retain commercial value— *i.e.*, still generate royalties after that time. Brief for Petitioners 7 (estimate, uncontested by respondent, based on data from the CRS, Census Bureau, and Library of Congress). But books, songs, and movies of that vintage still earn about \$400 million per year in royalties. CRS Report 8, 12, 15. Hence, (despite declining consumer interest in any given work over time) one might conservatively estimate that 20 extra years of copyright protection will mean the transfer of several billion extra royalty dollars to holders of existing copyrights—copyrights that, together, already will have earned many billions of dollars in royalty “reward.” See *id.*, at 16.

The extra royalty payments will not come from thin air. Rather, they ultimately come from those who wish to read or see or hear those classic books or films or recordings that have survived. Even the \$500,000 that United Airlines has had to pay for the right to play George Gershwin’s 1924 classic Rhapsody in Blue represents a cost of doing business, potentially reflected in the ticket prices of those who fly. See Ganzel, Copyright or Copywrong? 39 Training 36, 42 (Dec. 2002). Further, the likely amounts of extra royalty payments are large enough to suggest that unnecessarily high prices will unnecessarily restrict distribution of classic works (or lead to disobedience of the law)—not just in theory but in practice. Cf. CRS Report 3 (“[N]ew, cheaper editions can be expected when works come out of copyright”); Brief for College Art Association et al. as *Amici Curiae* 24 (One year after expiration of copyright on Willa Cather’s *My Antonia*, seven new editions appeared at prices ranging from \$2 to \$24); Ganzel, *supra*, at 40-41, 44 (describing later abandoned plans to charge individual Girl Scout camps \$257 to \$1,439 annually for a license to sing songs such as God Bless America around a campfire).

A second, equally important, cause for concern arises out of the fact that copyright extension imposes a “permissions” requirement—not only upon potential users of “classic” works that still retain commercial value, but also upon potential users of *any other work* still in copyright. Again using CRS estimates, one can estimate that, by 2018, the number of such works 75 years of age or older will be about 350,000. See Brief for Petitioners 7. Because the Copyright Act of 1976 abolished the requirement that an owner must renew a copyright, such still-in-copyright works (of little or no commercial value) will eventually number in the millions.

The potential users of such works include not only movie buffs and aging jazz fans, but also historians, scholars, teachers, writers, artists, database operators, and researchers of all kinds—those who want to make the past accessible for their own use or for that of others. The permissions requirement can inhibit their ability to accomplish that task. Indeed, in an age where computer-accessible databases promise to facilitate research and learning, the permissions requirement can stand as a significant obstacle to realization of that technological hope. ***

The majority finds my description of these permissions-related harms overstated in light of Congress' inclusion of a statutory exemption, which, during the last 20 years of a copyright term, exempts "facsimile or digital" reproduction by a "library or archives" "for purposes of preservation, scholarship, or research," 17 U.S.C. § 108(h). *Ante*. This exemption, however, applies only where the copy is made for the special listed purposes; it simply permits a library (not any other subsequent users) to make "a copy" for those purposes; it covers only "published" works not "subject to normal commercial exploitation" and not obtainable, apparently not even as a used copy, at a "reasonable price"; and it insists that the library assure itself through "reasonable investigation" that these conditions have been met. § 108(h). What database proprietor can rely on so limited an exemption—particularly when the phrase "reasonable investigation" is so open-ended and particularly if the database has commercial, as well as noncommercial, aspects?

The majority also invokes the "fair use" exception, and it notes that copyright law itself is restricted to protection of a work's expression, not its substantive content. *Ante*. Neither the exception nor the restriction, however, would necessarily help those who wish to obtain from electronic databases material that is not there—say, teachers wishing their students to see albums of Depression Era photographs, to read the recorded words of those who actually lived under slavery, or to contrast, say, Gary Cooper's heroic portrayal of Sergeant York with filmed reality from the battlefield of Verdun. Such harm, and more will occur despite the 1998 Act's exemptions and despite the other "First Amendment safeguards" in which the majority places its trust, *ante*. ***

C

What copyright-related benefits might justify the statute's extension of copyright protection? First, no one could reasonably conclude that copyright's traditional economic rationale applies here. The extension will not act as an economic spur encouraging authors to create new works. No potential author can reasonably believe that he has more than a tiny chance of writing a classic that will survive commercially long enough for the copyright extension to matter. After all, if, after 55 to 75 years, only 2% of all copyrights retain commercial value, the percentage surviving after 75 years or more (a typical pre-extension copyright term)—must be far smaller. See CRS Report 7 (estimating that, even after copyright renewal, about 3.8% of copyrighted books go out of print each year). And any remaining monetary incentive is diminished dramatically by the fact that the relevant royalties will not arrive until 75 years or more into the future, when, not the author, but distant heirs, or shareholders in a successor corporation, will receive them. Using assumptions about the time value of money provided us by a group

of economists (including five Nobel prize winners), Brief for George A. Akerlof et al. as *Amici Curiae* 5-7, it seems fair to say that, for example, a 1% likelihood of earning \$100 annually for 20 years, starting *75 years into the future*, is worth less than seven cents today.

What potential Shakespeare, Wharton, or Hemingway would be moved by such a sum? What monetarily motivated Melville would not realize that he could do better for his grandchildren by putting a few dollars into an interest-bearing bank account? The Court itself finds no evidence to the contrary. It refers to testimony before Congress (1) that the copyright system's incentives encourage creation, and (2) (referring to Noah Webster) that income earned from one work can help support an artist who "continue[s] to create." *Ante*. But the first of these amounts to no more than a set of undeniably true propositions about the value of incentives *in general*. And the applicability of the second to *this* Act is mysterious. How will extension help today's Noah Webster create new works 50 years after his death? Or is that hypothetical Webster supposed to support himself with the extension's present discounted value, *i.e.*, a few pennies? Or (to change the metaphor) is the argument that Dumas *filis* would have written more books had Dumas *pere's* *Three Musketeers* earned more royalties? ***

Third, several publishers and filmmakers argue that the statute provides incentives to *those who act as publishers* to republish and to redistribute older copyrighted works. This claim cannot justify this statute, however, because the rationale is inconsistent with the basic purpose of the Copyright Clause—as understood by the Framers and by this Court. The Clause assumes an initial grant of monopoly, designed primarily to encourage creation, followed by termination of the monopoly grant in order to promote dissemination of already-created works. It assumes that it is the *disappearance* of the monopoly grant, not its *perpetuation*, that will, on balance, promote the dissemination of works already in existence. This view of the Clause does not deny the empirical possibility that grant of a copyright monopoly to the heirs or successors of a long-dead author could *on occasion* help publishers resurrect the work, say, of a long-lost Shakespeare. But it does deny Congress the Copyright Clause power to base its actions primarily upon that empirical possibility—lest copyright grants become perpetual, lest on balance they restrict dissemination, lest too often they seek to bestow benefits that are solely retroactive. ***

III

The Court is concerned that our holding in this case not inhibit the broad decisionmaking leeway that the Copyright Clause grants Congress. It is concerned about the implications of today's decision for the Copyright Act of 1976—an Act that changed copyright's basic term from 56 years (assuming renewal) to life of the author plus 50 years. It is concerned about having to determine just how many years of copyright is too many—a determination that it fears would require it to find the "right" constitutional number, a task for which the Court is not well suited.

I share the Court's initial concern, about intrusion upon the decisionmaking authority of Congress. But I do not believe it intrudes upon that authority to find the statute

unconstitutional on the basis of (1) a legal analysis of the Copyright Clause's objectives; (2) the total implausibility of any incentive effect; and (3) the statute's apparent failure to provide significant international uniformity. Nor does it intrude upon congressional authority to consider rationality in light of the expressive values underlying the Copyright Clause, related as it is to the First Amendment, and given the constitutional importance of correctly drawing the relevant Clause/Amendment boundary. We cannot avoid the need to examine the statute carefully by saying that "Congress has not altered the traditional contours of copyright protection," *ante*, for the sentence points to the question, rather than the answer. Nor should we avoid that examination here. That degree of judicial vigilance—at the far outer boundaries of the Clause—is warranted if we are to avoid the monopolies and consequent restrictions of expression that the Clause, read consistently with the First Amendment, seeks to preclude. And that vigilance is all the more necessary in a new century that will see intellectual property rights and the forms of expression that underlie them play an ever more important role in the Nation's economy and the lives of its citizens.

I do not share the Court's concern that my view of the 1998 Act could automatically doom the 1976 Act. Unlike the present statute, the 1976 Act thoroughly revised copyright law and enabled the United States to join the Berne Convention an international treaty that requires the 1976 Act's basic life-plus-50 term as a condition for substantive protections from a copyright's very inception, Berne Conv. Art. 7(1). Consequently, the balance of copyright-related harms and benefits there is far less one sided. The same is true of the 1909 and 1831 Acts, which, in any event, provided for maximum terms of 56 years or 42 years while requiring renewal after 28 years, with most copyrighted works falling into the public domain after that 28-year period, well before the putative maximum terms had elapsed. Regardless, the law provides means to protect those who have reasonably relied upon prior copyright statutes. And, in any event, we are not here considering, and we need not consider, the constitutionality of other copyright statutes.

Neither do I share the Court's aversion to line-drawing in this case. Even if it is difficult to draw a single clear bright line, the Court could easily decide (as I would decide) that this particular statute simply goes too far. And such examples—of what goes too far—sometimes offer better constitutional guidance than more absolute-sounding rules. In any event, "this Court sits" in part to decide when a statute exceeds a constitutional boundary. See *Panhandle Oil*, [277 U.S., at 223](#) (Holmes, J., dissenting). In my view, "[t]ext, history, and precedent," *ante*, support both the need to draw lines in general and the need to draw the line here short of this statute. ***

IV

This statute will cause serious expression-related harm. It will likely restrict traditional dissemination of copyrighted works. It will likely inhibit new forms of dissemination through the use of new technologies. It threatens to interfere with efforts to preserve our Nation's historical and cultural heritage and efforts to use that heritage, say, to educate our Nation's children. It is easy to understand how the statute might benefit the private financial interests of corporations or heirs who own existing copyrights. But

I cannot find any constitutionally legitimate, copyright-related way in which the statute will benefit the public. Indeed, in respect to existing works, the serious public harm and the virtually nonexistent public benefit could not be more clear.

I have set forth the analysis upon which I rest these judgments. This analysis leads inexorably to the conclusion that the statute cannot be understood rationally to advance a constitutionally legitimate interest. The statute falls outside the scope of legislative power that the Copyright Clause, read in light of the First Amendment, grants to Congress. I would hold the statute unconstitutional.

I respectfully dissent. ***

Georgia v. Public.Resource.Org, Inc.

140 S.Ct. 1498 (2020)

CHIEF JUSTICE ROBERTS delivered the opinion of the Court. The Copyright Act grants potent, decades-long monopoly protection for “original works of authorship.” 17 U.S.C. § 102(a). The question in this case is whether that protection extends to the annotations contained in Georgia’s official annotated code.

We hold that it does not. Over a century ago, we recognized a limitation on copyright protection for certain government work product, rooted in the Copyright Act’s “authorship” requirement. Under what has been dubbed the government edicts doctrine, officials empowered to speak with the force of law cannot be the authors of—and therefore cannot copyright—the works they create in the course of their official duties.

We have previously applied that doctrine to hold that non-binding, explanatory legal materials are not copyrightable when created by judges who possess the authority to make and interpret the law. See *Banks v. Manchester*, [128 U.S. 244](#) (1888). We now recognize that the same logic applies to non-binding, explanatory legal materials created by a legislative body vested with the authority to make law. Because Georgia’s annotations are authored by an arm of the legislature in the course of its legislative duties, the government edicts doctrine puts them outside the reach of copyright protection.

I

A

The State of Georgia has one official code—the “Official Code of Georgia Annotated,” or OCGA. The first page of each volume of the OCGA boasts the State’s official seal and announces to readers that it is “Published Under Authority of the State.”

The OCGA includes the text of every Georgia statute currently in force, as well as various non-binding supplementary materials. At issue in this case is a set of annotations that appear beneath each statutory provision. The annotations generally include summaries of judicial decisions applying a given provision, summaries of any pertinent opinions of the state attorney general, and a list of related law review articles and similar reference materials. In addition, the annotations often include editor’s notes that provide information about the origins of the statutory text, such as whether it derives from a particular judicial decision or resembles an older provision that has been construed by Georgia courts. See, e.g., OCGA §§ 51-1-1, 53-4-2 (2019).

The OCGA is assembled by a state entity called the Code Revision Commission. In 1977, the Georgia Legislature established the Commission to recodify Georgia law for the first time in decades. The Commission was (and remains) tasked with consolidating disparate bills into a single Code for reenactment by the legislature and contracting with a third party to produce the annotations. A majority of the Commission’s 15 members must be members of the Georgia Senate or House of Representatives. The Commission receives funding through appropriations “provided for the legislative branch of state government.” OCGA § 28-9-2(c) (2018). And it is staffed by the Office of Legislative Counsel, which is obligated by statute to provide services “for the legislative

branch of government.” §§ 28-4-3(c)(4), 28-9-4. Under the Georgia Constitution, the Commission’s role in compiling the statutory text and accompanying annotations falls “within the sphere of legislative authority.” *Harrison Co. v. Code Revision Comm’n*, [260 S.E.2d 30, 34](#) (1979).

Each year, the Commission submits its proposed statutory text and accompanying annotations to the legislature for approval. The legislature then votes to do three things: (1) “enact[]” the “statutory portion of the codification of Georgia laws”; (2) “merge[]” the statutory portion “with [the] annotations”; and (3) “publish[]” the final merged product “by authority of the state” as “the ‘Official Code of Georgia Annotated.’” OCGA § 1-1-1 (2019); see *Code Revision Comm’n v. Public.Resource.Org, Inc.*, [906 F.3d 1229, 1245, 1255](#) (CA11 2018).

The annotations in the current OCGA were prepared in the first instance by Matthew Bender & Co., Inc., a division of the LexisNexis Group, pursuant to a work-for-hire agreement with the Commission. The agreement between Lexis and the Commission states that any copyright in the OCGA vests exclusively in “the State of Georgia, acting through the Commission.” Lexis and its army of researchers perform the lion’s share of the work in drafting the annotations, but the Commission supervises that work and specifies what the annotations must include in exacting detail. See [906 F.3d at 1243-1244](#). Under the agreement, Lexis enjoys the exclusive right to publish, distribute, and sell the OCGA. In exchange, Lexis has agreed to limit the price it may charge for the OCGA and to make an unannotated version of the statutory text available to the public online for free. A hard copy of the complete OCGA currently retails for \$412.00.

B

Public.Resource.Org (PRO) is a nonprofit organization that aims to facilitate public access to government records and legal materials. Without permission, PRO posted a digital version of the OCGA on various websites, where it could be downloaded by the public without charge. PRO also distributed copies of the OCGA to various organizations and Georgia officials.

In response, the Commission sent PRO several cease-and-desist letters asserting that PRO’s actions constituted unlawful copyright infringement. When PRO refused to halt its distribution activities, the Commission sued PRO on behalf of the Georgia Legislature and the State of Georgia for copyright infringement. The Commission limited its assertion of copyright to the annotations described above; it did not claim copyright in the statutory text or numbering. PRO counterclaimed, seeking a declaratory judgment that the entire OCGA, including the annotations, fell in the public domain.

The District Court sided with the Commission. The Court acknowledged that the annotations in the OCGA presented “an unusual case because most official codes are not annotated and most annotated codes are not official.” *Code Revision Comm’n v. Public.Resource.Org, Inc.*, [244 F.Supp.3d 1350, 1356](#) (ND Ga. 2017). But, ultimately, the Court concluded that the annotations were eligible for copyright protection because they were “not enacted into law” and lacked “the force of law.” *Ibid.* In light of that

conclusion, the Court granted partial summary judgment to the Commission and entered a permanent injunction requiring PRO to cease its distribution activities and to remove the digital copies of the OCGA from the internet.

The Eleventh Circuit reversed. [906 F.3d 1229](#). The Court began by reviewing the three 19th-century cases in which we articulated the government edicts doctrine. See *Wheaton v. Peters*, [8 Pet. 591](#) (1834). *Banks v. Manchester*, [128 U.S. 244](#) (1888); *Callaghan v. Myers*, [128 U.S. 617](#) (1888). The Court understood those cases to establish a “rule” based on an interpretation of the statutory term “author” that “works created by courts in the performance of their official duties did not belong to the judges” but instead fell “in the public domain.” [906 F.3d at 1239](#). In the Court’s view, that rule “derive[s] from first principles about the nature of law in our democracy.” *Ibid.* In a democracy, the Court reasoned, “the People” are “the constructive authors” of the law, and judges and legislators are merely “draftsmen ... exercising delegated authority.” *Ibid.* The Court therefore deemed the “ultimate inquiry” to be whether a work is “attributable to the constructive authorship of the People.” *Id.*, at 1242. The Court identified three factors to guide that inquiry: “the identity of the public official who created the work; the nature of the work; and the process by which the work was produced.” *Id.*, at 1254. The Court found that each of those factors cut in favor of treating the OCGA annotations as government edicts authored by the People. It therefore rejected the Commission’s assertion of copyright, vacated the injunction against PRO, and directed that judgment be entered for PRO. ***

II

We hold that the annotations in Georgia’s Official Code are ineligible for copyright protection, though for reasons distinct from those relied on by the Court of Appeals. A careful examination of our government edicts precedents reveals a straightforward rule based on the identity of the author. Under the government edicts doctrine, judges—and, we now confirm, legislators—may not be considered the “authors” of the works they produce in the course of their official duties as judges and legislators. That rule applies regardless of whether a given material carries the force of law. And it applies to the annotations here because they are authored by an arm of the legislature in the course of its official duties.

A

We begin with precedent. The government edicts doctrine traces back to a trio of cases decided in the 19th century. In this Court’s first copyright case, *Wheaton v. Peters*, [8 Pet. 591](#) (1834), the Court’s third Reporter of Decisions, Wheaton, sued the fourth, Peters, unsuccessfully asserting a copyright interest in the Justices’ opinions. *Id.*, at 617 (argument). In Wheaton’s view, the opinions “must have belonged to some one” because “they were new, original,” and much more “elaborate” than law or custom required. *Id.*, at 615. Wheaton argued that the Justices were the authors and had assigned their ownership interests to him through a tacit “gift.” *Id.*, at 614. The Court unanimously rejected that argument, concluding that “no reporter has or can have any copyright in

the written opinions delivered by this court” and that “the judges thereof cannot confer on any reporter any such right.” *Id.*, at 668 (opinion).

That conclusion apparently seemed too obvious to adorn with further explanation, but the Court provided one a half century later in *Banks v. Manchester*, [128 U.S. 244](#) (1888). That case concerned whether Wheaton’s state-court counterpart, the official reporter of the Ohio Supreme Court, held a copyright in the judges’ opinions and several non-binding explanatory materials prepared by the judges. *Id.*, at 249-251. The Court concluded that he did not, explaining that “the judge who, in his judicial capacity, prepares the opinion or decision, the statement of the case and the syllabus or head note” cannot “be regarded as their author or their proprietor, in the sense of [the Copyright Act].” *Id.*, at 253. Pursuant to “a judicial *consensus*” dating back to *Wheaton*, judges could not assert copyright in “whatever work they perform in their capacity as judges.” *Banks*, [128 U.S. at 253](#) (emphasis in original). Rather, “[t]he whole work done by the judges constitutes the authentic exposition and interpretation of the law, which, binding every citizen, is free for publication to all.” *Ibid.* (citing *Nash v. Lathrop*, [6 N.E. 559](#) (1886)).

In a companion case decided later that Term, *Callaghan v. Myers*, [128 U.S. 617](#) (1888), the Court identified an important limiting principle. As in *Wheaton* and *Banks*, the Court rejected the claim that an official reporter held a copyright interest in the judges’ opinions. But, resolving an issue not addressed in *Wheaton* and *Banks*, the Court upheld the reporter’s copyright interest in several explanatory materials that the reporter had created himself: headnotes, syllabi, tables of contents, and the like. *Callaghan*, [128 U.S. at 645, 647](#). Although these works mirrored the judge-made materials rejected in *Banks*, they came from an author who had no authority to speak with the force of law. Because the reporter was not a judge, he was free to “obtain[] a copyright” for the materials that were “the result of his [own] intellectual labor.” [128 U.S. at 647](#).

These cases establish a straightforward rule: Because judges are vested with the authority to make and interpret the law, they cannot be the “author” of the works they prepare “in the discharge of their judicial duties.” *Banks*, [128 U.S. at 253](#). This rule applies both to binding works (such as opinions) and to non-binding works (such as headnotes and syllabi). *Ibid.* It does not apply, however, to works created by government officials (or private parties) who lack the authority to make or interpret the law, such as court reporters. Compare *ibid.* with *Callaghan*, [128 U.S. at 647](#).

The animating principle behind this rule is that no one can own the law. “Every citizen is presumed to know the law,” and “it needs no argument to show... that all should have free access” to its contents. *Nash*, [6 N.E. at 560](#) (cited by *Banks*, [128 U.S. at 253-254](#)). Our cases give effect to that principle in the copyright context through construction of the statutory term “author.” *Id.*, at 253.¹ Rather than attempting to

¹ The Copyright Act of 1790 granted copyright protection to “the author and authors” of qualifying works. Act of May 31, 1790, § 1, 1 Stat. 124. This author requirement appears in the current Copyright Act at § 102(a), which limits protection to “original works of *authorship*.” 17 U.S.C. § 102(a) (emphasis added); see also § 201(a) (copyright “vests initially in the author or authors of the work”).

catalog the materials that constitute “the law,” the doctrine bars the officials responsible for creating the law from being considered the “author[s]” of “*whatever work* they perform in their capacity” as lawmakers. *Ibid.* (emphasis added). Because these officials are generally empowered to make and interpret law, their “whole work” is deemed part of the “authentic exposition and interpretation of the law” and must be “free for publication to all.” *Ibid.*

If judges, acting as judges, cannot be “authors” because of their authority to make and interpret the law, it follows that legislators, acting as legislators, cannot be either. Courts have thus long understood the government edicts doctrine to apply to legislative materials. See, e.g., *Nash*, [6 N.E. at 560](#) (judicial opinions and statutes stand “on substantially the same footing” for purposes of the government edicts doctrine); *Howell v. Miller*, [91 F. 129, 130-131, 137-138](#) (CA6 1898) (Harlan, J., Circuit Justice, joined by then-Circuit Judge Taft) (analyzing statutes and supplementary materials under *Banks* and *Callaghan* and concluding that the materials were copyrightable because they were prepared by a private compiler).

Moreover, just as the doctrine applies to “whatever work [judges] perform in their capacity as judges,” *Banks*, [128 U.S. at 253](#), it applies to whatever work legislators perform in their capacity as legislators. That of course includes final legislation, but it also includes explanatory and procedural materials legislators create in the discharge of their legislative duties. In the same way that judges cannot be the authors of their headnotes and syllabi, legislators cannot be the authors of (for example) their floor statements, committee reports, and proposed bills. These materials are part of the “whole work done by [legislators],” so they must be “free for publication to all.” *Ibid.*

Under our precedents, therefore, copyright does not vest in works that are (1) created by judges and legislators (2) in the course of their judicial and legislative duties.

B

1

Applying that framework, Georgia’s annotations are not copyrightable. The first step is to examine whether their purported author qualifies as a legislator.

As we have explained, the annotations were prepared in the first instance by a private company (Lexis) pursuant to a work-for-hire agreement with Georgia’s Code Revision Commission. The Copyright Act therefore deems the Commission the sole “author” of the work. 17 U.S.C. § 201(b). Although Lexis expends considerable effort preparing the annotations, for purposes of copyright that labor redounds to the Commission as the statutory author. Georgia agrees that the author is the Commission.

The Commission is not identical to the Georgia Legislature, but functions as an arm of it for the purpose of producing the annotations. The Commission is created by the legislature, for the legislature, and consists largely of legislators. The Commission receives funding and staff designated by law for the legislative branch. Significantly, the annotations the Commission creates are approved by the legislature before being

“merged” with the statutory text and published in the official code alongside that text at the legislature’s direction. OCGA § 1-1-1.

If there were any doubt about the link between the Commission and the legislature, the Georgia Supreme Court has dispelled it by holding that, under the Georgia Constitution, “the work of the Commission; i.e., selecting a publisher and contracting for and supervising the codification of the laws enacted by the General Assembly, including court interpretations thereof, is within the sphere of legislative authority.” *Harrison Co.*, [260 S.E.2d at 34](#) (emphasis added). That holding is not limited to the Commission’s role in codifying the statutory text. The Commission’s “legislative authority” specifically includes its “codification of ... court interpretations” of the State’s laws. *Ibid.* Thus, as a matter of state law, the Commission wields the legislature’s authority when it works with Lexis to produce the annotations. All of this shows that the Commission serves as an extension of the Georgia Legislature in preparing and publishing the annotations. And it helps explain why the Commission brought this suit asserting copyright in the annotations “on behalf of and for the benefit of the Georgia Legislature and the State of Georgia.

2

The second step is to determine whether the Commission creates the annotations in the “discharge” of its legislative “duties.” *Banks*, [128 U.S. at 253](#). It does. Although the annotations are not enacted into law through bicameralism and presentment, the Commission’s preparation of the annotations is under Georgia law an act of “legislative authority,” *Harrison Co.*, [260 S.E.2d at 34](#), and the annotations provide commentary and resources that the legislature has deemed relevant to understanding its laws. Georgia and Justice Ginsburg emphasize that the annotations do not purport to provide authoritative explanations of the law and largely summarize other materials, such as judicial decisions and law review articles. But that does not take them outside the exercise of legislative duty by the Commission and legislature. Just as we have held that the “statement of the case and the syllabus or head note” prepared by judges fall within the “work they perform in their capacity as judges,” *Banks*, [128 U.S. at 253](#), so too annotations published by legislators alongside the statutory text fall within the work legislators perform in their capacity as legislators.

In light of the Commission’s role as an adjunct to the legislature and the fact that the Commission authors the annotations in the course of its legislative responsibilities, the annotations in Georgia’s Official Code fall within the government edicts doctrine and are not copyrightable.

III

Georgia resists this conclusion on several grounds. At the outset, Georgia advances two arguments for why, in its view, excluding the OCGA annotations from copyright protection conflicts with the text of the Copyright Act. Both are unavailing.

First, Georgia notes that § 101 of the Act specifically lists “annotations” among the kinds of works eligible for copyright protection. But that provision refers only to “annotations ... which ... represent an original work of *authorship*.” 17 U.S.C. § 101 (emphasis added). The whole point of the government edicts doctrine is that judges and legislators cannot serve as authors when they produce works in their official capacity. While the reference to “annotations” in § 101 may help explain why supplemental, explanatory materials are copyrightable when prepared by a private party, or a non-lawmaking official like the reporter in Callaghan, it does not speak to whether those same materials are copyrightable when prepared by a judge or a legislator. In the same way that judicial materials are ineligible for protection even though they plainly qualify as “[l]iterary works ... expressed in words,” *ibid.*, legislative materials are ineligible for protection even if they happen to fit the description of otherwise copyrightable “annotations.”

Second, Georgia draws a negative inference from the fact that the Act excludes from copyright protection “work[s] prepared by an officer or employee of the United States Government as part of that person’s official duties” and does not establish a similar rule for the States. § 101; see also § 105. But the bar on copyright protection for federal works sweeps much more broadly than the government edicts doctrine does. That bar applies to works created by all federal “officer[s] or employee[s],” without regard for the nature of their position or scope of their authority. Whatever policy reasons might justify the Federal Government’s decision to forfeit copyright protection for its own proprietary works, that federal rule does not suggest an intent to displace the much narrower government edicts doctrine with respect to the States. That doctrine does not apply to non-lawmaking officials, leaving States free to assert copyright in the vast majority of expressive works they produce, such as those created by their universities, libraries, tourism offices, and so on.

More generally, Georgia suggests that we should resist applying our government edicts precedents to the OCGA annotations because our 19th-century forebears interpreted the statutory term author by reference to “public policy”—an approach that Georgia believes is incongruous with the “modern era” of statutory interpretation. Brief for Petitioners 21 (internal quotation marks omitted). But we are particularly reluctant to disrupt precedents interpreting language that Congress has since reenacted. *** A century of cases have rooted the government edicts doctrine in the word “author,” and Congress has repeatedly reused that term without abrogating the doctrine. The term now carries this settled meaning, and “critics of our ruling can take their objections across the street, [where] Congress can correct any mistake it sees.” *Kimble v. Marvel Entertainment, LLC*, [576 U.S. 446, 456](#) (2015).

Moving on from the text, Georgia invokes what it views as the official position of the Copyright Office, as reflected in the Compendium of U.S. Copyright Office Practices (Compendium). But, as Georgia concedes, the Compendium is a non-binding administrative manual that at most merits deference under *Skidmore v. Swift & Co.*, [323 U.S. 134](#) (1944). That means we must follow it only to the extent it has the “power to persuade.” *Id.*, at 140. Because our precedents answer the question before us, we find any competing guidance in the Compendium unpersuasive. In any event, the Compendium is largely consistent with our decision. ***

Georgia also appeals to the overall purpose of the Copyright Act to promote the creation and dissemination of creative works. Georgia submits that, without copyright protection, Georgia and many other States will be unable to induce private parties like Lexis to assist in preparing affordable annotated codes for widespread distribution. That appeal to copyright policy, however, is addressed to the wrong forum. As Georgia acknowledges, “[I]t is generally for Congress, not the courts, to decide how best to pursue the Copyright Clause’s objectives.” *Eldred v. Ashcroft*, [537 U.S. 186, 212](#) (2003). And that principle requires adherence to precedent when, as here, we have construed the statutory text and “tossed [the ball] into Congress’s court, for acceptance or not as that branch elects.” *Kimble*, [576 U.S. at 456](#).

Turning to our government edicts precedents, Georgia insists that they can and should be read to focus exclusively on whether a particular work has “the force of law.” Justice Thomas appears to endorse the same view. But that framing has multiple flaws.

Most obviously, it cannot be squared with the reasoning or results of our cases—especially *Banks*. *Banks*, following *Wheaton* and the “judicial consensus” it inspired, denied copyright protection to judicial opinions without excepting concurrences and dissents that carry no legal force. [128 U.S. at 253](#) (emphasis deleted). As every judge learns the hard way, “comments in [a] dissenting opinion” about legal principles and precedents “are just that: comments in a dissenting opinion.” *Railroad Retirement Bd. v. Fritz*, [449 U.S. 166, 177, n. 10](#) (1980). Yet such comments are covered by the government edicts doctrine because they come from an official with authority to make and interpret the law.

Indeed, *Banks* went even further and withheld copyright protection from headnotes and syllabi produced by judges. [128 U.S. at 253](#). Surely these supplementary materials do not have the force of law, yet they are covered by the doctrine. The simplest explanation is the one *Banks* provided: These non-binding works are not copyrightable because of who creates them—judges acting in their judicial capacity.

The same goes for non-binding legislative materials produced by legislative bodies acting in a legislative capacity. There is a broad array of such works ranging from floor statements to proposed bills to committee reports. Under the logic of Georgia’s “force of law” test, States would own such materials and could charge the public for access to them.

Furthermore, despite Georgia’s and Justice Thomas’s purported concern for the text of the Copyright Act, their conception of the government edicts doctrine has less of a

textual footing than the traditional formulation. The textual basis for the doctrine is the Act's "authorship" requirement, which unsurprisingly focuses on—the author. Justice Thomas urges us to dig deeper to "the root" of our government edicts precedents. But, in our view, the text is the root. The Court long ago interpreted the word "author" to exclude officials empowered to speak with the force of law, and Congress has carried that meaning forward in multiple iterations of the Copyright Act. This textual foundation explains why the doctrine distinguishes between some authors (who are empowered to speak with the force of law) and others (who are not). But the Act's reference to "authorship" provides no basis for Georgia's rule distinguishing between different categories of content with different effects.

Georgia minimizes the OCGA annotations as non-binding and non-authoritative, but that description undersells their practical significance. Imagine a Georgia citizen interested in learning his legal rights and duties. If he reads the economy-class version of the Georgia Code available online, he will see laws requiring political candidates to pay hefty qualification fees (with no indigency exception), criminalizing broad categories of consensual sexual conduct, and exempting certain key evidence in criminal trials from standard evidentiary limitations—with no hint that important aspects of those laws have been held unconstitutional by the Georgia Supreme Court. See OCGA §§ 21-2-131, 16-6-2, 16-6-18, 16-15-9 (available at www.legis.ga.gov). Meanwhile, first-class readers with access to the annotations will be assured that these laws are, in crucial respects, unenforceable relics that the legislature has not bothered to narrow or repeal. See §§ 21-2-131, 16-6-2, 16-6-18, 16-15-9 (available at <https://store.lexisnexis.com/products/official-code-of-georgia-annotated-skuSKU6647> for \$412.00).

If everything short of statutes and opinions were copyrightable, then States would be free to offer a whole range of premium legal works for those who can afford the extra benefit. A State could monetize its entire suite of legislative history. With today's digital tools, States might even launch a subscription or pay-per-law service.

There is no need to assume inventive or nefarious behavior for these concerns to become a reality. Unlike other forms of intellectual property, copyright protection is both instant and automatic. It vests as soon as a work is captured in a tangible form, triggering a panoply of exclusive rights that can last over a century. 17 U.S.C. §§ 102, 106, 302. If Georgia were correct, then unless a State took the affirmative step of transferring its copyrights to the public domain, all of its judges' and legislators' non-binding legal works would be copyrighted. And citizens, attorneys, nonprofits, and private research companies would have to cease all copying, distribution, and display of those works or risk severe and potentially criminal penalties. §§ 501-506. Some affected parties might be willing to roll the dice with a potential fair use defense. But that defense, designed to accommodate First Amendment concerns, is notoriously fact sensitive and often cannot be resolved without a trial. The less bold among us would have to think twice before using official legal works that illuminate the law we are all presumed to know and understand.

Thankfully, there is a clear path forward that avoids these concerns—the one we are already on. Instead of examining whether given material carries "the force of law," we

ask only whether the author of the work is a judge or a legislator. If so, then whatever work that judge or legislator produces in the course of his judicial or legislative duties is not copyrightable. That is the framework our precedents long ago established, and we adhere to those precedents today.

* * *

For the foregoing reasons, we affirm the judgment of the Eleventh Circuit.

It is so ordered.

JUSTICE THOMAS, with whom JUSTICE ALITO joins, and with whom JUSTICE BREYER joins as to all but Part II-A and footnote 6, dissenting: According to the majority, this Court’s 19th-century “government edicts” precedents clearly stand for the proposition that “judges and legislators cannot serve as authors [for copyright purposes] when they produce works in their official capacity.” And, after straining to conclude that the Georgia Code Revision Commission (Commission) is an arm of the Georgia Legislature, the majority concludes that Georgia cannot hold a copyright in the annotations that are included as part of the Official Code of Georgia Annotated (OCGA). This ruling will likely come as a shock to the 25 other jurisdictions—22 States, 2 Territories, and the District of Columbia—that rely on arrangements similar to Georgia’s to produce annotated codes. Perhaps these jurisdictions all overlooked this Court’s purportedly clear guidance. Or perhaps the widespread use of these arrangements indicates that today’s decision extends the government edicts doctrine to a new context, rather than simply “confirm[ing]” what the precedents have always held. Because I believe we should “leave to Congress the task of deciding whether the Copyright Act needs an upgrade,” *American Broadcasting Cos. v. Aereo, Inc.*, [573 U.S. 431, 463](#) (2014) (Scalia, J., dissenting), I respectfully dissent.

I

Like the majority, I begin with the three 19th-century precedents that the parties agree provide the foundation for the government edicts doctrine. ***

II

These precedents establish that judicial opinions cannot be copyrighted. But they do not exclude from copyright protection notes that are prepared by an official court reporter and published together with the reported opinions. There is no apparent reason why the same logic would not apply to statutes and regulations. Thus, it must follow from our precedents that statutes and regulations cannot be copyrighted, but accompanying notes lacking legal force can be. See *Howell v. Miller*, [91 F. 129](#) (CA6 1898) (Harlan, J.) (explaining that, under *Banks* and *Callaghan*, annotations to Michigan statutes could be copyrighted).

A

It is fair to say that the Court’s 19th-century decisions do not provide any extended explanation of the basis for the government edicts doctrine. The majority is nonetheless content to accept these precedents reflexively, without examining the origin or

validity of the rule they announced. For the majority, it is enough that the precedents established a rule that “seemed too obvious to adorn with further explanation.” Ante, at 1506. But the contours of the rule were far from clear, and to understand the scope of the doctrine, we must explore its underlying rationale.

In my view, the majority’s uncritical extrapolation of precedent is inconsistent with the judicial role. An unwillingness to examine the root of a precedent has led to the sprouting of many noxious weeds that distort the meaning of the Constitution and statutes alike. Although we have not been asked to revisit these precedents, it behooves us to explore the origin of and justification for them, especially when we are asked to apply their rule for the first time in over 130 years.

The Court’s precedents suggest three possible grounds supporting their conclusion. In *Banks*, the Court referred to the meaning of the term “author” in copyright law. While the Court did not develop this argument, it is conceivable that the contemporaneous public meaning of the term “author” was narrower in the copyright context than in ordinary speech. At the time this Court decided *Banks*, the Copyright Act provided protection for books, maps, prints, engravings, musical and dramatic compositions, photographs, and works of art.¹ Judicial opinions differ markedly from these works. Books, for instance, express the thoughts of their authors. They typically have no power beyond the ability of their words to influence readers, and they usually are published at private expense. Judicial opinions, on the other hand, do not simply express the thoughts of the judges who write or endorse them. Instead, they elaborate and apply rules of law that, in turn, represent the implementation of the will of the people. Unlike other copyrightable works of authorship, judicial opinions have binding legal effect, and they are produced and issued at public expense. Moreover, copyright law understands an author to be one whose work will be encouraged by the grant of an exclusive right. See *Kirtsaeng v. John Wiley & Sons, Inc.*, [579 U.S. _____](#), ____ (2016). But judges, when acting in an official capacity, do not fit that description. The Court in *Banks* may have had these differences in mind when it concluded that a judge fell outside the scope of the term “author.” [128 U.S. at 253](#).

History may also suggest a narrower meaning of “author” in the copyright context. In England, at least as far back as 1666, courts and commentators agreed “that the property of all law books is in the king, because he pays the judges who pronounce the law.” G. Curtis, *Law of Copyright* 130 (1847). Blackstone described this as a “prerogative copyrigh[t],” explaining that “[t]he king, as the executive magistrate, has the right of promulgating to the people all acts of state and government. This gives him the exclusive privilege of printing, at his own press, or that of his grantees, all acts of parliament, proclamations, and orders of council.” 2 W. Blackstone, *Commentaries on the Laws of England* 410 (1766) (emphasis deleted); see also *Wheaton*, [8 Pet. at 659-660](#). This history helps to explain the dearth of cases permitting individuals to obtain copyrights in judicial opinions. But under the Constitution, sovereignty lies with the people, not a king. See *The Federalist* No. 22, p. 152 (C. Rossiter ed. 1961); *id.*, No. 39, at 241.

¹ See 1 Stat. 124; 2 Stat. 171; ch. 16, 4 Stat. 436; 11 Stat. 138-139; 13 Stat. 540; 16 Stat. 212.

The English historical practice, when superimposed on the Constitution's recognition that sovereignty resides in the people, helps to explain the Court's conclusion that the "authentic exposition and interpretation of the law ... is free for publication to all." *Banks*, [128 U.S. at 253](#).

Finally, concerns of fair notice, often recognized by this Court's precedents as an important component of due process, also may have animated the reasoning of these 19th-century cases. As one court put it, "[t]he decisions and opinions of the justices are the authorized expositions and interpretations of the laws, which are binding upon all the citizens.... Every citizen is presumed to know the law thus declared, and it needs no argument to show that justice requires that all should have free access to the opinions." I, [6 N.E. 559, 560](#) (1886) (cited in *Banks*, [128 U.S. at 253-254](#)).

B

Allowing annotations to be copyrighted does not run afoul of any of these possible justifications for the government edicts doctrine. First, unlike judicial opinions and statutes, these annotations do not even purport to embody the will of the people because they are not law. The General Assembly of Georgia has made abundantly clear through a variety of provisions that the annotations do not create any binding obligations. OCGA § 1-1-7 states that "[a]ll historical citations, title and chapter analyses, and notes set out in this Code are given for the purpose of convenient reference and do not constitute part of the law." Section 1-1-1 further provides that "[t]he statutory portion of the codification of Georgia laws ... is enacted and shall have the effect of statutes enacted by the General Assembly of Georgia. The statutory portion of such codification shall be merged with annotations ... and other materials ... and shall be published by authority of the state." Thus, although the materials "merge" prior to publication in the "official" code, the very provision calling for that merger makes clear that the annotations serve as commentary, not law.

As additional evidence that the annotations do not represent the will of the people, the General Assembly does not enact statutory annotations under its legislative power. See Ga. Const., Art. III, § 1, ¶ 1 (vesting the legislative power in the General Assembly). To enact state law, Georgia employs a process of bicameralism and presentment similar to that embodied in the United States Constitution. See Ga. Const., Art. III, § 5; Art. V, § 2, ¶ 4. The annotations do not go through this process, a fact that even the majority must acknowledge. Ga. S. 52, Reg. Sess., § 54(b) (2019-2020) ("Annotations... except as otherwise provided in the Code ... are not enacted as statutes by the provisions of this Act").

Second, unlike judges and legislators, the creators of annotations are incentivized by the copyright laws to produce a desirable product that will eventually earn them a profit. And though the Commission may require Lexis to follow strict guidelines, the independent synthesis, analysis, and creative drafting behind the annotations makes them analogous to other copyrightable materials.

Lastly, the annotations do not impede fair notice of the laws. As just stated, the annotations do not carry the binding force of law. They simply summarize independent

sources of legal information and consolidate them in one place. Thus, OCGA annotations serve a similar function to other copyrighted research tools provided by private parties such as the American Law Reports and Westlaw, which also contain information of great “practical significance.” Ante. Compare, e.g., OCGA § 34-9-260 (annotation for *Cho Carwash Property, L.L.C. v. Everett*, [755 S.E.2d 823](#) (2014)) with Ga. Code Ann. § 34-9-260 (Westlaw’s annotation for the same).

The majority resists this conclusion, suggesting that without access to the annotations, readers of Georgia law will be unable to fully understand the true meaning of Georgia’s statutory provisions, such as provisions that have been undermined or nullified by court decisions. That is simply incorrect. As the majority tacitly concedes, a person seeking information about changes in Georgia statutory law can find that information by consulting the original source for the change in the law’s status—the court decisions themselves. The inability to access the OCGA merely deprives a researcher of one specific tool, not to the underlying factual or legal information summarized in that tool.

C

The text of the Copyright Act supports my reading of the precedents.³ Specifically, there are four indications in the text of the Copyright Act that the OCGA annotations are copyrightable. As an initial matter, the Act does not define the word “author,” 17 U.S.C. § 101, or make any reference to the government edicts doctrine. Accordingly, the term “author” itself does not shed any light on whether the doctrine covers statutory annotations. Second, while the Act excludes from copyright protection “work[s] prepared by an officer or employee of the United States Government as part of that person’s official duties,” § 101; see also § 105, the Act contains no similar prohibition against works of state governments or works prepared at their behest. *** Third, the Act specifically notes that annotations are copyrightable derivative works. § 101. Here, again, the Act does not expressly exclude from copyright protection annotations created either by the State or at the State’s request. Fourth, the Act provides that an author may hold a copyright in “material contributed” in a derivative work, “as distinguished from the preexisting material employed in the work.” § 103(b). These aspects of the statutory text, taken together, further support the conclusion that the OCGA annotations are copyrightable.

For all these reasons, I would conclude that, as with the privately created annotations in *Callaghan*, Georgia’s statutory annotations at issue in this case are copyrightable.

III

The majority reads this Court’s precedents differently. In its view, the Court in *Banks* held that judges are not “authors” within the scope of the Copyright Act for “whatever

³ As the majority explains, the annotations were created as part of a work-for-hire agreement between the Commission and Lexis. See 17 U.S.C. § 201(b). Because no party disputes the validity of the contract, I express no opinion regarding whether the contract established an employer/employee relationship or whether the Commission may be considered a “person” under § 201(b).

work they perform in their capacity as judges,” [128 U.S. at 253](#) so the same must be true for legislators. Accordingly, works created by legislators in their legislative capacity are not “original works of authorship,” § 102, and therefore cannot be copyrighted. This argument is flawed in multiple respects.

A

Most notably, the majority’s textual analysis hinges on accepting that its construction of “authorship,” i.e., all works produced in a judge’s or legislator’s official capacity, was so well established by our 19th-century precedents that Congress incorporated it into the multiple revisions of the Copyright Act. Such confidence is questionable, to say the least.

The majority’s understanding of the government edicts doctrine seems to have been lost on dozens of States and Territories, as well as the lower courts in this case. As already stated, the 25 jurisdictions with official annotated codes apparently did not view this Court’s precedents as establishing the “official duties” definition of authorship. And if “our precedents answer the question” so clearly, one wonders why the Eleventh Circuit reached its conclusion in such a roundabout fashion. Rather than following the majority’s “straightforward” path, the Eleventh Circuit looked to the “zone of indeterminacy at the frontier between edicts that carry the force of law and those that do not” to determine whether the annotations were “sufficiently law-like” to be “constructively authored by the People.” *Code Revision Comm’n v. Public.Resource.Org, Inc.*, [906 F.3d 1229, 1233, 1242, 1243](#) (2018). The District Court likewise does not appear to have viewed the question as well settled. In a cursory analysis, it determined that the annotations were copyrightable based on *Callaghan. Code Revision Comm’n v. Public.Resource.Org, Inc.*, [244 F.Supp.3d 1350, 1356](#) (ND Ga. 2017). It is risible to presume that Congress had knowledge of and incorporated a “settled” meaning that eluded a multitude of States and Territories, as well as at least four Article III judges.

This presumption of congressional knowledge also provides the basis for the majority’s conclusion that the annotations are not “original works of authorship.” See ante, at 1509-1510 (discussing § 101). Stripped of the fiction that this Court’s 19th-century precedents clearly demonstrated that “authorship” encompassed all works performed as part of a legislator’s duties, the majority’s textual argument fails.

The majority does not confront this criticism head on. Instead, it simply repeats, without any further elaboration, its unsupported conclusion that “[t]he Court long ago interpreted the word ‘author’ to exclude officials empowered to speak with the force of law, and Congress has carried that meaning forward in multiple iterations of the Copyright Act.” This wave of the “magic wand of ipse dixit” does nothing to strengthen the majority’s argument, and in fact only serves to underscore its weakness. *United States v. Yermian*, [468 U.S. 63, 77](#) (1984) (Rehnquist, J., dissenting).⁵

⁵ The majority’s approach is also hard to reconcile with the recognition in *Wheaton v. Peters*, [8 Pet. 591](#) (1834), that annotations prepared by the Reporter of Decisions could be copyrighted. Wheaton was paid a salary of \$1,000, and it is difficult to say whether this salary funded his work on the opinions or his work on the annotations. See *id.*, at 614, 617 (argument).

B

In addition to its textual deficiencies, the majority's understanding of this Court's precedents fails to account for the critical differences between the role that judicial opinions play in expounding upon the law compared to that of statutes. The majority finds it meaningful, for instance, that *Banks* prohibited dissents and concurrences from being copyrighted, even though they carry no legal force. At an elementary level, it is true that the judgment is the only part of a judicial decision that has legal effect. But it blinks reality to ignore that every word of a judicial opinion—whether it is a majority, a concurrence, or a dissent—expounds upon the law in ways that do not map neatly on to the legislative function. Setting aside summary decisions, the reader of a judicial opinion will always gain critical insight into the reasoning underlying a judicial holding by reading all opinions in their entirety. Understanding the reasoning that animates the rule in turn provides pivotal insight into how the law will likely be applied in future judicial opinions. Thus, deprived of access to judicial opinions, individuals cannot access the primary, and therefore best, source of information for the meaning of the law. And as true as that is today, access to these opinions was even more essential in the 19th century before the proliferation of federal and state regulatory law fundamentally altered the role that common-law judging played in expounding upon the law.

These differences provide crucial context for *Banks*' reasoning. Specifically, to ensure that judicial "exposition and interpretation of the law" remains "free for publication to all," the word "author" must be read to encompass all judicial duties. *Banks*, [128 U.S. at 253](#). But these differences also demonstrate that the same rule does not a fortiori apply to all legislative duties.

C

In addition to being flawed as a textual and precedential matter, the majority's rule will prove difficult to administer. According to one group of amici, nearly all jurisdictions with annotated codes use private contractors that "almost invariably prepare [annotations] under the supervision of legislative-branch or judicial-branch officials, including state legislators or state-court judges." Brief for State of Arkansas et al. as Amici Curiae 16-17. Under the majority's view, any one of these commissions or counsels could potentially be reclassified as an "adjunct to the legislature." But the majority's test for ascertaining the true nature of these commissions raises far more questions than it answers.

The majority lists a number of factors—including the Commission's membership and funding, how the annotations become part of the OCGA, and descriptions of the Commission from court cases—to support its conclusion that the Commission is really part of the legislature. But it does not specify whether these factors are exhaustive or illustrative and, if the latter, what other factors may be important. The majority also does not specify whether some factors weigh more heavily than others when deciding whether to deem an oversight body a legislative adjunct.

And even when the majority does list concrete factors, pivotal guidance remains lacking. For example, the majority finds it meaningful that 9 out of the Commission's 15

members are legislators. See OCGA § 28-9-2 (noting that the other members of the Commission include the State’s Lieutenant Governor, a judge, a district attorney, and three other state bar members). But how many legislative members are needed for a commission to become a legislative adjunct? The majority provides no answers to any of these questions.

* * *

The majority’s rule will leave in the lurch the many States, private parties, and legal researchers who relied on the previously bright-line rule. Perhaps, to the detriment of all, many States will stop producing annotated codes altogether. Were that to occur, the majority’s fear of an “economy-class” version of the law will truly become a reality. As Georgia explains, its contract enables the OCGA to be sold at a fraction of the cost of competing annotated codes. For example, Georgia asserts that Lexis sold the OCGA for \$404 in 2016, while West Publishing’s competing annotated code sold for \$2,570. Should state annotated codes disappear, those without the means to pay the competitor’s significantly higher price tag will have a valuable research tool taken away from them. Meanwhile, this Court, which is privileged to have access to numerous research resources, will scarcely notice. These negative practical ramifications are unfortunate enough when they reflect the deliberative legislative choices that we as judges are bound to respect. They are all the more regrettable when they are the result of our own meddling. Fortunately, as the majority and I agree, “critics of [today’s] ruling can take their objections across the street, [where] Congress can correct any mistake it sees.” Ante, (quoting *Kimble v. Marvel Entertainment, LLC*, [576 U.S. 446, 456](#) (2015)).

We have “stressed ... that it is generally for Congress, not the courts, to decide how best to pursue the Copyright Clause’s objectives,” *Eldred v. Ashcroft*, [537 U.S. 186, 212](#) (2003), because “it is Congress that has been assigned the task of defining the scope of the limited monopoly that should be granted to authors,” *Sony Corp. of America v. Universal City Studios, Inc.*, [464 U.S. 417, 429](#) (1984). Because the majority has strayed from its proper role, I respectfully dissent.

JUSTICE GINSBURG, with whom JUSTICE BREYER joins, dissenting. Beyond doubt, state laws are not copyrightable. Nor are other materials created by state legislators in the course of performing their lawmaking responsibilities, e.g., legislative committee reports, floor statements, unenacted bills. Not all that legislators do, however, is ineligible for copyright protection; the government edicts doctrine shields only “works that are (1) created by judges and legislators (2) *in the course of their judicial and legislative duties.*” Ante (emphasis added). The core question this case presents, as I see it: Are the annotations in the Official Code of Georgia Annotated (OCGA) done in a legislative capacity? The answer, I am persuaded, should be no.

To explain why, I proceed from common ground. All agree that headnotes and syllabi for judicial opinions—both a kind of annotation—are copyrightable when created by a reporter of decisions, *Callaghan v. Myers*, [128 U.S. 617, 645-650](#) (1888), but are not copyrightable when created by judges, *Banks v. Manchester*, [128 U.S. 244, 253](#) (1888). That is so because “[t]he whole work done by ... judges,” *ibid.*, including dissenting and concurring opinions, ranks as work performed in their judicial capacity. Judges do not

outsource their writings to “arm[s]” or “adjunct[s],” to be composed in their stead. Accordingly, the judicial opinion-drafting process in its entirety—including the drafting of headnotes and syllabi, in jurisdictions where that is done by judges—falls outside the reach of copyright protection.

One might ask: If a judge’s annotations are not copyrightable, why are those created by legislators? The answer lies in the difference between the role of a judge and the role of a legislator. “[T]o the judiciary” we assign “the duty of interpreting and applying” the law, *Massachusetts v. Mellon*, [262 U.S. 447, 488](#) (1923), and sometimes making the applicable law. In contrast, the role of the legislature encompasses the process of “making laws”—not construing statutes after their enactment. *Mellon*, [262 U.S. at 488](#). The OCGA annotations, in my appraisal, do not rank as part of the Georgia Legislature’s lawmaking process for three reasons.

First, the annotations are not created contemporaneously with the statutes to which they pertain; instead, the annotations comment on statutes already enacted. In short, annotating begins only after lawmaking ends. This sets the OCGA annotations apart from uncopyrightable legislative materials like committee reports, generated before a law’s enactment, and tied tightly to the task of law-formulation.

Second, the OCGA annotations are descriptive rather than prescriptive. Instead of stating the legislature’s perception of what a law conveys, the annotations summarize writings in which others express their views on a given statute. For example, the OCGA contains “case annotations” for “[a]ll decisions of the Supreme Court of Georgia and the Court of Appeals of Georgia and all decisions of the federal courts in cases which arose in Georgia construing any portion of the general statutory law of the state.” *Id.*, at 403. Per the Code Revision Commission’s instructions, each annotation should “accurately reflect the facts, holding, and statutory construction” adopted by the court. *Id.*, at 404. The annotations are neutrally cast; they do not opine on whether the summarized case was correctly decided. See, e.g., OCGA § 17-7-50 (2013) (case annotation summarizing facts and holdings of nine cases construing right to grand jury hearing). This characteristic of the annotations distinguishes them from preenactment legislative materials that touch or concern the correct interpretation of the legislature’s work.

Third, and of prime importance, the OCGA annotations are “given for the purpose of convenient reference” by the public, § 1-1-7 (2019); they aim to inform the citizenry at large, they do not address, particularly, those seated in legislative chambers. Annotations are thus unlike, for example, surveys, work commissioned by a legislature to aid in determining whether existing law should be amended.

The requirement that the statutory portions of the OCGA “shall be merged with annotations,” § 1-1-1, does not render the annotations anything other than explanatory, referential, or commentarial material. Annotations aid the legal researcher, and that aid is enhanced when annotations are printed beneath or alongside the relevant statutory text. But the placement of annotations in the OCGA does not alter their auxiliary, nonlegislative character.

* * *

Because summarizing judicial decisions and commentary bearing on enacted statutes, in contrast to, for example, drafting a committee report to accompany proposed legislation, is not done in a legislator's law-shaping capacity, I would hold the OCGA annotations copyrightable and therefore reverse the judgment of the Court of Appeals for the Eleventh Circuit.

Campbell v. Acuff-Rose Music, Inc.

510 U.S. 569 (1994)

JUSTICE SOUTER delivered the opinion of the Court: We are called upon to decide whether 2 Live Crew's commercial parody of Roy Orbison's song, "Oh, Pretty Woman," may be a fair use within the meaning of the Copyright Act of 1976, 17 U.S.C. § 107. Although the District Court granted summary judgment for 2 Live Crew, the Court of Appeals reversed, holding the defense of fair use barred by the song's commercial character and excessive borrowing. Because we hold that a parody's commercial character is only one element to be weighed in a fair use enquiry, and that insufficient consideration was given to the nature of parody in weighing the degree of copying, we reverse and remand.

I

In 1964, Roy Orbison and William Dees wrote a rock ballad called "Oh, Pretty Woman" and assigned their rights in it to respondent Acuff-Rose Music, Inc. See Appendix A, *infra*. Acuff-Rose registered the song for copyright protection.

Petitioners Luther R. Campbell, Christopher Wongwon, Mark Ross, and David Hobbs are collectively known as 2 Live Crew, a popular rap music group. In 1989, Campbell wrote a song entitled "Pretty Woman," which he later described in an affidavit as intended, "through comical lyrics, to satirize the original work. . . ." On July 5, 1989, 2 Live Crew's manager informed Acuff-Rose that 2 Live Crew had written a parody of "Oh, Pretty Woman," that they would afford all credit for ownership and authorship of the original song to Acuff-Rose, Dees, and Orbison, and that they were willing to pay a fee for the use they wished to make of it. Enclosed with the letter were a copy of the lyrics and a recording of 2 Live Crew's song. See Appendix B, *infra*. Acuff-Rose's agent refused permission, stating that "I am aware of the success enjoyed by 'The 2 Live Crews', but I must inform you that we cannot permit the use of a parody of 'Oh, Pretty Woman.'" Nonetheless, in June or July 1989, 2 Live Crew released records, cassette tapes, and compact discs of "Pretty Woman" in a collection of songs entitled "As Clean As They Wanna Be." The albums and compact discs identify the authors of "Pretty Woman" as Orbison and Dees and its publisher as Acuff-Rose.

Almost a year later, after nearly a quarter of a million copies of the recording had been sold, Acuff-Rose sued 2 Live Crew and its record company, Luke Skywalker Records, for copyright infringement. The District Court granted summary judgment for 2 Live Crew, reasoning that the commercial purpose of 2 Live Crew's song was no bar to fair use; that 2 Live Crew's version was a parody, which "quickly degenerates into a play on words, substituting predictable lyrics with shocking ones" to show "how bland and banal the Orbison song" is; that 2 Live Crew had taken no more than was necessary to "conjure up" the original in order to parody it; and that it was "extremely unlikely that 2 Live Crew's song could adversely affect the market for the original." 754 F. Supp. 1150, 1154-1155, 1157-1158 (MD Tenn. 1991). The District Court weighed these factors and held that 2 Live Crew's song made fair use of Orbison's original. *Id.*, at 1158-1159.

The Court of Appeals for the Sixth Circuit reversed and remanded. 972 F.2d 1429, 1439 (1992). Although it assumed for the purpose of its opinion that 2 Live Crew's song was a parody of the Orbison original, the Court of Appeals thought the District Court had put too little emphasis on the fact that "every commercial use . . . is presumptively . . . unfair," *Sony Corp. of America v. Universal City Studios, Inc.*, [464 U.S. 417, 451](#) (1984), and it held that "the admittedly commercial nature" of the parody "requires the conclusion" that the first of four factors relevant under the statute weighs against a finding of fair use. 972 F.2d, at 1435, 1437. Next, the Court of Appeals determined that, by "taking the heart of the original and making it the heart of a new work," 2 Live Crew had, qualitatively, taken too much. *Id.*, at 1438. Finally, after noting that the effect on the potential market for the original (and the market for derivative works) is "undoubtedly the single most important element of fair use," *Harper & Row, Publishers, Inc. v. Nation Enterprises*, [471 U.S. 539, 566](#) (1985), the Court of Appeals faulted the District Court for "refus[ing] to indulge the presumption" that "harm for purposes of the fair use analysis has been established by the presumption attaching to commercial uses." 972 F.2d, at 1438-1439. In sum, the court concluded that its "blatantly commercial purpose . . . prevents this parody from being a fair use." *Id.*, at 1439.

We granted certiorari, 507 U.S. 1003 (1993), to determine whether 2 Live Crew's commercial parody could be a fair use.

II

It is uncontested here that 2 Live Crew's song would be an infringement of Acuff-Rose's rights in "Oh, Pretty Woman," under the Copyright Act of 1976, 17 U.S.C. § 106 but for a finding of fair use through parody. From the infancy of copyright protection, some opportunity for fair use of copyrighted materials has been thought necessary to fulfill copyright's very purpose, "[t]o promote the Progress of Science and useful Arts. . . ." U.S. Const., Art. I, § 8, cl. 8. ***[F]air use remained exclusively judge-made doctrine until the passage of the 1976 Copyright Act ***.

Congress meant § 107 "to restate the present judicial doctrine of fair use, not to change, narrow, or enlarge it in any way" and intended that courts continue the common-law tradition of fair use adjudication. H.R. Rep. No. 94-1476, p. 66 (1976) (hereinafter House Report); S. Rep. No. 94-473, p. 62 (1975) (hereinafter Senate Report). ***

A

The first factor in a fair use enquiry is "the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes." §107(1). This factor draws on Justice Story's formulation, "the nature and objects of the selections made." *Folsom v. Marsh*, [9 F. Cas. 342, 348 \(No. 4,901\)](#) (CCD Mass. 1841). The enquiry here may be guided by the examples given in the preamble to § 107, looking to whether the use is for criticism, or comment, or news reporting, and the like, see § 107. The central purpose of this investigation is to see, in Justice Story's words, whether the new work merely "supersede[s] the objects" of the original creation, *Folsom*

v. Marsh, *supra*, at 348 or instead adds something new, with a further purpose or different character, altering the first with new expression, meaning, or message; it asks, in other words, whether and to what extent the new work is “transformative.” Leval, *Toward a Fair Use Standard*, 103 Harv. L. Rev. 1105, 1111 (1990). Although such transformative use is not absolutely necessary for a finding of fair use, the goal of copyright, to promote science and the arts, is generally furthered by the creation of transformative works. Such works thus lie at the heart of the fair use doctrine’s guarantee of breathing space within the confines of copyright, and the more transformative the new work, the less will be the significance of other factors, like commercialism, that may weigh against a finding of fair use.

*** Suffice it to say now that parody has an obvious claim to transformative value, as Acuff-Rose itself does not deny. Like less ostensibly humorous forms of criticism, it can provide social benefit, by shedding light on an earlier work, and, in the process, creating a new one. ***

The germ of parody lies in the definition of the Greek *parodeia*, quoted in Judge Nelson’s Court of Appeals dissent, as “a song sung alongside another.” 972 F.2d, at 1440, quoting 7 *Encyclopedia Britannica* 768 (15th ed. 1975). Modern dictionaries accordingly describe a parody as a “literary or artistic work that imitates the characteristic style of an author or a work for comic effect or ridicule,”¹² or as a “composition in prose or verse in which the characteristic turns of thought and phrase in an author or class of authors are imitated in such a way as to make them appear ridiculous.”¹³ For the purposes of copyright law, the nub of the definitions, and the heart of any parodist’s claim to quote from existing material, is the use of some elements of a prior author’s composition to create a new one that, at least in part, comments on that author’s works. If, on the contrary, the commentary has no critical bearing on the substance or style of the original composition, which the alleged infringer merely uses to get attention or to avoid the drudgery in working up something fresh, the claim to fairness in borrowing from another’s work diminishes accordingly (if it does not vanish), and other factors, like the extent of its commerciality, loom larger. Parody needs to mimic an original to make its point, and so has some claim to use the creation of its victim’s (or collective victims’) imagination, whereas satire can stand on its own two feet and so requires justification for the very act of borrowing.¹⁵

The fact that parody can claim legitimacy for some appropriation does not, of course, tell either parodist or judge much about where to draw the line. Like a book review quoting the copyrighted material criticized, parody may or may not be fair use, and petitioners’ suggestion that any parodic use is presumptively fair has no more justification in law or fact than the equally hopeful claim that any use for news reporting should be presumed fair. The Act has no hint of an evidentiary preference for parodists over

¹² *American Heritage Dictionary* 1317 (3d ed. 1992).

¹³ *11 Oxford English Dictionary* 247 (2d ed. 1989).

¹⁵ Satire has been defined as a work “in which prevalent follies or vices are assailed with ridicule,” *14 Oxford English Dictionary*, *supra*, at 500, or are “attacked through irony, derision, or wit,” *American Heritage Dictionary*, *supra*, at 1604.

their victims, and no workable presumption for parody could take account of the fact that parody often shades into satire when society is lampooned through its creative artifacts, or that a work may contain both parodic and nonparodic elements. Accordingly, parody, like any other use, has to work its way through the relevant factors, and be judged case by case, in light of the ends of the copyright law.

Here, the District Court held, and the Court of Appeals assumed, that 2 Live Crew's "Pretty Woman" contains parody, commenting on and criticizing the original work, whatever it may have to say about society at large. As the District Court remarked, the words of 2 Live Crew's song copy the original's first line, but then "quickly degenerat[e] into a play on words, substituting predictable lyrics with shocking ones . . . [that] derisively demonstrat[e] how bland and banal the Orbison song seems to them." 754 F.Supp., at 1155 (footnote omitted). Judge Nelson, dissenting below, came to the same conclusion, that the 2 Live Crew song "was clearly intended to ridicule the white-bread original" and "reminds us that sexual congress with nameless streetwalkers is not necessarily the stuff of romance and is not necessarily without its consequences. The singers (there are several) have the same thing on their minds as did the lonely man with the nasal voice, but here there is no hint of wine and roses." 972 F.2d, at 1442. Although the majority below had difficulty discerning any criticism of the original in 2 Live Crew's song, it assumed for purposes of its opinion that there was some. *Id.*, at 1435-1436, and n. 8.

We have less difficulty in finding that critical element in 2 Live Crew's song than the Court of Appeals did, although having found it we will not take the further step of evaluating its quality. The threshold question when fair use is raised in defense of parody is whether a parodic character may reasonably be perceived. Whether, going beyond that, parody is in good taste or bad does not and should not matter to fair use. As Justice Holmes explained, "[i]t would be a dangerous undertaking for persons trained only to the law to constitute themselves final judges of the worth of [a work], outside of the narrowest and most obvious limits. At the one extreme some works of genius would be sure to miss appreciation. Their very novelty would make them repulsive until the public had learned the new language in which their author spoke." *Bleistein v. Donaldson Lithographing Co.*, [188 U.S. 239, 251](#) (1903) (circus posters have copyright protection).

While we might not assign a high rank to the parodic element here, we think it fair to say that 2 Live Crew's song reasonably could be perceived as commenting on the original or criticizing it, to some degree. 2 Live Crew juxtaposes the romantic musings of a man whose fantasy comes true, with degrading taunts, a bawdy demand for sex, and a sigh of relief from paternal responsibility. The later words can be taken as a comment on the naivete of the original of an earlier day, as a rejection of its sentiment that ignores the ugliness of street life and the debasement that it signifies. It is this joinder of reference and ridicule that marks off the author's choice of parody from the other types of comment and criticism that traditionally have had a claim to fair use protection as transformative works.

The Court of Appeals, however, immediately cut short the enquiry into 2 Live Crew's fair use claim by confining its treatment of the first factor essentially to one relevant fact, the commercial nature of the use. The court then inflated the significance of this fact by applying a presumption ostensibly culled from *Sony*, that "every commercial use of copyrighted material is presumptively . . . unfair. . . ." *Sony*, [464 U.S., at 451](#). In giving virtually dispositive weight to the commercial nature of the parody, the Court of Appeals erred.

The language of the statute makes clear that the commercial or nonprofit educational purpose of a work is only one element of the first factor enquiry into its purpose and character. Section 107(1) uses the term "including" to begin the dependent clause referring to commercial use, and the main clause speaks of a broader investigation into "purpose and character." As we explained in *Harper & Row*, Congress resisted attempts to narrow the ambit of this traditional enquiry by adopting categories of presumptively fair use, and it urged courts to preserve the breadth of their traditionally ample view of the universe of relevant evidence. [471 U.S., at 561](#); House Report, p. 66. Accordingly, the mere fact that a use is educational and not for profit does not insulate it from a finding of infringement, any more than the commercial character of a use bars a finding of fairness. If, indeed, commerciality carried presumptive force against a finding of fairness, the presumption would swallow nearly all of the illustrative uses listed in the preamble paragraph of § 107, including news reporting, comment, criticism, teaching, scholarship, and research, since these activities "are generally conducted for profit in this country." *Harper & Row, supra*, [at 592](#) (Brennan, J., dissenting). Congress could not have intended such a rule, which certainly is not inferable from the common-law cases, arising as they did from the world of letters in which Samuel Johnson could pronounce that "[n]o man but a blockhead ever wrote, except for money." 3 Boswell's Life of Johnson 19 (G. Hill ed. 1934).

Sony itself called for no hard evidentiary presumption. There, we emphasized the need for a "sensitive balancing of interests," [464 U.S., at 455, n. 40](#), noted that Congress had "eschewed a rigid, bright-line approach to fair use," *id.*, at 449, n. 31, and stated that the commercial or nonprofit educational character of a work is "not conclusive," *id.*, at 448-449, but rather a fact to be "weighed along with other[s] in fair use decisions," *id.*, at 449, n. 32 (quoting House Report, p. 66). The Court of Appeals's elevation of one sentence from *Sony* to a *per se* rule thus runs as much counter to *Sony* itself as to the long common-law tradition of fair use adjudication. Rather, as we explained in *Harper & Row*, *Sony* stands for the proposition that the "fact that a publication was commercial as opposed to nonprofit is a separate factor that tends to weigh against a finding of fair use." [471 U.S., at 562](#). But that is all, and the fact that even the force of that tendency will vary with the context is a further reason against elevating commerciality to hard presumptive significance. The use, for example, of a copyrighted work to advertise a product, even in a parody, will be entitled to less indulgence under the first factor of

the fair use enquiry than the sale of a parody for its own sake, let alone one performed a single time by students in school.¹⁸

B

The second statutory factor, “the nature of the copyrighted work,” § 107(2), draws on Justice Story’s expression, the “value of the materials used.” *Folsom v. Marsh*, [9 F.Cas., at 348](#). This factor calls for recognition that some works are closer to the core of intended copyright protection than others, with the consequence that fair use is more difficult to establish when the former works are copied. We agree with both the District Court and the Court of Appeals that the Orbison original’s creative expression for public dissemination falls within the core of the copyright’s protective purposes. This fact, however, is not much help in this case, or ever likely to help much in separating the fair use sheep from the infringing goats in a parody case, since parodies almost invariably copy publicly known, expressive works.

C

The third factor asks whether “the amount and substantiality of the portion used in relation to the copyrighted work as a whole,” § 107(3) (or, in Justice Story’s words, “the quantity and value of the materials used,” *Folsom v. Marsh*, *supra*, [at 348](#)) are reasonable in relation to the purpose of the copying. Here, attention turns to the persuasiveness of a parodist’s justification for the particular copying done, and the enquiry will harken back to the first of the statutory factors, for, as in prior cases, we recognize that the extent of permissible copying varies with the purpose and character of the use. The facts bearing on this factor will also tend to address the fourth, by revealing the degree to which the parody may serve as a market substitute for the original or potentially licensed derivatives.

The District Court considered the song’s parodic purpose in finding that 2 Live Crew had not helped themselves overmuch. The Court of Appeals disagreed, stating that “[w]hile it may not be inappropriate to find that no more was taken than necessary, the copying was qualitatively substantial. . . . We conclude that taking the heart of the original and making it the heart of a new work was to purloin a substantial portion of the essence of the original.” 972 F. 2d, at 1438.

The Court of Appeals is of course correct that this factor calls for thought not only about the quantity of the materials used, but about their quality and importance, too. In *Harper & Row*, for example, the Nation had taken only some 300 words out of President Ford’s memoirs, but we signaled the significance of the quotations in finding them to amount to “the heart of the book,” the part most likely to be newsworthy and important in licensing serialization. [471 U.S., at 564-566, 568](#) (internal quotation marks

¹⁸ Finally, regardless of the weight one might place on the alleged infringer’s state of mind, we reject Acuff-Rose’s argument that 2 Live Crew’s request for permission to use the original should be weighed against a finding of fair use. Even if good faith were central to fair use, 2 Live Crew’s actions do not necessarily suggest that they believed their version was not fair use; the offer may simply have been made in a good-faith effort to avoid this litigation. If the use is otherwise fair, then no permission need be sought or granted. Thus, being denied permission to use a work does not weigh against a finding of fair use.

omitted). We also agree with the Court of Appeals that whether “a substantial portion of the infringing work was copied verbatim” from the copyrighted work is a relevant question, see *id.*, at 565, for it may reveal a dearth of transformative character or purpose under the first factor, or a greater likelihood of market harm under the fourth; a work composed primarily of an original, particularly its heart, with little added or changed, is more likely to be a merely superseding use, fulfilling demand for the original.

Where we part company with the court below is in applying these guides to parody, and in particular to parody in the song before us. Parody presents a difficult case. Parody’s humor, or in any event its comment, necessarily springs from recognizable allusion to its object through distorted imitation. Its art lies in the tension between a known original and its parodic twin. When parody takes aim at a particular original work, the parody must be able to “conjure up” at least enough of that original to make the object of its critical wit recognizable. What makes for this recognition is quotation of the original’s most distinctive or memorable features, which the parodist can be sure the audience will know. Once enough has been taken to assure identification, how much more is reasonable will depend, say, on the extent to which the song’s overriding purpose and character is to parody the original or, in contrast, the likelihood that the parody may serve as a market substitute for the original. But using some characteristic features cannot be avoided.

We think the Court of Appeals was insufficiently appreciative of parody’s need for the recognizable sight or sound when it ruled 2 Live Crew’s use unreasonable as a matter of law. It is true, of course, that 2 Live Crew copied the characteristic opening bass riff (or musical phrase) of the original, and true that the words of the first line copy the Orbison lyrics. But if quotation of the opening riff and the first line may be said to go to the “heart” of the original, the heart is also what most readily conjures up the song for parody, and it is the heart at which parody takes aim. Copying does not become excessive in relation to parodic purpose merely because the portion taken was the original’s heart. If 2 Live Crew had copied a significantly less memorable part of the original, it is difficult to see how its parodic character would have come through.

This is not, of course, to say that anyone who calls himself a parodist can skim the cream and get away scot free. In parody, as in news reporting, context is everything, and the question of fairness asks what else the parodist did besides go to the heart of the original. It is significant that 2 Live Crew not only copied the first line of the original, but thereafter departed markedly from the Orbison lyrics for its own ends. 2 Live Crew not only copied the bass riff and repeated it, but also produced otherwise distinctive sounds, interposing “scraper” noise, over-laying the music with solos in different keys, and altering the drum beat. This is not a case, then, where “a substantial portion” of the parody itself is composed of a “verbatim” copying of the original. It is not, that is, a case where the parody is so insubstantial, as compared to the copying, that the third factor must be resolved as a matter of law against the parodists.

Suffice it to say here that, as to the lyrics, we think the Court of Appeals correctly suggested that “no more was taken than necessary,” 972 F.2d, at 1438, but just for that

reason, we fail to see how the copying can be excessive in relation to its parodic purpose, even if the portion taken is the original's "heart." As to the music, we express no opinion whether repetition of the bass riff is excessive copying, and we remand to permit evaluation of the amount taken, in light of the song's parodic purpose and character, its transformative elements, and considerations of the potential for market substitution sketched more fully below.

D

The fourth fair use factor is "the effect of the use upon the potential market for or value of the copyrighted work." § 107(4). It requires courts to consider not only the extent of market harm caused by the particular actions of the alleged infringer, but also "whether unrestricted and widespread conduct of the sort engaged in by the defendant . . . would result in a substantially adverse impact on the potential market" for the original. M. Nimmer & D. Nimmer, *Nimmer on Copyright* § 13.05[A][4], p. 13-102.61 (footnote omitted) (1993) (hereinafter *Nimmer*); The enquiry "must take account not only of harm to the original but also of harm to the market for derivative works." *Harper & Row, supra*, [at 568](#).

Since fair use is an affirmative defense, its proponent would have difficulty carrying the burden of demonstrating fair use without favorable evidence about relevant markets. In moving for summary judgment, 2 Live Crew left themselves at just such a disadvantage when they failed to address the effect on the market for rap derivatives, and confined themselves to uncontroverted submissions that there was no likely effect on the market for the original. They did not, however, thereby subject themselves to the evidentiary presumption applied by the Court of Appeals. In assessing the likelihood of significant market harm, the Court of Appeals quoted from language in *Sony* that "[i]f the intended use is for commercial gain, that likelihood may be presumed. But if it is for a noncommercial purpose, the likelihood must be demonstrated." 972 F.2d, at 1438, quoting *Sony*, [464 U.S., at 451](#). The court reasoned that because "the use of the copyrighted work is wholly commercial, . . . we presume that a likelihood of future harm to Acuff-Rose exists." 972 F.2d, at 1438. In so doing, the court resolved the fourth factor against 2 Live Crew, just as it had the first, by applying a presumption about the effect of commercial use, a presumption which as applied here we hold to be error.

No "presumption" or inference of market harm that might find support in *Sony* is applicable to a case involving something beyond mere duplication for commercial purposes. *Sony's* discussion of a presumption contrasts a context of verbatim copying of the original in its entirety for commercial purposes, with the noncommercial context of *Sony* itself (home copying of television programming). In the former circumstances, what *Sony* said simply makes common sense: when a commercial use amounts to mere duplication of the entirety of an original, it clearly "supersede[s] the objects," *Folsom v. Marsh, supra*, [at 348](#), of the original and serves as a market replacement for it, making it likely that cognizable market harm to the original will occur. *Sony, supra*, [at 451](#). But when, on the contrary, the second use is transformative, market substitution is at least less certain, and market harm may not be so readily inferred. Indeed, as to parody pure

and simple, it is more likely that the new work will not affect the market for the original in a way cognizable under this factor, that is, by acting as a substitute for it (“superseded[ing] [its] objects”). This is so because the parody and the original usually serve different market functions.

We do not, of course, suggest that a parody may not harm the market at all, but when a lethal parody, like a scathing theater review, kills demand for the original, it does not produce a harm cognizable under the Copyright Act. Because “parody may quite legitimately aim at garroting the original, destroying it commercially as well as artistically,” B. Kaplan, *An Unhurried View of Copyright* 69 (1967), the role of the courts is to distinguish between “[b]iting criticism [that merely] suppresses demand [and] copyright infringement[, which] usurps it.” *Fisher v. Dees*, [794 F.2d 432, 438](#) (CA9 1986)

This distinction between potentially remediable displacement and unremediable disparagement is reflected in the rule that there is no protectible derivative market for criticism. The market for potential derivative uses includes only those that creators of original works would in general develop or license others to develop. Yet the unlikelihood that creators of imaginative works will license critical reviews or lampoons of their own productions removes such uses from the very notion of a potential licensing market. “People ask . . . for criticism, but they only want praise.” S. Maugham, *Of Human Bondage* 241 (Penguin ed. 1992). Thus, to the extent that the opinion below may be read to have considered harm to the market for parodies of “Oh, Pretty Woman,” see 972 F.2d, at 1439, the court erred.

In explaining why the law recognizes no derivative market for critical works, including parody, we have, of course, been speaking of the later work as if it had nothing but a critical aspect (*i.e.*, “parody pure and simple”). But the later work may have a more complex character, with effects not only in the arena of criticism but also in protectible markets for derivative works, too. In that sort of case, the law looks beyond the criticism to the other elements of the work, as it does here. 2 Live Crew’s song comprises not only parody but also rap music, and the derivative market for rap music is a proper focus of enquiry. Evidence of substantial harm to it would weigh against a finding of fair use, because the licensing of derivatives is an important economic incentive to the creation of originals. See 17 U.S.C. § 106(2) (copyright owner has rights to derivative works). Of course, the only harm to derivatives that need concern us, as discussed above, is the harm of market substitution. The fact that a parody may impair the market for derivative uses by the very effectiveness of its critical commentary is no more relevant under copyright than the like threat to the original market.

Although 2 Live Crew submitted uncontroverted affidavits on the question of market harm to the original, neither they, nor Acuff-Rose, introduced evidence or affidavits addressing the likely effect of 2 Live Crew’s parodic rap song on the market for a non-parody, rap version of “Oh, Pretty Woman.” And while Acuff-Rose would have us find evidence of a rap market in the very facts that 2 Live Crew recorded a rap parody of “Oh, Pretty Woman” and another rap group sought a license to record a rap derivative, there was no evidence that a potential rap market was harmed in any way by 2 Live Crew’s parody, rap version. The fact that 2 Live Crew’s parody sold as part of a

collection of rap songs says very little about the parody's effect on a market for a rap version of the original, either of the music alone or of the music with its lyrics. The District Court essentially passed on this issue, observing that Acuff-Rose is free to record "whatever version of the original it desires," 754 F.Supp., at 1158; the Court of Appeals went the other way by erroneous presumption. Contrary to each treatment, it is impossible to deal with the fourth factor except by recognizing that a silent record on an important factor bearing on fair use disentitled the proponent of the defense, 2 Live Crew, to summary judgment. The evidentiary hole will doubtless be plugged on remand.

III

It was error for the Court of Appeals to conclude that the commercial nature of 2 Live Crew's parody of "Oh, Pretty Woman" rendered it presumptively unfair. No such evidentiary presumption is available to address either the first factor, the character and purpose of the use, or the fourth, market harm, in determining whether a transformative use, such as parody, is a fair one. The court also erred in holding that 2 Live Crew had necessarily copied excessively from the Orbison original, considering the parodic purpose of the use. We therefore reverse the judgment of the Court of Appeals and remand the case for further proceedings consistent with this opinion.

It is so ordered.

APPENDIX A TO OPINION OF THE COURT

"Oh, Pretty Woman" by Roy Orbison and William Dees

Pretty Woman, walking down the street,
Pretty Woman, the kind I like to meet,
Pretty Woman, I don't believe you, you're not the truth,
No one could look as good as you Mercy
Pretty Woman, won't you pardon me,
Pretty Woman, I couldn't help but see,
Pretty Woman, that you look lovely as can be Are you lonely just like me?
Pretty Woman, stop a while,
Pretty Woman, talk a while,
Pretty Woman give your smile to me
Pretty Woman, yeah, yeah, yeah
Pretty Woman, look my way,
Pretty Woman, say you'll stay with me
'Cause I need you, I'll treat you right
Come to me baby, Be mine tonight
Pretty Woman, don't walk on by,
Pretty Woman, don't make me cry,
Pretty Woman, don't walk away,
Hey, O. K.

If that's the way it must be, O. K.
I guess I'll go on home, it's late
There'll be tomorrow night, but wait!
What do I see
Is she walking back to me?
Yeah, she's walking back to me!
Oh, Pretty Woman.

APPENDIX B TO OPINION OF THE COURT

"Pretty Woman" as Recorded by 2 Live Crew

Pretty woman walkin' down the street
Pretty woman girl you look so sweet
Pretty woman you bring me down to that knee
Pretty woman you make me wanna beg please
Oh, pretty woman
Big hairy woman you need to shave that stuff
Big hairy woman you know I bet it's tough
Big hairy woman all that hair it ain't legit
'Cause you look like 'Cousin It'
Big hairy woman
Bald headed woman girl your hair won't grow
Bald headed woman you got a teeny weeny afro
Bald headed woman you know your hair could look nice
Bald headed woman first you got to roll it with rice
Bald headed woman here, let me get this hunk of biz for ya
Ya know what I'm saying you look better than rice a roni
Oh bald headed woman
Big hairy woman come on in
And don't forget your bald headed friend
Hey pretty woman let the boys Jump in
Two timin' woman girl you know you ain't right
Two timin' woman you's out with my boy last night
Two timin' woman that takes a load off my mind
Two timin' woman now I know the baby ain't mine
Oh, two timin' woman
Oh pretty woman ***

Bill Graham Archives v. Dorling Kindersley Limited

448 F.3d 605 (2nd Cir. 2006)

RESTANI, Judge: This appeal concerns the scope of copyright protection afforded artistic concert posters reproduced in reduced size in a biography of the musical group the Grateful Dead. Asserted copyright holder Bill Graham Archives, LLC (“BGA” or “Appellant”) appeals from a judgment of the District Court for the Southern District of New York dismissing, on motion for summary judgment, its copyright infringement action against Dorling Kindersley Limited, Dorling Kindersley Publishing, Inc., and R.R. Donnelley & Sons Company (collectively “DK” or “Appellees”). We review the district court’s grant of summary judgment *de novo*, and we agree with the court that DK’s reproduction of BGA’s images is protected by the fair use exception to copyright infringement.

BACKGROUND

In October of 2003, DK published *Grateful Dead: The Illustrated Trip* (“Illustrated Trip”), in collaboration with Grateful Dead Productions, intended as a cultural history of the Grateful Dead. The resulting 480-page coffee table book tells the story of the Grateful Dead along a timeline running continuously through the book, chronologically combining over 2000 images representing dates in the Grateful Dead’s history with explanatory text. A typical page of the book features a collage of images, text, and graphic art designed to simultaneously capture the eye and inform the reader. Plaintiff BGA claims to own the copyright to seven images displayed in *Illustrated Trip*, which DK reproduced without BGA’s permission.

Initially, DK sought permission from BGA to reproduce the images. In May of 2003, the CEO of Grateful Dead Productions sent a letter to BGA seeking permission for DK to publish the images. BGA responded by offering permission in exchange for Grateful Dead Productions’ grant of permission to BGA to make CDs and DVDs out of concert footage in BGA’s archives. Next, DK directly contacted BGA seeking to negotiate a license agreement, but the parties disagreed as to an appropriate license fee. Nevertheless, DK proceeded with publication of *Illustrated Trip* without entering a license fee agreement with BGA. Specifically, DK reproduced seven artistic images originally depicted on Grateful Dead event posters and tickets.¹ BGA’s seven images are displayed in significantly reduced form and are accompanied by captions describing the concerts they represent.

When DK refused to meet BGA’s post-publication license fee demands, BGA filed suit for copyright infringement. BGA sought to enjoin further publication of *Illustrated*

¹ The disputed images appear as follows: (1) on page 76, a concert poster for the Grateful Dead, Jefferson Airplane, and Big Brother and the Holding Company playing at the Hollywood Bowl; (2) on page 103, a concert poster for the Grateful Dead, Jefferson Airplane, and Sons of Champlin playing at the Winterland Arena; (3) on page 130, a picture of the front and back of a concert ticket for a show at the Fillmore Theatre, reused for a Grateful Dead concert at the Winterland Arena; (4) on page 254, a concert poster for Grateful Dead shows at the Warfield Theatre; (5) on page 361, a concert poster for a Grateful Dead show at the Oakland Coliseum; (6) on page 397, a concert poster for a Grateful Dead show on New Year’s Eve; and (7) on page 421, a fake in-house poster for a New Year’s Eve 1993 concert.

Trip, the destruction of all unsold books, and actual and statutory damages. The parties cross-moved for summary judgment, with the primary issue before the district court being whether DK's use of BGA's images constituted fair use under the Copyright Act of 1976, 17 U.S.C. § 101 *et seq.* ("Copyright Act"). After applying the statutory fair use balancing test, the district court determined that DK's reproduction of the images was fair use and granted DK's motion for summary judgment.

DISCUSSION

Section 106 of the Copyright Act grants copyright holders a bundle of exclusive rights, including the right to "reproduce the copyrighted work in copies," and the right "to prepare derivative works based upon the copyrighted work." 17 U.S.C. § 106. For purposes of the motion, the district court assumed plaintiff possessed these rights in the contested images and there is no dispute that copying the images was not authorized by plaintiff. The issue before us on appeal, as it was in the district court, is whether DK's unauthorized use of BGA's copyrighted images is fair use.

The fair use doctrine is a statutory exception to copyright infringement. Section 107 of the Copyright Act permits the unauthorized use or reproduction of copyrighted work if it is "for purposes such as criticism, comment, news reporting, teaching . . . , scholarship, or research." 17 U.S.C. § 107. Whether such "fair use" exists involves a case-by-case determination using four non-exclusive, statutorily provided factors in light of the purposes of copyright. *Harper & Row, Publishers, Inc. v. Nation Enters.*, [471 U.S. 539, 549](#) (1985). The factors are: (1) "the purpose and character of the use;" (2) "the nature of the copyrighted work;" (3) "the amount and substantiality of the portion used in relation to the copyrighted work as a whole;" and (4) "the effect of the use upon the potential market for or value of the copyrighted work." 17 U.S.C. § 107. "The ultimate test of fair use . . . is whether the copyright law's goal of promoting the Progress of Science and useful Arts would be better served by allowing the use than by preventing it." *Castle Rock Entm't, Inc. v. Carol Publ'g Group*, [150 F.3d 132, 141](#) (2d Cir. 1998) (internal citations and quotation marks omitted).

In this case, the district court concluded that the balance of fair use factors weighs in favor of DK. Although the issue of fair use is a mixed question of law and fact, the court may resolve issues of fair use at the summary judgment stage where there are no genuine issues of material fact as to such issues. *Wright v. Warner Books, Inc.*, [953 F.2d 731, 735](#) (2d Cir. 1991). As there are no genuine issues of material fact here, we review the district court's legal conclusions *de novo*. *New Era Publ'ns Int'l, ApS v. Carol Publ'g Group*, [904 F.2d 152, 155](#) (2d Cir. 1990). We agree with the district court that DK's use of the copyrighted images is protected as fair use.

I. Purpose and Character of Use

We first address "the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes." 17 U.S.C. § 107(1). Most important to the court's analysis of the first factor is the "transformative" nature of the work. See Pierre N. Leval, *Toward a Fair Use Standard*, 103 Harv. L. Rev. 1105, 1111 (1990). The question is "whether the new work merely supersede[s] the objects

of the original creation, or instead adds something new, with a further purpose or different character, altering the first with new expression, meaning, or message.” *Campbell v. Acuff-Rose Music, Inc.*, [510 U.S. 569, 579](#) (1994) (internal citations and quotation marks omitted) (alteration in original).

Here, the district court determined that *Illustrated Trip* is a biographical work, and the original images are not, and therefore accorded a strong presumption in favor of DK’s use. In particular, the district court concluded that DK’s use of images placed in chronological order on a timeline is transformatively different from the mere expressive use of images on concert posters or tickets. Because the works are displayed to commemorate historic events, arranged in a creative fashion, and displayed in significantly reduced form, the district court held that the first fair use factor weighs heavily in favor of DK.

Appellant challenges the district court’s strong presumption in favor of fair use based on the biographical nature of *Illustrated Trip*. Appellant argues that based on this purported error the district court failed to examine DK’s justification for its use of each of the images. Moreover, Appellant argues that as a matter of law merely placing poster images along a timeline is not a transformative use. Appellant asserts that each reproduced image should have been accompanied by comment or criticism related to the artistic nature of the image.

We disagree with Appellant’s limited interpretation of transformative use and we agree with the district court that DK’s actual use of each image is transformatively different from the original expressive purpose. Preliminarily, we recognize, as the district court did, that *Illustrated Trip* is a biographical work documenting the 30-year history of the Grateful Dead. While there are no categories of presumptively fair use, see *Campbell v. Acuff-Rose Music, Inc.*, [510 U.S. at 584](#), courts have frequently afforded fair use protection to the use of copyrighted material in biographies, recognizing such works as forms of historic scholarship, criticism, and comment that require incorporation of original source material for optimum treatment of their subjects. See 17 U.S.C. § 107. No less a recognition of biographical value is warranted in this case simply because the subject made a mark in pop culture rather than some other area of human endeavor.

In the instant case, DK’s purpose in using the copyrighted images at issue in its biography of the Grateful Dead is plainly different from the original purpose for which they were created. Originally, each of BGA’s images fulfilled the dual purposes of artistic expression and promotion. The posters were apparently widely distributed to generate public interest in the Grateful Dead and to convey information to a large number of people about the band’s forthcoming concerts. In contrast, DK used each of BGA’s images as historical artifacts to document and represent the actual occurrence of Grateful Dead concert events featured on *Illustrated Trip*’s timeline.

In some instances, it is readily apparent that DK’s image display enhances the reader’s understanding of the biographical text.³ In other instances, the link between image and

³ For example, BGA claims copyright infringement of a concert poster image, reproduced on page 254 of

text is less obvious; nevertheless, the images still serve as historical artifacts graphically representing the fact of significant Grateful Dead concert events selected by the *Illustrated Trip's* author for inclusion in the book's timeline.⁴ We conclude that both types of uses fulfill DK's transformative purpose of enhancing the biographical information in *Illustrated Trip*, a purpose separate and distinct from the original artistic and promotional purpose for which the images were created. In sum, because DK's use of the disputed images is transformative both when accompanied by referencing commentary and when standing alone, we agree with the district court that DK was not required to discuss the artistic merits of the images to satisfy this first factor of fair use analysis.

This conclusion is strengthened by the manner in which DK displayed the images. First, DK significantly reduced the size of the reproductions. While the small size is sufficient to permit readers to recognize the historical significance of the posters, it is inadequate to offer more than a glimpse of their expressive value. In short, DK used the minimal image size necessary to accomplish its transformative purpose.

Second, DK minimized the expressive value of the reproduced images by combining them with a prominent timeline, textual material, and original graphical artwork, to create a collage of text and images on each page of the book. To further this collage effect, the images are displayed at angles and the original graphical artwork is designed to blend with the images and text. Overall, DK's layout ensures that the images at issue are employed only to enrich the presentation of the cultural history of the Grateful Dead, not to exploit copyrighted artwork for commercial gain.

Illustrated Trip, depicting two skeletons flanking the Warfield Theatre. The reader is expected to view this image together with the text on pages 254 and 255 under the caption, "The Warfield/Radio City Shows," and with a non-contested image on page 255, depicting two skeletons flanking the Radio City Music Hall. In this instance, the text specifically comments on the poster image, explaining:

The Dead's real 15th anniversary celebration in 1980 spanned two months, two coasts, and eventually two albums. . . . The bicoastal settings for the shows were very different—San Francisco's Warfield Theatre was an intimate house of 2,400 seats, while New York City's Radio City Music Hall was, well, Radio City—but the Dead's performances in both produced some of the most treasured moments of the band's early '80s period. . . . The [Dead's] otherwise brilliant Radio City run was marred by a bizarre dispute between the band and Radio City's management. The latter objected to promotional posters showing the inevitable skeletons flanking the venerable venue. Evidently not well versed in Grateful Dead iconography, the Radio City execs interpreted the posters as a coded message that the band thought that Radio City's days were numbered, and they slapped the band with a million-dollar lawsuit. The misunderstanding was quickly cleared up.

The author uses images to enhance the reader's understanding of the statement that Radio City Music Hall executives were unfamiliar with Grateful Dead iconography by displaying nearly identical concert promotion posters for the Warfield Theatre and the Radio City Music Hall.

⁴ For example, BGA claims copyright infringement of a concert poster image, reproduced on page 103 of *Illustrated Trip*, promoting a concert at the Winterland Arena. The reader is expected to view this image together with an entry on the timeline for October 24, 25, and 26, accompanying text describing the shows, and a quotation from Bill Graham to the audience on Saturday, October 25. The text describes the show as follows:

Hot Tuna, Jefferson Airplane, and Sons of Champlin play all three nights. On Saturday Stephen Stills may have played on "Turn on Your Lovelight." Sunday marks the last "Doin' that Rag."

While the concert poster image does not necessarily enhance the reader's understanding of the text, it serves as a recognizable representation of the concert. It also documents concert information and provides notable historic details, such as the fact that, at this relatively early stage of its career, the Grateful Dead received second billing to Jefferson Airplane.

Third, BGA's images constitute an inconsequential portion of *Illustrated Trip*. The extent to which unlicensed material is used in the challenged work can be a factor in determining whether a biographer's use of original materials has been sufficiently transformative to constitute fair use. *** In the instant case, the book is 480 pages long, while the BGA images appear on only seven pages. Although the original posters range in size from 13" x 19" to more than 19" x 27," the largest reproduction of a BGA image in *Illustrated Trip* is less than 3" x 4½," less than 1/20 the size of the original. And no BGA image takes up more than one-eighth of a page in a book or is given more prominence than any other image on the page. In total, the images account for less than one-fifth of one percent of the book. *** [W]e are aware of no case where such an insignificant taking was found to be an unfair use of original materials.

Finally, as to this first factor, we briefly address the commercial nature of *Illustrated Trip*. Even though *Illustrated Trip* is a commercial venture, we recognize that "nearly all of the illustrative uses listed in the preamble paragraph of § 107 . . . are generally conducted for profit. . . ." *Campbell*, [510 U.S. at 584](#) (internal quotation marks omitted). Moreover, "[t]he crux of the profit/nonprofit distinction is not whether the sole motive of the use is monetary gain but whether the user stands to profit from exploitation of the copyrighted material without paying the customary price." *Harper*, [471 U.S. at 562](#). Here, *Illustrated Trip* does not exploit the use of BGA's images as such for commercial gain. Significantly, DK has not used any of BGA's images in its commercial advertising or in any other way to promote the sale of the book. *Illustrated Trip* merely uses pictures and text to describe the life of the Grateful Dead. By design, the use of BGA's images is incidental to the commercial biographical value of the book.

Accordingly, we conclude that the first fair use factor weighs in favor of DK because DK's use of BGA's images is transformatively different from the images' original expressive purpose and DK does not seek to exploit the images' expressive value for commercial gain.

II. Nature of the Copyrighted Work

The second factor in a fair use determination is "the nature of the copyrighted work." 17 U.S.C. § 107(2). To resolve this inquiry the court considers "the protection of the reasonable expectations of one who engages in the kinds of creation/authorship that the copyright seeks to encourage." Leval, *supra*, at 1122. "[C]reative expression for public dissemination falls within the core of the copyright's protective purposes." *Campbell*, [510 U.S. at 586](#).

The district court determined that the second factor weighs against DK because the images are creative artworks, which are traditionally the core of intended copyright protection. Nevertheless, the court limited the weight it placed on this factor because the posters have been published extensively. Appellant agrees that the district court properly weighed the second factor against DK, although it questions the lesser protection given to published works. Appellees counter that because the images are mixed factual and creative works and have been long and extensively published, the second factor tilts toward fair use.

We agree with the district court that the creative nature of artistic images typically weighs in favor of the copyright holder. We recognize, however, that the second factor may be of limited usefulness where the creative work of art is being used for a transformative purpose. *** Here, we conclude that DK is using BGA's images for the transformative purpose of enhancing the biographical information provided in *Illustrated Trip*. Accordingly, we hold that even though BGA's images are creative works, which are a core concern of copyright protection, the second factor has limited weight in our analysis because the purpose of DK's use was to emphasize the images' historical rather than creative value.

III. Amount and Substantiality of the Portion Used

The third fair use factor asks the court to examine "the amount and substantiality of the portion used in relation to the copyrighted work as a whole." 17 U.S.C. § 107(3). We review this factor with reference to the copyrighted work, not the infringing work. The court must examine the quantitative and qualitative aspects of the portion of the copyrighted material taken.

The district court determined that even though the images are reproduced in their entirety, the third fair use factor weighs in favor of DK because the images are displayed in reduced size and scattered among many other images and texts. In faulting this conclusion, Appellant contends that the amount used is substantial because the images are copied in their entirety. Neither our court nor any of our sister circuits has ever ruled that the copying of an entire work *favours* fair use. *** [W]e conclude that the third-factor inquiry must take into account that the "the extent of permissible copying varies with the purpose and character of the use." *Campbell*, [510 U.S. at 586-87](#).

Here, DK used BGA's images because the posters and tickets were historical artifacts that could document Grateful Dead concert events and provide a visual context for the accompanying text. To accomplish this use, DK displayed reduced versions of the original images and intermingled these visuals with text and original graphic art. As a consequence, even though the copyrighted images are copied in their entirety, the visual impact of their artistic expression is significantly limited because of their reduced size. We conclude that such use by DK is tailored to further its transformative purpose because DK's reduced size reproductions of BGA's images in their entirety displayed the minimal image size and quality necessary to ensure the reader's recognition of the images as historical artifacts of Grateful Dead concert events. Accordingly, the third fair use factor does not weigh against fair use.

IV. Effect of the Use upon the Market for or Value of the Original

The fourth factor is "the effect of the use upon the potential market for or value of the copyrighted work." 17 U.S.C. § 107(4). The court looks to not only the market harm caused by the particular infringement, but also to whether, if the challenged use becomes widespread, it will adversely affect the potential market for the copyrighted work. *Harper*, [471 U.S. at 568](#). This analysis requires a balancing of "the benefit the public will derive if the use is permitted and the personal gain the copyright owner will receive if the use is denied." *MCA, Inc. v. Wilson*, [677 F.2d 180, 183](#) (2d Cir.1981).

In the instant case, the parties agree that DK's use of the images did not impact BGA's primary market for the sale of the poster images. Instead, we look to whether DK's unauthorized use usurps BGA's potential to develop a derivative market. Appellant argues that DK interfered with the market for licensing its images for use in books. Appellant contends that there is an established market for licensing its images and it suffered both the loss of royalty revenue directly from DK and the opportunity to obtain royalties from others.

"It is indisputable that, as a general matter, a copyright holder is entitled to demand a royalty for licensing others to use its copyrighted work, and that the impact on potential licensing revenues is a proper subject for consideration in assessing the fourth factor." *Am. Geophysical Union v. Texaco, Inc.*, [60 F.3d 913, 929](#) (2d Cir. 1994) (citations omitted). We have noted, however, that "were a court automatically to conclude in every case that potential licensing revenues were impermissibly impaired simply because the secondary user did not pay a fee for the right to engage in the use, the fourth fair use factor would *always* favor the copyright holder." *Id.* at 930 n. 17 (emphasis added). Accordingly, we do not find a harm to BGA's license market merely because DK did not pay a fee for BGA's copyrighted images.

Instead, we look at the impact on potential licensing revenues for "traditional, reasonable, or likely to be developed markets." *Texaco*, [60 F.3d at 930](#). In order to establish a traditional license market, Appellant points to the fees paid to other copyright owners for the reproduction of their images in *Illustrated Trip*. Moreover, Appellant asserts that it established a market for licensing its images, and in this case expressed a willingness to license images to DK. Neither of these arguments shows impairment to a traditional, as opposed to a transformative market.⁵

Here, unlike in *Texaco*, we hold that DK's use of BGA's images is transformatively different from their original expressive purpose.⁶ In a case such as this, a copyright holder cannot prevent others from entering fair use markets merely "by developing or licensing a market for parody, news reporting, educational or other transformative uses of its own creative work." *Castle Rock*, [150 F.3d at 146 n. 11](#). "[C]opyright owners may not preempt exploitation of transformative markets. . . ." *Id.* Moreover, a publisher's

⁵ To the contrary, had the book been commercially successful—which it was not—it might have garnered interest in the original images in full size because the reduced images have such minimal expressive impact. An aficionado might seek more than a "peek."

⁶ *Texaco* may also be distinguished because in that case we found that scientific researchers' copying of scientific journal articles caused those journals to lose license revenues, because the researchers were looking to their own copies of the articles rather than downloading them from online databases such as Lexis, which paid the journals a license fee. See [60 F.3d at 929-32](#). In other words, *Texaco* involved direct evidence that the allegedly infringing use would cause the owner to lose license revenues derived from a substantially similar use.

Here, in contrast, BGA's direct evidence of its license revenues involves a use that is markedly different from the use by DK. The licenses BGA sold to other publishers were for substantially less transformative uses of its posters: full-page, prominently displayed reproductions of BGA's images, with little discussion of the images or their historical context, much less any compilation of other related works into a coherent whole. Indeed, one of the images BGA points to was used as the cover of a book. DK's use of BGA's images is markedly more original than the other uses that BGA has licensed and BGA thus has not shown direct evidence of significant lost license revenue from the uses at issue here.

willingness to pay license fees for reproduction of images does not establish that the publisher may not, in the alternative, make fair use of those images. Since DK's use of BGA's images falls within a transformative market, BGA does not suffer market harm due to the loss of license fees.

V. Balance of Factors

On balance, we conclude, as the district court did, that the fair use factors weigh in favor of DK's use. For the first factor, we conclude that DK's use of concert posters and tickets as historical artifacts of Grateful Dead performances is transformatively different from the original expressive purpose of BGA's copyrighted images. While the second factor favors BGA because of the creative nature of the images, its weight is limited because DK did not exploit the expressive value of the images. Although BGA's images are copied in their entirety, the third factor does not weigh against fair use because the reduced size of the images is consistent with the author's transformative purpose. Finally, we conclude that DK's use does not harm the market for BGA's sale of its copyrighted artwork, and we do not find market harm based on BGA's hypothetical loss of license revenue from DK's transformative market.

CONCLUSION

For the foregoing reasons, we conclude that DK's use of BGA's copyrighted images in its book *Illustrated Trip* is fair use. Accordingly, we AFFIRM.

Google LLC v. Oracle America, Inc.

141 S.Ct. 1183 (2021)

JUSTICE BREYER delivered the opinion of the Court: Oracle America, Inc., is the current owner of a copyright in Java SE, a computer program that uses the popular Java computer programming language. Google, without permission, has copied a portion of that program, a portion that enables a programmer to call up prewritten software that, together with the computer's hardware, will carry out a large number of specific tasks. The lower courts have considered (1) whether Java SE's owner could copyright the portion that Google copied, and (2) if so, whether Google's copying nonetheless constituted a "fair use" of that material, thereby freeing Google from copyright liability. The Federal Circuit held in Oracle's favor (i.e., that the portion is copyrightable and Google's copying did not constitute a "fair use"). In reviewing that decision, we assume, for argument's sake, that the material was copyrightable. But we hold that the copying here at issue nonetheless constituted a fair use. Hence, Google's copying did not violate the copyright law.

I

In 2005, Google acquired Android, Inc., a startup firm that hoped to become involved in smartphone software. Google sought, through Android, to develop a software platform for mobile devices like smartphones. 886 F.3d 1179, 1187 (C.A. Fed. 2018). A platform provides the necessary infrastructure for computer programmers to develop new programs and applications. One might think of a software platform as a kind of factory floor where computer programmers (analogous to autoworkers, designers, or manufacturers) might come, use sets of tools found there, and create new applications for use in, say, smartphones. (For visual explanations of "platforms" and other somewhat specialized computer-related terms, you might want to look at the material in Appendix A, *infra*.)

Google envisioned an Android platform that was free and open, such that software developers could use the tools found there free of charge. Its idea was that more and more developers using its Android platform would develop ever more Android-based applications, all of which would make Google's Android-based smartphones more attractive to ultimate consumers. Consumers would then buy and use ever more of those phones. *Oracle America, Inc. v. Google Inc.*, [872 F.Supp.2d 974, 978](#) (ND Cal. 2012). That vision required attracting a sizeable number of skilled programmers.

At that time, many software developers understood and wrote programs using the Java programming language, a language invented by Sun Microsystems (Oracle's predecessor). [872 F.Supp.2d at 975, 977](#). About six million programmers had spent considerable time learning, and then using, the Java language. Many of those programmers used Sun's own popular Java SE platform to develop new programs primarily for use in desktop and laptop computers. That platform allowed developers using the Java language to write programs that were able to run on any desktop or laptop computer,

regardless of the underlying hardware (i.e., the programs were in large part “interoperable”). [872 F.Supp.2d at 977](#). Indeed, one of Sun’s slogans was “write once, run anywhere.” 886 F.3d at 1186.

Shortly after acquiring the Android firm, Google began talks with Sun about the possibility of licensing the entire Java platform for its new smartphone technology. *Oracle*, [872 F.Supp.2d at 978](#). But Google did not want to insist that all programs written on the Android platform be interoperable. 886 F.3d at 1187. As Android’s founder explained, “[t]he whole idea about [an] open source [platform] is to have very, very few restrictions on what people can do with it,” and Sun’s interoperability policy would have undermined that free and open business model. Apparently, for reasons related to this disagreement, Google’s negotiations with Sun broke down. Google then built its own platform.

The record indicates that roughly 100 Google engineers worked for more than three years to create Google’s Android platform software. In doing so, Google tailored the Android platform to smartphone technology, which differs from desktop and laptop computers in important ways. A smartphone, for instance, may run on a more limited battery or take advantage of GPS technology. The Android platform offered programmers the ability to program for that environment. To build the platform, Google wrote millions of lines of new code. Because Google wanted millions of programmers, familiar with Java, to be able easily to work with its new Android platform, it also copied roughly 11,500 lines of code from the Java SE program. 886 F.3d at 1187. The copied lines of code are part of a tool called an Application Programming Interface, or API.

What is an API? The Federal Circuit described an API as a tool that “allow[s] programmers to use ... prewritten code to build certain functions into their own programs, rather than write their own code to perform those functions from scratch.” *Oracle America, Inc. v. Google, Inc.*, [750 F.3d 1339, 1349](#) (2014). Through an API, a programmer can draw upon a vast library of prewritten code to carry out complex tasks. For lay persons, including judges, juries, and many others, some elaboration of this description may prove useful.

Consider in more detail just what an API does. A computer can perform thousands, perhaps millions, of different tasks that a programmer may wish to use. These tasks range from the most basic to the enormously complex. Ask the computer, for example, to tell you which of two numbers is the higher number or to sort one thousand numbers in ascending order, and it will instantly give you the right answer. An API divides and organizes the world of computing tasks in a particular way. Programmers can then use the API to select the particular task that they need for their programs. In Sun’s API (which we refer to as the Sun Java API), each individual task is known as a “method.” The API groups somewhat similar methods into larger “classes,” and groups somewhat similar classes into larger “packages.” This method-class-package organizational structure is referred to as the Sun Java API’s “structure, sequence, and organization,” or SSO.

For each task, there is computer code, known as “implementing code,” that in effect tells the computer how to execute the particular task you have asked it to perform (such

as telling you, of two numbers, which is the higher). The implementing code (which Google independently wrote) is not at issue here. For a single task, the implementing code may be hundreds of lines long. It would be difficult, perhaps impossible, for a programmer to create complex software programs without drawing on prewritten task-implementing programs to execute discrete tasks.

But how do you as the programmer tell the computer which of the implementing code programs it should choose, i.e., which task it should carry out? You do so by entering into your own program a command that corresponds to the specific task and calls it up. Those commands, known as “method calls,” help you carry out the task by choosing those programs written in implementing code that will do the trick, i.e., that will instruct the computer so that your program will find the higher of two numbers. If a particular computer might perform, say, a million different tasks, different method calls will tell the computer which of those tasks to choose. Those familiar with the Java language already know countless method calls that allow them to invoke countless tasks.

And how does the method call (which a programmer types) actually locate and invoke the particular implementing code that it needs to instruct the computer how to carry out a particular task? It does so through another type of code, which the parties have labeled “declaring code.” Declaring code is part of the API. For each task, the specific command entered by the programmer matches up with specific declaring code inside the API. That declaring code provides both the name for each task and the location of each task within the API’s overall organizational system (i.e., the placement of a method within a particular class and the placement of a class within a particular package). In this sense, the declaring code and the method call form a link, allowing the programmer to draw upon the thousands of prewritten tasks, written in implementing code. Without that declaring code, the method calls entered by the programmer would not call up the implementing code.

The declaring code therefore performs at least two important functions in the Sun Java API. The first, more obvious, function is that the declaring code enables a set of shortcuts for programmers. By connecting complex implementing code with method calls, it allows a programmer to pick out from the API’s task library a particular task without having to learn anything more than a simple command. For example, a programmer building a new application for personal banking may wish to use various tasks to, say, calculate a user’s balance or authenticate a password. To do so, she need only learn the method calls associated with those tasks. In this way, the declaring code’s shortcut function is similar to a gas pedal in a car that tells the car to move faster or the QWERTY keyboard on a typewriter that calls up a certain letter when you press a particular key. As those analogies demonstrate, one can think of the declaring code as part of an interface between human beings and a machine.

The second, less obvious, function is to reflect the way in which Java’s creators have divided the potential world of different tasks into an actual world, i.e., precisely which set of potentially millions of different tasks we want to have our Java-based computer systems perform and how we want those tasks arranged and grouped. In this sense, the

declaring code performs an organizational function. It determines the structure of the task library that Java's creators have decided to build. To understand this organizational system, think of the Dewey Decimal System that categorizes books into an accessible system or a travel guide that arranges a city's attractions into different categories. Language itself provides a rough analogy to the declaring code's organizational feature, for language itself divides into sets of concepts a world that in certain respects other languages might have divided differently. The developers of Java, for example, decided to place a method called "draw image" inside of a class called "graphics."

Consider a comprehensive, albeit farfetched, analogy that illustrates how the API is actually used by a programmer. Imagine that you can, via certain keystrokes, instruct a robot to move to a particular file cabinet, to open a certain drawer, and to pick out a specific recipe. With the proper recipe in hand, the robot then moves to your kitchen and gives it to a cook to prepare the dish. This example mirrors the API's task-related organizational system. Through your simple command, the robot locates the right recipe and hands it off to the cook. In the same way, typing in a method call prompts the API to locate the correct implementing code and hand it off to your computer. And importantly, to select the dish that you want for your meal, you do not need to know the recipe's contents, just as a programmer using an API does not need to learn the implementing code. In both situations, learning the simple command is enough.

Now let us consider the example that the District Court used to explain the precise technology here. *Id.*, at 980-981. A programmer wishes, as part of her program, to determine which of two integers is the larger. To do so in the Java language, she will first write **java.lang**. Those words (which we have put in bold type) refer to the "package" (or by analogy to the file cabinet). She will then write **Math**. That word refers to the "class" (or by analogy to the drawer). She will then write **max**. That word refers to the "method" (or by analogy to the recipe). She will then make two parentheses (). And, in between the parentheses she will put two integers, say 4 and 6, that she wishes to compare. The whole expression—the method call—will look like this: "**java.lang.Math.max(4, 6)**." The use of this expression will, by means of the API, call up a task-implementing program that will determine the higher number.

In writing this program, the programmer will use the very symbols we have placed in bold in the precise order we have placed them. But the symbols by themselves do nothing. She must also use software that connects the symbols to the equivalent of file cabinets, drawers, and files. The API is that software. It includes both the declaring code that links each part of the method call to the particular task-implementing program, and the implementing code that actually carries it out. (For an illustration of this technology, see Appendix B, *infra*.)

Now we can return to the copying at issue in this case. Google did not copy the task-implementing programs, or implementing code, from the Sun Java API. It wrote its own task-implementing programs, such as those that would determine which of two integers is the greater or carry out any other desired (normally far more complex) task. This implementing code constitutes the vast majority of both the Sun Java API and the API that Google created for Android. For most of the packages in its new API, Google

also wrote its own declaring code. For 37 packages, however, Google copied the declaring code from the Sun Java API. As just explained, that means that, for those 37 packages, Google necessarily copied both the names given to particular tasks and the grouping of those tasks into classes and packages.

In doing so, Google copied that portion of the Sun Java API that allowed programmers expert in the Java programming language to use the “task calling” system that they had already learned. As Google saw it, the 37 packages at issue included those tasks that were likely to prove most useful to programmers working on applications for mobile devices. In fact, “three of these packages were ... fundamental to being able to use the Java language at all.” *Oracle*, [872 F.Supp.2d at 982](#). By using the same declaring code for those packages, programmers using the Android platform can rely on the method calls that they are already familiar with to call up particular tasks (e.g., determining which of two integers is the greater); but Google’s own implementing programs carry out those tasks. Without that copying, programmers would need to learn an entirely new system to call up the same tasks.

We add that the Android platform has been successful. Within five years of its release in 2007, Android-based devices claimed a large share of the United States market. *Id.*, at 978. As of 2015, Android sales produced more than \$42 billion in revenue. 886 F.3d at 1187.

In 2010 Oracle Corporation bought Sun. Soon thereafter Oracle brought this lawsuit in the United States District Court for the Northern District of California.

II

The case has a complex and lengthy history. At the outset Oracle complained that Google’s use of the Sun Java API violated both copyright and patent laws. *** After six weeks of hearing evidence, the jury rejected Oracle’s patent claims (which have since dropped out of the case). *** On appeal, the Federal Circuit *** held that both the API’s declaring code and its organizational structure could be copyrighted. *Oracle*, [750 F.3d at 1354](#). It pointed out that Google could have written its own declaring code just as it wrote its own implementing code. And because in principle Google might have created a whole new system of dividing and labeling tasks that could be called up by programmers, the declaring code (and the system) that made up the Sun Java API was copyrightable.

The Federal Circuit also rejected Oracle’s plea that it decide whether Google had the right to use the Sun Java API because doing so was a “fair use,” immune from copyright liability. *** On remand the District Court, sitting with a jury, heard evidence for a week. *** After three days of deliberation the jury answered the question in the affirmative. Google had shown fair use.

Oracle again appealed to the Federal Circuit. And the Circuit again reversed the District Court. The Federal Circuit assumed all factual questions in Google’s favor. But, it said, the question whether those facts constitute a “fair use” is a question of law. 886 F.3d at 1193. Deciding that question of law, the court held that Google’s use of the Sun Java API was not a fair use. It wrote that “[t]here is nothing fair about taking a

copyrighted work verbatim and using it for the same purpose and function as the original in a competing platform.” *Id.*, at 1210. It remanded the case again, this time for a trial on damages.

Google then filed a petition for certiorari in this Court. It asked us to review the Federal Circuit’s determinations as to both copyrightability and fair use. We granted its petition.

III ***

B

Google’s petition for certiorari poses two questions. The first asks whether Java’s API is copyrightable. It asks us to examine two of the statutory provisions just mentioned, one that permits copyrighting computer programs and the other that forbids copyrighting, e.g., “process[es],” “system[s],” and “method[s] of operation.” *Pet. for Cert.* 12. Google believes that the API’s declaring code and organization fall into these latter categories and are expressly excluded from copyright protection. The second question asks us to determine whether Google’s use of the API was a “fair use.” Google believes that it was.

A holding for Google on either question presented would dispense with Oracle’s copyright claims. Given the rapidly changing technological, economic, and business-related circumstances, we believe we should not answer more than is necessary to resolve the parties’ dispute. We shall assume, but purely for argument’s sake, that the entire Sun Java API falls within the definition of that which can be copyrighted. We shall ask instead whether Google’s use of part of that API was a “fair use.” Unlike the Federal Circuit, we conclude that it was.

IV

The language of § 107, the “fair use” provision, reflects its judge-made origins. It is similar to that used by Justice Story in *Folsom v. Marsh*, [9 F.Cas. 342, 348 \(No. 4,901\)](#) (CC D.Mass. 1841). That background, as well as modern courts’ use of the doctrine, makes clear that the concept is flexible, that courts must apply it in light of the sometimes conflicting aims of copyright law, and that its application may well vary depending upon context. Thus, copyright’s protection may be stronger where the copyrighted material is fiction, not fact, where it consists of a motion picture rather than a news broadcast, or where it serves an artistic rather than a utilitarian function. Similarly, courts have held that in some circumstances, say, where copyrightable material is bound up with uncopyrightable material, copyright protection is “thin.” See *Feist*, [499 U.S. at 349](#) (noting that “the copyright in a factual compilation is thin”); see also *Experian Information Solutions, Inc. v. Nationwide Marketing Servs. Inc.*, [893 F.3d 1176, 1186](#) (C.A.9 2018) (“In the context of factual compilations, ... there can be no infringement unless the works are virtually identical” (internal quotation marks omitted)).

Generically speaking, computer programs differ from books, films, and many other “literary works” in that such programs almost always serve functional purposes. These

and other differences have led at least some judges to complain that “applying copyright law to computer programs is like assembling a jigsaw puzzle whose pieces do not quite fit.” *Lotus Development Corp. v. Borland Int’l, Inc.*, [49 F.3d 807, 820](#) (C.A.1 1995) (BOUDIN, J., concurring).

These differences also led Congress to think long and hard about whether to grant computer programs copyright protection. In 1974, Congress established a National Commission on New Technological Uses of Copyrighted Works (CONTU) to look into the matter. §§ 201-208, 88 Stat. 1873-1875. After several years of research, CONTU concluded that the “availability of copyright protection for computer programs is desirable.” Final Report 11 (July 31, 1978). At the same time, it recognized that computer programs had unique features. Mindful of not “unduly burdening users of programs and the general public,” it wrote that copyright “should not grant anyone more economic power than is necessary to achieve the incentive to create.” *Id.*, at 12. And it believed that copyright’s existing doctrines (e.g., fair use), applied by courts on a case-by-case basis, could prevent holders from using copyright to stifle innovation. *Ibid.* (“Relatively few changes in the Copyright Act of 1976 are required to attain these objectives”). Congress then wrote computer program protection into the law. See § 10, 94 Stat. 3028.

The upshot, in our view, is that fair use can play an important role in determining the lawful scope of a computer program copyright, such as the copyright at issue here. It can help to distinguish among technologies. It can distinguish between expressive and functional features of computer code where those features are mixed. It can focus on the legitimate need to provide incentives to produce copyrighted material while examining the extent to which yet further protection creates unrelated or illegitimate harms in other markets or to the development of other products. In a word, it can carry out its basic purpose of providing a context-based check that can help to keep a copyright monopoly within its lawful bounds. See H. R. Rep. No. 94-1476, pp. 65-66 (1976) (explaining that courts are to “adapt the doctrine [of fair use] to particular situations on a case-by-case basis” and in light of “rapid technological change”).

Justice Thomas thoughtful dissent offers a very different view of how (and perhaps whether) fair use has any role to play for computer programs. We are told that no attempt to distinguish among computer code is tenable when considering “the nature of the work,” see post, even though there are important distinctions in the ways that programs are used and designed, post (“The declaring code is what attracted programmers”). We are told that no reuse of code in a new program will ever have a valid “purpose and character,” post, even though the reasons for copying computer code may vary greatly and differ from those applicable to other sorts of works, *ibid.* (accepting that copying as part of “reverse engineer[ing] a system to ensure compatibility” could be a valid purpose). And we are told that our fair use analysis must prioritize certain factors over others, post, even though our case law instructs that fair use depends on the context, see *Campbell*, [510 U.S. at 577-578](#).

We do not understand Congress, however, to have shielded computer programs from the ordinary application of copyright's limiting doctrines in this way. By defining computer programs in § 101, Congress chose to place this subject matter within the copyright regime. Like other protected works, that means that the owners of computer programs enjoy the exclusive rights set forth in the Act, including the right to "reproduce [a] copyrighted work" or to "prepare derivative works." 17 U.S.C. § 106. But that also means that exclusive rights in computer programs are limited like any other works. Just as fair use distinguishes among books and films, which are indisputably subjects of copyright, so too must it draw lines among computer programs. And just as fair use takes account of the market in which scripts and paintings are bought and sold, so too must it consider the realities of how technological works are created and disseminated. We do not believe that an approach close to "all or nothing" would be faithful to the Copyright Act's overall design.

V

At the outset, Google argues that "fair use" is a question for a jury to decide; here the jury decided the question in Google's favor; and we should limit our review to determining whether "substantial evidence" justified the jury's decision. The Federal Circuit disagreed. It thought that the "fair use" question was a mixed question of fact and law; that reviewing courts should appropriately defer to the jury's findings of underlying facts; but that the ultimate question whether those facts showed a "fair use" is a legal question for judges to decide *de novo*.

We agree with the Federal Circuit's answer to this question. We have said, "[f]air use is a mixed question of law and fact." *Harper & Row*, [471 U.S. at 560](#). *** In this case, the ultimate "fair use" question primarily involves legal work. "Fair use" was originally a concept fashioned by judges. *Folsom*, [9 F.Cas. at 348](#). Our cases still provide legal interpretations of the fair use provision. And those interpretations provide general guidance for future cases. This type of work is legal work. *U.S. Bank*, [583 U. S., at _____](#) ("When applying the law involves developing auxiliary legal principles for use in other cases[,] appellate courts should typically review a decision *de novo*").

Applying a legal "fair use" conclusion may, of course, involve determination of subsidiary factual questions, such as "whether there was harm to the actual or potential markets for the copyrighted work" or "how much of the copyrighted work was copied." 886 F.3d at 1196. In this case the Federal Circuit carefully applied the fact/law principles we set forth in *U.S. Bank*, leaving factual determinations to the jury and reviewing the ultimate question, a legal question, *de novo*. ***

VI

We turn now to the basic legal question before us: Was Google's copying of the Sun Java API, specifically its use of the declaring code and organizational structure for 37 packages of that API, a "fair use." In answering this question, we shall consider the four factors set forth in the fair use statute as we find them applicable to the kind of computer programs before us. *** For expository purposes, we begin with the second.

A. “The Nature of the Copyrighted Work”

The Sun Java API is a “user interface.” It provides a way through which users (here the programmers) can “manipulate and control” task-performing computer programs “via a series of menu commands.” *Lotus Development Corp.*, [49 F.3d at 809](#). The API reflects Sun’s division of possible tasks that a computer might perform into a set of actual tasks that certain kinds of computers actually will perform. Sun decided, for example, that its API would call up a task that compares one integer with another to see which is the larger. Sun’s API (to our knowledge) will not call up the task of determining which great Arabic scholar decided to use Arabic numerals (rather than Roman numerals) to perform that “larger integer” task. No one claims that the decisions about what counts as a task are themselves copyrightable —although one might argue about decisions as to how to label and organize such tasks (e.g., the decision to name a certain task “max” or to place it in a class called “Math.” Cf. *Baker v. Selden*, [101 U.S. 99](#) (1880)).

As discussed above, *supra*, at 1190-1192, and in Appendix B, *infra*, we can think of the technology as having three essential parts. First, the API includes “implementing code,” which actually instructs the computer on the steps to follow to carry out each task. Google wrote its own programs (implementing programs) that would perform each one of the tasks that its API calls up.

Second, the Sun Java API associates a particular command, called a “method call,” with the calling up of each task. The symbols **java.lang.**, for example, are part of the command that will call up the program (whether written by Sun or, as here, by Google) that instructs the computer to carry out the “larger number” operation. Oracle does not here argue that the use of these commands by programmers itself violates its copyrights.

Third, the Sun Java API contains computer code that will associate the writing of a method call with particular “places” in the computer that contain the needed implementing code. This is the declaring code. The declaring code both labels the particular tasks in the API and organizes those tasks, or “methods,” into “packages” and “classes.” We have referred to this organization, by way of rough analogy, as file cabinets, drawers, and files. Oracle does claim that Google’s use of the Sun Java API’s declaring code violates its copyrights.

The declaring code at issue here resembles other copyrighted works in that it is part of a computer program. Congress has specified that computer programs are subjects of copyright. It differs, however, from many other kinds of copyrightable computer code. It is inextricably bound together with a general system, the division of computing tasks, that no one claims is a proper subject of copyright. It is inextricably bound up with the idea of organizing tasks into what we have called cabinets, drawers, and files, an idea that is also not copyrightable. It is inextricably bound up with the use of specific commands known to programmers, known here as method calls (such as **java.lang.Math.max**, etc.), that Oracle does not here contest. And it is inextricably bound up with implementing code, which is copyrightable but was not copied.

Moreover, the copied declaring code and the uncopied implementing programs call for, and reflect, different kinds of capabilities. A single implementation may walk a

computer through dozens of different steps. To write implementing programs, witnesses told the jury, requires balancing such considerations as how quickly a computer can execute a task or the likely size of the computer's memory. One witness described that creativity as "magic" practiced by an API developer when he or she worries "about things like power management" for devices that "run on a battery." This is the very creativity that was needed to develop the Android software for use not in laptops or desktops but in the very different context of smartphones.

The declaring code (inseparable from the programmer's method calls) embodies a different kind of creativity. Sun Java's creators, for example, tried to find declaring code names that would prove intuitively easy to remember. They wanted to attract programmers who would learn the system, help to develop it further, and prove reluctant to use another. Sun's business strategy originally emphasized the importance of using the API to attract programmers. It sought to make the API "open" and "then ... compete on implementations." The testimony at trial was replete with examples of witnesses drawing this critical line between the user-centered declaratory code and the innovative implementing code.

These features mean that, as part of a user interface, the declaring code differs to some degree from the mine run of computer programs. Like other computer programs, it is functional in nature. But unlike many other programs, its use is inherently bound together with uncopyrightable ideas (general task division and organization) and new creative expression (Android's implementing code). Unlike many other programs, its value in significant part derives from the value that those who do not hold copyrights, namely, computer programmers, invest of their own time and effort to learn the API's system. And unlike many other programs, its value lies in its efforts to encourage programmers to learn and to use that system so that they will use (and continue to use) Sun-related implementing programs that Google did not copy.

Although copyrights protect many different kinds of writing, we have emphasized the need to "recogni[ze] that some works are closer to the core of [copyright] than others," *Campbell*, [510 U.S. at 586](#). In our view, for the reasons just described, the declaring code is, if copyrightable at all, further than are most computer programs (such as the implementing code) from the core of copyright. That fact diminishes the fear, expressed by both the dissent and the Federal Circuit, that application of "fair use" here would seriously undermine the general copyright protection that Congress provided for computer programs. And it means that this factor, "the nature of the copyrighted work," points in the direction of fair use.

B. "The Purpose and Character of the Use"

In the context of fair use, we have considered whether the copier's use "adds something new, with a further purpose or different character, altering" the copyrighted work "with new expression, meaning or message." *Id.*, at 579. *** In answering this question, we have used the word "transformative" to describe a copying use that adds something new and important. *Campbell*, [510 U.S. at 579](#). An "artistic painting" might, for example, fall within the scope of fair use even though it precisely replicates a copyrighted

“advertising logo to make a comment about consumerism.” 4 Nimmer on Copyright § 13.05[A][1][b] (quoting Netanel, *Making Sense of Fair Use*, 15 Lewis & Clark L. Rev. 715, 746 (2011)). Or, as we held in *Campbell*, a parody can be transformative because it comments on the original or criticizes it, for “[p]arody needs to mimic an original to make its point.” [510 U.S. at 580-581](#).

Google copied portions of the Sun Java API precisely, and it did so in part for the same reason that Sun created those portions, namely, to enable programmers to call up implementing programs that would accomplish particular tasks. But since virtually any unauthorized use of a copyrighted computer program (say, for teaching or research) would do the same, to stop here would severely limit the scope of fair use in the functional context of computer programs. Rather, in determining whether a use is “transformative,” we must go further and examine the copying’s more specifically described “purpose[s]” and “character.” 17 U.S.C. § 107(1).

Here Google’s use of the Sun Java API seeks to create new products. It seeks to expand the use and usefulness of Android-based smartphones. Its new product offers programmers a highly creative and innovative tool for a smartphone environment. To the extent that Google used parts of the Sun Java API to create a new platform that could be readily used by programmers, its use was consistent with that creative “progress” that is the basic constitutional objective of copyright itself.

The jury heard that Google limited its use of the Sun Java API to tasks and specific programming demands related to Android. It copied the API (which Sun created for use in desktop and laptop computers) only insofar as needed to include tasks that would be useful in smartphone programs. And it did so only insofar as needed to allow programmers to call upon those tasks without discarding a portion of a familiar programming language and learning a new one. To repeat, Google, through Android, provided a new collection of tasks operating in a distinct and different computing environment. Those tasks were carried out through the use of new implementing code (that Google wrote) designed to operate within that new environment. Some of the amici refer to what Google did as “reimplementation,” defined as the “building of a system ... that repurposes the same words and syntaxes” of an existing system—in this case so that programmers who had learned an existing system could put their basic skills to use in a new one. Brief for R Street Institute et al. as Amici Curiae 2.

The record here demonstrates the numerous ways in which reimplementing an interface can further the development of computer programs. The jury heard that shared interfaces are necessary for different programs to speak to each other. It heard that the reimplementation of interfaces is necessary if programmers are to be able to use their acquired skills. *Id.*, at 191 (“If the API labels change, then either the software wouldn’t continue to work anymore or the developer ... would have to learn a whole new language to be able to use these API labels”). It heard that the reuse of APIs is common in the industry. It heard that Sun itself had used pre-existing interfaces in creating Java. And it heard that Sun executives thought that widespread use of the Java programming language, including use on a smartphone platform, would benefit the company. ***

These and related facts convince us that the “purpose and character” of Google’s copying was transformative—to the point where this factor too weighs in favor of fair use.

There are two other considerations that are often taken up under the first factor: commerciality and good faith. The text of § 107 includes various noncommercial uses, such as teaching and scholarship, as paradigmatic examples of privileged copying. There is no doubt that a finding that copying was not commercial in nature tips the scales in favor of fair use. But the inverse is not necessarily true, as many common fair uses are indisputably commercial. For instance, the text of § 107 includes examples like “news reporting,” which is often done for commercial profit. So even though Google’s use was a commercial endeavor—a fact no party disputed, see 886 F.3d at 1197—that is not dispositive of the first factor, particularly in light of the inherently transformative role that the reimplementations played in the new Android system.

As for bad faith, our decision in *Campbell* expressed some skepticism about whether bad faith has any role in a fair use analysis. [510 U.S. at 585, n. 18.](#) *** We have no occasion here to say whether good faith is as a general matter a helpful inquiry. We simply note that given the strength of the other factors pointing toward fair use and the jury finding in Google’s favor on hotly contested evidence, that factbound consideration is not determinative in this context.

C. “The Amount and Substantiality of the Portion Used”

If one considers the declaring code in isolation, the quantitative amount of what Google copied was large. Google copied the declaring code for 37 packages of the Sun Java API, totaling approximately 11,500 lines of code. Those lines of code amount to virtually all the declaring code needed to call up hundreds of different tasks. On the other hand, if one considers the entire set of software material in the Sun Java API, the quantitative amount copied was small. The total set of Sun Java API computer code, including implementing code, amounted to 2.86 million lines, of which the copied 11,500 lines were only 0.4 percent.

The question here is whether those 11,500 lines of code should be viewed in isolation or as one part of the considerably greater whole. We have said that even a small amount of copying may fall outside of the scope of fair use where the excerpt copied consists of the “heart” of the original work’s creative expression. *Harper & Row*, [471 U.S. at 564-565](#). On the other hand, copying a larger amount of material can fall within the scope of fair use where the material copied captures little of the material’s creative expression or is central to a copier’s valid purpose. If a defendant had copied one sentence in a novel, that copying may well be insubstantial. But if that single sentence set forth one of the world’s shortest short stories—“When he awoke, the dinosaur was still there.”—the question looks much different, as the copied material constitutes a small part of the novel but the entire short story. See A. Monterroso, *El Dinosaurio*, in *Complete Works & Other Stories* 42 (E. Grossman transl. 1995). (In the original Spanish, the story reads: “Cuando despertó, el dinosaurio todavía estaba allí.”)

Several features of Google’s copying suggest that the better way to look at the numbers is to take into account the several million lines that Google did not copy. For one thing, the Sun Java API is inseparably bound to those task-implementing lines. Its purpose is to call them up. For another, Google copied those lines not because of their creativity, their beauty, or even (in a sense) because of their purpose. It copied them because programmers had already learned to work with the Sun Java API’s system, and it would have been difficult, perhaps prohibitively so, to attract programmers to build its Android smartphone system without them. Further, Google’s basic purpose was to create a different task-related system for a different computing environment (smartphones) and to create a platform—the Android platform—that would help achieve and popularize that objective. The “substantiality” factor will generally weigh in favor of fair use where, as here, the amount of copying was tethered to a valid, and transformative, purpose.

We do not agree with the Federal Circuit’s conclusion that Google could have achieved its Java-compatibility objective by copying only the 170 lines of code that are “necessary to write in the Java language.” 886 F.3d at 1206. In our view, that conclusion views Google’s legitimate objectives too narrowly. Google’s basic objective was not simply to make the Java programming language usable on its Android systems. It was to permit programmers to make use of their knowledge and experience using the Sun Java API when they wrote new programs for smartphones with the Android platform. In principle, Google might have created its own, different system of declaring code. But the jury could have found that its doing so would not have achieved that basic objective. In a sense, the declaring code was the key that it needed to unlock the programmers’ creative energies. And it needed those energies to create and to improve its own innovative Android systems.

We consequently believe that this “substantiality” factor weighs in favor of fair use.

D. Market Effects

The fourth statutory factor focuses upon the “effect” of the copying in the “market for or value of the copyrighted work.” 17 U.S.C. § 107(4). Consideration of this factor, at least where computer programs are at issue, can prove more complex than at first it may seem. It can require a court to consider the amount of money that the copyright owner might lose. As we pointed out in *Campbell*, “verbatim copying of the original in its entirety for commercial purposes” may well produce a market substitute for an author’s work. [510 U.S., at 591](#). Making a film of an author’s book may similarly mean potential or presumed losses to the copyright owner. Those losses normally conflict with copyright’s basic objective: providing authors with exclusive rights that will spur creative expression.

But a potential loss of revenue is not the whole story. We here must consider not just the amount but also the source of the loss. As we pointed out in *Campbell*, a “lethal parody, like a scathing theatre review,” may “kil[l] demand for the original.” *Id.*, at 591-592. Yet this kind of harm, even if directly translated into foregone dollars, is not “cognizable under the Copyright Act.” *Id.*, at 592.

Further, we must take into account the public benefits the copying will likely produce. Are those benefits, for example, related to copyright's concern for the creative production of new expression? Are they comparatively important, or unimportant, when compared with dollar amounts likely lost (taking into account as well the nature of the source of the loss)?

We do not say that these questions are always relevant to the application of fair use, not even in the world of computer programs. Nor do we say that these questions are the only questions a court might ask. But we do find them relevant here in helping to determine the likely market effects of Google's reimplementation.

As to the likely amount of loss, the jury could have found that Android did not harm the actual or potential markets for Java SE. And it could have found that Sun itself (now Oracle) would not have been able to enter those markets successfully whether Google did, or did not, copy a part of its API. First, evidence at trial demonstrated that, regardless of Android's smartphone technology, Sun was poorly positioned to succeed in the mobile phone market. The jury heard ample evidence that Java SE's primary market was laptops and desktops. It also heard that Sun's many efforts to move into the mobile phone market had proved unsuccessful. As far back as 2006, prior to Android's release, Sun's executives projected declining revenue for mobile phones because of emerging smartphone technology. When Sun's former CEO was asked directly whether Sun's failure to build a smartphone was attributable to Google's development of Android, he answered that it was not. Given the evidence showing that Sun was beset by business challenges in developing a mobile phone product, the jury was entitled to agree with that assessment.

Second, the jury was repeatedly told that devices using Google's Android platform were different in kind from those that licensed Sun's technology. For instance, witnesses explained that the broader industry distinguished between smartphones and simpler "feature phones." As to the specific devices that used Sun-created software, the jury heard that one of these phones lacked a touchscreen, while another did not have a QWERTY keyboard. For other mobile devices, the evidence showed that simpler products, like the Kindle, used Java software, while more advanced technology, like the Kindle Fire, were built on the Android operating system. This record evidence demonstrates that, rather than just "repurposing [Sun's] code from larger computers to smaller computers," post, Google's Android platform was part of a distinct (and more advanced) market than Java software.

Looking to these important differences, Google's economic expert told the jury that Android was not a market substitute for Java's software. As he explained, "the two products are on very different devices," and the Android platform, which offers "an entire mobile operating stack," is a "very different typ[e] of produc[t]" than Java SE, which is "just an applications programming framework." Taken together, the evidence showed that Sun's mobile phone business was declining, while the market increasingly demanded a new form of smartphone technology that Sun was never able to offer.

Finally, the jury also heard evidence that Sun foresaw a benefit from the broader use of the Java programming language in a new platform like Android, as it would further

expand the network of Java-trained programmers. In other words, the jury could have understood Android and Java SE as operating in two distinct markets. And because there are two markets at issue, programmers learning the Java language to work in one market (smartphones) are then able to bring those talents to the other market (laptops). See 4 Nimmer on Copyright § 13.05[A][4] (explaining that factor four asks what the impact of “widespread conduct of the sort engaged in by the defendant” would be on the market for the present work).

Sun presented evidence to the contrary. Indeed, the Federal Circuit held that the “market effects” factor militated against fair use in part because Sun had tried to enter the Android market. 886 F.3d at 1209 (Sun sought licensing agreement with Google). But those licensing negotiations concerned much more than 37 packages of declaring code, covering topics like “the implementation of [Java’s] code” and “branding and cooperation” between the firms. See also 4 Nimmer on Copyright § 13.05[A][4] (cautioning against the “danger of circularity posed” by considering unrealized licensing opportunities because “it is a given in every fair use case that plaintiff suffers a loss of a potential market if that potential is defined as the theoretical market for licensing the very use at bar”). In any event, the jury’s fair use determination means that neither Sun’s effort to obtain a license nor Oracle’s conflicting evidence can overcome evidence indicating that, at a minimum, it would have been difficult for Sun to enter the smartphone market, even had Google not used portions of the Sun Java API.

On the other hand, Google’s copying helped Google make a vast amount of money from its Android platform. And enforcement of the Sun Java API copyright might give Oracle a significant share of these funds. It is important, however, to consider why and how Oracle might have become entitled to this money. When a new interface, like an API or a spreadsheet program, first comes on the market, it may attract new users because of its expressive qualities, such as a better visual screen or because of its superior functionality. As time passes, however, it may be valuable for a different reason, namely, because users, including programmers, are just used to it. They have already learned how to work with it.

The record here is filled with evidence that this factor accounts for Google’s desire to use the Sun Java API. This source of Android’s profitability has much to do with third parties’ (say, programmers’) investment in Sun Java programs. It has correspondingly less to do with Sun’s investment in creating the Sun Java API. We have no reason to believe that the Copyright Act seeks to protect third parties’ investment in learning how to operate a created work. Cf. *Campbell*, [510 U.S., at 591-592](#) (discussing the need to identify those harms that are “cognizable under the Copyright Act”).

Finally, given programmers’ investment in learning the Sun Java API, to allow enforcement of Oracle’s copyright here would risk harm to the public. Given the costs and difficulties of producing alternative APIs with similar appeal to programmers, allowing enforcement here would make of the Sun Java API’s declaring code a lock limiting the future creativity of new programs. Oracle alone would hold the key. The result could well prove highly profitable to Oracle (or other firms holding a copyright in computer interfaces). But those profits could well flow from creative improvements,

new applications, and new uses developed by users who have learned to work with that interface. To that extent, the lock would interfere with, not further, copyright's basic creativity objectives. After all, "copyright supplies the economic incentive to [both] create and disseminate ideas," *Harper & Row*, [471 U.S., at 558](#) and the reimplementa-tion of a user interface allows creative new computer code to more easily enter the market.

The uncertain nature of Sun's ability to compete in Android's market place, the sources of its lost revenue, and the risk of creativity-related harms to the public, when taken together, convince that this fourth factor—market effects—also weighs in favor of fair use.

* * *

The fact that computer programs are primarily functional makes it difficult to apply traditional copyright concepts in that technological world. See *Lotus Development Corp.*, [49 F.3d at 820](#) (BOUDIN, J., concurring). In doing so here, we have not changed the nature of those concepts. We do not overturn or modify our earlier cases involving fair use—cases, for example, that involve "knockoff" products, journalistic writings, and parodies. Rather, we here recognize that application of a copyright doctrine such as fair use has long proved a cooperative effort of Legislatures and courts, and that Congress, in our view, intended that it so continue. As such, we have looked to the principles set forth in the fair use statute, § 107, and set forth in our earlier cases, and applied them to this different kind of copyrighted work.

We reach the conclusion that in this case, where Google reimplemented a user inter-face, taking only what was needed to allow users to put their accrued talents to work in a new and transformative program, Google's copying of the Sun Java API was a fair use of that material as a matter of law. The Federal Circuit's contrary judgment is re-versed, and the case is remanded for further proceedings in conformity with this opin-ion. ***

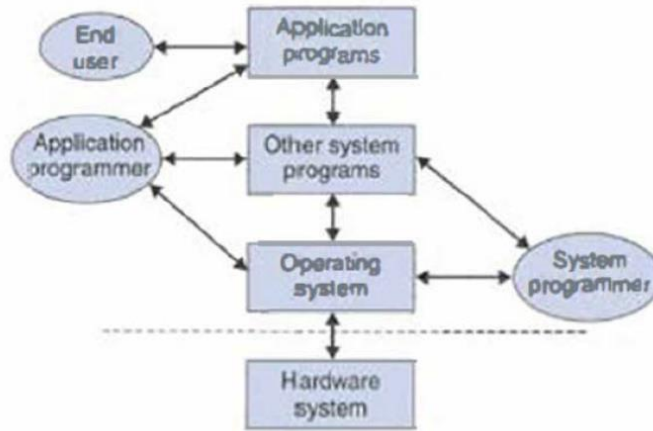
JUSTICE BARRETT took no part in the consideration or decision of this case.

APPENDIX A

Computer System Diagram

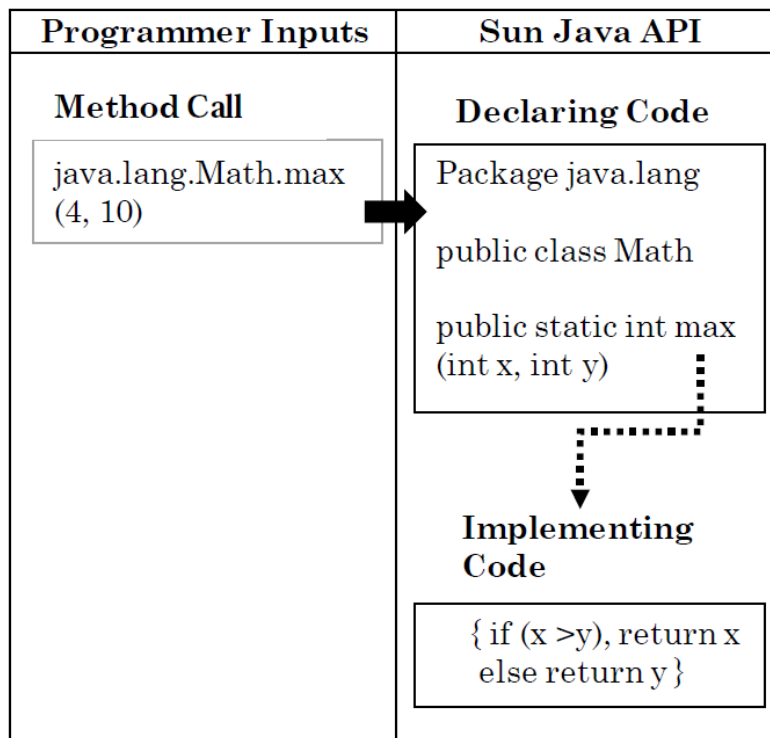
Some readers might find it helpful to start with an explanation of what a "software platform" is. Put simply, a software platform collects all of the software tools that a programmer may need to build computer programs. The Android platform, for in-stance, includes an "operating system," "core libraries," and a "virtual machine," among other tools.

The diagram below illustrates the general features of a standard computer system, with the dotted line reflecting the division between a computer's hardware and its soft-ware. (It is not intended to reflect any specific technology at issue in this case.)



J. Garrido & R. Schlesinger, Principles of Modern Operating Systems 8 (2008) (“Figure 1.4. An External View of a Computer System”).

APPENDIX B
Sun Java API Diagram



This image depicts the connection between the three parts of the Sun Java API technology at issue, using the District Court’s example. *Oracle*, [872 F.Supp.2d at 980-981](#). The programmer enters a method call to invoke a task from within the API (the solid arrow). The precise symbols in the method call correspond to a single task, which is located within a particular class. That class is located within a particular package. All of the lines of code that provide that organization and name the methods, classes, and

packages are “declaring code.” For each method, the declaring code is associated with particular lines of implementing code (the dotted arrow). It is that implementing code (which Google wrote for its Android API) that actually instructs the computer in the programmer’s application.

JUSTICE THOMAS, with whom JUSTICE ALITO joins, dissenting. Oracle spent years developing a programming library that successfully attracted software developers, thus enhancing the value of Oracle’s products. Google sought a license to use the library in Android, the operating system it was developing for mobile phones. But when the companies could not agree on terms, Google simply copied verbatim 11,500 lines of code from the library. As a result, it erased 97.5% of the value of Oracle’s partnership with Amazon, made tens of billions of dollars, and established its position as the owner of the largest mobile operating system in the world. Despite this, the majority holds that this copying was fair use.

The Court reaches this unlikely result in large part because it bypasses the antecedent question clearly before us: Is the software code at issue here protected by the Copyright Act? The majority purports to assume, without deciding, that the code is protected. But its fair-use analysis is wholly inconsistent with the substantial protection Congress gave to computer code. By skipping over the copyrightability question, the majority disregards half the relevant statutory text and distorts its fair-use analysis. Properly considering that statutory text, Oracle’s code at issue here is copyrightable, and Google’s use of that copyrighted code was anything but fair. ***

III

*** The majority holds otherwise—concluding that every factor favors Google—by relying, in large part, on a distinction it draws between declaring and implementing code, a distinction that the statute rejects. Tellingly, the majority evaluates the factors neither in sequential order nor in order of importance (at least two factors are more important under our precedent⁵). Instead, it starts with the second factor: the nature of the copyrighted work. It proceeds in this manner in order to create a distinction between declaring and implementing code that renders the former less worthy of protection than the latter. Because the majority’s mistaken analysis rests so heavily on this factor, I begin with it as well.

A. The Nature of the Copyrighted Work

This factor requires courts to assess the level of creativity or functionality in the original work. It generally favors fair use when a copyrighted work is more “informational or functional” than “creative.” 4 M. Nimmer & D. Nimmer, *Copyright* § 13.05[A][2][a] (2019). Because code is predominantly functional, this factor will often favor copying

⁵ The fourth factor—the effect of Google’s copying on the potential market for Oracle’s work—is “undoubtedly the single most important element of fair use.” *Harper & Row, Publishers, Inc. v. Nation Enterprises*, 471 U.S. 539, 566 (1985). The first factor—the purpose and character of the use, including whether the use is commercial—is the second-most important because it can prove dispositive. See *id.*, at 550 (“[In general,] the fair use doctrine has always precluded a use that ‘supersede[s] the use of the original’”).

when the original work is computer code. But because Congress determined that declaring and implementing code are copyrightable, this factor alone cannot support a finding of fair use.

The majority, however, uses this factor to create a distinction between declaring and implementing code that in effect removes copyright protection from declaring code. It concludes that, unlike implementing code, declaring code is far “from the core of copyright” because it becomes valuable only when third parties (computer programmers) value it and because it is “inherently bound together with uncopyrightable ideas.” Ante.

Congress, however, rejected this sort of categorical distinction that would make declaring code less worthy of protection. The Copyright Act protects code that operates “in a computer in order to bring about a certain result” both “directly” (implementing code) and “indirectly” (declaring code). § 101. And if anything, declaring code is closer to the “core of copyright.” Ante. Developers cannot even see implementing code. *Oracle Am., Inc. v. Google Inc.*, [2016 WL 3181206](#), *4 (ND Cal., June 8, 2016). Implementing code thus conveys no expression to developers. Declaring code, in contrast, is user facing. It must be designed and organized in a way that is intuitive and understandable to developers so that they can invoke it.

Even setting those concerns aside, the majority’s distinction is untenable. True, declaring code is “inherently bound together with uncopyrightable ideas.” Ante. Is anything not? Books are inherently bound with uncopyrightable ideas—the use of chapters, having a plot, or including dialogue or footnotes. This does not place books far “from the core of copyright.” And implementing code, which the majority concedes is copyrightable, is inherently bound up with “the division of computing tasks” that cannot be copyrighted. We have not discounted a work of authorship simply because it is associated with noncopyrightable ideas. While ideas cannot be copyrighted, expressions of those ideas can. *Golan*, [565 U.S., at 328](#).

Similarly, it makes no difference that the value of declaring code depends on how much time third parties invest in learning it. Many other copyrighted works depend on the same. A Broadway musical script needs actors and singers to invest time learning and rehearsing it. But a theater cannot copy a script—the rights to which are held by a smaller theater— simply because it wants to entice actors to switch theaters and because copying the script is more efficient than requiring the actors to learn a new one.

What the majority says is true of declaring code is no less true of implementing code. Declaring code is how programmers access prewritten implementing code. The value of that implementing code thus is directly proportional to how much programmers value the associated declaring code. The majority correctly recognizes that declaring code “is inextricably bound up with implementing code,” ante, but it overlooks the implications of its own conclusion.

Only after wrongly concluding that the nature of declaring code makes that code generally unworthy of protection does the Court move on to consider the other factors. This opening mistake taints the Court’s entire analysis.

B. Market Effects

“[U]ndoubtedly the single most important element of fair use” is the effect of Google’s copying “upon the potential market for or value of [Oracle’s] copyrighted work.” *Harper & Row, Publishers, Inc. v. Nation Enterprises*, [471 U.S. 539, 566](#) (1985). As the Federal Circuit correctly determined, “evidence of actual and potential harm stemming from Google’s copying was ‘overwhelming.’” 886 F.3d 1179, 1209 (2018). By copying Oracle’s code to develop and release Android, Google ruined Oracle’s potential market in at least two ways.

First, Google eliminated the reason manufacturers were willing to pay to install the Java platform. Google’s business model differed from Oracle’s. While Oracle earned revenue by charging device manufacturers to install the Java platform, Google obtained revenue primarily through ad sales. Its strategy was to release Android to device manufacturers for free and then use Android as a vehicle to collect data on consumers and deliver behavioral ads. With a free product available that included much of Oracle’s code (and thus with similar programming potential), device manufacturers no longer saw much reason to pay to embed the Java platform.

For example, before Google released Android, Amazon paid for a license to embed the Java platform in Kindle devices. But after Google released Android, Amazon used the cost-free availability of Android to negotiate a 97.5% discount on its license fee with Oracle. Evidence at trial similarly showed that right after Google released Android, Samsung’s contract with Oracle dropped from \$40 million to about \$1 million. Google contests none of this except to say that Amazon used a different Java platform, Java Micro Edition instead of Java Standard Edition. That difference is inconsequential because the former was simply a smaller subset of the latter. Google copied code found in both platforms. The majority does not dispute—or even mention—this enormous harm.

Second, Google interfered with opportunities for Oracle to license the Java platform to developers of smartphone operating systems. Before Google copied Oracle’s code, nearly every mobile phone on the market contained the Java platform. Oracle’s code was extraordinarily valuable to anybody who wanted to develop smartphones, which explains why Google tried no fewer than four times to license it. The majority’s remark that Google also sought other licenses from Oracle does not change this central fact. Both parties agreed that Oracle could enter Google’s current market by licensing its declaring code. But by copying the code and releasing Android, Google eliminated Oracle’s opportunity to license its code for that use.

The majority writes off this harm by saying that the jury could have found that Oracle might not have been able to enter the modern smartphone market successfully. But whether Oracle could itself enter that market is only half the picture. We look at not only the potential market “that creators of original works would in general develop” but also those potential markets the copyright holder might “license others to develop.” *Campbell v. Acuff-Rose Music, Inc.*, [510 U.S. 569, 592](#) (1994). A book author need not be able to personally convert a book into a film so long as he can license someone else to do so. That Oracle could have licensed its code for use in Android is undisputed.

Unable to seriously dispute that Google's actions had a disastrous effect on Oracle's potential market, the majority changes course and asserts that enforcing copyright protection could harm the public by giving Oracle the power to "limi[t] the future creativity" of programs on Android. But this case concerns only versions of Android released through November 2014. Order in No. 3:10-cv-3561 (ND Cal., Feb. 5, 2016), Doc. 1479, p. 2 (identifying versions through Android Lollipop 5.0). Google has released six major versions since then. Only about 7.7% of active Android devices still run the versions at issue. The majority's concern about a lock-in effect might carry more weight if this suit concerned versions of Android widely in use or that will be widely in use. It makes little sense in a suit about versions that are close to obsolete.

The majority's concern about a lock-in effect also is speculation belied by history. First, Oracle never had lock-in power. The majority (again) overlooks that Apple and Microsoft created mobile operating systems without using Oracle's declaring code. Second, Oracle always made its declaring code freely available to programmers. There is little reason to suspect Oracle might harm programmers by stopping now. And third, the majority simply assumes that the jury, in a future suit over current Android versions, would give Oracle control of Android instead of just awarding damages or perpetual royalties.

If the majority is going to speculate about what Oracle might do, it at least should consider what Google has done. The majority expresses concern that Oracle might abuse its copyright protection (on outdated Android versions) and "attempt to monopolize the market." Ante, at 1208-1209. But it is Google that recently was fined a record \$5 billion for abusing Android to violate antitrust laws. Case AT.40099, Google Android, July 18, 2018 (Eur. Comm'n-Competition); European Comm'n Press Release, Commission Fines Google €4.34 Billion for Illegal Practices Regarding Android Mobile Devices to Strengthen Dominance of Google's Search Engine, July 18, 2018. Google controls the most widely used mobile operating system in the world. And if companies may now freely copy libraries of declaring code whenever it is more convenient than writing their own, others will likely hesitate to spend the resources Oracle did to create intuitive, well-organized libraries that attract programmers and could compete with Android. If the majority is worried about monopolization, it ought to consider whether Google is the greater threat.

By copying Oracle's work, Google decimated Oracle's market and created a mobile operating system now in over 2.5 billion actively used devices, earning tens of billions of dollars every year. If these effects on Oracle's potential market favor Google, something is very wrong with our fair-use analysis.

C. The Purpose and Character of the Use

The second-most important factor—"the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes," § 107(1)—requires us to consider whether use was "commercial" and whether it was "transformative." *Campbell*, 510 U.S., at 578-579. Both aspects heavily favor Oracle.

Begin with the overwhelming commercial nature of Google's copying. In 2015 alone, the year before the fair-use trial, Google earned \$18 billion from Android. That number has no doubt dramatically increased as Android has grown to dominate the global market share.⁹ On this scale, Google's use of Oracle's declaring code weighs heavily—if not decisively—against fair use.

The majority attempts to dismiss this overwhelming commercial use by noting that commercial use does “not necessarily” weigh against fair use. True enough. Commercial use sometimes can be overcome by use that is sufficiently “transformative.” *Campbell*, 510 U.S., at 579. But “we cannot ignore [Google's] *intended purpose* of supplanting [Oracle's] commercially valuable” platform with its own. *Harper*, 471 U.S., at 562 (emphasis in original). Even if we could, we have never found fair use for copying that reaches into the tens of billions of dollars and wrecks the copyright holder's market.

Regardless, Google fares no better on transformative use. A court generally cannot find fair use unless the copier's use is transformative. A work is “transformative” if it “adds something new, with a further purpose or different character, altering the first with new expression, meaning, or message.” *Campbell*, 510 U.S., at 579. This question is “guided by the examples [of fair use] given in the preamble to § 107.” *Id.*, at 578. Those examples include: “criticism, comment, news reporting, teaching..., scholarship, or research.” § 107. Although these examples are not exclusive, they are illustrative, and Google's repurposing of Java code from larger computers to smaller computers resembles none of them. Google did not use Oracle's code to teach or reverse engineer a system to ensure compatibility. Instead, to “avoid the drudgery in working up something fresh,” *id.*, at 580, Google used the declaring code for the same exact purpose Oracle did. As the Federal Circuit correctly determined, “[t]here is nothing fair about taking a copyrighted work verbatim and using it for the same purpose and function as the original in a competing platform.” 886 F.3d at 1210.

The majority acknowledges that Google used the copied declaring code “for the same reason” Oracle did. So, by turns, the majority transforms the definition of “transformative.” Now, we are told, “transformative” simply means—at least for computer code—a use that will help others “create new products.”

That new definition eviscerates copyright. A movie studio that converts a book into a film without permission not only creates a new product (the film) but enables others to “create products”—film reviews, merchandise, YouTube highlight reels, late night television interviews, and the like. Nearly every computer program, once copied, can be used to create new products. Surely the majority would not say that an author can

⁹ The real value also may be much higher because Android indirectly boosts other sources of revenue. For years Google has set its search engine as the default engine on Android. Google can use that engine to collect reams of data used to deliver behavioral advertisements to consumers on desktops. Using control over Android to choose a default search engine may seem trivial, but Google certainly does not think so. According to a Goldman Sachs analysis, Google paid Apple \$12 billion to be the default search engine for Safari, Apple's web browser, for just one year. Leswing, *Apple Makes Billions From Google's Dominance in Search—And It's a Bigger Business Than iCloud or Apple Music*, Business Insider, Sept. 29, 2018. Google does not appear to have disputed this figure.

pirate the next version of Microsoft Word simply because he can use it to create new manuscripts.

Ultimately, the majority wrongly conflates transformative use with derivative use. To be transformative, a work must do something fundamentally different from the original. A work that simply serves the same purpose in a new context—which the majority concedes is true here—is derivative, not transformative. Congress made clear that Oracle holds “the exclusive rights ... to prepare derivative works.” § 106(2). Rather than create a transformative product, Google “profit[ed] from exploitation of the copyrighted material without paying the customary price.” *Harper*, [471 U.S., at 562](#).

D. The Amount and Substantiality of the Portion Used

The statutory fair-use factors also instruct us to consider “the amount and substantiality of the portion used in relation to the copyrighted work as a whole.” § 107(3). In general, the greater the amount of use, the more likely the copying is unfair. *Ibid.* But even if the copier takes only a small amount, copying the “heart” or “focal points” of a work weighs against fair use, *Harper*, [471 U.S., at 565-566](#), unless “no more was taken than necessary” for the copier to achieve transformative use, *Campbell*, [510 U.S., at 589](#).

Google does not dispute the Federal Circuit’s conclusion that it copied the heart or focal points of Oracle’s work. 886 F.3d at 1207. The declaring code is what attracted programmers to the Java platform and why Google was so interested in that code. And Google copied that code “verbatim,” which weighs against fair use. *Harper*, [471 U.S., at 565](#). The majority does not disagree. Instead, it concludes that Google took no more than necessary to create new products. That analysis fails because Google’s use is not transformative. This factor thus weighs against Google.

Even if Google’s use were transformative, the majority is wrong to conclude that Google copied only a small portion of the original work. The majority points out that the 11,500 lines of declaring code—enough to fill about 600 pages in an appendix—were just a fraction of the code in the Java platform. But the proper denominator is declaring code, not all code. A copied work is quantitatively substantial if it could “serve as a market substitute for the original” work or “potentially licensed derivatives” of that work. *Campbell*, [510 U.S., at 587](#). The declaring code is what attracted programmers. And it is what made Android a “market substitute” for “potentially licensed derivatives” of Oracle’s Java platform. Google’s copying was both qualitatively and quantitatively substantial.

* * *

In sum, three of the four statutory fair-use factors weigh decidedly against Google. The nature of the copyrighted work—the sole factor possibly favoring Google—cannot by itself support a determination of fair use because holding otherwise would improperly override Congress’ determination that declaring code is copyrightable.

IV

The majority purports to save for another day the question whether declaring code is copyrightable. The only apparent reason for doing so is because the majority cannot

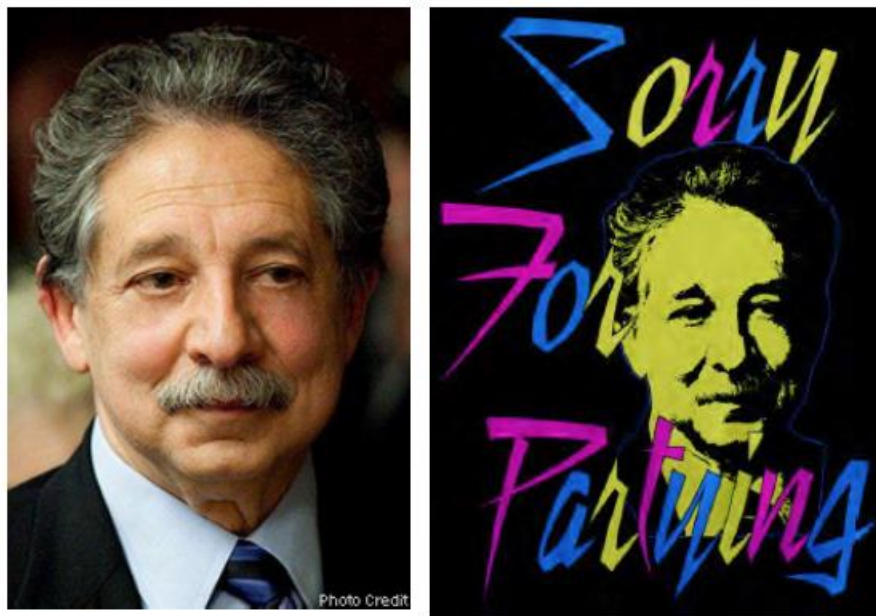
square its fundamentally flawed fair-use analysis with a finding that declaring code is copyrightable. The majority has used fair use to eviscerate Congress' considered policy judgment. I respectfully dissent.

Kienitz v. Sconnie Nation LLC

766 F.3d 756 (7th Cir. 2014)

EASTERBROOK, Circuit Judge: While a student at the University of Wisconsin in 1969, Paul Soglin attended the first Mifflin Street Block Party, whose theme (according to Soglin) was “taking a sharp stick and poking it in the eye of authority.” Now in his seventh term as Mayor of Madison, Wisconsin, Soglin does not appreciate being on the pointy end. He wants to shut down the annual event. For the 2012 Block Party, Sconnie Nation made some t-shirts and tank tops displaying an image of Soglin’s face and the phrase “Sorry for Partying.” The 54 sales, on which Sconnie Nation cleared a small profit, led to this suit, in which photographer Michael Kienitz accuses Sconnie Nation and its vendor of copyright infringement.

Sconnie Nation concedes starting with a photograph that Kienitz took at Soglin’s inauguration in 2011. Soglin (with Kienitz’s permission) had posted it on the City’s website, from which Sconnie Nation downloaded a copy. The photograph was posterized, the background was removed, and Soglin’s face was turned lime green and surrounded by multi-colored writing. Here are the original and the revision:



A magistrate judge, serving by consent under 28 U.S.C. § 636(c), granted summary judgment for the defendants, holding that Sconnie Nation had made fair use of the photo. 965 F.Supp.2d 1042 (W.D. Wis. 2013).

Fair use is a statutory defense to infringement. The Copyright Act sets out four non-exclusive factors for a court to consider. 17 U.S.C. § 107. The district court and the parties have debated whether the t-shirts are a “transformative use” of the photo—and, if so, just how “transformative” the use must be. That’s not one of the statutory factors, though the Supreme Court mentioned it in *Campbell v. Acuff-Rose Music, Inc.*, [510 U.S. 569, 579](#) (1994). The Second Circuit has run with the suggestion and concluded that “transformative use” is enough to bring a modified copy within the scope of § 107. See, e.g., *Carion v. Prince*, [714 F.3d 694, 706](#) (2d Cir. 2013). *Carion* applied this to an

example of “appropriation art,” in which some of the supposed value comes from the very fact that the work was created by someone else.

We’re skeptical of *Carion’s* approach, because asking exclusively whether something is “transformative” not only replaces the list in § 107 but also could override 17 U.S.C. § 106(2), which protects derivative works. To say that a new use transforms the work is precisely to say that it is derivative and thus, one might suppose, protected under § 106(2). *Carion* and its predecessors in the Second Circuit do not explain how every “transformative use” can be “fair use” without extinguishing the author’s rights under § 106(2).

We think it best to stick with the statutory list, of which the most important usually is the fourth (market effect). We have asked whether the contested use is a complement to the protected work (allowed) rather than a substitute for it (prohibited). See *Ty, Inc. v. Publications International Ltd.*, [292 F.3d 512](#) (7th Cir. 2002). A t-shirt or tank top is no substitute for the original photograph. Nor does Kienitz say that defendants disrupted a plan to license this work for apparel. Kienitz does not argue that defendants’ products have reduced the demand for the original work or any use of it that he is contemplating.

Here is the list in § 107:

In determining whether the use made of a work in any particular case is a fair use the factors to be considered shall include—

- (1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;
- (2) the nature of the copyrighted work;
- (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and
- (4) the effect of the use upon the potential market for or value of the copyrighted work.

Other than factor (4), which we have discussed already, only (3)—the amount taken in relation to the copyrighted work as a whole—has much bite in this litigation. Defendants removed so much of the original that, as with the Cheshire Cat, only the smile remains. Defendants started with a low-resolution version posted on the City’s website, so much of the original’s detail never had a chance to reach the copy; the original’s background is gone; its colors and shading are gone; the expression in Soglin’s eyes can no longer be read; after the posterization (and reproduction by silk-screening), the effect of the lighting in the original is almost extinguished. What is left, besides a hint of Soglin’s smile, is the outline of his face, which can’t be copyrighted. Defendants could have achieved the same effect by starting with a snapshot taken on the street.

The other statutory factors don’t do much in this case. Consider (1), for example. Defendants sold their products in the hope of profit, and made a small one, but they chose the design as a form of political commentary. Factor (2) is unilluminating, and as we have mentioned Kienitz does not argue that defendants’ acts have reduced the value of this photograph, which he licensed to Soglin at no royalty and which is posted on a public website for viewing and downloading without cost.

Two things can be said for Kienitz. First, defendants did not need to use the copyrighted work. They wanted to mock the Mayor, not to comment on Kienitz's skills as a photographer or his artistry in producing this particular photograph. There's no good reason why defendants should be allowed to appropriate someone else's copyrighted efforts as the starting point in their lampoon, when so many non-copyrighted alternatives (including snapshots they could have taken themselves) were available. The fair-use privilege under § 107 is not designed to protect lazy appropriators. Its goal instead is to facilitate a class of uses that would not be possible if users always had to negotiate with copyright proprietors. (Many copyright owners would block all parodies, for example, and the administrative costs of finding and obtaining consent from copyright holders would frustrate many academic uses.)

Second, this use may injure Kienitz's long-range commercial opportunities, even though it does not reduce the value he derives from this particular picture. He promises his subjects that the photos will be licensed only for dignified uses. Fewer people will hire or cooperate with Kienitz if they think that the high quality of his work will make the photos more effective when used against them! But Kienitz does not present an argument along these lines, and the consideration in the preceding paragraph is not enough to offset the fact that, by the time defendants were done, almost none of the copyrighted work remained. The district court thus reached the right conclusion.

AFFIRMED.

The Andy Warhol Foundation for the Visual Arts, Inc. v. Goldsmith

11 F.4th 26 (2nd Cir. 2021)

GERARD E. LYNCH, Circuit Judge: This case concerns a series of silkscreen prints and pencil illustrations created by the visual artist Andy Warhol based on a 1981 photograph of the musical artist Prince that was taken by Defendant-Appellant Lynn Goldsmith in her studio, and in which she holds copyright. In 1984, Goldsmith's agency, Defendant-Appellant Lynn Goldsmith, Ltd. ("LGL"), then known as Lynn Goldsmith, Inc., licensed the photograph to Vanity Fair magazine for use as an artist reference. Unbeknownst to Goldsmith, that artist was Warhol. Also unbeknownst to Goldsmith (and remaining unknown to her until 2016), Warhol did not stop with the image that Vanity Fair had commissioned him to create, but created an additional fifteen works, which together became known as the Prince Series.

Goldsmith first became aware of the Prince Series after Prince's death in 2016. Soon thereafter, she notified Plaintiff-Appellee The Andy Warhol Foundation for the Visual Arts, Inc. ("AWF"), successor to Warhol's copyright in the Prince Series, of the perceived violation of her copyright in the photo. In 2017, AWF sued Goldsmith and LGL for a declaratory judgment that the Prince Series works were non-infringing or, in the alternative, that they made fair use of Goldsmith's photograph. Goldsmith and LGL countersued for infringement. The United States District Court for the Southern District of New York (John G. Koeltl, J.) granted summary judgment to AWF on its assertion of fair use and dismissed Goldsmith and LGL's counterclaim with prejudice.

Goldsmith and LGL contend that the district court erred in its assessment and application of the four fair-use factors. In particular, they argue that the district court's conclusion that the Prince Series works are transformative was grounded in a subjective evaluation of the underlying artistic message of the works rather than an objective assessment of their purpose and character. We agree. We further agree that the district court's error in analyzing the first factor was compounded in its analysis of the remaining three factors. We conclude upon our own assessment of the record that all four factors favor Goldsmith and that the Prince Series works are not fair use as a matter of law. We further conclude that the Prince Series works are substantially similar to the Goldsmith Photograph as a matter of law.¹

BACKGROUND

The relevant facts, which we draw primarily from the parties' submissions below in support of their respective cross-motions for summary judgment, are undisputed.

Goldsmith is a professional photographer primarily focusing on celebrity photography, including portrait and concert photography of rock-and-roll musicians. Goldsmith has been active since the 1960s, and her work has been featured widely, including on over 100 record album covers. Goldsmith also founded LGL, the first photo agency focused on celebrity portraiture. LGL represents the work of over two hundred photographers worldwide, including Goldsmith herself.

Andy Warhol, né Andrew Warhola, was an artist recognized for his significant contributions to contemporary art in a variety of media. Warhol is particularly known for his silkscreen portraits of contemporary celebrities. Much of his work is broadly understood as “comment[ing] on consumer culture and explor[ing] the relationship between celebrity culture and advertising.” *Carion v. Prince*, [714 F.3d 694, 706](#) (2d Cir. 2013). AWF is a New York not-for-profit corporation established in 1987 after Warhol's death. AWF holds title to and copyright in much of Warhol's work, which it licenses to generate revenue to further its mission of advancing the visual arts, “particularly work that is experimental, under-recognized, or challenging in nature.”

On December 3, 1981, while on assignment from Newsweek magazine, Goldsmith took a series of portrait photographs of (then) up-and-coming musician Prince Rogers Nelson (known through most of his career simply as “Prince”) in her studio. Goldsmith testified that, prior to Prince's arrival at her studio, she arranged the lighting in a way to showcase his “chiseled bone structure.” *Id.* at 706. Goldsmith also applied additional makeup to Prince, including eyeshadow and lip gloss, which she testified was intended both to build a rapport with Prince and to accentuate his sensuality. Goldsmith further

¹ After our initial disposition of this appeal, see *Andy Warhol Found. for the Visual Arts, Inc. v. Goldsmith*, [992 F.3d 99](#) (2d Cir. 2021), the Supreme Court issued its decision in *Google LLC v. Oracle America, Inc.*, [U.S.](#) (2021), which discussed the fair-use factors implicated in this case. Shortly thereafter, Plaintiff-Appellee filed a “Petition for Panel Rehearing and Rehearing En Banc” (the “petition”). Apart from its reliance on the Google opinion, the petition mostly recycles arguments already made and rejected, and requires little comment. Nevertheless, in order to carefully consider the Supreme Court's most recent teaching on fair use, we hereby GRANT the petition, conclude that additional oral argument is unnecessary, see Fed R. App. P. 40(a)(4)(A), withdraw our opinion of March 26, 2021, and issue this amended opinion in its place.

testified that she was trying to capture Prince's "willing[ness] to bust through what must be [his] immense fears to make the work that [he] wanted to [make]." Goldsmith took black-and-white and color photographs using a Nikon 35-mm camera and a mixture of 85- and 105-mm lenses, which she chose to best capture the shape of Prince's face.

Prince, who according to Goldsmith appeared nervous and uncomfortable, retired to the green room shortly after the session began and ultimately left without allowing Goldsmith to take any additional photographs. During the truncated session, Goldsmith took 23 photographs, 12 in black and white and 11 in color. Goldsmith retained copyright in each of the photographs that she took. Most relevant to this litigation is the following photograph, hereinafter referred to as the "Goldsmith Photograph":



In 1984, Goldsmith, through LGL, licensed the Goldsmith Photograph to Vanity Fair magazine for use as an artist reference. Esin Goknar, who was photo editor at Vanity Fair in 1984, testified that the term "artist reference" meant that an artist "would create a work of art based on [the] image reference." *Id.* at 783. The license permitted Vanity Fair to publish an illustration based on the Goldsmith Photograph in its November 1984 issue, once as a full page and once as a quarter page. The license further required that the illustration be accompanied by an attribution to Goldsmith. Goldsmith was unaware of the license at the time and played no role in selecting the Goldsmith Photograph for submission to Vanity Fair.

Vanity Fair, in turn, commissioned Warhol to create an image of Prince for its November 1984 issue. Warhol's illustration, together with an attribution to Goldsmith, was published accompanying an article about Prince by Tristan Vox and appeared as follows:



In addition to the credit that ran alongside the image, a separate attribution to Goldsmith was included elsewhere in the issue, crediting her with the “source photograph” for the Warhol illustration. Vanity Fair did not advise Goldsmith that Warhol was the artist for whom her work would serve as a reference, and she did not see the article when it was initially published.

Unbeknownst to Goldsmith and LGL, Warhol created 15 additional works based on the Goldsmith Photograph, known collectively, and together with the Vanity Fair image, as the “Prince Series.”² The Prince Series comprises fourteen silkscreen prints (twelve on canvas, two on paper) and two pencil illustrations, and includes the following images:



Although the specific means that Warhol used to create the images is unknown (and, perhaps, at this point, unknowable), Neil Printz, the editor of the *Andy Warhol Catalogue Raisonné*, testified that it was Warhol’s usual practice to reproduce a photograph as a high-contrast two-tone image on acetate that, after any alterations Warhol chose to make, would be used to create a silkscreen. For the canvas prints, Warhol’s general

² Though it acknowledged that the depiction of Prince in the Prince Series is similar to that in the Goldsmith Photograph, AWF did not concede below that the Goldsmith Photograph was the source image for the Prince Series, arguing instead that “somehow, Warhol created” it. In its brief before this Court, however, AWF describes the Goldsmith Photograph as the “source image” for the Prince Series.

practice was to paint the background and local colors prior to the silkscreen transfer of the image. Paper prints, meanwhile, were generally created entirely by the silkscreen process without any painted embellishments. Finally, Warhol's typical practice for pencil sketches was to project an image onto paper and create a contoured pencil drawing around the projected image.

At some point after Warhol's death, AWF acquired title to and copyright in the Prince Series. Between 1993 and 2004, AWF sold or otherwise transferred custody of 12 of the original Prince Series works to third parties, and, in 1998, transferred custody of the other four works to The Andy Warhol Museum. AWF retains copyright in the Prince Series images and, through The Artist Rights Society (a third-party organization that serves as AWF's agent), continues to license the images for editorial, commercial, and museum usage.

On April 22, 2016, the day after Prince died, Condé Nast, Vanity Fair's parent company, contacted AWF. Its initial intent in doing so was to determine whether AWF still had the 1984 image, which Condé Nast hoped to use in connection with a planned magazine commemorating Prince's life. After learning that AWF had additional images from the Prince Series, Condé Nast ultimately obtained a commercial license, to be exclusive for three months, for a different Prince Series image for the cover of the planned tribute magazine. Condé Nast published the tribute magazine in May 2016 with a Prince Series image on the cover. Goldsmith was not given any credit or attribution for the image, which was instead attributed solely to AWF.

It was at that point that Goldsmith first became aware of the Prince Series. In late July 2016, Goldsmith contacted AWF to advise it of the perceived infringement of her copyright. That November, Goldsmith registered the Goldsmith Photograph with the U.S. Copyright Office as an unpublished work. On April 7, 2017, AWF sued Goldsmith and LGL for a declaratory judgment of non-infringement or, in the alternative, fair use. Goldsmith countersued for copyright infringement under 17 U.S.C. §§ 106, 501.

On July 1, 2019, the district court granted summary judgment for AWF on its fair-use claim. See *Andy Warhol Found. for the Visual Arts, Inc. v. Goldsmith*, [382 F.Supp.3d 312, 316](#) (S.D.N.Y. 2019). Upon evaluating the four statutory fair-use factors set forth in 17 U.S.C. § 107, the court concluded that: (1) the Prince Series was "transformative" because, while the Goldsmith Photograph portrays Prince as "not a comfortable person" and a "vulnerable human being," the Prince Series portrays Prince as an "iconic, larger-than-life figure," *id.* at 326; (2) although the Goldsmith Photograph is both creative and unpublished, which would traditionally weigh in Goldsmith's favor, this was "of limited importance because the Prince Series works are transformative works," *id.* at 327; (3) in creating the Prince Series, Warhol "removed nearly all [of] the [Goldsmith] [P]hotograph's protectible elements," *id.* at 330; and (4) the Prince Series works "are not market substitutes that have harmed—or have the potential to harm—Goldsmith," *id.* at 331. This appeal followed.

DISCUSSION ***

II. Copyright, Derivative Works, and Fair Use

The Constitution empowers Congress to enact copyright laws “[t]o promote the Progress of Science and useful Arts.” U.S. Const. art. I, § 8, cl. 8. Congress has exercised this delegated authority continuously since the earliest days of the nation, beginning with the Copyright Act of 1790 and, more recently, through the Copyright Act of 1976. Under the 1976 Act, copyright protection extends both to the original creative work itself and to derivative works, which it defines as, in relevant part, “a work based upon one or more preexisting works, such as a[n] ... art reproduction, abridgement, condensation, or any other form in which a work may be recast, transformed, or adapted.” 17 U.S.C. § 101.

The doctrine of fair use has developed along with the law of copyright. “[A]s Justice Story explained, ‘in truth, in literature, in science and in art, there are, and can be, few, if any, things, which in an abstract sense, are strictly new and original throughout. Every book in literature, science and art, borrows, and must necessarily borrow, and use much which was well known and used before.’” *Campbell v. Acuff-Rose Music, Inc.*, [510 U.S. 569, 575](#) (1994), quoting *Emerson v. Davies*, [8 F.Cas. 615, 619 \(No. 4,436\)](#) (C.C.D. Mass. 1845) (alterations adopted). The fair-use doctrine seeks to strike a balance between an artist’s intellectual property rights to the fruits of her own creative labor, including the right to license and develop (or refrain from licensing or developing) derivative works based on that creative labor, and “the ability of [other] authors, artists, and the rest of us to express them- or ourselves by reference to the works of others.” *Blanch v. Koons*, [467 F.3d 244, 250](#) (2d Cir. 2006).

Though it developed as a creature of common law, the fair-use defense was formally codified with the passage of the 1976 Act. The statute provides a non-exclusive list of four factors that courts are to consider when evaluating whether the use of a copyrighted work is “fair.” *** [W]e consider each factor to determine whether AWF can avail itself of the fair-use defense in this case. We hold that it cannot.

A. The Purpose and Character of The Use

This factor requires courts to consider the extent to which the secondary work is “transformative,” as well as whether it is commercial. We address these considerations separately below.

1. Transformative Works and Derivative Works

Following the Supreme Court’s decision in *Campbell*, our assessment of this first factor has focused chiefly on the degree to which the use is “transformative,” i.e., “whether the new work merely supersedes the objects of the original creation, or instead adds something new, with a further purpose or different character, altering the first with new expression, meaning, or message.” [510 U.S. at 579](#) (internal quotations marks and citations omitted) (alterations adopted); see also *Google*, [141 S.Ct. at 1203](#) (“[W]e have used the word ‘transformative’ to describe a copying use that adds something new and important.”). We evaluate whether a work is transformative by examining how it may

“reasonably be perceived.” *Cariou*, [714 F.3d at 707](#), quoting *Campbell*, [510 U.S. at 582](#); see also, e.g., *Leibovitz v. Paramount Pictures Corp.*, [137 F.3d 109, 113-15](#) (2d Cir. 1998). Paradigmatic examples of transformative uses are those Congress itself enumerated in the preamble to § 107: “criticism, comment, news reporting, teaching ..., scholarship, or research.” 17 U.S.C. § 107. And, as the Supreme Court recognized in *Campbell*, parody, which “needs to mimic an original to make its point,” [510 U.S. at 580-81](#) is routinely held transformative. These examples are easily understood: the book review excerpting a passage of a novel in order to comment upon it serves a manifestly different purpose from the novel itself. See *Authors Guild v. Google, Inc.*, [804 F.3d 202, 215-16](#) (2d Cir. 2015) (“[C]opying from an original for the purpose of criticism or commentary on the original ... tends most clearly to satisfy *Campbell’s* notion of the ‘transformative’ purpose involved in the analysis of Factor One.”).

Although the most straightforward cases of fair use thus involve a secondary work that comments on the original in some fashion, in *Cariou v. Prince*, we rejected the proposition that a secondary work must comment on the original in order to qualify as fair use. See [714 F.3d at 706](#). In that case, we considered works of appropriation artist Richard Prince that incorporated, among other materials, various black-and-white photographs of Rastafarians taken by Patrick Cariou. After concluding that the district court had imposed a requirement unsupported by the Copyright Act, we conducted our own examination of Prince’s works and concluded that twenty-five of the thirty at issue were transformative of Cariou’s photographs as a matter of law. In reaching this conclusion, we observed that Prince had incorporated Cariou’s “serene and deliberately composed portraits and landscape photographs” into his own “crude and jarring works ... [that] incorporate[d] color, feature[d] distorted human and other forms and settings, and measure[d] between ten and nearly a hundred times the size of the photographs.” *Id.* Thus, we concluded that these works “used [Cariou’s photographs] as raw material, transformed in the creation of new information, new aesthetics, new insights and understandings,” and were transformative within the meaning of this first factor. *Id.*, quoting *Castle Rock Ent. v. Carol Publ’g Grp.*, [150 F.3d 132, 142](#) (2d Cir. 1998).

In adjudging the Prince Series transformative, the district court relied chiefly on our decision in *Cariou*, which we have previously described as the “high-water mark of our court’s recognition of transformative works.” *TCA Television Corp. v. McCollum*, [839 F.3d 168, 181](#) (2d Cir. 2016). And, as we have previously observed, that decision has not been immune from criticism. See *id.* (collecting critical authorities). While we remain bound by *Cariou*, and have no occasion or desire to question its correctness on its own facts, our review of the decision below persuades us that some clarification is in order.

As discussed *supra*, both the Supreme Court and this Court have emphasized that fair use is a context-sensitive inquiry that does not lend itself to simple bright-line rules. Notwithstanding, the district court appears to have read *Cariou* as having announced such a rule, to wit, that any secondary work is necessarily transformative as a matter of law “[i]f looking at the works side-by-side, the secondary work has a different character, a new expression, and employs new aesthetics with [distinct] creative and communica-

tive results.” *Warhol*, [382 F.Supp.3d at 325-26](#) (internal quotation marks omitted) (alterations adopted). Although a literal construction of certain passages of *Cariou* may support that proposition, such a reading stretches the decision too far.

Of course, the alteration of an original work “with ‘new expression, meaning, or message,’” *Cariou*, [714 F.3d at 706](#), quoting *Campbell*, [510 U.S. at 579](#) whether by the use of “new aesthetics,” *id.*, quoting *Blanch*, [467 F.3d at 253](#), by placing the work “in a different context,” *Perfect 10, Inc. v. Amazon.com, Inc.*, [508 F.3d 1146, 1165](#) (9th Cir. 2007) (internal quotation marks omitted), or by any other means is the sine qua non of transformativeness. It does not follow, however, that any secondary work that adds a new aesthetic or new expression to its source material is necessarily transformative.

Consider the five works at issue in *Cariou* that we did not conclude were transformative as a matter of law. Though varying in degree both amongst themselves and as compared to the works that we did adjudge transformative, each undoubtedly imbued *Cariou*’s work with a “new aesthetic” as that phrase might be colloquially understood. Prince’s *Canal Zone* (2007) is a collage of thirty-six of *Cariou*’s photographs, most of which Prince altered by, for example, painting over the faces and bodies of *Cariou*’s subjects, in some instances altering them significantly. See *Cariou*, [714 F.3d at 711](#). In *Graduation*, Prince added blue “lozenges” over the eyes and mouth of *Cariou*’s subject and pasted an image of hands playing a blue guitar over his hands. *Id.* Both of these works certainly imbued the originals from which they derive with a “new aesthetic;” notwithstanding, we could not “confidently... make a determination about their transformative nature as a matter of law.” *Id.*

Moreover, there exists an entire class of secondary works that add “new expression, meaning, or message” to their source material, *Campbell*, [510 U.S. at 579](#) but may nonetheless fail to qualify as fair use: derivative works. There is some inherent tension in the Copyright Act between derivative works, reserved to the copyright holder, which are defined in part as works that “recast[], transform[], or adapt[]” an original work, 17 U.S.C. § 101 (emphasis added), and “transformative” fair uses of the copyrighted work by others. Thus, as we have previously observed, an overly liberal standard of transformativeness, such as that employed by the district court in this case, risks crowding out statutory protections for derivative works. See *Authors Guild*, [804 F.3d at 216 n.18](#) (“[T]he word ‘transformative,’ if interpreted too broadly, can also seem to authorize copying that should fall within the scope of an author’s derivative rights.”).

We addressed derivative works in *Cariou*, characterizing them as secondary works that merely present “the same material but in a new form” without “add[ing] something new.” [714 F.3d at 708](#) (citation omitted); see also *Authors Guild*, [804 F.3d at 215-16](#) (“[D]erivative works generally involve transformations in the nature of *changes of form*.”) (emphasis in original). While that description may be a useful shorthand, it is likewise susceptible to misapplication if interpreted too broadly. Indeed, many derivative works that “add something new” to their source material would not qualify as fair use.

Consider, for example, a film adaptation of a novel. Such adaptations frequently add quite a bit to their source material: characters are combined, eliminated, or created out of thin air; plot elements are simplified or eliminated; new scenes are added; the moral

or political implications of the original work may be eliminated or even reversed, or plot and character elements altered to create such implications where the original text eschewed such matters. And all of these editorial modifications are filtered through the creative contributions of the screenwriter, director, cast, camera crew, set designers, cinematographers, editors, sound engineers, and myriad other individuals integral to the creation of a film. It is for that reason that we have recognized that “[w]hen a novel is converted to a film ... [t]he invention of the original author combines with the cinematographic interpretive skills of the filmmaker to produce something that neither could have produced independently.” *Authors Guild*, [804 F.3d at 216 n.18](#). Despite the extent to which the resulting movie may transform the aesthetic and message of the underlying literary work, film adaptations are identified as a paradigmatic example of derivative works. See, e.g., *Authors Guild, Inc. v. HathiTrust*, [755 F.3d 87, 95](#) (2d Cir. 2014) (“Paradigmatic examples of derivative works include ... the adaptation of a novel into a movie or a play.”).

In evaluating the extent to which a work is transformative in the fair use context, we consider the “purpose and character” of the primary and secondary works. In *Bill Graham Archives v. Dorling Kindersley Ltd.*, for example, we held that the reproduction in a book about the Grateful Dead of images of posters originally created to advertise Grateful Dead concerts was transformative because that use was “plainly different from the original purpose for which they were created.” 448 F.3d 605, 609-10 (2d Cir. 2006). Likewise, in *HathiTrust* we held that the defendants’ creation of a searchable “digital corpus” comprising scanned copies of tens of millions of books that enabled researchers, scholars, and others to pinpoint the exact page of any book in the catalogue on which the searched term was used was a “quintessentially transformative use.” [755 F.3d at 97](#). In *Authors Guild*, we reached the same conclusion when faced with a larger digital corpus complete with tools that enabled researchers to track how a specific word or phrase has been used throughout the development of the English language, despite the fact that, unlike the database in *HathiTrust*, Google’s database also permitted the searcher to view a “snippet” from the original text showing the context in which the word or phrase had appeared. [804 F.3d at 216-17](#). And most recently, in *Google*, the Supreme Court held that fair use protected Google’s “precise[]” copying of certain computer programming language in part because Google sought “to create new products ... [and] expand the use and usefulness of ... smartphones” with it. *Google*, [141 S.Ct. at 1203](#). Thus, the Supreme Court concluded, “the ‘purpose and character’ of Google’s copying was transformative.” *Id.* at 1204.

But purpose is perhaps a less useful metric where, as here, our task is to assess the transformative nature of works of visual art that, at least at a high level of generality, share the same overarching purpose (i.e., to serve as works of visual art). While this is not the first time we have had to conduct this inquiry, our cases on such works are considerably fewer in number, and a brief review of them yields conflicting guidance. In *Blanch v. Koons*, for example, we adjudged transformative a Jeff Koons painting that incorporated a copyrighted photograph drawn from a fashion magazine where Koons had testified that he intended to “us[e] Blanch’s image as fodder for his commentary on the social and aesthetic consequences of mass media.” [467 F.3d at 253](#). Some time

earlier, however, in *Rogers v. Koons*, we denied Koons's fair-use defense as applied to a three-dimensional sculpture recreating a photograph, notwithstanding his claim that he intended his sculpture to serve as a commentary on modern society. 960 F.2d 301, 309-11 (2d Cir. 1992).³ And, in *Cariou*, we held twenty-five of Richard Prince's works transformative as a matter of law even though Prince had testified that he "was not 'trying to create anything with a new meaning or a new message.'" [714 F.3d at 707](#).

Matters become simpler, however, when we compare the works at issue in each case against their respective source materials. The sculpture at issue in *Rogers* was a three-dimensional colorized version of the photograph on which it was based. See 960 F.2d at 305. In *Blanch*, however, Koons used Blanch's photograph, depicting a woman's legs in high-heeled shoes, as part of a larger work in which he set it alongside several other similar photographs with "changes of its colors, the background against which it is portrayed, the medium, the size of the objects pictured, [and] the objects' details." [467 F.3d at 253](#). In so doing, Koons used Blanch's photograph "as raw material for an entirely different type of art ... that comment[ed] on existing images by juxtaposing them against others." *Id.* at 262 (Katzmann, J., concurring). And in *Cariou*, the copyrighted works found to have been fairly used were, in most cases, juxtaposed with other photographs and "obscured and altered to the point that Cariou's original [was] barely recognizable." [714 F.3d at 710](#). The works that were found potentially infringing in *Cariou*, however, were ones in which the original was altered in ways that did not incorporate other images and that superimposed other elements that did not obscure the original image and in which the original image remained, as in the Koons sculpture at issue in *Rogers*, a major if not dominant component of the impression created by the allegedly infringing work. See *id.* at 710-11.

A common thread running through these cases is that, where a secondary work does not obviously comment on or relate back to the original or use the original for a purpose other than that for which it was created, the bare assertion of a "higher or different artistic use," *Rogers*, 960 F.2d at 310, is insufficient to render a work transformative. Rather, the secondary work itself must reasonably be perceived as embodying a distinct artistic purpose, one that conveys a new meaning or message separate from its source material. While we cannot, nor do we attempt to, catalog all of the ways in which an artist may achieve that end, we note that the works that have done so thus far have themselves been distinct works of art that draw from numerous sources, rather than works that simply alter or recast a single work with a new aesthetic.

Which brings us back to the Prince Series. The district court held that the Prince Series works are transformative because they "can reasonably be perceived to have transformed Prince from a vulnerable, uncomfortable person to an iconic, larger-than-life figure." *Warhol*, [382 F.Supp.3d at 326](#). That was error.

Though it may well have been Goldsmith's subjective intent to portray Prince as a "vulnerable human being" and Warhol's to strip Prince of that humanity and instead

³ We note that *Rogers* predates the Supreme Court's formal adoption of the "transformative use" test and thus does not phrase its inquiry in precisely the same manner as the cases that have followed. However, it remains a precedential decision of this Court, and we believe it particularly relevant in this case.

display him as a popular icon, whether a work is transformative cannot turn merely on the stated or perceived intent of the artist or the meaning or impression that a critic—or for that matter, a judge—draws from the work. Were it otherwise, the law may well “recogniz[e] any alteration as transformative.” 4 Melville B. Nimmer & David Nimmer, *Nimmer on Copyright* § 13.05(B)(6).

In conducting this inquiry, however, the district judge should not assume the role of art critic and seek to ascertain the intent behind or meaning of the works at issue. That is so both because judges are typically unsuited to make aesthetic judgments and because such perceptions are inherently subjective.⁴ As Goldsmith argues, her own stated intent notwithstanding, “an audience viewing the [Goldsmith] [P]hotograph today, across the vista of the singer’s long career, might well see him in a different light than Goldsmith saw him that day in 1981.” We agree; it is easy to imagine that a whole generation of Prince’s fans might have trouble seeing the Goldsmith Photograph as depicting anything other than the iconic songwriter and performer whose musical works they enjoy and admire.

Instead, the judge must examine whether the secondary work’s use of its source material is in service of a “fundamentally different and new” artistic purpose and character, such that the secondary work stands apart from the “raw material” used to create it. *Carion*, 714 F.3d at 706 (internal quotation marks omitted). Although we do not hold that the primary work must be “barely recognizable” within the secondary work, as was the case with the works held transformative in *Carion*, *id.* at 710, the secondary work’s transformative purpose and character must, at a bare minimum, comprise something more than the imposition of another artist’s style on the primary work such that the secondary work remains both recognizably deriving from, and retaining the essential elements of, its source material.

With this clarification, viewing the works side-by-side, we conclude that the Prince Series is not “transformative” within the meaning of the first factor. That is not to deny that the Warhol works display the distinct aesthetic sensibility that many would immediately associate with Warhol’s signature style—the elements of which are absent from the Goldsmith photo. But the same can be said, for example, of the Ken Russell film, from a screenplay by Larry Kramer, derived from D.H. Lawrence’s novel, *Women in Love*: the film is as recognizable a “Ken Russell” as the Prince Series are recognizably “Warhols.” But the film, for all the ways in which it transforms (that is, in the ordinary meaning of the word, which indeed is used in the very definition of derivative works, see 17 U.S.C. § 101) its source material, is also plainly an adaptation of the Lawrence novel.

As in the case of such paradigmatically derivative works, there can be no meaningful dispute that the overarching purpose and function of the two works at issue here is identical, not merely in the broad sense that they are created as works of visual art,⁵ but

⁴ As the Supreme Court observed over a century ago, “[i]t would be a dangerous undertaking for persons trained only [in] the law to constitute themselves final judges of the worth of pictorial illustrations, outside of the narrowest and most obvious limits.” *Bleistein v. Donaldson Lithographing Co.*, 188 U.S. 239, 251 (1903).

⁵ The fact that the Goldsmith Photograph and the Prince Series were both created for artistic purposes makes

also in the narrow but essential sense that they are portraits of the same person. See *Gaylord v. United States*, [595 F.3d 1364, 1372-73](#) (Fed. Cir. 2010) (photograph of Korean War Memorial used on stamp not transformative despite “different expressive character” brought about by subdued lighting and snow since sculpture and stamp shared purpose of “honor[ing] veterans of the Korean War”). Although this observation does not per se preclude a conclusion that the Prince Series makes fair use of the Goldsmith Photograph, the district court’s conclusion rests significantly on the transformative character of Warhol’s work. But the Prince Series works can’t bear that weight.

Warhol created the series chiefly by removing certain elements from the Goldsmith Photograph, such as depth and contrast, and embellishing the flattened images with “loud, unnatural colors.” *Warhol*, [382 F.Supp.3d at 326](#). Nonetheless, although we do not conclude that the Prince Series works are necessarily derivative works as a matter of law, they are much closer to presenting the same work in a different form, that form being a high-contrast screenprint, than they are to being works that make a transformative use of the original. Crucially, the Prince Series retains the essential elements of the Goldsmith Photograph without significantly adding to or altering those elements.

Indeed, the differences between the Goldsmith Photograph and the Prince Series here are in many respects less substantial than those made to the five works that we could not find transformative as a matter of law in *Cariou*. Unlike the Prince Series, those works unmistakably deviated from Cariou’s original portraiture in a manner that suggested an entirely distinct artistic end; rather than recasting those photographs in a new medium, Richard Prince added material that pulled them in new directions. See, e.g., *Cariou*, [714 F.3d at 711](#) (“Where [Cariou’s] photograph presents someone comfortably at home in nature, [Prince’s] Graduation combines divergent elements to present a sense of discomfort.”). Nevertheless, we could not confidently determine whether those modest alterations “amount[ed] to a substantial transformation of the original work[s] of art such that the new work[s] were transformative,” and remanded the case to the district court to make that determination in the first instance. *Id.*

In contrast, the Prince Series retains the essential elements of its source material, and Warhol’s modifications serve chiefly to magnify some elements of that material and minimize others. While the cumulative effect of those alterations may change the Goldsmith Photograph in ways that give a different impression of its subject, the Goldsmith Photograph remains the recognizable foundation upon which the Prince Series is built.

Finally, we feel compelled to clarify that it is entirely irrelevant to this analysis that “each Prince Series work is immediately recognizable as a ‘Warhol.’” *Warhol*, [382 F.Supp.3d at 326](#). Entertaining that logic would inevitably create a celebrity-plagiarist privilege; the more established the artist and the more distinct that artist’s style, the greater leeway that artist would have to pilfer the creative labors of others. But the law

this a different case from, for example, “[a]n artistic painting ... precisely replicat[ing] a copyrighted advertising logo to make a comment about consumerism” (such as Warhol’s well-known depictions of Campbell’s soup cans), which “might ... fall within the scope of fair use.” *Google*, [141 S. Ct. at 1203](#) (internal quotation marks omitted).

draws no such distinctions; whether the Prince Series images exhibit the style and characteristics typical of Warhol's work (which they do) does not bear on whether they qualify as fair use under the Copyright Act. As Goldsmith notes, the fact that Martin Scorsese's recent film *The Irishman* is recognizably "a Scorsese" "do[es] not absolve [him] of the obligation to license the original book" on which it is based.

In reaching this conclusion, we do not mean to discount the artistic value of the Prince Series itself. As used in copyright law, the words "transformative" and "derivative" are legal terms of art that do not express the simple ideas that they carry in ordinary usage. We do not disagree with AWF's contention that the cumulative effect of Warhol's changes to the Goldsmith Photograph is to produce a number of striking and memorable images. And our conclusion that those images are closer to what the law deems "derivative" (and not "transformative") does not imply that the Prince Series (or Warhol's art more broadly) is "derivative," in the pejorative artistic sense, of Goldsmith's work or of anyone else's. As Goldsmith succinctly puts it, "[t]here is little doubt ... that the Prince Series reflects Andy Warhol's talent, creativity, and distinctive aesthetic." But the task before us is not to assess the artistic worth of the Prince Series nor its place within Warhol's oeuvre; that is the domain of art historians, critics, collectors, and the museum-going public. Rather, the question we must answer is simply whether the law permits Warhol to claim it as his own, and AWF to exploit it, without Goldsmith's permission. And, at least as far as this aspect of the first factor is concerned, we conclude that the answer to that question is "no."

2. Commercial Use

The statutory language of the first factor also specifically directs courts to consider "whether [the] use is of a commercial nature or is for nonprofit educational purposes." 17 U.S.C. § 107(1). Although finding that a secondary use is commercial "tends to weigh against" finding that it is fair, we apply the test with caution since "nearly all of the illustrative uses listed in the preamble paragraph of § 107 ... are generally conducted for profit in this country." *Campbell*, [510 U.S. at 584-85](#) (citation and internal quotation marks omitted).⁷ And, since "[t]he crux of the profit/nonprofit distinction is ... whether the user stands to profit from exploitation of the copyrighted material without paying the customary price," *Harper & Row Publishers, Inc. v. Nation Enters.*, [471 U.S. 539, 562](#) (1985), the commercial nature of a secondary use is of decreased importance when the use is sufficiently transformative such that the primary author should not reasonably expect to be compensated.

We agree with the district court that the Prince Series works are commercial in nature, but that they produce an artistic value that serves the greater public interest. See *Warhol*, [382 F.Supp.3d at 325](#). We also agree that, although more relevant to the character of

⁷ To recognize this is not to read the commercial/non-profit factor out of the statute. There are other situations in which the absence or presence of a commercial motive may be highly significant. Producing a small number of copies of a short story to be distributed for free to a high school English class may be quite different from producing a similar number of copies for a lavishly bound and illustrated "limited edition" of the work to be sold in the marketplace at a high price.

the user than of the use, the fact that AWF's mission is to advance the visual arts, a mission that is doubtless in the public interest, may militate against the simplistic assertion that AWF's sale and licensing of the Prince Series works necessarily derogates from a finding of fair use. Nevertheless, just as we cannot hold that the Prince Series is transformative as a matter of law, neither can we conclude that Warhol and AWF are entitled to monetize it without paying Goldsmith the "customary price" for the rights to her work, even if that monetization is used for the benefit of the public.

Of course, even where the secondary use is not transformative, the extent to which it serves the public interest, either in and of itself or by generating funds that enable the secondary user to further a public-facing mission, may be highly relevant when assessing equitable remedies, including whether to enjoin the distribution or order the destruction of infringing works.⁸ But just as the commercial nature of a transformative secondary use does not itself preclude a finding that the use is fair, the fact that a commercial non-transformative work may also serve the public interest or that the profits from its commercial use are turned to the promotion of non-commercial ends does not factor significantly in favor of finding fair use under the circumstances present here.

B. The Nature of the Copyrighted Work

The second factor directs courts to consider the nature of the copyrighted work, including (1) whether it is "expressive or creative ... or more factual, with a greater leeway being allowed to a claim of fair use where the work is factual or informational, and (2) whether the work is published or unpublished, with the scope of fair use involving unpublished works being considerably narrower." *Blanch*, [467 F.3d at 256](#) (citation omitted).

The district court correctly held that the Goldsmith Photograph is both unpublished and creative but nonetheless concluded that the second factor should favor neither party because LGL had licensed the Goldsmith Photograph to Vanity Fair and because the Prince Series was highly transformative. See *Warhol*, [382 F.Supp.3d at 327](#). That was error. That Goldsmith, through LGL, made the Goldsmith Photograph available for a single use on limited terms does not change its status as an unpublished work nor diminish the law's protection of her choice of "when to make a work public and whether to withhold a work to shore up demand." *Id.*, citing 4 Nimmer on Copyright § 13.05(A)(2)(b). Further, though we have previously held that this factor "may be of limited usefulness where the creative work is being used for a transformative purpose," *I*, [448 F.3d at 612](#), this relates only to the weight assigned to it, not whom it favors. See also *Blanch*, [467 F.3d at 257](#) ("[T]he second fair-use factor has limited weight in our analysis because Koons used Blanch's work in a transformative manner.").

Having recognized the Goldsmith Photograph as both creative and unpublished, the district court should have found this factor to favor Goldsmith irrespective of whether

⁸ Goldsmith does not seek such remedies, and it is highly unlikely that any court would deem them appropriate in this case.

it adjudged the Prince Series works transformative within the meaning of the first factor. And, because we disagree that the Prince Series works are transformative, we would accord this factor correspondingly greater weight.

C. The Amount and Substantiality of the Use

The third factor considers “the amount and substantiality of the portion used in relation to the copyrighted work as a whole.” 17 U.S.C. § 107(3). “In assessing this factor, we consider not only the quantity of the materials used’ but also ‘their quality and importance’” in relation to the original work. *TCA Television*, [839 F.3d at 185](#), quoting *Campbell*, [510 U.S. at 587](#). The ultimate question under this factor is whether “the quantity and value of the materials used are reasonable in relation to the purpose of the copying.” *Campbell*, [510 U.S. at 586](#) (citation and internal quotation marks omitted). To that end, there is no bright line separating a permissible amount of borrowing from an impermissible one; indeed, we have rejected the proposition that this factor necessarily favors the copyright holder even where the secondary user has copied the primary work in toto in service of a legitimate secondary purpose.

In this case, AWF argues, and the district court concluded, that this factor weighs in its favor because, by cropping and flattening the Goldsmith Photograph, thereby removing or minimizing its use of light, contrast, shading, and other expressive qualities, Warhol removed nearly all of its copyrightable elements. We do not agree.

We begin with the uncontroversial proposition that copyright does not protect ideas, but only “the original or unique way that an author expresses those ideas, concepts, principles, or processes.” *Rogers*, 960 F.2d at 308. As applied to photographs, this protection encompasses the photographer’s “posing the subjects, lighting, angle, selection of film and camera, evoking the desired expression, and almost any other variant involved.” *Id.* at 307. The cumulative manifestation of these artistic choices—and what the law ultimately protects—is the image produced in the interval between the shutter opening and closing, i.e., the photograph itself. This is, as we have previously observed, the photographer’s “particular expression” of the idea underlying her photograph. *Leibovitz*, [137 F.3d at 115-16](#).

It is thus easy to understand why AWF’s contention misses the mark. The premise of its argument is that Goldsmith cannot copyright Prince’s face. True enough. Were it otherwise, nobody else could have taken the man’s picture without either seeking Goldsmith’s permission or risking a suit for infringement. But while Goldsmith has no monopoly on Prince’s face, the law grants her a broad monopoly on its image as it appears in her photographs of him, including the Goldsmith Photograph. And where, as here, the secondary user has used the photograph itself, rather than, for example, a similar photograph, the photograph’s specific depiction of its subject cannot be neatly reduced to discrete qualities such as contrast, shading, and depth of field that can be stripped away, taking the image’s entitlement to copyright protection along with it.

With that in mind, we readily conclude that the Prince Series borrows significantly from the Goldsmith Photograph, both quantitatively and qualitatively. While Warhol did indeed crop and flatten the Goldsmith Photograph, the end product is not merely

a screenprint identifiably based on a photograph of Prince. Rather it is a screenprint readily identifiable as deriving from a specific photograph of Prince, the Goldsmith Photograph. A comparison of the images in the Prince Series makes plain that Warhol did not use the Goldsmith Photograph simply as a reference or aide-mémoire in order to accurately document the physical features of its subject. Instead, the Warhol images are instantly recognizable as depictions or images of the Goldsmith Photograph itself.

To confirm this, one need look no further than the other photographs of Prince that AWF submitted in support of its motion below to evidence its contention that Prince's pose was not unique to the Goldsmith Photograph. Though any of them may have been suitable as a base photograph for Warhol's process, we have little doubt that the Prince Series would be quite different had Warhol used one of them instead of the Goldsmith Photograph to create it. But the resemblance between the Prince Series works and the Goldsmith Photograph goes even further; for example, many of the aspects of Prince's appearance in the Prince Series works, such as the way in which his hair appears shorter on the left side of his face, are present in the Goldsmith Photograph yet absent even from some other photographs that Goldsmith took of Prince during the same photo session. In other words, whatever the effect of Warhol's alterations, the "essence of [Goldsmith's] photograph was copied" and persists in the Prince Series. *Rogers*, 960 F.2d at 311. Indeed, Warhol's process had the effect of amplifying, rather than minimizing, certain aspects of the Goldsmith Photograph.

Nor can Warhol's appropriation of the Goldsmith Photograph be deemed reasonable in relation to his purpose. While Warhol presumably required a photograph of Prince to create the Prince Series, AWF proffers no reason why he required Goldsmith's photograph. To the contrary, the evidence in the record suggests that Warhol had no particular interest in the Goldsmith Photograph or Goldsmith herself; Vanity Fair licensed a photograph of Prince, and there is no evidence that Warhol (or, for that matter, Vanity Fair) was involved in identifying or selecting the particular photograph that LGL provided.

To be clear, we do not hold that this factor will always favor the copyright holder where the work at issue is a photograph and the photograph remains identifiable in the secondary work. But this case is not *Kienitz v. Sconnie Nation LLC*, in which a panel of the Seventh Circuit held that a t-shirt design that incorporated a photograph in a manner that stripped away nearly every expressive element such that, "as with the Cheshire Cat, only the [subject's] smile remain[ed]" was fair use. 766 F.3d 756, 759 (7th Cir. 2014). As discussed, Warhol's rendition of the Goldsmith Photograph leaves quite a bit more detail, down to the glint in Prince's eyes where the umbrellas in Goldsmith's studio reflected off his pupils. Thus, though AWF urges this court to follow the Seventh Circuit's lead, its decision in *Kienitz* would not compel a different result here, even if it were binding on us—which, of course, it is not.

The district court, reasoning that Warhol had taken only the unprotected elements of the Goldsmith Photograph in service of a transformative purpose, held that this factor strongly favored AWF. Because we disagree on both counts, we conclude that this factor strongly favors Goldsmith.

D. The Effect of the Use on the Market for the Original

The fourth factor asks “whether, if the challenged use becomes widespread, it will adversely affect the potential market for the copyrighted work.” *Bill Graham Archives*, 448 F.3d at 613. “Analysis of this factor requires us to balance the benefit the public will derive if the use is permitted and the personal gain the copyright owner will receive if the use is denied.” *Wright v. Warner Books, Inc.*, [953 F.2d 731, 739](#) (2d Cir. 1991) (internal quotation marks omitted). In assessing market harm, we ask not whether the second work would damage the market for the first (by, for example, devaluing it through parody or criticism), but whether it usurps the market for the first by offering a competing substitute. See, e.g., *Bill Graham Archives*, 448 F.3d at 614. This analysis embraces both the primary market for the work and any derivative markets that exist or that its author might reasonably license others to develop, regardless of whether the particular author claiming infringement has elected to develop such markets. See *Salinger v. Colting*, [607 F.3d 68, 74, 83](#) (2d Cir. 2010) (affirming that fourth factor favored J.D. Salinger in suit over unauthorized sequel to *Catcher in the Rye* despite the fact that Salinger had publicly disclaimed any intent to author or authorize a sequel, but vacating preliminary injunction on other grounds). As we have previously observed, the first and fourth factors are closely linked, as “the more the copying is done to achieve a purpose that differs from the purpose of the original, the less likely it is that the copy will serve as a satisfactory substitute for the original.” *Authors Guild*, [804 F.3d at 223](#), citing *Campbell*, [510 U.S. at 591](#).

We agree with the district court that the primary market for the Warhol Prince Series (that is, the market for the original works) and the Goldsmith Photograph do not meaningfully overlap, and Goldsmith does not seriously challenge that determination on appeal. We cannot, however, endorse the district court’s implicit rationale that the market for Warhol’s works is the market for “Warhols,” as doing so would permit this aspect of the fourth factor always to weigh in favor of the alleged infringer so long as he is sufficiently successful to have generated an active market for his own work. Notwithstanding, we see no reason to disturb the district court’s overall conclusion that the two works occupy distinct markets, at least as far as direct sales are concerned.

We are unpersuaded, however, by the district court’s conclusion that the Prince Series poses no threat to Goldsmith’s licensing markets. While Goldsmith does not contend that she has sought to license the Goldsmith Photograph itself, the question under this factor is not solely whether the secondary work harms an existing market for the specific work alleged to have been infringed. Cf. *Castle Rock*, [150 F.3d at 145-46](#) (“Although Castle Rock has evidenced little if any interest in exploiting this market for derivative works ... the copyright law must respect that creative and economic choice.”). Rather, we must also consider whether “unrestricted and widespread conduct of the sort engaged in by [AWF] would result in a substantially adverse impact on the potential market” for the Goldsmith Photograph. *Campbell*, [510 U.S. at 590](#) (internal quotation marks omitted) (alterations adopted).

As an initial matter, we note that the district court erred in apparently placing the burden of proof as to this factor on Goldsmith. See, e.g., *Warhol*, [382 F.Supp.3d at 330](#).

While our prior cases have suggested that the rightsholder bears some initial burden of identifying relevant markets,¹¹ we have never held that the rightsholder bears the burden of showing actual market harm. Nor would we so hold. Fair use is an affirmative defense; as such, the ultimate burden of proving that the secondary use does not compete in the relevant market is appropriately borne by the party asserting the defense: the secondary user.

In any case, whatever the scope of Goldsmith's initial burden, she satisfied it here. Setting aside AWF's licensing of Prince Series works for use in museum exhibits and publications about Warhol, which is not particularly relevant for the reasons set out in our discussion of the primary market for the works, there is no material dispute that both Goldsmith and AWF have sought to license (and indeed have successfully licensed) their respective depictions of Prince to popular print magazines to accompany articles about him. As Goldsmith succinctly states: "both [works] are illustrations of the same famous musician with the same overlapping customer base." Contrary to AWF's assertions, that is more than enough. See *Carion*, [714 F.3d at 709](#) ("[A]n accused infringer has usurped the market for copyrighted works ... where the infringer's target audience and the nature of the infringing content is the same as the original."). And, since Goldsmith has identified a relevant market, AWF's failure to put forth any evidence that the availability of the Prince Series works poses no threat to Goldsmith's actual or potential revenue in that market tilts the scales toward Goldsmith.

Further, the district court entirely overlooked the potential harm to Goldsmith's derivative market, which is likewise substantial. Most directly, AWF's licensing of the Prince Series works to Condé Nast without crediting or paying Goldsmith deprived her of royalty payments to which she would have otherwise been entitled. Although we do not always consider lost royalties from the challenged use itself under the fourth factor (as any fair use necessarily involves the secondary user using the primary work without paying for the right to do so), we do consider them where the secondary use occurs within a traditional or reasonable market for the primary work. And here, that market is established both by Goldsmith's uncontroverted expert testimony that photographers generally license others to create stylized derivatives of their work in the vein of the Prince Series, and by the genesis of the Prince Series: a licensing agreement between LGL and Vanity Fair to use the Goldsmith Photograph as an artist reference.

We also must consider the impact on this market if the sort of copying in which Warhol engaged were to become a widespread practice. That harm is also self-evident. There currently exists a market to license photographs of musicians, such as the Goldsmith Photograph, to serve as the basis of a stylized derivative image; permitting this use would effectively destroy that broader market, as, if artists "could use such images for free, there would be little or no reason to pay for [them]." *Barcroft Media, Ltd. v. Coed*

¹¹ See *HathiTrust*, [755 F.3d at 96](#) ("To defeat a claim of fair use, the copyright holder must point to the market harm that results because the secondary use serves as a substitute for the original work."); *Leibovitz*, [137 F.3d at 116 n.6](#) ("Leibovitz has not identified any market for a derivative work that might be harmed by the Paramount ad. In these circumstances, the defendant had no obligation to present evidence showing lack of harm in a market for derivative works.").

Media Grp., LLC, [297 F. Supp. 3d 339, 355](#) (S.D.N.Y. 2017); see also *Seuss*, [983 F.3d at 461](#) (“[T]he unrestricted and widespread conduct of the sort ComicMix is engaged in could result in anyone being able to produce” their own similar derivative works based on *Oh, the Places You’ll Go!*). This, in turn, risks disincentivizing artists from producing new work by decreasing its value—the precise evil against which copyright law is designed to guard.

Finally, our analysis of the fourth factor also “take[s] into account the public benefits the copying will likely produce.” *Google*, [141 S.Ct. at 1206](#); see also *Wright*, [953 F.2d at 739](#) (“Analysis of this factor requires us to balance the benefit the public will derive if the use is permitted....”) (internal quotation marks omitted). AWF argues that weighing the public benefit cuts in its favor because “[d]enying fair-use protection to works like Warhol’s will chill the creation of art that employs pre-existing imagery to convey a distinct message.” We disagree. Nothing in this opinion stifles the creation of art that may reasonably be perceived as conveying a new meaning or message, and embodying a new purpose, separate from its source material. AWF also lists the possible consequences that it contends will flow if we deny fair use in this case. As discussed *supra*, however, those consequences would be significant to a district court primarily when assessing appropriate equitable relief for a copyright violation. And here, Goldsmith expressly disclaims seeking some of the most extreme remedies available to copyright owners. See 17 U.S.C. 503(b). Moreover, what encroaches on Goldsmith’s market is AWF’s commercial licensing of the Prince Series, not Warhol’s original creation. Thus, art that is not turned into a commercial replica of its source material, and that otherwise occupies a separate primary market, has significantly more “breathing space” than the commercial licensing of the Prince Series. *Campbell*, [510 U.S. at 579](#).

Thus, although the primary market for the Goldsmith Photograph and the Prince Series may differ, the Prince Series works pose cognizable harm to Goldsmith’s market to license the Goldsmith Photograph to publications for editorial purposes and to other artists to create derivative works based on the Goldsmith Photograph and similar works. Further, the public benefit of the copying at issue in this case does not outweigh the harm identified by Goldsmith. Accordingly, the fourth factor favors Goldsmith.

E. Weighing the Factors

“[T]his court has on numerous occasions resolved fair use determinations at the summary judgment stage where there are no genuine issues of material fact.” *Carion*, [714 F.3d at 704](#) (internal quotation marks omitted) (alteration adopted) (collecting cases). As no party contends that there exist any issues of material fact in this case, we believe it appropriate to exercise that discretion here.

Having considered each of the four factors, we find that each favors Goldsmith. Further, although the factors are not exclusive, AWF has not identified any additional relevant considerations unique to this case that we should take into account. Accordingly, we hold that AWF’s defense of fair use fails as a matter of law.

F. The Effect of Google

AWF's petition relies heavily on the Supreme Court's *Google* decision. As AWF notes, *Google* is the Supreme Court's first major decision on fair use in some time, and we granted the petition for rehearing in large part to give careful consideration to that opinion. After such consideration, we emphatically reject AWF's assertion that *Google* "comprehensively refutes the panel's reasoning." To the contrary, as an attentive reading of the discussion above will show, the principles enunciated in *Google* are fully consistent with our original opinion.

AWF's argument that *Google* undermines our analysis rests on a misreading of both the Supreme Court's opinion and ours, misinterpreting both opinions as adopting hard and fast categorical rules of fair use. To the contrary, both opinions recognize that determinations of fair use are highly contextual and fact specific, and are not easily reduced to rigid rules. As the Supreme Court put it, both the historical background of fair use and modern precedent "make[] clear that the concept [of fair use] is flexible, that courts must apply it in light of the sometimes conflicting aims of copyright law, and that its applications may well vary depending upon context." *Google*, [141 S.Ct. at 1197](#).

In particular, the Supreme Court in *Google* took pains to emphasize that the unusual context of that case, which involved copyrights in computer code, may well make its conclusions less applicable to contexts such as ours. Thus, while *Google* did indeed find that the precise copying and incorporation of copyrighted code into a new program could (and did, on the particular facts of the case) constitute fair use, the opinion expressly noted that "copyright's protection may be stronger where the copyrighted material ... serves an artistic rather than a utilitarian function." *Google*, [141 S.Ct. at 1197](#). The Court repeatedly emphasized that "[t]he fact that computer programs are primarily functional makes it difficult to apply traditional copyright concepts in that technological world." *Id.* at 1208. If the application of traditional copyright concepts to "functional" computer programs is difficult, it follows that a case that addresses fair use in such a novel and unusual context is unlikely to work a dramatic change in the analysis of established principles as applied to a traditional area of copyrighted artistic expression. And indeed, the Supreme Court did not leave that conclusion to inference, expressly advising that in addressing fair use in this new arena, it "ha[d] not changed the nature of those [traditional copyright] concepts." *Id.*

Just as AWF misreads the fact- and context-specific finding of fair use in *Google* as dictating a result in the very different context before us, it misreads our opinion as "effectively outlawing" an entire "genre" of art "widely viewed as one of the great artistic innovations of the modern era." *Pet. for Reh'g* at 17 (internal quotation marks omitted). As any fair reading of our opinion shows, we do not "outlaw" any form of artistic expression, nor do we denigrate any artistic genre; as we explicitly state, it is not the function of judges to decide the meaning and value of art, still less to "outlaw" types of art.

We merely insist that, just as artists must pay for their paint, canvas, neon tubes, marble, film, or digital cameras, if they choose to incorporate the existing copyrighted

expression of other artists in ways that draw their purpose and character from that work (as by using a copyrighted portrait of a person to create another portrait of the same person, recognizably derived from the copyrighted portrait, so that someone seeking a portrait of that person might interchangeably use either one), they must pay for that material as well. As the Supreme Court again recognized in *Google*, the aims of copyright law are “sometimes conflicting.” *Google*, [141 S.Ct. at 1197](#). The issue here does not pit novel forms of art against philistine censorship, but rather involves a conflict between artists each seeking to profit from his or her own creative efforts. Copyright law does not provide either side with absolute trumps based on simplistic formulas. Rather, it requires a contextual balancing based on principles that will lead to close calls in particular cases. Like the Supreme Court in *Google*, we have applied those well-established principles to the particular facts before us to conclude that AWF’s fair-use defense fails.

III. Substantial Similarity

AWF asks this Court to affirm the district court’s decision on the alternate grounds that the Prince Series works are not substantially similar to the Goldsmith Photograph. We decline that invitation, because we conclude that the works are substantially similar as a matter of law.

The district court did not analyze the issue of substantial similarity because, in its view, “it [was] plain that the Prince Series works are protected by fair use.” *Warhol*, [382 F.Supp.3d at 324](#). *** In this case, because the question of substantial similarity is logically antecedent to that of fair use—since there would be no need to invoke the fair-use defense in the absence of actionable infringement—and because the factors we have already discussed with respect to fair use go a considerable way toward resolving the substantial similarity issue, we do not believe a remand to address that issue is necessary in this case.

In general, and as applicable here, two works are substantially similar when “an average lay observer would recognize the alleged copy as having been appropriated from the copyrighted work.” *Knitwaves, Inc. v. Lollytogs, Ltd.*, [71 F.3d 996, 1003](#) (2d Cir. 1995), quoting *Malden Mills, Inc. v. Regency Mills, Inc.*, [626 F.2d 1112, 1113](#) (2d Cir. 1980). “On occasion, ... we have noted that when faced with works that have both protectable and unprotectable elements, our analysis must be more discerning and that we instead must attempt to extract the unprotectable elements from our consideration and ask whether the protectable elements, standing alone, are substantially similar.” *Peter F. Gaito Architecture, LLC v. Simone Dev. Corp.*, [602 F.3d 57, 66](#) (2d Cir. 2010) (internal citations and quotation marks omitted). AWF and its amici contend that this “more discerning observer” test should apply here because photographs contain both protectable and unprotectable elements. The same could be said, however, of any copyrighted work: even the most quintessentially “expressive” works, such as books or paintings, contain non-copyrightable ideas or concepts.

Moreover, the cases in which we have applied the “more discerning observer” test involved types of works with much “thinner” copyright protection—i.e., works that

are more likely to contain a larger share of non-copyrightable elements. See, e.g., *Zaleski v. Cicero Builder Dev., Inc.*, [754 F.3d 95, 102](#) (2d Cir. 2014) (architectural designs); *Tufenkian Import/Export Ventures, Inc. v. Einstein Moomjy, Inc.*, [338 F.3d 127, 136 n.13](#) (2d Cir. 2003) (Tibetan-style carpets); *Boisson v. Banian, Ltd.*, [273 F.3d 262, 272](#) (2d Cir. 2001) (quilts). By contrast, “photographs are ‘generally viewed as creative aesthetic expressions of a scene or image’ and have long received thick copyright protection[,]... even though photographs capture images of reality.” *Brammer v. Violent Hues Prods., LLC*, [922 F.3d 255, 267](#) (4th Cir. 2019), quoting *Monge v. Maya Magazines, Inc.*, [688 F.3d 1164, 1177](#) (9th Cir. 2012). We therefore reject AWF’s contention that we should be “more discerning” in considering whether the Prince Series is substantially similar to the Goldsmith Photograph and apply the standard “ordinary observer” test. See *Knitwaves*, [71 F.3d at 1002-03](#).

Though substantial similarity often presents a jury question, it may be resolved as a matter of law where “access to the copyrighted work is conceded, and the accused work is so substantially similar to the copyrighted work that reasonable jurors could not differ on this issue.” *Rogers*, 960 F.2d at 307 (citation omitted).

Here, AWF has conceded that the Goldsmith Photograph served as the “raw material” for the Prince Series works. AWF nevertheless attempts to compare this case to several decisions from our sister circuits concluding that the secondary works in question were not substantially similar to the original photographs on which they were based. See, e.g., *Rentmeester v. Nike, Inc.*, [883 F.3d 1111, 1121-23 \(9th Cir. 2018\)](#) (Nike’s iconic “Jumpman” logo and the photograph used to create it were not substantially similar to a photograph of Michael Jordan dunking a basketball); *Harney v. Sony Pictures Television, Inc.*, [704 F.3d 173, 188](#) (1st Cir. 2013) (recreated image in made-for-TV movie was not substantially similar to the photograph that inspired it). But the secondary users in those cases did not merely copy the original photographs at issue; they instead replicated those photographs using their own subjects in similar poses. By contrast, Warhol did not create the Prince Series by taking his own photograph of Prince in a similar pose as in the Goldsmith Photograph. Nor did he attempt to copy merely the “idea” conveyed in the Goldsmith Photograph. Rather, he produced the Prince Series works by copying the Goldsmith Photograph itself—i.e., Goldsmith’s particular expression of that idea. This case therefore stands in sharp contrast to the situation presented by *Rentmeester*, for example, in which the court explained that “[w]hat [the original] photo and the [allegedly infringing] photo share are similarities in general ideas or concepts: Michael Jordan attempting to dunk in a pose inspired by ballet’s grand jeté; an outdoor setting stripped of most of the traditional trappings of basketball; a camera angle that captures the subject silhouetted against the sky.” [883 F.3d at 1122-23](#).

This is not to say that every use of an exact reproduction constitutes a work that is substantially similar to the original. But here, given the degree to which Goldsmith’s work remains recognizable within Warhol’s, there can be no reasonable debate that the works are substantially similar. See *Rogers*, 960 F.3d at 307-08. As we have noted above, Prince, like other celebrity artists, was much photographed. But any reasonable viewer

with access to a range of such photographs including the Goldsmith Photograph would have no difficulty identifying the latter as the source material for Warhol's Prince Series.

CONCLUSION

For the foregoing reasons, we REVERSE the grant of AWF's motion for summary judgment, VACATE the judgment entered below dismissing Lynn Goldsmith and LGL's amended counterclaim, and REMAND this case for further proceedings consistent with this opinion.

DENNIS JACOBS, Circuit Judge, concurring: I concur in the opinion of the Court. I write briefly to make a single point. It is very easy for opinions in this area (however expertly crafted) to have undirected ramifications. A sound holding may suggest an unsound result in related contexts. So it is useful to emphasize that the holding does not consider, let alone decide, whether the infringement here encumbers the original Prince Series works that are in the hands of collectors or museums, or, in general, whether original works of art that borrow from protected material are likely to infringe.

The sixteen original works have been acquired by various galleries, art dealers, and the Andy Warhol Museum. This case does not decide their rights to use and dispose of those works because Goldsmith does not seek relief as to them. She seeks damages and royalties only for licensed reproductions of the Prince Series. *** Goldsmith does not claim that the original works infringe and expresses no intention to encumber them; the opinion of the Court necessarily does not decide that issue.

The issue, however, still looms, and our holding may alarm or alert possessors or creators of other artistic works. Warhol's works are among many pieces that incorporate, appropriate, or borrow from protected material. Risk of a copyright suit or uncertainty about an artwork's status can inhibit the creative expression that is a goal of copyright. So it matters that a key consideration in this case is the harm that the commercial licensing of the Prince Series poses to Goldsmith's market to license her photograph.

As the opinion observes, the photograph and the original Prince Series works have distinct markets. They are not "substitutes." An original work of art is marked by the hand or signature of the artist, which is a preponderating factor in its value. But when a work is reproduced, it loses that mystique, as anyone who has browsed a gift shop can appreciate. Thus there is overlap in the licensing markets for the Prince Series and the photograph.

When one of the Prince Series works is licensed to a magazine, it functions as a portrait of the musician Prince—as does Goldsmith's photograph. The Prince Series retains the photograph's expressive capacity for Prince portraiture and is used for that purpose. It may well compete for magazine covers, posters, coffee mugs, and other items featuring the late musician. If the Foundation had refuted the evidence of such market displacement, the weight of the analytical considerations would have changed.

The distinction between the original and licensed Prince Series works is likewise important when it comes to assessing the market effect alongside "the public benefits the copying will likely produce." *Google LLC v. Oracle Am., Inc.*, U.S. (2021). The

“public benefits” considered here are those associated with the only use at issue: the Foundation’s commercial licensing. This use has nothing to do with “copyright’s concern for the creative production of new expression.” *Id.* Had the use been Warhol’s use of the photograph to construct the modified image, we would need to reassess.

Sony Corp. of America v. Universal City Studios, Inc.

464 U.S. 417 (1984)

JUSTICE STEVENS delivered the opinion of the Court: Petitioners manufacture and sell home video tape recorders. Respondents own the copyrights on some of the television programs that are broadcast on the public airwaves. Some members of the general public use video tape recorders sold by petitioners to record some of these broadcasts, as well as a large number of other broadcasts. The question presented is whether the sale of petitioners' copying equipment to the general public violates any of the rights conferred upon respondents by the Copyright Act.

Respondents commenced this copyright infringement action against petitioners in the United States District Court for the Central District of California in 1976. Respondents alleged that some individuals had used Betamax video tape recorders (VTR's) to record some of respondents' copyrighted works which had been exhibited on commercially sponsored television and contended that these individuals had thereby infringed respondents' copyrights. Respondents further maintained that petitioners were liable for the copyright infringement allegedly committed by Betamax consumers because of petitioners' marketing of the Betamax VTR's. Respondents sought no relief against any Betamax consumer. Instead, they sought money damages and an equitable accounting of profits from petitioners, as well as an injunction against the manufacture and marketing of Betamax VTR's.

After a lengthy trial, the District Court denied respondents all the relief they sought and entered judgment for petitioners. [480 F.Supp. 429](#) (1979). The United States Court of Appeals for the Ninth Circuit reversed the District Court's judgment on respondent's copyright claim, holding petitioners liable for contributory infringement and ordering the District Court to fashion appropriate relief. [659 F.2d 963](#) (1981). *** We now reverse.

An explanation of our rejection of respondents' unprecedented attempt to impose copyright liability upon the distributors of copying equipment requires a quite detailed recitation of the findings of the District Court. In summary, those findings reveal that the average member of the public uses a VTR principally to record a program he cannot view as it is being televised and then to watch it once at a later time. This practice, known as "time-shifting," enlarges the television viewing audience. For that reason, a significant amount of television programming may be used in this manner without objection from the owners of the copyrights on the programs. For the same reason, even the two respondents in this case, who do assert objections to time-shifting in this litigation, were unable to prove that the practice has impaired the commercial value of their copyrights or has created any likelihood of future harm. Given these findings, there is no basis in the Copyright Act upon which respondents can hold petitioners liable for distributing VTR's to the general public. The Court of Appeals' holding that respondents are entitled to enjoin the distribution of VTR's, to collect royalties on the sale of such equipment, or to obtain other relief, if affirmed, would enlarge the scope

of respondents' statutory monopolies to encompass control over an article of commerce that is not the subject of copyright protection. Such an expansion of the copyright privilege is beyond the limits of the grants authorized by Congress.

I

*** Petitioner Sony manufactures millions of Betamax video tape recorders and markets these devices through numerous retail establishments, some of which are also petitioners in this action. Sony's Betamax VTR is a mechanism consisting of three basic components: (1) a tuner, which receives electromagnetic signals transmitted over the television band of the public airwaves and separates them into audio and visual signals; (2) a recorder, which records such signals on a magnetic tape; and (3) an adapter, which converts the audio and visual signals on the tape into a composite signal that can be received by a television set.

Several capabilities of the machine are noteworthy. The separate tuner in the Betamax enables it to record a broadcast off one station while the television set is tuned to another channel, permitting the viewer, for example, to watch two simultaneous news broadcasts by watching one "live" and recording the other for later viewing. Tapes may be reused, and programs that have been recorded may be erased either before or after viewing. A timer in the Betamax can be used to activate and deactivate the equipment at predetermined times, enabling an intended viewer to record programs that are transmitted when he or she is not at home. Thus a person may watch a program at home in the evening even though it was broadcast while the viewer was at work during the afternoon. The Betamax is also equipped with a pause button and a fast-forward control. The pause button, when depressed, deactivates the recorder until it is released, thus enabling a viewer to omit a commercial advertisement from the recording, provided, of course, that the viewer is present when the program is recorded. The fast forward control enables the viewer of a previously recorded program to run the tape rapidly when a segment he or she does not desire to see is being played back on the television screen.

The respondents and Sony both conducted surveys of the way the Betamax machine was used by several hundred owners during a sample period in 1978. Although there were some differences in the surveys, they both showed that the primary use of the machine for most owners was "time-shifting,"—the practice of recording a program to view it once at a later time, and thereafter erasing it. Time-shifting enables viewers to see programs they otherwise would miss because they are not at home, are occupied with other tasks, or are viewing a program on another station at the time of a broadcast that they desire to watch. Both surveys also showed, however, that a substantial number of interviewees had accumulated libraries of tapes. Sony's survey indicated that over 80% of the interviewees watched at least as much regular television as they had before owning a Betamax. Respondents offered no evidence of decreased television viewing by Betamax owners.

Sony introduced considerable evidence describing television programs that could be copied without objection from any copyright holder, with special emphasis on sports,

religious, and educational programming. For example, their survey indicated that 7.3% of all Betamax use is to record sports events, and representatives of professional baseball, football, basketball, and hockey testified that they had no objection to the recording of their televised events for home use.

Respondents offered opinion evidence concerning the future impact of the unrestricted sale of VTR's on the commercial value of their copyrights. The District Court found, however, that they had failed to prove any likelihood of future harm from the use of VTR's for time-shifting. ***

II

*** The judiciary's reluctance to expand the protections afforded by the copyright without explicit legislative guidance is a recurring theme. Sound policy, as well as history, supports our consistent deference to Congress when major technological innovations alter the market for copyrighted materials. Congress has the constitutional authority and the institutional ability to accommodate fully the varied permutations of competing interests that are inevitably implicated by such new technology. In a case like this, in which Congress has not plainly marked our course, we must be circumspect in construing the scope of rights created by a legislative enactment which never contemplated such a calculus of interests. ***

The Copyright Act provides the owner of a copyright with a potent arsenal of remedies against an infringer of his work, including an injunction to restrain the infringer from violating his rights, the impoundment and destruction of all reproductions of his work made in violation of his rights, a recovery of his actual damages and any additional profits realized by the infringer or a recovery of statutory damages, and attorneys fees. *Id.*, § § 502-505.

The two respondents in this case do not seek relief against the Betamax users who have allegedly infringed their copyrights. Moreover, this is not a class action on behalf of all copyright owners who license their works for television broadcast, and respondents have no right to invoke whatever rights other copyright holders may have to bring infringement actions based on Betamax copying of their works. As was made clear by their own evidence, the copying of the respondents' programs represents a small portion of the total use of VTR's. It is, however, the taping of respondents own copyrighted programs that provides them with standing to charge Sony with contributory infringement. To prevail, they have the burden of proving that users of the Betamax have infringed their copyrights and that Sony should be held responsible for that infringement.

III

The Copyright Act does not expressly render anyone liable for infringement committed by another. In contrast, the Patent Act expressly brands anyone who "actively induces infringement of a patent" as an infringer, [35 U.S.C. § 271\(b\)](#), and further imposes liability on certain individuals labeled "contributory" infringers, *id.*, § 271(c). The absence of such express language in the copyright statute does not preclude the imposition of

liability for copyright infringements on certain parties who have not themselves engaged in the infringing activity. For vicarious liability is imposed in virtually all areas of the law, and the concept of contributory infringement is merely a species of the broader problem of identifying the circumstances in which it is just to hold one individual accountable for the actions of another. ***

If vicarious liability is to be imposed on petitioners in this case, it must rest on the fact that they have sold equipment with constructive knowledge of the fact that their customers may use that equipment to make unauthorized copies of copyrighted material. There is no precedent in the law of copyright for the imposition of vicarious liability on such a theory. The closest analogy is provided by the patent law cases to which it is appropriate to refer because of the historic kinship between patent law and copyright law. ***

In the Patent Code both the concept of infringement and the concept of contributory infringement are expressly defined by statute.²⁰ The prohibition against contributory infringement is confined to the knowing sale of a component especially made for use in connection with a particular patent. There is no suggestion in the statute that one patentee may object to the sale of a product that might be used in connection with other patents. Moreover, the Act expressly provides that the sale of a “staple article or commodity of commerce suitable for substantial noninfringing use” is not contributory infringement.

When a charge of contributory infringement is predicated entirely on the sale of an article of commerce that is used by the purchaser to infringe a patent, the public interest in access to that article of commerce is necessarily implicated. A finding of contributory infringement does not, of course, remove the article from the market altogether; it does, however, give the patentee effective control over the sale of that item. Indeed, a finding of contributory infringement is normally the functional equivalent of holding that the disputed article is within the monopoly granted to the patentee.²¹

²⁰ 35 U.S.C. § 271 provides:

- (a) Except as otherwise provided in this title, whoever without authority makes, uses or sells any patented invention, within the United States during the term of the patent therefor, infringes the patent.
- (b) Whoever actively induces infringement of a patent shall be liable as an infringer.
- (c) Whoever sells a component of a patented machine, manufacture, combination or composition, or a material or apparatus for use in practicing a patented process, constituting a material part of the invention, knowing the same to be especially made or especially adapted for use in an infringement of such patent, and not a staple article or commodity of commerce suitable for substantial noninfringing use, shall be liable as a contributory infringer.
- (d) No patent owner otherwise entitled to relief for infringement or contributory infringement of a patent shall be denied relief or deemed guilty of misuse or illegal extension of the patent right by reason of his having done one or more of the following: (1) derived revenue from acts which if performed by another without his consent would constitute contributory infringement of the patent; (2) licensed or authorized another to perform acts which if performed without his consent would constitute contributory infringement of the patent; (3) sought to enforce his patent rights against infringement or contributory infringement.”

²¹ It seems extraordinary to suggest that the Copyright Act confers upon all copyright owners collectively, much less the two respondents in this case, the exclusive right to distribute VTR's simply because they may be used to infringe copyrights. That, however, is the logical implication of their claim. The request for an injunction

For that reason, in contributory infringement cases arising under the patent laws the Court has always recognized the critical importance of not allowing the patentee to extend his monopoly beyond the limits of his specific grant. These cases deny the patentee any right to control the distribution of unpatented articles unless they are “unsuited for any commercial noninfringing use.” *Dawson Chemical Co. v. Rohm & Hass Co.*, [448 U.S. 176, 198](#) (1980). Unless a commodity “has no use except through practice of the patented method,” *ibid*, the patentee has no right to claim that its distribution constitutes contributory infringement. “To form the basis for contributory infringement the item must almost be uniquely suited as a component of the patented invention.” P. Rosenberg, *Patent Law Fundamentals* § 17.02[2] (1982). “[A] sale of an article which though adapted to an infringing use is also adapted to other and lawful uses, is not enough to make the seller a contributory infringer. Such a rule would block the wheels of commerce.” *Henry v. A.B. Dick Co.*, [224 U.S. 1, 48](#) (1912), overruled on other grounds, *Motion Picture Patents Co. v. Universal Film Mfg. Co.*, [243 U.S. 502, 517](#) (1917).

We recognize there are substantial differences between the patent and copyright laws. But in both areas the contributory infringement doctrine is grounded on the recognition that adequate protection of a monopoly may require the courts to look beyond actual duplication of a device or publication to the products or activities that make such duplication possible. The staple article of commerce doctrine must strike a balance between a copyright holder’s legitimate demand for effective—not merely symbolic—protection of the statutory monopoly, and the rights of others freely to engage in substantially unrelated areas of commerce. Accordingly, the sale of copying equipment, like the sale of other articles of commerce, does not constitute contributory infringement if the product is widely used for legitimate, unobjectionable purposes. Indeed, it need merely be capable of substantial noninfringing uses.

IV

The question is thus whether the Betamax is capable of commercially significant non-infringing uses. In order to resolve that question, we need not explore *all* the different potential uses of the machine and determine whether or not they would constitute infringement. Rather, we need only consider whether on the basis of the facts as found by the district court a significant number of them would be non-infringing. Moreover, in order to resolve this case we need not give precise content to the question of how much use is commercially significant. For one potential use of the Betamax plainly satisfies this standard, however it is understood: private, noncommercial time-shifting in the home. It does so both (A) because respondents have no right to prevent other copyright holders from authorizing it for their programs, and (B) because the District Court’s factual findings reveal that even the unauthorized home time-shifting of respondents’ programs is legitimate fair use.

below indicates that respondents seek, in effect, to declare VTR’s contraband. Their suggestion in this Court that a continuing royalty pursuant to a judicially created compulsory license would be an acceptable remedy merely indicates that respondents, for their part, would be willing to license their claimed monopoly interest in VTR’s to petitioners in return for a royalty.

A. Authorized Time Shifting

Each of the respondents owns a large inventory of valuable copyrights, but in the total spectrum of television programming their combined market share is small. The exact percentage is not specified, but it is well below 10%. If they were to prevail, the outcome of this litigation would have a significant impact on both the producers and the viewers of the remaining 90% of the programming in the Nation. No doubt, many other producers share respondents' concern about the possible consequences of unrestricted copying. Nevertheless the findings of the District Court make it clear that time-shifting may enlarge the total viewing audience and that many producers are willing to allow private time-shifting to continue, at least for an experimental time period.

The District Court found:

“Even if it were deemed that home-use recording of copyrighted material constituted infringement, the Betamax could still legally be used to record noncopyrighted material or material whose owners consented to the copying. An injunction would deprive the public of the ability to use the Betamax for this noninfringing off-the-air recording.

“Defendants introduced considerable testimony at trial about the potential for such copying of sports, religious, educational and other programming. This included testimony from representatives of the Offices of the Commissioners of the National Football, Basketball, Baseball and Hockey Leagues and Associations, the Executive Director of National Religious Broadcasters and various educational communications agencies. Plaintiffs attack the weight of the testimony offered and also contend that an injunction is warranted because infringing uses outweigh noninfringing uses.”

“Whatever the future percentage of legal versus illegal home-use recording might be, an injunction which seeks to deprive the public of the very tool or article of commerce capable of some noninfringing use would be an extremely harsh remedy, as well as one unprecedented in copyright law.” [480 F.Supp., at 468.](#)

Although the District Court made these statements in the context of considering the propriety of injunctive relief, the statements constitute a finding that the evidence concerning “sports, religious, educational, and other programming” was sufficient to establish a significant quantity of broadcasting whose copying is now authorized, and a significant potential for future authorized copying. That finding is amply supported by the record. In addition to the religious and sports officials identified explicitly by the District Court, *** [consider] the testimony of Fred Rogers, president of the corporation that produces and owns the copyright on *Mr. Rogers' Neighborhood*. The program is carried by more public television stations than any other program. Its audience numbers over 3,000,000 families a day. He testified that he had absolutely no objection to home taping for noncommercial use and expressed the opinion that it is a real service

to families to be able to record children's programs and to show them at appropriate times.²⁷

If there are millions of owners of VTR's who make copies of televised sports events, religious broadcasts, and educational programs such as *Mister Rogers' Neighborhood*, and if the proprietors of those programs welcome the practice, the business of supplying the equipment that makes such copying feasible should not be stifled simply because the equipment is used by some individuals to make unauthorized reproductions of respondents' works. The respondents do not represent a class composed of all copyright holders. Yet a finding of contributory infringement would inevitably frustrate the interests of broadcasters in reaching the portion of their audience that is available only through time-shifting.

Of course, the fact that other copyright holders may welcome the practice of time-shifting does not mean that respondents should be deemed to have granted a license to copy their programs. Third party conduct would be wholly irrelevant in an action for direct infringement of respondents' copyrights. But in an action for *contributory* infringement against the seller of copying equipment, the copyright holder may not prevail unless the relief that he seeks affects only his programs, or unless he speaks for virtually all copyright holders with an interest in the outcome. In this case, the record makes it perfectly clear that there are many important producers of national and local television programs who find nothing objectionable about the enlargement in the size of the television audience that results from the practice of time-shifting for private home use. The seller of the equipment that expands those producers' audiences cannot be a contributory infringer if, as is true in this case, it has had no direct involvement with any infringing activity.

In the context of television programming, some producers evidently believe that permitting home viewers to make copies of their works off the air actually enhances the value of their copyrights. Irrespective of their reasons for authorizing the practice, they do so, and in significant enough numbers to create a substantial market for a non-infringing use of the Sony VTR's. ***

B. Unauthorized Time-Shifting

Even unauthorized uses of a copyrighted work are not necessarily infringing. An unlicensed use of the copyright is not an infringement unless it conflicts with one of the specific exclusive rights conferred by the copyright statute. Moreover, the definition of exclusive rights in § 106 of the present Act is prefaced by the words "subject to sections

²⁷ "Some public stations, as well as commercial stations, program the 'Neighborhood' at hours when some children cannot use it. I think that it's a real service to families to be able to record such programs and show them at appropriate times. I have always felt that with the advent of all of this new technology that allows people to tape the 'Neighborhood' off-the-air, and I'm speaking for the 'Neighborhood' because that's what I produce, that they then become much more active in the programming of their family's television life. Very frankly, I am opposed to people being programmed by others. My whole approach in broadcasting has always been 'You are an important person just the way you are. You can make healthy decisions.' Maybe I'm going on too long, but I just feel that anything that allows a person to be more active in the control of his or her life, in a healthy way, is important." T.R. 2920-2921.

107 through 118.” Those sections describe a variety of uses of copyrighted material that “are not infringements of copyright notwithstanding the provisions of § 106.” The most pertinent in this case is § 107, the legislative endorsement of the doctrine of “fair use.”

*** If the Betamax were used to make copies for a commercial or profit-making purpose, such use would presumptively be unfair. The contrary presumption is appropriate here, however, because the District Court’s findings plainly establish that time-shifting for private home use must be characterized as a noncommercial, nonprofit activity. Moreover, when one considers the nature of a televised copyrighted audiovisual work, see [17 U.S.C. § 107\(2\)](#), and that timeshifting merely enables a viewer to see such a work which he had been invited to witness in its entirety free of charge, the fact that the entire work is reproduced, see *id.*, at § 107(3), does not have its ordinary effect of militating against a finding of fair use.³³

This is not, however, the end of the inquiry because Congress has also directed us to consider “the effect of the use upon the potential market for or value of the copyrighted work.” *Id.*, at § 107(4). The purpose of copyright is to create incentives for creative effort. Even copying for noncommercial purposes may impair the copyright holder’s ability to obtain the rewards that Congress intended him to have. But a use that has no demonstrable effect upon the potential market for, or the value of, the copyrighted work need not be prohibited in order to protect the author’s incentive to create. The prohibition of such noncommercial uses would merely inhibit access to ideas without any countervailing benefit.

Thus, although every commercial use of copyrighted material is presumptively an unfair exploitation of the monopoly privilege that belongs to the owner of the copyright, noncommercial uses are a different matter. A challenge to a noncommercial use of a copyrighted work requires proof either that the particular use is harmful, or that if it should become widespread, it would adversely affect the potential market for the copyrighted work. Actual present harm need not be shown; such a requirement would leave the copyright holder with no defense against predictable damage. Nor is it necessary to show with certainty that future harm will result. What is necessary is a showing by a preponderance of the evidence that *some* meaningful likelihood of future harm exists. If the intended use is for commercial gain, that likelihood may be presumed. But if it is for a noncommercial purpose, the likelihood must be demonstrated.

³³ It has been suggested that “consumptive uses of copyrights by home VTR users are commercial even if the consumer does not sell the homemade tape because the consumer will not buy tapes separately sold by the copyright holder.” Home Recording of Copyrighted Works: Hearing before Subcommittee on Courts, Civil Liberties and the Administration of Justice of the House Committee on the Judiciary, 97th Congress, 2d Session, pt. 2, p. 1250 (1982) (memorandum of Prof. Laurence H. Tribe). *** Theft of a particular item of personal property of course may have commercial significance, for the thief deprives the owner of his right to sell that particular item to any individual. Timeshifting does not even remotely entail comparable consequences to the copyright owner. Moreover, the timeshifter no more steals the program by watching it once than does the live viewer, and the live viewer is no more likely to buy pre-recorded videotapes than is the timeshifter. Indeed, no live viewer would buy a pre-recorded videotape if he did not have access to a VTR.

In this case, respondents failed to carry their burden with regard to home time-shifting. *** There was no need for the District Court to say much about past harm. “Plaintiffs have admitted that no actual harm to their copyrights has occurred to date.” *Id.*, at 451.

On the question of potential future harm from time-shifting, the District Court offered a more detailed analysis of the evidence. It rejected respondents’ “fear that persons ‘watching’ the original telecast of a program will not be measured in the live audience and the ratings and revenues will decrease,” by observing that current measurement technology allows the Betamax audience to be reflected. *Id.*, at 466. It rejected respondents’ prediction “that live television or movie audiences will decrease as more people watch Betamax tapes as an alternative,” with the observation that “[t]here is no factual basis for [the underlying] assumption.” *Ibid.* It rejected respondents’ “fear that time-shifting will reduce audiences for telecast reruns,” and concluded instead that “given current market practices, this should aid plaintiffs rather than harm them.” *Ibid.* And it declared that respondents’ suggestion “that theater or film rental exhibition of a program will suffer because of time-shift recording of that program lacks merit.” [480 F.Supp., at 467.](#)

In a separate section, the District Court rejected plaintiffs’ suggestion that the commercial attractiveness of television broadcasts would be diminished because Betamax owners would use the pause button or fast-forward control to avoid viewing advertisements:

“It must be remembered, however, that to omit commercials, Betamax owners must view the program, including the commercials, while recording. To avoid commercials during playback, the viewer must fast-forward and, for the most part, guess as to when the commercial has passed. For most recordings, either practice may be too tedious. As defendants’ survey showed, 92% of the programs were recorded with commercials and only 25% of the owners fast-forward through them. Advertisers will have to make the same kinds of judgments they do now about whether persons viewing televised programs actually watch the advertisements which interrupt them.” *Id.*, at 468.

After completing that review, the District Court restated its overall conclusion several times, in several different ways. “Harm from time-shifting is speculative and, at best, minimal.” *Ibid.* “The audience benefits from the time-shifting capability have already been discussed. It is not implausible that benefits could also accrue to plaintiffs, broadcasters, and advertisers, as the Betamax makes it possible for more persons to view their broadcasts.” *Ibid.* “No likelihood of harm was shown at trial, and plaintiffs admitted that there had been no actual harm to date.” *Id.*, at 468-469. “Testimony at trial suggested that Betamax may require adjustments in marketing strategy, but it did not establish even a likelihood of harm.” *Id.*, at 469. “Television production by plaintiffs today is more profitable than it has ever been, and, in five weeks of trial, there was no concrete evidence to suggest that the Betamax will change the studios’ financial picture.” *Ibid.*

The District Court's conclusions are buttressed by the fact that to the extent time-shifting expands public access to freely broadcast television programs, it yields societal benefits. *** Concededly, that interest is not unlimited. But it supports an interpretation of the concept of "fair use" that requires the copyright holder to demonstrate some likelihood of harm before he may condemn a private act of time-shifting as a violation of federal law.

When these factors are all weighed in the "equitable rule of reason" balance, we must conclude that this record amply supports the District Court's conclusion that home time-shifting is fair use. In light of the findings of the District Court regarding the state of the empirical data, it is clear that the Court of Appeals erred in holding that the statute as presently written bars such conduct. ***

In summary, the record and findings of the District Court lead us to two conclusions. First, Sony demonstrated a significant likelihood that substantial numbers of copyright holders who license their works for broadcast on free television would not object to having their broadcasts time-shifted by private viewers. And second, respondents failed to demonstrate that time-shifting would cause any likelihood of nonminimal harm to the potential market for, or the value of, their copyrighted works. The Betamax is, therefore, capable of substantial noninfringing uses. Sony's sale of such equipment to the general public does not constitute contributory infringement of respondent's copyrights.

V

*** It may well be that Congress will take a fresh look at this new technology, just as it so often has examined other innovations in the past. But it is not our job to apply laws that have not yet been written. Applying the copyright statute, as it now reads, to the facts as they have been developed in this case, the judgment of the Court of Appeals must be reversed.

It is so ordered.

JUSTICE BLACKMUN, with whom JUSTICE MARSHALL, JUSTICE POWELL, and JUSTICE REHNQUIST join, dissenting: *** The Betamax, like other VTRs, presently is capable of recording television broadcasts off the air on videotape cassettes, and playing them back at a later time. *Two* kinds of Betamax usage are at issue here.² The first is "time-shifting," whereby the user records a program in order to watch it at a later time, and then records over it, and thereby erases the program, after a single viewing. The second is "library-building," in which the user records a program in order to keep it for repeated viewing over a longer term. ***

Although the word "copies" is in the plural in § 106(1), there can be no question that under the Act the making of even a single unauthorized copy is prohibited. *** The making of even a single videotape recording at home falls within this definition; the VTR user produces a material object from which the copyrighted work later can be

² This case involves only the home recording for home use of television programs broadcast free over the airwaves. No issue is raised concerning cable or pay television, or the sharing or trading of tapes.

perceived. Unless Congress intended a special exemption for the making of a single copy for personal use, I must conclude that VTR recording is contrary to the exclusive rights granted by § 106(1).

The 1976 Act and its accompanying reports specify in some detail the situations in which a single copy of a copyrighted work may be made without infringement concerns. Section 108(a), for example, permits a library or archives “to reproduce no more than one copy or phonorecord of a work” for a patron, but only under very limited conditions; an entire work, moreover, can be copied only if it cannot be obtained elsewhere at a fair price. § 108(e). *** Other situations in which the making of a single copy would be fair use are described in the House and Senate reports. But neither the statute nor its legislative history suggests any intent to create a general exemption for a single copy made for personal or private use.

Indeed, it appears that Congress considered and rejected the very possibility of a special private use exemption. *** [T]he Register of Copyrights recommended that the revised copyright statute simply mention the doctrine of fair use and indicate its general scope. The Register opposed the adoption of rules and exemptions to cover specific situations, preferring, instead, to rely on the judge-made fair use doctrine to resolve new problems as they arose. *** I can conclude only that Congress, like the Register, intended to rely on the fair use doctrine, and not on a *per se* exemption for private use, to separate permissible copying from the impermissible. *** I therefore find in the 1976 Act no implied exemption to cover the home taping of television programs, whether it be for a single copy, for private use, or for home use. Taping a copyrighted television program is infringement unless it is permitted by the fair use exemption contained in § 107 of the 1976 Act. I now turn to that issue.

*** Despite this absence of clear standards, the fair use doctrine plays a crucial role in the law of copyright. *** The fair use doctrine must strike a balance between the dual risks created by the copyright system: on the one hand, that depriving authors of their monopoly will reduce their incentive to create, and, on the other, that granting authors a complete monopoly will reduce the creative ability of others. The inquiry is necessarily a flexible one, and the endless variety of situations that may arise precludes the formulation of exact rules. But when a user reproduces an entire work and uses it for its original purpose, with no added benefit to the public, the doctrine of fair use usually does not apply. There is then no need whatsoever to provide the ordinary user with a fair use subsidy at the author’s expense.

The making of a videotape recording for home viewing is an ordinary rather than a productive use of the Studios’ copyrighted works. *** A VTR recording creates no public benefit sufficient to justify limiting this right. Nor is this right extinguished by the copyright owner’s choice to make the work available over the airwaves. Section 106 of the 1976 Act grants the copyright owner the exclusive right to control the performance and the reproduction of his work, and the fact that he has licensed a single television performance is really irrelevant to the existence of his right to control its reproduction. Although a television broadcast may be free to the viewer, this fact is

equally irrelevant; a book borrowed from the public library may not be copied any more freely than a book that is purchased. ***

I recognize, nevertheless, that there are situations where permitting even an unproductive use would have no effect on the author's incentive to create, that is, where the use would not affect the value of, or the market for, the author's work. Photocopying an old newspaper clipping to send to a friend may be an example; pinning a quotation on one's bulletin board may be another. In each of these cases, the effect on the author is truly *de minimis*. Thus, even though these uses provide no benefit to the public at large, no purpose is served by preserving the author's monopoly, and the use may be regarded as fair.

I therefore conclude that, at least when the proposed use is an unproductive one, a copyright owner need prove only a *potential* for harm to the market for or the value of the copyrighted work. *** The Studios have identified a number of ways in which VTR recording could damage their copyrights. VTR recording could reduce their ability to market their works in movie theaters and through the rental or sale of pre-recorded videotapes or videodiscs; it also could reduce their rerun audience, and consequently the license fees available to them for repeated showings. Moreover, advertisers may be willing to pay for only "live" viewing audiences, if they believe VTR viewers will delete commercials or if rating services are unable to measure VTR use; if this is the case, VTR recording could reduce the license fees the Studios are able to charge even for first-run showings. Library-building may raise the potential for each of the types of harm identified by the Studios, and time-shifting may raise the potential for substantial harm as well.

*** The District Court's analysis of harm, moreover, failed to consider the effect of VTR recording on "the *potential* market for or the value of the copyrighted work," as required by § 107(4). The requirement that a putatively infringing use of a copyrighted work, to be "fair," must not impair a "potential" market for the work has two implications. First, an infringer cannot prevail merely by demonstrating that the copyright holder suffered no net harm from the infringer's action. Indeed, even a showing that the infringement has resulted in a net benefit to the copyright holder will not suffice. Rather, the infringer must demonstrate that he had not impaired the copyright holder's ability to demand compensation from (or to deny access to) any group who would otherwise be willing to pay to see or hear the copyrighted work. Second, the fact that a given market for a copyrighted work would not be available to the copyright holder were it not for the infringer's activities does not permit the infringer to exploit that market without compensating the copyright holder.

In this case, the Studios and their *amici* demonstrate that the advent of the VTR technology created a potential market for their copyrighted programs. That market consists of those persons who find it impossible or inconvenient to watch the programs at the time they are broadcast, and who wish to watch them at other times. These persons are willing to pay for the privilege of watching copyrighted work at their convenience, as is evidenced by the fact that they are willing to pay for VTRs and tapes; undoubtedly,

most also would be willing to pay some kind of royalty to copyright holders. The Studios correctly argue that they have been deprived of the ability to exploit this sizable market.

It is thus apparent from the record and from the findings of the District Court that time-shifting does have a substantial adverse effect upon the “potential market for” the Studios’ copyrighted works. Accordingly, even under the formulation of the fair use doctrine advanced by Sony, time-shifting cannot be deemed a fair use.

V

*** From the Studios’ perspective, the consequences of home VTR recording are the same as if a business had taped the Studios’ works off the air, duplicated the tapes, and sold or rented them to members of the public for home viewing. The distinction is that home VTR users do not record for commercial advantage; the commercial benefit accrues to the manufacturer and distributors of the Betamax. I thus must proceed to discuss whether the manufacturer and distributors can be held contributorily liable if the product they sell is used to infringe. ***

In absolving Sony from liability, the District Court reasoned that Sony had no direct involvement with individual Betamax users, did not participate in any off-the-air copying, and did not know that such copying was an infringement of the Studios’ copyright. *** Courts have premised liability in these cases on the notion that the defendant had the ability to supervise or control the infringing activities. *** It is only with the aid of the Betamax or some other VTR, that it is possible today for home television viewers to infringe copyright by recording off-the-air. Off-the-air recording is not only a foreseeable use for the Betamax, but indeed is its intended use. Under the circumstances, I agree with the Court of Appeals that if off-the-air recording is an infringement of copyright, Sony has induced and materially contributed to the infringing conduct of Betamax owners.

Sony argues that the manufacturer or seller of a product used to infringe is absolved from liability whenever the product can be put to any substantial noninfringing use. *** The doctrine of contributory patent infringement has been the subject of attention by the courts and by Congress and has been codified since 1952, but was never mentioned during the copyright law revision process as having any relevance to contributory *copyright* infringement. I recognize, however, that many of the concerns underlying the “staple article of commerce” doctrine are present in copyright law as well. ***

I therefore conclude that if a *significant* portion of the product’s use is *noninfringing*, the manufacturers and sellers cannot be held contributorily liable for the product’s infringing uses. If virtually all of the product’s use, however, is to infringe, contributory liability may be imposed; if no one would buy the product for noninfringing purposes alone, it is clear that the manufacturer is purposely profiting from the infringement, and that liability is appropriately imposed. In such a case, the copyright owner’s monopoly would not be extended beyond its proper bounds; the manufacturer of such a product contributes to the infringing activities of others and profits directly thereby, while providing no benefit to the public sufficient to justify the infringement.

The Court of Appeals concluded that Sony should be held liable for contributory infringement, reasoning that “[v]ideotape recorders are manufactured, advertised, and sold for the primary purpose of reproducing television programming,” and “[v]irtually all television programming is copyrighted material.” [659 F.2d, at 975](#). While I agree with the first of these propositions,⁴² the second, for me, is problematic. The key question is not the amount of television programming that is copyrighted, but rather the amount of VTR usage that is infringing. Moreover, the parties and their *amici* have argued vigorously about both the amount of television programming that is covered by copyright and the amount for which permission to copy has been given. The proportion of VTR recording that is infringing is ultimately a question of fact and the District Court specifically declined to make findings on the “percentage of legal versus illegal home-use recording.” [480 F.Supp., at 468](#). In light of my view of the law, resolution of this factual question is essential. I therefore would remand the case for further consideration of this by the District Court.

VI

The Court has adopted an approach very different from the one I have outlined. It is my view that the Court’s approach alters dramatically the doctrines of fair use and contributory infringement as they have been developed by Congress and the courts. Should Congress choose to respond to the Court’s decision, the old doctrines can be resurrected. As it stands, however, the decision today erodes much of the coherence that these doctrines have struggled to achieve.

The Court’s disposition of the case turns on its conclusion that time-shifting is a fair use. Because both parties agree that time-shifting is the primary use of VTRs, that conclusion, if correct, would settle the issue of Sony’s liability under almost any definition of contributory infringement. The Court concludes that time-shifting is fair use for two reasons. Each is seriously flawed.

The Court’s first reason for concluding that time-shifting is fair use is its claim that many copyright holders have no objection to time-shifting, and that “respondents have no right to prevent other copyright holders from authorizing it for their programs.” *Ante*. The Court explains that a finding of contributory infringement would “inevitably frustrate the interests of broadcasters in reaching the portion of their audience that is available only through time-shifting.” *Ante*. Such reasoning, however, simply confuses the question of liability with the difficulty of fashioning an appropriate remedy. It may be that an injunction prohibiting the sale of VTRs would harm the interests of copyright holders who have no objection to others making copies of their programs. But such concerns should and would be taken into account in fashioning an appropriate remedy once liability has been found. Remedies may well be available that would not

⁴² Although VTRs also may be used to watch prerecorded video cassettes and to make home motion pictures, these uses do not require a tuner such as the Betamax contains. The Studios do not object to Sony’s sale of VTRs without tuners. In considering the noninfringing uses of the Betamax, therefore, those uses that would remain possible without the Betamax’s built-in tuner should not be taken into account.

interfere with authorized time-shifting at all. The Court of Appeals mentioned the possibility of a royalty payment that would allow VTR sales and time-shifting to continue unabated, and the parties may be able to devise other narrowly tailored remedies. Sony may be able, for example, to build a VTR that enables broadcasters to scramble the signal of individual programs and “jam” the unauthorized recording of them. Even were an appropriate remedy not available at this time, the Court should not misconstrue copyright holders’ rights in a manner that prevents enforcement of them when, through development of better techniques, an appropriate remedy becomes available.

The Court’s second stated reason for finding that Sony is not liable for contributory infringement is its conclusion that even unauthorized time-shifting is fair use. This conclusion is even more troubling. The Court begins by suggesting that the fair use doctrine operates as a general “equitable rule of reason.” That interpretation mischaracterizes the doctrine, and simply ignores the language of the statute. Section 107 establishes the fair use doctrine “for purposes such as criticism, comment, news reporting, teaching, ... scholarship, or research.” These are all productive uses. It is true that the legislative history states repeatedly that the doctrine must be applied flexibly on a case-by-case basis, but those references were only in the context of productive uses. Such a limitation on fair use comports with its purpose, which is to facilitate the creation of new works. There is no indication that the fair use doctrine has any application for purely personal consumption on the scale involved in this case, and the Court’s application of it here deprives fair use of the major cohesive force that has guided evolution of the doctrine in the past.

Having bypassed the initial hurdle for establishing that a use is fair, the Court then purports to apply to time-shifting the four factors explicitly stated in the statute. The first is “the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes.” [§ 107\(1\)](#). The Court confidently describes time-shifting as a noncommercial, nonprofit activity. It is clear, however, that personal use of programs that have been copied without permission is not what § 107(1) protects. The intent of the section is to encourage users to engage in activities the primary benefit of which accrues to others. Time-shifting involves no such humanitarian impulse. It is likewise something of a mischaracterization of time-shifting to describe it as noncommercial in the sense that that term is used in the statute. *** Purely consumptive uses are certainly not what the fair use doctrine was designed to protect, and the awkwardness of applying the statutory language to time-shifting only makes clearer that fair use was designed to protect only uses that are productive.

The next two statutory factors are all but ignored by the Court—though certainly not because they have no applicability. The second factor—“the nature of the copyrighted work”—strongly supports the view that time-shifting is an infringing use. The rationale guiding application of this factor is that certain types of works, typically those involving “more of diligence than of originality or inventiveness,” *New York Times Co. v. Roxbury Data Interface, Inc.*, [434 F.Supp. 217, 221](#) (NJ 1977), require less copyright protection than other original works. Thus, for example, informational works, such as news reports, that readily lend themselves to productive use by others, are less protected than

creative works of entertainment. Sony's own surveys indicate that entertainment shows account for more than 80 percent of the programs recorded by Betamax owners.

The third statutory factor—"the amount and substantiality of the portion used"—is even more devastating to the Court's interpretation. It is undisputed that virtually all VTR owners record entire works, see [480 F.Supp., at 454](#), thereby creating an exact substitute for the copyrighted original. Fair use is intended to allow individuals engaged in productive uses to copy small portions of original works that will facilitate their own productive endeavors. Time-shifting bears no resemblance to such activity, and the complete duplication that it involves might alone be sufficient to preclude a finding of fair use. It is little wonder that the Court has chosen to ignore this statutory factor.

The fourth factor requires an evaluation of "the effect of the use upon the potential market for or value of the copyrighted work." This is the factor upon which the Court focuses, but once again, the Court has misread the statute. As mentioned above, the statute requires a court to consider the effect of the use on the *potential* market for the copyrighted work. The Court has struggled mightily to show that VTR use has not *reduced* the value of the Studios' copyrighted works in their *present* markets. Even if true, that showing only begins the proper inquiry. The development of the VTR has created a new market for the works produced by the Studios. That market consists of those persons who desire to view television programs at times other than when they are broadcast, and who therefore purchase VTR recorders to enable them to time-shift. Because time-shifting of the Studios' copyrighted works involves the copying of them, however, the Studios are entitled to share in the benefits of that new market. Those benefits currently go to Sony through Betamax sales. Respondents therefore can show harm from VTR use simply by showing that the value of their copyrights would *increase* if they were compensated for the copies that are used in the new market. The existence of this effect is self-evident.

Because of the Court's conclusion concerning the legality of time-shifting, it never addresses the amount of noninfringing use that a manufacturer must show to absolve itself from liability as a contributory infringer. Thus, it is difficult to discuss how the Court's test for contributory infringement would operate in practice under a proper analysis of time-shifting. One aspect of the test as it is formulated by the Court, however, particularly deserves comment. The Court explains that a manufacturer of a product is not liable for contributory infringement as long as the product is "*capable* of substantial noninfringing uses." *Ante* (emphasis supplied). Such a definition essentially eviscerates the concept of contributory infringement. Only the most unimaginative manufacturer would be unable to demonstrate that a image-duplicating product is "capable" of substantial noninfringing uses. Surely Congress desired to prevent the sale of products that are used almost exclusively to infringe copyrights; the fact that noninfringing uses exist presumably would have little bearing on that desire. ***

VII

The Court of Appeals, having found Sony liable, remanded for the District Court to consider the propriety of injunctive or other relief. Because of my conclusion as to the

issue of liability, I, too, would not decide here what remedy would be appropriate if liability were found. I concur, however, in the Court of Appeals' suggestion that an award of damages, or continuing royalties, or even some form of limited injunction, may well be an appropriate means of balancing the equities in this case. Although I express no view on the merits of any particular proposal, I am certain that, if Sony were found liable in this case, the District Court would be able to fashion appropriate relief. The District Court might conclude, of course, that a continuing royalty or other equitable relief is not feasible. The Studios then would be relegated to statutory damages for proved instances of infringement. But the difficulty of fashioning relief, and the possibility that complete relief may be unavailable, should not affect our interpretation of the statute.

Like so many other problems created by the interaction of copyright law with a new technology, “[t]here can be no really satisfactory solution to the problem presented here, until Congress acts.” *Twentieth Century Music Corp. v. Aiken*, [422 U.S., at 167](#) (dissenting opinion). But in the absence of a congressional solution, courts cannot avoid difficult problems by refusing to apply the law. We must “take the Copyright Act ... as we find it,” *Fortnightly Corp. v. United Artists*, [392 U.S. 390, 401-402](#) (1968), and “do as little damage as possible to traditional copyright principles ... until the Congress legislates.” *Id.*, at 404 (dissenting opinion).

American Broadcasting Companies, Inc. v. Aereo, Inc.

573 U.S. 431 (2014)

JUSTICE BREYER delivered the opinion of the Court. The Copyright Act of 1976 gives a copyright owner the “exclusive righ[t]” to “perform the copyrighted work publicly.” 17 U.S.C. § 106(4). The Act’s Transmit Clause defines that exclusive right as including the right to

“transmit or otherwise communicate a performance ... of the [copyrighted] work ... to the public, by means of any device or process, whether the members of the public capable of receiving the performance ... receive it in the same place or in separate places and at the same time or at different times.” § 101.

We must decide whether respondent Aereo, Inc., infringes this exclusive right by selling its subscribers a technologically complex service that allows them to watch television programs over the Internet at about the same time as the programs are broadcast over the air. We conclude that it does.

I

A

For a monthly fee, Aereo offers subscribers broadcast television programming over the Internet, virtually as the programming is being broadcast. Much of this programming is made up of copyrighted works. Aereo neither owns the copyright in those works nor holds a license from the copyright owners to perform those works publicly.

Aereo's system is made up of servers, transcoders, and thousands of dime-sized antennas housed in a central warehouse. It works roughly as follows: First, when a subscriber wants to watch a show that is currently being broadcast, he visits Aereo's website and selects, from a list of the local programming, the show he wishes to see.

Second, one of Aereo's servers selects an antenna, which it dedicates to the use of that subscriber (and that subscriber alone) for the duration of the selected show. A server then tunes the antenna to the over-the-air broadcast carrying the show. The antenna begins to receive the broadcast, and an Aereo transcoder translates the signals received into data that can be transmitted over the Internet.

Third, rather than directly send the data to the subscriber, a server saves the data in a subscriber-specific folder on Aereo's hard drive. In other words, Aereo's system creates a subscriber-specific copy—that is, a “personal” copy—of the subscriber's program of choice.

Fourth, once several seconds of programming have been saved, Aereo's server begins to stream the saved copy of the show to the subscriber over the Internet. (The subscriber may instead direct Aereo to stream the program at a later time, but that aspect of Aereo's service is not before us.) The subscriber can watch the streamed program on the screen of his personal computer, tablet, smart phone, Internet-connected television, or other Internet-connected device. The streaming continues, a mere few seconds behind the over-the-air broadcast, until the subscriber has received the entire show.

Aereo emphasizes that the data that its system streams to each subscriber are the data from his own personal copy, made from the broadcast signals received by the particular antenna allotted to him. Its system does not transmit data saved in one subscriber's folder to any other subscriber. When two subscribers wish to watch the same program, Aereo's system activates two separate antennas and saves two separate copies of the program in two separate folders. It then streams the show to the subscribers through two separate transmissions—each from the subscriber's personal copy.

B

Petitioners are television producers, marketers, distributors, and broadcasters who own the copyrights in many of the programs that Aereo's system streams to its subscribers. They brought suit against Aereo for copyright infringement in Federal District Court. They sought a preliminary injunction, arguing that Aereo was infringing their right to “perform” their works “publicly,” as the Transmit Clause defines those terms.

The District Court denied the preliminary injunction. 874 F.Supp.2d 373 (S.D.N.Y. 2012). Relying on prior Circuit precedent, a divided panel of the Second Circuit affirmed. *WNET, Thirteen v. Aereo, Inc.*, [712 F.3d 676](#) (2013) (citing *Cartoon Network LP, LLLP v. CSC Holdings, Inc.*, [536 F.3d 121](#) (2008)). In the Second Circuit's view, Aereo does not perform publicly within the meaning of the Transmit Clause because it does not transmit “to the public.” Rather, each time Aereo streams a program to a subscriber, it sends a private transmission that is available only to that subscriber. The

Second Circuit denied rehearing en banc, over the dissent of two judges. *WNET, Thirteen v. Aereo, Inc.*, [722 F.3d 500](#). (2013). We granted certiorari.

II

This case requires us to answer two questions: First, in operating in the manner described above, does Aereo “perform” at all? And second, if so, does Aereo do so “publicly”? We address these distinct questions in turn.

Does Aereo “perform”? See § 106(4) (“[T]he owner of [a] copyright ... has the exclusive righ[t] ... to *perform* the copyrighted work publicly” (emphasis added)); § 101 (“To *perform* ... a work ‘publicly’ means [among other things] to transmit... a performance ... of the work ... to the public ...” (emphasis added)). Phrased another way, does Aereo “transmit... a performance” when a subscriber watches a show using Aereo’s system, or is it only the subscriber who transmits? In Aereo’s view, it does not perform. It does no more than supply equipment that “emulate[s] the operation of a home antenna and [digital video recorder (DVR)].” Brief for Respondent 41. Like a home antenna and DVR, Aereo’s equipment simply responds to its subscribers’ directives. So it is only the subscribers who “perform” when they use Aereo’s equipment to stream television programs to themselves.

Considered alone, the language of the Act does not clearly indicate when an entity “perform[s]” (or “transmit[s]”) and when it merely supplies equipment that allows others to do so. But when read in light of its purpose, the Act is unmistakable: An entity that engages in activities like Aereo’s performs.

A

History makes plain that one of Congress’ primary purposes in amending the Copyright Act in 1976 was to overturn this Court’s determination that community antenna television (CATV) systems (the precursors of modern cable systems) fell outside the Act’s scope. In *Fortnightly Corp. v. United Artists Television, Inc.*, [392 U.S. 390](#) (1968), the Court considered a CATV system that carried local television broadcasting, much of which was copyrighted, to its subscribers in two cities. The CATV provider placed antennas on hills above the cities and used coaxial cables to carry the signals received by the antennas to the home television sets of its subscribers. The system amplified and modulated the signals in order to improve their strength and efficiently transmit them to subscribers. A subscriber “could choose any of the ... programs he wished to view by simply turning the knob on his own television set.” *Id.*, at 392. The CATV provider “neither edited the programs received nor originated any programs of its own.” *Ibid.*

Asked to decide whether the CATV provider infringed copyright holders’ exclusive right to perform their works publicly, the Court held that the provider did not “perform” at all. See 17 U.S.C. § 1(c) (1964 ed.) (granting copyright holder the exclusive right to “perform ... in public for profit” a nondramatic literary work), § 1(d) (granting copyright holder the exclusive right to “perform ... publicly” a dramatic work). The Court drew a line: “Broadcasters perform. Viewers do not perform.” [392 U.S., at 398](#)

(footnote omitted). And a CATV provider “falls on the viewer’s side of the line.” *Id.*, at 399.

The Court reasoned that CATV providers were unlike broadcasters:

“Broadcasters select the programs to be viewed; CATV systems simply carry, without editing, whatever programs they receive. Broadcasters procure programs and propagate them to the public; CATV systems receive programs that have been released to the public and carry them by private channels to additional viewers.” *Id.*, at 400.

Instead, CATV providers were more like viewers, for “the basic function [their] equipment serves is little different from that served by the equipment generally furnished by” viewers. *Id.*, at 399. “Essentially,” the Court said, “a CATV system no more than enhances the viewer’s capacity to receive the broadcaster’s signals [by] provid[ing] a well-located antenna with an efficient connection to the viewer’s television set.” *Ibid.* Viewers do not become performers by using “amplifying equipment,” and a CATV provider should not be treated differently for providing viewers the same equipment. *Id.*, at 398-400.

In *Teleprompter Corp. v. Columbia Broadcasting System, Inc.*, [415 U.S. 394](#) (1974), the Court considered the copyright liability of a CATV provider that carried broadcast television programming into subscribers’ homes from hundreds of miles away. Although the Court recognized that a viewer might not be able to afford amplifying equipment that would provide access to those distant signals, it nonetheless found that the CATV provider was more like a viewer than a broadcaster. *Id.*, at 408-409. It explained: “The reception and rechanneling of [broadcast television signals] for simultaneous viewing is essentially a viewer function, irrespective of the distance between the broadcasting station and the ultimate viewer.” *Id.*, at 408.

The Court also recognized that the CATV system exercised some measure of choice over what to transmit. But that fact did not transform the CATV system into a broadcaster. A broadcaster exercises significant creativity in choosing what to air, the Court reasoned. *Id.*, at 410. In contrast, the CATV provider makes an initial choice about which broadcast stations to retransmit, but then “simply carr[ies], without editing, whatever programs [it] receive[s].” *Ibid.* (quoting *Fortnightly*, *supra*, [at 400](#), (alterations in original)).

B

In 1976 Congress amended the Copyright Act in large part to reject the Court’s holdings in *Fortnightly* and *Teleprompter*. See H.R. Rep. No. 94-1476, pp. 86-87 (1976) (hereinafter H.R. Rep.) (The 1976 amendments “completely overturned” this Court’s narrow construction of the Act in *Fortnightly* and *Teleprompter*). Congress enacted new language that erased the Court’s line between broadcaster and viewer, in respect to “perform[ing]” a work. The amended statute clarifies that to “perform” an audiovisual work means “to show its images in any sequence or to make the sounds accompanying it audible.” § 101; see *ibid.* (defining “[a]udiovisual works” as “works that consist of a

series of related images which are intrinsically intended to be shown by the use of machines..., together with accompanying sounds”). Under this new language, both the broadcaster and the viewer of a television program “perform,” because they both show the program’s images and make audible the program’s sounds. See H.R. Rep., at 63 (“[A] broadcasting network is performing when it transmits [a singer’s performance of a song] ... and any individual is performing whenever he or she ... communicates the performance by turning on a receiving set”).

Congress also enacted the Transmit Clause, which specifies that an entity performs publicly when it “transmit[s] ... a performance ... to the public.” § 101; see *id.* (defining “[t]o ‘transmit’ a performance” as “to communicate it by any device or process whereby images or sounds are received beyond the place from which they are sent”). Cable system activities, like those of the CATV systems in *Fortnightly* and *Teleprompter*, lie at the heart of the activities that Congress intended this language to cover. See H.R. Rep., at 63 (“[A] cable television system is performing when it retransmits [a network] broadcast to its subscribers”); see also *id.* (“[T]he concep[t] of public performance ... cover[s] not only the initial rendition or showing, but also any further act by which that rendition or showing is transmitted or communicated to the public”). The Clause thus makes clear that an entity that acts like a CATV system itself performs, even if when doing so, it simply enhances viewers’ ability to receive broadcast television signals.

Congress further created a new section of the Act to regulate cable companies’ public performances of copyrighted works. See § 111. Section 111 creates a complex, highly detailed compulsory licensing scheme that sets out the conditions, including the payment of compulsory fees, under which cable systems may retransmit broadcasts. H.R. Rep., at 88 (Section 111 is primarily “directed at the operation of cable television systems and the terms and conditions of their liability for the retransmission of copyrighted works”).

Congress made these three changes to achieve a similar end: to bring the activities of cable systems within the scope of the Copyright Act.

C

This history makes clear that Aereo is not simply an equipment provider. Rather, Aereo, and not just its subscribers, “perform[s]” (or “transmit[s]”). Aereo’s activities are substantially similar to those of the CATV companies that Congress amended the Act to reach. See *id.*, at 89 (“[C]able systems are commercial enterprises whose basic retransmission operations are based on the carriage of copyrighted program material”). Aereo sells a service that allows subscribers to watch television programs, many of which are copyrighted, almost as they are being broadcast. In providing this service, Aereo uses its own equipment, housed in a centralized warehouse, outside of its users’ homes. By means of its technology (antennas, transcoders, and servers), Aereo’s system “receive[s] programs that have been released to the public and carr[ies] them by private channels to additional viewers.” *Fortnightly*, 392 U.S., at 400. It “carr[ies] ... whatever programs [it] receive[s],” and it offers “all the programming” of each over-the-air station it carries. *Id.*, at 392, 400.

Aereo's equipment may serve a "viewer function"; it may enhance the viewer's ability to receive a broadcaster's programs. It may even emulate equipment a viewer could use at home. But the same was true of the equipment that was before the Court, and ultimately before Congress, in *Fortnightly* and *Teleprompter*.

We recognize, and Aereo and the dissent emphasize, one particular difference between Aereo's system and the cable systems at issue in *Fortnightly* and *Teleprompter*. The systems in those cases transmitted constantly; they sent continuous programming to each subscriber's television set. In contrast, Aereo's system remains inert until a subscriber indicates that she wants to watch a program. Only at that moment, in automatic response to the subscriber's request, does Aereo's system activate an antenna and begin to transmit the requested program.

This is a critical difference, says the dissent. It means that Aereo's subscribers, not Aereo, "selec[t] the copyrighted content" that is "perform[ed]," post (opinion of SCALIA, J.), and for that reason they, not Aereo, "transmit" the performance. Aereo is thus like "a copy shop that provides its patrons with a library card." Post. A copy shop is not directly liable whenever a patron uses the shop's machines to "reproduce" copyrighted materials found in that library. See § 106(1) ("exclusive righ[t] ... to reproduce the copyrighted work"). And by the same token, Aereo should not be directly liable whenever its patrons use its equipment to "transmit" copyrighted television programs to their screens.

In our view, however, the dissent's copy shop argument, in whatever form, makes too much out of too little. Given Aereo's overwhelming likeness to the cable companies targeted by the 1976 amendments, this sole technological difference between Aereo and traditional cable companies does not make a critical difference here. The subscribers of the *Fortnightly* and *Teleprompter* cable systems also selected what programs to display on their receiving sets. Indeed, as we explained in *Fortnightly*, such a subscriber "could choose any of the ... programs he wished to view by simply turning the knob on his own television set." [392 U.S., at 392](#). The same is true of an Aereo subscriber. Of course, in *Fortnightly* the television signals, in a sense, lurked behind the screen, ready to emerge when the subscriber turned the knob. Here the signals pursue their ordinary course of travel through the universe until today's "turn of the knob"—a click on a website—activates machinery that intercepts and reroutes them to Aereo's subscribers over the Internet. But this difference means nothing to the subscriber. It means nothing to the broadcaster. We do not see how this single difference, invisible to subscriber and broadcaster alike, could transform a system that is for all practical purposes a traditional cable system into "a copy shop that provides its patrons with a library card."

In other cases involving different kinds of service or technology providers, a user's involvement in the operation of the provider's equipment and selection of the content transmitted may well bear on whether the provider performs within the meaning of the Act. But the many similarities between Aereo and cable companies, considered in light

of Congress' basic purposes in amending the Copyright Act, convince us that this difference is not critical here. We conclude that Aereo is not just an equipment supplier and that Aereo "perform[s]."

III

Next, we must consider whether Aereo performs petitioners' works "publicly," within the meaning of the Transmit Clause. Under the Clause, an entity performs a work publicly when it "transmit[s]... a performance ... of the work ... to the public." § 101. Aereo denies that it satisfies this definition. It reasons as follows: First, the "performance" it "transmit[s]" is the performance created by its act of transmitting. And second, because each of these performances is capable of being received by one and only one subscriber, Aereo transmits privately, not publicly. Even assuming Aereo's first argument is correct, its second does not follow.

We begin with Aereo's first argument. What performance does Aereo transmit? Under the Act, "[t]o 'transmit' a performance... is to communicate it by any device or process whereby images or sounds are received beyond the place from which they are sent." *Ibid.* And "[t]o 'perform'" an audiovisual work means "to show its images in any sequence or to make the sounds accompanying it audible." *Ibid.*

Petitioners say Aereo transmits a prior performance of their works. Thus when Aereo retransmits a network's prior broadcast, the underlying broadcast (itself a performance) is the performance that Aereo transmits. Aereo, as discussed above, says the performance it transmits is the new performance created by its act of transmitting. That performance comes into existence when Aereo streams the sounds and images of a broadcast program to a subscriber's screen.

We assume *arguendo* that Aereo's first argument is correct. Thus, for present purposes, to transmit a performance of (at least) an audiovisual work means to communicate contemporaneously visible images and contemporaneously audible sounds of the work. When an Aereo subscriber selects a program to watch, Aereo streams the program over the Internet to that subscriber. Aereo thereby "communicate[s]" to the subscriber, by means of a "device or process," the work's images and sounds. § 101. And those images and sounds are contemporaneously visible and audible on the subscriber's computer (or other Internet-connected device). So under our assumed definition, Aereo transmits a performance whenever its subscribers watch a program.

But what about the Clause's further requirement that Aereo transmit a performance "to the public"? As we have said, an Aereo subscriber receives broadcast television signals with an antenna dedicated to him alone. Aereo's system makes from those signals a personal copy of the selected program. It streams the content of the copy to the same subscriber and to no one else. One and only one subscriber has the ability to see and hear each Aereo transmission. The fact that each transmission is to only one subscriber, in Aereo's view, means that it does not transmit a performance "to the public."

In terms of the Act's purposes, these differences do not distinguish Aereo's system from cable systems, which do perform "publicly." Viewed in terms of Congress' regu-

latory objectives, why should any of these technological differences matter? They concern the behind-the-scenes way in which Aereo delivers television programming to its viewers' screens. They do not render Aereo's commercial objective any different from that of cable companies. Nor do they significantly alter the viewing experience of Aereo's subscribers. Why would a subscriber who wishes to watch a television show care much whether images and sounds are delivered to his screen via a large multisubscriber antenna or one small dedicated antenna, whether they arrive instantaneously or after a few seconds' delay, or whether they are transmitted directly or after a personal copy is made? And why, if Aereo is right, could not modern CATV systems simply continue the same commercial and consumer-oriented activities, free of copyright restrictions, provided they substitute such new technologies for old? Congress would as much have intended to protect a copyright holder from the unlicensed activities of Aereo as from those of cable companies.

The text of the Clause effectuates Congress' intent. Aereo's argument to the contrary relies on the premise that "to transmit ... a performance" means to make a single transmission. But the Clause suggests that an entity may transmit a performance through multiple, discrete transmissions. That is because one can "transmit" or "communicate" something through a set of actions. Thus one can transmit a message to one's friends, irrespective of whether one sends separate identical e-mails to each friend or a single e-mail to all at once. So can an elected official communicate an idea, slogan, or speech to her constituents, regardless of whether she communicates that idea, slogan, or speech during individual phone calls to each constituent or in a public square.

The fact that a singular noun ("a performance") follows the words "to transmit" does not suggest the contrary. One can sing a song to his family, whether he sings the same song one-on-one or in front of all together. Similarly, one's colleagues may watch a performance of a particular play—say, this season's modern-dress version of "Measure for Measure"—whether they do so at separate or at the same showings. By the same principle, an entity may transmit a performance through one or several transmissions, where the performance is of the same work.

The Transmit Clause must permit this interpretation, for it provides that one may transmit a performance to the public "whether the members of the public capable of receiving the performance ... receive it ... at the same time or at different times." § 101. Were the words "to transmit ... a performance" limited to a single act of communication, members of the public could not receive the performance communicated "at different times." Therefore, in light of the purpose and text of the Clause, we conclude that when an entity communicates the same contemporaneously perceptible images and sounds to multiple people, it transmits a performance to them regardless of the number of discrete communications it makes.

We do not see how the fact that Aereo transmits via personal copies of programs could make a difference. The Act applies to transmissions "by means of any device or process." *Ibid.* And retransmitting a television program using user-specific copies is a "process" of transmitting a performance. A "cop[y]" of a work is simply a "material

objec[t] ... in which a work is fixed ... and from which the work can be perceived, reproduced, or otherwise communicated.” Ibid. So whether Aereo transmits from the same or separate copies, it performs the same work; it shows the same images and makes audible the same sounds. Therefore, when Aereo streams the same television program to multiple subscribers, it “transmit[s] ... a performance” to all of them.

Moreover, the subscribers to whom Aereo transmits television programs constitute “the public.” Aereo communicates the same contemporaneously perceptible images and sounds to a large number of people who are unrelated and unknown to each other. This matters because, although the Act does not define “the public,” it specifies that an entity performs publicly when it performs at “any place where a substantial number of persons outside of a normal circle of a family and its social acquaintances is gathered.” Ibid. The Act thereby suggests that “the public” consists of a large group of people outside of a family and friends.

Neither the record nor Aereo suggests that Aereo’s subscribers receive performances in their capacities as owners or possessors of the underlying works. This is relevant because when an entity performs to a set of people, whether they constitute “the public” often depends upon their relationship to the underlying work. When, for example, a valet parking attendant returns cars to their drivers, we would not say that the parking service provides cars “to the public.” We would say that it provides the cars to their owners. We would say that a car dealership, on the other hand, does provide cars to the public, for it sells cars to individuals who lack a pre-existing relationship to the cars. Similarly, an entity that transmits a performance to individuals in their capacities as owners or possessors does not perform to “the public,” whereas an entity like Aereo that transmits to large numbers of paying subscribers who lack any prior relationship to the works does so perform.

Finally, we note that Aereo’s subscribers may receive the same programs at different times and locations. This fact does not help Aereo, however, for the Transmit Clause expressly provides that an entity may perform publicly “whether the members of the public capable of receiving the performance ... receive it in the same place or in separate places and at the same time or at different times.” Ibid. In other words, “the public” need not be situated together, spatially or temporally. For these reasons, we conclude that Aereo transmits a performance of petitioners’ copyrighted works to the public, within the meaning of the Transmit Clause.

IV

Aereo and many of its supporting amici argue that to apply the Transmit Clause to Aereo’s conduct will impose copyright liability on other technologies, including new technologies, that Congress could not possibly have wanted to reach. We agree that Congress, while intending the Transmit Clause to apply broadly to cable companies and their equivalents, did not intend to discourage or to control the emergence or use of different kinds of technologies. But we do not believe that our limited holding today will have that effect.

For one thing, the history of cable broadcast transmissions that led to the enactment of the Transmit Clause informs our conclusion that Aereo “perform[s],” but it does not determine whether different kinds of providers in different contexts also “perform.” For another, an entity only transmits a performance when it communicates contemporaneously perceptible images and sounds of a work.

Further, we have interpreted the term “the public” to apply to a group of individuals acting as ordinary members of the public who pay primarily to watch broadcast television programs, many of which are copyrighted. We have said that it does not extend to those who act as owners or possessors of the relevant product. And we have not considered whether the public performance right is infringed when the user of a service pays primarily for something other than the transmission of copyrighted works, such as the remote storage of content. See Brief for United States as Amicus Curiae 31 (distinguishing cloud-based storage services because they “offer consumers more numerous and convenient means of playing back copies that the consumers have *already* lawfully acquired” (emphasis in original)). In addition, an entity does not transmit to the public if it does not transmit to a substantial number of people outside of a family and its social circle.

We also note that courts often apply a statute’s highly general language in light of the statute’s basic purposes. Finally, the doctrine of “fair use” can help to prevent inappropriate or inequitable applications of the Clause. See *Sony Corp. of America v. Universal City Studios, Inc.*, [464 U.S. 417](#). (1984).

We cannot now answer more precisely how the Transmit Clause or other provisions of the Copyright Act will apply to technologies not before us. We agree with the Solicitor General that “[q]uestions involving cloud computing, [remote storage] DVRs, and other novel issues not before the Court, as to which ‘Congress has not plainly marked [the] course,’ should await a case in which they are squarely presented.” Brief for United States as Amicus Curiae 34 (quoting *Sony*, *supra*, [at 431](#) (alteration in original)). And we note that, to the extent commercial actors or other interested entities may be concerned with the relationship between the development and use of such technologies and the Copyright Act, they are of course free to seek action from Congress. Cf. Digital Millennium Copyright Act, 17 U.S.C. § 512.

* * *

In sum, having considered the details of Aereo’s practices, we find them highly similar to those of the CATV systems in *Fortnightly* and *Teleprompter*. And those are activities that the 1976 amendments sought to bring within the scope of the Copyright Act. Insofar as there are differences, those differences concern not the nature of the service that Aereo provides so much as the technological manner in which it provides the service. We conclude that those differences are not adequate to place Aereo’s activities outside the scope of the Act.

For these reasons, we conclude that Aereo “perform[s]” petitioners’ copyrighted works “publicly,” as those terms are defined by the Transmit Clause. We therefore reverse the contrary judgment of the Court of Appeals, and we remand the case for further proceedings consistent with this opinion.

It is so ordered.

JUSTICE SCALIA, with whom JUSTICE THOMAS and JUSTICE ALITO join, dissenting. This case is the latest skirmish in the long-running copyright battle over the delivery of television programming. Petitioners, a collection of television networks and affiliates (Networks), broadcast copyrighted programs on the public airwaves for all to see. Aereo, respondent, operates an automated system that allows subscribers to receive, on Internet-connected devices, programs that they select, including the Networks' copyrighted programs. The Networks sued Aereo for several forms of copyright infringement, but we are here concerned with a single claim: that Aereo violates the Networks' "exclusive righ[t]" to "perform" their programs "publicly." 17 U.S.C. § 106(4). That claim fails at the very outset because Aereo does not "perform" at all. The Court manages to reach the opposite conclusion only by disregarding widely accepted rules for service-provider liability and adopting in their place an improvised standard ("looks-like-cable-TV") that will sow confusion for years to come.

I. Legal Standard

*** The Networks claim that Aereo directly infringes their public-performance right. Accordingly, the Networks must prove that Aereo "perform[s]" copyrighted works, § 106(4), when its subscribers log in, select a channel, and push the "watch" button. That process undoubtedly results in a performance; the question is who does the performing. See *Cartoon Network LP, LLLP v. CSC Holdings, Inc.*, [536 F.3d 121, 130](#) (C.A.2 2008). If Aereo's subscribers perform but Aereo does not, the claim necessarily fails.

The Networks' claim is governed by a simple but profoundly important rule: A defendant may be held directly liable only if it has engaged in volitional conduct that violates the Act. This requirement is firmly grounded in the Act's text, which defines "perform" in active, affirmative terms: One "perform[s]" a copyrighted "audiovisual work," such as a movie or news broadcast, by "show[ing] its images in any sequence" or "mak[ing] the sounds accompanying it audible." § 101. And since the Act makes it unlawful to copy or perform copyrighted works, not to copy or perform in general, see § 501(a), the volitional-act requirement demands conduct directed to the plaintiff's copyrighted material, see *Sony*, *supra*, [at 434](#). *** Although we have not opined on the issue, our cases are fully consistent with a volitional-conduct requirement. For example, we gave several examples of direct infringement in *Sony*, each of which involved a volitional act directed to the plaintiff's copyrighted material. See [464 U.S., at 437, n. 18](#).

The volitional-conduct requirement is not at issue in most direct-infringement cases; the usual point of dispute is whether the defendant's conduct is infringing (e.g., Does the defendant's design copy the plaintiff's?), rather than whether the defendant has acted at all (e.g., Did this defendant create the infringing design?). But it comes right to the fore when a direct-infringement claim is lodged against a defendant who does nothing more than operate an automated, user-controlled system. Internet-service providers are a prime example. When one user sends data to another, the provider's equipment facilitates the transfer automatically. Does that mean that the provider is directly liable

when the transmission happens to result in the “reproduc[tion],” § 106(1), of a copyrighted work? It does not. The provider’s system is “totally indifferent to the material’s content,” whereas courts require “some aspect of volition” directed at the copyrighted material before direct liability may be imposed. *CoStar*, 373 F.3d, at 550-551. The defendant may be held directly liable only if the defendant itself “trespassed on the exclusive domain of the copyright owner.” *Id.*, at 550. Most of the time that issue will come down to who selects the copyrighted content: the defendant or its customers.

A comparison between copy shops and video-on-demand services illustrates the point. A copy shop rents out photocopiers on a per-use basis. One customer might copy his 10-year-old’s drawings—a perfectly lawful thing to do—while another might duplicate a famous artist’s copyrighted photographs—a use clearly prohibited by § 106(1). Either way, the customer chooses the content and activates the copying function; the photocopier does nothing except in response to the customer’s commands. Because the shop plays no role in selecting the content, it cannot be held directly liable when a customer makes an infringing copy. See *CoStar*, *supra*, at 550.

Video-on-demand services, like photocopiers, respond automatically to user input, but they differ in one crucial respect: They choose the content. When a user signs in to Netflix, for example, “thousands of ... movies [and] TV episodes” carefully curated by Netflix are “available to watch instantly.” See How [D]oes Netflix [W]ork?, online at <http://help.netflix.com/en/node/412> (as visited June 20, 2014, and available in Clerk of Court’s case file). That selection and arrangement by the service provider constitutes a volitional act directed to specific copyrighted works and thus serves as a basis for direct liability.

The distinction between direct and secondary liability would collapse if there were not a clear rule for determining whether the defendant committed the infringing act. The volitional-conduct requirement supplies that rule; its purpose is not to excuse defendants from accountability, but to channel the claims against them into the correct analytical track. Thus, in the example given above, the fact that the copy shop does not choose the content simply means that its culpability will be assessed using secondary-liability rules rather than direct-liability rules.

II. Application to Aereo

So which is Aereo: the copy shop or the video-on-demand service? In truth, it is neither. Rather, it is akin to a copy shop that provides its patrons with a library card. Aereo offers access to an automated system consisting of routers, servers, transcoders, and dime-sized antennae. Like a photocopier or VCR, that system lies dormant until a subscriber activates it. When a subscriber selects a program, Aereo’s system picks up the relevant broadcast signal, translates its audio and video components into digital data, stores the data in a user-specific file, and transmits that file’s contents to the subscriber via the Internet—at which point the subscriber’s laptop, tablet, or other device displays the broadcast just as an ordinary television would. The result of that process fits the statutory definition of a performance to a tee: The subscriber’s device “show[s]” the broadcast’s “images” and “make[s] the sounds accompanying” the broadcast “audible.”

§ 101. The only question is whether those performances are the product of Aereo's volitional conduct.

They are not. Unlike video-on-demand services, Aereo does not provide a prearranged assortment of movies and television shows. Rather, it assigns each subscriber an antenna that—like a library card—can be used to obtain whatever broadcasts are freely available. Some of those broadcasts are copyrighted; others are in the public domain. The key point is that subscribers call all the shots: Aereo's automated system does not relay any program, copyrighted or not, until a subscriber selects the program and tells Aereo to relay it. Aereo's operation of that system is a volitional act and a but-for cause of the resulting performances, but, as in the case of the copy shop, that degree of involvement is not enough for direct liability.

In sum, Aereo does not “perform” for the sole and simple reason that it does not make the choice of content. And because Aereo does not perform, it cannot be held directly liable for infringing the Networks' public-performance right. That conclusion does not necessarily mean that Aereo's service complies with the Copyright Act. Quite the contrary. The Networks' complaint alleges that Aereo is directly and secondarily liable for infringing their public-performance rights (§ 106(4)) and also their reproduction rights (§ 106(1)). Their request for a preliminary injunction—the only issue before this Court—is based exclusively on the direct-liability portion of the public-performance claim (and further limited to Aereo's “watch” function, as opposed to its “record” function). Affirming the judgment below would merely return this case to the lower courts for consideration of the Networks' remaining claims.

III. Guilt By Resemblance

The Court's conclusion that Aereo performs boils down to the following syllogism: (1) Congress amended the Act to overrule our decisions holding that cable systems do not perform when they retransmit over-the-air broadcasts; (2) Aereo looks a lot like a cable system; therefore (3) Aereo performs. That reasoning suffers from a trio of defects.

First, it is built on the shakiest of foundations. Perceiving the text to be ambiguous, the Court reaches out to decide the case based on a few isolated snippets of legislative history, *ante* (citing H.R. Rep. No. 94-1476 (1976)). The Court treats those snippets as authoritative evidence of congressional intent even though they come from a single report issued by a committee whose members make up a small fraction of one of the two Houses of Congress. Little else need be said here about the severe shortcomings of that interpretative methodology.

Second, the Court's reasoning fails on its own terms because there are material differences between the cable systems at issue in *Teleprompter Corp. v. Columbia Broadcasting System, Inc.*, [415 U.S. 394](#) (1974), and *Fortnightly Corp. v. United Artists Television, Inc.*, [392 U.S. 390](#) (1968), on the one hand and Aereo on the other. The former (which were then known as community-antenna television systems) captured the full range of broadcast signals and forwarded them to all subscribers at all times, whereas Aereo transmits only specific programs selected by the user, at specific times selected by the user. The Court acknowledges this distinction but blithely concludes that it “does not

make a critical difference.” Ante. Even if that were true, the Court fails to account for other salient differences between the two technologies. Though cable systems started out essentially as dumb pipes that routed signals from point A to point B, see ante, by the 1970’s, that kind of service “no longer exist[ed],” Brief for Petitioners in *Columbia Broadcasting System, Inc. v. Teleprompter Corp.*, O.T. 1973, No. 72-1633, p. 22. At the time of our *Teleprompter* decision, cable companies “perform[ed] the same functions as ‘broadcasters’ by deliberately selecting and importing distant signals, originating programs, [and] selling commercials,” id., at 20, thus making them curators of content—more akin to video-on-demand services than copy shops. So far as the record reveals, Aereo does none of those things.

Third, and most importantly, even accepting that the 1976 amendments had as their purpose the overruling of our cable-TV cases, what they were meant to do and how they did it are two different questions—and it is the latter that governs the case before us here. The injury claimed is not violation of a law that says operations similar to cable TV are subject to copyright liability, but violation of § 106(4) of the Copyright Act. And whatever soothing reasoning the Court uses to reach its result (“this looks like cable TV”), the consequence of its holding is that someone who implements this technology “perform[s]” under that provision. That greatly disrupts settled jurisprudence which, before today, applied the straightforward, bright-line test of volitional conduct directed at the copyrighted work. If that test is not outcome determinative in this case, presumably it is not outcome determinative elsewhere as well. And it is not clear what the Court proposes to replace it. Perhaps the Court means to adopt (invent, really) a two-tier version of the Copyright Act, one part of which applies to “cable companies and their equivalents” while the other governs everyone else. Ante.

The rationale for the Court’s ad hoc rule for cable-system lookalikes is so broad that it renders nearly a third of the Court’s opinion superfluous. Part II of the opinion concludes that Aereo performs because it resembles a cable company, and Congress amended the Act in 1976 “to bring the activities of cable systems within [its] scope.” Ante. Part III of the opinion purports to address separately the question whether Aereo performs “publicly.” Trouble is, that question cannot remain open if Congress’s supposed intent to regulate whatever looks like a cable company must be given legal effect (as the Court says in Part II). The Act reaches only public performances, see § 106(4), so Congress could not have regulated “the activities of cable systems” without deeming their retransmissions public performances. The upshot is this: If Aereo’s similarity to a cable company means that it performs, then by necessity that same characteristic means that it does so publicly, and Part III of the Court’s opinion discusses an issue that is no longer relevant—though discussing it certainly gives the opinion the “feel” of real textual analysis.

Making matters worse, the Court provides no criteria for determining when its cable-TV-lookalike rule applies. Must a defendant offer access to live television to qualify? If similarity to cable-television service is the measure, then the answer must be yes. But consider the implications of that answer: Aereo would be free to do exactly what it is doing right now so long as it built mandatory time shifting into its “watch” function.

Aereo would not be providing live television if it made subscribers wait to tune in until after a show's live broadcast ended. A subscriber could watch the 7 p.m. airing of a 1-hour program any time after 8 p.m. Assuming the Court does not intend to adopt such a do-nothing rule (though it very well may), there must be some other means of identifying who is and is not subject to its guilt-by-resemblance regime.

Two other criteria come to mind. One would cover any automated service that captures and stores live television broadcasts at a user's direction. That can't be right, since it is exactly what remote storage digital video recorders (RS-DVRs) do, see *Cartoon Network*, [536 F.3d, at 124-125](#), and the Court insists that its "limited holding" does not decide the fate of those devices. The other potential benchmark is the one offered by the Government: The cable-TV-lookalike rule embraces any entity that "operates an integrated system, substantially dependent on physical equipment that is used in common by [its] subscribers." Brief for United States as Amicus Curiae 20. The Court sensibly avoids that approach because it would sweep in Internet service providers and a host of other entities that quite obviously do not perform.

That leaves as the criterion of cable-TV-resemblance nothing but th'ol' totality-of-the-circumstances test (which is not a test at all but merely assertion of an intent to perform test-free, ad hoc, case-by-case evaluation). It will take years, perhaps decades, to determine which automated systems now in existence are governed by the traditional volitional-conduct test and which get the Aereo treatment. (And automated systems now in contemplation will have to take their chances.) The Court vows that its ruling will not affect cloud-storage providers and cable-television systems, ut it cannot deliver on that promise given the imprecision of its result-driven rule. Indeed, the difficulties inherent in the Court's makeshift approach will become apparent in this very case. Today's decision addresses the legality of Aereo's "watch" function, which provides nearly contemporaneous access to live broadcasts. On remand, one of the first questions the lower courts will face is whether Aereo's "record" function, which allows subscribers to save a program while it is airing and watch it later, infringes the Networks' public-performance right. The volitional-conduct rule provides a clear answer to that question: Because Aereo does not select the programs viewed by its users, it does not perform. But it is impossible to say how the issue will come out under the Court's analysis, since cable companies did not offer remote recording and playback services when Congress amended the Copyright Act in 1976.

* * *

I share the Court's evident feeling that what Aereo is doing (or enabling to be done) to the Networks' copyrighted programming ought not to be allowed. But perhaps we need not distort the Copyright Act to forbid it. As discussed at the outset, Aereo's secondary liability for performance infringement is yet to be determined, as is its primary and secondary liability for reproduction infringement. If that does not suffice, then (assuming one shares the majority's estimation of right and wrong) what we have before us must be considered a "loophole" in the law. It is not the role of this Court to identify and plug loopholes. It is the role of good lawyers to identify and exploit them, and the role of Congress to eliminate them if it wishes. Congress can do that, I may add, in a

much more targeted, better informed, and less disruptive fashion than the crude “looks-like-cable-TV” solution the Court invents today.

We came within one vote of declaring the VCR contraband 30 years ago in *Sony*. See [464 U.S., at 441, n. 21](#). The dissent in that case was driven in part by the plaintiffs’ prediction that VCR technology would wreak all manner of havoc in the television and movie industries. See *id.*, at 483_ (opinion of Blackmun, J.).

The Networks make similarly dire predictions about Aereo. We are told that nothing less than “the very existence of broadcast television as we know it” is at stake. Brief for Petitioners 39. Aereo and its amici dispute those forecasts and make a few of their own, suggesting that a decision in the Networks’ favor will stifle technological innovation and imperil billions of dollars of investments in cloud-storage services. We are in no position to judge the validity of those self-interested claims or to foresee the path of future technological development. See *Sony, supra*, [at 430-431](#). Hence, the proper course is not to bend and twist the Act’s terms in an effort to produce a just outcome, but to apply the law as it stands and leave to Congress the task of deciding whether the Copyright Act needs an upgrade. I conclude, as the Court concluded in *Sony*: “It may well be that Congress will take a fresh look at this new technology, just as it so often has examined other innovations in the past. But it is not our job to apply laws that have not yet been written. Applying the copyright statute, as it now reads, to the facts as they have been developed in this case, the judgment of the Court of Appeals must be [affirmed].” [464 U.S., at 456](#).

I respectfully dissent.

Williams v. Gaye

895 F.3d 1106 (9th Cir. 2018)

M. SMITH, Circuit Judge: After a seven-day trial and two days of deliberation, a jury found that Pharrell Williams, Robin Thicke, and Clifford Harris, Jr.’s song “Blurred Lines,” the world’s best-selling single in 2013, infringed Frankie Christian Gaye, Nona Marvisa Gaye, and Marvin Gaye III’s copyright in Marvin Gaye’s 1977 hit song “Got To Give It Up.” Three consolidated appeals followed.

Appellants and Cross-Appellees Williams, Thicke, Harris, and More Water from Nazareth Publishing, Inc. (collectively, Thicke Parties) appeal from the district court’s judgment. They urge us to reverse the district court’s denial of their motion for summary judgment and direct the district court to enter judgment in their favor. In the alternative, they ask us to vacate the judgment and remand the case for a new trial, on grounds of instructional error, improper admission of expert testimony, and lack of evidence supporting the verdict. If a new trial is not ordered, they request that we reverse or vacate the jury’s awards of actual damages and infringer’s profits, and the district court’s imposition of a running royalty. Finally, they seek reversal of the judgment against Harris, challenging the district court’s decision to overturn the jury’s general verdict finding in Harris’s favor. ***

Appellees and Cross-Appellants Frankie Christian Gaye, Nona Marvisa Gaye, and Marvin Gaye III (collectively, Gayes) *** protectively cross-appeal the district court’s ruling limiting the scope of the Gayes’ compositional copyright to the four corners of the sheet music deposited with the United States Copyright Office. In the event a new trial is ordered, the Gayes urge us to hold that Marvin Gaye’s studio recording of “Got To Give It Up,” rather than the deposit copy, establishes the scope of the Gayes’ copyright under the Copyright Act of 1909. ***

FACTUAL AND PROCEDURAL BACKGROUND

A. “Got To Give It Up”

In 1976, Marvin Gaye recorded the song “Got To Give It Up” in his studio. “Got To Give It Up” reached number one on Billboard’s Hot 100 chart in 1977, and remains popular today.

In 1977, Jobete Music Company, Inc. registered “Got To Give It Up” with the United States Copyright Office and deposited six pages of handwritten sheet music attributing the song’s words and music to Marvin Gaye. Marvin Gaye did not write or fluently read sheet music, and did not prepare the deposit copy. Instead, an unidentified transcriber notated the sheet music after Marvin Gaye recorded “Got To Give It Up.”

The Gayes inherited the copyrights in Marvin Gaye’s musical compositions.

B. “Blurred Lines”

In June 2012, Pharrell Williams and Robin Thicke wrote and recorded “Blurred Lines.” Clifford Harris, Jr., known popularly as T.I., separately wrote and recorded a rap verse

for “Blurred Lines” that was added to the track seven months later. “Blurred Lines” was the best-selling single in the world in 2013.

Thicke, Williams, and Harris co-own the musical composition copyright in “Blurred Lines.” Star Trak and Interscope Records co-own the sound recording of “Blurred Lines.” Universal Music Distribution manufactured and distributed “Blurred Lines.”

C. The Action

The Gayes made an infringement demand on Williams and Thicke after hearing “Blurred Lines.” Negotiations failed, prompting Williams, Thicke, and Harris to file suit for a declaratory judgment of non-infringement on August 15, 2013.

The Gayes counterclaimed against the Thicke Parties, alleging that “Blurred Lines” infringed their copyright in “Got To Give It Up,” and added the Interscope Parties as third-party defendants.

D. The District Court’s Denial of Summary Judgment

The district court denied Williams and Thicke’s motion for summary judgment on October 30, 2014.

1. The District Court’s Interpretation of the Copyright Act of 1909

The district court ruled that the Gayes’ compositional copyright, which is governed by the Copyright Act of 1909, did not extend to the commercial sound recording of “Got To Give It Up,” and protected only the sheet music deposited with the Copyright Office. The district court accordingly limited its review of the evidence to the deposit copy, and concluded there were genuine issues of material fact.

2. The Evidence

The Thicke Parties relied upon the opinion of musicologist Sandy Wilbur. The Gayes relied upon the opinions of Dr. Ingrid Monson, the Quincy Jones Professor of African American Music at Harvard University, and musicologist Judith Finell. The experts disagreed sharply in their opinions, which they articulated in lengthy reports.

Finell opined that there is a “constellation” of eight similarities between “Got To Give It Up” and “Blurred Lines,” consisting of the signature phrase, hooks, hooks with backup vocals, “Theme X,” backup hooks, bass melodies, keyboard parts, and unusual percussion choices.

Wilbur opined that there are no substantial similarities between the melodies, rhythms, harmonies, structures, and lyrics of “Blurred Lines” and “Got To Give It Up,” and disputed each area of similarity Finell identified. The district court compared Finell’s testimony with Wilbur’s and, pursuant to the extrinsic test under copyright law, meticulously filtered out elements Wilbur opined were not in the deposit copy, such as the backup vocals, “Theme X,” descending bass line, keyboard rhythms, and percussion parts.

The district court also filtered out several unprotectable similarities Dr. Monson identified, including the use of a cowbell, hand percussion, drum set parts, background

vocals, and keyboard parts. After filtering out those elements, the district court considered Dr. Monson's analysis of harmonic and melodic similarities between the songs, and noted differences between Wilbur's and Dr. Monson's opinions.

After performing its analytical dissection, as part of the extrinsic test, the district court summarized the remaining areas of dispute in the case. The district court identified disputes regarding the similarity of the songs' signature phrases, hooks, bass lines, keyboard chords, harmonic structures, and vocal melodies. Concluding that genuine issues of material fact existed, the district court denied Williams and Thicke's motion for summary judgment.

E. Trial

The case proceeded to a seven-day trial. The district court ruled before trial that the Gayes could present sound recordings of "Got To Give It Up" edited to capture only elements reflected in the deposit copy. Consequently, the commercial sound recording of "Got To Give It Up" was not played at trial.

Williams and Thicke testified, each acknowledging inspiration from Marvin Gaye and access to "Got To Give It Up."

Finell testified that "Blurred Lines" and "Got To Give It Up" share many similarities, including the bass lines, keyboard parts, signature phrases, hooks, "Theme X," bass melodies, word painting, and the placement of the rap and "parlando" sections in the two songs. She opined that nearly every bar of "Blurred Lines" contains an element similar to "Got To Give It Up." Although the district court had filtered out "Theme X," the descending bass line, and the keyboard rhythms as unprotectable at summary judgment, Finell testified that those elements were in the deposit copy.

Dr. Monson played three audio-engineered "mash-ups" she created to show the melodic and harmonic compatibility between "Blurred Lines" and "Got To Give It Up." She testified that the two songs shared structural similarities on a sectional and phrasing level.

Wilbur opined that the two songs are not substantially similar and disputed Finell and Dr. Monson's opinions. Wilbur prepared and played a sound recording containing her rendition of the deposit copy of "Got To Give It Up."

Neither the Thicke Parties nor the Gayes made a motion for judgment as a matter of law pursuant to Federal Rule of Civil Procedure 50(a) before the case was submitted to the jury.

On March 10, 2015, after two days of deliberation, the jury returned mixed general verdicts. The jury found that Williams, More Water from Nazareth Publishing, and Thicke infringed the Gayes' copyright in "Got To Give It Up." In contrast, the jury found that Harris and the Interscope Parties were not liable for infringement. The jury awarded the Gayes \$4 million in actual damages, \$1,610,455.31 in infringer's profits from Williams and More Water from Nazareth Publishing, and \$1,768,191.88 in infringer's profits from Thicke. ***

ANALYSIS

I. Governing Law

We begin by discussing the law applicable to this case.

A. Elements of a Copyright Infringement Claim

To prevail on a copyright infringement claim, a plaintiff must show that (1) he or she owns the copyright in the infringed work, and (2) the defendant copied protected elements of the copyrighted work. *Swirsky v. Carey*, [376 F.3d 841, 844](#) (9th Cir. 2004). A copyright plaintiff may prove copying with circumstantial, rather than direct, evidence. *Three Boys Music Corp. v. Bolton*, [212 F.3d 477, 481](#) (9th Cir. 2000). “Absent direct evidence of copying, proof of infringement involves fact-based showings that the defendant had ‘access’ to the plaintiff’s work and that the two works are ‘substantially similar.’” Id. (quoting *Smith v. Jackson*, [84 F.3d 1213, 1218](#) (9th Cir. 1996)).

We use a two-part test for substantial similarity: an extrinsic test and an intrinsic test. For a jury to find substantial similarity, there must be evidence on both the extrinsic and intrinsic tests. A district court applies only the extrinsic test on a motion for summary judgment, as the intrinsic test is reserved exclusively for the trier of fact.

The extrinsic test is objective. *Swirsky*, [376 F.3d at 845](#). It “considers whether two works share a similarity of ideas and expression as measured by external, objective criteria.” Id. Application of “[t]he extrinsic test requires ‘analytical dissection of a work and expert testimony.’” Id. (quoting *Three Boys Music*, [212 F.3d at 485](#)). An analytical dissection, in turn, “requires breaking the works ‘down into their constituent elements, and comparing those elements for proof of copying as measured by ‘substantial similarity.’” Id. (quoting *Rice v. Fox Broad. Co.*, [148 F.Supp.2d 1029, 1051](#) (C.D. Cal. 2001)).

The intrinsic test, on the other hand, is subjective. *Three Boys Music*, [212 F.3d at 485](#). It “asks ‘whether the ordinary, reasonable person would find the total concept and feel of the works to be substantially similar.’” Id. (quoting *Pasillas v. McDonald’s Corp.*, [927 F.2d 440, 442](#) (9th Cir. 1991)).

“Because the requirement is one of substantial similarity to protected elements of the copyrighted work, it is essential to distinguish between the protected and unprotected material in a plaintiff’s work.” *Swirsky*, [376 F.3d at 845](#). Still, “substantial similarity can be found a combination of elements, even if those elements are individually unprotected.” Id. at 848. This principle finds particular relevance in application of the intrinsic test, as a trier of fact may “find that the over-all impact and effect indicate substantial appropriation,” even if “any one similarity taken by itself seems trivial.” *Sid & Marty Krofft Television Prods., Inc. v. McDonald’s Corp.*, [562 F.2d 1157, 1169](#) (9th Cir. 1977) (quoting *Malkin v. Dubinsky*, [146 F.Supp. 111, 114](#) (S.D.N.Y. 1956)), superseded in part on other grounds, 17 U.S.C. § 504(b).

B. The Standard of Similarity for Musical Compositions

We have distinguished between “broad” and “thin” copyright protection based on the “range of expression” involved. *Mattel, Inc. v. MGA Entm’t, Inc.*, [616 F.3d 904, 913-14](#)

(9th Cir. 2010). “If there’s a wide range of expression ..., then copyright protection is ‘broad’ and a work will infringe if it’s ‘substantially similar’ to the copyrighted work.” *Id.* (citation omitted). On the other hand, “[i]f there’s only a narrow range of expression ..., then copyright protection is ‘thin’ and a work must be ‘virtually identical’ to infringe.” *Id.* at 914 (citation omitted). To illustrate, there are a myriad of ways to make an “aliens-attack movie,” but “there are only so many ways to paint a red bouncy ball on blank canvas.” *Id.* at 913-14. Whereas the former deserves broad copyright protection, the latter merits only thin copyright protection. See *id.*

We reject the ‘Thicke Parties’ argument that the Gayes’ copyright enjoys only thin protection. Musical compositions are not confined to a narrow range of expression. See *Smirsky*, [376 F.3d at 849](#) (noting that “[m]usic ... is not capable of ready classification into only five or six constituent elements,” but “is comprised of a large array of elements”). *** [A]s we have observed previously, “[m]usic ... is not capable of ready classification into only five or six constituent elements,” but is instead “comprised of a large array of elements, some combination of which is protectable by copyright.” *Smirsky*, [376 F.3d at 849](#). As “[t]here is no one magical combination of ... factors that will automatically substantiate a musical infringement suit,” and as “each allegation of infringement will be unique,” the extrinsic test is met, “[s]o long as the plaintiff can demonstrate, through expert testimony ..., that the similarity was ‘substantial’ and to ‘protected elements’ of the copyrighted work.” *Id.* We have applied the substantial similarity standard to musical infringement suits before and see no reason to deviate from that standard now. Therefore, the Gayes’ copyright is not limited to only thin copyright protection, and the Gayes need not prove virtual identity to substantiate their infringement action.

C. The Copyright Act of 1909

Marvin Gaye composed “Got To Give It Up” before January 1, 1978, the effective date of the Copyright Act of 1976. Accordingly, the Copyright Act of 1909 governs the Gayes’ compositional copyright. While the Copyright Act of 1976 protects “works of authorship” fixed in “sound recordings,” 17 U.S.C. § 102, the 1909 Act did not protect sound recordings. It is well settled that “[s]ound recordings and musical compositions are separate works with their own distinct copyrights.”⁸ It remains unsettled, however, whether copyright protection for musical compositions under the 1909 Act extends only to the four corners of the sheet music deposited with the United States Copyright Office, or whether the commercial sound recordings of the compositions are admissible to shed light on the scope of the underlying copyright. Here, the district court ruled that the 1909 Act protected only the deposit copy of “Got To Give It Up,” and excluded the sound recording from consideration.

⁸ 17 U.S.C. § 102(a)(2) protects “musical works,” while § 102(a)(7) protects “sound recordings.” “‘Sound recordings’ are works that result from the fixation of a series of musical, spoken, or other sounds ..., regardless of the nature of the material objects, such as disks, tapes, or other phonorecords, in which they are embodied.” 17 U.S.C. § 101.

The Gayes cross-appeal the district court's interpretation of the 1909 Act only in the event the case is remanded for a new trial. The parties have staked out mutually exclusive positions. The Gayes assert that Marvin Gaye's studio recording may establish the scope of a compositional copyright, despite the 1909 Act's lack of protection for sound recordings. The Thicke Parties, on the other hand, elevate the deposit copy as the quintessential measure of the scope of copyright protection. Nevertheless, because we do not remand the case for a new trial, we need not, and decline to, resolve this issue in this opinion. For purposes of this appeal, we accept, without deciding, the merits of the district court's ruling that the scope of the Gayes' copyright in "Got To Give It Up" is limited to the deposit copy. ***

III. The District Court Did Not Abuse its Discretion in Denying a New Trial.

We review the district court's denial of a motion for a new trial for abuse of discretion. *** The Thicke Parties argue that a new trial is warranted on three grounds: (1) Jury Instructions 42 and 43 were erroneous; (2) the district court abused its discretion in admitting portions of Finell and Dr. Monson's testimony; and (3) the verdict is against the clear weight of the evidence. We disagree, and discuss each ground in turn.

A. Instructions 42 and 43 Were Not Erroneous. ***

1. Jury Instruction 42

The Thicke Parties argue that Instruction 42 allowed the jury to place undue weight on Williams and Thicke's statements claiming inspiration from "Got To Give It Up" and Marvin Gaye. The district court instructed the jurors:

In order to find that the Thicke Parties copied either or both of the Gaye Parties' songs, it is not necessary that you find that the Thicke Parties consciously or deliberately copied either or both of these songs. It is sufficient if you find that the Thicke Parties subconsciously copied either or both of the Gaye Parties' songs.

Because direct evidence is rare, copying is usually circumstantially proved by a combination of access and substantial similarity. As the Thicke Parties acknowledge, access may be "based on a theory of widespread dissemination and subconscious copying." *Three Boys Music*, [212 F.3d at 483](#). In short, there is no scienter requirement. Instruction 42 stated as much.

The Thicke Parties argue that Instruction 42 was nonetheless inappropriate, because the issue of access was not at issue. Not so. The Thicke Parties take an unduly narrow view of Instruction 42 in isolation. The instructions as a whole make plain that a circumstantial case of copying requires not just access, but also substantial similarity. Instructions 28 and 41 provide that copying may be proven by demonstrating access plus substantial similarity.¹¹ Instruction 43 further underscores that the Gayes "must show

¹¹ Instruction 28 provides: "The Gaye Parties may show the Thicke Parties copied from the work by showing by a preponderance of the evidence that the Thicke Parties had access to the Gaye Parties' copyrighted work and that there are substantial similarities between the Thicke Parties' work and original elements of the Gaye Parties'

that there is both substantial ‘extrinsic similarity’ and substantial ‘intrinsic similarity’ as to that pair of works.” Looking to the jury instructions as a whole, it is clear that the district court properly instructed the jury to find both access and substantial similarity.

In light of the foregoing, we conclude that the district court did not err in giving Jury Instruction 42.

2. Jury Instruction 43

The Thicke Parties argue that Instruction 43 erroneously instructed the jury to consider unprotectable elements. Specifically, they contend that the district court instructed the jury that it “must consider” elements that they contend are not present in the deposit copy: “Theme X,” the descending bass line, and keyboard parts. Instruction 43 states, in pertinent part:

Extrinsic similarity is shown when two works have a similarity of ideas and expression as measured by external, objective criteria. To make this determination, you must consider the elements of each of the works and decide if they are substantially similar. This is not the same as “identical.” There has been testimony and evidence presented by both sides on this issue, including by expert witnesses, as to such matters as: (a) for “Got to Give It Up” and “Blurred Lines,” the so-called “Signature Phrase,” hook, “Theme X,” bass melodies, keyboard parts, word painting, lyrics, [and] rap v. parlando.... The Gaye Parties do not have to show that each of these individual elements is substantially similar, but rather that there is enough similarity between a work of the Gaye Parties and an allegedly infringing work of the Thicke Parties to comprise a substantial amount.

First, the Thicke Parties take the word “must” out of context. Instruction 43’s use of the word “must” serves to underline the extrinsic test’s requirement that the jury compare the objective elements of the works for substantial similarity.

Second, Finell testified that “Theme X,” the descending bass line, and the keyboard parts are reflected in the deposit copy, while Wilbur testified to the contrary. The experts’ quarrel over what was in the deposit copy was a factual dispute for the jury to decide. Even if Instruction 43’s inclusion of contested elements could have led the jury to believe that the elements were in the deposit copy, and to consider them as protectable elements for purposes of the substantial similarity analysis, we cannot view Instruction 43 in isolation. In light of the jury instructions as a whole, we do not conclude that the district court’s listing of elements in Instruction 43 prevented the jury from making a factual determination of what was in the deposit copy.

work.” That the instruction uses the permissive “may” presents no problem. It simply reflects the fact that the Gayes may, but are not required to, prove copying by way of a circumstantial theory, rather than a direct one.

Instruction 41 provides: “If you conclude that the Thicke Parties had access to either or both of the Gaye Parties works before creating either or both of their works, you may consider that access in connection with determining whether there is substantial similarity between either or both pairs of works.” Instruction 41’s use of “may” is not problematic either. Instruction 41 merely reiterates that the Gayes may choose to prove infringement by using a circumstantial theory.

The instructions on whole make clear that the jury could consider only elements in the deposit copy. Instruction 28 states that the Gayes bear “the burden of proving that the Thicke Parties copied original elements from the Gaye[s] copyrighted work.” Instruction 35, in turn, defines the Gayes’ copyrighted work. Instruction 35 informed jurors that at the time the copyright in “Got To Give It Up” was registered, “only written music could be filed by a copyright owner with the Copyright Office as the deposit copy of the copyrighted work.” In contrast, “[r]ecordings of musical compositions could not be filed with the Copyright Office at that time.” The district court cautioned the jurors to distinguish between the commercial sound recording of “Got To Give It Up” and the deposit copy, noting that “although [a] sound recording[] of ‘Got to Give It Up’ ... w[as] made and released commercially, th[e] particular recording[] [is] not at issue in this case, w[as] not produced into evidence, and w[as] not played for you during the trial.” What was at issue was “testimony from one or more witnesses from each side about what each thinks is shown on the deposit copy for each composition,” as well as “recorded versions of each work that each side has prepared based on what each side contends is shown in the deposit copy that was filed with the Copyright Office.” In short, the district court instructed the jurors that the deposit copy, not the commercial sound recording, was the copyrighted work in the case. ***

The jury never heard the commercial sound recording. Elements indisputably present only in the sound recording, such as the use of cowbell and party noises, were never played at trial. Had that been the case, the district court would have had to instruct the jury to distinguish between elements in the commercial recording and elements in the deposit copy. Instead, the jury heard sound clips edited to capture elements that the experts testified were in the deposit copy. The question of which expert to believe was properly confided to the jury.

The district court did not err in giving Instruction 43.

B. The District Court Did Not Abuse its Discretion in Admitting Portions of Finell and Dr. Monson’s Testimony. ***

1. Finell’s Testimony

The Thicke Parties object only to three portions of Finell’s testimony: her testimony regarding “Theme X,” the descending bass line, and the keyboard parts. Finell testified that “Theme X,” the descending bass line, and the keyboard rhythms were in the deposit copy.

Finell was cross-examined for four hours. During cross-examination, Finell conceded that the notes of “Theme X” were not written on the sheet music, and she was questioned about her testimony that the notes of “Theme X” were implied in the deposit copy. She also acknowledged that the bass melody she presented at trial differed from that notated in the deposit copy. She was impeached with her deposition testimony, in which she admitted that the rhythm of the keyboard parts in the sound recording of “Got To Give It Up” is not notated in the deposit copy.

Wilbur disputed her testimony, opining that “Theme X,” the descending bass line, and the keyboard rhythms are not contained in the deposit copy. The dispute boiled down to a question of whose testimony to believe. Both experts referenced the sound recording. Both experts agreed that sheet music requires interpretation. The question of whose interpretation of the deposit copy to credit was a question properly left for the jury to resolve. Therefore, the district court did not abuse its discretion by permitting Finell’s testimony.

2. Dr. Monson’s Testimony

The Thicke Parties argue that the district court abused its discretion in allowing Dr. Monson to play audio “mashups” superimposing Marvin Gaye’s vocals from “Got To Give It Up” onto the accompaniment in “Blurred Lines,” and vice versa. They argue that the “mash-ups” contained unprotectable elements, such as the keyboard parts, bass melodies, and Marvin Gaye’s vocals.

This argument faces the same hurdle as the Thicke Parties’ objection to Finell’s testimony. Dr. Monson testified that there were structural similarities between the two songs at a sectional level and at a phrasing level, and used the “mash-ups” to demonstrate the songs’ shared harmonic and melodic compatibility. We have permitted similar expert testimony in the past. Dr. Monson was cross-examined on her opinion, and the jury was free to weigh her testimony as it saw fit. ***

Here, the district court excluded the commercial sound recording of “Got To Give It Up” from trial, and vigilantly policed the admission of testimony throughout trial, repeatedly instructing counsel to ensure that the experts tethered their testimony to the sheet music. The district court did not abuse its discretion in admitting portions of the Gayes’ experts’ testimony. ***

VIII. You Can’t Get There from Here: The Dissent Ignores Governing Law that We Must Apply Given the Procedural Posture of the Case.

The dissent’s position violates every controlling procedural rule involved in this case. The dissent improperly tries, after a full jury trial has concluded, to act as judge, jury, and executioner, but there is no there there, and the attempt fails.

Two barriers block entry of judgment as a matter of law for the Thicke Parties. The dissent attempts to sidestep these obstacles: It finds that the Thicke Parties are entitled to judgment as a matter of law, but fails to explain the procedural mechanism by which this could be achieved. Given this flawed premise, it is perhaps unsurprising how little the dissent mirrors the majority opinion, and how far it veers into analysis untethered from the procedural posture of this case. ***

Even though the dissent’s musicological exegesis has no bearing on our analysis at this procedural stage of the case, it clearly shows that the facts in this case are hotly disputed and that the case does not just involve pure issues of law. The dissent cites no controlling law authorizing it to undertake its own summary judgment analysis at this stage of the case.

Second, the Thicke Parties, like the Gayes, failed to make a Rule 50(a) motion for judgment as a matter of law at trial. Their failure to do so “precludes consideration of a Rule 50(b) motion for judgment as a matter of law.” *Tortu*, [556 F.3d at 1083](#). Just as the district court could not enter judgment as a matter of law for the Thicke Parties, we cannot do so either. *** We decline the dissent’s invitation to invade the province of the jury: Applying the proper standard of review, one simply cannot say truthfully that there was an absolute absence of evidence supporting the jury’s verdict in this case. ***

Moreover, the expert review conducted by the dissent does not provide a workable standard for district courts to follow. It is unrealistic to expect district courts to possess even a baseline fluency in musicology, much less to conduct an independent musicological analysis at a level as exacting as the one used by the dissent. After all, we require parties to present expert testimony in musical infringement cases for a reason.

The dissent has failed to take into account another wrinkle that would ensue from vacating the judgment and remanding the case for a new trial. The Gayes have cross-appealed protectively, challenging the district court’s interpretation of the 1909 Act, in the event a new trial is ordered. Even though a vacatur and remand would trigger the Gayes’ protective cross-appeal, the dissent does not wrestle with the merits of this issue. While the dissent is adamant that the scope of the Gayes’ copyright is limited to the four corners of the deposit copy, it provides no statutory interpretation or legal analysis supporting its assertion.

Lastly, the dissent prophesies that our decision will shake the foundations of copyright law, imperil the music industry, and stifle creativity. It even suggests that the Gayes’ victory will come back to haunt them, as the Gayes’ musical compositions may now be found to infringe any number of famous songs preceding them. Respectfully, these conjectures are unfounded hyperbole.²⁶ Our decision does not grant license to copyright a musical style or “groove.” Nor does it upset the balance Congress struck between the freedom of artistic expression, on the one hand, and copyright protection of the fruits of that expression, on the other hand. Rather, our decision hinges on settled procedural principles and the limited nature of our appellate review, dictated by the particular posture of this case and controlling copyright law. Far from heralding the end of musical creativity as we know it, our decision, even construed broadly, reads more accurately as a cautionary tale for future trial counsel wishing to maximize their odds of success.

CONCLUSION

We have decided this case on narrow grounds. Our conclusions turn on the procedural posture of the case, which requires us to review the relevant issues under deferential standards of review. ***

²⁶ Unlike the 1909 Act, the current copyright regime, established by the 1976 Act, protects “works of authorship” fixed in “sound recordings.” 17 U.S.C. § 102. Despite the dissent’s prediction that our decision will “strike[] a devastating blow to future musicians and composers everywhere,” the reality is that, going forward, a number of the contentious issues presented in this case will occur with less frequency with the passage of time.

AFFIRMED IN PART, REVERSED IN PART.

NGUYEN, Circuit Judge, dissenting: The majority allows the Gayes to accomplish what no one has before: copyright a musical style. “Blurred Lines” and “Got to Give It Up” are not objectively similar. They differ in melody, harmony, and rhythm. Yet by refusing to compare the two works, the majority establishes a dangerous precedent that strikes a devastating blow to future musicians and composers everywhere.

While juries are entitled to rely on properly supported expert opinion in determining substantial similarity, experts must be able to articulate facts upon which their conclusions—and thus the jury’s findings—logically rely. Here, the Gayes’ expert, musicologist Judith Finell, cherry-picked brief snippets to opine that a “constellation” of individually unprotectable elements in both pieces of music made them substantially similar. That might be reasonable if the two constellations bore any resemblance. But Big and Little Dipper they are not. The only similarity between these “constellations” is that they’re both compositions of stars.

I.

When a court, with the assistance of expert testimony, is able to determine substantial similarity (or lack thereof) under the extrinsic test, judgment must be given as a matter of law. If, for example, the defendant copied verbatim most of the plaintiff’s work, then the plaintiff is entitled to a finding of substantial similarity as a matter of law. Conversely, if the objective similarities between the two pieces are merely trivial, then a verdict for the plaintiff could not stand.

The majority, like the district court, presents this case as a battle of the experts in which the jury simply credited one expert’s factual assertions over another’s. To the contrary, there were no material factual disputes at trial. Finell testified about certain similarities between the deposit copy of the “Got to Give It Up” lead sheet and “Blurred Lines.” Pharrell Williams and Robin Thicke don’t contest the existence of these similarities. Rather, they argue that these similarities are insufficient to support a finding of substantial similarity as a matter of law. The majority fails to engage with this argument.

Finell identified a few superficial similarities at the “cell” level by focusing on individual musical elements, such as rhythm or pitch, entirely out of context. Most of these “short ... pattern[s]” weren’t themselves protectable by copyright, and Finell ignored both the other elements with which they appeared and their overall placement in each of the songs. Her analysis is the equivalent of finding substantial similarity between two pointillist paintings because both have a few flecks of similarly colored paint. A comparison of the deposit copy of “Got to Give it Up” and “Blurred Lines” under the extrinsic test leads to only one conclusion. Williams and Thicke were entitled to judgment as a matter of law.

II. ***

B.

“Blurred Lines” clearly shares the same “groove” or musical genre as “Got to Give It Up,” which everyone agrees is an unprotectable idea. But what the majority overlooks is that two works in the same genre must share at least some protectable expression in order to run afoul of copyright law. ***

The majority doesn’t explain what elements are protectable in “Got to Give It Up,” which is surprising given that our review of this issue is *de novo*. But by affirming the jury’s verdict, the majority implicitly draws the line between protectable and unprotectable expression “so broadly that future authors, composers and artists will find a diminished store of ideas on which to build their works.” *Oravec v. Sunny Isles Luxury Ventures, L.C.*, [527 F.3d 1218, 1225](#) (11th Cir. 2008) (quoting *Meade v. United States*, [27 Fed.Cl. 367, 372](#) (Fed. Cl. 1992)).

The issue here isn’t whether Williams and Thicke copied “Got to Give It Up”—there’s plenty of evidence they were attempting to evoke Marvin Gaye’s style. Rather, the issue is whether they took too much. ***

III.

The Gayes don’t contend that every aspect of “Blurred Lines” infringes “Got to Give It Up.” Rather, they identify only a few features that are present in both works. These features, however, aren’t individually protectable. And when considered in the works as a whole, these similarities aren’t even perceptible, let alone substantial.

Musical compositions are expressed primarily through the building blocks of melody, harmony, and rhythm. The deposit copy of “Got to Give it Up” employs these components through a melodic line, an introductory bass line, and chord indications, with the additional feature of lyrics.

The melodic line and the associated lyrics are notated throughout the deposit copy. The bass line is notated for only the first eight measures, at the end of which the phrase “bass simile” indicates that the bass line should continue in a similar manner. As is typical of a lead sheet, the chords are not expressed with individual notes indicating pitch and duration. Rather, the chords are described by name (e.g., “A7” for a chord containing the pitches A, C#, E, and G) at places in the song where the harmony changes.

A. Alleged Melodic Similarities

1. The “Signature” Phrase

Finell dubbed a 10-note melodic sequence in the deposit copy the “Signature Phrase.” She argued that it corresponded to a 12-note sequence in “Blurred Lines,” notwithstanding that “no two notes have the same pitch, rhythm and placement,” as the district court correctly observed.

Finell identified four similar elements, none of which is protectable: (a) each phrase begins with repeated notes; (b) the phrases have three identical pitches in a row in the first measure and two in the second measure; (c) each phrase begins with the same rhythm; and (d) each phrase ends on a melisma (one word sung over multiple pitches).

The image shows a musical staff in G major (one sharp) and 4/4 time. The melody starts at measure 19 with the lyrics "I used to go out to parties". The notes are G4, G4, G4, A4, B4, C5, B4, A4, G4. Above the staff, bracket 'a' covers the first three notes (G, G, G). Bracket 'b' covers the next two notes (A, B). Another bracket 'b' covers the final two notes (B, A). Below the staff, bracket 'c (rhythms)' covers the first four notes, and bracket 'd (melisma)' covers the last three notes.

Signature Phrase in "Got to Give It Up"
(Trial Exhibit 376-3)

The image shows a musical staff in G major (one sharp) and 4/4 time. The melody starts at measure 47 with the lyrics "And that's why I'm gon' take a good girl". The notes are G4, G4, A4, B4, C5, B4, A4, G4. Above the staff, bracket 'a' covers the first two notes (G, G). Another bracket 'a' covers the next two notes (A, B). Bracket 'b' covers the next two notes (C, B). Another bracket 'b' covers the final two notes (A, G). Below the staff, bracket 'c (rhythms)' covers the first four notes, and bracket 'd (melisma)' covers the last three notes.

Signature Phrase in "Blurred Lines"
(Trial Exhibit 376-3)

a. Repeated Notes

The Signature Phrase begins in “Got to Give It Up” with a note repeated four times. In “Blurred Lines,” it begins with a note repeated twice, followed by a different note, followed by the first note. The use of repeating notes is obviously not original to “Got to Give It Up.” Finell repeatedly used the song “Happy Birthday to You” and the opening to Beethoven’s Fifth Symphony as musical examples. Each of these famous melodies from the nineteenth century begins with repeated notes. Therefore, the use of repeated notes is not protectable.

b. Pitch Similarity

Although the Signature Phrase starts on different pitches in each piece, Finell identified three consecutive ascending pitches that were the same in both pieces, and two consecutive descending pitches that were the same. She believed this similarity to be the most important.

In assessing the similarity of two pieces of music, it’s important to keep in mind “the limited number of notes and chords available to composers and the resulting fact that common themes frequently reappear in various compositions, especially in popular music.” *Gaste v. Kaiserman*, [863 F.2d 1061, 1068](#) (2d Cir. 1988) (citing *Arnstein v. Edward B. Marks Music Corp.*, [82 F.2d 275, 277](#) (2d Cir. 1936)). Substantial similarity “must extend beyond themes that could have been derived from a common source or themes that are so trite as to be likely to reappear in many compositions.” *Id.* at 1068-69 (citing *Selle v. Gibb*, [741 F.2d 896, 905](#) (7th Cir. 1984)).

Three consecutive pitches is just the sort of common theme that will recur in many compositions.⁶ We have not yet addressed whether three pitches are protectable as a matter of law. While “a single musical note would be too small a unit to attract copyright protection ..., an arrangement of a limited number of notes can garner copyright protection.” *Swirsky*, [376 F.3d at 851](#). Thus, we held in *Swirsky* that a melody of seven notes is not unprotectable as a matter of law. *Id.* at 852.

In *Newton II*, we considered a three-note musical phrase that the defendants sampled (i.e., copied exactly) from the sound recording of a copyrighted musical composition and used repeatedly throughout their work. Although we did not decide whether this six-second segment was original enough to be protected, we held that “no reasonable juror could find [it] to be a quantitatively or qualitatively significant portion of the [four-and-a-half-minute] composition as a whole.” *Newton II*, [388 F.3d at 1195](#). The district court reached the originality issue. In a “scholarly opinion,” it ruled that the three-note phrase—even in combination with the background musical elements—was insufficiently original to warrant copyright protection. *Id.* at 1190.

The two- and three-note melodic snippets at issue here, taken in isolation from their harmonic context, are even less original than the three-note segment at issue in *Newton*. When played, each snippet lasts less than a second in a composition that lasts over four minutes. They are not individually protectable.

c. Rhythmic Similarity

The first measure of the Signature Phrase in both works begins with a rhythm of six eighth notes. A bare rhythmic pattern, particularly one so short and common, isn’t protectable. Here, the rhythmic pattern lasts approximately 1.5 seconds and consists of an eighth note repeated without any variation. Similar patterns are found in numerous other works. This element, devoid of its melodic and harmonic context, lacks any originality.

d. Melisma

The final syllable of the lyrics in each phrase spans multiple pitches—three in “Got to Give It Up” and two in “Blurred Lines.” Melisma, however, is “a common musical technique” and, as such, unprotectable. *McDonald v. West*, [138 F.Supp.3d 448, 458](#) (S.D.N.Y. 2015). Use of melisma on the final syllable of a lyrical phrase is particularly “basic and commonplace.” *Id.* (involving melisma on the final syllable of “We made it in America”). For example, any time one sings “Happy Birthday” to a person with a one-syllable name, the person’s name is sung as a two-note melisma at the end of the phrase “Happy Birthday, dear____.”

⁶ There are only 123 or 1,728 unique combinations of three notes, and many of them are unlikely to be used in a song. Finell testified that it’s “unusual” to use the five notes that fall between the seven notes of the scale. Demand for unique three-note combinations would quickly exhaust their supply. In 2016 alone, the Copyright Office registered over 40,000 sound recordings. See United States Copyright Office, Fiscal 2016 Annual Report 17.

e. The Signature Phrases as a Whole Are Not Substantially Similar

Even when each element is not individually protectable, “[t]he particular sequence in which an author strings a significant number of unprotectable elements can itself be a protectable element,” *Metcalfe v. Bochco*, [294 F.3d 1069, 1074](#) (9th Cir. 2002). Here, as Finell concedes, the Signature Phrase has “very few notes,” lasting less than four seconds. Therefore, even assuming that the Signature Phrase as a whole is protectable, its protection is thin.

There is very little similarity between the two songs’ Signature Phrases. Both melodies rise and fall. But they begin and end on different pitches. The highest, longest, most stressed pitch in each phrase is different—in “Blurred Lines,” this pitch is consonant with the underlying harmony; in “Got to Give It Up,” it is dissonant. One phrase has 10 notes; the other, 12. The five identical pitches in each of the phrases have different rhythmic placement within the measure and therefore receive different stress. And only two of these identical pitches have similar underlying harmonies.⁷ The harmony changes halfway through the Signature Phrase in “Blurred Lines” but remains the same in “Got to Give It Up.” The lyrics in each phrase are different. The Signature Phrase occurs in different places within each piece. In “Got to Give It Up,” the Signature Phrase is the very first phrase sung. In “Blurred Lines,” the Signature Phrase is not sung until 28 seconds later—after several lines of verse.

The various unprotected elements identified by Finell don’t even coincide with one another in that short, four-second snippet. And her narrow focus on these elements ignored the different harmonies in each phrase. “To pull these elements out of a song individually, without also looking at them in combination, is to perform an incomplete and distorted musicological analysis.” *Swirsky*, [376 F.3d at 848](#).

Given the lack of similarities between the Signature Phrases, there is no basis to conclude that they are substantially similar. “The most that can be said is that the two segments bear some relation to one another within a finite world of melodies. Given the limited musical vocabulary available to composers, this is far from enough to support an inference of [infringement].” *Johnson v. Gordon*, [409 F.3d 12, 22](#) (1st Cir. 2005).

2. The “Hook” Phrase

Finell describes the Hook Phrase as the four melodic pitches in “Got to Give It Up” sung to the lyrics “keep on dancin’.” She opined that “Blurred Lines” has similar Hook Phrases in two different places: one is the four pitches in the Signature Phrase sung to the lyrics “take a good girl”; the other is the five pitches sung to the lyrics “I hate these blurred lines.”

There are basic conceptual problems with Finell’s analysis. She describes the same four pitches in “Blurred Lines” as being similar to two unrelated phrases in “Got to

⁷ In “Got to Give It Up,” the entire Signature Phrase is harmonized to an A7 chord. In “Blurred Lines,” the first measure is harmonized to an E chord while the second measure is harmonized to an A chord. Seventh chords, such as A7, have the same three pitches as their underlying triads—here, an A chord—plus an additional pitch. See Copland, *supra*, at 66-67. Finell explained that the unique pitch in a seventh chord “add[s] an extra color” to the harmony.

Give It Up”—the Signature Phrase and the Hook Phrase. It is difficult to see how anything original in each of these two different phrases could be distilled into the same four-note phrase in “Blurred Lines.”

In any event, the Hook Phrase in the deposit copy lacks sufficient originality to be protected. Its sequence of four pitches, lasting 2.5 seconds, is common. For example, Beyoncé, Jennifer Hudson, and Anika Noni Rose memorably sang it to the lyrics, “We’re your dreamgirls.” See Henry Krieger & Tom Eyen, *Dreamgirls* measures 25-26 (Universal—Geffin Music 1981).



Hook Phrase in “Got to Give It Up”



Hook Phrase in “Blurred Lines”



Hook Phrase in “Dreamgirls”

Even if the Hook Phrase pitches were protectable, there is no substantial similarity between its expression in the two songs. At most, three of the four pitches are the same, and the different pitch is sung to what Finell described as the “money words” on “the strongest beat.” The phrase’s rhythms and underlying harmonies are different. Moreover, the phrases are sung at different places in each song. In “Got to Give It Up,” the Hook Phrase is sung at the end of part 1 in a fade out. In “Blurred Lines,” it is sung as the chorus in the middle of the song.

3. Theme “X”

Theme X refers to another four-note melodic sequence. In the deposit copy, Theme X is sung to the lyrics “Fancy lady.” In “Blurred Lines,” it is first sung to the lyrics “If you can’t hear.” Like the Hook Phrase, Theme X is both unprotectable and objectively dissimilar in the two songs.



Theme X in "Got to Give It Up"



Theme X in "Blurred Lines"



Theme X in "Happy Birthday to You"

The pitches and rhythm of Theme X in the deposit copy are identical to those sung to "Happy Birthday" and numerous other songs. None of the Theme X pitches in the deposit copy are the same as in "Blurred Lines." To see any correspondence between the two four-note sequences, one would have to shift and invert the pitches, a feat of musical gymnastics well beyond the skill of most listeners. Where short and distinct musical phrases require such contortions just to show that they are musically related, there is no basis to find them substantially similar.

The harmonies accompanying Theme X also differ between "Got to Give It Up" and "Blurred Lines." Structurally, Theme X appears in completely different places in the two songs. In the deposit copy, it repeats several times in succession near the end of the piece. In "Blurred Lines," it is the very first line of verse near the beginning of the song and repeats periodically throughout the song.

B. Other Alleged Similarities

1. Keyboard Parts

Finell testified that the keyboard parts in "Got to Give It Up" (meaning the chords and their rhythms played over the bass line) had "many important similarities" to those in "Blurred Lines." However, there are no keyboard parts in the deposit copy. Finell explained that a lead sheet is essentially "musical shorthand for musicians," who "would understand how [the keyboard parts are] to be played." But because "[a] sound is protected by copyright law only when it is 'fixed in a tangible medium,'" *Newton II*, [388 F.3d at 1194](#) (quoting 17 U.S.C. § 102(a)), the deposit copy's unwritten keyboard parts are not protected expression.

To the extent the chord indications sufficiently express the keyboard parts, there is no substantial similarity between the two works. “Blurred Lines” contains only two chords throughout the entire piece—an A chord and an E chord—that alternate every four measures. The deposit copy contains neither of these chords. The chords it does contain—A7, D7, E7, B7, Dm7, and Am7—change in a much more irregular pattern. For example, the first 16 measures have a sustained A7 harmony, and the next 8 measures change harmonies every measure.

2. Bass Line

Finell opined that the bass melodies in “Got to Give It Up” and “Blurred Lines” are similar. However, when comparing them, she showed the jury the version of the “Got to Give It Up” bass line that she had transcribed from the sound recording. Because several notes were different in the deposit copy, her testimony on this issue was of questionable value. It’s also doubtful that the unexpressed portions of the baseline beyond the first eight measures of the deposit copy are sufficiently fixed in a tangible medium to warrant protection.

Even assuming the implied bass line in the deposit copy is sufficiently fixed, it’s the type of expression that is so standard in the genre that it merges with the idea and is therefore unprotectable in and of itself. Any thin protection that might lie in the “Got to Give It Up” bass line would not support a finding of substantial similarity between these two bass lines given their different notes, harmonies, and rhythms.



Bass Line in “Got to Give It Up” (Deposit Copy)



Bass Line in “Blurred Lines”

The only similarity between the bass lines is that they repeat the note A in most of the measures. However, in “Got to Give It Up” the note is syncopated so that it sounds before the downbeat in the second, third, and fourth measures, whereas in “Blurred Lines” the note is played on the downbeat. Moreover, the note A is the root of the chord in each song (A7 in “Got to Give It Up,” A in “Blurred Lines”). As the expert for Williams and Thicke testified without contradiction, it is commonplace for the root of a chord to appear in a bass line because it establishes the chord.

3. Word Painting, Parlando, and Lyrics

Word painting and parlando are common devices. As Finell acknowledged, word painting has “been used for many centuries,” and parlando has been employed for “many years before ... rap was used as an art form.” The deposit copy’s use of these techniques in the abstract is not protectable expression, and there is no evidence that the specific applications of these techniques in the two pieces are similar. To say these two songs are substantially similar because they employ devices common to songwriting would

be like saying two songs are substantially similar because they both have guitar solos in the middle even though the solos themselves bear no resemblance. Similarly, lyrical themes about liberation and sexual activity are not protectable in the abstract.

C. Overall Lack of Similarity

Even considering all of these individually unprotectable elements together, there is no evidentiary basis to conclude that the two works are substantially similar. The two pieces have different structures. Finell acknowledged that “Got to Give It Up” lacks a chorus whereas “Blurred Lines” has a “pretty common structure for a popular song” in that it consists of a verse, pre-chorus, and chorus. The two songs’ harmonies share no chords.

The discrete elements identified by Finell don’t occur at the same time within the musical theme or phrase in each piece. And with the exception of parlando, the various themes and phrases she identified don’t occur in corresponding places in each piece. Thus, whether considered micro- or macroscopically, “Got to Give It Up” and “Blurred Lines” are objectively dissimilar. Williams and Thicke are entitled to judgment as a matter of law.

IV.

The majority insists that the verdict is supported by the evidence but tellingly refuses to explain what that evidence is. Instead, it defends its decision by arguing that a contrary result is impossible due to Williams and Thicke’s purported procedural missteps. *Maj. Op.* at 1133-38. While the procedural mechanism for granting relief is beside the point given the majority’s holding, there’s no such obstacle here.

I agree that we normally are not at liberty to review the district court’s denial of summary judgment after a full trial on the merits. *** But my “musicological exegesis,” concerns evidence of extrinsic similarity that Finell presented at trial. No one disputes that the two works share certain melodic snippets and other compositional elements that Finell identified. The only dispute regarding these similarities is their legal import—are the elements protectable, and are the similarities substantial enough to support liability for infringement?

By characterizing these questions as a factual dispute among experts, the majority lays bare its misconception about the purpose of expert testimony in music infringement cases. As with any expert witness, a musicologist can’t opine on legal conclusions, including the ultimate question here—substantial similarity. Her role is to identify similarities between the two works, describe their nature, and explain whether they are “quantitatively or qualitatively significant in relation to the composition as a whole,” *Newton II*, [388 F.3d at 1196](#). The value of such testimony is to assist jurors who are unfamiliar with musical notation in comparing two pieces of sheet music for extrinsic similarity in the same way that they would compare two textual works.

This result would never stand in copyright cases involving works in other media. We “frequently” conclude as a matter of law that two works of language or visual art fail the extrinsic test for substantial similarity. *Benay*, [607 F.3d at 624](#) (quoting *Funky Films*,

[462 F.3d at 1077](#)); see, e.g., *Rentmeester v. Nike, Inc.*, [883 F.3d 1111](#) (9th Cir. 2018) (photograph). This case should be no different.

V.

The Gayes, no doubt, are pleased by this outcome. They shouldn't be. They own copyrights in many musical works, each of which (including "Got to Give It Up") now potentially infringes the copyright of any famous song that preceded it.

That is the consequence of the majority's uncritical deference to music experts.

Admittedly, it can be very challenging for judges untrained in music to parse two pieces of sheet music for extrinsic similarity. But however difficult this exercise, we cannot simply defer to the conclusions of experts about the ultimate finding of substantial similarity. While experts are invaluable in identifying and explaining elements that appear in both works, judges must still decide whether, as a matter of law, these elements collectively support a finding of substantial similarity. Here, they don't, and the verdict should be vacated.

I respectfully dissent.

Newton v. Diamond

388 F.3d 1189 (9th Cir. 2004)

SCHROEDER, Chief Judge: This appeal raises the difficult and important issue of whether the incorporation of a short segment of a musical recording into a new musical recording, i.e., the practice of “sampling,” requires a license to use both the performance and the composition of the original recording. The particular sample in this case consists of a six-second, three-note segment of a performance of one of his own compositions by plaintiff, and accomplished jazz flutist, James W. Newton. The defendants, the performers who did the sampling, are the members of the musical group Beastie Boys. They obtained a license to sample the sound recording of Newton’s copyrighted performance, but they did not obtain a license to use Newton’s underlying composition, which is also copyrighted.

The district court granted summary judgment to the defendants. In a scholarly opinion, it held that no license to the underlying composition was required because, as a matter of law, the notes in question—C-D flat-C, over a held C note—lacked sufficient originality to merit copyright protection. *Newton v. Diamond*, [204 F.Supp.2d 1244, 1256](#) (C.D. Cal. 2002). The district court also held that even if the sampled segment of the composition were original, Beastie Boys’ use of a brief segment of the sound recording of “Choir” was a de minimis use of the “Choir” composition and therefore was not actionable. *Id.* at 1259. We affirm on the ground that the use was de minimis.

Background and Procedural History

The plaintiff and appellant in this case, James W. Newton, is an accomplished avant-garde jazz flutist and composer. In 1978, he composed the song “Choir,” a piece for flute and voice intended to incorporate elements of African-American gospel music, Japanese ceremonial court music, traditional African music, and classical music, among others. According to Newton, the song was inspired by his earliest memory of music, watching four women singing in a church in rural Arkansas. In 1981, Newton performed and recorded “Choir” and licensed all rights in the sound recording to ECM Records for \$5000.¹ The license covered only the sound recording, and it is undisputed that Newton retained all rights to the composition of “Choir.” Sound recordings and their underlying compositions are separate works with their own distinct copyrights. [17 U.S.C. § 102\(a\)\(2\), \(7\)](#).

The defendants and appellees include the members of the rap and hip-hop group Beastie Boys, and their business associates. In 1992, Beastie Boys obtained a license

¹ In relevant part, the license reads as follows:

1) [Newton] herewith grants, transfers and assigns to ECM without limitations and restrictions whatsoever the exclusive rights to record his performances and to exploit these recordings in perpetuity throughout the world in any manner whatsoever.

....

3) The grant of rights according to section 1) especially, includes the rights to manufacture in quantity [sic], to distribute, to license to others, as well as to perform the recordings in public and to utilize it in radio, TV, or in other ways without any restrictions.

from ECM Records to use portions of the sound recording of “Choir” in various renditions of their song “Pass the Mic” in exchange for a one-time fee of \$1000.² Beastie Boys did not obtain a license from Newton to use the underlying composition.

The portion of the composition at issue consists of three notes, C-D flat-C, sung over a background C note played on the flute. The score to “Choir” also indicates that the entire song should be played in a “largo/senza-misura” tempo, meaning “slowly/without-measure.” The parties disagree about whether two additional elements appear in the score. First, Newton argues that the score contains an instruction that requires overblowing the background C note that is played on the flute. Second, Newton argues that multiphonics are part of the composition because they are necessarily created when a performer follows the instructions on the score to simultaneously play the flute note and sing the vocal notes. Because we review the district court’s grant of summary judgment to the Beastie Boys, we must construe the evidence in Newton’s favor. We therefore assume that these two elements are part of the “Choir” composition. As we will discuss more fully below, there are other elements that are part of Newton’s performance that was captured in the sound recording, but that do not appear in the score.

The dispute between Newton and Beastie Boys centers around the copyright implications of the practice of sampling, a practice now common to many types of popular music. Sampling entails the incorporation of short segments of prior sound recordings into new recordings. The practice originated in Jamaica in the 1960s, when disc jockeys (DJs) used portable sound systems to mix segments of prior recordings into new mixes, which they would overlay with chanted or “scatted” vocals. Sampling migrated to the United States and developed throughout the 1970s, using the analog technologies of the time. The digital sampling involved here developed in the early 1980s with the advent of digital synthesizers having MIDI (Musical Instrument Digital Interface) keyboard controls. These digital instruments allowed artists digitally to manipulate and combine sampled sounds, expanding the range of possibilities for the use of pre-recorded music. Whereas analog devices limited artists to “scratching” vinyl records and “cutting” back and forth between different sound recordings, digital technology allowed artists to slow down, speed up, combine, and otherwise alter the samples.

Pursuant to their license from ECM Records, Beastie Boys digitally sampled the opening six seconds of Newton’s sound recording of “Choir.” Beastie Boys repeated or “looped” this six-second sample as a background element throughout “Pass the

² In relevant part, the license reads as follows:

[ECM Records], as owner of the applicable sound recording rights, including but not limited to recording, reproduction, synchronization and performing rights, grants to Beastie Boys, its licensees, assigns, employees and agents (the “Licensed Parties”), the irrevocable non-exclusive license and right to copy portions (if any) of the sound recording entitled “Choir” performed by James Newton (the “Sample”); to embody the sample in some or all versions of the selection entitled “Pass the Mic” by the Beastie Boys (all versions of “Pass the Mic” which contain the Sample are referred to as the “Selection”); to reproduce, distribute and otherwise exploit the Sample as part of the Selection in all media, whether now known or hereinafter developed, including, without limitation, all record formats throughout the world in perpetuity.

Mic,” so that it appears over forty times in various renditions of the song. In addition to the version of “Pass the Mic” released on their 1992 album, “Check Your Head,” Beastie Boys included the “Choir” sample in two remixes, “Dub the Mic” and “Pass the Mic (Pt. 2, Skills to Pay the Bills).” It is unclear whether the sample was altered or manipulated, though Beastie Boys’ sound engineer stated that alterations of tone, pitch, and rhythm are commonplace, and Newton maintains that the pitch was lowered slightly. ***

Whether Defendants’ Use was De Minimis

We may affirm the grant of summary judgment on any basis supported by the record and need not reach each ground relied upon by the district court. Assuming that the sampled segment of the composition was sufficiently original to merit copyright protection, we nevertheless affirm on the ground that Beastie Boys’ use was de minimis and therefore not actionable.

For an unauthorized use of a copyrighted work to be actionable, the use must be significant enough to constitute infringement. This means that even where the fact of copying is conceded, no legal consequences will follow from that fact unless the copying is substantial. The principle that trivial copying does not constitute actionable infringement has long been a part of copyright law. Indeed, as Judge Learned Hand observed over 80 years ago: “Even where there is some copying, that fact is not conclusive of infringement. Some copying is permitted. In addition to copying, it must be shown that this has been done to an unfair extent.” *West Publ’g Co. v. Edward Thompson Co.*, 169 F. 833, 861 (E.D.N.Y. 1909). This principle reflects the legal maxim, *de minimis non curat lex* (often rendered as, “the law does not concern itself with trifles”).

A leading case on de minimis infringement in our circuit is *Fisher v. Dees*, [794 F.2d 432](#) (9th Cir. 1986), where we observed that a use is de minimis only if the average audience would not recognize the appropriation. *See id.* at 434 n. 2 (“[A] taking is considered de minimis only if it is so meager and fragmentary that the average audience would not recognize the appropriation.”). This observation reflects the relationship between the de minimis maxim and the general test for substantial similarity, which also looks to the response of the average audience, or ordinary observer, to determine whether a use is infringing. To say that a use is de minimis because no audience would recognize the appropriation is thus to say that the use is not sufficiently significant.

On the facts of *Fisher*, this court rejected the de minimis defense because the copying was substantial: the defendant had appropriated the main theme and lyrics of the plaintiff’s song, both of which were easily recognizable in the defendant’s parody. Specifically, the defendant copied six of the thirty-eight bars to the 1950s standard, “When Sunny Gets Blue,” to make the parody, “When Sonny Sniffs Glue,” and paralleled the original lyrics with only minor variations. *Id.* However, despite the works’ substantial similarities, we held that the use was nevertheless non-infringing because, as a parody, it was “fair use” under [17 U.S.C. § 107](#). We explained that the defendant’s successful fair use defense precluded a finding that the use was insubstantial or unrecognizable

because “the parodist must appropriate a substantial enough portion of [the original] to evoke recognition.” *Id.* at 435 n. 2.

This case involves not only use of a composition, as was the case in *Fisher*, but also use of a sound recording of a particular performance of that composition. Because the defendants were authorized to use the sound recording, our inquiry is confined to whether the unauthorized use of the composition itself was substantial enough to sustain an infringement claim. Therefore, we may consider only Beastie Boys’ appropriation of the song’s compositional elements and must remove from consideration all the elements unique to Newton’s performance. Stated another way, we must “filter out” the licensed elements of the sound recording to get down to the unlicensed elements of the composition, as the composition is the sole basis for Newton’s infringement claims.

In filtering out the unique performance elements from consideration, and separating them from those found in the composition, we find substantial assistance in the testimony of Newton’s own experts. Because we are reviewing a grant of summary judgment in favor of the Beastie Boys, we must view the evidence in the light most favorable to Newton and affirm only if there is no genuine issue of material fact. Newton’s experts, however, reveal the extent to which the sound recording of “Choir” is the product of Newton’s highly developed performance techniques, rather than the result of a generic rendition of the composition. As a general matter, according to Newton’s expert Dr. Christopher Dobrian, “[t]he contribution of the performer is often so great that s/he in fact provides as much musical content as the composer.” This is particularly true with works like “Choir,” given the improvisational nature of jazz performance and the minimal scoring of the composition. Indeed, as Newton’s expert Dr. Oliver Wilson explained:

[T]he copyrighted score of “Choir”, as is the custom in scores written in the jazz tradition, does not contain indications for all of the musical subtleties that it is assumed the performer-composer of the work will make in the work’s performance. The function of the score is more mnemonic in intention than prescriptive.

And it is clear that Newton goes beyond the score in his performance. For example, Dr. Dobrian declared that “Mr. Newton blows and sings in such a way as to emphasize the upper partials of the flute’s complex harmonic tone, [although] such a modification of tone color is not explicitly requested in the score.” Dr. Dobrian also concludes that Newton “uses breath control to modify the timbre of the sustained flute note rather extremely” and “uses portamento to glide expressively from one pitch to another in the vocal part.” Dr. Dobrian concedes that these elements do not appear in the score, and that they are part of Newton’s performance of the piece.

A crucial problem with the testimony of Newton’s experts is that they continually refer to the “sound” produced by the “Newton technique.” A sound is protected by copyright law only when it is “fixed in a tangible medium.” [17 U.S.C. § 102\(a\)](#). Here, the only time any sound was fixed in a tangible medium was when a particular performance was recorded.

Newton licensed the recording at issue to ECM Records over twenty years ago, and ECM Records in turn licensed the interest in the recording to the Beastie Boys. Newton's copyright extends only to the elements that he fixed in a tangible medium—those that he wrote on the score. Thus, regardless of whether the average audience might recognize the “Newton technique” at work in the sampled sound recording, those performance elements are beyond consideration in Newton's claim for infringement of his copyright in the underlying composition.

Once we have isolated the basis of Newton's infringement action—the “Choir” composition, devoid of the unique performance elements found only in the sound recording—we turn to the nub of our inquiry: whether Beastie Boys' unauthorized use of the composition, as opposed to their authorized use of the sound recording, was substantial enough to sustain an infringement action. In answering that question, we must distinguish between whether there is a high enough degree of similarity between the works to establish copying, and whether that copying is substantial enough to constitute infringement. The practice of music sampling will often present cases where the degree of similarity is high. Indeed, unless the sample has been altered or digitally manipulated, it will be identical to the sampled portion of the original recording. Yet as Nimmer explains, “[if] the similarity is only as to nonessential matters, then a finding of no substantial similarity should result.” 4 Nimmer § 13.03[A][2], at 13-48. This reflects the principle that the substantiality requirement applies throughout the law of copyright, including cases of music sampling, even where there is a high degree of similarity.

The high degree of similarity between the works here (i.e., “Pass the Mic” and “Choir”), but the limited scope of the copying, place Newton's claim for infringement into the class of cases that allege what Nimmer refers to as “fragmented literal similarity.” 4 Nimmer § 13.03[A][2], at 13-45. Fragmented literal similarity exists where the defendant copies a portion of the plaintiff's work exactly or nearly exactly, without appropriating the work's overall essence or structure. *Id.* Because the degree of similarity is high in such cases, the dispositive question is whether the copying goes to trivial or substantial elements. Substantiality is measured by considering the qualitative and quantitative significance of the copied portion in relation to the plaintiff's work as a whole. This focus on the sample's relation to the plaintiff's work as a whole embodies the fundamental question in any infringement action, as expressed more than 150 years ago by Justice Story: whether “so much is taken[] that the value of the original is sensibly diminished, or the labors of the original author are substantially to an injurious extent appropriated by another.” *Folsom v. Marsh*, 9 F.Cas. 342, 348 (C.C.D. Mass. 1841) (No. 4901). Courts also focus on the relationship to the plaintiff's work because a contrary rule that measured the significance of the copied segment in the defendant's work would allow an unscrupulous defendant to copy large or qualitatively significant portions of another's work and escape liability by burying them beneath non-infringing material in the defendant's own work, even where the average audience might recognize the appropriation. Thus, as the district court properly concluded, the fact that Beastie Boys “looped” the sample throughout “Pass the Mic” is irrelevant in weighing the sample's qualitative and quantitative significance.

On the undisputed facts of this record, no reasonable juror could find the sampled portion of the composition to be a quantitatively or qualitatively significant portion of the composition as a whole. Quantitatively, the three-note sequence appears only once in Newton's composition. It is difficult to measure the precise relationship between this segment and the composition as a whole, because the score calls for between 180 and 270 seconds of improvisation. When played, however, the segment lasts six seconds and is roughly two percent of the four-and-a-half-minute "Choir" sound recording licensed by Beastie Boys. Qualitatively, this section of the composition is no more significant than any other section. Indeed, with the exception of two notes, the entirety of the scored portions of "Choir" consist of notes separated by whole and half-steps from their neighbors and is played with the same technique of singing and playing the flute simultaneously; the remainder of the composition calls for sections of improvisation that range between 90 and 180 seconds in length.

The Beastie Boys' expert, Dr. Lawrence Ferrara, concludes that the compositional elements of the sampled section do not represent the heart or the hook of the "Choir" composition, but rather are "simple, minimal and insignificant." The sampled section may be representative of the scored portions of the composition as Newton's expert's contend. Newton has failed to offer any evidence, however, to rebut Dr. Ferrara's testimony and to create a triable issue of fact on the key question, which is whether the sampled section is a qualitatively significant portion of the "Choir" composition as a whole. Instead, Newton's experts emphasize the uniqueness of the "Newton technique," which is found throughout the "Choir" composition and in Newton's other work.

Newton nevertheless maintains that the testimony of his experts creates a genuine issue of material fact on the substantiality of the copying. To the extent the expert testimony is relevant, it is not helpful to Newton. On the key question of whether the sample is quantitatively or qualitatively significant in relation to the composition as a whole, his experts are either silent or fail to distinguish between the sound recording, which was licensed, and the composition, which was not. Moreover, their testimony on the composition does not contain anything from which a reasonable jury could infer the segment's significance in relation to the composition as a whole. In contrast, Dr. Ferrara stated that the sampled excerpt from the "Choir" composition "is merely a common, trite, and generic three-note sequence, which lacks any distinct melodic, harmonic, rhythmic or structural elements." He described the sequence as "a common building block tool" that "has been used over and over again by major composers in the 20th century, particularly in the '60s and '70s, just prior to James Newton's usage."

Because Newton conceded that "Choir" and "Pass the Mic" "are substantially dissimilar in concept and feel, that is, in [their] overall thrust and meaning" and failed to offer any evidence to rebut Dr. Ferrara's testimony that the sampled section is not a quantitatively or qualitatively significant portion of the "Choir" composition, the Beastie Boys are entitled to prevail on summary judgment. On the undisputed facts of this case, we conclude that an average audience would not discern Newton's hand as a composer, apart from his talent as a performer, from Beastie Boys' use of the sample.

The copying was not significant enough to constitute infringement. Beastie Boys' use of the "Choir" composition was de minimis. There is no genuine issue of material fact, and the grant of summary judgment was appropriate.

Conclusion

Because Beastie Boys' use of the sound recording was authorized, the sole basis of Newton's infringement action is his remaining copyright interest in the "Choir" composition. We hold that Beastie Boys' use of a brief segment of that composition, consisting of three notes separated by a half-step over a background C note, is not sufficient to sustain a claim for infringement of Newton's copyright in the composition "Choir". We affirm the district court's grant of summary judgment on the ground that Beastie Boys' use of the composition was de minimis and therefore not actionable.

AFFIRMED.

GRABER, Circuit Judge, dissenting: I respectfully dissent. The majority has laid out correctly the legal principles that apply in this case, and I agree with the majority's assumption that the sampled portion of "Choir" qualifies as "original" and therefore is copyrightable. However, on the record before us, a finder of fact reasonably could find that Beastie Boys' use of the sampled material was not de minimis. Therefore, summary judgment is inappropriate.

As the majority observes, a use is de minimis only if an average audience would not recognize the appropriation. *Fisher v. Dees*, 794 F.2d 432, 434 n. 2 (9th Cir. 1986). The majority is correct that James Newton's considerable skill adds many recognizable features to the performance sampled by Beastie Boys. Even after those features are "filtered out," however, the composition, standing alone, is distinctive enough for a fact-finder reasonably to conclude that an average audience would recognize the appropriation of the sampled segment and that Beastie Boys' use was therefore not de minimis.

Newton has presented evidence that the compositional elements of "Choir" are so compositionally distinct that a reasonable listener would recognize the sampled segment even if it were performed by the featured flautist of a middle school orchestra. It is useful to begin by observing that the majority's references to the sampled segment of "Choir" as a "3 note-sequence" are overly simplified. The sampled segment is actually a three-note sequence sung above a fingered held C note, for a total of four separate tones.² Even passages with relatively few notes may be qualitatively significant. The opening melody of Beethoven's Fifth Symphony is relatively simple and features only four notes, but it certainly is compositionally distinctive and recognizable.

The majority, while citing the correct standard of review, fails fully to apply it. First, the majority usurps the function of the fact-finder by weighing the opinions of the various experts and emphasizing some parts of their testimony over others. The majority also fails to interpret the evidence in Newton's favor when, for example, it asserts

² The sampled segment of the composition is scored as shown in the Appendix.

that Newton's experts failed to distinguish between the sound recording and the composition. To the contrary, Newton presented expert evidence that the composition *alone* is distinctive and recognizable.

First, Newton offered a letter from Professor Olly Wilson of the University of California at Berkeley. Professor Wilson acknowledges that much of the distinctiveness of the sampled material is due to Newton's performance and that the copyrighted score does not fully convey the quality of the piece as performed. Nevertheless, Professor Wilson concludes that the score

clearly indicates that the performer will simultaneously sing and finger specific pitches, gives a sense of the rhythm of the piece, and also provides the general structure of this section of the piece. Hence, in my opinion, the digital sample of the performance ... is clearly a realization of the musical score filed with the copyright office.

Second, Newton presented a letter from Professor Christopher Dobrian of the University of California, Irvine, which concludes:

Applying traditional analysis to this brief excerpt from Newton's "Choir"—i.e., focusing solely on the notated pitches—a theorist could conclude (erroneously, in my opinion) that the excerpt contains an insignificant amount of information because it contains a simple "neighboring-tone" figure: C to D-flat and back to C.... If, on the other hand, one considers the special playing technique *described in the score* (holding one fingered note constant while singing the other pitches) and the resultant complex, expressive effect that results, it is clear that the "unique expression" of this excerpt is not solely in the pitch choices, but is actually in those particular pitches performed in that particular way on that instrument. These components in this particular combination are not found anywhere else in the notated music literature, and they are *unique and distinctive* in their sonic/musical result.

(Emphasis added.)

Professor Dobrian is not talking about Newton's performance of the sampled portion. Rather, he is speaking of the distinctiveness of the underlying composition. The "playing technique" is not a matter of personal performance, but is a built-in feature of the score itself. In essence, Dobrian is stating that *any* flautist's performance of the sampled segment would be distinctive and recognizable, because the score itself is distinctive and recognizable.

The majority, then, reads the record selectively when it states that Newton failed to offer sufficient evidence that the sampled material is qualitatively significant. In fact, Newton presented evidence, as described above, to show that an average and reasonable listener would recognize Beastie Boys' appropriation of the *composition* of the sampled material.

The majority also asserts that Newton failed to offer evidence to rebut Beastie Boys' expert on the question whether the sampled section of "Choir" is qualitatively significant. Again, the majority improperly discounts, or improperly interprets, Dr. Dobrian's unequivocal description of the sampled passage: "These components in this particular

combination are not found anywhere else in the notated music literature, and they are unique and distinctive in their sonic/musical result.” A fact-finder would be entitled to find either that the sampled passage is trivial and trite (Beastie Boys’ expert) or, instead, that it is “unique and distinctive” in the musical literature (Newton’s expert).

Because Newton has presented evidence establishing that reasonable ears differ over the qualitative significance of the composition of the sampled material, summary judgment is inappropriate in this case. Newton should be allowed to present his claims of infringement to a fact-finder. I therefore dissent from the majority’s conclusion to the contrary.

APPENDIX

CHOIR- / MUSIC / JAMES W. THOMPSON
- JAMES MUSIC: ASCAP

Piano Solo

Approx. 40 seconds of improvisation

Seven Minutes
LARGO

Solo
Solo

*This piece requires singing into the flute at fingering simultaneously

EXHIBIT 15

VMG Salsoul, LLC v. Ciccone

824 F.3d. 871 (9th Cir. 2016)

GRABER, Circuit Judge. 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*. The district court applied the longstanding legal rule that “de minimis” copying does not constitute infringement and held that, even if Plaintiff proved its allegations of actual copying, the claim failed because the copying (if it occurred) was trivial. The district court granted summary judgment to Defendants and awarded them attorney's fees under 17 U.S.C. § 505. Plaintiff timely appeals.

Reviewing the summary judgment de novo, we agree with the district court that, as a matter of law, a general audience would not recognize the brief snippet in *Vogue* as originating from *Love Break*. We also reject Plaintiff's argument that Congress eliminated the “de minimis” exception to claims alleging infringement of a sound recording. We recognize that the Sixth Circuit held to the contrary in *Bridgeport Music, Inc. v. Dimension Films*, [410 F.3d 792](#) (6th Cir. 2005), but—like the leading copyright treatise and several district courts—we find *Bridgeport's* reasoning unpersuasive. We hold that the “de minimis” exception applies to infringement actions concerning copyrighted sound recordings, just as it applies to all other copyright infringement actions. Accordingly, we affirm the summary judgment in favor of Defendants.

But we conclude that the district court abused its discretion in granting attorney's fees to Defendants under 17 U.S.C. § 505. A claim premised on a legal theory adopted by the only circuit court to have addressed the issue is, as a matter of law, objectively reasonable. The district court's conclusion to the contrary constitutes legal error. We therefore vacate the award of fees and remand for reconsideration.

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) (discussing the term “sampling”).

Plaintiff asserts that it holds copyrights to the composition and to the sound recording of *Love Break*. Plaintiff argues that, because *Vogue* contains sampled material from *Love Break*, Defendants have violated both copyrights. Although Plaintiff originally asserted improper sampling of strings, vocals, congas, “vibraslap,” and horns from *Love Break* as well as another song, Plaintiff now asserts a sole theory of infringement: When 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.

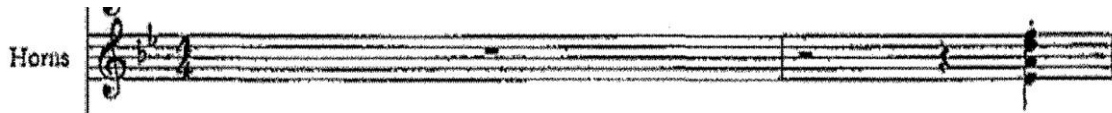
The horn hit in *Vogue* appears in the same two forms as in *Love Break*: single and double. A “single” horn hit in *Vogue* consists of a quarter-note chord comprised of four notes—E, A-sharp, D-sharp, and F-sharp—in the key of B-natural.³ A double horn hit in *Vogue* consists of an eighthnote chord 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. They occur at 0:56, 1:02, 3:41, 4:05, and 4:18. The pattern is single-doubledouble-double-breakdown. As with *Love Break*, many other instruments are playing at the same time as the horns.

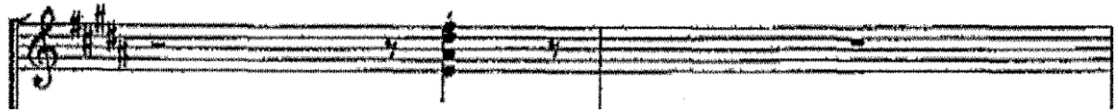
The compilation version of *Vogue* lasts 5 minutes and 17 seconds. The single horn hit occurs once, and the double horn hit occurs five times. They occur at 1:14, 1:20, 3:59, 4:24, 4:40, and 4:57. The pattern is single-double-doubledouble-double-double. Again, many other instruments are playing as well.

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

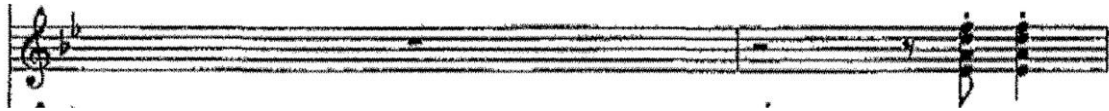
³ In musical terms, assuming that the composition was copied, Pettibone “transposed” the horn hit in *Love Break* by one-half step, resulting in notes that are half a step higher in *Vogue*.



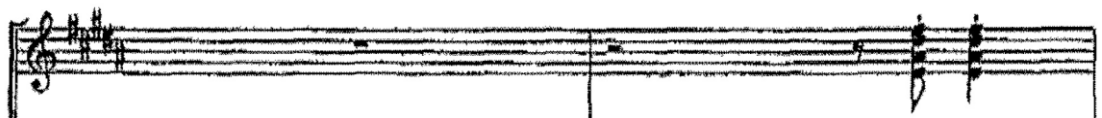
Vogue's single horn hit:



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.” In a separate order, the district court awarded attorney’s fees to Defendants under 17 U.S.C. § 505. Plaintiff timely appeals both orders.

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. 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. Taking the facts in the light most favorable to Plaintiff, Plaintiff has demonstrated actual copying. Accordingly, our analysis proceeds to the next step.

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 conceded, no legal consequences will follow from that fact unless the copying is substantial. See *Laureyssens v. Idea Group, Inc.*, [964 F.2d 131, 140](#) (2d Cir. 1992); 4 Melville B. Nimmer & David Nimmer, *Nimmer on Cop-*

right § 13.03[A], at 13-30.2. The principle that trivial copying does not constitute actionable infringement has long been a part of copyright law. Indeed, as [a judge] observed over 80 years ago: “Even where there is some copying, that fact is not conclusive of infringement. Some copying is permitted. In addition to copying, it must be shown that this has been done to an unfair extent.” *West Publ’g Co. v. Edward Thompson Co.*, [169 F. 833, 861](#) (E.D.N.Y. 1909). This principle reflects the legal maxim, *de minimis non curatlex* (often rendered as, “the law does not concern itself with trifles”). See *Ringgold*, [126 F.3d at 74-75](#).

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*. Compare 17 U.S.C. § 102(a)(2) (protecting “musical works”) with *id.* § 102(a)(7) (protecting “sound recordings”). 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*, (B) whether the *de minimis* exception applies to alleged infringement of copyrighted sound recordings, and (C) whether the district court abused its discretion in awarding attorney’s fees to Defendants under 17 U.S.C. § 505.

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](#). 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](#). 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, eighthnote 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 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. 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*. As noted above, assuming that the sampling occurred, Pettibone truncated the horn hit, transposed it to a different key, and added other sounds and effects to the horn hit itself. The horn hit then was added to *Vogue* along with many other instrument tracks. Even if one grants the dubious proposition that a listener recognized some similarities between the horn hits in the two songs, it is hard to imagine that he or she would conclude that sampling had occurred.

A quirk in the procedural history of this case is illuminating on this point. Plaintiff's primary expert originally misidentified the source of the sampled double horn hit. In his original report, the expert concluded that both a single horn hit and a double horn hit were sampled from *Love Break*. The parties later discovered the original tracks to *Vogue* and were able to listen to the horn hits without interference from the many other instruments. After listening to those tracks, the expert decided that he had erred in opining that a double horn hit was sampled. He concluded instead that only a single horn hit was sampled, which was used to create the double horn hit in *Vogue*. In other words, a highly qualified and trained musician listened to the recordings with the express aim of discerning which parts of the song had been copied, and he could not do so accurately. An average audience would not do a better job.

In sum, the district court correctly held that summary judgment to Defendants was appropriate on the issue of de minimis copying.

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 brightline 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. *** 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. Indeed, we stated in dictum in *Newton* that the rule “applies *throughout the law of copyright*, including cases of music sampling.” [388 F.3d at 1195](#) (emphasis added).

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,” states, in relevant part *** . That provision 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,” states *** . Again, nothing in that provision suggests 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.

A straightforward reading of the third sentence in § 114(b) reveals Congress’ intended limitation on the rights of a sound recording copyright holder: A new recording that mimics the copyrighted recording is not an infringement, even if the mimicking is very well done, so long as there was no actual copying. That is, if a band played and recorded its own version of *Love Break* in a way that sounded very similar to the copyrighted recording of *Love Break*, then there would be no infringement so long as there was no

actual copying of the recorded *Love Break*. But the quoted passage does not speak to the question that we face: whether Congress intended to eliminate the longstanding de minimis exception for sound recordings in all circumstances even where, as here, the new sound recording as a whole sounds nothing like the original.

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. Congress intended to make clear that imitation of a recorded performance cannot be infringement so long as no actual copying is done. There is no indication that Congress intended, through § 114(b), to expand the rights of a copyright holder to a sound recording.

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 sum, the statutory text, confirmed by the legislative history, reveals that Congress intended to maintain the de minimis exception for copyrighted sound recordings.

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. ***

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. 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.

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. 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). Indeed, the Supreme Court in *Feist* explained at length why, though that result may seem unfair, protecting only the expressive aspects of a copyrighted work is actually a key part of the design of the copyright laws. *Id.* at 349-54 (explaining how “the ‘sweat of the brow’ doctrine flouted basic copyright principles”). Accordingly, all that remains of *Bridgeport’s* argument is that the second artist has taken some expressive content from the original artist. But that is always true, regardless of the nature of the work, and the de minimis test nevertheless applies.

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. ***

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.

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

Judgment AFFIRMED; award of fees VACATED and REMANDED for reconsideration. The parties shall bear their own costs on appeal.

SILVERMAN, Circuit Judge, 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.

The majority chooses to follow the views of a popular treatise instead of an on-point decision of the Sixth Circuit, a decision that has governed the music industry in Nashville—”Music City”—and elsewhere for over a decade without causing either the sky to fall in, or Congress to step in. And just exactly what is the Sixth Circuit’s radical holding in *Bridgeport Music, Inc. v. Dimension Films* that the majority finds so distasteful? It’s this: if you want to use an identical copy of a portion of a copyrighted fixed sound recording—we’re not talking about “substantially similar” tunes or rhythms, but an actual identical copy of a sound that has already been recorded in a fixed medium—get a license. You can’t just take it. [410 F.3d 792, 800-01](#) (6th Cir. 2005).

As the majority acknowledges, after *Newton v. Diamond*, [388 F.3d 1189](#) (9th Cir. 2003), it is an “open question” in the Ninth Circuit whether a de minimis defense applies to fixed sound recordings as it does to less tangible works. The *Bridgeport* court explained why it should not.

First, by 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. 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. When read together, their message is clear: copyright holders have exclusive rights to their recordings, but cannot be heard to complain (i.e., there can be no infringement of those exclusive rights) where a new recording consists entirely of independently created sounds, such as might be found in a very good imitation. By the same token, if a new recording includes something other than independently created sounds, such as a blatant copy, the copyright holder whose work was sampled has a legitimate gripe. That right was not invented by the Sixth Circuit: it already exists in the statutes. And these statutes say nothing about the de minimis exception.

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. 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. 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.

This is a physical taking, not an intellectual one. Sampling is never accidental. 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. When you sample a sound recording you know you are taking another's work product. 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.

Again, the majority disagrees, rejecting *Bridgeport's* characterization of a sample as a "physical taking" on the basis that copyright protection extends only to expressive aspects of a work, not the fruit of the author's labor. According to the majority, copyright protection doesn't extend to the sweat of an author's brow. *Feist Publ'ns, Inc. v. Rural Tel. Serv. Co.*, [499 U.S. 340, 349](#) (1991) (discussing originality as applied to factual compilations, such as telephone directories). But that's irrelevant here, since there is no question that the underlying sound recording can be copyrighted, and it is the taking of that protectable work that is at issue.

I find *Bridgeport's* arguments well-reasoned and persuasive. Equally compelling is, I think, Congress's silence in the wake of *Bridgeport*, especially in light of the fact that the Sixth Circuit explicitly invited Congress to clarify or change the law if *Bridgeport's* bright-line rule was not what Congress intended. While it's true that congressional inaction in the face of judicial interpretation is not ironclad evidence of Congressional approval, it's not chopped liver either. In this case *Bridgeport* has not been hiding out in the woods, waiting to be found: it has been governing the music industry in Nashville and elsewhere for eleven years. The majority now proposes to introduce a different rule for this circuit, creating a circuit split, and providing a lower level of protection for copyright holders in a different area of the country. This inconsistent approach is plainly in contravention of Congressional intent that copyright laws be predictable and uniform, yet the majority defends its rogue path on the ground that Congress must have intended something other than what the Sixth Circuit has concluded, even though we've heard not a peep from Congress, or for that matter the Supreme Court, in the eleven years since *Bridgeport* has been on the books.

In short, the majority's fuzzy approach would require a factual and largely visceral inquiry into whether each and every instance of sampling was "substantial," whereas *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.

Sega Enterprises, Ltd. v. Accolade, Inc.977 F.2d 1510 (9th Cir. 1993)

REINHARDT, Circuit Judge: This case presents several difficult questions of first impression involving our copyright and trademark laws. We are asked to determine, first, whether the Copyright Act permits persons who are neither copyright holders nor licensees to disassemble a copyrighted computer program in order to gain an understanding of the unprotected functional elements of the program. In light of the public policies underlying the Act, we conclude that, when the person seeking the understanding has a legitimate reason for doing so and when no other means of access to the unprotected elements exists, such disassembly is as a matter of law a fair use of the copyrighted work. Second, we must decide the legal consequences under the Lanham Trademark Act of a computer manufacturer's use of a security system that affords access to its computers to software cartridges that include an initialization code which triggers a screen display of the computer manufacturer's trademark. The computer manufacturer also manufactures software cartridges; those cartridges all contain the initialization code. The question is whether the computer manufacturer may enjoin competing cartridge manufacturers from gaining access to its computers through the use of the code on the ground that such use will result in the display of a "false" trademark. Again, our holding is based on the public policies underlying the statute. We hold that when there is no other method of access to the computer that is known or readily available to rival cartridge manufacturers, the use of the initialization code by a rival does not violate the Act even though that use triggers a misleading trademark display. Accordingly, we reverse the district court's grant of a preliminary injunction in favor of plaintiff-appellee Sega Enterprises, Ltd. on its claims of copyright and trademark infringement. We decline, however, to order that an injunction pendente lite issue precluding Sega from continuing to use its security system, even though such use may result in a certain amount of false labeling. We prefer to leave the decision on that question to the district court initially.

I. Background

Plaintiff-appellee Sega Enterprises, Ltd. ("Sega"), a Japanese corporation, and its subsidiary, Sega of America, develop and market video entertainment systems, including the "Genesis" console (distributed in Asia under the name "Mega-Drive") and video game cartridges. Defendant-appellant Accolade, Inc., is an independent developer, manufacturer, and marketer of computer entertainment software, including game cartridges that are compatible with the Genesis console, as well as game cartridges that are compatible with other computer systems.

Sega licenses its copyrighted computer code and its "SEGA" trademark to a number of independent developers of computer game software. Those licensees develop and sell Genesis-compatible video games in competition with Sega. Accolade is not and never has been a licensee of Sega. Prior to rendering its own games compatible with the Genesis console, Accolade explored the possibility of entering into a licensing agreement with Sega, but abandoned the effort because the agreement would have required that Sega be the exclusive manufacturer of all games produced by Accolade.

Accolade used a two-step process to render its video games compatible with the Genesis console. First, it “reverse engineered” Sega’s video game programs in order to discover the requirements for compatibility with the Genesis console. As part of the reverse engineering process, Accolade transformed the machine-readable object code contained in commercially available copies of Sega’s game cartridges into human-readable source code using a process called “disassembly” or “decompilation”. Accolade purchased a Genesis console and three Sega game cartridges, wired a decompiler into the console circuitry, and generated printouts of the resulting source code. Accolade engineers studied and annotated the printouts in order to identify areas of commonality among the three game programs. They then loaded the disassembled code back into a computer, and experimented to discover the interface specifications for the Genesis console by modifying the programs and studying the results. At the end of the reverse engineering process, Accolade created a development manual that incorporated the information it had discovered about the requirements for a Genesis-compatible game. According to the Accolade employees who created the manual, the manual contained only functional descriptions of the interface requirements and did not include any of Sega’s code.

In the second stage, Accolade created its own games for the Genesis. According to Accolade, at this stage it did not copy Sega’s programs, but relied only on the information concerning interface specifications for the Genesis that was contained in its development manual. Accolade maintains that with the exception of the interface specifications, none of the code in its own games is derived in any way from its examination of Sega’s code. In 1990, Accolade released “Ishido”, a game which it had originally developed and released for use with the Macintosh and IBM personal computer systems, for use with the Genesis console.

Even before Accolade began to reverse engineer Sega’s games, Sega had grown concerned about the rise of software and hardware piracy in Taiwan and other Southeast Asian countries to which it exported its products. Taiwan is not a signatory to the Berne Convention and does not recognize foreign copyrights. Taiwan does allow prosecution of trademark counterfeiters. However, the counterfeiters had discovered how to modify Sega’s game programs to blank out the screen display of Sega’s trademark before repackaging and reselling the games as their own. Accordingly, Sega began to explore methods of protecting its trademark rights in the Genesis and Genesis-compatible games. While the development of its own trademark security system (TMSS) was pending, Sega licensed a patented TMSS for use with the Genesis home entertainment system.

The most recent version of the Genesis console, the “Genesis III”, incorporates the licensed TMSS. When a game cartridge is inserted, the microprocessor contained in the Genesis III searches the game program for four bytes of data consisting of the letters “S-E-G-A” (the “TMSS initialization code”). If the Genesis III finds the TMSS initialization code in the right location, the game is rendered compatible and will operate on the console. In such case, the TMSS initialization code then prompts a visual display for approximately three seconds which reads “PRODUCED BY OR UNDER

LICENSE FROM SEGA ENTERPRISES LTD” (the “Sega Message”). All of Sega’s game cartridges, including those disassembled by Accolade, contain the TMSS initialization code.

Accolade learned of the impending release of the Genesis III in the United States in January, 1991, when the Genesis III was displayed at a consumer electronics show. When a demonstration at the consumer electronics show revealed that Accolade’s “Ishido” game cartridges would not operate on the Genesis III, Accolade returned to the drawing board. During the reverse engineering process, Accolade engineers had discovered a small segment of code—the TMSS initialization code—that was included in the “power-up” sequence of every Sega game, but that had no identifiable function. The games would operate on the original Genesis console even if the code segment was removed. Mike Lorenzen, the Accolade engineer with primary responsibility for reverse engineering the interface procedures for the Genesis console, sent a memo regarding the code segment to Alan Miller, his supervisor and the current president of Accolade, in which he noted that “it is possible that some future Sega peripheral device might require it for proper initialization.”

In the second round of reverse engineering, Accolade engineers focused on the code segment identified by Lorenzen. After further study, Accolade added the code to its development manual in the form of a standard header file to be used in all games. The file contains approximately twenty to twenty-five bytes of data. Each of Accolade’s games contains a total of 500,000 to 1,500,000 bytes. According to Accolade employees, the header file is the only portion of Sega’s code that Accolade copied into its own game programs.

In 1991, Accolade released five more games for use with the Genesis III, “Star Control”, “Hardball”, “Onslaught”, “Turrican”, and “Mike Ditka Power Football.” With the exception of “Mike Ditka Power Football”, all of those games, like “Ishido” had originally been developed and marketed for use with other hardware systems. All contained the standard header file that included the TMSS initialization code. According to Accolade, it did not learn until after the Genesis III was released on the market in September, 1991, that in addition to enabling its software to operate on the Genesis III, the header file caused the display of the Sega Message. All of the games except “Onslaught” operate on the Genesis III console; apparently, the programmer who translated “Onslaught” for use with the Genesis system did not place the TMSS initialization code at the correct location in the program.

All of Accolade’s Genesis-compatible games are packaged in a similar fashion. The front of the box displays Accolade’s “Ballistic” trademark and states “for use with Sega Genesis and Mega Drive Systems.” The back of the box contains the following statement: “Sega and Genesis are registered trademarks of Sega Enterprises, Ltd. Game 1991 Accolade, Inc. All rights reserved. Ballistic is a trademark of Accolade, Inc. Accolade, Inc. is not associated with Sega Enterprises, Ltd. All product and corporate names are trademarks and registered trademarks of their respective owners.”

Sega filed suit against Accolade on October 31, 1991, alleging trademark infringement and false designation of origin in violation of sections 32(1) and 43(a) of the Lanham

Act, 15 U.S.C. §§ 1114(1)(a), 1125(a). On November 29, 1991, Sega amended its complaint to include a claim for copyright infringement. Accolade filed a counterclaim against Sega for false designation of origin under section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a). ***

III. Copyright Issues

Accolade raises four arguments in support of its position that disassembly of the object code in a copyrighted computer program does not constitute copyright infringement. First, it maintains that intermediate copying does not infringe the exclusive rights granted to copyright owners in section 106 of the Copyright Act unless the end product of the copying is substantially similar to the copyrighted work. Second, it argues that disassembly of object code in order to gain an understanding of the ideas and functional concepts embodied in the code is lawful under section 102(b) of the Act, which exempts ideas and functional concepts from copyright protection. Third, it suggests that disassembly is authorized by section 117 of the Act, which entitles the lawful owner of a copy of a computer program to load the program into a computer. Finally, Accolade contends that disassembly of object code in order to gain an understanding of the ideas and functional concepts embodied in the code is a fair use that is privileged by section 107 of the Act.

Neither the language of the Act nor the law of this circuit supports Accolade's first three arguments. Accolade's fourth argument, however, has merit. Although the question is fairly debatable, we conclude based on the policies underlying the Copyright Act that disassembly of copyrighted object code is, as a matter of law, a fair use of the copyrighted work if such disassembly provides the only means of access to those elements of the code that are not protected by copyright and the copier has a legitimate reason for seeking such access. Accordingly, we hold that Sega has failed to demonstrate a likelihood of success on the merits of its copyright claim. Because on the record before us the hardships do not tip sharply (or at all) in Sega's favor, the preliminary injunction issued in its favor must be dissolved, at least with respect to that claim.

A. Intermediate Copying

We have previously held that the Copyright Act does not distinguish between unauthorized copies of a copyrighted work on the basis of what stage of the alleged infringer's work the unauthorized copies represent. *** Section 106 grants to the copyright owner the exclusive rights "to reproduce the work in copies", "to prepare derivative works based upon the copyrighted work", and to authorize the preparation of copies and derivative works. 17 U.S.C. § 106(1)-(2). Section 501 provides that "[a]nyone who violates any of the exclusive rights of the copyright owner as provided by sections 106 through 118 ... is an infringer of the copyright." *Id.* § 501(a). On its face, that language unambiguously encompasses and proscribes "intermediate copying".

In order to constitute a "copy" for purposes of the Act, the allegedly infringing work must be fixed in some tangible form, "from which the work can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device." 17 U.S.C. § 101. The computer file generated by the disassembly program, the

printouts of the disassembled code, and the computer files containing Accolade's modifications of the code that were generated during the reverse engineering process all satisfy that requirement. The intermediate copying done by Accolade therefore falls squarely within the category of acts that are prohibited by the statute. ***

In summary, the question whether intermediate copying of computer object code infringes the exclusive rights granted to the copyright owner in section 106 of the Copyright Act is a question of first impression. *** Accordingly, we hold that intermediate copying of computer object code may infringe the exclusive rights granted to the copyright owner in section 106 of the Copyright Act regardless of whether the end product of the copying also infringes those rights. If intermediate copying is permissible under the Act, authority for such copying must be found in one of the statutory provisions to which the rights granted in section 106 are subject.

B. The Idea/Expression Distinction

Accolade next contends that disassembly of computer object code does not violate the Copyright Act because it is necessary in order to gain access to the ideas and functional concepts embodied in the code, which are not protected by copyright. 17 U.S.C. § 102(b). Because humans cannot comprehend object code, it reasons, disassembly of a commercially available computer program into human-readable form should not be considered an infringement of the owner's copyright. Insofar as Accolade suggests that disassembly of object code is lawful per se, it seeks to overturn settled law.

Accolade's argument regarding access to ideas is, in essence, an argument that object code is not eligible for the full range of copyright protection. Although some scholarly authority supports that view, we have previously rejected it based on the language and legislative history of the Copyright Act. ***

D. Fair Use

Accolade contends, finally, that its disassembly of copyrighted object code as a necessary step in its examination of the unprotected ideas and functional concepts embodied in the code is a fair use that is privileged by section 107 of the Act. Because, in the case before us, disassembly is the only means of gaining access to those unprotected aspects of the program, and because Accolade has a legitimate interest in gaining such access (in order to determine how to make its cartridges compatible with the Genesis console), we agree with Accolade. Where there is good reason for studying or examining the unprotected aspects of a copyrighted computer program, disassembly for purposes of such study or examination constitutes a fair use.

*** 2.

Section 107 lists the factors to be considered in determining whether a particular use is a fair one. Those factors include:

- (1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;

- (2) the nature of the copyrighted work;
- (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and
- (4) the effect of the use upon the potential market for or value of the copyrighted work.

17 U.S.C. § 107. The statutory factors are not exclusive. Rather, the doctrine of fair use is in essence “an equitable rule of reason.” *Harper & Row, Publishers, Inc. v. Nation Enterprises*, [471 U.S. 539, 560](#) (1985) (quoting H.R. Rep. No. 1476, 94th Cong., 2d Sess. 65, reprinted in 1976 U.S.C.C.A.N. 5659, 5679). Fair use is a mixed question of law and fact. *Id.* “Where the district court has found facts sufficient to evaluate each of the statutory factors,” an appellate court may resolve the fair use question as a matter of law. *Id.*

In determining that Accolade’s disassembly of Sega’s object code did not constitute a fair use, the district court treated the first and fourth statutory factors as dispositive, and ignored the second factor entirely. Given the nature and characteristics of Accolade’s direct use of the copied works, the ultimate use to which Accolade put the functional information it obtained, and the nature of the market for home video entertainment systems, we conclude that neither the first nor the fourth factor weighs in Sega’s favor. In fact, we conclude that both factors support Accolade’s fair use defense, as does the second factor, a factor which is important to the resolution of cases such as the one before us.

(a)

With respect to the first statutory factor, we observe initially that the fact that copying is for a commercial purpose weighs against a finding of fair use. *Harper & Row*, [471 U.S. at 562](#). However, the presumption of unfairness that arises in such cases can be rebutted by the characteristics of a particular commercial use. *** Sega argues that because Accolade copied its object code in order to produce a competing product, the *Harper & Row* presumption applies and precludes a finding of fair use. That analysis is far too simple and ignores a number of important considerations. We must consider other aspects of “the purpose and character of the use” as well. As we have noted, the use at issue was an intermediate one only and thus any commercial “exploitation” was indirect or derivative.

The declarations of Accolade’s employees indicate, and the district court found, that Accolade copied Sega’s software solely in order to discover the functional requirements for compatibility with the Genesis console—aspects of Sega’s programs that are not protected by copyright. 17 U.S.C. § 102(b). With respect to the video game programs contained in Accolade’s game cartridges, there is no evidence in the record that Accolade sought to avoid performing its own creative work. Indeed, most of the games that Accolade released for use with the Genesis console were originally developed for other hardware systems. Moreover, with respect to the interface procedures for the Genesis console, Accolade did not seek to avoid paying a customarily charged fee for use of those procedures, nor did it simply copy Sega’s code; rather, it wrote its own procedures

based on what it had learned through disassembly. Taken together, these facts indicate that although Accolade's ultimate purpose was the release of Genesis-compatible games for sale, its direct purpose in copying Sega's code, and thus its direct use of the copyrighted material, was simply to study the functional requirements for Genesis compatibility so that it could modify existing games and make them usable with the Genesis console. Moreover, as we discuss below, no other method of studying those requirements was available to Accolade. On these facts, we conclude that Accolade copied Sega's code for a legitimate, essentially non-exploitative purpose, and that the commercial aspect of its use can best be described as of minimal significance.

We further note that we are free to consider the public benefit resulting from a particular use notwithstanding the fact that the alleged infringer may gain commercially. Public benefit need not be direct or tangible, but may arise because the challenged use serves a public interest. *Id.* In the case before us, Accolade's identification of the functional requirements for Genesis compatibility has led to an increase in the number of independently designed video game programs offered for use with the Genesis console. It is precisely this growth in creative expression, based on the dissemination of other creative works and the unprotected ideas contained in those works, that the Copyright Act was intended to promote. The fact that Genesis-compatible video games are not scholarly works, but works offered for sale on the market, does not alter our judgment in this regard. We conclude that given the purpose and character of Accolade's use of Sega's video game programs, the presumption of unfairness has been overcome and the first statutory factor weighs in favor of Accolade.

(b)

As applied, the fourth statutory factor, effect on the potential market for the copyrighted work, bears a close relationship to the "purpose and character" inquiry in that it, too, accommodates the distinction between the copying of works in order to make independent creative expression possible and the simple exploitation of another's creative efforts. We must, of course, inquire whether, "if [the challenged use] should become widespread, it would adversely affect the potential market for the copyrighted work," *Sony Corp. v. Universal City Studios*, [464 U.S. 417, 451](#) (1984), by diminishing potential sales, interfering with marketability, or usurping the market. If the copying resulted in the latter effect, all other considerations might be irrelevant. The *Harper & Row* Court found a use that effectively usurped the market for the copyrighted work by supplanting that work to be dispositive. However, the same consequences do not and could not attach to a use which simply enables the copier to enter the market for works of the same type as the copied work.

Unlike the defendant in *Harper & Row*, which printed excerpts from President Ford's memoirs verbatim with the stated purpose of "scooping" a Time magazine review of the book, [471 U.S. at 562](#), Accolade did not attempt to "scoop" Sega's release of any particular game or games, but sought only to become a legitimate competitor in the field of Genesis-compatible video games. Within that market, it is the characteristics

of the game program as experienced by the user that determine the program's commercial success. As we have noted, there is nothing in the record that suggests that Accolade copied any of those elements.

By facilitating the entry of a new competitor, the first lawful one that is not a Sega licensee, Accolade's disassembly of Sega's software undoubtedly "affected" the market for Genesis-compatible games in an indirect fashion. We note, however, that while no consumer except the most avid devotee of President Ford's regime might be expected to buy more than one version of the President's memoirs, video game users typically purchase more than one game. There is no basis for assuming that Accolade's "Ishido" has significantly affected the market for Sega's "Altered Beast" since a consumer might easily purchase both; nor does it seem unlikely that a consumer particularly interested in sports might purchase both Accolade's "Mike Ditka Power Football" and Sega's "Joe Montana Football" particularly if the games are, as Accolade contends, not substantially similar. In any event, an attempt to monopolize the market by making it impossible for others to compete runs counter to the statutory purpose of promoting creative expression and cannot constitute a strong equitable basis for resisting the invocation of the fair use doctrine. Thus, we conclude that the fourth statutory factor weighs in Accolade's, not Sega's, favor, notwithstanding the minor economic loss Sega may suffer.

(c)

The second statutory factor, the nature of the copyrighted work, reflects the fact that not all copyrighted works are entitled to the same level of protection. The protection established by the Copyright Act for original works of authorship does not extend to the ideas underlying a work or to the functional or factual aspects of the work. 17 U.S.C. § 102(b). To the extent that a work is functional or factual, it may be copied, *Baker v. Selden*, [101 U.S. \(11 Otto\) 99, 102-04](#) (1879), as may those expressive elements of the work that "must necessarily be used as incident to" expression of the underlying ideas, functional concepts, or facts. *Id.* at 104. Works of fiction receive greater protection than works that have strong factual elements, such as historical or biographical works or works that have strong functional elements, such as accounting textbooks, *Baker*, [101 U.S. at 104](#). Works that are merely compilations of fact are copyrightable, but the copyright in such a work is "thin." *Feist Publications*, [111 S.Ct. at 1289](#).

Computer programs pose unique problems for the application of the "idea/expression distinction" that determines the extent of copyright protection. To the extent that there are many possible ways of accomplishing a given task or fulfilling a particular market demand, the programmer's choice of program structure and design may be highly creative and idiosyncratic. However, computer programs are, in essence, utilitarian articles—articles that accomplish tasks. As such, they contain many logical, structural, and visual display elements that are dictated by the function to be performed, by considerations of efficiency, or by external factors such as compatibility requirements and industry demands. In some circumstances, even the exact set of commands used by the programmer is deemed functional rather than creative for purposes of copyright. "[W]hen specific instructions, even though previously copyrighted, are the only and

essential means of accomplishing a given task, their later use by another will not amount to infringement.” National Commission on New Technological Uses of Copyrighted Works, Final Report 20 (1979) [CONTU Report].⁷

Because of the hybrid nature of computer programs, there is no settled standard for identifying what is protected expression and what is unprotected idea in a case involving the alleged infringement of a copyright in computer software. We are in wholehearted agreement with the Second Circuit’s recent observation that “[t]hus far, many of the decisions in this area reflect the courts’ attempt to fit the proverbial square peg in a round hole.” *Computer Assoc. Int’l, Inc. v. Altai, Inc.*, 23 U.S.P.Q.2d (BNA) 1241, 1257 (2d Cir. 1992) (“*CAI*”). In 1986, the Third Circuit attempted to resolve the dilemma by suggesting that the idea or function of a computer program is the idea of the program as a whole, and “everything that is not necessary to that purpose or function [is] part of the expression of that idea.” *Whelan Assoc., Inc. v. Jaslow Dental Laboratory, Inc.*, [797 F.2d 1222, 1236](#) (3d Cir. 1986) (emphasis omitted). The *Whelan* rule, however, has been widely—and soundly—criticized as simplistic and overbroad. See *CAI*, 23 U.S.P.Q.2d at 1252 (citing cases, treatises, and articles). In reality, “a computer program’s ultimate function or purpose is the composite result of interacting subroutines. Since each subroutine is itself a program, and thus, may be said to have its own ‘idea,’ *Whelan*’s general formulation ... is descriptively inadequate.” *Id.* For example, the computer program at issue in the case before us, a video game program, contains at least two such subroutines—the subroutine that allows the user to interact with the video game and the subroutine that allows the game cartridge to interact with the console. Under a test that breaks down a computer program into its component subroutines and sub-subroutines and then identifies the idea or core functional element of each, such as the test recently adopted by the Second Circuit in *CAI*, 23 U.S.P.Q.2d at 1252-53, many aspects of the program are not protected by copyright. In our view, in light of the essentially utilitarian nature of computer programs, the Second Circuit’s approach is an appropriate one.

Sega argues that even if many elements of its video game programs are properly characterized as functional and therefore not protected by copyright, Accolade copied protected expression. Sega is correct. The record makes clear that disassembly is wholesale copying. Because computer programs are also unique among copyrighted works in the form in which they are distributed for public use, however, Sega’s observation does not bring us much closer to a resolution of the dispute.

⁷ We therefore reject Sega’s belated suggestion that Accolade’s incorporation of the code which “unlocks” the Genesis III console is not a fair use. Our decision on this point is entirely consistent with *Atari v. Nintendo*, [975 F.2d 832](#) (Fed. Cir. 1992). Although Nintendo extended copyright protection to Nintendo’s 10NES security system, that system consisted of an original program which generates an arbitrary data stream “key” which unlocks the NES console. Creativity and originality went into the design of that program. See *id.* at 840. Moreover, the federal circuit concluded that there is a “multitude of different ways to generate a data stream which unlocks the NES console.” *Atari*, [975 F.2d at 839](#). The circumstances are clearly different here. Sega’s key appears to be functional. It consists merely of 20 bytes of initialization code plus the letters S-E-G-A. There is no showing that there is a multitude of different ways to unlock the Genesis III console. Finally, we note that Sega’s security code is of such de minimis length that it is probably unprotected under the words and short phrases doctrine. 37 C.F.R. § 202.1(a).

The unprotected aspects of most functional works are readily accessible to the human eye. The systems described in accounting textbooks or the basic structural concepts embodied in architectural plans, to give two examples, can be easily copied without also copying any of the protected, expressive aspects of the original works. Computer programs, however, are typically distributed for public use in object code form, embedded in a silicon chip or on a floppy disk. For that reason, humans often cannot gain access to the unprotected ideas and functional concepts contained in object code without disassembling that code—*i.e.*, making copies. *Atari Games Corp. v. Nintendo of America*, 975 F.2d at 843-44 (Fed. Cir. 1992).

Sega argues that the record does not establish that disassembly of its object code is the only available method for gaining access to the interface specifications for the Genesis console, and the district court agreed. An independent examination of the record reveals that Sega misstates its contents, and demonstrates that the district court committed clear error in this respect.

First, the record clearly establishes that humans cannot read object code. Sega makes much of Mike Lorenzen's statement that a reverse engineer can work directly from the zeros and ones of object code but "[i]t's not as fun." In full, Lorenzen's statements establish only that the use of an electronic decompiler is not absolutely necessary. Trained programmers can disassemble object code by hand. Because even a trained programmer cannot possibly remember the millions of zeros and ones that make up a program, however, he must make a written or computerized copy of the disassembled code in order to keep track of his work. The relevant fact for purposes of Sega's copyright infringement claim and Accolade's fair use defense is that translation of a program from object code into source code cannot be accomplished without making copies of the code.

Second, the record provides no support for a conclusion that a viable alternative to disassembly exists. *** The district court also suggested that Accolade could have avoided a copyright infringement suit by programming in a "clean room". That finding too is clearly erroneous. A "clean room" is a procedure used in the computer industry in order to prevent direct copying of a competitor's code during the development of a competing product. Programmers in clean rooms are provided only with the functional specifications for the desired program. As Dr. Tredennick explained, the use of a clean room would not have avoided the need for disassembly because disassembly was necessary in order to discover the functional specifications for a Genesis-compatible game.

In summary, the record clearly establishes that disassembly of the object code in Sega's video game cartridges was necessary in order to understand the functional requirements for Genesis compatibility. The interface procedures for the Genesis console are distributed for public use only in object code form, and are not visible to the user during operation of the video game program. Because object code cannot be read by humans, it must be disassembled, either by hand or by machine. Disassembly of object code necessarily entails copying. Those facts dictate our analysis of the second statutory fair use factor. If disassembly of copyrighted object code is per se an unfair use, the owner of the copyright gains a de facto monopoly over the functional aspects

of his work—aspects that were expressly denied copyright protection by Congress. 17 U.S.C. § 102(b). In order to enjoy a lawful monopoly over the idea or functional principle underlying a work, the creator of the work must satisfy the more stringent standards imposed by the patent laws. *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, [489 U.S. 141, 159-64](#) (1989). Sega does not hold a patent on the Genesis console.

Because Sega's video game programs contain unprotected aspects that cannot be examined without copying, we afford them a lower degree of protection than more traditional literary works. In light of all the considerations discussed above, we conclude that the second statutory factor also weighs in favor of Accolade.

(d)

As to the third statutory factor, Accolade disassembled entire programs written by Sega. Accordingly, the third factor weighs against Accolade. The fact that an entire work was copied does not, however, preclude a finding a fair use. *Sony Corp.*, [464 U.S. at 449-50](#). In fact, where the ultimate (as opposed to direct) use is as limited as it was here, the factor is of very little weight.

(e)

In summary, careful analysis of the purpose and characteristics of Accolade's use of Sega's video game programs, the nature of the computer programs involved, and the nature of the market for video game cartridges yields the conclusion that the first, second, and fourth statutory fair use factors weigh in favor of Accolade, while only the third weighs in favor of Sega, and even then only slightly. Accordingly, Accolade clearly has by far the better case on the fair use issue.

We are not unaware of the fact that to those used to considering copyright issues in more traditional contexts, our result may seem incongruous at first blush. To oversimplify, the record establishes that Accolade, a commercial competitor of Sega, engaged in wholesale copying of Sega's copyrighted code as a preliminary step in the development of a competing product. However, the key to this case is that we are dealing with computer software, a relatively unexplored area in the world of copyright law. We must avoid the temptation of trying to force “the proverbial square peg in[to] a round hole.” *CAI*, 23 U.S.P.Q.2d at 1257.

In determining whether a challenged use of copyrighted material is fair, a court must keep in mind the public policy underlying the Copyright Act. “The immediate effect of our copyright law is to secure a fair return for an “author's” creative labor. But the ultimate aim is, by this incentive, to stimulate artistic creativity for the general public good.” *Sony Corp.*, [464 U.S. at 432](#) (quoting *Twentieth Century Music Corp. v. Aiken*, [422 U.S. 151, 156](#) (1975)). When technological change has rendered an aspect or application of the Copyright Act ambiguous, “the Copyright Act must be construed in light of this basic purpose.” *Id.* As discussed above, the fact that computer programs are distributed for public use in object code form often precludes public access to the ideas and functional concepts contained in those programs, and thus confers on the copyright

owner a de facto monopoly over those ideas and functional concepts. That result defeats the fundamental purpose of the Copyright Act—to encourage the production of original works by protecting the expressive elements of those works while leaving the ideas, facts, and functional concepts in the public domain for others to build on. *Feist Publications*, [111 S.Ct. at 1290](#).

Sega argues that the considerable time, effort, and money that went into development of the Genesis and Genesis-compatible video games militate against a finding of fair use. Borrowing from antitrust principles, Sega attempts to label Accolade a “free rider” on its product development efforts. In *Feist Publications*, however, the Court unequivocally rejected the “sweat of the brow” rationale for copyright protection. [111 S.Ct. at 1290-95](#). Under the Copyright Act, if a work is largely functional, it receives only weak protection. “This result is neither unfair nor unfortunate. It is the means by which copyright advances the progress of science and art.” *Id.* [111 S.Ct. at 1290](#). Here, while the work may not be largely functional, it incorporates functional elements which do not merit protection. The equitable considerations involved weigh on the side of public access. Accordingly, we reject Sega’s argument.

(f)

We conclude that where disassembly is the only way to gain access to the ideas and functional elements embodied in a copyrighted computer program and where there is a legitimate reason for seeking such access, disassembly is a fair use of the copyrighted work, as a matter of law. Our conclusion does not, of course, insulate Accolade from a claim of copyright infringement with respect to its finished products. Sega has reserved the right to raise such a claim, and it may do so on remand. ***

MDY Industries, LLC v. Blizzard Entertainment, Inc.

629 F.3d 928 (9th Cir. 2010), as amended on denial of rehearing (2011)

ORDER

Our opinion filed on December 14, 2010, is amended to include the following footnote at the end of Section V(E)(2):

For the first time in its petition for rehearing, MDY raises the applicability of Section 1201(f) and the question whether Glider is an “independently created computer program” under that subsection and thus exempt from the coverage of Section 1201(a). Because this argument was not raised to the district court or presented in the parties’ briefs on appeal, we decline to reach it.

With this amendment, the plaintiffs–appellants’ petition for rehearing is DENIED. No further petition for rehearing will be entertained.

OPINION

CALLAHAN, Circuit Judge: Blizzard Entertainment, Inc. (“Blizzard”) is the creator of World of Warcraft (“WoW”), a popular multiplayer online role-playing game in which players interact in a virtual world while advancing through the game’s 70 levels. MDY Industries, LLC and its sole member Michael Donnelly (“Donnelly”) (sometimes referred to collectively as “MDY”) developed and sold Glider, a software program that automatically plays the early levels of WoW for players.

MDY brought this action for a declaratory judgment to establish that its Glider sales do not infringe Blizzard’s copyright or other rights, and Blizzard asserted counterclaims under the Digital Millennium Copyright Act (“DMCA”), 17 U.S.C. § 1201 et seq., and for tortious interference with contract under Arizona law. The district court found MDY and Donnelly liable for secondary copyright infringement, violations of DMCA § 1201(a)(2) and (b)(1), and tortious interference with contract. We reverse the district court except as to MDY’s liability for violation of DMCA § 1201(a)(2) and remand for trial on Blizzard’s claim for tortious interference with contract.

I.

A. World of Warcraft

In November 2004, Blizzard created WoW, a “massively multiplayer online role-playing game” in which players interact in a virtual world. WoW has ten million subscribers, of which two and a half million are in North America. The WoW software has two components: (1) the game client software that a player installs on the computer; and (2) the game server software, which the player accesses on a subscription basis by connecting to WoW’s online servers. WoW does not have single-player or offline modes.

WoW players roleplay different characters, such as humans, elves, and dwarves. A player’s central objective is to advance the character through the game’s 70 levels by participating in quests and engaging in battles with monsters. As a player advances, the character collects rewards such as in-game currency, weapons, and armor. WoW’s virtual world has its own economy, in which characters use their virtual currency to buy and sell items directly from each other, through vendors, or using auction houses. Some players also utilize WoW’s chat capabilities to interact with others.

B. Blizzard’s use agreements

Each WoW player must read and accept Blizzard’s End User License Agreement (“EULA”) and Terms of Use (“ToU”) on multiple occasions. The EULA pertains to the game client, so a player agrees to it both before installing the game client and upon first running it. The ToU pertains to the online service, so a player agrees to it both when creating an account and upon first connecting to the online service. Players who do not accept both the EULA and the ToU may return the game client for a refund.

C. Development of Glider and Warden

Donnelly is a WoW player and software programmer. In March 2005, he developed Glider, a software “bot” (short for robot) that automates play of WoW’s early levels,

for his personal use. A user need not be at the computer while Glider is running. As explained in the Frequently Asked Questions (“FAQ”) on MDY’s website for Glider:

Glider . . . moves the mouse around and pushes keys on the keyboard. You tell it about your character, where you want to kill things, and when you want to kill. Then it kills for you, automatically. You can do something else, like eat dinner or go to a movie, and when you return, you’ll have a lot more experience and loot.

Glider does not alter or copy WoW’s game client software, does not allow a player to avoid paying monthly subscription dues to Blizzard, and has no commercial use independent of WoW. Glider was not initially designed to avoid detection by Blizzard.

The parties dispute Glider’s impact on the WoW experience. Blizzard contends that Glider disrupts WoW’s environment for non-Glider players by enabling Glider users to advance quickly and unfairly through the game and to amass additional game assets. MDY contends that Glider has a minimal effect on non-Glider players, enhances the WoW experience for Glider users, and facilitates disabled players’ access to WoW by auto-playing the game for them.

In summer 2005, Donnelly began selling Glider through MDY’s website for fifteen to twenty-five dollars per license. Prior to marketing Glider, Donnelly reviewed Blizzard’s EULA and client-server manipulation policy. He reached the conclusion that Blizzard had not prohibited bots in those documents.

In September 2005, Blizzard launched Warden, a technology that it developed to prevent its players who use unauthorized third-party software, including bots, from connecting to WoW’s servers. Warden was able to detect Glider, and Blizzard immediately used Warden to ban most Glider users. MDY responded by modifying Glider to avoid detection and promoting its new anti-detection features on its website’s FAQ. It added a subscription service, Glider Elite, which offered “additional protection from game detection software” for five dollars a month.

Thus, by late 2005, MDY was aware that Blizzard was prohibiting bots. MDY modified its website to indicate that using Glider violated Blizzard’s ToU. In November 2005, Donnelly wrote in an email interview, “Avoiding detection is rather exciting, to be sure. Since Blizzard does not want bots running at all, it’s a violation to use them.” Following MDY’s anti-detection modifications, Warden only occasionally detected Glider. As of September 2008, MDY had gross revenues of \$3.5 million based on 120,000 Glider license sales.

D. Financial and practical impact of Glider

Blizzard claims that from December 2004 to March 2008, it received 465,000 complaints about WoW bots, several thousand of which named Glider. Blizzard spends \$940,000 annually to respond to these complaints, and the parties have stipulated that Glider is the principal bot used by WoW players. Blizzard introduced evidence that it may have lost monthly subscription fees from Glider users, who were able to reach

WoW's highest levels in fewer weeks than players playing manually. Donnelly acknowledged in a November 2005 email that MDY's business strategy was to make Blizzard's anti-bot detection attempts financially prohibitive:

The trick here is that Blizzard has a finite amount of development and test resources, so we want to make it bad business to spend that much time altering their detection code to find Glider, since Glider's negative effect on the game is debatable. . . . [W]e attack th[is] weakness and try to make it a bad idea or make their changes very risky, since they don't want to risk banning or crashing innocent customers.

E. Pre-litigation contact between MDY and Blizzard

In August 2006, Blizzard sent MDY a cease-and-desist letter alleging that MDY's website hosted WoW screenshots and a Glider install file, all of which infringed Blizzard's copyrights. Donnelly removed the screenshots and requested Blizzard to clarify why the install file was infringing, but Blizzard did not respond. In October 2006, Blizzard's counsel visited Donnelly's home, threatening suit unless MDY immediately ceased selling Glider and remitted all profits to Blizzard. MDY immediately commenced this action.

II.

On December 1, 2006, MDY filed an amended complaint seeking a declaration that Glider does not infringe Blizzard's copyright or other rights. In February 2007, Blizzard filed counterclaims and third-party claims against MDY and Donnelly for, *inter alia*, contributory and vicarious copyright infringement, violation of DMCA § 1201(a)(2) and (b)(1), and tortious interference with contract.

In July 2008, the district court granted Blizzard partial summary judgment, finding that MDY's Glider sales contributorily and vicariously infringed Blizzard's copyrights and tortiously interfered with Blizzard's contracts. The district court also granted MDY partial summary judgment, finding that MDY did not violate DMCA § 1201(a)(2) with respect to accessing the game software's source code.

In September 2008, the parties stipulated to entry of a \$6 million judgment against MDY for the copyright infringement and tortious interference with contract claims. They further stipulated that Donnelly would be personally liable for the same amount if found personally liable at trial. After a January 2009 bench trial, the district court held MDY liable under DMCA § 1201(a)(2) and (b)(1). It also held Donnelly personally liable for MDY's copyright infringement, DMCA violations, and tortious interference with contract.

On April 1, 2009, the district court entered judgment against MDY and Donnelly for \$6.5 million, an adjusted figure to which the parties stipulated based on MDY's DMCA liability and post-summary judgment Glider sales. The district court permanently enjoined MDY from distributing Glider. MDY's efforts to stay injunctive relief pending appeal were unsuccessful. On April 29, 2009, MDY timely filed this appeal. On May

12, 2009, Blizzard timely cross-appealed the district court's holding that MDY did not violate DMCA § 1201(a)(2) and (b)(1) as to the game software's source code. ***

IV.

We first consider whether MDY committed contributory or vicarious infringement (collectively, "secondary infringement") of Blizzard's copyright by selling Glider to WoW players. To establish secondary infringement, Blizzard must first demonstrate direct infringement. To establish direct infringement, Blizzard must demonstrate copyright ownership and violation of one of its exclusive rights by Glider users. MDY is liable for contributory infringement if it has "intentionally induc[ed] or encourag[ed] direct infringement" by Glider users. *MGM Studios Inc. v. Grokster, Ltd.*, [545 U.S. 913, 930](#) (2005). MDY is liable for vicarious infringement if it (1) has the right and ability to control Glider users' putatively infringing activity and (2) derives a direct financial benefit from their activity. If Glider users directly infringe, MDY does not dispute that it satisfies the other elements of contributory and vicarious infringement.

As a copyright owner, Blizzard possesses the exclusive right to reproduce its work. 17 U.S.C. § 106(1). The parties agree that when playing WoW, a player's computer creates a copy of the game's software in the computer's random access memory ("RAM"), a form of temporary memory used by computers to run software programs. This copy potentially infringes unless the player (1) is a licensee whose use of the software is within the scope of the license or (2) owns the copy of the software. See *Sun Microsystems, Inc. v. Microsoft Corp.*, [188 F.3d 1115, 1121](#) (9th Cir. 1999) ("*Sun P*"); 17 U.S.C. § 117(a). As to the scope of the license, ToU § 4(B), "Limitations on Your Use of the Service," provides:

You agree that you will not . . . (ii) create or use cheats, bots, "mods," and/or hacks, or any other third-party software designed to modify the World of Warcraft experience; or (iii) use any third-party software that intercepts, "mines," or otherwise collects information from or through the Program or Service.

By contrast, if the player owns the copy of the software, the "essential step" defense provides that the player does not infringe by making a copy of the computer program where the copy is created and used solely "as an essential step in the utilization of the computer program in conjunction with a machine." 17 U.S.C. § 117(a)(1).

A. Essential step defense

We consider whether WoW players, including Glider users, are owners or licensees of their copies of WoW software. If WoW players own their copies, as MDY contends, then Glider users do not infringe by reproducing WoW software in RAM while playing, and MDY is not secondarily liable for copyright infringement.

In *Vernor v. Autodesk, Inc.*, we recently distinguished between "owners" and "licensees" of copies for purposes of the essential step defense. *Vernor v. Autodesk, Inc.*, [621 F.3d 1102, 1108-09](#) (9th Cir. 2010). In *Vernor*, we held "that a software user is a licensee rather than an owner of a copy where the copyright owner (1) specifies that the user is

granted a license; (2) significantly restricts the user's ability to transfer the software; and (3) imposes notable use" restrictions. [621 F.3d at 1111](#) (internal footnote omitted).

Applying *Vernor*, we hold that WoW players are licensees of WoW's game client software. Blizzard reserves title in the software and grants players a non-exclusive, limited license. Blizzard also imposes transfer restrictions if a player seeks to transfer the license: the player must (1) transfer all original packaging and documentation; (2) permanently delete all of the copies and installation of the game client; and (3) transfer only to a recipient who accepts the EULA. A player may not sell or give away the account.

Blizzard also imposes a variety of use restrictions. The game must be used only for non-commercial entertainment purposes and may not be used in cyber cafes and computer gaming centers without Blizzard's permission. Players may not concurrently use unauthorized third-party programs. Also, Blizzard may alter the game client itself remotely without a player's knowledge or permission, and may terminate the EULA and ToU if players violate their terms. Termination ends a player's license to access and play WoW. Following termination, players must immediately destroy their copies of the game and uninstall the game client from their computers, but need not return the software to Blizzard.

Since WoW players, including Glider users, do not own their copies of the software, Glider users may not claim the essential step defense. 17 U.S.C. § 117(a)(1). Thus, when their computers copy WoW software into RAM, the players may infringe unless their usage is within the scope of Blizzard's limited license.

B. Contractual covenants vs. license conditions

"A copyright owner who grants a nonexclusive, limited license ordinarily waives the right to sue licensees for copyright infringement, and it may sue only for breach of contract." *Sun I*, [188 F.3d at 1121](#) (internal quotations omitted). However, if the licensee acts outside the scope of the license, the licensor may sue for copyright infringement. Enforcing a copyright license "raises issues that lie at the intersection of copyright and contract law." *Id.* at 1122.

We refer to contractual terms that limit a license's scope as "conditions," the breach of which constitute copyright infringement. *Id.* at 1120. We refer to all other license terms as "covenants," the breach of which is actionable only under contract law. *Id.* We distinguish between conditions and covenants according to state contract law, to the extent consistent with federal copyright law and policy. *Foad Consulting Group v. Musil Govan Azzalino*, [270 F.3d 821, 827](#) (9th Cir. 2001).

A Glider user commits copyright infringement by playing WoW while violating a ToU term that is a license condition. To establish copyright infringement, then, Blizzard must demonstrate that the violated term—ToU § 4(B)—is a condition rather than a covenant. Blizzard's EULAs and ToUs provide that they are to be interpreted according to Delaware law. Accordingly, we first construe them under Delaware law, and then evaluate whether that construction is consistent with federal copyright law and policy.

A covenant is a contractual promise, i.e., a manifestation of intention to act or refrain from acting in a particular way, such that the promisee is justified in understanding that the promisor has made a commitment. A condition precedent is an act or event that must occur before a duty to perform a promise arises. Conditions precedent are disfavored because they tend to work forfeitures. Wherever possible, equity construes ambiguous contract provisions as covenants rather than conditions. However, if the contract is unambiguous, the court construes it according to its terms.

Applying these principles, ToU § 4(B)(ii) and (iii)'s prohibitions against bots and unauthorized third-party software are covenants rather than copyright-enforceable conditions. Although ToU § 4 is titled, "Limitations on Your Use of the Service," nothing in that section conditions Blizzard's grant of a limited license on players' compliance with ToU § 4's restrictions. To the extent that the title introduces any ambiguity, under Delaware law, ToU § 4(B) is not a condition, but is a contractual covenant.

To recover for copyright infringement based on breach of a license agreement, (1) the copying must exceed the scope of the defendant's license and (2) the copyright owner's complaint must be grounded in an exclusive right of copyright (e.g., unlawful reproduction or distribution). See *Storage Tech. Corp. v. Custom Hardware Eng'g & Consulting, Inc.*, [421 F.3d 1307, 1315-16](#) (Fed. Cir. 2005). Contractual rights, however, can be much broader:

[C]onsider a license in which the copyright owner grants a person the right to make one and only one copy of a book with the caveat that the licensee may not read the last ten pages. Obviously, a licensee who made a hundred copies of the book would be liable for copyright infringement because the copying would violate the Copyright Act's prohibition on reproduction and would exceed the scope of the license. Alternatively, if the licensee made a single copy of the book, but read the last ten pages, the only cause of action would be for breach of contract, because reading a book does not violate any right protected by copyright law.

Id. at 1316. Consistent with this approach, we have held that the potential for infringement exists only where the licensee's action (1) exceeds the license's scope (2) in a manner that implicates one of the licensor's exclusive statutory rights.

Here, ToU § 4 contains certain restrictions that are grounded in Blizzard's exclusive rights of copyright and other restrictions that are not. For instance, ToU § 4(D) forbids creation of derivative works based on WoW without Blizzard's consent. A player who violates this prohibition would exceed the scope of her license and violate one of Blizzard's exclusive rights under the Copyright Act. In contrast, ToU § 4(C)(ii) prohibits a player's disruption of another player's game experience. A player might violate this prohibition while playing the game by harassing another player with unsolicited instant messages. Although this conduct may violate the contractual covenants with Blizzard, it would not violate any of Blizzard's exclusive rights of copyright. The antibot provisions at issue in this case, ToU § 4(B)(ii) and (iii), are similarly covenants rather than conditions. A Glider user violates the covenants with Blizzard, but does not thereby

commit copyright infringement because Glider does not infringe any of Blizzard's exclusive rights. For instance, the use does not alter or copy WoW software.

Were we to hold otherwise, Blizzard—or any software copyright holder—could designate any disfavored conduct during software use as copyright infringement, by purporting to condition the license on the player's abstention from the disfavored conduct. The rationale would be that because the conduct occurs while the player's computer is copying the software code into RAM in order for it to run, the violation is copyright infringement. This would allow software copyright owners far greater rights than Congress has generally conferred on copyright owners.

We conclude that for a licensee's violation of a contract to constitute copyright infringement, there must be a nexus between the condition and the licensor's exclusive rights of copyright. Here, WoW players do not commit copyright infringement by using Glider in violation of the ToU. MDY is thus not liable for secondary copyright infringement, which requires the existence of direct copyright infringement. *Grokster*, [545 U.S. at 930](#).

It follows that because MDY does not infringe Blizzard's copyrights, we need not resolve MDY's contention that Blizzard commits copyright misuse. ***

We thus reverse the district court's grant of summary judgment to Blizzard on its secondary copyright infringement claims. Accordingly, we must also vacate the portion of the district court's permanent injunction that barred MDY and Donnelly from "infringing, or contributing to the infringement of, Blizzard's copyrights in WoW software."

V.

After MDY began selling Glider, Blizzard launched Warden, its technology designed to prevent players who used bots from connecting to the WoW servers. Blizzard used Warden to ban most Glider users in September 2005. Blizzard claims that MDY is liable under DMCA § 1201(a)(2) and (b)(1) because it thereafter programmed Glider to avoid detection by Warden.

A. The Warden technology

Warden has two components. The first is a software module called "scan.dll," which scans a computer's RAM prior to allowing the player to connect to WoW's servers. If scan.dll detects that a bot is running, such as Glider, it will not allow the player to connect and play. After Blizzard launched Warden, MDY reconfigured Glider to circumvent scan.dll by not loading itself until after scan.dll completed its check. Warden's second component is a "resident" component that runs periodically in the background on a player's computer when it is connected to WoW's servers. It asks the computer to report portions of the WoW code running in RAM, and it looks for patterns of code associated with known bots or cheats. If it detects a bot or cheat, it boots the player from the game, which halts the computer's copying of copyrighted code into RAM.

B. The Digital Millennium Copyright Act

Congress enacted the DMCA in 1998 to conform United States copyright law to its obligations under two World Intellectual Property Organization (“WIPO”) treaties, which require contracting parties to provide effective legal remedies against the circumvention of protective technological measures used by copyright owners. In enacting the DMCA, Congress sought to mitigate the problems presented by copyright enforcement in the digital age. The DMCA contains three provisions directed at the circumvention of copyright owners’ technological measures. The Supreme Court has yet to construe these provisions, and they raise questions of first impression in this circuit.

The first provision, 17 U.S.C. § 1201(a)(1)(A), is a general prohibition against “circumventing a technological measure that effectively controls access to a work protected under [the Copyright Act].” The second prohibits trafficking in technology that circumvents a technological measure that “effectively controls access” to a copyrighted work. 17 U.S.C. § 1201(a)(2). The third prohibits trafficking in technology that circumvents a technological measure that “effectively protects” a copyright owner’s right. 17 U.S.C. § 1201(b)(1).

C. The district court’s decision

The district court assessed whether MDY violated DMCA § 1201(a)(2) and (b)(1) with respect to three WoW components. First, the district court considered the game client software’s literal elements: the source code stored on players’ hard drives. Second, the district court considered the game client software’s individual non-literal elements: the 400,000+ discrete visual and audible components of the game, such as a visual image of a monster or its audible roar. Finally, it considered the game’s dynamic non-literal elements: that is, the “real-time experience of traveling through different worlds, hearing their sounds, viewing their structures, encountering their inhabitants and monsters, and encountering other players.”

The district court granted MDY partial summary judgment as to Blizzard’s § 1201(a)(2) claim with respect to WoW’s literal elements. The district court reasoned that Warden does not effectively control access to the literal elements because WoW players can access the literal elements without connecting to a game server and encountering Warden; they need only install the game client software on their computers. The district court also ruled for MDY following trial as to Blizzard’s § 1201(a)(2) claim with respect to WoW’s individual non-literal elements, reasoning that these elements could also be accessed on a player’s hard drive without encountering Warden.

The district court, however, ruled for Blizzard following trial as to its § 1201(a)(2) and (b)(1) claims with respect to WoW’s dynamic non-literal elements, or the “real-time experience” of playing WoW. It reasoned that Warden effectively controlled access to these elements, which could not be accessed without connecting to Blizzard’s servers. It also found that Glider allowed its users to circumvent Warden by avoiding or bypassing its detection features, and that MDY marketed Glider for use in circumventing Warden.

We turn to consider whether Glider violates DMCA § 1201(a)(2) and (b)(1) by allowing users to circumvent Warden to access WoW's various elements. MDY contends that Warden's scan.dll and resident components are separate, and only scan.dll should be considered as a potential access control measure under § 1201(a)(2). However, in our view, an access control measure can both (1) attempt to block initial access and (2) revoke access if a secondary check determines that access was unauthorized. Our analysis considers Warden's scan.dll and resident components together because the two components have the same purpose: to prevent players using detectable bots from continuing to access WoW software.

D. Construction of § 1201

One of the issues raised by this appeal is whether certain provisions of § 1201 prohibit circumvention of access controls when access does not constitute copyright infringement. To answer this question and others presented by this appeal, we address the nature and interrelationship of the various provisions of § 1201 in the overall context of the Copyright Act.

We begin by considering the scope of DMCA § 1201's three operative provisions, §§ 1201(a)(1), 1201(a)(2), and 1201(b)(1). ***

2. Our harmonization of the DMCA's operative provisions

For the reasons set forth below, we believe that § 1201 is best understood to create two distinct types of claims. First, § 1201(a) prohibits the circumvention of any technological measure that effectively controls access to a protected work and grants copyright owners the right to enforce that prohibition. Second, and in contrast to § 1201(a), § 1201(b)(1) prohibits trafficking in technologies that circumvent technological measures that effectively protect "a right of a copyright owner." Section 1201(b)(1)'s prohibition is thus aimed at circumventions of measures that protect the copyright itself: it entitles copyright owners to protect their existing exclusive rights under the Copyright Act. Those exclusive rights are reproduction, distribution, public performance, public display, and creation of derivative works. 17 U.S.C. § 106. Historically speaking, preventing "access" to a protected work in itself has not been a right of a copyright owner arising from the Copyright Act.

Our construction of § 1201 is compelled by the four significant textual differences between § 1201(a) and (b). First, § 1201(a)(2) prohibits the circumvention of a measure that "effectively controls access to *a work protected under this title*," whereas § 1201(b)(1) concerns a measure that "effectively protects *a right of a copyright owner under this title in a work or portion thereof*." (emphasis added). We read § 1201(b)(1)'s language—"right of a copyright owner under this title"—to reinforce copyright owners' traditional exclusive rights under § 106 by granting them an additional cause of action against those who traffic in circumventing devices that facilitate infringement. Sections 1201(a)(1) and (a)(2), however, use the term "work protected under this title." Neither of these two subsections explicitly refers to traditional copyright infringement under § 106. Accordingly, we read this term as extending a new form of protection, *i.e.*, the right to prevent

circumvention of access controls, broadly to works protected under Title 17, *i.e.*, copyrighted works.

Second, as used in § 1201(a), to “circumvent a technological measure” means “to descramble a scrambled work, to decrypt an encrypted work, or otherwise to avoid, bypass, remove, deactivate, or impair a technological measure, without the authority of the copyright owner.” 17 U.S.C. § 1201(a)(3)(A). These two specific examples of unlawful circumvention under § 1201(a)—descrambling a scrambled work and decrypting an encrypted work—are acts that do not necessarily infringe or facilitate infringement of a copyright. Descrambling or decrypting only enables someone to watch or listen to a work without authorization, which is not necessarily an infringement of a copyright owner’s traditional exclusive rights under § 106. Put differently, descrambling and decrypting do not necessarily result in someone’s reproducing, distributing, publicly performing, or publicly displaying the copyrighted work, or creating derivative works based on the copyrighted work.

The third significant difference between the subsections is that § 1201(a)(1)(A) prohibits circumventing an effective access control measure, whereas § 1201(b) prohibits trafficking in circumventing devices, but does not prohibit circumvention itself because such conduct was already outlawed as copyright infringement. The Senate Judiciary Committee explained:

This . . . is the reason there is no prohibition on conduct in 1201(b) akin to the prohibition on circumvention conduct in 1201(a)(1). The prohibition in 1201(a)(1) is necessary because prior to this Act, the conduct of circumvention was never before made unlawful. The device limitation on 1201(a)(2) enforces this new prohibition on conduct. The copyright law has long forbidden copyright infringements, so no new prohibition was necessary.

S.Rep. No. 105-90, at 11 (1998). This difference reinforces our reading of § 1201(b) as strengthening copyright owners’ traditional rights against copyright infringement and of § 1201(a) as granting copyright owners a new anti-circumvention right.

Fourth, in § 1201(a)(1)(B)-(D), Congress directs the Library of Congress (“Library”) to identify classes of copyrighted works for which “noninfringing uses by persons who are users of a copyrighted work are, or are likely to be, adversely affected, and the [anti-circumvention] prohibition contained in [§ 1201(a)(1)(A)] shall not apply to such users with respect to such classes of works for the ensuing 3-year period.” There is no analogous provision in § 1201(b). We impute this lack of symmetry to Congress’ need to balance copyright owners’ new anti-circumvention right with the public’s right to access the work. Sections 1201(a)(1)(B)-(D) thus promote the public’s right to access by allowing the Library to exempt circumvention of effective access control measures in particular situations where it concludes that the public’s right to access outweighs the owner’s interest in restricting access. In limiting the owner’s right to control access, the Library does not, and is not permitted to, authorize infringement of a copyright owner’s traditional exclusive rights under the copyright. Rather, the Library is only entitled to moderate the new anti-circumvention right created by, and hence subject to the limitations in, DMCA § 1201(a)(1).

Our reading of § 1201(a) and (b) ensures that neither section is rendered superfluous. A violation of § 1201(a)(1)(A), which prohibits circumvention itself, will not be a violation of § 1201(b), which does not contain an analogous prohibition on circumvention. A violation of § 1201(a)(2), which prohibits trafficking in devices that facilitate circumvention of access control measures, will not always be a violation of § 1201(b)(1), which prohibits trafficking in devices that facilitate circumvention of measures that protect against *copyright infringement*. Of course, if a copyright owner puts in place an effective measure that both (1) controls access and (2) protects against copyright infringement, a defendant who traffics in a device that circumvents that measure could be liable under both § 1201(a) and (b). Nonetheless, we read the differences in structure between § 1201(a) and (b) as reflecting Congress’s intent to address distinct concerns by creating different rights with different elements. ***

E. Blizzard’s § 1201(a)(2) claim

1. WoW’s literal elements and individual non-literal elements

We agree with the district court that MDY’s Glider does not violate DMCA § 1201(a)(2) with respect to WoW’s literal elements and individual non-literal elements, because Warden does not effectively control access to these WoW elements. First, Warden does not control access to WoW’s literal elements because these elements—the game client’s software code—are available on a player’s hard drive once the game client software is installed. Second, as the district court found:

[WoW’s] individual nonliteral components may be accessed by a user without signing on to the server. As was demonstrated during trial, an owner of the game client software may use independently purchased computer programs to call up the visual images or the recorded sounds within the game client software. For instance, a user may call up and listen to the roar a particular monster makes within the game. Or the user may call up a virtual image of that monster.

Since a player need not encounter Warden to access WoW’s individual non-literal elements, Warden does not effectively control access to those elements.

Our conclusion is in accord with the Sixth Circuit’s decision in *Lexmark International v. Static Control Components*, [387 F.3d 522](#) (6th Cir. 2004). In *Lexmark*, the plaintiff sold laser printers equipped with an authentication sequence, verified by the printer’s copyrighted software, that ensured that only plaintiff’s own toner cartridges could be inserted into the printers. The defendant sold microchips capable of generating an authentication sequence that rendered other manufacturers’ cartridges compatible with plaintiff’s printers.

The Sixth Circuit held that plaintiff’s § 1201(a)(2) claim failed because its authentication sequence did not effectively control access to its copyrighted computer program. Rather, the mere purchase of one of plaintiff’s printers allowed “access” to the copyrighted program. Any purchaser could read the program code directly from the printer memory without encountering the authentication sequence. The authentication sequence thus blocked only one form of access: the ability to make use of the printer.

However, it left intact another form of access: the review and use of the computer program's literal code. The Sixth Circuit explained:

Just as one would not say that a lock on the back door of a house “controls access” to a house whose front door does not contain a lock and just as one would not say that a lock on any door of a house “controls access” to the house after its purchaser receives the key to the lock, it does not make sense to say that this provision of the DMCA applies to otherwise-readily-accessible copyrighted works. Add to this the fact that the DMCA not only requires the technological measure to “control access” but requires the measure to control that access “effectively,” 17 U.S.C. § 1201(a)(2), and it seems clear that this provision does not naturally extend to a technological measure that restricts one form of access but leaves another route wide open.

Id. at 547.

Here, a player's purchase of the WoW game client allows access to the game's literal elements and individual non-literal elements. Warden blocks one form of access to these elements: the ability to access them while connected to a WoW server. However, analogously to the situation in *Lexmark*, Warden leaves open the ability to access these elements directly via the user's computer. We conclude that Warden is not an effective access control measure with respect to WoW's literal elements and individual non-literal elements, and therefore, that MDY does not violate § 1201(a)(2) with respect to these elements.

2. WoW's dynamic non-literal elements

We conclude that MDY meets each of the six textual elements for violating § 1201(a)(2) with respect to WoW's dynamic non-literal elements. That is, MDY (1) traffics in (2) a technology or part thereof (3) that is primarily designed, produced, or marketed for, or has limited commercially significant use other than (4) circumventing a technological measure (5) that effectively controls access (6) to a copyrighted work. See 17 U.S.C. § 1201(a)(2).

The first two elements are met because MDY “traffics in a technology or part thereof”—that is, it sells Glider. The third and fourth elements are met because Blizzard has established that MDY *markets* Glider for use in circumventing Warden, thus satisfying the requirement of § 1201(a)(2)(C). Indeed, Glider has no function other than to facilitate the playing of WoW. The sixth element is met because, as the district court held, WoW's dynamic non-literal elements constitute a copyrighted work. See, e.g., *Atari Games Corp. v. Oman*, [888 F.2d 878, 884-85](#) (D.C. Cir. 1989) (the audiovisual display of a computer game is copyrightable independently from the software program code, even though the audiovisual display generated is partially dependent on user input).

The fifth element is met because Warden is an effective access control measure. To “effectively control access to a work,” a technological measure must “in the ordinary course of its operation, require[] the application of information, or a process or a treatment, with the authority of the copyright owner, to gain access to the work.” 17 U.S.C.

§ 1201(a)(3)(B). Both of Warden’s two components “require[] the application of information, or a process or a treatment . . . to gain access to the work.” For a player to connect to Blizzard’s servers which provide access to WoW’s dynamic non-literal elements, scan.dll must scan the player’s computer RAM and confirm the absence of any bots or cheats. The resident component also requires a “process” in order for the user to continue accessing the work: the user’s computer must report portions of WoW code running in RAM to the server. Moreover, Warden’s provisions were put into place by Blizzard, and thus, function “with the authority of the copyright owner.” Accordingly, Warden effectively controls access to WoW’s dynamic non-literal elements. We hold that MDY is liable under § 1201(a)(2) with respect to WoW’s dynamic non-literal elements. Accordingly, we affirm the district court’s entry of a permanent injunction against MDY to prevent future § 1201(a)(2) violations.

F. Blizzard’s § 1201(b)(1) claim

Blizzard may prevail under § 1201(b)(1) only if Warden “effectively protect[s] a right” of Blizzard under the Copyright Act. Blizzard contends that Warden protects its reproduction right against unauthorized copying. We disagree.

First, although WoW players copy the software code into RAM while playing the game, Blizzard’s EULA and ToU authorize all licensed WoW players to do so. We have explained that ToU § 4(B)’s bot prohibition is a license covenant rather than a condition. Thus, a Glider user who violates this covenant does not infringe by continuing to copy code into RAM. Accordingly, MDY does not violate § 1201(b)(1) by enabling Glider users to avoid Warden’s interruption of their authorized copying into RAM.

Second, although WoW players can theoretically record game play by taking screen shots, there is no evidence that Warden detects or prevents such allegedly infringing copying. This is logical, because Warden was designed to reduce the presence of cheats and bots, not to protect WoW’s dynamic non-literal elements against copying. We conclude that Warden does not effectively protect any of Blizzard’s rights under the Copyright Act, and MDY is not liable under § 1201(b)(1) for Glider’s circumvention of Warden.

VI.

The district court granted Blizzard summary judgment on its claim against MDY for tortious interference with contract (“tortious interference”) under Arizona law and held that Donnelly was personally liable for MDY’s tortious interference. We review the district court’s grant of summary judgment de novo. We view the evidence in the light most favorable to non-movant MDY in determining whether there are any genuine issues of material fact. Because we conclude that there are triable issues of material fact, we vacate and remand for trial.

A. Elements of Blizzard’s tortious interference claim

To recover for tortious interference under Arizona law, Blizzard must prove: (1) the existence of a valid contractual relationship; (2) MDY’s knowledge of the relationship;

(3) MDY's intentional interference in inducing or causing the breach; (4) the impropriety of MDY's interference; and (5) resulting damages. See *Safeway Ins. Co. v. Guerrero*, [106 P.3d 1020, 1025](#) (Ariz. 2005).

Blizzard satisfies four of these five elements based on undisputed facts. First, a valid contractual relationship exists between Blizzard and its customers based on the operative EULA and ToU. Second, MDY was aware of this relationship: it does not contend that it was unaware of the operative EULA and ToU, or unaware that using Glider breached their terms. In fact, after Blizzard first attempted to ban Glider users, MDY modified its website to notify customers that using Glider violated the ToU. Third, MDY intentionally interfered with Blizzard's contracts. After Blizzard used Warden to ban a majority of Glider users in September 2005, MDY programmed Glider to be undetectable by Warden. Finally, Blizzard has proffered evidence that it was damaged by MDY's conduct.

Thus, Blizzard is entitled to summary judgment if there are no triable issues of material fact as to the fourth element of its tortious interference claim: whether MDY's actions were improper. To determine whether a defendant's conduct was improper, Arizona employs the seven-factor test of Restatement (Second) of Torts § 767. See *Safeway*, [106 P.3d at 1027](#). The seven factors are (1) the nature of MDY's conduct, (2) MDY's motive, (3) Blizzard's interests with which MDY interfered, (4) the interests MDY sought to advance, (5) the social interests in protecting MDY's freedom of action and Blizzard's contractual interests, (6) the proximity or remoteness of MDY's conduct to the interference, and (7) the relations between MDY and Blizzard. A court should give greatest weight to the first two factors. We conclude that summary judgment was inappropriate here, because on the current record, taking the facts in the light most favorable to MDY, the first five factors do not clearly weigh in either side's favor, thus creating a genuine issue of material fact.

1. Nature of MDY's conduct and MDY's motive

The parties have presented conflicting evidence with respect to these two most important factors. Blizzard's evidence tends to demonstrate that MDY helped Glider users gain an advantage over other WoW players by advancing automatically to a higher level of the game. Thus, MDY knowingly assisted Glider users to breach their contracts, and then helped to conceal those breaches from Blizzard. Blizzard's evidence also supports the conclusion that Blizzard was negatively affected by MDY's Glider sales, because Glider use: (1) distorts WoW's virtual economy by flooding it with excess resources; (2) interferes with WoW players' ability to interact with other human players in the virtual world; and (3) strains Blizzard's servers because bots spend more continuous time in-game than do human players. Finally, Blizzard introduced evidence that MDY's motive was its three and a half to four million dollar profit.

On the other hand, MDY proffered evidence that it created Glider in 2005, when Blizzard's ToU did not explicitly prohibit bots. Glider initially had no anti-detection features. MDY added these features only after Blizzard added Warden to WoW. Blizzard did not change the EULA or ToU to proscribe bots such as Glider explicitly until

after MDY began selling Glider. Finally, MDY has introduced evidence that Glider enhances some players' experience of the game, including players who might otherwise not play WoW at all. Taking this evidence in the light most favorable to MDY, there is a genuine issue of material fact as to these factors.

2. Blizzard's interests with which MDY interferes; the interest that MDY seeks to advance; the social interest in protecting MDY's and Blizzard's respective interests

Blizzard argues that it seeks to provide its millions of WoW players with a particular role-playing game experience that excludes bots. It contends, as the district court determined, that MDY's interest depends on inducing Blizzard's customers to breach their contracts. In contrast, MDY argues that Glider is an innovative, profitable software program that has positively affected its users' lives by advancing them to WoW's more interesting levels. MDY has introduced evidence that Glider allows players with limited motor skills to continue to play WoW, improves some users' romantic relationships by reducing the time that they spend playing WoW, and allows users who work long hours to play WoW. We further note that, if the fact-finder decides that Blizzard did not ban bots at the time that MDY created Glider, the fact-finder might conclude that MDY had a legitimate interest in continuing to sell Glider. Again, the parties' differing evidence creates a genuine issue of material fact that precludes an award of summary judgment.

3. Proximity of MDY's conduct to the interference; relationship between MDY and Blizzard

MDY's Glider sales are the but-for cause of Glider users' breach of the operative ToU. Moreover, Blizzard and MDY are not competitors in the online role-playing game market; rather, MDY's profits appear to depend on the continued popularity of WoW. Blizzard, however, chose not to authorize MDY to sell Glider to its users. Even accepting that these factors favor Blizzard, we do not think that they independently warrant a grant of summary judgment to Blizzard. As noted, we cannot hold that five of the seven "impropriety" factors compel a finding in Blizzard's favor at this stage, including the two (nature of MDY's conduct and MDY's motive) that the Arizona courts deem most important. Accordingly, we vacate the district court's grant of summary judgment to Blizzard.

B. Copyright Act preemption

MDY contends that Blizzard's tortious interference claim is preempted by the Copyright Act. The Copyright Act preempts state laws that confer rights equivalent to the exclusive rights of copyright under 17 U.S.C. § 106 (*i.e.*, reproduction, distribution, public display, public performance, and creation of derivative works). 17 U.S.C. § 301(a). However, the Copyright Act does not preempt state law remedies with respect to "activities violating legal or equitable rights that are not equivalent to any of the exclusive rights [of copyright]." 17 U.S.C. § 301(b)(3).

Whether, in these circumstances, tortious interference with contract is preempted by the Copyright Act is a question of first impression in this circuit. However, we have

previously addressed a similar tortious interference cause of action under California law and found it not preempted. See *Altera Corp. v. Clear Logic, Inc.*, [424 F.3d 1079, 1089-90](#) (9th Cir. 2005). In so holding, we relied on the Seventh Circuit's analysis in *ProCD*, [86 F.3d 1447](#), which explained that because contractual rights are not equivalent to the exclusive rights of copyright, the Copyright Act's preemption clause usually does not affect private contracts. ***

This action concerns the anti-bot provisions of ToU § 4(b)(ii) and (iii), which we have held are contract-enforceable covenants rather than copyright-enforceable conditions. We conclude that since Blizzard seeks to enforce contractual rights that are not equivalent to any of its exclusive rights of copyright, the Copyright Act does not preempt its tortious interference claim. Accordingly, we hold that Blizzard's tortious interference claim under Arizona law is not preempted by the Copyright Act, but we vacate the grant of summary judgment because there are outstanding issues of material fact.

VII.

The district court found that Donnelly was personally liable for MDY's tortious interference with contract, secondary copyright infringement, and DMCA violations. We vacate the district court's decision because we determine that MDY is not liable for secondary copyright infringement and is liable under the DMCA only for violation of § 1201(a)(2) with respect to WoW's dynamic non-literal elements. In addition, we conclude that summary judgment is inappropriate as to Blizzard's claim for tortious interference with contract under Arizona law. Accordingly, on remand, the district court shall reconsider the issue of Donnelly's personal liability. The district court's decision is VACATED and the case is REMANDED to the district court for further proceedings consistent with this opinion.

Each side shall bear its own costs.

Perfect 10, Inc. v. Amazon.com, Inc.

508 F.3d 1146 (9th Cir. 2007)

IKUTA, Circuit Judge: In this appeal, we consider a copyright owner's efforts to stop an Internet search engine from facilitating access to infringing images. Perfect 10, Inc. sued Google Inc., for infringing Perfect 10's copyrighted photographs of nude models, among other claims. Perfect 10 brought a similar action against Amazon.com and its subsidiary A9.com (collectively, "Amazon.com"). The district court preliminarily enjoined Google from creating and publicly displaying thumbnail versions of Perfect 10's images, but did not enjoin Google from linking to third-party websites that display infringing full-size versions of Perfect 10's images. Nor did the district court preliminarily enjoin Amazon.com from giving users access to information provided by Google. Perfect 10 and Google both appeal the district court's order. ***

The district court handled this complex case in a particularly thoughtful and skillful manner. Nonetheless, the district court erred on certain issues, as we will further explain below. We affirm in part, reverse in part, and remand.

I

Background

Google's computers, along with millions of others, are connected to networks known collectively as the "Internet." "The Internet is a world-wide network of networks ... all sharing a common communications technology." *Religious Tech. Ctr. v. Netcom On-Line Comm'n Servs., Inc.*, [923 F.Supp. 1231, 1238 n. 1](#) (N.D. Cal. 1995). Computer owners can provide information stored on their computers to other users connected to the Internet through a medium called a webpage. A webpage consists of text interspersed with instructions written in Hypertext Markup Language ("HTML") that is stored in a computer. No images are stored on a webpage; rather, the HTML instructions on the webpage provide an address for where the images are stored, whether in the webpage publisher's computer or some other computer. In general, webpages are publicly available and can be accessed by computers connected to the Internet through the use of a web browser.

Google operates a search engine, a software program that automatically accesses thousands of websites (collections of webpages) and indexes them within a database stored on Google's computers. When a Google user accesses the Google website and types in a search query, Google's software searches its database for websites responsive to that search query. Google then sends relevant information from its index of websites to the user's computer. Google's search engines can provide results in the form of text, images, or videos.

The Google search engine that provides responses in the form of images is called "Google Image Search." In response to a search query, Google Image Search identifies text in its database responsive to the query and then communicates to users the images associated with the relevant text. Google's software cannot recognize and index the images themselves. Google Image Search provides search results as a webpage of small

images called “thumbnails,” which are stored in Google’s servers. The thumbnail images are reduced, lower-resolution versions of full-sized images stored on third-party computers.

When a user clicks on a thumbnail image, the user’s browser program interprets HTML instructions on Google’s webpage. These HTML instructions direct the user’s browser to cause a rectangular area (a “window”) to appear on the user’s computer screen. The window has two separate areas of information. The browser fills the top section of the screen with information from the Google webpage, including the thumbnail image and text. The HTML instructions also give the user’s browser the address of the website publisher’s computer that stores the full-size version of the thumbnail.² By following the HTML instructions to access the third-party webpage, the user’s browser connects to the website publisher’s computer, downloads the full-size image, and makes the image appear at the bottom of the window on the user’s screen. Google does not store the images that fill this lower part of the window and does not communicate the images to the user; Google simply provides HTML instructions directing a user’s browser to access a third-party website. However, the top part of the window (containing the information from the Google webpage) appears to frame and comment on the bottom part of the window. Thus, the user’s window appears to be filled with a single integrated presentation of the full-size image, but it is actually an image from a third-party website framed by information from Google’s website. The process by which the webpage directs a user’s browser to incorporate content from different computers into a single window is referred to as “in-line linking.” *Kelly v. Arriba Soft Corp.*, [336 F.3d 811, 816](#) (9th Cir. 2003). The term “framing” refers to the process by which information from one computer appears to frame and annotate the in-line linked content from another computer. *Perfect 10*, [416 F.Supp.2d at 833-34](#).

Google also stores webpage content in its cache.³ For each cached webpage, Google’s cache contains the text of the webpage as it appeared at the time Google indexed the page, but does not store images from the webpage. Google may provide a link to a cached webpage in response to a user’s search query. However, Google’s cache version of the webpage is not automatically updated when the webpage is revised by its owner. So if the webpage owner updates its webpage to remove the HTML instructions for finding an infringing image, a browser communicating directly with the webpage would not be able to access that image. However, Google’s cache copy of the webpage would

² The website publisher may not actually store the photographic images used on its webpages in its own computer, but may provide HTML instructions directing the user’s browser to some further computer that stores the image. Because this distinction does not affect our analysis, for convenience, we will assume that the website publisher stores all images used on its webpages in the website publisher’s own computer.

³ Generally, a “cache” is “a computer memory with very short access time used for storage of frequently or recently used instructions or data.” *United States v. Ziegler*, [474 F.3d 1184, 1186 n. 3](#) (9th Cir. 2007) (quoting MERRIAM-WEBSTER’S COLLEGIATE DICTIONARY 171 (11th ed. 2003)). There are two types of caches at issue in this case. A user’s personal computer has an internal cache that saves copies of webpages and images that the user has recently viewed so that the user can more rapidly revisit these webpages and images. Google’s computers also have a cache which serves a variety of purposes. Among other things, Google’s cache saves copies of a large number of webpages so that Google’s search engine can efficiently organize and index these webpages.

still have the old HTML instructions for the infringing image. Unless the owner of the computer changed the HTML address of the infringing image, or otherwise rendered the image unavailable, a browser accessing Google's cache copy of the website could still access the image where it is stored on the website publisher's computer. In other words, Google's cache copy could provide a user's browser with valid directions to an infringing image even though the updated webpage no longer includes that infringing image.

In addition to its search engine operations, Google generates revenue through a business program called "AdSense." Under this program, the owner of a website can register with Google to become an AdSense "partner." The website owner then places HTML instructions on its webpages that signal Google's server to place advertising on the webpages that is relevant to the webpages' content. Google's computer program selects the advertising automatically by means of an algorithm. AdSense participants agree to share the revenues that flow from such advertising with Google.

Google also generated revenues through an agreement with Amazon.com that allowed Amazon.com to in-line link to Google's search results. Amazon.com gave its users the impression that Amazon.com was providing search results, but Google communicated the search results directly to Amazon.com's users. Amazon.com routed users' search queries to Google and automatically transmitted Google's responses (i.e., HTML instructions for linking to Google's search results) back to its users.

Perfect 10 markets and sells copyrighted images of nude models. Among other enterprises, it operates a subscription website on the Internet. Subscribers pay a monthly fee to view Perfect 10 images in a "members' area" of the site. Subscribers must use a password to log into the members' area. Google does not include these password-protected images from the members' area in Google's index or database. Perfect 10 has also licensed Fonestarz Media Limited to sell and distribute Perfect 10's reduced-size copyrighted images for download and use on cell phones.

Some website publishers republish Perfect 10's images on the Internet without authorization. Once this occurs, Google's search engine may automatically index the webpages containing these images and provide thumbnail versions of images in response to user inquiries. When a user clicks on the thumbnail image returned by Google's search engine, the user's browser accesses the third-party webpage and in-line links to the full-sized infringing image stored on the website publisher's computer. This image appears, in its original context, on the lower portion of the window on the user's computer screen framed by information from Google's webpage.

Procedural History. In May 2001, Perfect 10 began notifying Google that its thumbnail images and in-line linking to the full-size images infringed Perfect 10's copyright. Perfect 10 continued to send these notices through 2005.

On November 19, 2004, Perfect 10 filed an action against Google that included copyright infringement claims. This was followed by a similar action against Amazon.com on June 29, 2005. On July 1, 2005 and August 24, 2005, Perfect 10 sought a preliminary injunction to prevent Amazon.com and Google, respectively, from "copying, repro-

ducing, distributing, publicly displaying, adapting or otherwise infringing, or contributing to the infringement” of Perfect 10’s photographs; linking to websites that provide full-size infringing versions of Perfect 10’s photographs; and infringing Perfect 10’s username/password combinations.

The district court consolidated the two actions and heard both preliminary injunction motions on November 7, 2005. The district court issued orders granting in part and denying in part the preliminary injunction against Google and denying the preliminary injunction against Amazon.com. Perfect 10 and Google cross-appealed the partial grant and partial denial of the preliminary injunction motion, and Perfect 10 appealed the denial of the preliminary injunction against Amazon.com. On June 15, 2006, the district court temporarily stayed the preliminary injunction.

II

Standard of Review

*** Section 502(a) of the Copyright Act authorizes a court to grant injunctive relief “on such terms as it may deem reasonable to prevent or restrain infringement of a copyright.” [17 U.S.C. § 502\(a\)](#). “Preliminary injunctive relief is available to a party who demonstrates either: (1) a combination of probable success on the merits and the possibility of irreparable harm; or (2) that serious questions are raised and the balance of hardships tips in its favor. These two formulations represent two points on a sliding scale in which the required degree of irreparable harm increases as the probability of success decreases.” *Napster*, [239 F.3d at 1013](#) (internal quotation and citation omitted).

Because Perfect 10 has the burden of showing a likelihood of success on the merits, the district court held that Perfect 10 also had the burden of demonstrating a likelihood of overcoming Google’s fair use defense under [17 U.S.C. § 107](#). This ruling was erroneous. At trial, the defendant in an infringement action bears the burden of proving fair use. See *Campbell v. Acuff-Rose Music, Inc.*, [510 U.S. 569, 590](#) (1994). Because “the burdens at the preliminary injunction stage track the burdens at trial,” once the moving party has carried its burden of showing a likelihood of success on the merits, the burden shifts to the non-moving party to show a likelihood that its affirmative defense will succeed. *Gonzales v. O Centro Espirita Beneficente Uniao do Vegetal*, [546 U.S. 418, 429](#) (2006). Accordingly, once Perfect 10 has shown a likelihood of success on the merits, the burden shifts to Google to show a likelihood that its affirmative defenses will succeed.

In addition to its fair use defense, Google also raises an affirmative defense under title II of the Digital Millennium Copyright Act (“DMCA”), [17 U.S.C. § 512](#). Congress enacted title II of the DMCA “to provide greater certainty to service providers concerning their legal exposure for infringements that may occur in the course of their activities.” *Ellison v. Robertson*, [357 F.3d 1072, 1076](#) (9th Cir. 2004) (internal quotation omitted). Sections 512(a) through (d) limit liability for (respectively): “(1) transitory digital network communications; (2) system caching; (3) information residing on systems or networks at the direction of users; and (4) information location tools.” *Id.* at 1077. A service provider that qualifies for such protection is not liable for monetary

relief and may be subject only to the narrow injunctive relief set forth in section 512(j). [17 U.S.C. § 512\(a\)](#). If Perfect 10 demonstrates a likelihood of success on the merits, Google must show a likelihood of succeeding in its claim that it qualifies for protection under title II of the DMCA.

III

Direct Infringement

Perfect 10 claims that Google's search engine program directly infringes two exclusive rights granted to copyright holders: its display rights and its distribution rights. "Plaintiffs must satisfy two requirements to present a prima facie case of direct infringement: (1) they must show ownership of the allegedly infringed material and (2) they must demonstrate that the alleged infringers violate at least one exclusive right granted to copyright holders under [17 U.S.C. § 106](#)." *Napster*, [239 F.3d at 1013](#); see [17 U.S.C. § 501\(a\)](#). Even if a plaintiff satisfies these two requirements and makes a prima facie case of direct infringement, the defendant may avoid liability if it can establish that its use of the images is a "fair use" as set forth in [17 U.S.C. § 107](#). See *Kelly*, [336 F.3d at 817](#).

Perfect 10's ownership of at least some of the images at issue is not disputed. See *Perfect 10*, [416 F.Supp.2d at 836](#).

The district court held that Perfect 10 was likely to prevail in its claim that Google violated Perfect 10's display right with respect to the infringing thumbnails. *Id.* at 844. However, the district court concluded that Perfect 10 was not likely to prevail on its claim that Google violated either Perfect 10's display or distribution right with respect to its full-size infringing images. *Id.* at 844-45. We review these rulings for an abuse of discretion. *Napster*, [239 F.3d at 1013](#).

A. Display Right

In considering whether Perfect 10 made a prima facie case of violation of its display right, the district court reasoned that a computer owner that stores an image as electronic information and serves that electronic information directly to the user ("*i.e.*, physically sending ones and zeroes over the [I]nternet to the user's browser," *Perfect 10*, [416 F.Supp.2d at 839](#)) is displaying the electronic information in violation of a copyright holder's exclusive display right. *Id.* at 843-45; see [17 U.S.C. § 106\(5\)](#). Conversely, the owner of a computer that does not store and serve the electronic information to a user is not displaying that information, even if such owner in-line links to or frames the electronic information. *Perfect 10*, [416 F.Supp.2d at 843-45](#). The district court referred to this test as the "server test." *Id.* at 838-39.

Applying the server test, the district court concluded that Perfect 10 was likely to succeed in its claim that Google's thumbnails constituted direct infringement but was unlikely to succeed in its claim that Google's in-line linking to full-size infringing images constituted a direct infringement. *Id.* at 843-45. As explained below, because this analysis comports with the language of the Copyright Act, we agree with the district court's resolution of both these issues.

We have not previously addressed the question when a computer displays a copyrighted work for purposes of section 106(5). Section 106(5) states that a copyright owner has the exclusive right “to display the copyrighted work publicly.” The Copyright Act explains that “display” means “to show a copy of it, either directly or by means of a film, slide, television image, or any other device or process....” [17 U.S.C. § 101](#). Section 101 defines “copies” as “material objects, other than phonorecords, in which a work is fixed by any method now known or later developed, and from which the work can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device.” *Id.* Finally, the Copyright Act provides that “[a] work is ‘fixed’ in a tangible medium of expression when its embodiment in a copy or phonorecord, by or under the authority of the author, is sufficiently permanent or stable to permit it to be perceived, reproduced, or otherwise communicated for a period of more than transitory duration.” *Id.*

We must now apply these definitions to the facts of this case. A photographic image is a work that is “‘fixed’ in a tangible medium of expression,” for purposes of the Copyright Act, when embodied (*i.e.*, stored) in a computer’s server (or hard disk, or other storage device). The image stored in the computer is the “copy” of the work for purposes of copyright law. See *MAI Sys. Corp. v. Peak Computer, Inc.*, [991 F.2d 511, 517-18](#) (9th Cir. 1993) (a computer makes a “copy” of a software program when it transfers the program from a third party’s computer (or other storage device) into its own memory, because the copy of the program recorded in the computer is “fixed” in a manner that is “sufficiently permanent or stable to permit it to be perceived, reproduced, or otherwise communicated for a period of more than transitory duration” (quoting [17 U.S.C. § 101](#))). The computer owner shows a copy “by means of a ... device or process” when the owner uses the computer to fill the computer screen with the photographic image stored on that computer, or by communicating the stored image electronically to another person’s computer. [17 U.S.C. § 101](#). In sum, based on the plain language of the statute, a person displays a photographic image by using a computer to fill a computer screen with a copy of the photographic image fixed in the computer’s memory. There is no dispute that Google’s computers store thumbnail versions of Perfect 10’s copyrighted images and communicate copies of those thumbnails to Google’s users.⁶ Therefore, Perfect 10 has made a *prima facie* case that Google’s communication of its stored thumbnail images directly infringes Perfect 10’s display right.

Google does not, however, display a copy of full-size infringing photographic images for purposes of the Copyright Act when Google frames in-line linked images that appear on a user’s computer screen. Because Google’s computers do not store the photographic images, Google does not have a copy of the images for purposes of the Copyright Act. In other words, Google does not have any “material objects ... in which a

⁶ Because Google initiates and controls the storage and communication of these thumbnail images, we do not address whether an entity that merely passively owns and manages an Internet bulletin board or similar system violates a copyright owner’s display and distribution rights when the users of the bulletin board or similar system post infringing works. Cf. *CoStar Group, Inc. v. LoopNet, Inc.*, [373 F.3d 544](#) (4th Cir. 2004).

work is fixed ... and from which the work can be perceived, reproduced, or otherwise communicated” and thus cannot communicate a copy. [17 U.S.C. § 101](#).

Instead of communicating a copy of the image, Google provides HTML instructions that direct a user’s browser to a website publisher’s computer that stores the full-size photographic image. Providing these HTML instructions is not equivalent to showing a copy. First, the HTML instructions are lines of text, not a photographic image. Second, HTML instructions do not themselves cause infringing images to appear on the user’s computer screen. The HTML merely gives the address of the image to the user’s browser. The browser then interacts with the computer that stores the infringing image. It is this interaction that causes an infringing image to appear on the user’s computer screen. Google may facilitate the user’s access to infringing images. However, such assistance raises only contributory liability issues, see *Metro-Goldwyn-Mayer Studios, Inc. v. Grokster, Ltd.*, [545 U.S. 913, 929-30](#) (2005), *Napster*, [239 F.3d at 1019](#), and does not constitute direct infringement of the copyright owner’s display rights.

Perfect 10 argues that Google displays a copy of the full-size images by framing the full-size images, which gives the impression that Google is showing the image within a single Google webpage. While in-line linking and framing may cause some computer users to believe they are viewing a single Google webpage, the Copyright Act, unlike the Trademark Act, does not protect a copyright holder against acts that cause consumer confusion. Cf. [15 U.S.C. § 1114\(1\)](#) (providing that a person who uses a trademark in a manner likely to cause confusion shall be liable in a civil action to the trademark registrant).⁷

Nor does our ruling that a computer owner does not display a copy of an image when it communicates only the HTML address of the copy erroneously collapse the display right in section 106(5) into the reproduction right set forth in section 106(1). Nothing in the Copyright Act prevents the various rights protected in section 106 from overlapping. Indeed, under some circumstances, more than one right must be infringed in order for an infringement claim to arise. For example, a “Game Genie” device that allowed a player to alter features of a Nintendo computer game did not infringe Nintendo’s right to prepare derivative works because the Game Genie did not incorporate any portion of the game itself. See *Levis Galoob Toys, Inc. v. Nintendo of Am., Inc.*, [964 F.2d 965, 967](#) (9th Cir. 1992). We held that a copyright holder’s right to create derivative works is not infringed unless the alleged derivative work “incorporate[s] a protected work in some concrete or permanent ‘form.’” *Id.* In other words, in some contexts, the claimant must be able to claim infringement of its reproduction right in order to claim infringement of its right to prepare derivative works.

⁷ Perfect 10 also argues that Google violates Perfect 10’s right to display full-size images because Google’s in-line linking meets the Copyright Act’s definition of “to perform or display a work ‘publicly.’” [17 U.S.C. § 101](#). This phrase means “to transmit or otherwise communicate a performance or display of the work to ... the public, by means of any device or process, whether the members of the public capable of receiving the performance or display receive it in the same place or in separate places and at the same time or at different times.” *Id.* Perfect 10 is mistaken. Google’s activities do not meet this definition because Google transmits or communicates only an address which directs a user’s browser to the location where a copy of the full-size image is displayed. Google does not communicate a display of the work itself.

Because Google's cache merely stores the text of webpages, our analysis of whether Google's search engine program potentially infringes Perfect 10's display and distribution rights is equally applicable to Google's cache. Perfect 10 is not likely to succeed in showing that a cached webpage that in-line links to full-size infringing images violates such rights. For purposes of this analysis, it is irrelevant whether cache copies direct a user's browser to third-party images that are no longer available on the third party's website, because it is the website publisher's computer, rather than Google's computer, that stores and displays the infringing image.

B. Distribution Right

The district court also concluded that Perfect 10 would not likely prevail on its claim that Google directly infringed Perfect 10's right to distribute its full-size images. *Perfect 10*, [416 F.Supp.2d at 844-45](#). The district court reasoned that distribution requires an "actual dissemination" of a copy. *Id.* at 844. Because Google did not communicate the full-size images to the user's computer, Google did not distribute these images. *Id.*

Again, the district court's conclusion on this point is consistent with the language of the Copyright Act. Section 106(3) provides that the copyright owner has the exclusive right "to distribute copies or phonorecords of the copyrighted work to the public by sale or other transfer of ownership, or by rental, lease, or lending." [17 U.S.C. § 106\(3\)](#). As noted, "copies" means "material objects ... in which a work is fixed." [17 U.S.C. § 101](#). The Supreme Court has indicated that in the electronic context, copies may be distributed electronically. See *N.Y. Times Co. v. Tasini*, [533 U.S. 483, 498](#) (2001) (a computer database program distributed copies of newspaper articles stored in its computerized database by selling copies of those articles through its database service). Google's search engine communicates HTML instructions that tell a user's browser where to find full-size images on a website publisher's computer, but Google does not itself distribute copies of the infringing photographs. It is the website publisher's computer that distributes copies of the images by transmitting the photographic image electronically to the user's computer. As in *Tasini*, the user can then obtain copies by downloading the photo or printing it.

Perfect 10 incorrectly relies on *Hotaling v. Church of Jesus Christ of Latter-Day Saints* and *Napster* for the proposition that merely making images "available" violates the copyright owner's distribution right. *Hotaling v. Church of Jesus Christ of Latter-Day Saints*, [118 F.3d 199](#) (4th Cir. 1997); *Napster*, [239 F.3d 1004](#). *Hotaling* held that the owner of a collection of works who makes them available to the public may be deemed to have distributed copies of the works. *Hotaling*, [118 F.3d at 203](#). Similarly, the distribution rights of the plaintiff copyright owners were infringed by *Napster users* (private individuals with collections of music files stored on their home computers) when they used the *Napster* software to make their collections available to all other *Napster* users. *Napster*, [239 F.3d at 1011-14](#).

This "deemed distribution" rule does not apply to Google. Unlike the participants in the *Napster* system or the library in *Hotaling*, Google does not own a collection of Perfect 10's full-size images and does not communicate these images to the computers

of people using Google’s search engine. Though Google indexes these images, it does not have a collection of stored full-size images it makes available to the public. Google therefore cannot be deemed to distribute copies of these images under the reasoning of *Napster* or *Hotaling*. Accordingly, the district court correctly concluded that Perfect 10 does not have a likelihood of success in proving that Google violates Perfect 10’s distribution rights with respect to full-size images. ***

VI

We conclude that Google’s fair use defense is likely to succeed at trial, and therefore we reverse the district court’s determination that Google’s thumbnail versions of Perfect 10’s images likely constituted a direct infringement. The district court also erred in its secondary liability analysis because it failed to consider whether Google and Amazon.com knew of infringing activities yet failed to take reasonable and feasible steps to refrain from providing access to infringing images. Therefore we must also reverse the district court’s holding that Perfect 10 was unlikely to succeed on the merits of its secondary liability claims. Due to this error, the district court did not consider whether Google and Amazon.com are entitled to the limitations on liability set forth in title II of the DMCA. The question whether Google *** [is] secondarily liable, and whether [it] can limit that liability pursuant to title II of the DMCA, raise fact-intensive inquiries, potentially requiring further fact finding, and thus can best be resolved by the district court on remand. We therefore remand this matter to the district court for further proceedings consistent with this decision.

Because the district court will need to reconsider the appropriate scope of injunctive relief after addressing these secondary liability issues, we do not address the parties’ arguments regarding the scope of the injunction issued by the district court. For the same reason, we do not address the parties’ dispute over whether the district court abused its discretion in determining that Perfect 10 satisfied the irreparable harm element of a preliminary injunction.

Therefore, we reverse the district court’s ruling and vacate the preliminary injunction regarding Google’s use of thumbnail versions of Perfect 10’s images. We reverse the district court’s rejection of the claims that Google *** [is] secondarily liable for infringement of Perfect 10’s full-size images. We otherwise affirm the rulings of the district court. We remand this matter for further proceedings consistent with this opinion. ***

AFFIRMED IN PART; REVERSED IN PART; REMANDED.

BWP Media USA Inc. v. Polyvore, Inc.

922 F.3d 42 (2nd Cir. 2019)

PER CURIAM: BWP Media USA Inc., Pacific Coast News, and National Photo Group, LLC (collectively “BWP”) appeal from a memorandum and order of the United States District Court for the Southern District of New York (Ronnie Abrams, J.) that granted summary judgment to Polyvore, Inc. (“Polyvore”) on BWP’s copyright claims for di-

rect and secondary infringement and denied BWP's cross-motion for summary judgment on direct infringement. The district court also denied Polyvore's motion for sanctions under 17 U.S.C. § 505.

We conclude that the district court's grant of summary judgment to Polyvore on the direct infringement claim was error because there is a dispute of material fact regarding whether Polyvore created multiple copies of BWP's photos that were not requested by Polyvore users. We further conclude that questions of material fact preclude us from holding at this stage that Polyvore satisfied the requirements for the Digital Millennium Copyright Act (DMCA) § 512(c) safe harbor, even though BWP has not shown that Polyvore's stripping of metadata disqualifies it from safe harbor protection. We agree with the district court, however, that Polyvore is entitled to summary judgment on BWP's secondary infringement claims of contributory, vicarious, and inducement of infringement because the district court found that BWP abandoned those claims. ***

The facts are set forth in Judge Walker's separate concurring opinion, which also specifies the questions of material fact that remain for determination by the district court. Judge Newman concurs in the result with a separate opinion. Judge Pooler concurs in the result with a separate opinion.

JOHN M. WALKER, JR., Circuit Judge, concurring in the result: I write separately to set out the facts and questions of material fact that remain for determination by the district court, as well as to describe my reasoning regarding each of our conclusions.

BACKGROUND

The following facts are undisputed. Defendant-appellee Polyvore is an internet service provider that ran a website, Polyvore.com, that allowed users to create and share digital photo collages devoted to fashion, art, and design.¹ Polyvore.com's "Clipper" tool let users "clip" images from other websites and collect them on Polyvore's site. Once a user clipped an image, they could store, modify, crop, or superimpose it on top of other images to make a digital photo collage, which Polyvore called a "set." Users could share their sets with other Polyvore users, comment on other users' sets, and submit their sets in contests to win prizes. At the time this suit was filed, Polyvore's website attracted 14.2 million visitors a month.

When a user uploaded an image to Polyvore.com, it triggered a series of automatic technical processes: Polyvore (1) attached a hyperlink to that image that linked back to the image's original site; (2) gave the image a unique Uniform Resource Locator ("URL") that identified its precise location on Polyvore's website, Polyvore.com; and (3) indexed the photo so it was searchable on Polyvore.com. All posted images were displayed automatically by software—meaning Polyvore employees did not review or interact with user-posted images before they appeared on the site. Based on these user

¹ Polyvore's website appears to no longer exist. Even if that is the case, however, BWP's core claims for damages are unaffected because, "[u]nlike claims for injunctive relief challenging ongoing conduct, a claim for damages cannot evade review" since "it remains live until it is settled, judicially resolved, or barred by a statute of limitations." *Genesis Healthcare Corp. v. Symczyk*, [569 U.S. 66, 77](#) (2013). ***

uploads, Polyvore.com had an extensive library of searchable images—118 million when the complaint was filed.

Because some photos clipped by users were copyrighted images, Polyvore had policies in place that were designed to combat copyright infringement, including terms of service that prohibited users from posting copyrighted images, a repeat-infringer policy, and a notice-and-takedown system.

BWP owns copyrights in celebrity photographs, which it licenses to online and print publications for a fee. At issue in this case are at least seventy-nine of BWP's photographs that appeared on Polyvore.com without BWP's permission. The images include photos of celebrities such as McKayla Maroney, Carly Rae Jepsen, Ryan Gosling, Kim Kardashian, and Selena Gomez. In November 2013, BWP sued Polyvore for copyright infringement alleging that Polyvore's posting of the photos violated BWP's exclusive rights under the Copyright Act to reproduce and display its images publicly. See 17 U.S.C. § 106(1), (5).

*** After finding no evidence that Polyvore acted volitionally, the district court granted Polyvore's motion for summary judgment on all claims, denied BWP's motion for summary judgment on its direct infringement claim, and denied Polyvore's request for fees. Because the district court found no infringing conduct, it did not address Polyvore's safe harbor defense under the DMCA. BWP appealed, and Polyvore cross-appealed.

DISCUSSION

On appeal, BWP principally argues that (1) Polyvore directly infringed its copyrights by designing the Clipper to retrieve photos from other websites, displaying BWP's images at the request of users, and making and displaying multiple, unrequested copies of user-uploaded images; and (2) the DMCA does not shield Polyvore from its own directly infringing acts, or any of its other acts, because Polyvore altered the metadata of user-uploaded images and because some of the infringing conduct was directed by Polyvore, not its users. ***

I. Direct Infringement

The district court granted summary judgment for Polyvore on BWP's direct infringement claims. Applying *Cartoon Network LP, LLLP v. CSC Holdings, Inc.*, [536 F.3d 121](#) (2d Cir. 2008) [hereinafter "*Cablevision*"] the district court found that BWP had failed to show the "volitional conduct" on the part of Polyvore necessary to establish its liability. On appeal, BWP argues that *Cablevision's* volitional conduct requirement was abrogated by *American Broadcasting Companies, Inc. v. Aereo, Inc.*, [573 U.S. 431](#) (2014), and that therefore liability for direct copyright infringement does not require a showing of volitional conduct. I begin by briefly recounting the evolution of the volitional conduct requirement in order to answer the abrogation question. Next, with this background in mind, I apply the volitional conduct requirement to the facts of this case. Finally, I address the arguments regarding the volitional conduct requirement raised by Judge Newman in his concurring opinion.

A. The Volitional Conduct Requirement

Section 106 of the Copyright Act gives copyright holders an exclusive bundle of rights, including the right “to reproduce the copyrighted work in copies,” and the right to “display the copyrighted work publicly.” 17 U.S.C. § 106(1), (5). The Copyright Act makes parties who infringe on those rights liable for damages, regardless of whether they had knowledge that the content was infringing. See 17 U.S.C. § 504. In other words, the Copyright Act is a strict liability regime. See *EMI Christian Music Grp., Inc. v. MP3tunes, LLC*, [844 F.3d 79, 89](#) (2d Cir. 2016) [hereinafter “MP3tunes”].

The advent of the internet posed a problem for this regime, however, since applying strict liability to infringing content posted online meant that websites could be held liable for infringing content posted by their users based solely on the existence of the website—an outcome that could be unfair. See, e.g., *Religious Tech. Ctr. v. Netcom On-Line Commc’n Servs., Inc.*, [907 F. Supp. 1361, 1368-70](#) (N.D. Cal. 1995). In response, beginning in the mid-1990s, courts began to read into the Copyright Act an implicit requirement that for a service provider to be liable for direct infringement, it must have taken some affirmative, volitional step to infringe. The doctrine posits that to hold a service provider liable for direct copyright infringement, that infringement must have resulted from the provider’s own volitional conduct.

Ten years ago in *Cablevision*, we adopted the volitional conduct requirement in this circuit as a prerequisite to establishing copyright infringement liability for service providers, holding that “volitional conduct is an important element of direct liability.” [536 F.3d at 131](#). In that case, we considered a direct infringement suit brought by owners of copyrighted television programs against a remote-service digital video recorder (“DVR”) company, Cablevision. Cablevision’s product allowed subscribers to direct that a live program be recorded and saved remotely so the user could watch it later. Both the parties and the district court in that case analogized Cablevision’s actions to that of a copy shop. We concluded that because Cablevision “more closely resemble[d] a store proprietor who charges customers to use a photocopier on his premises,” it was “incorrect to say, without more, that such a proprietor ‘makes’ any copies when his machines are actually operated by his customers.” *Id.* at 132.

Subsequently, in *Aereo*, we considered a direct copyright infringement claim brought by holders of copyrights in broadcast television programs against Aereo, Inc., whose service allowed subscribers to watch television programs over the internet at virtually the same time as the program was broadcast. See *WNET, Thirteen v. Aereo, Inc.*, [712 F.3d 676, 680-84](#) (2d Cir. 2013), *rev’d sub nom. American Broadcasting Companies, Inc. v. Aereo, Inc.*, [573 U.S. 431](#) (2014). Once a subscriber chose a program, one of Aereo’s servers selected a separate, dedicated antenna out of thousands it housed in a centralized warehouse, which then received the broadcast and transmitted it over the internet to the subscriber. Applying *Cablevision*, we held that the plaintiffs were not likely to succeed on their claims that Aereo’s transmissions were infringing under the Copyright Act, and therefore we affirmed the district court’s denial of a preliminary injunction.

The Supreme Court reversed on grounds unrelated to whether Aereo's conduct was volitional. The Supreme Court held Aereo liable for direct copyright infringement because Aereo's system resembled the community antenna television (CATV) systems that Congress amended the Copyright Act in 1976 to cover. Previously, the Court had rejected the argument that CATV companies performed copyrighted television material. The 1976 Act made it clear that rebroadcasting companies both performed the programs and, under a newly enacted provision, also transmitted the performance to the public. The *Aereo* majority viewed the case as squarely within the genre of television retransmission, which has nothing to do with internet service providers except as they may operate within that genre. The majority did not discuss the issue of volitional conduct.

In dissent, Justice Scalia, joined by Justices Thomas and Alito, applied a volitional conduct analysis, stating that “[t]he Networks’ claim is governed by a simple but profoundly important rule: A defendant may be held directly liable only if it has engaged in volitional conduct that violates the [Copyright] Act.” *Id.* at 453. In setting out the volitional conduct test, Justice Scalia noted that the volitional conduct requirement is “firmly grounded in the [Copyright] Act’s text,” *id.* at 453, that “[e]very Court of Appeals to have considered an automated-service provider’s direct liability for copyright infringement has adopted that rule,” *id.* (citing *Fox Broadcasting Co. v. Dish Network LLC*, [747 F.3d 1060, 1066-1068](#) (9th Cir. 2014)); and that although the Supreme Court has “not opined on the issue, our cases are fully consistent with a volitional-conduct requirement,” *id.* at 454. Accordingly, whether or not one agrees with Justice Scalia’s conclusion that Aereo did not engage in volitional conduct, his unchallenged discussion of that standard is instructive.

BWP reads into the majority’s silence on volitional conduct in *Aereo* a declaration that the volitional conduct requirement is dead. I disagree. *** *Aereo* did nothing to disturb *Cablevision’s* volitional conduct requirement and that requirement continues to apply to cases involving ISPs.

With this background, I turn to the question of whether either party is entitled to summary judgment on direct infringement.

B. Whether Polyvore Acted Volitionally

The district court granted summary judgment to Polyvore, dismissing BWP’s direct infringement claim. Notwithstanding a dispute about whether Polyvore made additional unrequested copies of BWP’s images, the district court found that Polyvore did not act volitionally by designing the Clipper or copying BWP’s images because (1) the images appeared on Polyvore’s site without affirmative acts by Polyvore employees and (2) there was no evidence that the Clipper was designed specifically to infringe. I agree with the district court that Polyvore did not act volitionally when it designed the Clipper and made one copy of user-uploaded images belonging to BWP, but I disagree about the materiality of the additional images. After reviewing the record *de novo*, I conclude that BWP produced sufficient evidence of additional copying to raise a question of

material fact about whether Polyvore, separate from its users, acted volitionally by making and displaying the additional copies of BWP's images.

An ISP acts volitionally when it creates a program designed to infringe copyrighted material and selects the copyrighted material that it copies. In *MP3tunes*, for example, we upheld a jury verdict finding the defendant liable for direct infringement where the defendant had designed a program specifically to collect material that its creators knew to be copyrighted: album cover art.

In contrast, the volitional conduct requirement is not satisfied when an ISP simply displays user-uploaded images and plays no role in selecting the images. Likewise, an ISP does not act volitionally when it automatically makes a single copy of content selected by the user in response to a user's request. For example, *Cablevision* was not liable for direct infringement where its program created one copy of the copyrighted programming each user requested.

ISPs that provide additional unrequested copies of copyrighted material in response to a user's request for a single copy, however, may be liable for direct infringement. For example, we upheld MP3tunes's liability for direct infringement when it acted independently to copy and display copyrighted cover art that the user had not asked for each time the user uploaded a song. We explained that the fact that MP3tunes's system "retrieved a copyrighted item that a user did not request, frequently without the user's knowledge" was sufficient evidence "that copying of the cover art was directed by MP3tunes, not users." *MP3tunes*, [844 F.3d at 96](#); accord *Perfect 10, Inc. v. Amazon.com, Inc.*, [508 F.3d 1146, 1160-61](#) (9th Cir. 2007) (holding that copyright holders who challenged Google's creation of a thumbnail version of their copyrighted images, which the user had not specifically requested be made, had made out a prima facie case of direct copyright infringement).

In this case, there is no evidence that Polyvore designed the Clipper to retrieve exclusively a specific kind of image that Polyvore knew to be copyrighted. Instead, the evidence shows that Polyvore designed a tool that its users could use to clip images generally, whether copyrighted or not. Thus the single act of designing the Clipper does not amount to volitional conduct that can be said to "cause[] the copy to be made" each time its users selected the image and used the Clipper to create a single copy of the image. *Cablevision*, [536 F.3d at 131](#). Accordingly, Polyvore cannot be liable for direct copyright infringement for designing the Clipper to simply retrieve photos picked out by users from other websites (before Polyvore makes any copies).

Likewise, the undisputed record in this case shows that one copy of user-uploaded images on Polyvore's website was displayed automatically by Polyvore's software. Like the defendant ISP in *CoStar*, Polyvore simply served as a "conduit[]" that allowed the user to display his clipped images. [373 F.3d at 551](#). This "conduit" function aligns Polyvore with the hypothetical ISP that only displayed user-supplied content that we discussed in *Cablevision*. [536 F.3d at 132](#). At the user's direction, Polyvore simply displayed the image its user directed it to display. As to that one copy, it is clear to me that the user, who selected the item to be copied, and not Polyvore, "cause[d] the copy to be

made.” *Cablevision*, [536 F.3d at 131](#). Thus, in accordance with *Cablevision*, Polyvore is not liable for displaying the images its users uploaded.

There is evidence in the record, however, that after a user clipped one of BWP’s images, Polyvore made further copies that the user did not request. The spreadsheet prepared by BWP’s counsel listing eighty-five different images that appeared on Polyvore’s website shows that for at least some images that users uploaded to Polyvore, additional copies of the same images appeared in varying sizes at distinct URLs. Although this spreadsheet does not list images at issue in this case, it does provide circumstantial evidence from which a reasonable juror could infer that BWP’s images, which appeared on Polyvore’s website only two years earlier, were also copied in the same way. Drawing all inferences in favor of BWP, as we must, I conclude that BWP has met its burden of raising an issue of material fact as to whether Polyvore made additional unrequested copies of BWP’s copyrighted images.

This dispute is material because, assuming the jury finds that BWP’s images were in fact copied multiple times, Polyvore’s copying, like the copying in *MP3tunes*, was triggered regardless of whether the user knew about, let alone asked for, the additional images. This suggests that Polyvore, separate from its users, may have committed an infringing act. And, by stripping its resized images of their metadata and housing them at separate URLs where they were able to be viewed by anyone, Polyvore is alleged to have gone further than the defendant in *Perfect 10*, who only made temporary thumbnail versions of the relevant images. [508 F.3d at 1160-61](#). I do not think it is dispositive, as Polyvore suggests, that Polyvore did not retrieve copyrighted information like the defendant did in *MP3tunes*. See [844 F.3d at 96](#). After all, the Copyright Act is violated not when data is procured before the copies are made, but when the copies are made. Accordingly, I conclude that the district court erred in granting summary judgment to Polyvore based on the absence of volitional conduct regarding the unrequested copies, and that, as to those copies, the case must be remanded.

C. Judge Newman’s Concurring Opinion

In his concurring opinion, Judge Newman argues that the volitional conduct requirement should be understood as a causation requirement. I disagree with this approach for several reasons.

First, it seems to me that volition and causation are different concepts. Importantly, what Judge Newman refers to when he discusses causation is not “but for” causation, but rather “proximate” causation. Proximate causation is a negligence concept that has to do with risk and foreseeability. Volition, on the other hand, is “[t]he act of making a choice or determining something.” Volition, *Black’s Law Dictionary* (10th ed. 2014). In the context of direct copyright infringement, volition “is *choosing* to engage in an act that causes infringement.” 3 *Patry on Copyright* § 9:5.50 (emphasis added). Therefore, although a volition analysis may under certain circumstances require an explicit causation analysis, and although applying only a causation analysis to particular facts may yield the same result as a volition analysis, volition is not the same thing as causation. When the district court in *Netcom* referred to “volition or causation” in stating how direct liability might be limited “where a defendant’s system is merely used to create a

copy by a third party,” [907 F. Supp. at 1370](#), I think it was positing two possibilities, not one. In any event, subsequent opinions in our circuit have clearly applied a volition requirement, not a causation requirement. *Fox News Network, LLC*, [883 F.3d at 181](#); *MP3tunes*, [844 F.3d at 96](#); *Cablevision*, [536 F.3d at 131](#). Absent a ruling from the Supreme Court endorsing a causation requirement, the only way to introduce such a requirement into our jurisprudence (either in addition to or in lieu of the volition requirement) would be through our en banc process.

I also have serious reservations about applying a proximate causation analysis to the question of direct infringement. First, volition has textual underpinnings in the Copyright Act, whereas proximate causation does not. Second, because proximate causation is a concept that sounds in negligence and deals with the foreseeability of risks, it seems out of place to apply it to a strict liability tort like direct infringement. Third, proximate causation has an opacity and imprecision that has generated significant confusion. Fourth, when proximate causation is employed, more often than not, it is to determine who should not be held liable for committing a particular tort, rather than the converse. It is noteworthy that the pertinent section of the Third Restatement of Torts in dealing with this area of law uses the caption “Scope of Liability (Proximate Cause)” and comments that when the Fourth Restatement is published, the authors “fervently” hope that the parenthetical will be removed all together. Fifth, Judge Newman further opines that proximate causation in the context of determining who infringes is different from proximate causation in determining who or what is responsible for the harm, and that here we are concerned only with the former. But if the term has two possible independent applications in the law, why sow even more confusion by using the term in the copyright context when the word volition will do? It therefore strikes me as ill-advised to import the confusing baggage of proximate causation into the discrete and specialized tort of copyright infringement where negligence is rarely (if at all) at issue.

Finally, it is important to remember that direct liability is not the only avenue for recovery against an ISP for copyright infringement. Secondary liability exists precisely to impose liability on defendants who, while not directly responsible for infringing conduct, still should be held liable. *** I think secondary liability is the proper framework for holding an ISP liable for copyright infringement when the ISP does not select the copyrighted material and make the infringing copy itself but is aware of it and encourages or contributes to the infringement by the direct volitional infringer. ***

JON O. NEWMAN, Circuit Judge, concurring in the result: The ultimate issue on this appeal, of increasing importance in the age of digital transmissions, concerns the circumstances under which a developer or operator of a computer system or program, activated by its customers, can be liable for direct infringement of a copyright. Now that the District Court, pursuant to our interim remand, has ruled that the claims of secondary liability for infringement in this case have been abandoned, the issue of liability for direct infringement, and only that issue, is before us. For that reason I express no views on the possibility that defendant Polyvore, Inc. might have been found secondarily liable for infringement. ***

Without concluding, in advance of the findings on remand, whether volitional conduct by Polyvore has been shown, I set forth some views on the volitional conduct requirement and on certain aspects of Judge Walker's opinion for such value as they might have for courts considering similar issues in the future and perhaps for the parties in this case considering the possibility of settlement.

I. Evolution of the volition requirement

Because the District Court rejected BWP's claim of direct infringement on the ground that Polyvore had not acted with the "volition" required for direct copyright infringement liability, I begin my analysis with an exploration of that concept, which recurs frequently in copyright jurisprudence, see, e.g., *Cartoon Network LP v. CSC Holdings, Inc.*, [536 F.3d 121, 130-32](#) (2d Cir. 2008), but is rarely explained.

The first articulation of a volitional conduct as a requirement for direct infringement of copyright occurred in *Religious Technology Center v. Netcom On-Line Communication Services, Inc.*, [907 F. Supp. 1361](#) (N.D. Cal. 1995) (usually cited as "*Netcom*"). At that time, no provision of the Copyright Act immunized an alleged infringer for violating any of the proprietor's rights by means of a defendant's automatic processes activated by an individual. Nevertheless, Judge Whyte stated, "Although copyright is a strict liability statute, there should still be some element of volition or causation which is lacking where a defendant's system is merely used to create a copy by a third party." *Id.* at 1370.

Preliminarily, I note that it is unlikely that Judge Whyte used the word "element" to mean a legally required element of an infringement claim. Numerous cases have long established that an infringement claim has only two elements—"(1) ownership of a valid copyright, and (2) copying of constituent elements of the work that are original." *Feist Publications, Inc. v. Rural Television Service Co.*, [499 U.S. 340, 361](#) (1991). Thus, when an opinion of our Court later said that volition was "an important *element* of direct liability," see *Cartoon Network*, [536 F.3d at 131](#) (emphasis added), it likely was not using the word in the sense of a third legal component of a cause of action (as Judge Walker today confirms), but rather more colloquially as a fact needed to be established whenever the identity of a person liable for direct infringement was in dispute. Why volition must sometimes be shown emerges from consideration of Judge Whyte's phrase "volition or causation."

An initial issue posed by *Netcom*'s "volition or causation" phrase is whether the words "volition" and "causation" are synonyms or alternatives. Long before *Netcom*, there was no doubt that when the identity of a person liable for direct infringement was disputed, it was necessary to prove who caused the infringement. Infringement is a tort *** and no person may be held liable for any tort unless that person (alone or with others) has caused the injury for which a claim is made. "Volition" in Judge Whyte's phrase is best understood to mean a concept essentially reflecting tort law causation. See 4 Nimmer on Copyright (hereafter "NY") § 13.08[C], at 13-290.6 ("*Netcom* simply stands for the unremarkable proposition that proximate causation historically underlines copyright infringement liability no less than other torts.") (internal footnote omitted). Moreover,

there is no reason to give “volition” a meaning separate from “causation.” Although many decisions and some commentators have written extensively about what they call “volition,” they are essentially explaining a requirement of “causation,” and it would be helpful to name the concept for what it is. And, as the Nimmer treatise makes clear, “causation,” in the context of copyright infringement, is tort law “proximate cause,” rather than “but for” causation. See *id.*; Robert C. Denicola, *Volition and Copyright Infringement*, 37 *Cardozo L. Rev.* 1259, 1268 (2016). However, in this context. “[u]nlike ‘legal’ or ‘proximate’ cause, ‘causation’ is not invoked in *Netcom* to evaluate the connection between the tort and the plaintiff’s harm, but instead to analyze the connection between the defendant’s actions and the commission of the tort. Judge Whyte was concerned with whether the defendants ‘caused’ the infringement, not whether the infringement ‘caused’ the plaintiff’s injury.” *Id.* at 1269.

Volition, that is, causation, is widely accepted as a requirement for direct infringement liability. “[E]very circuit to address this issue has adopted some version of *Netcom*’s reasoning and the volitional-conduct requirement.” BWP that issue is in dispute, as is happening more frequently in the digital age, it must receive attention. But, as with the identity of a person who proximately caused any tort, the plaintiff must prove who is the tortfeasor. *Media USA, Inc. v. T&S Software Associates, Inc.*, [852 F.3d 436, 440](#) (5th Cir. 2017). “To prove direct infringement, a plaintiff must show that . . . [a defendant] engaged in volitional conduct.” *Leonard v. Stemtech International Inc.*, [834 F.3d 376, 386-87](#) (3d Cir. 2016) (internal citations omitted). Many courts, including the Second Circuit, have clearly understood volition to mean causation. ***

The Supreme Court’s first intimation of any thoughts concerning causation as a fact relevant to an infringement claim in the digital age was *Sony Corp. of America v. Universal City Studios, Inc.*, [464 U.S. 417](#) (1984) Although the Court’s opinion does not use the word “volition,” it considered the issue whether the manufacturer of a home video tape recorder (“VTR” (called “Betamax”)) capable of producing a copy of a copyrighted video program at the command of a user, was liable for contributory infringement. Instead of inquiring first whether the user of a VTR was liable for infringement by making a copy and, if so, whether the VTR manufacturer was liable as an additional direct infringer or as a contributory infringer, the Court began its analysis by considering the manufacturer’s possible liability.

Looking to patent law, the Court enlisted the “staple article of commerce” doctrine, insulating from contributory infringement the seller of a “staple article or commodity of commerce *suitable for substantial noninfringing use*,” *Sony*, [464 U.S. at 440](#) (quoting 35 U.S.C. § 271(c)) (emphasis added). Applying that doctrine, the Court then considered whether VTRs were suitable for such use by examining what users were doing with them. “Accordingly, the sale of copying equipment, like the sale of other articles of commerce, does not constitute contributory infringement if the product is widely used for legitimate, unobjectionable purposes. Indeed, it need merely be capable of substantial noninfringing uses.” *Id.* at 442.

This was not an entirely satisfactory standard because any copying equipment capable of copying copyrighted materials is also capable of copying public domain materials.

But the holding of *Sony* (more important than the opinion's language, as is true of all decisions) is entirely defensible. There was evidence that many producers of copyrighted video programs favored time-shifting in order to expand their viewing audience. Thus, the Betamax device was not just capable of recording public domain materials, it was in fact being used to a considerable extent to make copies of copyrighted materials to which many copyright proprietors had no objection.

The next significant development concerning volition/causation was the emergence of the bill that, in a modified form, became the Online Copyright Infringement Liability Limitation Act in 1998, Pub. L. 105-304, tit. II, § 202(a), 112 Stat. 2860 (Oct. 28, 1998), codified at 17 U.S.C. § 512. This Act is Title II of the Digital Millennium Copyright Act ("DMCA Title II"). Although the House Judiciary Report on that bill stated that it "codifies the result" of *Netcom*, see H. Rep. No. 105-551, pt. 1, at 11 (1998), DMCA Title II, as enacted, is a more elaborate and more carefully calibrated set of provisions that cannot be said to "codif[y]" the sweep of *Netcom*. See 3 NIMMER § 12B.06[B][b]. As the NIMMER treatise wisely counsels, *Netcom* "should be followed to the extent that Congress deliberately embodied it into the law, and not followed in the other instances for which Congress chose not to codify it." Id. § 12B.06[B][c][i] (footnotes omitted).

Pertinent to the law of this Circuit, the next development concerning volition/causation was the decision of this Court in *Cartoon Network*. The holding was unexceptional. At issue was a proposed remote storage digital video recorder ("RS-DVR") system, permitting TV viewers "to record cable programming on central hard drives housed and maintained by Cablevision at a 'remote' location" and "then receive playback of those programs through their home television sets, using only a remote control and a standard cable box equipped with the RS-DVR software." *Cartoon Network*, [536 F.3d at 124](#). We ruled that the system operator was no more liable for direct infringement than the manufacturer of a set-top VTR.

I agree with that holding because, for me, *Cartoon Network*, like *Sony* before it, is ultimately about time-shifting, and it should not matter whether the viewer's recorded copy resides in a Betamax VTR device on top of a TV set or in the remote server of the Cablevision company. Although the opinion in *Cartoon Network* never mentions time-shifting, it described Cablevision's technology as "akin" to "traditional set-top digital video recorders," [536 F.3d at 123](#). What else besides time-shifting made the RS-DVR system "akin" to an ordinary set-top recorder?

However, there is language in *Cartoon Network* that I question: "In determining who actually 'makes' a copy, a significant difference exists between making a request *to a human employee*, who then volitionally operates the copying system to make the copy, and issuing a command directly to a system, which automatically obeys commands and engages in no volitional conduct." Id. at 131 (emphasis added). I agree there is a difference, but the stark alternatives posed by this sentence create the risk that it will be overread to mean that only a human being who operates a copying system, for example, in a copy shop, can satisfy the volition/causation requirement and render the copy shop liable for infringement, and that the person or entity that designs and or operates

a system that makes one or more copies when it “automatically obeys commands” cannot be liable for infringement. I am satisfied, however, that *Cartoon Network* did not intend to preclude infringement liability for all developers or operators of systems that automatically make copies upon an individual’s command. The *Cartoon Network* opinion explicitly identified and left open the question “whether one’s contribution to the creation of an infringing copy may be so great that it warrants holding that party directly liable for the infringement, even though another party has actually made the copy.” *Id.* at 133.

The risk that our Court would insulate from liability many developers or operators of systems that automatically caused an infringement at another person’s command came close to fruition in a challenge to a system that allowed subscribers, for a fee, to watch over-the-air TV programs. A District Court denied a preliminary injunction against the operator of the system in light of *Cartoon Network*. See *Broadcasting Cos. v. Aereo, Inc.*, [874 F. Supp. 2d 373](#) (S.D.N.Y. 2012) (“*Aereo I*”). The risk increased when a divided panel of our Court affirmed *Aereo I*. See *WNET, Thirteen v. Aereo, Inc.*, [712 F.3d 676](#) (2d Cir. 2013) (*Aereo II*).

The risk lessened, however, when the Supreme Court reversed *Aereo II*. See *American Broadcasting Cos. v. Aereo, Inc.*, [573 U.S. 431](#) (2014). (“*Aereo III*”). But the status of systems that automatically caused an infringement at a customer’s command remained uncertain because the Supreme Court’s majority opinion said nothing about volition or causation. Instead, Justice Breyer said that *Aereo*’s system was functionally the equivalent of a community access television system (“CATV”) and noted that in the Copyright Act of 1976 Congress had “ma[d]e clear that an entity that acts like a CATV system itself performs [the copyrighted works], even if when doing so, it simply enhances viewers’ ability to receive broadcast television signals,” *id.* at 442, and therefore infringes the performance right of the owners of the copyright in the performed material, see *id.* at 451. In dissent, Justice Scalia started from the premise that “[a] defendant may be held directly liable only if it has engaged in volitional conduct that violates the Act,” *id.* at 453, and concluded that the defendant’s operation of the CATV system “is a volitional act,” *id.* at 456, “but, as in the case of the copy shop, [the defendant’s] “degree of involvement is not enough for direct liability.” *Id.*

II. Volition as Causation

Once volitional conduct is understood as essentially concerning causation, the issue becomes how the concept of causation applies in the context of alleged direct infringement of copyright arising from use of a defendant’s system or program that automatically makes copies of copyrighted images at a keystroke by a defendant’s customer. Consideration of that issue begins with general principles of causation in tort law. “For harm resulting to a third person from the tortious conduct of another, one is subject to liability if he . . . knows that the other’s conduct constitutes a breach of duty and gives substantial assistance or encouragement to the other so to conduct himself.” Restatement (Second) of Torts § 876(b) (“Restatement”). “For harm resulting to a third person from the tortious conduct of another, one is subject to liability if he . . . permits

the other to act . . . with his instrumentalities, knowing or having reason to know that the other is acting or will act tortiously.” Id. § 877(c).

Pertinent to the possible infringement liability of the operator of a system that facilitates automatic copying, the legislative history of the 1976 Copyright Act recognized that “where the work was infringed by two or more tortfeasors [sic], the bill would make them jointly and severally liable.” S. Rep. No. 94-473 at 162 (1975). “There is no rule of copyright law that would preclude the imposition of direct liability on both parties [i.e., the system operator and the user].” Denicola, *supra*, 37 *Cardozo L. Rev.* at 1273.

However, tort law principles of causation do not necessarily apply in the copyright field exactly as they apply with respect to torts generally or joint tortfeasor liability in particular. In addition to assuring protection for the rights of copyright owners in order to promote creativity, copyright law, especially in the digital age, must avoid such an expansive regime of protection that developers of computer programs and system operators are unduly deterred from making socially useful contributions to widespread access to information.

The caselaw has not yet developed clear principles for determining when the developer or operator of a system, activated automatically by a user, is jointly liable with the user for direct infringement. The Fourth Circuit hinted at a generalized approach for making such a determination when it observed that the Copyright Act creates liability for “a person who causes *in some meaningful way* an infringement.” *CoStar Group v. LoopNet, Inc.*, [373 F.3d 544, 549](#) (4th Cir. 2004) (emphasis added). Though in dissent in *Aereo III*, Justice Scalia also hinted at a similar generalized approach when he said that the system operator’s “*degree of involvement* is not enough for direct liability.” [573 U.S. at 456](#) (Scalia, J., dissenting) (emphasis added). In another attempt to approximate the line a system operator crosses to become jointly liable with a user for direct infringement, a district court in this Circuit considered whether the operator shifted ““from [a] passive provider[] of a space in which infringing activities happened to occur to [an] active participant[] in the process of copyright infringement,”” *Capitol Records, LLC v. ReDigi, Inc.*, [934 F. Supp. 2d 640, 657](#) (S.D.N.Y. 2013) (quoting *Arista Records LLC v. Usenet.com, Inc.*, [633 F. Supp. 2d 124, 148](#) (S.D.N.Y. 2009) (alterations in original) (quoting *Playboy Enterprises, Inc. v. Hardenburch, Inc.*, [982 F. Supp. 503, 513](#) (N.D. Ohio 1997))), *aff’d*, 910 F.3d 649 (2d Cir. 2018).

III. Judge Walker’s Opinion

With these thoughts in mind, I now consider Judge Walker’s opinion in the pending appeal. I fully agree with many portions of that opinion. Specifically, I agree that the requirement of volitional conduct must be shown when there is dispute as to which party or parties caused a direct infringement and that *Aereo III* did not abrogate the requirement of such conduct. I also agree that the copy shop example, which Judge Walker’s opinion mentions, illustrates one situation where volitional/causation conduct is not present, at least as long as the copy shop merely permits its customers themselves to use copying machines on the shop’s premises. But care must be taken

not to generalize from that example. That a copy shop is not liable for direct infringement when its customer makes a copy on a shop's copying machine does not mean that all developers and operators of programs and systems are equally immune from such liability just because the customer selects the item to be copied and accomplishes the copying at a keystroke without any intervention by an employee of the developer or operator.

I disagree with Judge Walker's opinion when it appears to indicate that all developers or operators of systems that make copies, at a customer's keystroke command, of copyrighted materials selected by the customer should be insulated from direct liability for infringement. Selection by the customer may well be relevant to determining whether system developers or operators share direct liability with a customer, but is not necessarily determinative. In any event, there is no need to make any definitive ruling on the significance of selection at this stage of the pending litigation.

I agree with Judge Walker when he says that "[a]n ISP acts volitionally when it creates a program designed to infringe copyrighted material," but I reject the arguable implication of this language that an ISP acts volitionally only when it creates a program designed to infringe copyrighted material. Judge Walker's opinion cites *EMI Christian Music Group, Inc. v. MP3tunes, LLC*, [844 F.3d 79](#) (2d Cir. 2016), but *MP3tunes* (as it is generally cited) did not say that the defendant's program was designed to infringe copyrighted material. It said that the jury could have found that the defendant's program "was designed to *facilitate* infringement," *id.* at 94 (emphasis added), an easier standard for an infringement *claimant* to meet than "designed to infringe." Furthermore, the principal issue in *MP3tunes* was whether an ISP "adopted and reasonably implemented" a policy to terminate "repeat infringers" so as to qualify for a safe harbor protection of the DMCA, 15 U.S.C. § 512(i)(1)(A), that shields it from liability for infringing acts of its customers. See *MP3tunes*, [844 F.3d at 88-91](#). The panel deciding *MP3tunes* had no occasion to decide whether the defendant was liable for direct infringement and did not purport to do so. Indeed, a requirement that a developer of a program or an operator of a system or would be liable for directly infringing copying only if its system or program was designed to copy copyrighted material would make no sense because any program or system capable of copying copyrighted material could also copy material in the public domain. After all, *Sony* exonerated the Betamax manufacturer from liability only after determining that "a significant number" of uses of the device were non-infringing, not all uses. *Sony*, [464 U.S. at 442, 444](#).

I do not entirely agree with Judge Walker when he says, again citing *MP3tunes*, that "the volitional conduct requirement is not satisfied when an ISP simply displays user-uploaded images." This statement is no doubt true in some circumstances but not necessarily true in all circumstances. For example, in *Capitol Record, LLC v. ReDigi Inc.*, [910 F.3d 649](#) (2d Cir. 2018), where the customer of a developer of a system for reselling lawfully purchased digital music files "cause[d]" a file of purchased music to be transferred to the developer's remote server, see *id.* at 653, we held that the receipt and storage of the file on the developer's server involved the making of an infringing copy, in that case, a new phonorecord, see *id.* at 657, which rendered the developer liable for

violating the reproduction rights of the holder of the copyright in the music. See *id.* at 659.

Finally, I do not agree with Judge Walker's conclusion that "Polyvore cannot be liable for direct copyright infringement for designing the Clipper to simply retrieve photos picked out by users from other websites (before Polyvore makes other copies)." In view of the remand for further factfinding, which our judgment orders, it is at least premature to rule at this point whether Polyvore can be liable for designing the Clipper, and such a ruling might be incorrect. It is arguable that Polyvore has given "substantial assistance," Restatement § 876(b), to its customers to make copies of copyrighted photographs and has permitted its customers to act with its "instrumentalities," *id.* § 877(c) knowing that they "will act tortiously," *id.* It is also possible that Polyvore could reasonably be found to know that its Clipper tool would be used to search for photos of celebrities appropriate for embellishment with the addition of such items as clothing, hair styling, and jewelry, and that a considerable number of such photos would be copyrighted. And, unlike the owner of a copy shop, Polyvore maintains a continuing relationship with its customers. I prefer to withhold any ruling as to direct infringement until the District Court responds to our remand, and only then face the vexing issue of what factors should determine whether the developer of a program or the operator system is jointly liable with its customer for causing direct copyright infringement and whether Polyvore's system crosses the line.

With these reservations, I concur in the result.

ROSEMARY S. POOLER, Circuit Judge, concurring in the result: I concur in the result but write separately to emphasize the context and consequences of this case. To this effect, the Electronic Frontier Foundation, as amicus curiae, urges that such a website design as Polyvore's a) automatically generates copies of images in different sizes to allow users to view the images on various devices, and b) is "routine" and "very common [among] Internet technologies." Amicus Br. at 13-14, Dkt. No. 87.

Regardless whether the volitional conduct requirement is properly understood as a causation requirement, as Judge Newman urges and Judge Walker disputes, the question will boil down to whether Polyvore is sufficiently tied to the act of copying for direct infringement liability to attach. Accordingly, I have strong line-drawing concerns with Judge Walker's framing of volitional conduct: "an ISP does not act volitionally when it automatically makes a single copy in response to a user's request," but "ISPs that provide additional unrequested copies . . . in response to a user's request for a single copy . . . may be liable." There is no basis to conclude that "additional unrequested copies" are of any significance when a machine is simply a passive agent. For instance, in *MP3tunes*, the system was designed to seek out the copyrighted material—album cover art which matched the user's songs. *EMI Christian Music Grp., Inc. v. MP3tunes, LLC*, [844 F.3d 79, 96](#) (2d Cir. 2016). The user had not requested, much less supplied, any of the copyrighted material. See *id.* at 96-97.

While I concur in the result of remanding to the district court for further factfinding, I cannot agree with conceptualizing volitional conduct in such a way that an ISP does

not act volitionally when it automatically makes one, but not more than one, unrequested copy in response to a user's request for a copy. I believe this volitional-conduct analysis must enter the landscape of multiple devices, mindful of both our copy-shop past and the realities of functional website design in our present.

Lenz v. Universal Music Corp.815 F.3d 1145 (9th Cir. 2016)

TALLMAN, Circuit Judge.

ORDER

The opinion and dissent filed on September 14, 2015 and published at 801 F.3d 1126 are hereby amended. The amended opinion and dissent are filed concurrently with this order.

With these amendments, the panel has voted to deny Universal’s petition for panel rehearing and Lenz’s petition for panel rehearing. Judge Tallman and Judge Murguia have voted to deny Lenz’s petition for rehearing en banc, and Judge M. Smith has voted to grant Lenz’s petition for rehearing en banc.

The full court has been advised of the petition for rehearing en banc. No judge has requested a vote on whether to rehear the matter en banc. Fed. R.App. P. 35(b).

Universal’s petition for panel rehearing is DENIED. Lenz’s petition for panel rehearing or rehearing en banc is DENIED. No future petitions for panel rehearing or petitions for rehearing en banc will be entertained.

OPINION

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

Founded in May 2005, YouTube (now owned by Google) operates a website that hosts user-generated content. *About YouTube*, YouTube.com, <https://www.youtube.com/yt/about/> (last visited September 4, 2015). Users upload videos directly to the website. 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.¹ Available at <https://www.youtube.com/watch?v=N1KfJHFWlhQ> (last visited September 4,

¹ YouTube is a for-profit company that generates revenues by selling advertising. If users choose to become “content partners” with YouTube, they share in a portion of the advertising revenue generated. Lenz is not a content partner and no advertisements appear next to the video.

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.

II

Lenz filed the instant action on July 24, 2007, and her Amended Complaint on August 15, 2007. After the district court dismissed her tortious interference claim and request for declaratory relief, Lenz filed her Second Amended Complaint on April 18, 2008, alleging only a claim for misrepresentation under § 512(f). The district court denied Universal's motion to dismiss the action.

On February 25, 2010, the district court granted Lenz's partial motion for summary judgment on Universal's six affirmative defenses, including the third affirmative defense that Lenz suffered no damages. Both parties subsequently moved for summary judgment on Lenz's § 512(f) misrepresentation claim. On January 24, 2013, the district court denied both motions in an order that is now before us.

The district court certified its summary judgment order for interlocutory appeal under 28 U.S.C. § 1292(b), and stayed proceedings in district court pending resolution of the appeal. We granted the parties permission to bring an interlocutory appeal. ***

IV

Effective on October 28, 1998, the DMCA added new sections to existing copyright law by enacting five Titles, only one of which is relevant here: Title II—Online Copyright Infringement Liability Limitation Act—now codified in 17 U.S.C. § 512. Sections 512(c), (f), and (g) are at the heart of the parties' dispute.

A

Section 512(c) permits service providers, e.g., YouTube or Google, to avoid copyright infringement liability for storing users' content if—among other requirements—the service provider “expeditiously” removes or disables access to the content after receiving notification from a copyright holder that the content is infringing. 17 U.S.C. § 512(c). Section 512(c)(3)(A) sets forth the elements that such a “takedown notification” must contain. These elements include identification of the copyrighted work, identification of the allegedly infringing material, and, critically, a statement that the copyright holder believes in good faith the infringing material “is not authorized by the copyright owner, its agent, or the law.” *Id.* § 512(c)(3)(A). The procedures outlined in § 512(c) are referred to as the DMCA's “takedown procedures.”

To avoid liability for disabling or removing content, the service provider must notify the user of the takedown. *Id.* § 512(g)(1)-(2). The user then has the option of restoring the content by sending a counter-notification, which must include a statement of “good faith belief that the material was removed or disabled as a result of mistake or misidentification. . . .” *Id.* § 512(g)(3)(C). Upon receipt of a valid counter-notification, the service provider must inform the copyright holder of the counter-notification and restore the content within “not less than 10, nor more than 14, business days,” unless the service provider receives notice that the copyright holder has filed a lawsuit against the user seeking to restrain the user's infringing behavior. *Id.* § 512(g)(2)(B)-(C). The procedures outlined in § 512(g) are referred to as the DMCA's “put-back procedures.”

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. “Canons of statutory construction dictate that if the language of a statute is clear, we look no further than that language in determining the statute’s meaning. . . . A court looks to legislative history only if the statute is unclear.” *United States v. Lewis*, [67 F.3d 225, 228-29](#) (9th Cir. 1995) (citations omitted). 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. In 1976, Congress codified [in 17 U.S.C. § 107] the application of a four-step test for determining the fair use of copyrighted works ***. While Title 17 of the United States Code (“Copyrights”) does not define the term “authorize” or “authorized,” “[w]hen there is no indication that Congress intended a specific legal meaning for the term, the court may look to sources such as dictionaries for a definition.” *United States v. Mohrbacher*, [182 F.3d 1041, 1048](#) (9th Cir. 1999). 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](#) (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. 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, *Practice Management Information Corp. v. American Medical Ass’n*, [121 F.3d 516, 520](#) (9th Cir. 1997), *snd laches*, *Danjaq LLC v. Sony Corp.*, [263 F.3d 942, 950-51](#) (9th Cir. 2001).

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. Thus, Universal’s argument that it need not consider fair use in addition to compulsory licenses rings hollow.

Even if, as Universal urges, fair use is classified as an “affirmative defense,” we hold—for the purposes of the DMCA—fair use is uniquely situated in copyright law so as to be treated differently than traditional affirmative defenses. 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). Neither of these holdings are dictum. 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.

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 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.

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. See 17 U.S.C. § 512(c)(3)(A)(v), (f). “[T]he willful blindness doctrine may be applied, in appropriate circumstances, to demonstrate knowledge or awareness of specific instances of infringement under the DMCA.” *Viacom Int’l, Inc. v. YouTube, Inc.*, [676 F.3d 19, 35](#) (2d Cir. 2012) (interpreting how a party can establish the “actual knowledge”—a subjective belief—required by § 512(c)(1)(A)(i)); see also *UMG Recordings, Inc. v. Shelter Capital Partners LLC*, [718 F.3d 1006, 1023](#) (9th Cir. 2013) (“Of course, a service provider cannot willfully bury its head in the sand to avoid obtaining such specific knowledge.” (citing *Viacom*, [676 F.3d at 31](#))). 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](#) (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. To meet the *Global-Tech* test, Lenz must demonstrate a genuine issue as to whether—before sending the takedown notification—Universal (1) subjectively believed there was a high probability that the video constituted fair use, and (2) took deliberate actions to avoid learning of this fair use.

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. See *United States v. Yi*, [704 F.3d 800, 805](#) (9th Cir. 2013). But she failed to provide any such evidence. The district court therefore correctly found that “Lenz does not present evidence suggesting Universal subjectively believed either that there was a high probability any given video might make fair use of a Prince composition or her video in particular made fair use of Prince’s song ‘*Let’s Go Crazy*.’” 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.

V

Section 512(f) provides for the recovery of “any damages, including costs and attorneys['] fees, incurred by the alleged infringer . . . who is injured by such misrepresenta-

tion, as the result of the service provider relying upon such misrepresentation in removing or disabling access to the material or activity claimed to be infringing. . . .” 17 U.S.C. § 512(f). We hold a plaintiff may seek recovery of nominal damages for an injury incurred as a result of a § 512(f) misrepresentation.

Universal incorrectly asserts that Lenz must demonstrate she incurred “actual monetary loss.” Section 512(k) provides a definition for “monetary relief” as “damages, costs, attorneys['] fees, and any other form of monetary payment.” The term “monetary relief” appears in § 512(a), (b)(1), (c)(1), and (d), but is notably absent from § 512(f). As a result, the damages an alleged infringer may recover under § 512(f) from “any person” are broader than monetary relief. Because Congress specified the recovery of “any damages,” we reject Universal’s contention that Congress did not indicate its intent to depart from the common law presumption that a misrepresentation plaintiff must have suffered a monetary loss.

Lenz may seek recovery of nominal damages due to an unquantifiable harm suffered as a result of Universal’s actions. The DMCA is akin to a statutorily created intentional tort whereby an individual may recover nominal damages for a “knowingly material misrepresent[ation] under this section [512].” 17 U.S.C. § 512(f). *** Because a jury has not yet determined whether Lenz will prevail at trial, we need not decide the scope of recoverable damages, i.e., whether she may recover expenses following the initiation of her § 512(f) suit or pro bono costs and attorneys’ fees, both of which arose as a result of the injury incurred.

VI

Copyright holders cannot shirk their duty to consider—in good faith and prior to sending a takedown notification—whether allegedly infringing material constitutes fair use, a use which the DMCA plainly contemplates as authorized by the law. That this step imposes responsibility on copyright holders is not a reason for us to reject it. We affirm the district court’s order denying the parties’ cross-motions for summary judgment.

AFFIRMED. Each party shall bear its own costs.

M. SMITH, Circuit Judge, 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 agree with the majority’s conclusion that § 512(c)(3)(A)(v) requires copyright holders to consider whether potentially infringing material is a fair use before issuing a takedown notice. As the majority explains, a takedown notice must contain “[a] statement that the complaining party has a good faith belief that use of the material in the manner complained of is not authorized by the copyright owner, its agent, or the law.”

17 U.S.C. § 512(c)(3)(A)(v). Because fair use of copyrighted material is not an infringement of copyright, such use is “authorized by ... the law.” See *id.* § 107. Therefore, in order to form “a good faith belief that use of the material in the manner complained of is not authorized by ... the law,” § 512(c)(3)(A)(v), a party must consider the doctrine of fair use. I also agree with the majority that § 512(f) provides a party injured by a violation of § 512(c)(3)(A)(v) with a right of action for damages, including nominal damages.

However, 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 goodfaith belief about fair use. It need only have known that it had not considered fair use as such.

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. ***

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). See *Rossi*, [391 F.3d at 1005](#). Thus, to be held liable under § 512(f), Universal need only have failed to consider fair use, and known that it had failed to consider fair use.

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. 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. As explained above, that is sufficient in my view to conclude that Universal’s takedown notice was a knowing misrepresentation.

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. And to assert in good faith that a use is not fair, a party must consider the statutory elements of fair use set forth in § 107. Merely evaluating whether a use is “significant” is not enough.

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.

* * *

In sum: Universal represented that it had formed a good-faith belief that Lenz’s video was an infringement of copyright—that is, that the video was not fair use. Because Universal did not actually consider the factors constituting fair use, its representation was false—a misrepresentation. Because those factors are set forth in § 107 (and § 107

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.

expressly states that a fair use “is not an infringement of copyright”), Universal’s misrepresentation was knowing. And because there is no further disputed issue of fact concerning liability, I respectfully dissent.

BMG Rights Management (US) LLC v. Cox Communications, Inc.

881 F.3d 293 (4th Cir. 2018)

DIANA GRIBBON MOTZ, Circuit Judge: BMG Rights Management (US) LLC (“BMG”), which owns copyrights in musical compositions, filed this suit alleging copyright infringement against Cox Communications, Inc. and CoxCom, LLC (collectively, “Cox”), providers of high-speed Internet access. BMG seeks to hold Cox contributorily liable for infringement of BMG’s copyrights by subscribers to Cox’s Internet service. Following extensive discovery, the district court held that Cox had not produced evidence that it had implemented a policy entitling it to a statutory safe harbor defense and so granted summary judgment on that issue to BMG. After a two-week trial, a jury found Cox liable for willful contributory infringement and awarded BMG \$25 million in statutory damages. Cox appeals, asserting that the district court erred in denying it the safe harbor defense and incorrectly instructed the jury. We hold that Cox is not entitled to the safe harbor defense and affirm the district court’s denial of it, but we reverse in part, vacate in part, and remand for a new trial because of certain errors in the jury instructions.

I.

A.

Cox is a conduit Internet service provider (“ISP”), providing approximately 4.5 million subscribers with high-speed Internet access for a monthly fee. Some of Cox’s subscribers shared and received copyrighted files, including music files, using a technology known as BitTorrent. Bit-Torrent is not a software program, but rather describes a protocol—a set of rules governing the communication between computers—that allows individual computers on the Internet to transfer files directly to other computers. This method of file sharing is commonly known as “peer-to-peer” file sharing, and contrasts with the traditional method of downloading a file from a central server using a Web browser.

Although peer-to-peer file sharing is not new, what makes BitTorrent unique is that it allows a user to download a file from multiple peers at the same time—even peers who only have a piece of the file, rather than the complete file. In other words, as soon as a user has downloaded a piece of the file, he or she can begin sharing that piece with others (while continuing to download the rest of the file). This innovation makes sharing via BitTorrent particularly fast and efficient. Although BitTorrent can be used to share any type of digital file, many use it to share copyrighted music and video files without authorization.

As a conduit ISP, Cox only provides Internet access to its subscribers. Cox does not create or sell software that operates using the BitTorrent protocol, store copyright-infringing material on its own computer servers, or control what its subscribers store on their personal computers.

Cox's agreement with its subscribers reserves the right to suspend or terminate subscribers who use Cox's service "to post, copy, transmit, or disseminate any content that infringes the patents, copyrights . . . or proprietary rights of any party." To enforce that agreement and protect itself from liability, however, Cox created only a very limited automated system to process notifications of alleged infringement received from copyright owners. Cox's automated system rests on a thirteen-strike policy that determines the action to be taken based on how many notices Cox has previously received regarding infringement by a particular subscriber. The first notice alleging a subscriber's infringement produces no action from Cox. The second through seventh notices result in warning emails from Cox to the subscriber. After the eighth and ninth notices, Cox limits the subscriber's Internet access to a single webpage that contains a warning, but the subscriber can reactivate complete service by clicking an acknowledgement. After the tenth and eleventh notices, Cox suspends services, requiring the subscriber to call a technician, who, after explaining the reason for suspension and advising removal of infringing content, reactivates service. After the twelfth notice, the subscriber is suspended and directed to a specialized technician, who, after another warning to cease infringing conduct, reactivates service. After the thirteenth notice, the subscriber is again suspended, and, for the first time, considered for termination. Cox never automatically terminates a subscriber.

The effectiveness of Cox's thirteen-strike policy as a deterrent to copyright infringement has several additional limitations. Cox restricts the number of notices it will process from any copyright holder or agent in one day; any notice received after this limit has been met does not count in Cox's graduated response escalation. Cox also counts only one notice per subscriber per day. And Cox resets a subscriber's thirteen-strike counter every six months.

BMG, a music publishing company, owns copyrights in musical compositions. To protect this copyrighted material, BMG hired Rightscorp, Inc., which monitors BitTorrent activity to determine when infringers share its clients' copyrighted works. When Rightscorp identifies such sharing, it emails an infringement notice to the alleged infringer's ISP (here, Cox). The notice contains the name of the copyright owner (here, BMG), the title of the copyrighted work, the alleged infringer's IP address, a time stamp, and a statement under penalty of perjury that Rightscorp is an authorized agent and the notice is accurate.

Rightscorp also asks the ISP to forward the notice to the allegedly infringing subscriber, since only the ISP can match the IP address to the subscriber's identity. For that purpose, the notice contains a settlement offer, allowing the alleged infringer to pay twenty or thirty dollars for a release from liability for the instance of infringement alleged in the notice. Cox has determined to refuse to forward or process notices that contain such settlement language. When Cox began receiving Rightscorp notices in the

spring of 2011 (before Rightscorp had signed BMG as a client), Cox notified Rightscorp that it would process the notices only if Rightscorp removed the settlement language. Rightscorp did not do so. Cox never considered removing the settlement language itself or using other means to inform its subscribers of the allegedly infringing activity observed by Rightscorp.

Rightscorp continued to send Cox large numbers of settlement notices. In the fall of 2011, Cox decided to “blacklist” Rightscorp, meaning Cox would delete notices received from Rightscorp without acting on them or even viewing them. BMG hired Rightscorp in December 2011—after Cox blacklisted Rightscorp. Thus, Cox did not ever view a single one of the millions of notices that Rightscorp sent to Cox on BMG’s behalf.

B.

On November 26, 2014, BMG initiated this action against Cox. BMG alleged that Cox was vicariously and contributorily liable for acts of copyright infringement by its subscribers.

At the conclusion of discovery, the parties filed multi-issue cross-motions for summary judgment, which the district court resolved in a careful written opinion. Among these issues, BMG asserted that Cox had not established a policy entitling it to the safe harbor defense contained in the Digital Millennium Copyright Act (“DMCA”), 17 U.S.C. § 512(a). To qualify for that safe harbor, an ISP, like Cox, must have “adopted and reasonably implemented. . . a policy that provides for the termination in appropriate circumstances of subscribers . . . who are repeat infringers.” *Id.* § 512(i)(1)(A). The district court agreed with BMG and held that no reasonable jury could find that Cox implemented a policy that entitled it to that DMCA safe harbor. The court explained that BMG had offered evidence that “Cox knew accounts were being used repeatedly for infringing activity yet failed to terminate” those accounts and that Cox did “not come forward with any evidence” to the contrary. Accordingly, the court granted summary judgment to BMG on Cox’s safe harbor defense.

The case proceeded to a jury trial that involved the testimony of more than a dozen witnesses and admission of numerous documents. At the conclusion of the trial, the district court instructed the jury that to prove contributory infringement, BMG had to show “direct infringement of BMG’s copyrighted works” by Cox subscribers, that “Cox knew or should have known of such infringing activity,” and that “Cox induced, caused, or materially contributed to such infringing activity.” The court further instructed the jury that BMG could prove Cox’s knowledge of infringing activity by showing willful blindness, if Cox “was aware of a high probability that Cox users were infringing BMG’s copyrights but consciously avoided confirming that fact.”

The jury found Cox liable for willful contributory infringement and awarded BMG \$25 million in statutory damages. The jury also found that Cox was not liable for vicarious infringement. The district court denied all post-trial motions and entered judgment in accordance with the verdict. Cox appeals, arguing that BMG should not have been

granted summary judgment as to the DMCA safe harbor and that erroneous jury instructions entitle it to a new trial.¹

II.

We first address Cox's contention that the district court erred in denying it the § 512(a) DMCA safe harbor defense. ***

A.

The DMCA provides a series of safe harbors that limit the copyright infringement liability of an ISP and related entities. As a conduit ISP, Cox seeks the benefit of the safe harbor contained in 17 U.S.C. § 512(a). To fall within that safe harbor, Cox must show that it meets the threshold requirement, common to all § 512 safe harbors, that it has “adopted and reasonably implemented . . . a policy that provides for the termination in appropriate circumstances of subscribers . . . who are repeat infringers.” 17 U.S.C. § 512(i)(1)(A).

Cox's principal contention is that “repeat infringers” means adjudicated repeat infringers: people who have been held liable by a court for multiple instances of copyright infringement. Cox asserts that it complied with § 512(i)(1)(A)'s requirement and is therefore entitled to the § 512(a) DMCA safe harbor because BMG did not show that Cox failed to terminate any adjudicated infringers. BMG responds that Cox's interpretation of “repeat infringers” is contrary to “the DMCA's plain terms.” Appellee Br. at 31.

Because the statute does not define the term “repeat infringers,” to resolve that question, we turn first to the term's ordinary meaning. The ordinary meaning of an infringer is “[s]omeone who interferes with one of the exclusive rights of a . . . copyright” holder—in short, one who infringes a copyright. Infringer, Black's Law Dictionary 902 (10th ed. 2014). A repeat infringer, then, is one who infringes a copyright more than once.

Cox contends that because the repeat infringer provision uses the term “infringer” without modifiers such as “alleged” or “claimed” that appear elsewhere in the DMCA, “infringer” must mean “adjudicated infringer.” But the DMCA's use of phrases like “alleged infringer” in other portions of the statute indicates only that the term “infringer” alone must mean something different than “alleged infringer,” otherwise, the word “alleged” would be superfluous. Using the ordinary meaning of “infringer,” however, fully accords with this principle: someone who actually infringes a copyright differs from someone who has merely allegedly infringed a copyright, because an allegation could be false. The need to differentiate the terms “infringer” and “alleged infringer” thus does not mandate Cox's proposed definition.

¹ After trial, both parties moved for fees and costs. The district court awarded BMG over \$8 million in attorney's fees but limited some of the costs recoverable by BMG. The court denied Cox's motion for fees and costs against an earlier plaintiff in the litigation, Round Hill Music LP, against whom Cox prevailed on summary judgment. The parties appeal these orders. Because our holding as to the jury instructions requires us to vacate this award of fees and costs, we do not address the merits of those awards.

Moreover, other provisions of the Copyright Act use the term “infringer” (and similar terms) to refer to all who engage in infringing activity, not just the narrow subset of those who have been so adjudicated by a court. For example, § 501(a), which creates a civil cause of action for copyright owners, states that “[a]nyone who violates any of the exclusive rights of the copyright owner” provided for in the statute “is an *infringer* of the copyright or right of the author.” 17 U.S.C. § 501(a) (emphasis added).

Similarly, the DMCA itself provides that ISPs who store copyrighted material are generally not liable for removing “material or activity *claimed to be infringing* or based on facts or circumstances from which *infringing activity is apparent*, regardless of whether the material or activity is *ultimately determined to be infringing*.” Id. § 512(g)(1) (emphases added). This provision expressly distinguishes among three categories of activity: activity merely “claimed to be infringing,” actual “infringing activity” (as is apparent from “facts or circumstances”), and activity “ultimately determined to be infringing.” The distinction between “infringing activity” and activity “ultimately determined to be infringing” in § 512(g) shelters ISPs from being liable for taking down material that is “infringing,” even if no court “ultimately determine[s]” that it is infringing—because, for example, the copyright holder simply does not file a lawsuit against the person who uploaded the infringing material. As this provision illustrates, Congress knew how to expressly refer to adjudicated infringement, but did not do so in the repeat infringer provision. See also id. § 512(b)(2)(E)(i) (addressing circumstance in which “a court has ordered that . . . material be removed”). That suggests the term “infringer” in § 512(i) is not limited to adjudicated infringers.

The legislative history of the repeat infringer provision supports this conclusion. Both the House Commerce and Senate Judiciary Committee Reports explained that “those who repeatedly or flagrantly abuse their access to the Internet through disrespect for the intellectual property rights of others should know that there is a realistic threat of losing that access.” H.R. Rep. No. 105-551, pt. 2, at 61 (1998); S. Rep. No. 105-190, at 52 (1998). This passage makes clear that if persons “abuse their access to the Internet through disrespect for the intellectual property rights of others”—that is, if they infringe copyrights—they should face a “realistic threat of losing” their Internet access. The passage does not suggest that they should risk losing Internet access only once they have been sued in court and found liable for multiple instances of infringement. Indeed, the risk of losing one’s Internet access would hardly constitute a “realistic threat” capable of deterring infringement if that punishment applied only to those already subject to civil penalties and legal fees as adjudicated infringers. ***

Accordingly, we reject Cox’s argument that the term “repeat infringers” in § 512(i) is limited to adjudicated infringers.

B.

Section 512(i) thus requires that, to obtain the benefit of the DMCA safe harbor, Cox must have reasonably implemented “a policy that provides for the termination in appropriate circumstances” of its subscribers who repeatedly infringe copyrights. 17 U.S.C. § 512(i)(1)(A). We are mindful of the need to afford ISPs flexibility in crafting

repeat infringer policies, and of the difficulty of determining when it is “appropriate” to terminate a person’s access to the Internet. See *id.* At a minimum, however, an ISP has not “reasonably implemented” a repeat infringer policy if the ISP fails to enforce the terms of its policy in any meaningful fashion. Here, Cox formally adopted a repeat infringer “policy,” but, both before and after September 2012, made every effort to avoid reasonably implementing that policy. Indeed, in carrying out its thirteen-strike process, Cox very clearly determined not to terminate subscribers who in fact repeatedly violated the policy.

The words of Cox’s own employees confirm this conclusion. In a 2009 email, Jason Zabek, the executive managing the Abuse Group, a team tasked with addressing subscribers’ violations of Cox’s policies, explained to his team that “if a customer is terminated for DMCA, you are able to reactivate them,” and that “[a]fter you reactivate them the DMCA ‘counter’ restarts.” The email continued, “This is to be an unwritten semi-policy.” Zabek also advised a customer service representative asking whether she could reactivate a terminated subscriber that “[i]f it is for DMCA you can go ahead and reactivate.” Zabek explained to another representative: “Once the customer has been terminated for DMCA, we have fulfilled the obligation of the DMCA safe harbor and can start over.” He elaborated that this would allow Cox to “collect a few extra weeks of payments for their account. ;-).” Another email summarized Cox’s practice more succinctly: “DMCA = reactivate.” As a result of this practice, from the beginning of the litigated time period until September 2012, Cox never terminated a subscriber for infringement without reactivating them.

Cox nonetheless contends that it lacked “actual knowledge” of its subscribers’ infringement and therefore did not have to terminate them. That argument misses the mark. The evidence shows that Cox always reactivated subscribers after termination, regardless of its knowledge of the subscriber’s infringement. Cox did not, for example, advise employees not to reactivate a subscriber if the employees had reliable information regarding the subscriber’s repeat infringement. An ISP cannot claim the protections of the DMCA safe harbor provisions merely by terminating customers as a symbolic gesture before indiscriminately reactivating them within a short timeframe.

In September 2012, Cox abandoned its practice of routine reactivation. An internal email advised a new customer service representative that “we now terminate, for real.” BMG argues, however, that this was a change in form rather than substance, because instead of terminating and then reactivating subscribers, Cox simply stopped terminating them in the first place. The record evidence supports this view. Before September 2012, Cox was terminating (and reactivating) 15.5 subscribers per month on average; after September 2012, Cox abruptly began terminating less than one subscriber per month on average. From September 2012 until the end of October 2014, the month before BMG filed suit, Cox issued only 21 terminations in total. Moreover, at least 17 of those 21 terminations concerned subscribers who had either failed to pay their bills on time or used excessive bandwidth (something that Cox subjected to a strict three-strike termination policy). Cox did not provide evidence that the remaining four terminations were for repeat copyright infringement. But even assuming they were, they

stand in stark contrast to the over 500,000 email warnings and temporary suspensions Cox issued to alleged infringers during the same time period.

Moreover, Cox dispensed with terminating subscribers who repeatedly infringed BMG's copyrights in particular when it decided to delete automatically all infringement notices received from BMG's agent, Rightscorp. As a result, Cox received none of the millions of infringement notices that Rightscorp sent to Cox on BMG's behalf during the relevant period. Although our inquiry concerns Cox's policy toward all of its repeatedly infringing subscribers, not just those who infringed BMG's copyrights, Cox's decision to categorically disregard all notices from Rightscorp provides further evidence that Cox did not reasonably implement a repeat infringer policy.

BMG also provided evidence of particular instances in which Cox failed to terminate subscribers whom Cox employees regarded as repeat infringers. For example, one subscriber "was advised to stop sharing. . . and remove his PTP programs," and a Cox employee noted that the subscriber was "well aware of his actions" and was "upset that 'after years of doing this' he is now getting caught." Nonetheless, Cox did not terminate the subscriber. Another customer was advised that "further complaints would result in termination" and that it was the customer's "absolute last chance to . . . remove ALL" file-sharing software. But when Cox received another complaint, a manager directed the employee not to terminate, but rather to "suspend this Customer, one LAST time," noting that "[t]his customer pays us over \$400/month" and that "[e]very terminated Customer becomes lost revenue."

Cox responds that these post-September 2012 emails do not necessarily "prove actual knowledge of repeat infringement." Appellants Br. at 59. Again, that argument is misplaced. Cox bears the burden of proof on the DMCA safe harbor defense; thus, Cox had to point to evidence showing that it reasonably implemented a repeat infringer policy. The emails show that Cox internally concluded that a subscriber should be terminated after the next strike, but then declined to do so because it did not want to lose revenue. In other words, Cox failed to follow through on its own policy. Cox argues that these emails only concerned "four cases," and that "occasional lapses" are forgivable. *Id.* at 58. But even four cases are significant when measured against Cox's equally small total number of relevant terminations in this period—also four. More importantly, Cox did not produce any evidence of instances in which it did follow through on its policy and terminate subscribers after giving them a final warning to stop infringing.

In addition, Cox suggests that because the DMCA merely requires termination of repeat infringers in "appropriate circumstances," Cox decided not to terminate certain subscribers only when "appropriate circumstances" were lacking. Appellants Br. at 56-57. But Cox failed to provide evidence that a determination of "appropriate circumstances" played any role in its decisions to terminate (or not to terminate). Cox did not, for example, point to any criteria that its employees used to determine whether "appropriate circumstances" for termination existed. Instead, the evidence shows that Cox's decisions not to terminate had nothing to do with "appropriate circumstances" but instead were based on one goal: not losing revenue from paying subscribers.

Cox failed to qualify for the DMCA safe harbor because it failed to implement its policy in any consistent or meaningful way—leaving it essentially with no policy. Accordingly, the district court did not err in holding that Cox failed to offer evidence supporting its entitlement to the § 512(a) safe harbor defense and therefore granting summary judgment on this issue to BMG. ***

Disney Enterprises, Inc. v. VidAngel, Inc.

869 F.3d 848 (9th Cir. 2017)

HURWITZ, Circuit Judge: VidAngel, Inc. operates an online streaming service that removes objectionable content from movies and television shows. VidAngel purchases physical discs containing copyrighted movies and television shows, decrypts the discs to “rip” a digital copy to a computer, and then streams to its customers a filtered version of the work.

The district court found that VidAngel had likely violated both the Digital Millennium Copyright Act and the Copyright Act, and preliminarily enjoined VidAngel from circumventing the technological measures controlling access to copyrighted works on DVDs and Blu-ray discs owned by the plaintiff entertainment studios, copying those works, and streaming, transmitting, or otherwise publicly performing or displaying them electronically. VidAngel’s appeal presents two issues of first impression. The first is whether the Family Movie Act of 2005 exempts VidAngel from liability for copyright infringement. 17 U.S.C. § 110(11). The second is whether the anti-circumvention provision of the Digital Millennium Copyright Act covers the plaintiffs’ technological protection measures, which control both access to and use of copyrighted works. 17 U.S.C. § 1201(a)(1). The district court resolved these issues against VidAngel. We agree and affirm the preliminary injunction.

FACTUAL BACKGROUND

I. The copyrighted works.

Disney Enterprises, LucasFilm Limited, Twentieth Century Fox Film Corporation, and Warner Brothers Entertainment (“the Studios”) produce and distribute copyrighted motion pictures and television shows. The Studios distribute and license these works for public dissemination through several “distribution channels”: (1) movie theaters; (2) sale or rental of physical discs in DVD or Blu-ray format; (3) sale of digital downloads through online services, such as iTunes or Amazon Video; (4) on-demand rental for short-term viewing through cable and satellite television or internet video-on-demand platforms, such as iTunes or Google Play; and (5) subscription on-demand streaming online outlets, such as Netflix, Hulu, HBO GO, and cable television.

To maximize revenue, the Studios employ “windowing,” releasing their works through distribution channels at different times and prices, based on consumer demand. Typically, new releases are first distributed through digital downloads and physical discs, and are only later available for on-demand streaming. The Studios often negotiate higher licensing fees in exchange for the exclusive rights to perform their works during certain time periods. Digital distribution thus provides a large source of revenue for the Studios.

The Studios employ technological protection measures (“TPMs”) to protect against unauthorized access to and copying of their works. They use Content Scramble System (“CSS”) and Advanced Access Content System (“AACS”), with optional “BD+,” to control access to their copyrighted content on DVDs and Blu-ray discs, respectively.

These encryption-based TPMs allow consumers to use players from licensed manufacturers only to lawfully decrypt a disc's content, and then only for playback, not for copying.

II. VidAngel's streaming service.

VidAngel offers more than 2500 movies and television episodes to its consumers. It purchases multiple authorized DVDs or Blu-ray discs for each title it offers. VidAngel then assigns each disc a unique inventory barcode and stores it in a locked vault. VidAngel uses AnyDVD HD, a software program, to decrypt one disc for each title, removing the CSS, AACS, and BD+ TPMs on the disc, and then uploads the digital copy to a computer. Or, to use VidAngel's terminology, the "[m]ovie is ripped from Blu-Ray to the gold master file." After decryption, VidAngel creates "intermediate" files, converting them to HTTP Live Streaming format and breaking them into segments that can be tagged for over 80 categories of inappropriate content. Once tagged, the segments are encrypted and stored in cloud servers.

Customers "purchase" a specific physical disc from VidAngel's inventory for \$20. The selected disc is removed from VidAngel's inventory and "ownership" is transferred to the customer's unique user ID. However, VidAngel retains possession of the physical disc "on behalf of the purchasers," with the exception of the isolated cases in which the consumer asks for the disc. To date, VidAngel has shipped only four discs to purchasers.

After purchasing a disc, a customer selects at least one type of objectionable content to be filtered out of the work. VidAngel then streams the filtered work to that customer on "any VidAngel-supported device, including Roku, Apple TV, Smart TV, Amazon Fire TV, Android, Chromecast, iPad/iPhone and desktop or laptop computers." The work is streamed from the filtered segments stored in cloud servers, not from the original discs. Filtered visual segments are "skipped and never streamed to the user." If the customer desires that only audio content be filtered, VidAngel creates and streams an altered segment that mutes the audio content while leaving the visual content unchanged. VidAngel discards the filtered segments after the customer views them.

After viewing the work, a customer can sell the disc "back to VidAngel for a partial credit of the \$20 purchase price," less \$1 per night for standard definition purchases or \$2 per night for high-definition purchases. VidAngel accordingly markets itself as a \$1 streaming service. After a disc is sold back to VidAngel, the customer's access to that title is terminated. Virtually all (99.6%) of VidAngel's customers sell back their titles, on average within five hours, and VidAngel's discs are "re-sold and streamed to a new customer an average of 16 times each in the first four weeks" of a title's release.

III. VidAngel's growth.

In July 2015, VidAngel sent letters to the Studios describing its service. The letters explained that VidAngel was in "a limited beta test of its technology" and had only 4848 users, and concluded: "If you have any questions concerning VidAngel's technology or business model, please feel free to ask. If you disagree with VidAngel's belief

that its technology fully complies with the Copyright Act ... please let us know.” The Studios did not respond, but began monitoring VidAngel’s activities.

VidAngel opened its service to the general public in August 2015. Its marketing emphasized that it could stream popular new releases that licensed video-on-demand services like Netflix could not, for only \$1. For example, when VidAngel began streaming Disney’s *Star Wars: The Force Awakens*, it was available elsewhere only for purchase on DVD or as a digital download, not as a short-term rental. Similarly, VidAngel began streaming Fox’s *The Martian* and *Brooklyn* while those works were exclusively licensed to HBO for on-demand streaming. Customers responded favorably.⁵ And, a survey indicated that 51% of VidAngel’s users would not otherwise watch their selections without filtering.

VidAngel eventually reached over 100,000 monthly active users. When the Studios filed this suit in June 2016, VidAngel offered over 80 of the Studios’ copyrighted works on its website. VidAngel was not licensed or otherwise authorized to copy, perform, or access any of these works.

PROCEDURAL BACKGROUND

The Studios’ complaint alleged copyright infringement in violation of 17 U.S.C. § 106(1), (4), and circumvention of technological measures controlling access to copyrighted works in violation of the Digital Millennium Copyright Act of 1998 (“DMCA”), 17 U.S.C. § 1201(a)(1)(A). VidAngel denied the statutory violations, raising the affirmative defenses of fair use and legal authorization by the Family Movie Act of 2005 (“FMA”), 17 U.S.C. § 110(11). The Studios moved for a preliminary injunction, and after expedited discovery, the district court granted the motion.

The district court found that the Studios had demonstrated a likelihood of success on the merits of both their DMCA and copyright infringement claims. It first found that VidAngel violated § 1201(a)(1)(A) of the DMCA by circumventing the technological measures controlling access to the Studios’ works. The district court also concluded that VidAngel violated the Studios’ exclusive right to reproduce their works under § 106(1) by making copies of them on a computer and third-party servers. It also held that VidAngel violated the Studios’ exclusive right to publicly perform their works under § 106(4), because at most the customers “own” only the physical discs they “purchase,” not the digital content streamed to them.

The district court rejected VidAngel’s FMA defense, holding that “VidAngel’s service does not comply with the express language of the FMA,” which requires a filtered transmission to “come from an ‘authorized copy’ of the motion picture.” § 110(11). The district court also found that VidAngel was not likely to succeed on its fair use defense, emphasizing that the “purpose and character of the use” and “effect of the

⁵ For example, one customer tweeted: “Son asked for #StarWars A New Hope. Not on Netflix, Google play charges \$19.99. Streamed HD on @VidAngel. \$2 & hassle free!” Another gave VidAngel a 5-star rating on Facebook, explaining: “We bought Star Wars and sold it back for a total of \$1 when it was like \$5 to rent on Amazon. So even if you don’t need content cleaned, it’s a great video service.”

use upon the potential market for or value of the copyrighted work” factors weighed in favor of the Studios. 17 U.S.C. § 107.

The district court concluded that the Studios had demonstrated a likelihood of irreparable injury from VidAngel’s interference “with their basic right to control how, when and through which channels consumers can view their copyrighted works” and with their “relationships and goodwill with authorized distributors.” Finally, the court found that “the balance of hardships tips sharply in [the Studios’] favor.”

The court therefore preliminarily enjoined VidAngel from copying and “streaming, transmitting, or otherwise publicly performing or displaying any of Plaintiff’s copyrighted works,” “circumventing technological measures protecting Plaintiff’s copyrighted works,” or “engaging in any other activity that violates, directly or indirectly,” 17 U.S.C. §§ 1201(a) or 106. VidAngel timely appealed. ***

DISCUSSION

A party can obtain a preliminary injunction by showing that (1) it is “likely to succeed on the merits,” (2) it is “likely to suffer irreparable harm in the absence of preliminary relief,” (3) “the balance of equities tips in [its] favor,” and (4) “an injunction is in the public interest.” *Winter v. Nat. Res. Def. Council, Inc.*, [555 U.S. 7, 20](#) (2008). ***

I. Likelihood of success on the merits. ***

A. Copyright infringement.

To establish direct copyright infringement, the Studios must (1) “show ownership of the allegedly infringed material” and (2) “demonstrate that the alleged infringers violate at least one exclusive right granted to copyright holders under 17 U.S.C. § 106.” *Perfect 10, Inc. v. Amazon.com, Inc.*, [508 F.3d 1146, 1159](#) (9th Cir. 2007) (citation omitted). VidAngel’s briefing on appeal does not contest the Studios’ ownership of the copyrights, instead focusing only on the second requirement.

Copyright owners have the exclusive right “to reproduce the copyrighted work in copies,” or to authorize another to do so. 17 U.S.C. § 106(1). VidAngel concedes that it copies the Studios’ works from discs onto a computer. VidAngel initially argued that because it lawfully purchased the discs, it can also lawfully re-sell or rent them. But, lawful owners “of a particular copy” of a copyrighted work are only entitled to “sell or otherwise dispose of the possession of that copy,” not to reproduce the work. 17 U.S.C. § 109(a). The district court thus did not abuse its discretion in concluding that VidAngel’s copying infringed the Studios’ exclusive reproduction right.

B. Defenses to copyright infringement.

1. The Family Movie Act.

The FMA was designed to allow consumers to skip objectionable audio and video content in motion pictures without committing copyright infringement. Family Entertainment and Copyright Act of 2005, Pub. L. No. 109-9, Title II, §§ 201, 202(a), 119 Stat. 218 (2005). The statute provides, in relevant part:

Notwithstanding the provisions of section 106, the following are not infringements of copyright:

[...]

the making imperceptible, by or at the direction of a member of a private household, of limited portions of audio or video content of a motion picture, during a performance in or transmitted to that household for private home viewing, from an authorized copy of the motion picture, or the creation or provision of a computer program or other technology that enables such making imperceptible and that is designed and marketed to be used, at the direction of a member of a private household, for such making imperceptible, if no fixed copy of the altered version of the motion picture is created by such computer program or other technology.

17 U.S.C. § 110(11).

We have had no previous occasion to interpret the FMA, so we begin with its text. The statute clearly identifies two acts that “are not infringements of copyright.” § 110(11). First, it authorizes “making imperceptible”—filtering—by or at the direction of a member of a private household, of limited portions of audio or video content of a motion picture, during performances or transmissions to private households, “from an authorized copy of the motion picture.” *Id.* Second, the statute authorizes the creation or distribution of any technology that enables the filtering described in the first provision and that is designed and marketed to be used, at the direction of a member of a private household, for that filtering, if no fixed copy of the altered version of the motion picture is created by the technology. *Id.* Thus, the second act authorized by the FMA—the creation or distribution of certain technology that enables “such” filtering—necessarily requires that the filtering be “from an authorized copy of the motion picture.” *Id.*

Indeed, VidAngel concedes that under the FMA, “the filtering must come ‘from an authorized copy’ of the movie.” But, VidAngel argues that because it “begins its filtering process with an authorized copy”—a lawfully purchased disc—“any subsequent filtered stream” is also “from” that authorized copy.

We disagree. The FMA permits “the making imperceptible ... of limited portions of audio or video content of a motion picture, during a performance in or transmitted to [a private household], *from* an authorized copy of the motion picture.” § 110(11) (emphasis added). It does not say, as VidAngel would have us read the statute, “beginning from” or “indirectly from” an authorized copy. See *id.* ***[T]he most natural reading of the statute is that the filtered performance or transmission itself must be “from” an authorized copy of the motion picture.

The statutory context of § 110(11) supports this interpretation. The FMA was enacted as part of Title II of the Family Entertainment and Copyright Act of 2005, which is entitled “exemption from infringement for skipping audio and video content in motion pictures.” Pub. L. No. 109-9, § 202(a), 119 Stat. 218. It is found in a subsection of 17 U.S.C. § 110, which is entitled “Limitations on exclusive rights: Exemption of cer-

tain performances and displays.” These headings indicate that the FMA exempts compliant filtered performances, rather than the processes that make such performances possible. Indeed, the title of § 110 indicates that it is directed only at “certain performances and displays” that would otherwise infringe a copyright holder’s exclusive public performance and display rights, see 17 U.S.C. § 106(4), (5), (6), while other limitations on exclusive rights in Title 17 are directed at the reproduction right. Compare § 110 with § 108 (“Limitations on exclusive rights: Reproduction by libraries and archives”).

Moreover, the enacting statute was created “to provide for the protection of intellectual property rights.” Pub. L. No. 109-9, 119 Stat. 218. Notably, the FMA concludes by noting: “Nothing in paragraph (11) shall be construed to imply further rights under section 106 of this title, or to have any effect on defenses or limitations on rights granted under any other section of this title or under any other paragraph of this section.” § 110. VidAngel’s interpretation of the statute—which permits unlawful decryption and copying prior to filtering—would not preserve “protection of intellectual property rights” or not “have any effect” on the existing copyright scheme.

VidAngel argues that the FMA was crafted “to avoid turning on the technical details of any given filtering technology,” citing the statutory authorization of “the creation or provision of ... other technology that enables such making imperceptible.” § 110(11). But, the phrase “such making imperceptible” clearly refers to the earlier description of “making imperceptible,” which must be “from an authorized copy of the motion picture.” § 110(11). Thus, even if VidAngel employs technology that enables filtering, the FMA exempts that service from the copyright laws only if the filtering is from an authorized copy of the motion picture. VidAngel’s interpretation, which ignores “intermediate steps” as long as the initial step came from a legally purchased title and the final result involves “no fixed copy of the altered version,” ignores this textual limitation.

More importantly, VidAngel’s interpretation would create a giant loophole in copyright law, sanctioning infringement so long as it filters some content and a copy of the work was lawfully purchased at some point. But, virtually all piracy of movies originates in some way from a legitimate copy. If the mere purchase of an authorized copy alone precluded infringement liability under the FMA, the statute would severely erode the commercial value of the public performance right in the digital context, permitting, for example, unlicensed streams which filter out only a movie’s credits. It is quite unlikely that Congress contemplated such a result in a statute that is expressly designed not to affect a copyright owner’s § 106 rights. § 110. ***

VidAngel does not stream from an authorized copy of the Studios’ motion pictures; it streams from the “master file” copy it created by “ripping” the movies from discs after circumventing their TPMs. The district court therefore did not abuse its discretion in concluding that VidAngel is unlikely to succeed on the merits of its FMA defense to the Studios’ copyright infringement claims.

2. Fair use.

*** And, even assuming space-shifting could be fair use, VidAngel's service is not personal and non-commercial space-shifting: it makes illegal copies of pre-selected movies and then sells streams with altered content and in a different format than that in which they were bought.

C. Circumvention of access control measures under the Digital Millennium Copyright Act.

The district court also did not abuse its discretion in finding that the Studios are likely to succeed on their DMCA claim. In relevant part, that statute provides that “[n]o person shall circumvent a technological measure that effectively controls access to a [copyrighted] work.” 17 U.S.C. § 1201(a)(1)(A). Circumvention means “to decrypt an encrypted work ... without the authority of the copyright owner.” § 1201(a)(3)(A). VidAngel concedes that CSS, AAC3, and BD+ are encryption access controls, and that it “uses software to decrypt” them. But, it argues that, “like all lawful purchasers, VidAngel is authorized by the Studios to decrypt [the TPMs] to view the discs’ content.”

The argument fails. Section 1201(a)(3)(A) exempts from circumvention liability only “those whom a copyright owner authorizes to circumvent an access control measure, not those whom a copyright owner authorizes to access the work.” *MDY Indus., LLC v. Blizzard Entm’t, Inc.*, [629 F.3d 928, 953 n.16](#) (9th Cir. 2011). *MDY* acknowledged a circuit split between the Second Circuit and the Federal Circuit regarding “the meaning of the phrase ‘without the authority of the copyright owner,’” and chose to follow the Second Circuit’s approach in *Universal City Studios, Inc. v. Corley*. *Id.* (citing 273 F.3d 429, 444 (2d Cir. 2001)). *Corley* rejected the very argument VidAngel makes here: “that an individual who buys a DVD has the ‘authority of the copyright owner’ to view the DVD, and therefore is exempted from the DMCA pursuant to subsection 1201(a)(3)(A) when the buyer circumvents an encryption technology in order to view the DVD on a competing platform.” 273 F.3d at 444. Rather, the Second Circuit explained, § 1201(a)(3)(A) “exempts from liability those who would ‘decrypt’ an encrypted DVD with the authority of the copyright owner, not those who would ‘view’ a DVD with the authority of a copyright owner.” *Id.*

Like the defendant in *Corley*, VidAngel “offered no evidence that [the Studios] have either explicitly or implicitly authorized DVD buyers to circumvent encryption technology” to access the digital contents of their discs. *Id.* Rather, lawful purchasers have permission only to view their purchased discs with a DVD or Blu-ray player licensed to decrypt the TPMs. Therefore, VidAngel’s “authorization to circumvent” argument fails.

VidAngel also argues, for the first time on appeal, that the TPMs on the Studios’ discs are use controls under § 1201(b) rather than access controls under § 1201(a), and therefore it cannot be held liable for circumventing them. Unlike § 1201(a), § 1201(b) does not prohibit circumvention of technological measures. Rather, it “prohibits trafficking in technologies that circumvent technological measures that effectively protect

‘a right of a copyright owner,’ “meaning the “existing exclusive rights under the Copyright Act,” such as reproduction. *MDY*, [629 F.3d at 944](#) (quoting § 1201(b)(1)). In other words, § 1201(b) governs TPMs that control use of copyrighted works, while § 1201(a) governs TPMs that control access to copyrighted works. *Id.* at 946 (explaining that DMCA “created a new anticircumvention right in § 1201(a)(2) independent of traditional copyright infringement and granted copyright owners a new weapon against copyright infringement in § 1201(b)(1)”).

But, even assuming that VidAngel’s argument is not waived, it fails. VidAngel contends that because the Studios object only to decryption to copy—a use of the copyrighted work—but permit those who buy discs to decrypt to view—a way of accessing the work—the TPMs are “conditional access controls [that] should be treated as use controls” governed by § 1201(b). VidAngel therefore argues that because it only circumvents use controls, but does not traffic, it does not violate the DMCA. But, the statute does not provide that a TPM cannot serve as both an access control and a use control. Its text does not suggest that a defendant could not violate both § 1201(a)(1)(A), by circumventing an access control measure, and § 106, by, for example, reproducing or publicly performing the accessed work. Indeed, this court has acknowledged that a TPM could “both (1) control[] access and (2) protect[] against copyright infringement.” *MDY*, [629 F.3d at 946](#).

To be sure, “unlawful circumvention under § 1201(a)—descrambling a scrambled work and decrypting an encrypted work—are acts that do not necessarily infringe or facilitate infringement of a copyright.” *Id.* at 945. Thus, a defendant could decrypt the TPMs on the Studios’ discs on an unlicensed DVD player, but only then “watch ... without authorization, which is not necessarily an infringement of [the Studios’] exclusive rights under § 106.” *Id.* But, when a defendant decrypts the TPMs and then also reproduces that work, it is liable for both circumvention in violation of § 1201(a)(1)(A) and copyright infringement in violation of § 106(1). See *Murphy v. Millennium Radio Grp. LLC*, [650 F.3d 295, 300](#) (3d Cir. 2011) (“Thus, for example, if a movie studio encrypts a DVD so that it cannot be copied without special software or hardware, and an individual uses his own software to ‘crack’ the encryption and make copies without permission, the studio may pursue the copier both for simple infringement under the Copyright Act and, separately, for his circumvention of the encryption... under the DMCA.”).

VidAngel relies heavily on the DMCA’s legislative history, which states that “1201(a)(2) and (b)(1) are ‘not interchangeable,’” and that circumvention of a TPM controlling access “is the electronic equivalent of breaking into a locked room in order to obtain a copy of a book.” *MDY*, [629 F.3d at 946-47](#) (citations omitted). VidAngel argues that it instead was given the key to a locked room and entered the room only to take a photograph of the room’s contents. But, it was never given the “keys” to the discs’ contents—only authorized players get those keys. VidAngel’s decision to use other software to decrypt the TPMs to obtain a digital copy of the disc’s movie thus is exactly like “breaking into a locked room in order to obtain a copy of a [movie].” *Id.* at 947 (citation omitted). Nothing in the legislative history suggests that VidAngel did

not circumvent an access control simply because there are authorized ways to access the Studios' works.

Finally, VidAngel contends that a TPM cannot serve as both an access and use control, because that would permit copyright holders to prohibit non-infringing uses of their works. It cites a Final Rule of the Library of Congress stating that "implementation of merged technological measures arguably would undermine Congress's decision to offer disparate treatment for access controls and use controls." Exemption to Prohibition on Circumvention of Copyright Protection Systems for Access Control Technologies, 65 Fed. Reg. 64,556-01, 64,568 (Oct. 27, 2000). But, the Rule also states that "neither the language of section 1201 nor the legislative history addresses the possibility of access controls that also restrict use." *Id.* And, it concludes that "[it] cannot be presumed that the drafters of section 1201(a) were unaware of CSS," which existed "when the DMCA was enacted," and "it is quite possible that they anticipated that CSS would be" an access control measure despite involving "a merger of access controls and copy controls." *Id.* at 64,572 n.14.

Because VidAngel decrypts the CSS, AACs, and BD+ access controls on the Studios' discs without authorization, the district court did not abuse its discretion in finding the Studios likely to succeed on their § 1201(a)(1)(A) circumvention claim. ***

CONCLUSION

The judgment of the district court is AFFIRMED.

Capital Records, LLC v. ReDigi, Inc.

910 F.3d 649 (2nd Cir. 2018)

LEVAL, Circuit Judge: Defendant ReDigi, Inc. and its founders, Defendants Larry Rudolph and John Ossenmacher, appeal from the judgment of the United States District Court for the Southern District of New York (Richard J. Sullivan, J.) in favor of Plaintiffs, Capitol Records, LLC, Capitol Christian Music Group, Inc., and Virgin Records IR Holdings, Inc. ("Plaintiffs"), finding copyright infringement. Defendants had created an Internet platform designed to enable the lawful resale, under the first sale doctrine, of lawfully purchased digital music files, and had hosted resales of such files on the platform. The district court concluded that, notwithstanding the "first sale" doctrine, codified in the Copyright Act of 1976, 17 U.S.C. § 109(a), ReDigi's Internet system version 1.0 infringed the Plaintiffs' copyrights by enabling the resale of such digital files containing sound recordings of Plaintiffs' copyrighted music. We agree with the district court that ReDigi infringed the Plaintiffs' exclusive rights under 17 U.S.C. § 106(1) to reproduce their copyrighted works. We make no decision whether ReDigi also infringed the Plaintiffs' exclusive rights under 17 U.S.C. § 106(3) to distribute their works.

BACKGROUND

I. Facts

Plaintiffs are record companies, which own copyrights or licenses in sound recordings of musical performances. Plaintiffs distribute those sound recordings in numerous forms, of which the most familiar twenty years ago was the compact disc. Today, Plaintiffs also distribute their music in the form of digital files, which are sold to the public by authorized agent services, such as Apple iTunes, under license from Plaintiffs. Purchasers from the Apple iTunes online store download the files onto their personal computers or other devices.

ReDigi was founded by Defendants Ossenmacher and Rudolph in 2009 with the goal of creating enabling technology and providing a marketplace for the lawful resale of lawfully purchased digital music files.³ Ossenmacher served as ReDigi's Chief Executive Officer and Rudolph, who spent twelve years as a Principal Research Scientist at the Massachusetts Institute of Technology, served as ReDigi's Chief Technical Officer. During the period addressed by the operative complaint, ReDigi, through its system version 1.0, hosted resales of digital music files containing the Plaintiffs' music by persons who had lawfully purchased the files from iTunes.

Considering the evidence in the light most favorable to ReDigi, ReDigi's system version 1.0 operates as follows.

1. **Music Manager:** A person who owns a digital music file lawfully purchased from iTunes and intends to employ ReDigi's system to resell it (the "user") must first download and install onto her computer ReDigi's "Music Manager" software program ("Music Manager"). Once Music Manager has been installed, it analyzes the digital file intended for resale, verifies that the file was originally lawfully purchased from iTunes, and scans it for indications of tampering. If the file was lawfully purchased, Music Manager deems it an "Eligible File" that may be resold.⁴

2. **Data Migration:** The ReDigi user must then cause the file to be transferred to ReDigi's remote server, known as the "Cloud Locker." To effectuate this transfer, ReDigi developed a new method that functions differently from the conventional file transfer. The conventional process is to reproduce the digital file at the receiving destination so that, upon completion of the transfer, the file exists simultaneously on both the receiving device and on the device from which it was transferred. If connectivity is disrupted during such a standard transfer, the process can be repeated because the file remains intact on the sender's device.

Under ReDigi's method—which it calls "data migration"—ReDigi's software "begins by breaking the [digital] music file into small 'blocks' [of data] of roughly four thousand bytes in length." Appellants Br. 24. Once the file has been broken into blocks

³ ReDigi was not making efforts in the shadows to infringe on copyrights. To the contrary, it invented a system designed in good faith to achieve a goal generally favored by the law of copyright, reasonably hoping the system would secure court approval as conforming to the demands of the Copyright Act.

⁴ Music Manager will deem a file "Eligible" if it was purchased by the user from iTunes or it was purchased by the user through ReDigi, having been originally purchased lawfully by another from iTunes.

of data (“packets”), ReDigi’s system creates a “transitory copy” of each packet in the initial purchaser’s computer buffer. *Id.* Upon copying (or “reading”) a packet into the initial purchaser’s computer buffer, ReDigi’s software sends a command to delete that packet of the digital file from permanent storage on the initial purchaser’s device. ReDigi’s software then sends the packet to the ReDigi software to be copied into the buffer and deleted from the user’s device. During the data migration process, the digital file cannot be accessed, played, or perceived. If connectivity is disrupted during the data migration process, the remnants of the digital file on the user’s device are unusable, and the transfer cannot be re-initiated. In such circumstances, ReDigi (according to its brief) bears the cost of the user’s loss.

Once all the packets of the source file have been transferred to ReDigi’s server, the Eligible File has been entirely removed from the user’s device. The packets are then re-assembled into a complete, accessible, and playable file on ReDigi’s server.

ReDigi describes its primary technological innovation using the metaphor of a train (the digital file) leaving from one station (the original purchaser’s device) and arriving at its destination (in the first instance, ReDigi’s server). Under either the typical method or ReDigi’s method, packets are sent sequentially, such that, conceptually, “each packet is a car” moving from the source to the destination device. Once all the packets arrive at the destination device, they are reassembled into a usable file. At that moment, in a typical transfer, the entire digital file in usable form exists on both devices. ReDigi’s system differs in that it effectuates a deletion of each packet from the user’s device immediately after the “transitory copy” of that packet arrives in the computer’s buffer (before the packet is forwarded to ReDigi’s server). In other words, as each packet “leaves the station,” ReDigi deletes it from the original purchaser’s device such that it “no longer exists” on that device. As a result, the entire file never exists in two places at once.

After the file has reached ReDigi’s server but before it has been resold, the user may continue to listen to it by streaming audio from the user’s Cloud Locker on ReDigi’s server. If the user later re-downloads the file from her Cloud Locker to her computer, ReDigi will delete the file from its own server.

3. Resale: Once an Eligible File has “migrated” to ReDigi’s server, it can be resold by the user utilizing ReDigi’s market function. If it is resold, ReDigi gives the new purchaser exclusive access to the file. ReDigi will (at the new purchaser’s option) either download the file to the new purchaser’s computer or other device (simultaneously deleting the file from its own server) or will retain the file in the new purchaser’s Cloud Locker on ReDigi’s server, from which the new purchaser can stream the music. ReDigi’s terms of service state that digital media purchases may be streamed or downloaded only for personal use.

4. Duplicates: ReDigi purports to guard against a user’s retention of duplicates of her digital music files after she sells the files through ReDigi. To that end, Music Manager continuously monitors the user’s computer hard drive and connected devices to detect duplicates. When a user attempts to upload an Eligible File to ReDigi’s server, ReDigi “prompt[s]” her to delete any pre-existing duplicates that Music Manager has detected.

If ReDigi detects that the user has not deleted the duplicates, ReDigi blocks the upload of the Eligible File. After an upload is complete, Music Manager continues to search the user's connected devices for duplicates. If it detects a duplicate of a previously uploaded Eligible File, ReDigi will prompt the user to authorize ReDigi to delete that duplicate from her personal device and, if authorization is not granted, it will suspend her account.

Plaintiffs point out, and ReDigi does not dispute, that these precautions do not prevent the retention of duplicates after resale through ReDigi. Suspension of the original purchaser's ReDigi account does not negate the fact that the original purchaser has both sold and retained the digital music file after she sold it. So long as the user retains previously-made duplicates on devices not linked to the computer that hosts Music Manager, Music Manager will not detect them. This means that a user could, prior to resale through ReDigi, store a duplicate on a compact disc, thumb drive, or third-party cloud service unconnected to the computer that hosts Music Manager and access that duplicate post-resale.⁶ While ReDigi's suspension of the original purchaser's ReDigi account may be a disincentive to the retention of sold files, it does not prevent the user from retaining sold files.

II. Proceedings Below

On January 6, 2012, Plaintiffs brought this action ***. On March 30, 2013, the district court granted partial summary judgment in Plaintiffs' favor finding infringement. *** On June 6, 2016, the district court entered a stipulated final judgment awarding damages to Plaintiffs in the amount of three million five hundred thousand dollars (\$3,500,000) and permanently enjoining Defendants from operating the ReDigi system. *** Defendants timely filed notice of this appeal on July 1, 2016. On August 11, 2016, the appeal was stayed as a result of the Defendants' bankruptcy proceedings in the United States Bankruptcy Court for the Southern District of Florida. The stay was lifted on December 12, 2016.

DISCUSSION

I. The First Sale Doctrine

The primary issue on appeal is whether ReDigi's system version 1.0 lawfully enables resales of its users' digital files. Sections 106(1) and (3) of the Copyright Act respectively grant the owner of a copyright the exclusive right to control the reproduction and the distribution of the copyrighted work. 17 U.S.C. § 106(1) & (3). Under the first sale doctrine, codified in § 109(a), the rights holder's control over the distribution of any particular copy or phonorecord that was lawfully made effectively terminates when that copy or phonorecord is distributed to its first recipient. Section 109(a) provides:

⁶ Defendants do not dispute that, under Apple iCloud's present arrangements, a user could sell her digital music files on ReDigi, delete Music Manager, and then redownload the same files to her computer for free from the Apple iCloud. Apple's iCloud service allows one who has purchased a file from iTunes to re-download it without making a new purchase.

“Notwithstanding the provisions of section 106(3), the owner of a particular copy or phonorecord lawfully made under this title, or any person authorized by such owner, is entitled, without the authority of the copyright owner, to sell or otherwise dispose of the possession of that copy or phonorecord.”

17 U.S.C. § 109(a).

Under this provision, it is well established that the lawful purchaser of a copy of a book is free to resell, lend, give, or otherwise transfer that copy without violating the copyright holder’s exclusive right of distribution. The copy so resold or re-transferred may be re-transferred again and again without violating the exclusive distribution right. It is undisputed that one who owns a digital file from iTunes of music that is fixed in a material object qualifies as “the owner of a particular... phonorecord lawfully made,” 17 U.S.C. § 109(a), and is thus entitled under § 109(a) “to sell or otherwise dispose of the possession of *that* ... phonorecord,” *id.* (emphasis added), without violating § 106(3). On the other hand, § 109(a) says nothing about the rights holder’s control under § 106(1) over reproduction of a copy or phonorecord.

The district court found that resales through ReDigi were infringing for two reasons. The first reason was that, in the course of ReDigi’s transfer, the phonorecord has been reproduced in a manner that violates the Plaintiffs’ exclusive control of reproduction under § 106(1); the second was that the digital files sold through ReDigi, being unlawful reproductions, are not subject to the resale right established by § 109(a), which applies solely to a “particular... phonorecord ... lawfully made.” 17 U.S.C. § 109(a). We agree with the first reason underlying the district court’s finding of infringement. As that is a sufficient reason for affirmance of the judgment, we make no ruling on the district court’s second reason.

ReDigi argues on appeal that its system effectuates transfer of the particular digital file that the user lawfully purchased from iTunes, that it should not be deemed to have reproduced that file, and that it should therefore come within the protection of 17 U.S.C. § 109(a). ReDigi makes two primary contentions in support of these arguments.

First, ReDigi asserts—as it must for its first sale argument to succeed—that the digital files should be considered “material objects” and therefore, under 17 U.S.C. § 101’s definition of “phonorecords” as “material objects,” should qualify as “phonorecords” eligible for the protection of § 109(a).

Second, ReDigi argues that from a technical standpoint, its process should not be seen as making a reproduction. ReDigi emphasizes that its system simultaneously “causes [packets] to be removed from the... file remaining in the consumer’s computer” as those packets are copied into the computer buffer and then transferred to the ReDigi server, so that the complete file never exists in more than one place at the same time, and the “file on the user’s machine continually shrinks in size while the file on the server grows in size.” App’x 691. ReDigi points out that the “sum of the size of the data” stored in the original purchaser’s computer and in ReDigi’s server never exceeds the “size of the original file,” which, according to ReDigi, “confirms that no reproductions are made during the transfer process.” Appellants Br. 25.

As for ReDigi's first argument, that the digital file it transfers is a phonorecord protected by § 109(a), we do not decide this issue because we find that ReDigi effectuates an unlawful reproduction even if the digital file itself qualifies as a phonorecord.

As for ReDigi's second argument, we reject it for the following reasons. The Copyright Act defines phonorecords as "material objects in which sounds ... are fixed by any method now known or later developed, and from which the sounds can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device." 17 U.S.C. § 101. Accordingly, when the purchaser of a digital music file from iTunes possesses that file, embodied "for a period of more than transitory duration" in a computer or other physical storage device, *Cartoon Network LP v. CSC Holdings, Inc.*, [536 F.3d 121, 127](#) (2d Cir. 2008) (quoting 17 U.S.C. § 101), that device—or at least the portion of it in which the digital music file is fixed (e.g., the location on the hard drive)—becomes a phonorecord. In the course of transferring a digital music file from an original purchaser's computer, through ReDigi, to a new purchaser, the digital file is first received and stored on ReDigi's server and then, at the new purchaser's option, may also be subsequently received and stored on the new purchaser's device. At each of these steps, the digital file is fixed in a new material object "for a period of more than transitory duration." *Cartoon Network*, [536 F.3d at 127](#). The fixing of the digital file in ReDigi's server, as well as in the new purchaser's device, creates a new phonorecord, which is a reproduction. ReDigi version 1.0's process for enabling the resale of digital files thus inevitably involves the creation of new phonorecords by reproduction, even if the standalone digital file is deemed to be a phonorecord.

As for the argument that, as ReDigi copies a packet of data, it deletes the equivalent packet in the user's device so that the amount of data extant in the transfer process remains constant, this does not rebut or nullify the fact that the eventual receipt and storage of that file in ReDigi's server, as well as in the new purchaser's device (at his option), does involve the making of new phonorecords. Unless the creation of those new phonorecords is justified by the doctrine of fair use, which we discuss and reject in a later portion of this opinion, the creation of such new phonorecords involves unauthorized reproduction, which is not protected, or even addressed, by § 109(a).

ReDigi makes several additional arguments designed to characterize its process as involving the transfer of its users' lawfully made phonorecords, rather than the creation of new phonorecords. None of these arguments negates the crucial fact that each transfer of a digital music file to ReDigi's server and each new purchaser's download of a digital music file to his device creates new phonorecords. ReDigi argues, for example, that during a transfer through ReDigi's data migration technology, each packet of data from the original source file resides in a buffer "for less than a second" before being overwritten, Appellants Br. 27, and thus fails to satisfy the requirement that a sound recording must be embodied "for a period of more than transitory duration" to qualify as a phonorecord, 17 U.S.C. § 101; *Cartoon Network*, [536 F.3d at 127](#). Even if, during transfer, ReDigi's system retains each digital file in a computer buffer for a period of no more than transitory duration, those files subsequently become embodied in ReDigi's server and in the new purchaser's device, where they remain for periods "of more

than transitory duration.” *Cartoon Network*, [536 F.3d at 127](#). ReDigi’s server and the resale purchaser’s device on which the digital music files are fixed constitute or contain new phonorecords under the statute.

ReDigi next argues that, in the course of transferring a user’s file to ReDigi’s own server, and to the resale purchaser’s device, ReDigi sees to it that all of the original purchaser’s preexisting duplicates are destroyed. As an initial matter, as noted above, ReDigi here overclaims. It does not ensure against retention of duplicate phonorecords created by the original owner. ReDigi’s assertion that “there is never an instance when [an] Eligible File could exist in more than one place or be accessed by more than one user” is simply not supported by ReDigi’s own evidence. Def. 56.1 Statement, App’x 1490. In addition, even if ReDigi effectively compensated (by offsetting deletions) for the making of unauthorized reproductions in violation of the rights holder’s exclusive reproduction right under § 106(1), nonetheless ReDigi’s process itself involves the making of unauthorized reproductions that infringe the exclusive reproduction right unless justified under fair use.¹² We are not free to disregard the terms of the statute merely because the entity performing an unauthorized reproduction makes efforts to nullify its consequences by the counterbalancing destruction of the preexisting phonorecords. ***

We conclude that the operation of ReDigi version 1.0 in effectuating a resale results in the making of at least one unauthorized reproduction. Unauthorized reproduction is not protected by § 109(a). It violates the rights holder’s exclusive reproduction rights under § 106(1) unless excused as fair use. For reasons explained below, we conclude that the making of such reproductions is not a fair use. ***

II. Fair Use

ReDigi argues that, regardless of whether what it does is protected by § 109(a), its actions are protected under the doctrine of fair use. We evaluate ReDigi’s claim in accordance with the fair use statute. *** *Fox News Network, LLC v. TVEye, Inc.*, [883 F.3d 169, 177](#) (2d Cir. 2018), is a substantial precedent for our holding here. *** We find no fair use justification.

* * *

We conclude by addressing policy-based arguments raised by ReDigi and its amici. They contend that ReDigi’s version 1.0 ought to be validated as in compliance with § 109(a) because it allows for realization of an economically beneficial practice, originally authorized by the courts in the common law development of copyright, see *Bobbs-Merrill Co. v. Straus*, [210 U.S. 339](#) (1908), and later endorsed by Congress. They also contend

¹² We recognize that the use of computers with digital files of protected matter will often result in the creation of innocuous copies which we would be loath to consider infringements because doing so would effectively bar society from using invaluable computer technology in relation to protected works. We believe this precedent will not have that undesirable effect for reasons discussed below in the section on fair use. What we consider here is that the making of unauthorized reproductions in pursuit of an objective to distribute protected matter in competition with the rights holder. The production of innocuous, unauthorized reproductions through the unavoidable function of a computer, when done for purposes that do not involve competing with the rights holder in its exclusive market, is outside the scope of this dispute.

that the Copyright Act must be read to vindicate purchasers' ability to alienate digital copyrighted works under the first sale doctrine—emphasizing that § 109(a) is styled as an entitlement rather than a defense to infringement—without regard to technological medium. On this score, they rely heavily on the breadth of the common law first sale doctrine, and on a purported imperative, described as the “principle of technological neutrality” by amici and the “equal treatment principle” by ReDigi, not to disadvantage purchasers of digital copyrighted works, as compared with purchasers of physical copyrighted works.

As for whether the economic consequences of ReDigi's program are beneficial and further the objectives of copyright, we take no position. Courts are poorly equipped to assess the inevitably multifarious economic consequences that would result from such changes of law. So far as we can see, the establishment of ReDigi's resale marketplace would benefit some, especially purchasers of digital music, at the expense of others, especially rightsholders, who, in the sale of their merchandise, would have to compete with resellers of the same merchandise in digital form, which, although second hand, would, unlike second hand books and records, be as good as new.

Furthermore, as to the argument that we should read § 109(a) to accommodate digital resales because the first sale doctrine protects a fundamental entitlement, without regard to the terms of § 109(a) (and incorporated definitions), we think such a ruling would exceed the proper exercise of the court's authority. The copyright statute is a patchwork, sometimes varying from clause to clause, as between provisions for which Congress has taken control, dictating both policy and the details of its execution, and provisions in which Congress approximatatively summarized common law developments, implicitly leaving further such development to the courts. The paradigm of the latter category is § 107 on fair use. In the provisions here relevant, Congress dictated the terms of the statutory entitlements. Notwithstanding the purported breadth of the first sale doctrine as originally articulated by the courts, Congress, in promulgating § 109(a), adopted a narrower conception, which negates a claim of unauthorized distribution in violation of the author's exclusive right under § 106(3), but not a claim of unauthorized reproduction in violation of the exclusive right provided by § 106(1). If ReDigi and its champions have persuasive arguments in support of the change of law they advocate, it is Congress they should persuade. We reject the invitation to substitute our judgment for that of Congress.

CONCLUSION

We have considered ReDigi's remaining arguments against the district court's ruling and find them to be without merit. The judgment of the district court is **AFFIRMED**.

Bouchat v. Baltimore Ravens Football Club, Inc.

346 F.3d 514 (4th Cir. 2003)

KING, Circuit Judge: This appeal arises from the damages phase of a protracted copyright dispute involving the Baltimore Ravens football team. Frederick Bouchat, the holder of the infringed copyright, raises several challenges to the district court's conduct of proceedings that culminated in a jury verdict finding him entitled to no portion of the infringers' profits. In particular, Bouchat asserts that the court erroneously failed to accord him the benefit of a statutory presumption that an infringer's revenues are entirely attributable to the infringement. For the reasons explained below, we affirm.

I.

On November 6, 1995, the National Football League ("NFL") announced that one of its teams, the Cleveland Browns, would shortly be moving to Baltimore. The team was to leave its entire Browns identity in Cleveland, and thus would need a new name and logo when it moved to its new Maryland home. Bouchat, a Baltimore security guard and amateur artist, became interested in the new team, and he began drawing logo designs based on the various names that the team was considering, including the name "Ravens." On or about December 5, 1995, Bouchat created a drawing of a winged shield (the "Shield Drawing") as a "Ravens" logo.

In March of 1996, the Baltimore team adopted the name "Ravens." In early April, Bouchat sent the Shield Drawing via fax to the Maryland Stadium Authority. Beside the Shield Drawing, Bouchat penned a note asking the Chairman of the Authority to send the sketch to the Ravens' president. Bouchat also requested that if the Ravens used the Shield Drawing, they send him a letter of recognition and an autographed helmet.

In a jury trial on the issue of liability, Bouchat's Shield Drawing was found to have been mistakenly used by National Football League Properties, Inc. ("NFLP") in NFLP's production of the Ravens' new logo, the "Flying B." The Ravens had no knowledge that the NFLP had infringed anyone's work and assumed that the Flying B was an original work owned by NFLP. The Ravens used the Flying B as their primary identifying symbol, and the logo appeared in every aspect of the Ravens' activities, including uniforms, stationery, tickets, banners, on-field insignia, and merchandise.

II.

On May 8, 1997, Bouchat filed suit in the District of Maryland, alleging that the Ravens and NFLP (collectively, the "Defendants") had infringed his copyright on the Shield Drawing and on several other drawings, and seeking ten million dollars in damages. The court bifurcated the case and first tried the liability issues. On November 3, 1998, the jury found that Bouchat had proven infringement of the Shield Drawing. After the court certified the liability verdict for interlocutory appeal, a divided panel of this Court affirmed the finding of liability. *Bouchat v. Baltimore Ravens, Inc.*, [228 F.3d 489](#) (4th Cir. 2000). We denied rehearing en banc *** and the matter was returned to the district court for trial of the damages issue.

Bouchat sought damages from the Ravens and NFLP pursuant to 17 U.S.C. § 504(a)(1), which renders an infringer liable for “the copyright owner’s actual damages and any additional profits of the infringer, as provided by [17 U.S.C. § 504(b)].”² Section 504(b), in turn, entitles the copyright owner to recover both “the actual damages suffered by him or her as a result of the infringement, and any profits of the infringer that are attributable to the infringement and are not taken into account in computing the actual damages.” 17 U.S.C. § 504(b). Because Bouchat made no claim for actual damages, the sole question presented for resolution in the damages trial was the amount, if any, of the Defendants’ profits that was attributable to the infringement.

In his complaint, Bouchat contended that some portion of essentially all of the Defendants’ revenues was attributable to the infringing use of Bouchat’s artwork. To satisfy his initial burden under § 504(b), Bouchat presented evidence of the gross receipts from all NFLP and Ravens activities. The district court, however, awarded partial summary judgment to the Defendants with respect to all revenues derived from sources other than (1) sales of merchandise bearing the Flying B logo, and (2) royalties obtained from licensees who sold such merchandise (collectively, the “Merchandise Revenues”). *Bouchat v. Baltimore Ravens, Inc.*, [215 F.Supp.2d 611, 619, 621](#) (D. Md. 2002). The court reasoned that “[i]f the use of the Flying B logo to designate the Ravens could not reasonably be found to have affected the amount of revenue obtained from an activity, the revenue from that activity could not reasonably be found attributable to the infringement.” *Id.* at 617-18. Concluding that only the Merchandise Revenues could reasonably be found to have been affected by the Defendants’ unlawful use of the Flying B, the court excluded, as a matter of law, the remainder of the Defendants’ revenues (collectively, the “Non-Merchandise Revenues”) from the pool of income that the jury could consider in awarding § 504 damages.⁴

At the close of discovery, the district court further narrowed the scope of the Defendants’ revenues from which the jury would be permitted to award § 504 damages, when it excluded certain portions of the Merchandise Revenues. *** The damages trial was conducted over a period of six days, from July 17 to 24, 2002. On July 23, 2002, at the close of the evidence, the jury was asked to decide whether the Defendants had proven, by a preponderance of the evidence, that the Non-Excluded Merchandise Revenues were attributable entirely to factors other than the Defendants’ infringement of Bouchat’s copyright. If the jury found that they were not, then it was charged to decide the percentage of the Non-Excluded Merchandise Revenues attributable to factors other than the infringement.

After a full day of deliberations, the jury answered the first question in the affirmative, thereby denying Bouchat any monetary recovery. ***

² Bouchat was not entitled to pursue statutory damages because the infringement was of an unpublished work and preceded copyright registration. 17 U.S.C. § 412(1).

⁴ The Non-Merchandise Revenues would include, for instance, revenues from the sale of game tickets, stadium parking, food, drinks (with the exception of those sold in special logo-bearing cups), broadcast rights, and sponsorships.

III.

A.

Bouchat's primary contention on appeal is that the district court erred in awarding partial summary judgment to the Defendants with respect to certain portions of the Defendants' revenues. In particular, Bouchat asserts that the court failed to give him the benefit of the § 504 statutory presumption that an infringer's revenues are entirely attributable to the infringement. That presumption, he maintains, creates a question of material fact that cannot be resolved on summary judgment. Thus, he asserts, whether any portion of an infringer's revenues are attributable to some source other than the infringement is a question that can be resolved only by a jury. As explained below, we disagree. ***

Bouchat seeks to recover damages pursuant to 17 U.S.C. § 504(b) for the Defendants' infringement of his copyright. Section 504(b) entitles a successful copyright plaintiff to recover "any profits of the infringer that are attributable to the infringement." 17 U.S.C. § 504(b). The statute goes on to specify that,

[i]n establishing the infringer's profits, the copyright owner is required to present proof only of the infringer's gross revenue, and the infringer is required to prove his or her deductible expenses and the elements of profit attributable to factors other than the copyrighted work.

Id. Thus, § 504(b) creates an initial presumption that the infringer's "profits ... attributable to the infringement" are equal to the infringer's gross revenue. See *Konor Enters., Inc. v. Eagle Publ'ns, Inc.*, [878 F.2d 138, 140](#) (4th Cir. 1989). Once the copyright owner has established the amount of the infringer's gross revenues, the burden shifts to the infringer to prove either that part or all of those revenues are "deductible expenses" (i.e., are not profits), or that they are "attributable to factors other than the copyrighted work." *Id.* Although § 504(b) places the burden on the infringer to demonstrate that certain portions of its revenues were due to factors other than the infringement, the infringer need not prove these amounts with mathematical precision.

Despite the existence of § 504(b)'s burden-shifting provision, summary judgment in favor of an infringer with respect to some portion of the infringer's gross revenues may, in the proper circumstances, be appropriate. *** In sum, we conclude that the Defendants could properly be awarded summary judgment with respect to any given revenue stream if either (1) there exists no conceivable connection between the infringement and those revenues; or (2) despite the existence of a conceivable connection, Bouchat offered only speculation as to the existence of a causal link between the infringement and the revenues. It is to these inquiries that we turn next.

The Defendants derive revenues from six major sources: (1) sponsorships; (2) broadcast and other media licenses; (3) sale of tickets; (4) miscellaneous business activities, which appear to include provision of game-day stadium parking; (5) sale of official team merchandise; and (6) royalties from licensees who sell official team merchandise. See *Bouchat*, [215 F.Supp.2d at 615](#). The first four of these sources we characterize as the

“Non-Merchandise Revenues,” while the fifth and sixth are the “Merchandise Revenues.” To briefly review the history relevant to this appeal: Early in the case, the court awarded partial summary judgment to the Defendants with respect to the Non-Merchandise Revenues, leaving the Merchandise Revenues for later consideration. *Id.* at 619, 621. Subsequently, the court awarded partial summary judgment to the Defendants with respect to certain portions of the Merchandise Revenues, to wit, the revenue received from: “minimum guarantee shortfalls”; “free merchandise”; trading cards; video games; and game programs. July Order at 1-2.

Bouchat contends that, because of the Defendants’ widespread use of the Flying B as the primary logo—and as an integral marketing tool—for the Baltimore Ravens, some portion of the revenues that the Defendants earned from both the Non-Merchandise Revenues and the Excluded Merchandise Revenues is attributable to the Defendants’ infringement of his copyright. When the district court awarded summary judgment to the Defendants as to large segments of their revenues, however, it denied Bouchat the opportunity to prove this contention to the jury. Despite the fact that § 504(b) places on the infringer the burden of proving that revenues are not attributable to the infringement, summary judgment was appropriate with respect to both the Non-Merchandise Revenues and the Excluded Merchandise Revenues.

As detailed above, we analyze the excluded revenue streams in two steps. We first consider whether any of the Non-Merchandise Revenues and the Excluded Merchandise Revenues lacked a conceivable connection to the infringement. If so, summary judgment in favor of the Defendants with respect to those revenues was proper. Turning then to the remaining excluded revenues, we inquire whether, despite the existence of a conceivable connection between those revenues and the infringement, Bouchat offered only speculative evidence of such a causal link in response to a properly supported motion for summary judgment. If so, then summary judgment in favor of the Defendants was appropriate with respect to these revenues as well.

Of all the excluded revenues, only the revenues from minimum guarantee shortfalls and free merchandise lack all conceivable connection to the Defendants’ infringement of Bouchat’s copyright. Because no rational trier of fact could find that these two sub-categories of the Excluded Merchandise Revenues were affected by the Defendants’ adoption of the infringing Flying B logo, the court properly removed them from the pool of Defendants’ revenues submitted to the jury for consideration under § 504(b).

Having concluded that summary judgment in favor of the Defendants was proper with respect to both the minimum guarantee short-falls and the free merchandise, we turn now to the Non-Merchandise Revenues and the remaining sub-categories of the Excluded Merchandise Revenues (i.e., the revenues from trading cards, video games, and game programs). Our inquiry on this point is whether, despite the existence of a conceivable connection between the infringement and the level of revenue that the Defendants earned from these sources, the court was correct in excluding them through summary judgment. Because Bouchat offered only speculative evidence of a causal link between the infringement and the level of the revenues that the Defendants

earned from these sources, and because the Defendants' request for summary judgment was supported by unrebutted evidence demonstrating that these revenues were not, in fact, in any way attributable to the infringement, there was no issue of material fact for consideration by the jury. As a result, the court did not err in awarding summary judgment to the Defendants with respect to these remaining categories of revenue. ***

Having met their initial burden, the Defendants successfully shifted the onus onto Bouchat to come forward and demonstrate that such an issue does, in fact, exist. Bouchat, however, produced no specific facts showing that there was a genuine issue for trial; in fact, he declined to respond to the summary judgment motions with any evidence at all, resting instead on his initial, and sole, evidentiary proffer: the total receipts generated by all NFLP and Ravens activities. Because Bouchat failed to offer any nonspeculative evidence demonstrating the existence of a genuine dispute of material fact, the court appropriately awarded summary judgment to the Defendants on the ground that the Non-Merchandise Revenues and the revenues from trading cards, video games, and game programs could not reasonably be found attributable to the infringement.

In sum, the Defendants established in their motions for summary judgment that there existed no causal link between their adoption of the infringing Flying B logo and either the Defendants' Non-Merchandise Revenues or their revenues from trading cards, video games, or game programs. In response, Bouchat rested on his speculation that somehow, somewhere, some part of the Defendants' revenues from these sources was influenced by the fact that the Defendants selected the Flying B rather than some other logo. However, because “[u]nsupported speculation is not sufficient to defeat a summary judgment motion,” *Felty*, [818 F.2d at 1128](#), the court properly awarded summary judgment to the Defendants both with respect to the Non-Merchandise Revenues and with respect to the revenues from sales of trading cards, video games, and game programs.

*** Once the Defendants had carried their initial burden of demonstrating the absence of any genuine issue of material fact regarding the attributability of the contested revenues, Bouchat could survive the motion for summary judgment only by adducing specific, non-speculative evidence supporting the existence of a link between the infringement and the Defendants' supposedly enhanced revenues. Because Bouchat failed to make such a showing, the court properly awarded summary judgment to the Defendants.

Finally, Bouchat contends that the district court, in its instructions to the jury, failed to accord him the full benefit of the statutory presumption contained in § 504(b). Specifically, Bouchat maintains that the court abused its discretion by failing to make clear to the jury that the Ravens bore the burden of proof in the damages trial. To the contrary, the court made it eminently clear in its instructions that the Ravens were obliged to shoulder the burden of proof. See, e.g., J.A. 563-65 (stating to jury, at the outset of trial, that “[i]n this case, the burden of proof is on the defendants to prove the extent to which the revenue derived from the sale of these products is attributable to factors other than the art work of the Flying B logo.... Question one [of the Verdict form] asks,

have *defendants* proven by a preponderance of the evidence that income derived by defendants from the sale of products bearing the Flying B logo was attributable completely to factors other than the art work of the Flying B logo.”(emphasis added)); J.A. 903 (instructing jury immediately prior to deliberations that “[t]he case is about whether on the evidence the defendants ... have carried their burden of proof.... On those questions the *defendants* have the burden of proof by a preponderance of the evidence.” (emphasis added)).

This burden of proof point was further emphasized by the first question on the Verdict form tendered to the jury by the court, reading “Have the *Defendants* proven by a preponderance of the evidence that income derived by the Defendants from the sale of products bearing the Flying B logo was attributable completely to factors other than the art work of the Flying B logo?” J.A. 564-65 (emphasis added). Viewed in context, the instructions plainly informed the jury of the controlling legal principles; the court therefore did not abuse its discretion.

IV.

For the foregoing reasons, the judgment of the district court is affirmed.

AFFIRMED

WIDENER, Circuit Judge, dissenting: I respectfully dissent. I am of opinion that the district court erred by refusing to instruct the jury that the defendants’ profits are deemed attributable to the alleged copyright infringement unless the defendants prove otherwise.

I first recount some of the relevant facts from our earlier opinion in this case. In 1995, Frederick Bouchat was a security guard at an office building. As word spread that a National Football League team was returning to Baltimore, Bouchat drew team designs and logos. He showed the designs to visitors of the building and sometimes gave them away as gifts. *Bouchat v. Baltimore Ravens, Inc.*, [228 F.3d 489, 491-92](#) (4th Cir. 2000).

After seeing some of Bouchat’s designs, a state official who worked in the building arranged a meeting between Bouchat and John Moag, the chairman of the Maryland Stadium Authority. Moag is credited with bringing the Ravens team to Baltimore. After Bouchat described his drawings, Moag told Bouchat to send him the drawings so that he could pass them along to the Ravens for consideration. Bouchat got permission from his supervisor to use the office fax machine and faxed his drawing to the Maryland Stadium Authority. Within a day after Bouchat sent his fax, Moag met with National Football League Properties officials to discuss the design of the new Ravens logo. The Ravens unveiled their new logo several months later. Bouchat and his co-workers immediately recognized the new logo as Bouchat’s work. Bouchat successfully sued the defendants for copyright infringement. The district court bifurcated that first trial. After a trial on the issue of liability, the jury found that the defendants infringed Bouchat’s copyright and this court affirmed. Bouchat then sought damages under 17 U.S.C. § 504(b) in a separate jury trial that is the subject of this appeal.¹

¹ As the majority points out, Bouchat could not elect to receive statutory damages because he had not registered

At the close of evidence in the damages trial, Bouchat asked the district court to give the jury instruction approved by this court in *Walker v. Forbes*, [28 F.3d 409](#) (4th Cir. 1994). In *Walker*, we affirmed the district court's instruction on the award of profits in a copyright infringement case. Bouchat asked for the instruction by name and also read the relevant language into the record.

The district court declined to give the *Walker* instruction. Instead, the court read from the jury verdict form. Although the district court explained that "the defendants have the burden of proof by a preponderance of the evidence," the court never instructed the jury that they must presume all profits are attributable to the infringement unless the defendants prove otherwise.

I agree with the majority's conclusion that the district court correctly instructed the jury on the burden of proof. Under *Walker*, however, merely stating that the defendant bears the burden of proof is not enough. The *Walker* instruction also informs the jury that profits should be deemed attributable to the alleged infringement unless the defendant proves otherwise. Indeed, our opinion emphasized the following portion of the district court's instruction: "*amounts or elements of profits should be deemed attributable to the alleged infringement unless [the defendant] proves by a preponderance of the evidence that they are not.*" *Walker*, [28 F.3d at 414](#) (emphasis in original). The importance of this portion of the instruction is evident from our analysis following the emphasized language:

This instruction correctly stated the law concerning the shifted burden of proof that the defendant bears to show the portion of revenues and profits that are not attributable to the infringement, and, *in the emphasized language, explained the impact of this shifted burden upon the apportionment calculation.*

Walker, [28 F.3d at 414](#) (emphasis added). The emphasized language in *Walker* is the basic thought around which the decision is based, and its conscious omission here is, I think, reversible error. ***

In addition to refusing to give the *Walker* instruction, the district court limited its instructions on the award of profits under § 504(b) to an explanation of the special verdict form. The court read each question from the verdict form and then gave a brief explanation of what the question meant. The first question asked "have the defendants proven by a preponderance of the evidence that income derived by the defendants from the sale of products bearing the Flying B logo was attributable completely to factors other than the artwork of the Flying B logo." The jury answered "yes" to question one and ended their deliberations.

The verdict form and accompanying instructions used in this case are troubling. *** In sum, given our holding in *Walker* and the reasoning of later cases, I am of opinion

his copyright at the time of the infringement. The majority also notes that Bouchat did not claim any actual damages. This is understandable. Bouchat drew his proposed logos for the Ravens in his spare time and often gave them away as gifts. He submitted his design to Moag only after Moag suggested it. Even then, he asked in return only for "a letter of recognition" and an autographed helmet, "if the team wants to." Thus, it is likely that Bouchat's actual damages, if any, were nominal. Regardless of his actual damages, however, Bouchat is entitled to defendants' profits attributable to the infringement because the award of profits is intended to "prevent the infringer from unfairly benefiting from a wrongful act" and not to compensate the copyright owner. H.R.Rep. No. 94-1476, at 161 (1976), reprinted in 1976 U.S.C.C.A.N. 5659, 5777.

that the jury should have been instructed that defendants' profits are deemed attributable to the infringement unless the defendants prove otherwise by a preponderance of the evidence. Accordingly, I would hold that the district court's instructions to the jury, taken as a whole, did not adequately state the controlling law. In my opinion, the failure of the district court, upon request, to give the instruction on the presumption of damages for the plaintiff, which was literally approved in *Walker*, was an abuse of discretion even if subject to discretionary consideration. It cut the heart out of the plaintiff's case. For that reason, I would reverse and remand for a new trial.

Capitol Records, Inc. v. Thomas-Rasset

692 F.3d 899 (8th Cir. 2012)

COLLTON, Circuit Judge: This appeal arises from a dispute between several recording companies and Jammie Thomas-Rasset. There is a complicated procedural history involving three jury trials, but for purposes of appeal, it is undisputed that Thomas-Rasset willfully infringed copyrights of twenty-four sound recordings by engaging in file-sharing on the Internet. After a first jury found Thomas-Rasset liable and awarded damages of \$222,000, the district court granted a new trial on the ground that the jury instructions incorrectly provided that the Copyright Act forbids making sound recordings available for distribution on a peer-to-peer network, regardless of whether there is proof of "actual distribution." A second jury found Thomas-Rasset liable for willful copyright infringement under a different instruction, and awarded statutory damages of \$1,920,000. The district court remitted the award to \$54,000, and the companies opted for a new trial on damages. A third jury awarded statutory damages of \$1,500,000, but the district court ultimately ruled that the maximum amount permitted by the Due Process Clause of the Fifth Amendment was \$54,000 and reduced the verdict accordingly. The court also enjoined Thomas-Rasset from taking certain actions with respect to copyrighted recordings owned by the recording companies.

The companies appeal two aspects of the remedy ordered by the district court. They object to the district court's ruling on damages, and they seek an award of \$222,000, which was the amount awarded by the jury in the first trial. They also seek a broader injunction that bars Thomas-Rasset from making any of their sound recordings available to the public. For tactical reasons, the companies do not seek reinstatement of the third jury's award of \$1,500,000. They urge instead that this court should reverse the district court's order granting a new trial, rule that the Copyright Act does protect a right to "making available" sound recordings, reinstate the first jury's award of \$222,000, and direct entry of a broader injunction. In a cross-appeal, Thomas-Rasset argues that *any* award of statutory damages is unconstitutional, and urges us to vacate the award of damages altogether.

For reasons set forth below, we conclude that the recording companies are entitled to the remedies they seek: damages of \$222,000 and a broadened injunction that forbids Thomas-Rasset to make available sound recordings for distribution. But because the verdicts returned by the second and third juries are sufficient to justify these remedies,

it is unnecessary for this court to consider the merits of the district court's order granting a new trial after the first verdict. Important though the "making available" legal issue may be to the recording companies, they are not entitled to an opinion on an issue of law that is unnecessary for the remedies sought or to a freestanding decision on whether Thomas-Rasset violated the law by making recordings available.

I.

Capitol Records, Inc., Sony BMG Music Entertainment, Arista Records LLC, Interscope Records, Warner Bros. Records, and UMG Recordings, Inc., are recording companies that own the copyrights to large catalogs of music recordings. In 2005, they undertook to investigate suspected infringement of these copyrights. MediaSentry, an online investigative firm hired by the recording companies, discovered that an individual with the username "tereastarr" was participating in unauthorized file sharing on the peer-to-peer network KaZaA.

During the relevant time period, KaZaA was a file-sharing computer program that allowed its users to search for and download specific files from other users. KaZaA users shared files using a share folder. A share folder is a location on the user's computer in which the user places files—such as audio or video recordings—that she wants to make available for other users to download. KaZaA allowed its users to access other users' share folders, view the files in the folder, and download copies of files from the folder.

MediaSentry accessed tereastarr's share folder. The investigative firm determined that the user had downloaded copyrighted songs and was making those songs available for download by other KaZaA users. MediaSentry took screen shots of tereastarr's share folder, which included over 1,700 music files, and downloaded samples of the files. But MediaSentry was unable to collect direct evidence that other users had downloaded the files from tereastarr. MediaSentry then used KaZaA to send two instant messages to tereastarr, notifying the user of potential copyright infringement. Tereastarr did not respond to the messages. MediaSentry also determined tereastarr's IP address, and traced the address to an Internet service account in Duluth, Minnesota, provided by Charter Communications. MediaSentry compiled this data in a report that it prepared for the recording companies.

Using the information provided by MediaSentry, the recording companies, through the Recording Industry Association of America (RIAA), issued a subpoena to Charter Communications requesting the name of the person associated with tereastarr's IP address. Charter informed the RIAA that the IP address belonged to Jammie Thomas-Rasset. The RIAA then sent a letter to Thomas-Rasset informing her that she had been identified as engaging in unauthorized trading of music and inviting her to contact them to discuss the situation and settle the matter. Thomas-Rasset contacted the RIAA as directed in the letter and engaged in settlement conversations with the organization. The parties were unable to resolve the matter.

In 2006, the recording companies sued Thomas-Rasset, seeking statutory damages and injunctive relief for willful copyright infringement under the Copyright Act, 17

U.S.C. § 101 *et seq.* They alleged that Thomas-Rasset violated their exclusive right to reproduction and distribution under 17 U.S.C. § 106 by impermissibly downloading, distributing, and making available for distribution twenty-four copyrighted sound recordings.

A jury trial was held in October 2007. At trial, Thomas-Rasset conceded that “tereastarr” is a username that she uses regularly for Internet and computer accounts. She admitted familiarity with and interest in some of the artists of works found in the tereastarr KaZaA account. She also acknowledged that she wrote a case study during college on the legality of Napster—another peer-to-peer file sharing program—and knew that Napster was shut down because it was illegal. Nonetheless, Thomas-Rasset testified that she had never heard of KaZaA before this case, did not have KaZaA on her computer, and did not use KaZaA to download files. The jury also heard evidence from a forensic investigator that Thomas-Rasset removed and replaced the hard drive on her computer with a new hard drive after investigators notified her of her potential infringement. The new hard drive did not contain the files at issue.

At the close of evidence, the district court instructed the jury that one who reproduces or distributes a copyrighted work without license infringes the copyright. The court’s instructions defined “reproduction” to include “[t]he act of downloading copyrighted sound recordings on a peer-to-peer network.” The court also instructed that the act of “making copyrighted sound recordings available for electronic distribution on a peer-to-peer network, without license from the copyright owners, violates the copyright owners’ exclusive right of distribution, regardless of whether actual distribution has been shown.” The jury found Thomas-Rasset liable for willful infringement and awarded the recording companies statutory damages of \$9,250 per work, for a total of \$222,000.

Thomas-Rasset moved for a new trial or, in the alternative, for a remittitur, arguing that the size of the jury’s statutory damages award violated her rights under the Due Process Clause. The United States intervened to defend the constitutionality of the statute on statutory damages, 17 U.S.C. § 504(c). The recording companies also filed a post-trial motion, seeking to amend the judgment to include an injunction enjoining Thomas-Rasset from infringing the recording companies’ copyrights by “using the Internet or any online media distribution system to reproduce (*i.e.*, download) any of Plaintiffs’ Recordings, to distribute (*i.e.*, upload) any of Plaintiffs’ Recordings, or to make any of Plaintiffs’ Recordings available for distribution to the public.”

Several months later, the district court *sua sponte* raised the issue whether it erred by instructing the jury that making sound recordings available for distribution on a peer-to-peer network violates a copyright owners’ exclusive right to distribution, “regardless of whether actual distribution has been shown.” The parties filed supplemental briefs in which the recording companies defended the court’s instruction and Thomas-Rasset argued that the court erred when it instructed the jury on the “making available” issue. After a hearing, the district court granted Thomas-Rasset’s motion for a new trial on

this alternative ground, holding that making a work available to the public is not “distribution” under 17 U.S.C. §106(3). The issue whether making copyrighted works available to the public is a right protected by § 106(3) has divided the district courts.

The district court convened a second trial in June 2009, at which the recording companies produced substantially the same evidence of Thomas-Rasset’s liability. At this trial, however, Thomas-Rasset attempted to deflect responsibility by suggesting for the first time that her children and former boyfriend might have done the downloading and file-sharing attributed to the “tereastarr” username. The court again instructed the jury that reproduction or distribution constituted copyright infringement. But this time, the court omitted reference to making works available and instructed the jury that “[t]he act of distributing copyrighted sound recordings to other users on a peer-to-peer network, without license from the copyright owners, violates the copyright owners’ exclusive distribution right.” The jury again found Thomas-Rasset liable for willful infringement, and awarded the recording companies statutory damages of \$80,000 per work, for a total of \$1,920,000.

Following the second trial, Thomas-Rasset filed a post-trial motion in which she argued that any statutory damages award would be unconstitutional in her case, but in the alternative that the court should reduce the jury’s award either through remittitur or based on the Due Process Clause. The district court declined to rule on the constitutional issue and instead remitted damages to \$2,250 per work, for a total of \$54,000, on the ground that the jury’s award was “shocking.” The recording companies declined the remitted award and exercised their right to a new trial on damages.

A third trial was held in November 2010, and the only question for the jury was the amount of statutory damages. The jury awarded the recording companies statutory damages of \$62,500 per work, for a total of \$1,500,000.

Thomas-Rasset then moved to alter or amend the judgment, again arguing that any statutory damages award would be unconstitutional, but alternatively that the district court should reduce the award under the Due Process Clause. The district court *** granted Thomas-Rasset’s motion and reduced the award to \$2,250 per work, for a total of \$54,000. The court ruled that this amount was the maximum award permitted by the Due Process Clause. The district court also entered a permanent injunction against Thomas-Rasset, but refused to include language enjoining her from “making available” copyrighted works for distribution to the public. ***

II.

*** Our response to these tactical maneuvers is to observe that this court reviews judgments, not decisions on issues. The record companies appeal the district court’s final judgment and seek additional remedies that the district court refused to order. The entitlement of the companies to these remedies—damages of \$222,000 and an injunction against making copyrighted works available to the public—are the matters in controversy. That the companies seek these remedies with the objective of securing a ruling on a particular legal issue does not make that legal issue itself the matter in controversy. Once the requested remedies are ordered, the desire of the companies for an opinion

on the meaning of the Copyright Act, or for a statement that Thomas-Rasset violated the law by making works available, is not sufficient to maintain an Article III case or controversy.

For the reasons set forth below, we conclude that when the district court entered judgment after the verdict in the third trial, the court should have enjoined Thomas-Rasset from making copyrighted works available to the public, whether or not that conduct by itself violates rights under the Copyright Act. We also conclude that statutory damages of at least \$222,000 were constitutional, and that the district court erred in holding that the Due Process Clause allowed statutory damages of only \$54,000. We therefore will vacate the district court's judgment and remand with directions to enter a judgment that includes those remedies. The question whether the district court correctly granted a new trial after the first verdict is moot. ***

B.

On the question of damages, we conclude that a statutory damages award of \$9,250 for each of the twenty-four infringed songs, for a total of \$222,000, does not contravene the Due Process Clause. The district court erred in reducing the third jury's verdict to \$2,250 per work, for a total of \$54,000, on the ground that this amount was the maximum permitted by the Constitution.

The Supreme Court long ago declared that damages awarded pursuant to a statute violate due process only if they are "so severe and oppressive as to be wholly disproportioned to the offense and obviously unreasonable." *St. Louis, I.M. & S. Ry. Co. v. Williams*, [251 U.S. 63, 67 \(1919\)](#). Under this standard, Congress possesses a "wide latitude of discretion" in setting statutory damages. *Id.* at 66. *Williams* is still good law, and the district court was correct to apply it.

Thomas-Rasset urges us to consider instead the "guideposts" announced by the Supreme Court for the review of punitive damages awards under the Due Process Clause. When a party challenges an award of punitive damages, a reviewing court is directed to consider three factors in determining whether the award is excessive and unconstitutional: "(1) the degree of reprehensibility of the defendant's misconduct; (2) the disparity between the actual or potential harm suffered by the plaintiff and the punitive damages award; and (3) the difference between the punitive damages awarded by the jury and the civil penalties authorized or imposed in comparable cases." *State Farm Mut. Auto. Ins. Co. v. Campbell*, [538 U.S. 408, 418 \(2003\)](#); see also *BMW of N. Am., Inc. v. Gore*, [517 U.S. 559, 574-75 \(1996\)](#).

The Supreme Court never has held that the punitive damages guideposts are applicable in the context of statutory damages. See *Zomba Enters., Inc. v. Panorama Records, Inc.*, [491 F.3d 574, 586-88 \(6th Cir. 2007\)](#). Due process prohibits excessive punitive damages because "[e]lementary notions of fairness enshrined in our constitutional jurisprudence dictate that a person receive fair notice not only of the conduct that will subject him to punishment, but also of the severity of the penalty that a State may impose." *Campbell*, [538 U.S. at 417 \(quoting Gore, 517 U.S. at 574\)](#). This concern about fair notice does not apply to statutory damages, because those damages are identified and constrained by

the authorizing statute. The guideposts themselves, moreover, would be nonsensical if applied to statutory damages. It makes no sense to consider the disparity between “actual harm” and an award of statutory damages when statutory damages are designed precisely for instances where actual harm is difficult or impossible to calculate. Nor could a reviewing court consider the difference between an award of statutory damages and the “civil penalties authorized,” because statutory damages *are* the civil penalties authorized.

Applying the *Williams* standard, we conclude that an award of \$9,250 per each of twenty-four works is not “so severe and oppressive as to be wholly disproportioned to the offense and obviously unreasonable.” [251 U.S. at 67](#). Congress, exercising its “wide latitude of discretion,” *id.* at 66, set a statutory damages range for willful copyright infringement of \$750 to \$150,000 per infringed work. 17 U.S.C. § 504(c). The award here is toward the lower end of this broad range. As in *Williams*, “the interests of the public, the numberless opportunities for committing the offense, and the need for securing uniform adherence to [federal law]” support the constitutionality of the award. *Id.* at 67.

Congress’s protection of copyrights is not a “special private benefit,” but is meant to achieve an important public interest: “to motivate the creative activity of authors and inventors by the provision of a special reward, and to allow the public access to the products of their genius after the limited period of exclusive control has expired.” *Sony Corp. of Am. v. Universal City Studios, Inc.*, [464 U.S. 417, 429](#) (1984). With the rapid advancement of technology, copyright infringement through online file-sharing has become a serious problem in the recording industry. Evidence at trial showed that revenues across the industry decreased by fifty percent between 1999 and 2006, a decline that the record companies attributed to piracy. This decline in revenue caused a corresponding drop in industry jobs and a reduction in the number of artists represented and albums released. See *Sony BMG Music Entm’t v. Tenenbaum*, [660 F.3d 487, 492](#) (1st Cir. 2011).

Congress no doubt was aware of the serious problem posed by online copyright infringement, and the “numberless opportunities for committing the offense,” when it last revisited the Copyright Act in 1999. To provide a deterrent against such infringement, Congress amended § 504(c) to increase the minimum per-work award from \$500 to \$750, the maximum per-work award from \$20,000 to \$30,000, and the maximum per-work award for willful infringement from \$100,000 to \$150,000.

Thomas-Rasset contends that the range of statutory damages established by § 504(c) reflects only a congressional judgment “at a very general level,” but that courts have authority to declare it “severe and oppressive” and “wholly disproportioned” in particular cases. The district court similarly emphasized that Thomas-Rasset was “not a business acting for profit, but rather an individual consumer illegally seeking free access to music for her own use.” By its terms, however, the statute plainly encompasses infringers who act without a profit motive, and the statute already provides for a broad range of damages that allows courts and juries to calibrate the award based on the nature of the violation.

In holding that any award over \$2,250 per work would violate the Constitution, the district court effectively imposed a treble damages limit on the \$750 minimum statutory damages award. The district court based this holding on a “broad legal practice of establishing a treble award as the upper limit permitted to address willful or particularly damaging behavior.” Any “broad legal practice” of treble damages for statutory violations, however, does not control whether an award of statutory damages is within the limits prescribed by the Constitution. The limits of treble damages to which the district court referred, such as in the antitrust laws or other intellectual property laws, represent congressional judgments about the appropriate maximum in a given context. They do not establish a *constitutional* rule that can be substituted for a different congressional judgment in the area of copyright infringement. Although the United States seems to think that the district court’s ruling did not question the constitutionality of the statutory damages statute, the district court’s approach in our view would make the statute unconstitutional as applied to a significant category of copyright infringers. The evidence against Thomas-Rasset demonstrated an aggravated case of willful infringement by an individual consumer who acted to download and distribute copyrighted recordings without profit motive. If an award near the bottom of the statutory range is unconstitutional as applied to her infringement of twenty-four works, then it would be the rare case of noncommercial infringement to which the statute could be applied.

Thomas-Rasset’s cross-appeal goes so far as to argue that *any* award of statutory damages would be unconstitutional, because even the minimum damages award of \$750 per violation would be “wholly disproportioned to the offense” and thus unconstitutional. This is so, Thomas-Rasset argues, because the damages award is not based on any evidence of harm caused by her specific infringement, but rather reflects the harm caused by file-sharing in general. The district court similarly concluded that “statutory damages must still bear some relation to actual damages.” The Supreme Court in *Williams*, however, disagreed that the constitutional inquiry calls for a comparison of an award of statutory damages to actual damages caused by the violation. [251 U.S. at 66](#). Because the damages award “is imposed as a punishment for the violation of a public law, the Legislature may adjust its amount to the public wrong rather than the private injury, just as if it were going to the state.” *Id.* The protection of copyrights is a vindication of the public interest, *Sony Corp. of Am.*, [464 U.S. at 429](#) and statutory damages are “by definition a substitute for unproven or unprovable actual damages.” *Cass Cnty. Music Co. v. C.H.L.R., Inc.*, [88 F.3d 635, 643](#) (8th Cir. 1996). For copyright infringement, moreover, statutory damages are “designed to discourage wrongful conduct,” in addition to providing “restitution of profit and reparation for injury.” *F.W. Woolworth Co. v. Contemporary Arts*, [344 U.S. 228, 233](#) (1952).

Thomas-Rasset highlights that if the recording companies had sued her based on infringement of 1,000 copyrighted recordings instead of the twenty-four recordings that they selected, then an award of \$9,250 per song would have resulted in a total award of \$9,250,000. Because that hypothetical award would be obviously excessive and unreasonable, she reasons, an award of \$222,000 based on the same amount per song must likewise be invalid. Whatever the constitutionality of the hypothetical award, we disagree that the validity of the lesser amount sought here depends on whether the

Due Process Clause would permit the extrapolated award that she posits. The absolute amount of the award, not just the amount per violation, is relevant to whether the award is “so severe and oppressive as to be wholly disproportioned to the offense and obviously unreasonable.” *Williams*, [251 U.S. at 67](#). The recording companies here opted to sue over twenty-four recordings. If they had sued over 1,000 recordings, then a finder of fact may well have considered the number of recordings and the proportionality of the total award as factors in determining where within the range to assess the statutory damages. If and when a jury returns a multi-million dollar award for noncommercial online copyright infringement, then there will be time enough to consider it.

For the foregoing reasons, we conclude that the recording companies are entitled to the remedies that they seek on appeal. The judgment of the district court is vacated, and the case is remanded with directions to enter a judgment for damages in the amount of \$222,000, and to include an injunction that precludes Thomas-Rasset from making any of the plaintiffs’ recordings available for distribution to the public through an online media distribution system.

Kelley v. Chicago Park District

635 F.3d 290 (7th Cir. 2011)

SYKES, Circuit Judge: Chapman Kelley is a nationally recognized artist known for his representational paintings of landscapes and flowers—in particular, romantic floral and woodland interpretations set within ellipses. In 1984 he received permission from the Chicago Park District to install an ambitious wildflower display at the north end of Grant Park, a prominent public space in the heart of downtown Chicago. “Wildflower Works” was thereafter planted: two enormous elliptical flower beds, each nearly as big as a football field, featuring a variety of native wildflowers and edged with borders of gravel and steel.

Promoted as “living art,” Wildflower Works received critical and popular acclaim, and for a while Kelley and a group of volunteers tended the vast garden, pruning and replanting as needed. But by 2004 Wildflower Works had deteriorated, and the City’s goals for Grant Park had changed. So the Park District dramatically modified the garden, substantially reducing its size, reconfiguring the oval flower beds into rectangles, and changing some of the planting material.

Kelley sued the Park District for violating his “right of integrity” under the Visual Artists Rights Act of 1990 (“VARA”), 17 U.S.C. § 106A, and also for breach of contract. The contract claim is insubstantial; the main event here is the VARA claim, which is novel and tests the boundaries of copyright law. Congress enacted this statute to comply with the nation’s obligations under the Berne Convention for the Protection of Literary and Artistic Works. VARA amended the Copyright Act, importing a limited version of the civil-law concept of the “moral rights of the artist” into our intellectual-property law. In brief, for certain types of visual art—paintings, drawings, prints, sculptures, and exhibition photographs—VARA confers upon the artist certain rights of attribution and integrity. The latter include the right of the artist to prevent, during his lifetime, any distortion or modification of his work that would be “prejudicial to his . . . honor or reputation,” and to recover for any such intentional distortion or modification undertaken without his consent. *See* 17 U.S.C. § 106A(a)(3)(A).

The district court held a bench trial and entered a split judgment. The court rejected Kelley’s moral-rights claim for two reasons. First, the judge held that although Wildflower Works could be classified as both a painting and a sculpture and therefore a work of visual art under VARA, it lacked sufficient originality to be eligible for copyright, a foundational requirement in the statute. Second, following the First Circuit’s decision in *Phillips v. Pembroke Real Estate, Inc.*, [459 F.3d 128](#) (1st Cir. 2006), the court concluded that site-specific art like Wildflower Works is categorically excluded from protection under VARA. The court then held for Kelley on the contract claim, but found his evidence of damages uncertain and entered a nominal award of \$1. Both sides appealed.

We affirm in part and reverse in part. There is reason to doubt several of the district court’s conclusions: that Wildflower Works is a painting or sculpture; that it flunks the test for originality; and that *all* site-specific art is excluded from VARA. But the court

was right to reject this claim; for reasons relating to copyright's requirements of expressive authorship and fixation, a living garden like Wildflower Works is not copyrightable. The district court's treatment of the contract claim is another matter; the Park District is entitled to judgment on that claim as well.

I. Background

Kelley is a painter noted for his use of bold, elliptical outlines to surround scenes of landscapes and flowers. In the late-1970s and 1980s, he moved from the canvas to the soil and created a series of large outdoor wildflower displays that resembled his paintings. He planted the first in 1976 alongside a runway at the Dallas-Fort Worth International Airport and the second in 1982 outside the Dallas Museum of Natural History. The wildflower exhibit at the museum was temporary; the one at the airport just "gradually petered out."

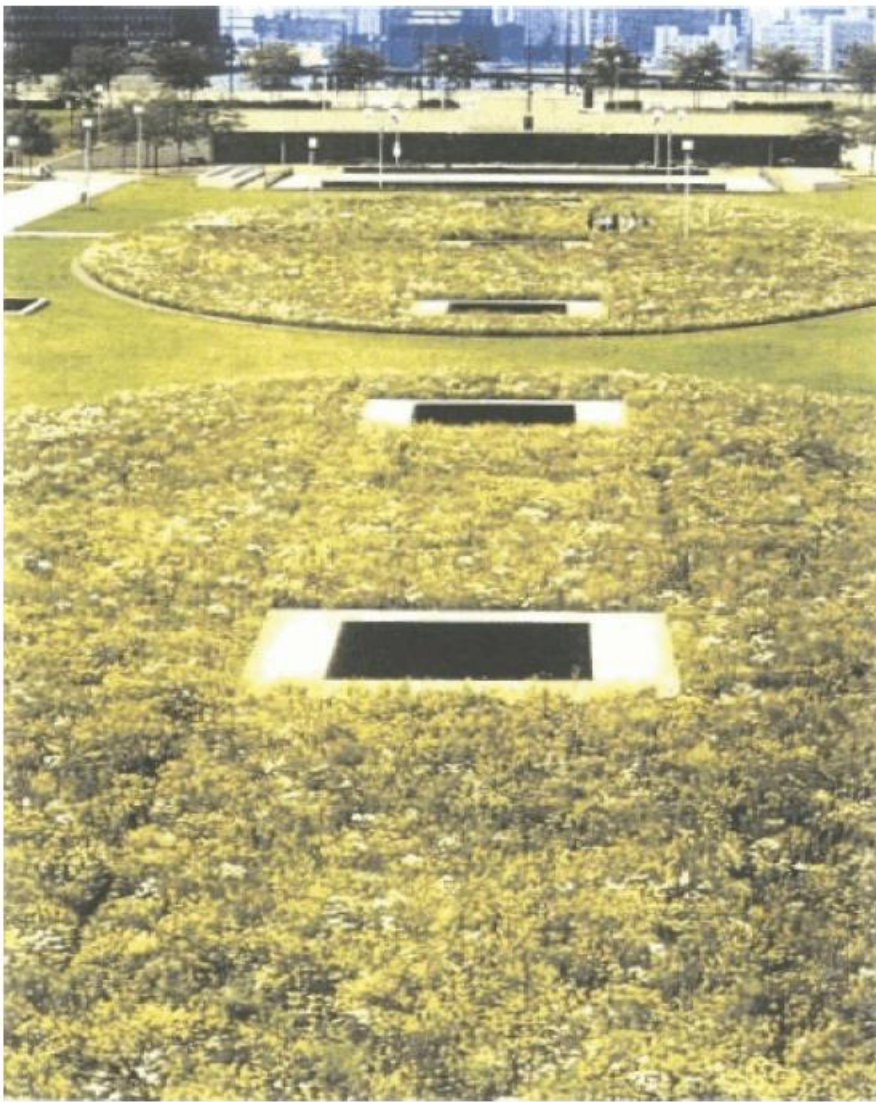
In 1983 Kelley accepted an invitation from Chicago-based oil executive John Swearingen and his wife, Bonnie—collectors of Kelley's paintings—to come to Chicago to explore the possibility of creating a large outdoor wildflower display in the area. He scouted sites by land and by air and eventually settled on Grant Park, the city's showcase public space running along Lake Michigan in the center of downtown Chicago. This location suited Kelley's artistic, environmental, and educational mission; it also provided the best opportunity to reach a large audience. Kelley met with the Park District superintendent to present his proposal, and on June 19, 1984, the Park District Board of Commissioners granted him a permit to install a "permanent Wild Flower Floral Display" on a grassy area on top of the underground Monroe Street parking garage in Daley Bicentennial Plaza in Grant Park. Under the terms of the permit, Kelley was to install and maintain the exhibit at his own expense. The Park District reserved the right to terminate the installation by giving Kelley "a 90 day notice to remove the planting."

Kelley named the project "Chicago Wildflower Works I." The Park District issued a press release announcing that "a new form of 'living' art" was coming to Grant Park—"giant ovals of multicolored wildflowers" created by Kelley, a painter and "pioneer in the use of natural materials" who "attracted national prominence for his efforts to incorporate the landscape in artistic creation." The announcement explained that "[o]nce the ovals mature, the results will be two breathtaking natural canvases of Kelley-designed color patterns."

In the late summer of 1984, Kelley began installing the two large-scale elliptical flower beds at the Grant Park site; they spanned 1.5 acres of parkland and were set within gravel and steel borders. A gravel walkway bisected one of the ovals, and each flower bed also accommodated several large, preexisting air vents that were flush with the planting surface, providing ventilation to the parking garage below. For planting material Kelley selected between 48 and 60 species of self-sustaining wildflowers native to the region. The species were selected for various aesthetic, environmental, and cultural reasons, but also to increase the likelihood that the garden could withstand Chicago's

harsh winters and survive with minimal maintenance. Kelley designed the initial placement of the wildflowers so they would blossom sequentially, changing colors throughout the growing season and increasing in brightness towards the center of each ellipse. He purchased the initial planting material—between 200,000 and 300,000 wildflower plugs—at a cost of between \$80,000 and \$152,000. In September of 1984, a battery of volunteers planted the seedlings under Kelley’s direction.

When the wildflowers bloomed the following year, Wildflower Works was greeted with widespread acclaim. Chicago’s mayor, the Illinois Senate, and the Illinois Chapter of the American Society of Landscape Artists issued commendations. People flocked to see the lovely display—marketed by the Park District as “living landscape art”—and admiring articles appeared in national newspapers. Wildflower Works was a hit. Here’s a picture:



For the next several years, Kelley’s permit was renewed and he and his volunteers tended the impressive garden. They pruned and weeded and regularly planted new seeds, both to experiment with the garden’s composition and to fill in where initial

specimen had not flourished. Of course, the forces of nature—the varying bloom periods of the plants; their spread habits, compatibility, and life cycles; and the weather—produced constant change. Some wildflowers naturally did better than others. Some spread aggressively and encroached on neighboring plants. Some withered and died. Unwanted plants sprung up from seeds brought in by birds and the wind. Insects, rabbits, and weeds settled in, eventually taking a toll. Four years after Wildflower Works was planted, the Park District decided to discontinue the exhibit. On June 3, 1988, the District gave Kelley a 90-day notice of termination.

Kelley responded by suing the Park District in federal court, claiming the termination of his permit violated the First Amendment. The parties quickly settled; in exchange for dismissal of the suit, the Park District agreed to extend Kelley's permit for another year. On September 14, 1988, the Park District issued a "Temporary Permit" to Kelley and Chicago Wildflower Works, Inc., a nonprofit organization formed by his volunteers. This permit authorized them "to operate and maintain a two ellipse Wildflowers Garden Display . . . at Daley Bicentennial Plaza in Grant Park" until September 1, 1989. The permit stipulated that Kelley "will have responsibility and control over matters relating to the aesthetic design and content of Wildflower Works I," and Wildflower Works, Inc. "shall maintain the Wildflower Works I at no cost to the Chicago Park District including, without limitation, weeding and application of fertilizer." Although it did not contain a notice-of-termination provision, the permit did state that "[t]he planting material is the property of Mr. Chapman Kelley" and that Kelley "may remove the planting material" if the permit was not extended. Finally, the permit provided that "[t]his agreement does not create any proprietary interest for Chicago Wildflower Works, Inc., or Mr. Chapman Kelley in continuing to operate and maintain the Wildflower Garden Display after September 1, 1989."

The Park District formally extended this permit each succeeding year through 1994. After that point Kelley and his volunteers continued to cultivate Wildflower Works without a permit, and the Park District took no action, adverse or otherwise, regarding the garden's future. In March 2004 Kelley and Jonathan Dedmon, president of Wildflower Works, Inc., attended a luncheon to discuss the 20th anniversary of Wildflower Works. At the luncheon Dedmon asked Park District Commissioner Margaret Burroughs if Wildflower Works needed a new permit. Commissioner Burroughs responded, "You're still there, aren't you? That's all you need to do."

Three months later, on June 10, 2004, Park District officials met with Kelley and Dedmon to discuss problems relating to inadequate maintenance of the garden and forthcoming changes to Grant Park necessitated by the construction of the adjacent Millennium Park. The officials proposed reconfiguring Wildflower Works—decreasing its size from approximately 66,000 square feet to just under 30,000 square feet and remaking its elliptical flower beds into rectangles. The District's director of development invited Kelley's views on this proposal but made it clear that the District planned to go forward with the reconfiguration with or without Kelley's approval. Kelley objected to the proposed changes, but did not request an opportunity to remove his plant-

ing material before the reconfiguration took place. A week later the Park District proceeded with its plan and reduced Wildflower Works to less than half its original size. The elliptical borders became rectilinear, weeds were removed, surviving wildflowers were replanted in the smaller-scale garden, and some new planting material was added. Dedmon sent a letter of protest to the Park District.

Kelley then sued the Park District for violating his moral rights under VARA. He claimed that Wildflower Works was both a painting and a sculpture and therefore a “work of visual art” under VARA, and that the Park District’s reconfiguration of it was an intentional “distortion, mutilation, or other modification” of his work and was “prejudicial to his . . . honor or reputation.” *See* 17 U.S.C. § 106A(a)(3)(A). He also alleged breach of contract; he claimed that Commissioner Burroughs’s remark created an implied contract that the Park District had breached when it altered Wildflower Works without providing reasonable notice. On the VARA claim Kelley sought compensation for the moral-rights violation, statutory damages, and attorney’s fees; on the contract claim he sought the fair-market value of the planting material removed in the reconfiguration. He later quantified his damages, estimating the value of the plants at \$1.5 million and requesting a staggering \$25 million for the VARA violation.

The case proceeded to a bench trial, and the district court entered judgment for the Park District on the VARA claim and for Kelley on the contract claim. *See Kelley v. Chi. Park Dist.*, No. 04 C 07715, 2008 WL 4449886 (N.D.Ill. Sept. 29, 2008). The judge first concluded that Wildflower Works could be classified as both a painting and a sculpture and therefore qualified as a work of visual art under VARA. *Id.* at *4-5. But he also held that Wildflower Works was insufficiently original for copyright, a prerequisite to moral-rights protection under VARA. *Id.* at *6. Alternatively, the judge concluded that Wildflower Works was site-specific art, and following the First Circuit’s decision in *Phillips*, held that VARA did not apply to this category of art. *Id.* at *6-7. *** But the judge also concluded that Kelley had failed to prove damages to a reasonable certainty and awarded \$1 in nominal damages. *Id.* at *9.

Kelley appealed, challenging the adverse judgment on the VARA claim and the district court’s treatment of the damages issue on the contract claim. The Park District cross-appealed from the judgment on the contract claim.

II. Discussion

This case comes to us from a judgment entered after a bench trial; we review the district court’s factual findings for clear error and its conclusions of law *de novo*. *Spurgin-Dienst v. United States*, [359 F.3d 451, 453](#) (7th Cir. 2004). In this circuit, questions of copyright eligibility are issues of law subject to independent review. *Schrock v. Learning Curve Int’l, Inc.*, [586 F.3d 513, 517](#) (7th Cir. 2009).

A. Kelley’s Moral-Rights Claim Under the Visual Artists Rights Act of 1990

1. A brief history of moral rights

That artists have certain “moral rights” in their work is a doctrine long recognized in civil-law countries but only recently imported into the United States. Moral rights are

generally grouped into two categories: rights of attribution and rights of integrity. “Rights of attribution” generally include the artist’s right to be recognized as the author of his work, to publish anonymously and pseudonymously, to prevent attribution of his name to works he did not create, and to prevent his work from being attributed to other artists. *Carter v. Helmsley-Spear, Inc.*, [71 F.3d 77, 81](#) (2d Cir. 1995) (citing RALPH E. LERNER & JUDITH BRESLER, ART LAW 419-20 (1989)). “Rights of integrity” include the artist’s right to prevent the modification, mutilation, or distortion of his work, and in some cases (if the work is of recognized stature), to prevent its destruction. *Id.* at 81-82 (citing ART LAW at 420-21).

Originating in nineteenth-century France, moral rights—*le droit moral*—are understood as rights inhering in the artist’s personality, transcending property and contract rights and existing independently of the artist’s economic interest in his work. American copyright law, on the other hand, protects the economic interests of artists; Article I of the Constitution authorizes Congress “To Promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries.” U.S. CONST. art. 1, § 8, cl. 8. Unlike other intellectual-property rights, moral rights are unrelated to the artist’s pecuniary interests and are grounded in philosophical ideas about the intrinsic nature and cultural value of art rather than natural-property or utility justifications. VARA introduced a limited version of this European doctrine into American law, but it is not an easy fit.

VARA was enacted as a consequence of the United States’ accession to the Berne Convention for the Protection of Literary and Artistic Works. After many years of resistance, the Senate ratified the treaty in 1988, bringing the United States into the Berne Union effective the following year. The Berne Convention dates to 1886, when seven European nations (plus Haiti and Tunisia) joined together to extend copyright protection across their borders. the course of the next century, many other nations joined, and the treaty underwent periodic revisions, most notably for our purposes in 1928 when Article *6bis* was added, incorporating the concept of moral rights. Article *6bis* provides:

(1) Independently of the author’s economic rights, and even after the transfer of the said rights, the author shall have the right to claim authorship of the work and to object to any distortion, mutilation or other modification of, or other derogatory action in relation to, the said work, which would be prejudicial to his honor or reputation.

....

(3) The means of redress for safeguarding the rights granted by this Article shall be governed by the legislation of the country where protection is claimed.

Berne Convention for the Protection of Literary and Artistic Works, art. *6bis*, Sept. 9, 1886, *as revised at Paris on July 24, 1971*, S. TREATY DOC. NO. 99-27 (1986).

When the United States joined the Berne Union in 1989, the concept of moral rights was largely unknown in American law. Article *6bis* was a major obstacle to Berne ratification. American unease with European moral-rights doctrine—more particularly, the obligations imposed by Article *6bis*—persisted beyond Berne ratification. Indeed,

Congress initially took the position that domestic law already captured the concept in existing copyright and common-law doctrines and in the statutory law of some states. *See* Berne Convention Implementation Act of 1988, Pub.L. No. 100-568, §§ 2(2), (3), 102 Stat. 2853. This was seen as an implausible claim. VARA was enacted to fill this perceived gap, but its moral-rights protection is quite a bit narrower than its European counterpart.

2. VARA's scope

VARA amended the Copyright Act and provides a measure of protection for a limited set of moral rights falling under the rubric of “rights of attribution” and “rights of integrity”—but only for artists who create specific types of visual art. 17 U.S.C. § 106A(a). The statutory coverage is limited to paintings, drawings, prints, sculptures, and photographs created for exhibition existing in a single copy or a limited edition of 200 or less. *See id.* § 101 (defining “work of visual art”). The rights conferred by the statute exist independently of property rights; the artist retains them even after he no longer holds title to his work. *Id.* § 106A(a).

More specifically, VARA's attribution and integrity rights are as follows:

(a) Rights of attribution and integrity. Subject to section 107 and independent of the exclusive rights provided in section 106, *the author of a work of visual art—*

(1) shall have the right—

(A) to claim authorship of that work, and

(B) to prevent the use of his or her name as the author of any work of visual art which he or she did not create;

(2) shall have the right to prevent the use of his or her name as the author of the work of visual art in the event of distortion, mutilation, or other modification of the work which would be prejudicial to his or her honor or reputation; and

(3) subject to the limitations set forth in section 113(d), *shall have the right—*

(A) *to prevent any intentional distortion, mutilation, or other modification of that work which would be prejudicial to his or her honor or reputation, and any intentional distortion, mutilation, or modification of that work is a violation of that right, and*

(B) to prevent any destruction of a work of recognized stature, and any intentional or grossly negligent destruction of that work is a violation of that right.

17 U.S.C. § 106A(a) (emphasis added). At issue here is the right of integrity conferred by subsection (a)(3)(A), which precludes any intentional modification or distortion of a work of visual art that “would be prejudicial to [the artist's] honor or reputation.”

A qualifying “work of visual art” is defined as:

- (1) *a painting, drawing, print, or sculpture*, existing in a single copy, in a limited edition of 200 or fewer that are signed and consecutively numbered by the author, or, in the case of a sculpture, in multiple cast, carved, or fabricated sculptures of 200 or fewer that are consecutively numbered by the author and bear the signature or other identifying mark of the author; or
- (2) a still photographic image produced for exhibition purposes only, existing in a single copy that is signed by the author, or in a limited edition of 200 copies or fewer that are signed and consecutively numbered by the author.

Id. § 101 (emphasis added). This definition also contains a number of specific exclusions: e.g., posters, maps, and globes; books, newspapers, magazines, and other periodicals; “motion picture[s] or other audiovisual work[s]”; merchandising and promotional materials; “any work made for hire”; and “any work not subject to copyright protection under this title.” *Id.*

This last exclusion simply reinforces the point that VARA supplements general copyright protection; to qualify for moral rights under VARA, a work must first satisfy basic copyright standards. Under the Copyright Act of 1976, copyright subsists in “original works of authorship fixed in any tangible medium of expression, now known or later developed, from which they can be perceived, reproduced, or otherwise communicated.” *Id.* § 102(a). “Works of authorship” include “pictorial, graphic, and sculptural works.” *Id.* § 102(a)(5). VARA’s definition of “work of visual art” is limited to a narrow subset of this broader universe of “pictorial, graphic, and sculptural works” that are otherwise eligible for copyright; only a select few categories of art get the extra protection provided by the moral-rights concept.

Several exceptions limit the scope of the rights granted under the statute:

- (c) Exceptions. (1) The modification of a work of visual art which is a result of the passage of time or the inherent nature of the materials is not a distortion, mutilation, or other modification described in subsection (a)(3)(A).
- (2) *The modification of a work of visual art which is the result of conservation, or of the public presentation, including lighting and placement, of the work is not a destruction, distortion, mutilation, or other modification described in subsection (a)(3) unless the modification is caused by gross negligence.*

17 U.S.C. § 106A(c) (emphasis added). The second of these—the “public presentation” exception—is at issue here. Another exception invoked by the Park District is found in a different section of the Copyright Act that defines the scope of a copyright owner’s rights:

- (d)(1) *In a case in which—*
 - (A) *a work of visual art has been incorporated in or made part of a building* in such a way that removing the work from the building will cause the destruction, distortion, mutilation, or other modification of the work as described in section 106A(a)(3), and
 - (B) the author consented to the installation of the work in the building either before the effective date set forth in section 610(a) of the Visual

Artists Rights Act of 1990, or in a written instrument executed on or after such effective date that is signed by the owner of the building and the author and that specifies that installation of the work may subject the work to destruction, distortion, mutilation, or other modification, by reason of its removal,

then the rights conferred by paragraphs (2) and (3) of section 106A(a) shall not apply.

Id. § 113 (emphasis added). This is known as the “building exception.”

VARA rights cannot be transferred or assigned, but they can be waived in a writing signed by the artist and “specifically identify[ing] the work, and uses of that work, to which the waiver applies.” *Id.* § 106A(e)(1). Absent a written waiver, the artist retains VARA rights during his lifetime even if he transfers ownership of the work or assigns his copyright.⁵ *Id.* § 106A(d)(1), (e)(2).

3. Is Wildflower Works a painting or sculpture?

The district court held that Wildflower Works was both a painting and a sculpture but was insufficiently original to qualify for copyright. Alternatively, the court concluded that it was site-specific art and held that all site-specific art is implicitly excluded from VARA. Other arguments—in particular, whether Wildflower Works satisfies additional threshold requirements for copyright and whether VARA’s public-presentation or building exceptions applied—were not reached.

On appeal Kelley contests the district court’s conclusions regarding originality and site-specific art. The Park District defends these holdings and also reiterates the other arguments it made in the district court, except one: The Park District has not challenged the district court’s conclusion that Wildflower Works is a painting and a sculpture.

This is an astonishing omission. VARA’s definition of “work of visual art” operates to narrow and focus the statute’s coverage; only a “painting, drawing, print, or sculpture,” or an exhibition photograph will qualify. These terms are not further defined, but the overall structure of the statutory scheme clearly illuminates the limiting effect of this definition. Copyright’s broad general coverage extends to “original works of authorship,” and this includes “pictorial, graphic, and sculptural works.” 17 U.S.C. § 102(a)(5). The use of the adjectives “pictorial” and “sculptural” suggests flexibility and breadth in application. In contrast VARA uses the specific nouns “painting” and “sculpture.” To qualify for moral-rights protection under VARA, Wildflower Works cannot just be “pictorial” or “sculptural” in some aspect or effect, it must actually *be* a “painting” or a “sculpture.” Not metaphorically or by analogy, but *really*.

That Kelley considered the garden to be both a painting and a sculpture—only rendered in living material—is not dispositive. He also characterized it as an experiment in environmental theory, telling a reporter he was trying to “figure out the economic

⁵ VARA applies to works created after its effective date (June 1, 1991, six months after its December 1, 1990 date of enactment) and works created before its effective date “but title to which has not, as of such effective date, been transferred from the author.” Visual Artists Rights Act of 1990, Pub.L. No. 101-650, § 610, 104 Stat. 5132. Wildflower Works was created before VARA’s effective date, but the parties stipulated that Kelley owns the planting material. Kelley has not executed a written waiver of VARA rights.

and ecological impact of introducing wildflowers into cities.” In promoting Wildflower Works, Kelley variously described the project as a “living wildflower painting,” a “study on wildflower landscape and management,” and “a new vegetative management system that beautifies [the] landscape economically with low-maintenance wildflowers.”

Kelley’s expert, a professor of art history, reinforced his view that Wildflower Works was both a painting and a sculpture, but the district court largely disregarded her testimony as unhelpful.⁶ For its part the Park District initially marketed Wildflower Works as “living art,” but this adds little to the analysis. VARA plainly uses the terms “painting” and “sculpture” as words of *limitation*. Even assuming a generous stance on what qualifies, the terms cannot be read coextensively with the broader categories of “pictorial” and “sculptural” works that are generally eligible for copyright under § 102(a)(5). If a living garden like Wildflower Works really counts as both a painting and a sculpture, then these terms do no limiting work at all.

The district judge worried about taking “too literalist an approach to determining whether a given object qualifies as a sculpture or painting.” *Kelley*, 2008 WL 4449886, at *4. His concern was the “tension between the law and the evolution of ideas in modern or avant garden art; the former requires legislatures to taxonomize artistic creations, whereas the latter is occupied with expanding the definition of what we accept to be art.” *Id.* We agree with this important insight. But there’s a big difference between avoiding a literalistic approach and embracing one that is infinitely malleable. The judge appears to have come down too close to the latter extreme.⁷

⁶ Among other things, the expert testified that Wildflower Works was both a painting and a sculpture because “three dimensional objects become two dimensional paintings when viewed from airplanes,” an assertion the district court characterized as “strange.” *Kelley v. Chi. Park Dist.*, No. 04 C 07715, 2008 WL 4449886, at *5 (N.D.Ill. Sept. 29, 2008).

⁷ The district court basically concluded that the term “sculpture” included *any* three-dimensional art form—that is, any “non-two dimensional” work that can be called “art.” *Kelley*, 2008 WL 4449886, at *5. As we have noted, this expansive approach fails to distinguish between “sculptural works,” included in the broad subject matter of copyright, and VARA’s use of the more limited term “sculpture.” As for “painting,” the judge consulted this *verb* definition for “paint”: “[1] to apply color, pigment, or paint to . . . [2] to produce in lines and colors on a surface by applying pigments, [3] to depict by such lines and colors, [4] to decorate, adorn, or variegate by applying lines and colors.” *Id.* (quoting Merriam-Webster’s Online Dictionary, [http://www.m-w.com/dictionary/paint\[1\]](http://www.m-w.com/dictionary/paint[1]) (last visited September 25, 2008)). The judge then characterized Wildflower Works as “[a]n exhibit that corrals the variegation of wildflowers into pleasing oval swatches” and concluded from this that the garden “could certainly fit within some of the[se] . . . definitions of a painting.” *Id.*

As we have explained, however, VARA’s definition of a “work of visual art” uses *nouns*, not *verbs*. The noun “painting” is more precise than the verb “paint.” A “painting” is:

1.a. Painted matter; that which is painted; . . . a representation on a surface executed in paint or colours; a painted picture or likeness. b. The representing of a subject on a surface by the application of paint or colours; the art of making such representations; . . . the practice of applying paint to a canvas, etc., for any artistic purpose.

Painting Definition, OXFORD ENGLISH DICTIONARY, <http://www.oed.com/viewdictionaryentry/Entry/136092> (last visited Feb. 10, 2011). The noun “sculpture” means:

1.a . . . the process or art of carving or engraving a hard material so as to produce designs or figures in relief, in intaglio, or in the round. In modern use, that branch of fine art which is concerned with the production of figures in the round or in relief, either by carving, by fashioning some plastic substance, or by making a mould for casting in metal; the practice of this art . . . 2. *concr.* a. The product

In short, this case raises serious questions about the meaning and application of VARA's definition of qualifying works of visual art—questions with potentially decisive consequences for this and other moral-rights claims. But the Park District has not challenged this aspect of the district court's decision, so we move directly to the question of copyrightability, which is actually where the analysis should start in the first place.

4. Is Wildflower Works copyrightable?

To merit copyright protection, Wildflower Works must be an “original work[] of authorship fixed in a[] tangible medium of expression . . . from which [it] can be perceived, reproduced, or otherwise communicated.” 17 U.S.C. § 102(a). The district court held that although Wildflower Works was both a painting and a sculpture, it was ineligible for copyright because it lacked originality. There is a contradiction here. As we have explained, VARA supplements general copyright protection and applies only to artists who create the specific subcategories of art enumerated in the statute. VARA-eligible paintings and sculptures comprise a discrete subset of otherwise copyrightable pictorial and sculptural works; the statute designates these works of fine art as worthy of special protection. If a work is so lacking in originality that it cannot satisfy the basic requirements for copyright, then it can hardly qualify as a painting or sculpture eligible for extra protection under VARA.

That point aside, the district court's conclusion misunderstands the originality requirement. Originality is “the touchstone of copyright protection today,” an implicit constitutional and explicit statutory requirement. *Feist Publ'ns, Inc. v. Rural Tel. Serv. Co.*, [499 U.S. 340, 347, 346](#) (1991) (“Originality is a constitutional requirement.”). Despite its centrality in our copyright regime, the threshold for originality is minimal. The standard requires “only that the work was independently created by the author (as opposed to copied from other works), and that it possesses at least some minimal degree of creativity.” *Feist*, [499 U.S. at 345](#) (citation omitted). The “requisite level of creativity is extremely low; even a slight amount will suffice. The vast majority of works make the grade quite easily, as they possess some creative spark.” *Id.* (citation omitted).

The district court took the position that Wildflower Works was not original because Kelley was not “the first person to ever conceive of and express an arrangement of growing wildflowers in ellipse-shaped enclosed area[s].” *Kelley*, 2008 WL 4449886, at *6. This mistakenly equates originality with novelty; the law is clear that a work can be original even if it is not novel. No one argues that Wildflower Works was copied; it plainly possesses more than a little creative spark.

of the sculptor's art; that which is sculptured (or engraved); sculptured figures in general. b. In particularized sense: A work of sculpture; a sculptured (or engraved) figure or design.

Sculpture Definition, *id.*, <http://www.oed.com/viewdictionaryentry/Entry/173877> (last visited Feb. 10, 2011). A living garden might be said to have “painterly” or “sculptural” attributes, but it's hard to classify a garden as a “painting” or “sculpture” as these terms are commonly understood.

The judge was also at a loss to discover “what about the exhibit is original. Is it the elliptical design? The size? The use of native instead of non-native plants? The environmentally-sustainable gardening method to which ‘vegetative management system’ apparently refers?” *Kelley*, 2008 WL 4449886, at *6. It is true that common geometric shapes cannot be copyrighted. See U.S. COPYRIGHT OFFICE, COMPENDIUM II: COPYRIGHT OFFICE PRACTICES § 503.02(a)-(b) (1984). And “[i]n no case does copyright protection for an original work of authorship extend to any idea, procedure, process, system, method of operation, concept, principle, or discovery, regardless of the form in which it is described, explained, illustrated, or embodied in such a work.” 17 U.S.C. § 102(b).

The Park District suggests that Wildflower Works is an uncopyrightable “method” or “system,” and is also ineligible because its design uses simple elliptical shapes. The first of these arguments is not well-developed; the second is misplaced. Although Wildflower Works was designed to be largely self-sustaining (at least initially), it’s not really a “method” or “system” at all. It’s a garden. And Kelley is seeking statutory protection for the garden itself, not any supposed “system” of vegetative management encompassed within it. Regarding the use of elliptical shapes, an author’s expressive combination or arrangement of otherwise noncopyrightable elements (like geometric shapes) may satisfy the originality requirement. *Roulo v. Russ Berrie & Co.*, [886 F.2d 931, 939](#) (7th Cir. 1989).

The real impediment to copyright here is not that Wildflower Works fails the test for originality (understood as “not copied” and “possessing some creativity”) but that a living garden lacks the kind of authorship and stable fixation normally required to support copyright. Unlike originality, authorship and fixation are *explicit* constitutional requirements; the Copyright Clause empowers Congress to secure for “authors” exclusive rights in their “writings.” U.S. CONST. art 1, § 8, cl. 8. The originality requirement is implicit in these express limitations on the congressional copyright power. ***

“Without fixation,” moreover, “there cannot be a ‘writing.’” 2 Patry § 3:22. The Nimmer treatise elaborates:

Fixation in tangible form is not merely a statutory condition to copyright. It is also a constitutional necessity. That is, unless a work is reduced to tangible form it cannot be regarded as a “writing” within the meaning of the constitutional clause authorizing federal copyright legislation. Thus, certain works of conceptual art stand outside of copyright protection.

1 NIMMER § 2.03[B]. A work is “fixed” in a tangible medium of expression “when its embodiment in a copy or phonorecord . . . is sufficiently permanent or stable to permit it to be perceived, reproduced, or otherwise communicated for a period of more than transitory duration.” 17 U.S.C. § 101. As William Patry explains:

Fixation serves two basic roles: (1) easing problems of proof of creation and infringement, and (2) providing the dividing line between state common law protection and protection under the federal Copyright Act, since works that are not fixed are ineligible for federal protection but may be protected under state law. The distinction between the intangible intellectual property (the work of

authorship) and its fixation in a tangible medium of expression (the copy) is an old and fundamental and important one. The distinction may be understood by examples of multiple fixations of the same work: A musical composition may be embodied in sheet music, on an audio-tape, on a compact disc, on a computer hard drive or server, or as part of a motion picture soundtrack. In each of the fixations, the intangible property remains a musical composition.

2 PATRY § 3:22 (internal quotation marks omitted).

Finally, “authorship is an entirely human endeavor.” *Id.* § 3:19 (2010). Authors of copyrightable works must be human; works owing their form to the forces of nature cannot be copyrighted. *Id.* § 3:19 n. 1; see also U.S. COPYRIGHT OFFICE, COMPENDIUM II: COPYRIGHT OFFICE PRACTICES § 503.03(a) (“[A] work must be the product of human authorship” and not the forces of nature.) (1984); *id.* § 202.02(b).

Recognizing copyright in Wildflower Works presses too hard on these basic principles. We fully accept that the artistic community might classify Kelley’s garden as a work of postmodern conceptual art. We acknowledge as well that copyright’s prerequisites of authorship and fixation are broadly defined. But the law must have some limits; not all conceptual art may be copyrighted. In the ordinary copyright case, authorship and fixation are not contested; most works presented for copyright are unambiguously authored and unambiguously fixed. But this is not an ordinary case. A living garden like Wildflower Works is neither “authored” nor “fixed” in the senses required for copyright. See *Toney v. L’Oreal USA, Inc.*, [406 F.3d 905, 910](#) (7th Cir. 2005) (“A person’s likeness—her persona—is not authored and it is not fixed.”).

Simply put, gardens are planted and cultivated, not authored. A garden’s constituent elements are alive and inherently changeable, not fixed. Most of what we see and experience in a garden—the colors, shapes, textures, and scents of the plants—originates in nature, not in the mind of the gardener. At any given moment in time, a garden owes most of its form and appearance to natural forces, though the gardener who plants and tends it obviously assists. All this is true of Wildflower Works, even though it was designed and planted by an artist.

Of course, a human “author”—whether an artist, a professional landscape designer, or an amateur backyard gardener—determines the initial arrangement of the plants in a garden. This is not the kind of authorship required for copyright. To the extent that seeds or seedlings can be considered a “medium of expression,” they originate in nature, and natural forces—not the intellect of the gardener—determine their form, growth, and appearance. Moreover, a garden is simply too changeable to satisfy the primary purpose of fixation; its appearance is too inherently variable to supply a baseline for determining questions of copyright creation and infringement. If a garden can qualify as a “work of authorship” sufficiently “embodied in a copy,” at what point has fixation occurred? When the garden is newly planted? When its first blossoms appear? When it is in full bloom? How—and at what point in time—is a court to determine whether infringing copying has occurred?

In contrast, when a landscape designer conceives of a plan for a garden and puts it in writing—records it in text, diagrams, or drawings on paper or on a digital-storage device—we can say that his intangible intellectual property has been embodied in a fixed and tangible “copy.” This writing is a sufficiently permanent and stable copy of the designer’s intellectual expression and is vulnerable to infringing copying, giving rise to the designer’s right to claim copyright. The same cannot be said of a garden, which is not a fixed copy of the gardener’s intellectual property. Although the planting material is tangible and can be perceived for more than a transitory duration, it is not stable or permanent enough to be called “fixed.” Seeds and plants in a garden are naturally in a state of perpetual change; they germinate, grow, bloom, become dormant, and eventually die. This life cycle moves gradually, over days, weeks, and season to season, but the real barrier to copyright here is not *temporal* but *essential*. The essence of a garden is its vitality, not its fixedness. It may endure from season to season, but its nature is one of dynamic change.

We are not suggesting that copyright attaches *only* to works that are static or fully permanent (no medium of expression lasts forever), or that artists who incorporate natural or living elements in their work can never claim copyright. Kelley compares Wildflower Works to the Crown Fountain, a sculpture by Spanish artist Jaume Plensa that sits nearby in Chicago’s Millennium Park. The surfaces of Plensa’s fountain are embedded with LED screens that replay recorded video images of the faces of 1,000 Chicagoans. See http://www.explorechicago.org/city/en/things_see_do/attractions/dca_tourism/Crown_Fountain.html (last visited Feb. 10, 2011). But the Copyright Act specifically contemplates works that incorporate or consist of sounds or images that are broadcast or transmitted electronically, such as telecasts of sporting events or other live performances, video games, and the like. See 17 U.S.C. § 101 (defining “fixed” as including a “work consisting of sounds, images, or both, that are being transmitted. . . if a fixation of the work is being made simultaneously with its transmission”); see also *Balt. Orioles, Inc. v. Major League Baseball Players Ass’n*, [805 F.2d 663, 675](#) (7th Cir. 1986); *Midway Mfg. Co. v. Artic Int’l, Inc.*, [704 F.2d 1009, 1013-14](#) (7th Cir. 1983). Wildflower Works does not fit in this category; the Crown Fountain is not analogous.

Though not addressing the requirement of fixation directly, the district court compared Wildflower Works to “[t]he mobiles of Alexander Calder” and “Jeff Koons’ ‘Puppy,’ a 43-foot flowering topiary.” *Kelley*, 2008 WL 4449886, at *4. These analogies are also inapt. Although the aesthetic effect of a Calder mobile is attributable in part to its subtle movement in response to air currents, see http://en.wikipedia.org/wiki/Alexander_Calder (last visited Feb. 10, 2011), the mobile itself is obviously fixed and stable. In “Puppy” the artist assembled a huge metal frame in the shape of a puppy and covered it with thousands of blooming flowers sustained by an irrigation system within the frame. See http://en.wikipedia.org/wiki/Jeff_Koons (last visited Feb. 10, 2011). This may be sufficient fixation for copyright (we venture no opinion on the question), but Wildflower Works is quite different. It is quintessentially a garden; “Puppy” is not.

In short, Wildflower Works presents serious problems of authorship and fixation that these and other examples of conceptual or kinetic art do not. Because Kelley’s

garden is neither “authored” nor “fixed” in the senses required for basic copyright, it cannot qualify for moralrights protection under VARA.

5. Site-specific art, and the public-presentation and building exceptions

This case also raises some important questions about the application of VARA to site-specific art, as well as the statute’s public-presentation and building exceptions. Though we need not decide these questions, we do have a few words of caution about the district court’s treatment of the issue of VARA and site-specific art. The court classified Wildflower Works as a form of site-specific art; we see no reason to upset this factual finding. The court then adopted the First Circuit’s holding in *Phillips* that site-specific art is categorically excluded from VARA. This legal conclusion is open to question.

Phillips involved a VARA claim brought by artist David Phillips in a dispute over a display of 27 of his sculptures in Boston’s Eastport Park across from Boston Harbor. *Phillips v. Pembroke Real Estate, Inc.*, [459 F.3d 128, 130](#) (1st Cir. 2006). A planned redesign of the park called for the removal and relocation of Phillips’s sculptures; he sought an injunction under VARA, claiming the removal of his sculptures would violate his right of integrity. *Id.* at 131. The district court held that although the sculptures qualified as a single integrated work of visual art, park administrators were entitled to remove them under VARA’s public-presentation exception. *Id.* at 138-39. The First Circuit affirmed on alternative grounds, holding that VARA does not apply to *any* site-specific art.

The court based this holding on a perceived irreconcilable tension between the public-presentation exception and the purpose of site-specific art: “By definition, site-specific art integrates its location as one of its elements. Therefore, the removal of a site-specific work from its location necessarily destroys that work of art.” *Id.* at 140. Under the public-presentation exception, a modification of a work of visual art stemming from a change in its “public presentation, including lighting or placement,” is not actionable unless it is caused by gross negligence. If VARA applied to site-specific art, the First Circuit reasoned, then the statute would “purport[] to protect site-specific art” but also “permit its destruction by the application” of the public-presentation exception. *Id.* The court held that “VARA does not protect site-specific art and then permit its destruction by removal from its site pursuant to the statute’s public presentation exception. VARA does not apply to site-specific art at all.” *Id.* at 143.

There are a couple of reasons to question this interpretation of VARA. First, the term “site-specific art” appears nowhere in the statute. Nothing in the definition of a “work of visual art” either explicitly or by implication excludes this form of art from moralrights protection. Nor does application of the public-presentation exception operate to eliminate every type of protection VARA grants to creators of site-specific art; the exception simply narrows the scope of the statute’s protection for all qualifying works of visual art. The exception basically provides a safe harbor for ordinary changes in the public presentation of VARA-qualifying artworks; the artist has no cause of action unless through gross negligence the work is modified, distorted, or destroyed in the process of changing its public presentation.

Second, *Phillips's* all-or-nothing approach to site-specific art may be unwarranted. Site-specific art is not *necessarily* destroyed if moved; modified, yes, but not always utterly destroyed. Moreover, some of VARA's protections are unaffected by the public-presentation exception. An artist's right of integrity can be violated in ways that do not implicate the work's location or manner of public presentation; site-specific art—like any other type of art—can be defaced and damaged in ways that do not relate to its public display. And the public-presentation exception does nothing to limit the right of attribution, which prevents an artist's name from being misappropriated.

Then there is the matter of the building exception, which applies to works “incorporated in or made part of a building in such a way that removing the work from the building will cause the destruction, distortion, mutilation, or other modification of the work.” 17 U.S.C. § 113(d)(1)(A). These works do not get moral-rights protection if the artist: (1) consented to the installation of his work in the building (if pre-VARA); or (2) executed a written acknowledgment that removal of the work may subject it to destruction, distortion, mutilation, or modification (if post-VARA). *Id.* § 113(d)(1)(B). On its face this exception covers a particular kind of site-specific art. Its presence in the statute suggests that site-specific art is not categorically excluded from VARA.

These observations are of course general and not dispositive. Because we are resolving the VARA claim on other grounds, we need not decide whether VARA is inapplicable to site-specific art. ***

For the foregoing reasons, we AFFIRM the judgment in favor of the Park District on the VARA claim; we REVERSE the judgment in favor of Kelley on the contract claim and REMAND with instructions to enter judgment for the Park District.

Close v. Sotheby's, Inc.

894 F.3d 1061 (9th Cir. 2018)

BYBEE, Circuit Judge: The California Resale Royalties Act (“CRRA”) grants artists an unwaivable right to 5% of the proceeds on any resale of their artwork under specified circumstances. To that end, the CRRA requires the seller of the artwork or the seller's agent to withhold 5% of the resale price and pay it to the artist or, if the artist cannot be found, to the California Arts Council. If the seller or the seller's agent fails to pay the 5% resale royalty, the artist may bring an action for damages.

Plaintiffs are artists and their successors in interest seeking resale royalties under the CRRA from the statute's effective date of January 1, 1977, to the present. The issue in this case is whether plaintiffs' claims are preempted by federal copyright law. The district court held that they are, as a matter of both express and conflict preemption.

We affirm in part and reverse in part. Plaintiffs' CRRA claims covered by the 1976 Copyright Act—i.e., those concerning sales postdating the 1976 Act's effective date of January 1, 1978—are expressly preempted by 17 U.S.C. § 301(a). We therefore affirm dismissal of those claims.

The 1909 Copyright Act, however, has no express preemption provision. As such, plaintiffs' CRRRA claims covered only by the 1909 Act—i.e., those concerning sales that occurred between the CRRRA's effective date of January 1, 1977, and the 1976 Act's effective date of January 1, 1978—cannot be expressly preempted. Nor are they preempted by conflict preemption. See *Morseburg v. Bahyon*, [621 F.2d 972, 977-78](#) (9th Cir. 1980). Accordingly, we reverse dismissal of those claims and remand them to the district court for further proceedings.

I. LEGAL AND FACTUAL BACKGROUND

A. The Droit de Suite

Many nations recognize the *droit de suite*,¹ under which artists receive a royalty each time the original, tangible embodiment of their work is resold. The practice was first recognized in France in 1920 and then adopted in other civil-law jurisdictions. More recently, a number of common-law jurisdictions have adopted some form of the *droit de suite*. In those countries that recognize it, the *droit de suite* is considered a moral right, albeit one with economic value. See generally U.S. Copyright Office, *Droit de Suite: The Artist's Resale Royalty* (Dec. 1992) ("1992 Copyright Report"); U.S. Copyright Office, *Resale Royalties: An Updated Analysis* (Dec. 2013) ("2013 Copyright Report").

The *droit de suite* protects visual artists, who face particular difficulty in capitalizing on their work. Literary and recording artists can generally profit from their efforts by controlling the reproduction of books or music. For visual artists such as painters and sculptors, however, the right to control reproduction is often not their principal source of income. Rather, it is often the sale of their original work that allows them to make a profit. The *droit de suite* gives these artists an economic interest in subsequent sales of their original work, thereby allowing them to capture some of its appreciation in value after the first sale.

The *droit de suite* also appears in international copyright law. Since 1948, the Berne Convention has recognized that artists possess an "inalienable right to an interest in any sale of the work subsequent to the first transfer by the author of the work." Berne Convention for the Protection of Literary and Artistic Works art. 14ter(1), Sept. 9, 1886, as amended Sept. 28, 1979, S. Treaty Doc. No. 99-27 (1986). Nevertheless, the Berne Convention does not obligate its signatories to adopt the *droit de suite*. Instead, the Berne Convention makes the recognition of such rights optional, but rewards such recognition with reciprocity: countries recognizing the right will protect the right of each others' artists.

The United States became a signatory to the Berne Convention in 1989, but to date, it has not adopted the *droit de suite*. As early as the 1970s, Congress considered adopting the *droit de suite* as part of U.S. copyright law, but those efforts have never proved successful. A *droit de suite* provision made its way into an early version of the Visual Artists Rights Act of 1990 ("VARA"), but was removed from the bill that Congress ultimately

¹ Literally, the "right of following on."

enacted. Compare S. 1619, 100th Cong., 1st Sess. (1987), with VARA, Pub. L. No. 101-650, §§ 601-10, 104 Stat. 5089 (1990). Instead, VARA directed the Copyright Office to conduct a study on the feasibility of implementing such a right in the United States. VARA § 608(b).

In 1992, the Copyright Office issued an extensive report concluding that there was insufficient economic or copyright-policy justification to adopt the *droit de suite* in the United States. See generally *1992 Copyright Report*. The report recommended that “[g]iven potential problems of preemption, enforcement, and multiple application, any *droit de suite* that is enacted in the United States should be at the federal level.” *Id.* at vi; see also *id.* at 77-86. Two decades later, members of Congress requested that the Copyright Office revisit the issue, and the Copyright Office issued a second report. See generally *2013 Copyright Report*. This time, in light of “the adoption of resale royalty laws by more than thirty additional countries since the Office’s prior report,” the Copyright Office endorsed “implementation of a resale royalty right in the United States ... as one alternative to address the disparity in treatment of artists under the copyright law.” *Id.* at 1, 3. Congress has not acted on the Copyright Office’s recommendation.

B. The California Resale Royalties Act of 1976 (“CRRA”)

The CRRA is “the first, and thus far only, American recognition of the *droit de suite*.” 2 Melville B. Nimmer & David Nimmer, *Nimmer on Copyright* §§ 8C.04[B] (rev. ed. 2017) (“Nimmer”). Under the CRRA, the seller of “a work of fine art”³ or the seller’s agent must withhold 5% of the sale price and pay it to the artist. Cal. Civ. Code § 986(a). If the seller or agent is unable to locate and pay the artist within 90 days, the 5% royalty goes to the California Arts Council. *Id.* § 986(a)(2). In that event, the California Arts Council must attempt to locate and pay the artist. *Id.* § 986(a)(5). If the artist has not been located after seven years, the Council may then use the funds to acquire fine art for public buildings. *Id.* If the seller or agent fails to pay the 5% royalty, the artist may bring an action for damages and attorneys’ fees. *Id.* § 986(a)(3). Notably, the artist’s right to the 5% royalty may not be waived or reduced by contract. *Id.* § 986(a).

As originally enacted, the CRRA applied to sales of fine art in California or by a California seller (whether inside California or not). But, as discussed in greater detail below, we have since limited the statute to regulate only sales in California. *Sam Francis Found. v. Christies, Inc.*, [784 F.3d 1320, 1322](#) (9th Cir. 2015) (en banc). Other conditions to the CRRA’s application include, inter alia, that the artist must be a citizen of the United States or resident of California; the sale must occur after the initial sale by the artist (i.e., it must be a resale); the sale must be for \$1,000 or more; the sale cannot be for less than the purchase price paid by the seller; and the sale must occur during the artist’s life or within 20 years of his death. Cal. Civ. Code § 986(a)-(c).⁴

³ “Fine art” is defined as “an original painting, sculpture, or drawing, or an original work of art in glass.” Cal. Civ. Code § 986(c)(2).

⁴ Secondary sources suggest that, though enacted over forty years ago, the CRRA has been seldom enforced. See Patricia Cohen, *Artists File Lawsuits, Seeking Royalties*, N.Y. TIMES, Nov. 1, 2011, at C1 (reporting that, since the CRRA’s enactment, about 400 artists had received a total of \$328,000).

In 1977, art dealer Howard Morseburg sold two paintings under circumstances requiring him to pay royalties under the CRRA. *Morseburg*, [621 F.2d at 974-75](#). He then brought suit to challenge the California law on multiple grounds, including that it conflicted with the 1909 Copyright Act. To resolve this conflict preemption question, we relied on the Supreme Court's decision in *Goldstein v. California*, [412 U.S. 546](#) (1973). *Goldstein* held that a California statute making it a criminal offense to sell pirated musical recordings was not preempted by the 1909 Act; because the California statute regulated a matter not covered by the 1909 Act and did so "in a manner that did not disturb a careful balance struck by Congress between those matters deserving of protection and those things that should remain free," there was no conflict between state and federal law. *Id.* (citing *Goldstein*, [412 U.S. at 567-70](#)).

Applying *Goldstein*, we concluded that the CRRA created "an additional right similar to the additional protection afforded by California's anti-pirating statute" and therefore did not conflict with the 1909 Act. *Id.* at 977-78 ("The crucial inquiry is... whether the two laws [i.e., state and federal] function harmoniously rather than discordantly. We find no discord in this instance."). We expressly declined, however, to consider whether the CRRA was preempted by the 1976 Act.

C. First Proceedings before the District Court and First Appeal

In 2011, plaintiffs filed putative class-action complaints against Sotheby's, Christie's, and eBay, alleging claims under the CRRA and derivative claims under California's Unfair Competition Law, Cal. Bus. & Prof. Code § 17200 et seq. The statute of limitations for claims under the CRRA is three years after the date of the relevant sale or one year after discovery of that sale, whichever is longer. Cal. Civ. Code § 986(a)(3). Plaintiffs accordingly sought to represent two classes: (1) a class of artists or their estates purportedly owed CRRA royalties on sales that took place within three years of when the actions were filed; and (2) a class of artists or their estates purportedly owed CRRA royalties on sales that were never disclosed to the artists and that took place more than three years before the actions were filed—all the way back to the CRRA's effective date of January 1, 1977.

The district court dismissed plaintiffs' complaints with prejudice, holding that the CRRA's regulation of sales outside California violated the dormant Commerce Clause and that the offending portion of the statute was not severable. *Estate of Graham v. Sotheby's Inc.*, [860 F.Supp.2d 1117, 1125-26](#) (C.D. Cal. 2012). On appeal, a majority of this court voted to initially hear the case en banc. *Sam Francis*, [784 F.3d at 1323](#). Sitting en banc, we agreed with the district court that the CRRA's regulation of out-of-state sales violated the dormant Commerce Clause but held that the offending provision was severable from the remainder of the statute, such that plaintiffs still had potentially viable claims respecting in-state sales. We remanded to the three-judge panel to consider defendants' alternative arguments, including preemption. The panel, in turn, remanded to the district court for it to consider defendants' alternative arguments in the first instance. See *Sam Francis Found. v. Christies, Inc.*, Nos. 12-56067, 12-56068, 12-56077, 2015 WL 4429309, at *1 (9th Cir. July 16, 2015).

D. Second Proceedings before the District Court

On remand, defendants again moved to dismiss, arguing that (1) the CRRA is preempted; (2) the CRRA effects an unconstitutional taking; and (3) eBay is not a seller or a seller's agent subject to the CRRA. In 2016, the district court granted defendants' motions and dismissed the actions with prejudice, holding that the CRRA was preempted by federal copyright law, as a matter of both conflict and express preemption. *Estate of Graham v. Sotheby's, Inc.*, [178 F.Supp.3d 974, 979-80](#) (C.D. Cal. 2016).

With respect to conflict preemption, the district court reasoned that the first sale doctrine, codified in the 1909 Copyright Act and reaffirmed in the 1976 Copyright Act, "provides that 'once the copyright owner places a copyrighted item in the stream of commerce by selling it, he has exhausted his exclusive statutory right to control its distribution.'" *Id.* at 982 (quoting *Quality King Distribs., Inc. v. L'anza Research Int'l, Inc.*, [523 U.S. 135, 152](#) (1998)). The court concluded that the CRRA restricted transactions that the first sale doctrine intended to leave unrestricted and therefore conflicted with federal law. While acknowledging our 1980 decision in *Morseburg*, the court held that "recent decisions of the Supreme Court and the Ninth Circuit have so eroded *Morseburg* that it [] no longer represents a binding interpretation of the first sale doctrine and the CRRA." *Id.* at 985.

In the alternative, the district court addressed express preemption, holding that the CRRA "does no more than broaden the distribution rights granted under the Copyright Act" and is thus expressly preempted by the 1976 Act, 17 U.S.C. § 301(a). *Id.* at 989. The court noted it would reach this same result "whether or not *Morseburg* is still binding precedent" because *Morseburg* did not address the 1976 Act. *Id.* at 991. Although the court's preemption holdings completely disposed of all three actions, the court proceeded to consider defendants' alternative arguments. The court rejected defendants' Takings Clause argument but accepted eBay's argument that it was neither a seller nor a seller's agent and therefore was not subject to liability under the CRRA. Plaintiffs appealed the district court's judgment in each action, and we consolidated the appeals.

II. ANALYSIS

"It is well-established that Congress has the power to preempt state law." *Montalvo v. Spirit Airlines*, [508 F.3d 464, 470](#) (9th Cir. 2007) (citing U.S. CONST. art. VI, cl. 2). In general, there are three forms of preemption: express preemption, conflict preemption, and field preemption. Because Congress has not preempted the field in copyright law, see *Foad Consulting Grp., Inc. v. Musil Govan Azzalino*, [270 F.3d 821, 827](#) (9th Cir. 2001), only two forms of preemption are at issue here: express and conflict. Below, we first hold that plaintiffs' claims arising under the 1976 Act are expressly preempted by 17 U.S.C. § 301(a). We then consider whether what remains of plaintiffs' claims conflicts with the 1909 Act. We conclude that *Morseburg* controls our conflict preemption analysis and that plaintiffs' claims arising under the 1909 Act are therefore not preempted. Finally, we consider defendants' alternative argument based on the Takings Clause.

A. Express Preemption

The 1976 Copyright Act adopted, for the first time, an express preemption provision in § 301(a) and thereby accomplished a sea change in the relative powers of the states vis-à-vis the federal government over copyright protection. The House of Representatives anticipated that the preemption provision “would accomplish a fundamental and significant change in the present law.” H.R. REP. NO. 94-1476, at 129 (1976). “By substituting a single Federal system for the present anachronistic, uncertain, impractical, and highly complicated dual system, the bill would greatly improve the operation of the copyright law and would be much more effective in carrying out the basic constitutional aims of uniformity and the promotion of writing and scholarship.” *Id.* Section 301(a) states:

On and after January 1, 1978, all legal or equitable rights that are equivalent to any of the exclusive rights within the general scope of copyright as specified by section 106 in works of authorship that are fixed in a tangible medium of expression and come within the subject matter of copyright as specified by sections 102 and 103, whether created before or after that date and whether published or unpublished, are governed exclusively by this title. Thereafter, no person is entitled to any such right or equivalent right in any such work under the common law or statutes of any State.

17 U.S.C. § 301(a). In accordance with § 301(a), we have adopted a two-pronged test to determine whether a state law claim is preempted by the 1976 Act. *Maloney v. T3Media, Inc.*, [853 F.3d 1004, 1010](#) (9th Cir. 2017). “First, we decide whether the subject matter of the state law claim falls within the subject matter of copyright as described in 17 U.S.C. §§ 102 and 103.” *Id.* (quotation marks omitted). “Second, assuming it does, we determine whether the rights asserted under state law are equivalent to the rights contained in 17 U.S.C. § 106, which articulates the exclusive rights of copyright holders.” *Id.* (quotation marks omitted).

With respect to the first prong, the subject matter of copyright encompasses “original works of authorship fixed in any tangible medium of expression, now known or later developed, from which they can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device.” 17 U.S.C. § 102(a). This includes, for example, “pictorial, graphic, and sculptural works.” *Id.* § 102(a)(5). There is no doubt that plaintiffs’ claims under the CRRA for resale royalties on works of “fine art”—defined as original paintings, sculptures, drawings, or works in glass, Cal. Civ. Code § 986(c)(2)—fall within the subject matter of copyright. Plaintiffs do not dispute this prong of the test.

The second prong is also satisfied—that is, plaintiffs’ state law claims assert rights “equivalent to rights within the general scope of copyright as specified by section 106 of the Copyright Act.” *Maloney*, [853 F.3d at 1019](#). To explain why this is so, we begin with a short history of the first sale doctrine. The Copyright Act of 1891 provided that the copyright owner had “the sole liberty of printing, reprinting, publishing, completing, copying, executing, finishing, and vending” the copyrighted work. Copyright Act of 1891, § 4952, 26 Stat. 1106, 1107 (1891). In *Bobbs-Merrill Co. v. Straus*, the Supreme

Court construed the right to “vend” as being limited to the first sale. 210 U.S. 339 (1908). Bobbs-Merrill Company owned the copyright to the novel *The Castaway*, each copy of which stated that its retail price was \$1 and that a retail sale at any lesser price would be treated as copyright infringement. R. H. Macy & Company purchased copies of the book from wholesalers and retailed them for less than \$1, and Bobbs-Merrill sued for infringement. The Court held that Bobbs-Merrill could not control Macy & Company’s resale of the purchased copies: a copyright owner “who has sold a copyrighted article, without restriction, has parted with all right to control the sale of it.” *Id.* at 350.

Congress codified the first sale doctrine in the 1909 Copyright Act and later retained it in the 1976 Act. See *Adobe Sys. Inc. v. Christenson*, [809 F.3d 1071, 1077](#) (9th Cir. 2015). Today, § 109(a) provides that “the owner of a particular copy or phonorecord lawfully made under this title, or any person authorized by such owner, is entitled, without the authority of the copyright owner, to sell or otherwise dispose of the possession of that copy or phonorecord.” 17 U.S.C. § 109(a). “The practical effect of this language is to significantly circumscribe a copyright owner’s exclusive distribution right ‘only to the first sale of the copyrighted work’ because ‘once the copyright owner places a copyrighted item in the stream of commerce by selling it, he has exhausted his exclusive statutory right to control its distribution.’” *Adobe*, [809 F.3d at 1076-77](#) (quoting *Quality King*, [523 U.S. at 141](#)). One purpose of the first sale doctrine is to effect the “common law’s refusal to permit restraints on the alienation of chattels.” *Kirtsaeng v. John Wiley & Sons, Inc.*, [568 U.S. 519, 538](#) (2013). Another purpose is to “free[] courts from the administrative burden of trying to enforce restrictions upon difficult-to-trace, readily movable goods” and “avoid[] the selective enforcement inherent in any such effort.” *Id.* at 539.

In this case, plaintiffs’ CRRA claims assert rights equivalent to the federal distribution right codified in § 106(3), as limited by the first sale doctrine codified in § 109(a). Section 106(3) grants copyright holders the exclusive right “to distribute copies or phonorecords of the copyrighted work to the public by sale or other transfer of ownership, or by rental, lease, or lending,” while the first sale doctrine circumscribes that right by limiting it to the first sale of a copyrighted work.

Although the CRRA’s resale royalty right and § 106(3)’s distribution right are not coextensive, they are equivalent. The two rights differ in that one grants artists the right to receive a percentage payment on all sales of artwork after the first, while the other grants artists the right to receive full payment on the first (and only the first) sale. But, at root, both concern the distribution of copies of artwork and define artists’ right (or lack thereof) to payment on downstream sales of those copies.

The equivalence of the two rights is further underscored by the manner in which the CRRA both expands and restricts the federal distribution right. The CRRA expands the federal distribution right because, whereas the first sale doctrine limits artists’ right to payment to the first sale, the CRRA grants artists an unwaivable right to a 5% royalty on all downstream sales. See Cal. Civ. Code § 986(a). Indeed, the CRRA is designed

precisely to alter the first sale doctrine by affording artists a right to at least some measure of payment on every sale after the first. At the same time, the CRRRA also restricts the federal distribution right by forbidding artists from fully alienating copies of their artwork. In effect, the CRRRA creates an inalienable restraint on alienation.

In short, the CRRRA does not merely grant an additional right beyond what federal copyright law already provides but fundamentally reshapes the contours of federal copyright law's existing distribution right. This runs counter to § 301(a), which precludes "all legal or equitable rights that are equivalent to any of the exclusive rights within the general scope of copyright," even if they are not precisely within the contemplation of the Copyright Act.

Plaintiffs raise a number of arguments in response. First, they argue that the CRRRA cannot be expressly preempted because it creates a monetary, not a distribution, right. According to plaintiffs, the CRRRA governs proceeds on the sale of art, not the distribution of art itself; a seller need only pay the artist a royalty, not obtain the artist's permission to make a sale. But plaintiffs' attempted distinction between monetary and distribution rights takes an unduly narrow view of § 106(3). That provision represents not merely copyright holders' ability to choose when to sell a copy of their work and to whom. It also represents copyright holders' ability to receive payment for selling copies of their work. Even though there are differences in how the CRRRA and § 106(3) affect artists' right to payment—one requires a royalty on all sales after the first, and the other contemplates full alienation upon the first sale—there is significant overlap between the two for the reasons explained above.

Second, plaintiffs argue that the CRRRA's resale royalty right cannot be expressly preempted because artists can create a similar right by contract. Plaintiffs have misunderstood the difference between a law that permits an act and a law that compels an act. Federal copyright law protects the first sale only and permits (by not forbidding) purely private arrangements between an artist and a first purchaser with respect to subsequent sales. The CRRRA, however, is a restraint on contract because the artist and the purchaser cannot contract around the *droit de suite*. The artist cannot agree to waive the 5% royalty; the only variance the CRRRA permits is for the artist and buyer to agree that the buyer (as a future seller) will pay the artist more than the 5% royalty. Cal. Civ. Code § 986(a) ("The right of the artist to receive an amount equal to 5 percent of the amount of such sale may be waived only by a contract in writing providing for an amount in excess of 5 percent of the amount of such sale."). The availability of a right to future payments through a private contract has no bearing on whether the legislative prescription of such a right is preempted by federal law.

Third, plaintiffs argue that *Morseburg* should control our express preemption analysis. Acknowledging that *Morseburg* did not address the preemptive effect of the 1976 Act, plaintiffs argue that *Morseburg's* reasoning is nevertheless dispositive of the present case. But "we emphasize[d] that this case concern[ed] the preemptive effect of the 1909 Act only." *Morseburg*, [621 F.2d at 975](#). We noted that the 1976 Act became effective after the sales at issue in *Morseburg's* suit. Then, in case anyone missed our point, we recited that "our holding, as well as our reasons, to repeat, are addressed to the 1909 Act only."

Id. at 975. Furthermore, our reasoning in *Morseburg* derived from the Supreme Court’s decision in *Goldstein*, and that case was grounded in a different era of federal copyright law, before the Copyright Act even had an express preemption provision. *Morseburg* did not pretend to speak to the preemptive effect of the 1976 Act and does not control our express preemption analysis here.

Finally, plaintiffs point to the legislative history of VARA. In enacting VARA in 1990, the House of Representatives indicated that: “State artists’ rights laws that grant rights not equivalent to those accorded under the proposed law are not preempted, even when they relate to works covered by H.R. 2690. For example, the law will not preempt a cause of action for a misattribution of a reproduction of a work of visual art or for a violation of a right to a resale royalty.” H.R. REP. NO. 101-514, 1990 U.S.C.C.A.N. 6915, 6931 (1990). This brief statement postdates the 1976 Copyright Act by over a decade, and at best, represents the House’s understanding—right or wrong—of how existing law might intersect with the changes proposed in VARA. It is not legislative history of the preemption clause adopted in the 1976 Act. Nor are we aware of any similar statement in the actual legislative history of the 1976 Act. VARA’s legislative history does not alter our analysis regarding the equivalence of the state and federal rights at issue.

In short, the CRRA falls within the subject matter of the Copyright Act and asserts rights equivalent to those found in § 106(3) of the Copyright Act. The CRRA is therefore expressly preempted by § 301(a). Plaintiffs’ CRRA claims arising after the effective date of the 1976 Act—January 1, 1978—are barred.

B. Conflict Preemption

Unlike the 1976 Act, the 1909 Act contained no express preemption provision. Our holding on express preemption therefore does not account for plaintiffs’ claims, if any actually exist, that arose between the CRRA’s effective date of January 1, 1977, and the 1976 Act’s effective date of January 1, 1978. This remaining sliver of claims is preempted only if it conflicts with the 1909 Act. Our decision in *Morseburg*, which likewise addressed sales of fine art occurring in 1977, is squarely on point. Its holding that the CRRA does not conflict with the 1909 Act therefore controls our analysis of plaintiffs’ remaining claims. *Morseburg*, [621 F.2d at 977-78](#). ***

Defendants’ argument that *Morseburg* has been implicitly overruled has two parts: first, they argue that *Morseburg*’s reasoning is inconsistent with the Supreme Court’s reasoning in *Quality King*, [523 U.S. 135](#) and *Kirtsaeng*, [568 U.S. 519](#); and second, they argue that *Morseburg* is no longer viable after our prior en banc decision in this case, *Sam Francis*, [784 F.3d 1320](#). *** The Supreme Court’s intervening decisions in *Quality King* and *Kirtsaeng* have not altered the first sale doctrine in any way relevant to this case. These decisions reinforce the first sale doctrine and contain language that might persuade us to decide *Morseburg* differently if presented to us today. But the fact that we might decide a case differently than a prior panel is not sufficient grounds for deeming the case overruled. Nothing short of “clear irreconcilability” will do.

The *Morseburg* panel, of course, was well aware of the first sale doctrine. [621 F.2d at 975](#) (quoting § 27 of the 1909 Act). *Morseburg* recognized that the royalty imposed by the CRRA “may well influence the duration of a purchaser’s holding period of a work of fine art,” but concluded that the “liability” represented by the royalty was not “a legal restraint” on the seller’s right to “transfer[] [the work] without restriction.” *Id.* at 978. The core of the first sale doctrine—that copyright holders exhaust their distribution right over copies of their work upon the first sale—is the same today as it was over a century ago when the Supreme Court decided *Bobbs-Merrill*. The fact that the Supreme Court has since described the doctrine in different words and applied it in different circumstances does not make the first sale doctrine clearly irreconcilable with *Morseburg*.

Defendants’ arguments concerning *Sam Francis* have greater force, but we find no sure basis to declare *Morseburg* overruled. Our reading of the CRRA in the prior en banc decision at most contradicts isolated statements in *Morseburg*; it does not completely undermine *Morseburg*’s reasoning or mandate a different result in that case. Speaking of the 1909 Act and the CRRA, *Morseburg* said that “[t]he crucial inquiry is not whether state law reaches matters also subject to federal regulation, but whether the two laws function harmoniously rather than discordantly.” [621 F.2d at 978](#). *Morseburg* upheld the CRRA because it represented an “additional right” not addressed in the 1909 Act, thus comporting with the then-existing balance between state and federal copyright protection. As we have discussed, the 1976 Act drastically altered that balance. But the shift in the legal landscape following the 1976 Act has no bearing on plaintiffs’ claims arising before the 1976 Act’s effective date.

In sum, *Morseburg*’s reasoning would be suspect today, but it is not clearly irreconcilable with intervening higher authority. It therefore controls our analysis of plaintiffs’ claims arising under the 1909 Act. We conclude that plaintiffs’ claims concerning sales occurring between the CRRA’s effective date of January 1, 1977, and the 1976 Act’s effective date of January 1, 1978 are not preempted. On remand, the district court should determine if any of plaintiffs’ claims arise between January 1, 1977, and December 31, 1977.

C. Defendants’ Takings Clause Argument

Defendants alternatively argue that the CRRA effects an unconstitutional taking in violation of the Fifth Amendment, as applied to the states via the Due Process Clause of the Fourteenth Amendment. According to defendants, the Copyright Act grants artists a property right in their works but only until they sell the works; after that, the artists have no further property interest. The CRRA upsets this arrangement by taking 5% of the proceeds on resales of fine art and giving those proceeds to artists. Plaintiffs respond that the CRRA, like the Copyright Act itself, merely defines the respective rights of artists, buyers, and sellers, thus creating property rights. ***

Initially, it would seem that defendants’ argument is unavailing. To begin with, it parallels the substantive due process argument that we rejected in *Morseburg*. In *Morseburg*, the plaintiff art dealer argued that the CRRA violated the Due Process Clause because

he had “lost a fundamental property right.” [621 F.2d at 979](#). We rejected the argument, holding that the CRRA was “neither arbitrary nor capricious” and did “not affect fundamental rights.” *Id.* Where a statute passes muster under the Due Process Clause, “it would be surprising indeed to discover” that the same statute violated the Takings Clause. *Connolly v. Pension Benefit Guar. Corp.*, [475 U.S. 211, 223](#) (1986). Nevertheless, in the instant case, defendants essentially repackage the Due Process Clause argument from *Morseburg* into a Takings Clause argument.

In some respects at least, the *droit de suite* resembles legislation imposing rent control, setting a minimum wage, or requiring a zoning permit. All of these measures impose real economic costs on people or businesses and may result in a wealth transfer to someone else, but they are not, for that reason alone, a governmental taking.

Nevertheless, we will not decide the Takings Clause argument here. Although the CRRA applies only to sales of fine art that occurred after its effective date, those sales might involve fine art the seller acquired before the CRRA’s enactment. See Cal. Civ. Code § 986(d) (“This section shall become operative on January 1, 1977, and shall apply to works of fine art created before and after its operative date.”). The application of the CRRA to sales of fine art acquired before the CRRA’s enactment suggests greater interference with “investment-backed expectations,” *Lingle v. Chevron U.S.A. Inc.*, [544 U.S. 528, 539](#) (2005) (citing *Penn Cent. Transp. Co. v. New York City*, [438 U.S. 104, 124](#) (1978)), and may raise a concern under the Takings Clause. The district court’s discussion of defendants’ Takings Clause argument did not account for such sales. If, on remand, plaintiffs’ can show that they have any remaining claims, we will leave it to the district court to decide in the first instance how the Takings Clause affects those claims.

III. CONCLUSION

Our decision today means that the CRRA had a short effective life. California’s statute permissibly coexisted for exactly one year alongside the 1909 Act. Once the 1976 Act took effect, however, the balance of state versus federal copyright protection shifted and the CRRA was preempted by § 301(a). Thus, plaintiffs at most can only state claims for the period between the CRRA’s effective date of January 1, 1977, and the 1976 Act’s effective date of January 1, 1978. We express no opinion as to the merits of plaintiffs’ remaining claims, if any exist.
