

COPYRIGHT:

A Contemporary Approach

Second Edition

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Fall 2022 Supplement

This Fall 2022 Supplement is the product of our effort to capture important developments in copyright law since the publication of the second edition of *Copyright: A Contemporary Approach*. It includes three new principal cases. The first two are Supreme Court decisions: the 2021 fair use decision in *Google LLC v. Oracle America, Inc.* (p. 18), and the 2020 decision about copyright protection for state statutes in *Georgia v. Public.Resource.Org* (p. 58).. The third is an excerpt from the Second Circuit’s fair use decision in *Andy Warhol Foundation v. Goldsmith* (p.37), a decision that the Supreme Court has decided to review, with oral argument scheduled for October 12, 2022. The portion of this opinion on “transformativeness” is likely making a one-time appearance in the supplement, to be replaced by the Supreme Court decision when it is issued, but we thought some folks would like to teach the *Goldsmith* case in the fall as the Supreme Court is considering it.

The supplement also includes notes on many other cases, and a few new features that we thought would enhance study of U.S. copyright law. Because the Copyright Claims Board (“CCB”) opened up its doors for business this June, we have included a new section at the end of Chapter 6 on the CASE Act and CCB proceedings (p. 50). We have also completely revised Chapter 12.E., on digital audio transmission rights, and Chapter 12.F., on rights in pre-1972 sound recordings. The new Chapter 12.E. in this supplement, “Digital Streaming of Music After the Musical Works Modernization Act” (p. 84), now consists of a general introduction to copyright and the streaming of music, covering both rights in sound recordings and rights in musical works, and all of the relevant exclusive rights.

Chapter 1 *Introductions*

B. Theoretical Frameworks

p. 9 – Insert the following at the end of the paragraphs on the Restatement of Copyright:

As of fall 2022, the membership of the American Law Institute has approved three “Tentative Drafts” of portions of the Restatement of Copyright. You can get copies of them [here](#) – if you’re willing to pay \$10 for electronic PDFs. The portions drafted and approved do not address some of the most controversial topics in copyright law, such as fair use analysis. Nonetheless, the Restatement project has continued to generate controversy, including articles in support of the project, see, e.g., [Jessica Silbey & Jeanne Fromer, Retelling Copyright: The Contributions of the Restatement of Copyright Law, 44 Columbia Journal of Law & the Arts 341 \(2021\).](#), and articles highly critical of it, see, e.g., [Shyamkrishna Balganeshe & Peter S. Menell, Restatements of Statutory Law: The Curious Case of the Restatement of Copyright, 44 Colum. J. L. & the Arts \(2021\).](#) The Restatement on Copyright will not be completed anytime soon.

p. 17 – Insert the following above “**Alternative Business Models**”:

A Taste for Authenticity. In some cases, purchasers of copies of works of authorship may affirmatively want “the original” – whether the original is a unique, handmade object like a painting, authenticated as having been executed by a particular painter, or an edition of multiple

copies that was specifically authorized by the author. For types of works for which there is a very strong taste for authenticity, unauthorized copies will have a market value that is a very small fraction of that of the original or of an authorized copy. In such markets, protection against forgery and false advertising is much more important than copyright law. *See, e.g.*, Amy Adler, *Why Art Does Not Need Copyright*, 86 *Geo. Wash. L. Rev.* 313, 330-341 (2018)).

p. 26 – Insert the following above the “Test Your Knowledge” box:

4. Copyright and Cultural Theory: Who Should Create Culture?

As human beings, we reflect and comment on our lives, and engage our aesthetic and critical faculties, by producing and consuming cultural objects and experiences – literature, music, drama, art, video games, software, and so on. How does and should that process of cultural creation happen, and who is and should be involved?

At one extreme are cultural experiences in which there is little division between producers and consumers. You could make your living as a steelworker or a physician, but in your spare time you could participate as an amateur musician in an improvisatory jam session, in which there is no division between performer and audience: the entire group is making music that each member is also enjoying. At the other extreme, cultural production could be accomplished by a small group of professionals who rely on that production for their livelihoods, and the rest of us could be passive audience members. A television production company located in one city could make shows that are stored and transmitted all over the world, and hundreds of millions of people could sit and watch those shows in their living rooms. In between those extremes, there are a wide variety of scales and combinations of professional and amateur, market and nonmarket, individual and cooperative creation. A painter may give her paintings to friends for free while also selling some paintings for display in local homes. A group of programmers might agree to cooperatively create software that they all could use and customize; they might later decide to make that software available to other programmers to develop further. Local a cappella groups might create and sing arrangements of songs composed by Stevie Wonder or Sara Bareilles. Fans of J.K. Rowling might write new stories featuring characters in the Harry Potter series.

Many technologies that spread during the twentieth century seemed to favor professional creation of culture and a sharper distinction between producer and audience. Sound recording technology and phonographs enabled centralized creation and decentralized enjoyment of prerecorded music. Motion pictures similarly enabled centralized creation and decentralized enjoyment of drama and other audiovisual productions. Broadcasting technologies – radio and television – enabled instant transmission of performances, spreading their range from a single room to hundreds of miles. Copyright law aided in the development of professional cultural production by protecting the results of those activities. Those who produced movies, sound recordings, books, TV shows, and the like gained ownership rights in them, and could sue those who made unauthorized copies or performances of them. And, one could argue, this had many salutary consequences. For example, previously only the wealthy could afford to buy tickets to see and hear the best performers in the world. After advances in recording and distribution

technologies, with works protected by copyright and often funded by advertising, virtually everyone could see and hear the best performers in the world.

More recent production and distribution technologies – chiefly, computer software of various kinds and the internet – have enabled the development of more decentralized, nonmarket, amateur production of culture. Video and audio software make it relatively easy to create new audiovisual works and sound recordings and particularly easy to incorporate, combine, and alter previously created audio and video, creating “remixes” or “mashups.” The concept of “user-generated content” rose to prominence in the mid-2000s, and in 2006 the Time Magazine Person of the Year was “You,” to mark the rise of broadly distributed amateur content, from America’s Funniest Home Videos to millions of creative works posted on YouTube. *See* Lev Grossman, “You – Yes, You – Are TIME’s Person of the Year,” Time, December 13, 2006. Similarly, the internet has greatly aided distribution of “fan fiction,” or “fanfic” – fiction written by amateurs that incorporates characters and settings from professionally published written works.

Some have argued that these developments have fostered a “remix culture” or “mashup culture” in which amateur participation has risen. *See, e.g.,* Lawrence Lessig, *Remix: Making Art and Commerce Thrive in the Hybrid Economy* (2008); Eduardo Navas, *Remix Theory: The Aesthetics of Sampling* (2012). (Professor Lessig also coined the term “read-only culture” to refer to a system of cultural production in which most people could only passively consume cultural products, and “read-write culture” to refer to a system in which people could more actively shape and reshape the cultural products that circulated in society.) Yochai Benkler has argued that this rise in nonmarket and nonproprietary cultural production, both by individuals and collaborative groups, “holds great practical promise: as a dimension of individual freedom; as a platform for better democratic participation; as a medium to foster a more critical and self-reflective culture; and, in an increasingly information-dependent global economy, as a mechanism to achieve improvements in human development everywhere.” Yochai Benkler, *The Wealth of Networks 2* (2006). William Fisher articulates a vision of a “semiotic democracy” in which “all persons would be able to participate in the process of meaning-making. Instead of being merely passive consumers of cultural artifacts produced by others, they would be producers, helping to shape the world of ideas and symbols in which they live.” William W. Fisher III, *Property and Contract on the Internet*, 73 *Chi.-Kent L. Rev.* 1203, 1237 (1998). Eric von Hippel expresses a similarly optimistic view of user innovation in *Democratizing Innovation* (2005).

Academics and cultural critics have argued that copyright law can both hinder and aid decentralized, nonmarket, amateur, collaborative cultural production. Companies that professionally produce books, movies, and sound recordings can try to use copyright law to stop others from incorporating excerpts from or elements of those works in remixes, fan fiction, and other user-generated content. *See, e.g.,* Rosemary Coombe, *Objects of Property and Subjects of Politics: Intellectual Property Law and Democratic Dialogue*, 69 *Texas L. Rev.* 1853 (1991); *cf.* Rochelle Cooper Dreyfuss, *Expressive Genericity: Trademarks as Language in the Pepsi Generation*, 65 *Notre Dame L. Rev.* 397 (1990). If protection of works – especially protection of characters and settings in those works – is expanded broadly, and if the fair use doctrine is interpreted narrowly, those companies will succeed in many of their attempts. For some commentators, that is not what copyright should do. Martin Skladany, for example, argues that

copyright law should “maximiz[e] the number of authors, rather than the number of works created, by encouraging citizens to consume less and create more.” Martin Skladany, *Copyright Versus The People: How Major Content Providers Are Destroying Creativity And How to Stop Them* 116 (2018).

Conversely, copyright licensing can be used to facilitate and organize collaboration and sharing, and to stop some efforts to propertize cultural creation. For example, Creative Commons, a nonprofit organization founded in 2001, has created many varieties of copyright licenses that enable easy sharing of content. As of January 2016, there were an estimated 1.1 billion works licensed under Creative Commons licenses. Open-source licenses of various kinds can facilitate the development of collaboratively created software by setting the conditions under which an addition to or alteration of a release of collaboratively created software will become incorporated into the next official release. And so-called “viral,” “recursive,” or “copyleft” licenses typically require those who add to or alter software to make their additions and alterations available to the public on the same terms that the software was previously licensed – a requirement that could not be enforced if the software were merely dedicated to the public domain.

It is clear that copyright law has the potential to influence the mix of culture that is produced by professionals or by amateurs; that is produced for economic gain or for other reasons; and to mediate the relationship between creator and audience. It is not clear what the optimal mix is, or whether copyright law can be neutral as to different mixes. Those are questions that we should all continue to consider. (Special thanks to Prof. Laura Heymann for her contributions to this essay; anything that is still wrong with it is ours.)

Chapter 2: *The Basic Hurdles of Copyright Protection*

B. Originality

2. Originality and Derivative Works

page 88 – Insert at the end of Note 9, above the “Language Tip” Box

A recent example of the application of these principles in the area of musical works is *We Shall Overcome Foundation v. The Richmond Organization, Inc.*, 2017 WL 3981311 (S.D.N.Y.). The case involved the copyright status of the famed African-American spiritual and protest song *We Shall Overcome*. Several precursors to the song exist in the public domain, including versions that date back more than a century. In 1960 a company called Ludlow Music filed a copyright registration application for a purported derivative version of the song. The application claimed changes in lyrics and melody (it also included 3 new verses for the song, which were

FOOD FOR THOUGHT

The *We Shall Overcome* opinion suggests that changes to a work that would be “standard fare” to “competent musicians” lack sufficient originality to sustain a derivative work copyright. Readers who are acquainted with the patent scheme may sense something familiar about this. It resembles the rule that “obvious” improvements over the previous state of technology are not worthy of a patent. However the patent system is based on a requirement of novelty rather than originality. Do you think this court has conflated the two ideas? If so, is that a good thing?

not at issue in the lawsuit). The changes to the lyrics involved, changing the phrase “we will overcome” to “we shall overcome,” and changing the phrase “down in my heart” to “deep in my heart”. The melodic changes involved some changes in two measures of the song, designed, in part, to make it easier to sing. The court found these changes too trivial to support the originality necessary for a copyrightable derivative work. As the court said, “the changes of ‘will’ to ‘shall’ and ‘down’ to ‘deep’ and the melodic differences in the opening measures and the seventh measure, do not create a distinguishable variation. These differences represent ‘variations of the piece that are standard fare in the music trade by any competent musician.’” The copyright claimants argued that they sought protection for the song to prevent others from using it in inappropriate or disrespectful ways, but the court was unmoved, noting that the “gap in the proof of originality cannot be filled by good intentions.” A few months after the decision the parties reached a settlement confirming the public domain status of the song. For a short story from the *New York Times* describing the litigation, the settlement, and the economic significance of the song, you can [click here](#).



C. “Work of Authorship” and the Enumerated Categories Thereof: Independent Limitations on Copyrightable Subject Matter?

p. 105 – Insert the following in place of Note 9 :

9. **Authorship: Humans Only, Animals and Machines Need Not Apply.** Even if Ms. Garcia’s performance was not a “work” as that term is understood under copyright law, there is little doubt that she “authored” it. It was her facial expressions, gestures, and body language that made the performance what it was (we would have included “her vocal intonation,” but that was edited out when her performance was dubbed). What happens, however, when a claim of authorship is made on behalf of an animal, or a computer? As of this writing, the Ninth Circuit has held that animals have no standing to sue for infringement under the Copyright Act, and the Copyright Office has rejected a claim of authorship by a computer. Thus, under U.S. law as it stands, authors have to be human beings.

The claim of animal authorship arose when a macaque monkey named Naruto pressed a camera's shutter release button while he was standing in front of the lens, making a "monkey selfie." David Slater, a British photographer who owned the camera used to make the photos, and who put it in the location where Naruto pressed the shutter button, had claimed ownership of copyright in the monkey selfies. The group People for the Ethical Treatment of Animals ("PETA") sued Slater on behalf of Naruto. In *Naruto v. Slater*, 888 F.3d 418 (9th Cir. 2018), the Ninth Circuit affirmed a judgment against Naruto and PETA. It held that unless a statute provides explicitly to the contrary, animals lack standing to raise federal statutory claims, including claims for copyright infringement. To bolster this reasoning, the court noted that several provisions of the Copyright Act refer to an author's widow or widower, provisions which suggest an intent to exclude animals from asserting rights under the statute because animals do not marry.

The claim of computer authorship arose when a gentleman named Steven Thaler, who has made something of a hobby of trying to get computers recognized as authors and inventors around the globe, applied to register a graphic art work, titled "A Recent Entrance to Paradise," with the U.S. Copyright Office. Thaler listed the author of the work as "Creativity Machine," and himself as claimant, as owner of the machine. The Copyright Office Review Board accepted Thaler's representation that "the work was autonomously created by artificial intelligence without any creative contribution from a human actor." [U.S. Copyright Office Review Board, Re: Second Request for Reconsideration for Refusal to Register A Recent Entrance to Paradise 2 \(Correspondence ID 1-3ZPC6C3; SR # 1-7100387071\)](#) (February 14, 2022). However, "[a]fter reviewing the statutory text, judicial precedent, and longstanding Copyright Office practice, the Board . . . conclude[d] that human authorship [was] a prerequisite to copyright protection in the United States and that the Work therefore [could not] be registered." *Id.* at 3.

GO ONLINE

Curious about what kind of illustration a "Creativity Machine" would create? [Click here](#) to see "A Recent Entrance to Paradise"

As we will explore in greater detail in Chapter 8, § 201(a) of the Copyright Act deems the author of a work to be the initial owner of copyright in a work. Is a monkey or a computer program in any position to assume ownership of a work, and make and implement decisions about how it should or should not be used or licensed? Perhaps seeking to avoid that problem, Steven Thaler argued that he was the constructive author and initial owner of "A Recent Entrance to Paradise" under the "work made for hire" provision of § 201(b) (which we will also explore in Chapter 8). However, for a work to be a "work made for hire," the actual creator of a work must have entered into an employment arrangement, or signed a written agreement deeming a work to be a specially commissioned work made for hire. *See* 17 U.S.C. § 101 ("work made for hire"). We don't believe that monkeys or computer programs have the capacity to enter into such arrangements or agreements. (Will an "artificial intelligence" someday have enough cognitive power, self-awareness, and self-determination that it will be recognized as a legal actor? Maybe, but that day is still far in

the future.) Thus, the Copyright Act’s ownership provisions are among those which make clear that the Act contemplates only human authors.

Chapter 3: *Fundamental Limitations on Copyright Protection*

C. Utility and Functionality

5. Application Programming Interfaces

p. 196 - Replace first full paragraph with the following:

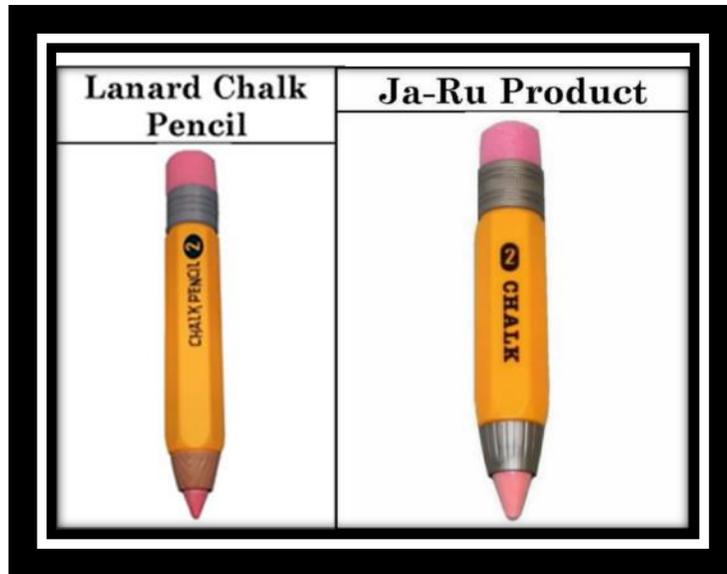
On remand, the case went to trial on the issue of whether Google had made fair use of the Oracle API. In May 2016, the jury entered a verdict in favor of Google. *See Oracle America, Inc. v. Google, Inc.*, No. C-10 03661, Docket No. 1982, Special Verdict Form (C.D. Cal. May 26, 2016). Oracle appealed to the Federal Circuit, which reversed the jury’s verdict, holding that Google’s use of portions of the Java API were not fair use. *See Oracle America, Inc. v. Google, LLC*, 886 F3d 1179 (Fed. Cir. 2018). The Supreme Court then agreed to review the Federal Circuit’s decisions both on the copyrightability of the Java API and on whether Google’s use of a portion of it was a fair use. In April 2021, it held that Google’s use of the Java API was a fair use. *See Google, LLC v. Oracle America, Inc.*, 141 S.Ct. 1183 (2021) (presented as a principal case below in Chapter 5). The Court decided not to address the issue of whether the “declaring code” of the Java API was copyrightable, a decision heavily criticized by Justice Thomas in dissent. *See id.* at 1211 (Thomas, J., dissenting).

6. Useful Articles

Page 218 – Insert the following new Note after Note (4):

4A. Early Lower Court Applications. Two recent court of appeals decisions that have had to apply *Star Athletica*—one dealing with a chalk holder and the other with a banana costume—may shed a bit more light on the Supreme Court’s test, though we fear not enough.

In *Lanard Toys Ltd. v. Dolgencorp LLC*, 958 F.3d 1337 (Fed. Cir. 2020) plaintiff Lanard sold a chalk holder in the shape of a conventional yellow No.2 pencil. It claimed protection for this device under all three branches of intellectual property law—it held a design patent, it claimed trade dress protection under the law of trademarks, and most relevant for this discussion, it held a copyright registration as well. When the defendants begin selling copycat versions of the chalk holder, plaintiff sued under multiple theories, including copyright infringement. Here are the products of the two parties as reproduced in the court’s opinion.



The plaintiff argued that the product was an exaggerated “cartoonish” pencil which could be imagined as a sculptural work, independent of its function as a chalk holder. However, the court noted that because the plaintiff sought copyright protection for the overall design of the entire object (for the “dimensions and shape of the useful article itself”), and not for some separable subpart (like the chevrons on the uniforms in *Star Athletica*), it could not prevail. The court cited as a second ground for its decision the fact that plaintiff was seeking protection for “any and all expressions” of a pencil-shaped chalk holder, and to go that far would be to protect an abstract idea, rather than expression.



The Third Circuit undertook a considerably more detailed analysis in *Silvertop Assoc., Inc. v. Kangaroo Mfg. Inc.*, 931 F.3d 215 (3d Cir. 2019) in determining that plaintiff held a valid copyright in a full body banana costume. In the illustration above, the plaintiff’s costume is on the left, and the defendant’s two costumes are in the center and on the right:

First, the court found that the costume did contain sculptural elements that were separable from the overall useful article. As it explained:

Those sculptural features include the banana’s combination of colors, lines, shape, and length. They do not include the cutout holes for the wearer’s arms, legs, and face; the holes’ dimensions; or the holes’ locations on the costume, because those features are utilitarian. Although more difficult to imagine separately from the costume’s “non-appearance related utility” (i.e., wearability) than many works, . . . one can still imagine the banana apart from the costume as an original sculpture. That sculpted banana, once split from the costume, is not intrinsically utilitarian and does not merely replicate the costume, so it may be copyrighted.

Second, the court rebuffed defendant’s claim that the depiction of a banana, even taken as a whole, lacked originality, because it concluded that this particular vision of a banana met the very low bar of creativity set by the case law. Along the way the court rejected defendant’s invitation to consider each element separately for both utility and originality, stressing that the focus must remain on the combination of all the elements taken as a whole.

Do you find these cases reconcilable? If the look of the costume was “separable” because it could be imagined without the arm and head holes, why wasn’t the look of the chalk holder similarly separable because it could be imagined separate from the hole from which the chalk protrudes? Do you think the depiction of the banana in the costume is more original than the depiction of the pencil embodied in the chalk holder? Regarding that last question, try searching for “banana costume” online to get a sense of the different appearance of such costumes.

Chapter 4: *Proving Infringement of the Reproduction Right*

B. Establishing That the Defendant Copied from Plaintiff’s Work

P. 255 – Insert the following after Note 4:

5. The “Inverse Relationship” or “Inverse Ratio” Rule Rejected by the Ninth Circuit. In *Price*, Judge Scheindlin states a rule of thumb that is often recited in copying-in-fact cases: the more substantial the evidence presented of access, the less evidence is needed of similarity, and vice versa. That rule has become known as the “inverse relationship” or “inverse ratio” rule. In *Skidmore v. Zeppelin*, 952 F.3d 1051 (2020), which involved a claim that the classic Led Zeppelin rock song “Stairway to Heaven” infringed a song called “Taurus,” the Ninth Circuit rejected that rule. Skidmore, the plaintiff, had requested a jury instruction regarding the inverse ratio rule. Presumably, there was strong evidence of Led Zeppelin’s access to “Taurus,” and Skidmore thought that such an instruction would increase the likelihood that jurors would find copying even if they concluded that there wasn’t a high degree of similarity between the two songs. The District Court refused to give the instruction, and the Ninth Circuit affirmed that refusal. The principal problem with the inverse ratio rule, according to the Ninth Circuit,

is that it suggests that liability may be imposed when there is complete evidence of access – we are sure that the defendant knew the plaintiff’s work, or the defendant admits it – and yet there are no similarities between the defendant’s work and the plaintiff’s work. *See id.* at 1068. That suggestion is erroneous, states the *Skidmore* court, because copyright infringement requires copying, and if there are no similarities between the two works, there has been no copying.

The *Skidmore* court is undoubtedly correct that, carried to such an extreme, the “inverse ratio” rule is wrong. Consider, however, two qualifications to the court’s rejection of the rule. First, some of the court’s concern stems from a worry that the jury – or the judge – will confuse the two separate issues of copying in fact and improper appropriation. If the finder of fact mixes those two issues, then the inverse ratio instruction may be taken to suggest that the more evidence of access there is, the lower the standard is for improper appropriation, so that minute similarities will suffice for a finding, not just that the defendant copied from the plaintiff’s work, but that those similarities rise to the (lowered) threshold for finding improper appropriation and hence infringement. That may be true, but the issue of confusion between copying in fact and improper appropriation is separate from the issue of the correct approach to determining copying in fact. Unfortunately, as the *Skidmore* court admits, the Ninth Circuit has contributed to the confusion between copying in fact and improper appropriation by using the term “substantial similarity” in both contexts. *Id.* at 1067; see also the discussion in the “Language Tip” box on pages 256-257 of the main volume of the casebook. It will always be useful to understand that similarities need to be considered once in the context of determining whether there has been copying in fact, and then again, but from a different perspective and with different rules, to determine if copying has risen to the level of improper appropriation.

Second, while it is true that the “inverse ratio” rule is wrong if taken to mean that copying in fact can be inferred from certain access but no similarity, is it necessarily wrong if taken to mean something more modest? After all, the rule, which is surely properly considered a rule of thumb rather than a mathematical formula, was likely created and most often applied, not in extreme cases where one type of evidence is extraordinarily strong and the other nonexistent, but in more common cases where there may be weak-to-moderate evidence of both types. The more modest meaning is limited to those more common cases, and might be elaborated in three statements. (1) When coming to a conclusion whether it is more likely than not that elements of defendant’s work were copied from plaintiff’s, a jury of judge should consider both evidence of access and evidence of similarities between the works. (2) Sometimes the evidence of access presented would not be sufficient by itself to sustain a finding of copying in fact, and neither would the evidence of similarities, and yet they could be sufficient when added together. (3) Sometimes relatively strong evidence of access can be sufficient when combined with relatively weak evidence of similarities, and vice versa. So limited, does the “inverse relationship” rule make sense? If so, is there some way of explaining it a jury that would be helpful, or is the danger of misunderstanding too great?

D. Introduction to the Modern Cases on Improper Appropriation in Non-Literal Infringement Cases

I. Whose Perspective Controls?

P. 276, Note 3 – The first sentence should read as follows:

In *Copeland*, Copeland [not Usher and The Bieb, as is mistakenly stated in the main volume] argued that substantial similarity should have been assessed from the perspective of “industry professionals” in the music business because that was Copeland’s original target audience for his demo.

Chapter 5: *Fair Use*

p. 303 – delete the last two sentences on the page and replace with:

In 1994, however, it fell silent, and did not decide another fair use case until 2021. Thus, it is possible to become familiar quite quickly with all of the Supreme Court cases that lower courts could look to for guidance for over 25 years, and we will do just that.

p. 304 – change “A. The Three Supreme Court Cases” to “A. The First Three Supreme Court Cases.”

p. 352 – Delete existing Note 3 and insert the following in its place:

3. **Fair Use and Parodies after *Acuff-Rose*.** Since the Supreme Court’s clarification of the proper fair use analysis in parody cases, parodists have been able to successfully invoke the fair use doctrine in a number of cases. Here are two examples:

- In *Leibovitz v. Paramount Pictures Corp.*, 137 F.3d 109 (2d Cir. 1998), the Second Circuit affirmed a fair use holding in favor of defendant Paramount Pictures, the producer of “Naked Gun 33 1/3: The Final Insult.” Paramount had created a publicity poster for its movie in the style of a well-known photograph of actress Demi Moore, taken by photographer Annie Leibovitz when Moore was eight months pregnant. The Leibovitz photo had been published on the cover of the August 1991 issue of Vanity Fair magazine.

Paramount had a pregnant model pose for its photograph in the same pose as Demi Moore under similar lighting, and then superimposed the head of actor Leslie Nielsen, star of the “Naked Gun” series. The Ninth Circuit found that the Paramount advertisement qualified as a parody:

[T]he ad . . . differs in a way that may reasonably be perceived as commenting, through ridicule, on what a viewer might reasonably think is the undue self-importance conveyed by the subject of the Leibovitz photograph. . . . Apart from ridiculing pretentiousness, the ad might also be reasonably perceived as interpreting the Leibovitz photograph to extol the beauty of the pregnant female body, and, rather unchivalrously, to express disagreement with this message.

. . . the parodic comment of the ad might reasonably be perceived as reenforced [sic] by the kidding comments of the movie concerning pregnancy and parenthood.

Finally, although the court found that Paramount had taken protectable expression from Leibovitz’s photograph, it seemed to be influenced by the fact that Leibovitz had photographed Moore in a pose that is so well known in classical art that it has its own name, “Venus Pudica.” Though Sandro Botticelli by no means originated that pose, he may have painted the most famous portrayal of it in “The Birth of Venus.” The Leibovitz court commented:

A photographer posing a well-known actress in a manner that calls to mind a well-known painting must expect, or at least tolerate, a parodist’s deflating ridicule.

Food for Thought 

The Vanity Fair cover photograph of Demi Moore triggered a parade of pregnant actresses, models, and singers appearing nude on magazine covers. Cindy Crawford posed for W Magazine; Claudia Schiffer for Vogue; Christina Aguilera for Marie Claire; Britney Spears for Harper’s Bazaar; Monica Belluci for the Italian edition of Vanity Fair; Nadia Largent for Femmes du Maroc. To see those covers, [click here](#). Unlike the Naked Gun poster, none of these covers appears to be parodies. Do you think any or all of them infringe Annie Leibovitz’s photograph?



Four Venus Pudicas:

Sandro Botticelli, “The Birth of Venus”; Annie Leibovitz, photograph of Demi Moore for the cover of the August 1991 issue of Vanity Fair; Paramount Pictures, poster for “Naked Gun 33 1/3 The Final Insult”; Photo illustration by Darrow, photographs by Danny Kim for the cover of the October 3, 2011 issue of New York Magazine

- In [Lombardo v. Dr. Seuss Enterprises, L.P.](#), 279 F.Supp.3d 497 (S.D.N.Y 2017), Lombardo’s work was a stage play that purportedly parodied *How the Grinch Stole Christmas* by Dr. Seuss. The play, called *Who’s Holiday*, featured a single performer playing the role of, as the court put it, “a rather down and out 45 year-old version of Cindy Lou Who,” a character who appeared in the original *Grinch* story as an innocent two-year old girl. The following from the court’s opinion gives the flavor of defendant’s work:

Throughout the Play, as she shares her history, Cindy-Lou drinks hard alcohol, abuses prescription pills, and smokes a substance she identifies as “Who Hash,” which she describes as just “like a prescription” which keeps her in check to avoid a “conniption.” She engages in this self-medication following her

realization that none of the guests she invited to her party is likely to attend, as they keep calling throughout the Play to cancel.

As Cindy-Lou recounts her initial encounter with the Grinch and his subsequent change of heart, paralleling the plot of the original *Grinch*, she incorporates age-inappropriate language and details that do not appear in the original work.

Lombardo sought a declaratory judgment that the play was non-infringing because it fell within the parameters of fair use. The court concluded that the work was indeed a parody because it

recontextualizes *Grinch's* easily-recognizable plot and rhyming style by placing Cindy-Lou Who—a symbol of childhood innocence and naiveté—in outlandish, profanity-laden, adult-themed scenarios involving topics such as poverty, teenage pregnancy, drug and alcohol abuse, prison culture, and murder. In so doing, the Play subverts the expectations of the Seussian genre, and lampoons the *Grinch* by making Cindy-Lou's naiveté, Who-Ville's endlessly-smiling, problem-free citizens, and Dr. Seuss' rhyming innocence, all appear ridiculous.

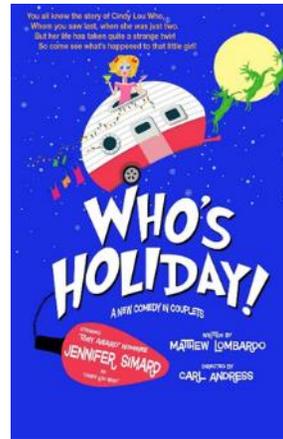
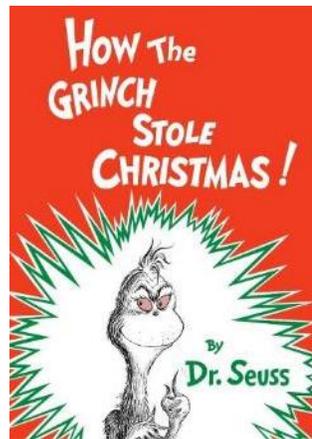
* * *

In the Play, Who-Ville is no longer a place where people can overcome adversity by smiling and singing together. Who-Ville is now a place where young women are impregnated by green beasts, families struggle to put food on the table, paparazzi run rabid, and citizens get high on “Who Hash” to escape problems of daily life.

As such, the court found the play to be transformative. Because of that assessment, the court discounted the commercial nature of the play, which might normally count against fair use. The court also found that the amount of material taken from *Grinch* was not excessive, given the parodic objectives of the play. Finally, regarding the effect of the parody on the market, the court noted that “there is virtually no possibility that consumers will go see the Play in lieu of reading *Grinch* or watching an authorized derivative work, such as the 2000 film *Dr. Seuss' How the Grinch Stole Christmas*.” Consequently the court granted a declaratory judgment of non-infringement in favor of Lombardo.

SEE IT

If you would like to see a short montage of clips from Who's Holiday, you can [click here](#). If you'd like to relive a slice of your childhood, or if you are reviewing these materials near the end of the fall semester, you can [click here](#) to get in the spirit of the season and watch an excerpt from *The Grinch Who Stole Christmas*.



Do you think the courts that decided these two cases were too generous in their application of the fair use doctrine?

B. Some Applications

p.368 – Insert the following after note 1 (carry-over paragraph)

IA. Use of Commercial Copy-Shop by Non-Profit Licensee. In the Princeton University Press case, the faculty members who instigated the copying did not have a license from the copyright owners. If they had made the copies themselves, they would have been guilty of prima facie infringement, and would have had to rely on a claim of fair use to defend any suit

GO ONLINE

Has Great Minds in fact altered its license in light of the Second Circuit's ruling? Not when we last checked. But you can check too, by examining the license for the Eureka Math Basic Curriculum, which forms one part of the Great Minds website's [terms of service](#).

against them. What if those faculty members, or their university, had a license to reproduce and distribute the material in non-profit educational contexts? Would it then be permissible for them to use the services of an outside for-profit copy shop to make the copies? That was the situation the court confronted in [Great Minds v. Fedex Office and Print Services, Inc.](#), 886 F.3d 91 (2nd Cir. 2018). The plaintiff in that case, Great Minds, is a non-profit organization that publishes, among other things, math textbooks under the name Eureka Math. Great Minds sells these books, but also makes PDF copies available on-line, free of charge, subject to a Creative

Commons license, a royalty-free non-exclusive license that among others things, forbids licensees from using the work for profit. (For a more extensive discussion of these licenses, see Note 5 on p. 685). When a number of school districts asked FedEx copy shops to make copies of the materials for use by their students, Great Minds sued. It argued that since FedEx was reproducing and sharing the materials, FedEx was subject to the limits of the license, which forbids copying for profit. The court said that this argument “fails to account for the mundane ubiquity of lawful agency relationships, in which ‘one person, to one degree or another . . . , acts as a representative of or otherwise acts on behalf of another person.’ ” It consequently concluded that the school districts could rely on non-employee agents – such as FedEx – to validly exercise rights under the

license. However, it commented that “Great Minds could, if it wished, draft a public license that specified whether, and under what circumstances, a licensee may rely on employees or non-employee agents in reproducing or otherwise engaging with the Materials. But Great Minds included no such specification in the license at issue here.” Would you expect Great Minds to redraft its license? Is there any reason for them to refrain from doing so?

The Great Minds court distinguished Princeton University Press with the following observation:

Unlike the defendants in Princeton and Basic Books, FedEx sold the school districts its copying services, not ready-made copies of the Materials themselves. Moreover, those cases concern the proper application of the “fair use” defense, which requires a court to consider the “purpose and character” of each defendant's use of the copyrighted materials, “including whether such use is of a commercial nature or is for nonprofit educational purposes.” For purposes of this appeal, however, FedEx has disclaimed reliance on the fair use defense, and, given our reliance on agency principles and the text of the License to reach our conclusion, we find these cases inapt.

Are you convinced? Would the Princeton case have come out the other way if the University had paid the copy shop, a University employee had picked up the course-packs, and then they were sold to students by the faculty members' secretaries?

p. 395 – Insert the following above note 8:

7A: A Video Search Engine Exceeds Fair Use Limits.

TVEyes runs a video search engine that is in many respects similar to Google Book Search. It records 1400 channels of video 24 hours a day. It makes that video text-searchable by recording and indexing the closed-caption text provided with the video, or by using speech-to-text software. Yet while Google Book Search only provides “snippets” – very short segments of text – when it does not have any agreement with the owner of copyright in a book, TVEyes provides 10 minute segments of video, for its approximately \$500 per month subscription fee. Those ten-minute clips are what made the difference for both the District Court and the Second Circuit, which held in [Fox News Network, LLC v. TVEyes, Inc., 883 F.3d 169 \(2018\)](#) that TVEyes' use of Fox News video did not qualify as a fair use. The Second Circuit found that TVEyes' use was only “somewhat transformative,” because while it provided search functionality, it presented the ten-minute clips “as is,” without alteration or comment. The for-profit service was also “commercial,” even though it required clients to promise that they would only use the clips for “internal purposes.” Given the brevity of the average news segment that TVEyes users seek, the 10-minute clips probably give them the entirety of what they want, weighing against fair use. Finally, the success of the TVEyes service shows that there is a market for searchable access to televised content, and TVEyes is thus undercutting Fox News's ability to license searchable access to content in which it owns copyright.

Do you agree with the distinctions that the Second Circuit drew between Google Book Search and the TVEyes service? Should the service be deemed “commercial” even when subscribers promised to make only “internal use” of the clips, presumably meaning that they

would not publicly perform or distribute copies of them? Does the \$500 per month subscription fee make the TVEyes market different from the market consisting of ordinary Fox News watchers, and should that make a difference to the fair use analysis? Compare *Cariou v. Prince*, discussed above in note 6, in which the Second Circuit seemed to hold that the large price difference between Patrick Cariou’s photographs and the Richard Prince paintings that incorporated them weighed in favor of Prince’s having made fair use. Are *TVEyes* and *Prince* in tension here?



From the TV Eyes Web Site Home Page

p. 396 – Replace “C. Interoperability and Reverse Engineering,” pp. 396-404, with the following

C. Fair Use and Computer Programs

In June 2021, after an absence of over 25 years, the Supreme Court returned to consider the doctrine of fair use in the context of computer programs and “application programming interfaces”:

Google LLC v. Oracle America, Inc.

United States Supreme Court, 2021
141 S.Ct. 1183

Justice BREYER delivered the opinion of the Court. * * *

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. 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.

FOOD FOR THOUGHT

Is the analogy between a software platform and a factory floor helpful? Note that there is one way in which it may be misleading. A toaster or a clothes dryer might be built with sophisticated machinery, but once it leaves the factory, it needs only electricity to work; it doesn't need any continuing connection or support. By contrast, the applications built with the help of Java SE can only run on computers running Java, and the applications built with the Android API can only run on devices running Android. Can you see how that could and did make Oracle's and Google's business models different than the business model of a traditional appliance manufacturer? The *Google v. Oracle America* Court added a diagram to explain software platforms in an Appendix to its opinion. You can see the Appendix and the diagram by [clicking here](#).

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 (N.D. 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.

* * *

The record indicates that roughly 100 Google engineers worked for more than three years to create Google's Android platform software. *Id.*, at 45, 117, 212. 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. *Id.*, at 197–198. 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). See *Oracle*, 872 F.Supp.2d at 979–980. 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.

GO ONLINE

In another appendix to its opinion, the *Google v. Oracle America* Court presented a diagram of the Sun Java API. You can see that diagram by [clicking here](#). The entire API specification for Java Standard Edition 16 is available [here](#).

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. See *id.*, at 979–980. 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. . . . The developers of Java, for example, decided to place a method called "draw image" inside of a class called "graphics."

* * *

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.

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. App. 212. 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. *Id.*, at 106–107. 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. [After the first trial, the District Court held that the declaring code and organizational structure of the Sun Java API was not copyrightable, because it was a “system or method of operation” within the meaning of 17 U.S.C. § 102(b). On appeal, the Federal Circuit reversed, holding that both the API’s declaring code and its structure were copyrightable. It remanded for another trial on Google’s affirmative defense of fair use. After that trial, a jury found that Google’s use of the Sun Java API was a fair use. On appeal, the Federal Circuit again reversed, holding that Google’s use was not a fair use. The Supreme Court granted Google’s petition for certiorari on both the copyrightability and fair use issues.]

III

* * * *

B

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

* * * [I]n our view, 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. . . .

* * *

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

[The Court held that the question of whether a use is a “fair use” is a mixed question of fact and law. Although reviewing courts should appropriately defer to the jury’s findings of underlying facts, the ultimate question of whether those facts showed a “fair use” is a legal question for judges to decide *de novo*. It also held that judges’ *de novo* review of a jury’s decision on fair use did not violate the Seventh Amendment.]

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, 25 L.Ed. 841 (1880)).

* * *

[T]he 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. See *post*, at 1215 (“Declaring code ... 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”). 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, 114 S.Ct. 1164. 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, 114 S.Ct. 1164. Commentators have put the matter more broadly, asking whether the copier’s use “fulfill[s] the objective of copyright law to stimulate creativity for public illumination.” Leval 1111. 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, 114 S.Ct. 1164. 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, 114 S.Ct. 1164.

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. Cf. *Feist*, 499 U.S., at 349–350, 111 S.Ct. 1282 (“The primary objective of copyright is not to reward the labor of authors, but [t]o promote the Progress of Science and useful Arts” (quoting U. S. Const., Art. I, § 8, cl. 8)).

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. App. 169–170. 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. *Id.*, at 139–140. 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. App. 125 (“We have to agree on the APIs so that the application I write to show a movie runs on your device”). 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. *Id.*, at 115, 155, 663. It heard that Sun itself had used pre-existing interfaces in creating Java. *Id.*, at 664. 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. *Id.*, at 130–133.

* * * *

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.

[The Court notes that courts have also considered commerciality and good faith as part of the first factor inquiry. As for commerciality, the Court notes that many fair uses, such as news reporting, are also often commercial, and also that commerciality will be less important when a use is transformative. As for good faith, it suggests that skepticism about the role of that consideration is justifiable, but holds only that alleged bad faith is not determinative in this instance given the weight of other factors.]

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. . . .

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. *Supra*, at 1203 – 1204; see *Campbell*, 510 U.S., at 586–587, 114 S.Ct. 1164 (explaining that the factor three “enquiry will harken back to the first of the statutory factors, for ... the extent of permissible copying varies with the purpose and character of the use”).

* * *

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, 114 S.Ct. 1164. 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, 114 S.Ct. 1164. Yet this kind of harm, even if directly translated into foregone dollars, is not “cognizable under the Copyright Act.” *Id.*, at 592, 114 S.Ct. 1164.

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)? Cf. *MCA, INC. v. Wilson*, 677 F.2d 180, 183 (C.A.2 1981) (calling for a balancing of public benefits and losses to copyright owner under this factor).

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.

* * *

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.” *Id.*, at 237. As to the specific devices that used Sun-created software, the jury heard that one of these phones lacked a touchscreen, *id.*, at 359–360, while another did not have a QWERTY keyboard, *id.*, at 672. For other mobile devices, the evidence showed that simpler products, like the Kindle, used Java software, *id.*, at 396, while more advanced technology, like the Kindle Fire, were built on the Android operating system, *id.*, at 206. This record evidence demonstrates that, rather than just

“repurposing [Sun’s] code from larger computers to smaller computers,” *post*, at 16, 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.” App. 256; see also *id.*, at 172–174. 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. *Id.*, at 131–133; see also *id.*, at 153 (“Once an API starts getting reimplemented, you know it has succeeded”). 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).

Oracle 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. App. 245; 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. See *Lotus Development Corp.*, 49 F.3d at 821 (BOUDIN, J., concurring).

The record here is filled with evidence that this factor accounts for Google’s desire to use the Sun Java API. See, e.g., App. 169–170, 213–214. 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, 114 S.Ct. 1164 (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. See *Connectix Corp.*, 203 F.3d at 607; see also *Sega Enterprises*, 977 F.2d at 1523–1524 (“An attempt to monopolize the market by making it impossible for others to compete runs counter to the statutory purpose of promoting creative expression”); *Lexmark Int’l*, 387 F.3d at 544 (noting that where a subsequent user copied a computer program to foster functionality, it was not exploiting the programs “commercial value as a copyrighted work” (emphasis in original)). After all, “copyright supplies the economic incentive to [both] create and disseminate ideas,” *Harper & Row*, 471 U.S., at 558, 105 S.Ct. 2218, and the reimplementing 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 interface, 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 reversed, and the case is remanded for further proceedings in conformity with this opinion.

It is so ordered.

Justice BARRETT took no part in the consideration or decision of this case.

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.

* * * *

II

The Court wrongly sidesteps the principal question that we were asked to answer: Is declaring code protected by copyright? I would hold that it is.

Computer code occupies a unique space in intellectual property. Copyright law generally protects works of authorship. Patent law generally protects inventions or discoveries. A library of code straddles these two categories. It is highly functional like an invention; yet as a writing, it is also a work of authorship. Faced with something that could fit in either space, Congress chose copyright, and it included declaring code in that protection.

[Justice Thomas concludes that declaring code is an original work of authorship that is not excluded as a "method of operation," nor by the merger doctrine.]

III

* * *

Congress has established four statutory fair-use factors for courts to weigh.⁴ Three decisively favor Oracle. And even assuming that the remaining factor favors Google, that factor, without more, cannot legally establish fair use in this context.

* * *

A. The Nature of the Copyrighted Work

* * * *

. 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*, at 1202 – 1203. Developers cannot even see implementing code. *Oracle Am., Inc. v. Google Inc.*, 2016 WL 3181206, *4 (ND Cal., June 8,

2016); see also *ante*, at 1201 – 1202 (declaring code is “user-centered”). 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*, at 1201 – 1203. Is anything not? Books are inherently bound with uncopyrightable ideas—the use of chapters, having a plot, or including dialogue or footnotes.

* * * *

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.

* * *

B. Market Effects

* * * *

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.

* * * *

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. . . . 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. *Ante*, at 1206 – 1207. 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, 114 S.Ct. 1164, 127 L.Ed.2d 500 (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.

* * * *

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);

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, 114 S.Ct. 1164. 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 acknowledges that Google used the copied declaring code “for the same reason” Oracle did. *Ante*, at 1203. 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.” *Ibid*; accord, *ante*, at 1203 (Google’s copying “can further the development of computer programs”).

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 pirate the next version of Microsoft Word simply because he can use it to create new manuscripts.

* * * *

D. The Amount and Substantiality of the Portion Used

* * *

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, 105 S.Ct. 2218. 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. *Campbell*, 510 U.S., at 586, 114 S.Ct. 1164 (recognizing that this fourth factor “will harken back to the [purpose-and-character] statutory facto[r]”). 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, Tr. of Oral Arg. 57—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, 114 S.Ct. 1164. 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.

Notes

1. **What’s the Holding?** The first function of the Supreme Court, like that of any court, is to resolve the dispute before it so that the parties can go about their affairs. However, the Supreme Court usually goes beyond that and, in resolving cases, lays down general principles. In fact, that is one of the arguments the *Google v. Oracle America* Court makes in favor of treating fair use as a mixed question of law and fact – in deciding fair use cases, courts create fair use law. What do you take away from this case? If there is a general principle, is it limited to computer programs? Or to all functional works (such as potentially copyrightable architectural plans, or business forms)? Do you think this captures it: “Copying that facilitates third party development of new works is a transformative use that is protected under the fair use doctrine?” Or perhaps a narrower holding limited to the computer field such as: “Copying that facilitates interoperability of software on different platforms is presumptive fair use?” Or perhaps something even narrower such as: “Copying of ‘declaring’ code that enables the use of a popular API familiar to millions of programmers is presumptive fair use?”
2. **Who created the value?** There is no doubt that the Java declaring code is valuable to Google in large part because so many programmers have learned it. What should that mean for fair use analysis? For Justice Breyer, it weighs in favor of fair use, because, he asserts, the declaring code’s “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 not the time, effort, or creativity that Oracle invested in creating the code. For Justice Thomas, that is nonsense: “Oracle spent years developing a programming library that successfully attracted software developers, thus enhancing the value of Oracle’s products.” Who do you think has the better of this argument? Is it an argument about whether Oracle deserves a reward, or whether copyright was needed to incentivize creation? If it is about

incentives, is Justice Breyer arguing that different declaring code would have ended up being learned by just as many programmers? Is that an easy argument to make?

3. **Implementing programs: more or less creative than declaring code?** Justice Breyer argues that writing the implementing programs that actually execute tasks involves more creativity than writing declaring code. In support of that argument, he cites evidence that in writing such implementing programs, the programmer must balance considerations like speed, use of memory, and use of power. Can you imagine how, in another context, Breyer might argue that those considerations are “functional” rather than matters of “creativity”? Suppose that a particular task, such as the task of determining which of two numbers is larger, could be executed by many different implementing programs. Suppose further, however, that there was one implementing program that was proven to be the fastest, while also using the least memory and the least power. Lastly, suppose that a programmer copied that superlative implementing program, and the creator of the program sued for copyright infringement. Might Justice Breyer (and others) conclude that the program could be protected, if at all, under patent law, and that a functionality defense could be raised against the copyright infringement claim?

By contrast, Justice Thomas argues that it is the declaring code that involves more creativity, because it actually “conveys expression” to developers, whereas the implementing code works entirely behind the scenes, and is not perceptible. That approach follows a long tradition of privileging perceptible expression as being at the core of copyright. For example, when Justice Holmes speaks of originality as involving “the personal reaction of an individual upon nature” in *Bleistein v. Davidson Lithographing Company* (casebook p.53), he is undoubtedly thinking of a visible portrayal of some object in the world. Which approach to the creativity issue do you find more convincing? Whichever approach you find more convincing, does this breathe life back into factor two, which Judge Leval all but declared dead in *Authors Guild v. Google*?

4. **The declaring code and language.** When Oracle sued Google, it drew a distinction between Java as a language, in which it did not claim copyright, and the declaring code of the Java API, in which it did claim copyright. From the point of view of how the language and the declaring code are learned and used, however, is there any difference? In both cases, aren't programmers learning what reusable terms mean, and how to put them together to accomplish various tasks? No one has ever successfully claimed copyright protection in a language, even one that was created artificially, like Esperanto. Arguably, a language is not a “work of authorship” because it is not meant to be presented as a whole, but is rather meant to provide the building blocks for many different wholes. Moreover, a copyright in a language would presumably give the creator rights in any substantial expression created in that language, which would give that copyright vast breadth. And because learning a language takes time, people who have learned that language will find it difficult to switch. Justice Thomas argues that the Java declaring code is just like the script for a Broadway musical: it “needs actors and singers to invest time learning and rehearsing it,” but even though “copying the script is more efficient than requiring the actors to learn a new one,” we wouldn't say that unauthorized copying of the script is fair use. What do you think of Justice Thomas's analogy? Is memorizing a script like more like learning reusable declaring code, or like learning a particular implementing

program? If the Court is really concerned about copyright in a language, should it have addressed the issue of copyrightability directly, or is it fine just to weigh it in a fair use analysis?

GO ONLINE

By one estimate, learning lines for a play takes “for beginners, 6-8 weeks; for average actors, 4-6 weeks; for professional actors, 2-4 weeks.” By comparison, “[o]n average, becoming a confident Java programmer takes about 1-2 years, considering you spend 2-3 hours per day practicing coding.” Does the difference between those two put Justice Thomas’s comparison in a new light? In terms of gauging the comparative economic impact of copyright protection, note also that while the Court states that about 6 million programmers have learned Java, the Bureau of Labor Statistics estimates that as of May 2020, there were about 44,460 professional actors in the United States.

5. **Transformativeness – even broader?** When the Supreme Court first drew on the concept of “transformativeness” in the 1994 case of *Campbell v. Acuff-Rose Music, Inc.* (casebook p. 338), it focused on uses that “alter[ed] the [work used] with new expression, meaning, or message.” 2 Live Crew’s parody of Roy Orbison’s “Oh Pretty Woman” was “transformative” because it commented on the latter by changing it and adding new lyrics and new musical elements. When Judge Pierre Leval, originator of the term, applied it in the 2015 case of (casebook p. 377), *Author’s Guild v. Google*, he did not require “new expression,” because Google’s project contributed none: Google was copying entire books verbatim. Rather, opined Judge Leval, Google’s project was transformative because it provided otherwise unavailable information about the works copied, namely, whether or not those works contained certain terms or strings of terms. That information did not overlap with those works’ expressive content enough to infringe that content. In *Oracle America*, the Court suggests that Google’s use of Java declaring code is “transformative” because it “seeks to create new products,” namely, smartphones, devices for which Java as a whole may not have been particularly well suited. Does that broaden the concept of “transformativeness” further, and is that broadening defensible? Justice Thomas argues that “Google used the declaring code for the same exact purpose as Oracle did” – to allow programmers to accomplish particular tasks with terms that were memorable individually and as groups. Do you agree?
6. **Those pesky partial-work licensing markets.** On the Court’s view – deferring to the jury on findings of fact – Google’s use of part of the Java declaring code in Android did not affect the market for and value of Java SE, because the market for Java SE had little overlap with the market for Android. While Android was designed for smartphones and other sophisticated mobile devices like the Kindle Fire, Java SE worked better with desktops, laptops, and simple mobile devices like “feature phones” and the original Kindle. However, factor four concerns not just actual markets, but “potential markets,” and does not exclude licensing markets. Thus, how should we treat Oracle’s claim that loss of revenues from licensing Java declaring code should be taken into account in factor four? Recall that both *Princeton University Press v. Michigan Document Services* (casebook p. 356) and *Authors Guild v. Google* (casebook p. 377) dealt with claims of lost licensing revenue from uses of parts of the plaintiffs’ works. How did those courts approach those claims? *Princeton University Press*, following an earlier case, asked whether the licensing market in question was a “traditional, reasonable, or likely to be developed market.” How do the *Google v. Oracle America* facts measure up against that standard?

The *Authors Guild v. Google* court concludes that use of the “snippets” furnished as search results in a Google Book Search would normally not affect the market for the original books, and if it did, would most often affect the market for uncopyrightable contents of those books, such as facts. How would application of that approach work out here?

7. **Should benefit to the public be weighed under factor four?** In previous fair use jurisprudence, the benefit of a use to the public has been considered principally, and perhaps exclusively, under the first factor, “the purpose and character of the use.” In *Sony v. Universal City Studios* (casebook p. 304), for example, the Court concludes that “timeshifting [for private home use] enables a viewer to see such a work which he had been invited to witness in its entirety free of charge,” and therefore promotes “access to ideas.” In *Campbell v. Acuff-Rose Music* (casebook p. 338), the Court considers the benefits to the public of transformative works under factor one: they further “the goal of copyright, to promote science and the arts,” by exposing the public to some “new expression, meaning, or message.” By contrast, in *Google v. Oracle America*, the Court states that “the public benefits the copying will likely produce” should be weighed under factor four, the effect of copying on the market for or value of the copyrighted work. Does it significantly muddy fair use analysis to import a public benefit analysis into factor four? Notice that the only precedent Justice Breyer can cite in support of this move is a 40-year-old Second Circuit opinion that predates all Supreme Court fair use precedent. Now that we have Supreme Court precedent, however, watch for “public benefit” to appear in future factor four analyses.
8. **Fair Use and “Interoperability.”** In connection with its analysis of factor four and the danger of “lock-in,” the *Google v. Oracle America* Court cites *Sega Enterprises Ltd. v. Accolade, Inc.*, 977 F.2d 1510 (9th Cir. 1992). In *Sega Enterprises*, Accolade wanted to produce game cartridges that would run on Sega’s Genesis console. To do so, it copied computer code in the Genesis console, for the purpose of studying how game cartridges communicated with the console. Accolade then used that knowledge to create game cartridges that were compatible with the Genesis console, because they generated and responded to commands that were used in that console. The Ninth Circuit held that Accolade’s copying of Sega’s code was fair use, because its purpose was study the uncopyrightable functional requirements for compatibility. In *Sony Computer Entertainment, Inc. v. Connectix Corp.*, 203 F.3d 596 (9th Cir. 2001), another case cited by the *Google v. Oracle America* Court, Connectix wanted to build “emulation software” that enabled games originally designed for the Sony PlayStation to be played on Apple computers. Connectix similarly made copies of Sony PlayStation code in order to understand how to translate PlayStation commands into commands that could be used and understood by the Apple operating system. Again the Ninth Circuit held that such copying was a fair use.

The *Sega Enterprises* and *Connectix* courts undoubtedly viewed the actions of Accolade and Connectix as avoiding a kind of “lock-in.” Sega would likely have required owners of its Genesis console to buy only game cartridges made or licensed by Sega. Sony would have likely required owners of its games to be able to play them only on PlayStations. Accolade and Connectix circumvented such “tying” by discovering the commands used by Genesis and PlayStation

consoles and incorporating them into independently-produced game cartridges (Accolade) and software that enabled play on independently-produced devices (Connectix).

How does the “lock-in” at issue in *Sega Enterprises* and *Connectix* compare with that described by the *Google v. Oracle America* Court? Was Google incorporating Java API declaring code into Android so that existing Java programs could be run on devices using Android? (That would be similar to *Connectix*.) Or so that programs developed with Android in mind would also run on existing Java devices? (That would be similar to *Sega Enterprises*.) Or is *Google v. Oracle America* referring to “lock-in” in quite a different context, referring not to existing devices or programs owned by consumers, but to programmers and their skills?

Page 404: Insert above the “Test Your Knowledge” Box:

D. Fair Use and Transformativeness before the Supreme Court

The Supreme Court has granted certiorari in *Andy Warhol Foundation for the Visual Arts, Inc. v. Goldsmith*, on a “Question Presented” that focuses on the meaning of “transformative” in fair use jurisprudence:

Whether a work of art is “transformative” when it conveys a different meaning or message from its source material (as this Court, the Ninth Circuit, and other courts of appeals have held), or whether a court is forbidden from considering the meaning of the accused work where it “recognizably deriv[es] from” its source material (as the Second Circuit has held).

. Because the Court will be focusing on the meaning of “transformative,” we have reproduced only that portion of the Second Circuit’s opinion which discusses the issue of “transformativeness” (along with its recitation of the facts). The Court will hear (or depending upon when you are reading this, has heard) oral argument on October 12, 2022. How should it rule?

Andy Warhol Foundation for the Visual Arts, Inc. v. Goldsmith

Second Circuit, 202111 F.4th 26

Gerard E. Lynch, Circuit Judge:

* * * *

[Lynn] 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. * * *

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.” *Cariou 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

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 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].” *Id.* at 1557. 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.

* * * 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 [her photo agency] 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.” The Prince Series comprises fourteen silkscreen prints (twelve on canvas, two on paper) and two pencil illustrations, and includes the following images:



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. * * * This appeal followed.

DISCUSSION

* * * *

[T]he Supreme Court has explained that courts must “apply [fair use] in light of the sometimes conflicting aims of copyright law” and 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.

With those competing goals in mind, we 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. . . .

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,” * * * We evaluate whether a work is transformative by examining how it may “reasonably be perceived.” *Cariou [v. Prince]*, 714 F.3d at 707, quoting *Campbell*, 510 U.S. at 582, 114 S.Ct. 1164 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. . . .

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. * * * . . .

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. *See, e.g., Google*, 141 S. Ct. at 1196-97; *Campbell*, 510 U.S. at 577-78, 114 S.Ct. 1164; *Cariou*, 714 F.3d at 705. 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 communicative 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. . . .

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, 114 S.Ct. 1164, 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. * * *

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

SEE IT

We mentioned *Cariou v. Prince* in note 6 on page 393 of the main volume. The “Prince” who was the defendant in this case is an artist named Richard Prince, who is no relation to the late musician Prince Rogers Nelson, whose portrait is at issue in the instant case of *Andy Warhol Foundation v. Goldsmith*.

Click here to see *Canal Zone* (2007) and *Graduation*, as well as the work that *Graduation* was copying, and another example of a *Cariou* source work and a Prince use. What do you think? Can you see why the court drew the distinction it did? Does it fit the principles and the rules that the Second Circuit is articulating in its opinion in *Goldsmith*?

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. . . . 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. *Google*, 141 S. Ct. at 1204. 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). [The court discusses three previous Second Circuit cases about fair use of works of visual art: *Blanch v. Koons*; *Rogers v. Koons*, 960 F.2d 301 (2d Cir. 1992), and *Prince v. Cariou*.]

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.

FOOD FOR THOUGHT

The court seems to suggest that a work is more likely to be transformative if the author uses multiple sources rather than relying on just one. Does this mean that fair use is more likely if you infringe multiple copyrights at the same time? If the answer is paradoxically “yes,” it is related to the issue of how much the defendant’s work substitutes for the plaintiff’s work or works under the fourth factor in § 107?

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 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. 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.” Appellants’ Br. at 40. 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. *Cariou*, 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 *Cariou*, *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.

GO ONLINE

The reference here is to a 1920 novel about two sisters living in England in the period before World War I, and two local men with whom they become romantically involved. The movie version dates from 1969 and secured a Best Actress Oscar for Glenda Jackson and a nomination for Russell in the Best Director category. Numerous clips from the movie are available on YouTube. If you’d like to enjoy a scene of Glenda Jackson dancing with cattle, you can [click here](#).

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, but also in the narrow but essential sense that they are portraits of the same person. . . . 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.

* * * *

Questions and Comments

- 1. Transformation as Use for a Different Purpose vs. Physical Transformation.** The Second Circuit has arguably developed a “two-step” test for transformativeness. First, it asks if the alleged infringer is using their work for a different purpose than the purpose the original author was pursuing. If so, the degree of physical transformation need only be modest, or perhaps even zero, for fair use to apply. That explains the results in *Dorling Kindersley* (where the defendants copied entire Grateful Dead posters, but to document history rather than to advertise concerts), and in *HathiTrust* and *Authors Guild v. Google* (where the defendants copied entire books, but to allow full-text searching, text corpus research, and text-to-speech conversion for the visually impaired, not to present the original text in full). However, if the purposes of the two works are the same, the degree of physical transformation must be significant. In *Goldsmith*, the Second Circuit holds that the purposes of Warhol's and Goldsmith's works are the same – they are both essentially works of visual art, and portraits. Therefore, Warhol's works needed to meet higher standards of physical transformation, which they did not. Do you agree? Can you articulate what “purpose” means in this context? Does that meaning prevent us from saying that Goldsmith's “purpose” was to display Prince as vulnerable, whereas Warhol's different “purpose” was to display him as self-confident and iconic?
- 2. Can Fair Use Avoid an Inquiry Into “Intent and Meaning”?** According to the Second Circuit, judges “should not assume the role of art critic and seek to ascertain the intent behind or meaning of the works at issue,” because “judges are typically unsuited to make aesthetic judgments and because such perceptions are inherently subjective.” Is that possible, and consistent with precedent? Recall that in *Campbell v. Acuff-Rose*, the Supreme Court held that 2 Live Crew's “Pretty Woman” was transformative with respect to Roy Orbison's “Oh Pretty Woman” because it could “reasonably be perceived” as a parody. *Campbell*, 510 U.S. at 583 The lyrics of the 2 Live Crew version could “be taken as a comment on the naiveté 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.” *Id.* at 584. Doesn't that require an inquiry into the meaning of both works – or at least one of possibly several meanings that can reasonably be perceived? On the other hand Justice Holmes did tell us in the circus poster case (*Bleistein*, at page 53 of the main volume) that “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.” Is the Second Circuit in *Goldsmith* just being faithful to that cautionary observation, or does the difference in context suggest that Holmes' aphorism ought not to govern in assessing fair use?

3. A “Reasonably Perceived to Communicate a New Message or Meaning” Standard? In the Supreme Court, petitioner Andy Warhol Foundation argues that a work should count as transformative if it can “reasonably be perceived as conveying a new meaning or message” as compared to its source material. *Andy Warhol Foundation v. Goldsmith*, No. 21-869, Brief for Petitioner at 33-37. Should *Campbell v. Acuff-Rose* be construed that broadly? Recall that *Campbell* concerns a work that the Court found could “reasonably be perceived” as criticizing the work from which it drew, by parodying it. Are there reasons why we would want to protect criticism of an earlier work more than a non-critical “new meaning or message,” and why we would see it as less likely to be a substitute? To put the “new meaning or message” approach to your own test, check out this web site entitled [15 Movie Adaptations COMPLETELY Different from The Books](#). Do you think any of the movies would be considered fair use of the books upon which they were based? If you were arguing for the AWF in the Supreme Court and Justice Kagan asked you that question, what would you say?

4. The original “Goldsmith Photograph.” As presented in the declaratory judgement complaint, the original Goldsmith Photograph is in color and shows much more of Prince than the cropped, black-and-white version presented in the Second Circuit’s published opinion. The conversion to black-and-white may be due to the limitations of printing the Federal Reporter, but should the Second Circuit have printed the full Goldsmith Photograph, rather than a cropped version?



5. The District Court’s assessment of changed meaning and intent. As the Second Circuit relates, the District Court found that Warhol’s 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.” Can you see why the District Court might have come to that conclusion? Why might Prince look “uncomfortable” and “vulnerable” in the Goldsmith Photograph? Hands in pockets, a position of timidity? Anything else? The works differ in one other detail that is subtle, but likely contributes greatly to their different “feel.” Goldsmith’s camera was placed above Prince’s eye level, and we believe above the top of his head, so that Prince is looking slightly up towards something larger than him – a position of vulnerability. That is reflected in the tilt of a line that could be drawn between Prince’s pupils – it would angle down to the right side of the photograph. Warhol changes that. In Warhol’s version, the eye pupils are exactly horizontal, suggesting a camera that is at eye level. Prince is not looking up at the camera, but is directly confronting it at his own level. To achieve that effect,

Warhol rotated the Goldsmith Photograph about five degrees to the left (See the comparison below). The eye-level gaze arguably affects how we view Prince – as less vulnerable, and more assertive. Should we take that into account at all in gauging “transformativeness” for the first fair use factor?



6. **Photography and Creativity.** At one point the Second Circuit says “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, but also in the narrow but essential sense that they are portraits of the same person.” Perhaps this is a good example of how we can’t always take judicial language literally. Prince’s appearance is not a protectable aspect of Goldsmith’s photo. Before we reach fair use there has to be appropriation of protectable material. It is only transformations of *that* material that should be considered in thinking about fair use. So what was original about Goldsmith’s photograph? Recall that in *Mannion v. Coors*, on p. 65 of the main volume, the court separates the possible creative acts of photographers into three groups: rendition, timing, and creation of the subject. According to the Second Circuit, what creative acts can be identified in the history of creating the Goldsmith Photograph? Which of those remain recognizable in the Prince Series?
7. **Has Transformative Use Become Everything and Nothing?** Scholar Jiarui Liu studied all fair use decisions mentioning transformative use from 1990 through 2016. See Jiarui Liu, *An Empirical Study of Transformative Use in Copyright Law*, 22 *Stan. Tech. L. Rev.* 163 (2019). Over that time period, 94% of decisions that found transformative use also found fair use, while 94% of decisions that ruled against transformative use also ruled against fair use. *Id.* at 180. Given that correlation, it is not surprising that transformative use also heavily affects each factor: “transformative use dominates the outcomes of factor one and four, raises the extent of copying allowed under factor three, and diminishes the weight that courts allocate to factor two.” *Id.* at 181. Yet Liu concludes that while “many judges have an apparent consensus that only transformative use can rescue fair use, they hardly have any consensus on what transformative use actually means.” *Id.* at 204. Now that the Supreme Court has granted review in *Andy Warhol Foundation v. Goldsmith*, will it use the opportunity to clarify transformative use? We can only hope.

Chapter 6: *Alternative Enforcement and Protection Strategies: Secondary Liability, Self-Help, Levies*

E. Shielding and Recruiting New Gatekeepers: The Treatment of Online Service Providers in Section 512

p. 449: Replace note 6 with the following:

6. **Inducement and Other Forms of Indirect Liability Under State Law.** *Grokster* and other cases have established that there can be indirect liability for federal copyright infringement, under theories of contributory infringement, inducement, and vicarious liability. However, what if a plaintiff is suing under state law, regarding infringement of a work that is not protected under federal law? Before the passage of the Music Modernization Act in 2018, this question most often arose in the context of sound recordings fixed before February 15, 1972, which were not protected by federal law. In an earlier decision in the LimeWire litigation, *Arista Records LLC v. Lime Group LLC*, 715 F.Supp. 2d 481, 519–520 (S.D.N.Y. 2010), the court held that theories of indirect liability were available under state law. It noted that the *Grokster* Court drew on the common law of torts in establishing federal inducement liability, and concluded that state law (in this case, the law of New York) established inducement liability on the same terms. The Music Modernization Act, discussed in detail below in the versions of Chapters 12.E. and 12.F. in this Supplement, will now preempt state law as to activities concerning pre-1972 sound recordings that take place after its effective date (October 11, 2018). Thus, the issue of indirect infringement liability under state law will soon no longer arise in the context of pre-1972 sound recordings. The remaining area in which it could arise – unfixed works – is unlikely to generate litigation.

p. 464: Replace note 3 with the following:

3. **How to Violate the Requirement to Terminate Repeat Infringers.** In *BMG Rights Management (US) LLC v. Cox Communications, Inc.*, 881 F.3d 293 (4th Cir. 2018), the Fourth Circuit upheld the Eastern District of Virginia grant of partial summary judgment to BMG, ruling that Cox Communications was not entitled to a § 512 safe-harbor defense because it had not reasonably implemented a policy of terminating service to repeat infringers. Cox’s policy for dealing with repeat infringers was weak in a remarkable number of ways. Cox only considered terminating a subscriber if it had received 14 takedown notices concerning that subscriber within a six-month period. Cox would only count the first notice concerning a subscriber received on any particular day; it would not count any other notice concerning that subscriber received on the same day. As a general matter, Cox would accept no more than 200 takedown notices per day from a copyright holder, regardless of how much infringing material it might have been hosting. In addition, before 2012, in the relatively few cases in which a subscriber received fourteen notices in six months, Cox did not actually terminate services to the subscriber. Rather, it nominally terminated services but reactivated accounts upon request, as documented in emails reminding Cox employees about how much revenue Cox

would lose if the subscribers were actually terminated. In 2012, Cox decided that if it was going to terminate a subscriber, it would do so for at least six months; but that caused it to virtually cease terminations, dropping from 15.5 terminations per month during the period from January 2010 through August 2012, to 0.8 terminations per month during the period from September 2012 through November 2014.

The Fourth Circuit, agreeing with the District Court, concluded that Cox “failed to implement its policy in any consistent or meaningful way—leaving it essentially with no policy.” It rejected Cox’s argument that § 512 imposed only an obligation to terminate repeat *adjudicated* infringers, which would allow it to do nothing until a court ruled that a subscriber had repeatedly infringed. That interpretation was not supported by the statutory language, and as a policy matter, “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.”

3A. If You’re a Small Business, How Informal Can Your Repeat Infringer Termination Policy Be? According to a split Ninth Circuit panel, pretty informal. In [Ventura Content, Ltd. v. Motherless, Inc.](#), 885 F.3d 597 (9th Cir. 2018), Joshua Lange was the owner and sole employee of defendant Motherless, Inc., which operated the website motherless.com. The approximately 611,000 daily visitors to motherless.com could find 12.6 million user-uploaded pornographic video clips and photographs. Think mini-YouTube and mini-Flickr combined, but with content that those sites would not allow. You may be shocked to learn that some of the users did not own copyright in the material that they uploaded to motherless.com. One producer of such material, Ventura Content, sued Motherless. The District Court granted partial summary judgment to Motherless, holding that it qualified for the § 512 safe harbor. On appeal, Ventura Content’s principal argument was that Motherless had not reasonably implemented a policy of terminating repeat infringers. Indeed, Motherless completely lacked any written policy of when to terminate repeat infringers. Mr. Lange, who was solely responsible for those terminations, apparently made such decisions by weighing a variety of factors, which evidently were not written in advance either, but reconstructed after the fact. Those factors included:

(1) the volume of complaints; (2) the amount of linked content in the complaints; (3) the timespan between notices; (4) the length of time the alleged infringer’s account had been active; (5) the amount of total content the account has; (6) whether the user is maliciously and intentionally uploading infringing content or uploading content without knowing the source; and (7) whether the takedown notices were DMCA-compliant.

Lange estimated that over a three-year period, he had terminated between 1,320 and 1,980 user accounts for possible copyright infringement, out of a total of about 750,000 active users (although it is unlikely that all of those were uploading content); there was record evidence of only nine repeat infringers that Lange had not terminated. The Ninth Circuit held that § 512 did not require Lange to create a written termination policy, nor did it require him to keep logbooks to aid in identifying repeat infringers, or logbooks of the subscribers whose service

he had terminated. It appeared to be impressed by the ratio of Lange’s terminations to the number of subscribers about whom there was evidence of repeat infringement without termination: very roughly, 1800/9, or 200/1. Judge Rawlinson dissented. He argued that Lange had failed to articulate a consistent policy for terminating repeat infringers, and that the paucity of evidence about repeat infringers that Lange had not terminated stemmed from Lange’s “less than stellar, unautomated recordkeeping system,” and his “casual recordkeeping system.”

Do you think that what Lange did satisfied the requirements of § 512? Having familiarized yourself with the Ninth Circuit’s decision, would you ever recommend that a client do what Lange did? Is it possible that the court’s decision was in some way influenced by its judgment about plaintiff Ventura Content and the business in which it was engaged?

p. 467: Replace note 9 with the following:

9. The Section 512 Safe Harbor and pre-1972 Sound Recordings. Before the passage of the Music Modernization Act in 2018, the Copyright Act did not protect sound recordings fixed prior to February 15, 1972. Those works were protected instead by state “common law” copyright. Does the section 512 safe harbor, part of the federal copyright scheme, protect claims against online service providers made under state law? In June 2016, the Second Circuit answered that question in the affirmative, holding that § 512(c) did indeed apply to pre-1972 recordings that were not protected by federal copyright. *See Capitol Records, LLC v. Vimeo*, 826 F.3d 78 (2d Cir. 2016). The Music Modernization Act, discussed in detail below in the versions of Chapters 12. E. and 12.F. in this Supplement, now provides for federal protection for pre-1972 sound recordings. It provides expressly that the liability it creates is subject to the safe harbor of Section 512. *See Music Modernization Act § 202(a)(2) (codified at 17 U.S.C. § 1401(f)(3)).*

p. 497: Insert this new section above the “Test Your Knowledge” box:

H. Administrative Adjudication of Small Claims at the Copyright Claims Board

As the materials in Chapter 4 revealed, proving copyright infringement in court requires a plaintiff to jump through a lot of hoops. The more hoops, the more work is involved in litigating the case. And the more work involved, the higher the legal fees and the more time between infringement and eventual remedy.

The consequence is that smaller creators of copyrighted material who have limited resources confront practical obstacles to enforcing their rights. If the part-time photo-journalist discovers that one of her recent photos has been appropriated by a company for use in a print advertising campaign, she may not be able to afford the cost of a lawsuit. The same might be true for a budding screenwriter who thinks his script has been appropriated as the basis for an online video, or for a struggling musical composer who feels their jingle was stolen for use in a radio commercial.

On the flip side, those who use copyrighted material may be uncertain about whether their use falls within an exception to the exclusive rights, or would be excused as fair use or “de minimis” use. Such concerns may be heightened if they have received a “demand letter” from the copyright holder alleging infringement and insisting that they cease and desist. Faced with the prospect of expensive and lengthy federal court litigation, they may stop their use of the material, even though that use might ultimately be found to be lawful, and even though the public might be deprived of edification or entertainment as a result.

Mindful of these dilemmas, in December 2020 Congress passed the [Copyright Alternative in Small-Claims Enforcement Act of 2020 \(CASE Act\)](#), P.L. 116-260, codified at 17 U.S.C § 1501-1511. The CASE Act requires the Copyright Office to establish a new entity known as the Copyright Claims Board (CCB) to function as an administrative “small claims court” to handle copyright disputes with amounts in controversy of \$30,000 or less. This new CCB commenced operations in June of 2022. Its goal is to provide an inexpensive and expeditious forum in which to resolve simple claims of infringement.

The CCB process is available to both sides in a copyright controversy. In other words, copyright owners can bring claims of infringement, and users can bring claims seeking a declaration of non-infringement. Here is a quick overview of several key features of this new adjudicative option.

Composition of Board: The CCB consists of three members, known as Copyright Claims Officers, appointed by the Librarian of Congress, based on recommendations from the Register of Copyrights. They serve for a term of six years and the appointments are renewable. The bios of the three current Claims Officers should be available [at the bottom of this web page](#).

Streamlined online procedures: Claims before the Board are commenced by filing an online form through the electronic portal on the CCB’s website, labelled eCCB. The simple form requests basic information such as the names of the parties, a description of the copyrighted work, information about the date and place of infringement and a description of the infringing activities. Compared to the typical civil complaint in a copyright case, the forms are models of brevity.

If you visit <https://dockets.ccb.gov/search/cases> you will find a list of all cases pending before the board. Clicking on the “view” button next to any listed case will take you to a full electronic docket of all the filings in that case, the first of which will be the relevant claim form. Here is a screen shot of a typical claims form as filed (if the font is too small, you can read the actual claim [by clicking here](#))

The screenshot shows a 'Claim' form for infringement. The form is titled 'Claim' and has a sub-header 'A claim for infringement'. It includes a question: 'Would you like to proceed as a "small claim" proceeding (including the \$5,000 monetary limit) instead of the standard CCB small claims proceeding?'. The form is divided into several sections: 'Plaintiff', 'Defendant', 'Infringement claim: Work infringed', and 'Infringement claim: Wrongful activities'. The 'Plaintiff' section includes fields for Name (Dora Lumborg), City (Venice, CA), and Address (102 Plaza Ave, Venice, CA 90291). The 'Defendant' section includes fields for Name (Scott A. Burroughs), Organization (Hipobest, Ltd), and Address (102 Plaza Ave, Venice, CA 90291). The 'Infringement claim: Work infringed' section includes fields for Title of work (Photo), Author(s) (Dora Lumborg), Registration number (VA001979752), Effective date (09/02/19), and Type of work (Physical Objects and Tangible Items such as books, documents and three-dimensional works of art, graphic art, and photographs). The 'Infringement claim: Wrongful activities' section includes fields for Wrongful activities (Publicly display the work, Reproduce the work, Create derivative work, Distribute copies of the work), Infringement date (9/2/19 - Present), and a description of the infringement (Defendant reproduced, displayed, and distributed Plaintiff's copyrighted photograph without her consent on its commercial website and continued to do so after she provided notice of the infringement).

Once a claim is filed, the CCB reviews it to make sure that it complies with the statute and relevant CCB regulations, and that it provides enough information to enable the respondent to answer it. This is called the Compliance Review stage. After compliance review the CCB supplies the claimant with a set of materials (including the claim form) that must be served on the respondent. The claimant has 90 days to effectuate service and file proof of service with the Board. For further details on how to accomplish service in CCB case you can [click here](#).

Discovery is sharply limited in these proceedings. Relevant documents are to be submitted over the internet and all necessary hearings will be held by video conference. Counterclaims are permitted, but only for copyright infringement or claims of misrepresentation under § 512 (in others words for inappropriate DMCA take-down notices). Parties may represent themselves or be represented by an attorney. There is also a specific provision in the CASE Act that allows qualified law students to represent parties before the board as well, provided they are properly supervised and do so on a pro bono basis.

Relaxed Registration Requirements: As we will explore further in Chapter 7, a copyright registration (or final denial of application to register) is a prerequisite to filing an infringement suit in federal district court. Before the CCB, a party may commence an action prior to registration, provided an application to register has been filed, is pending and has not been refused. The statute provides, however that the Board “may not render a determination” of the claim until the registration certificate has been issued.

Controlling Law: The Board is to following existing precedent as set out in case law and is supposed to avoid formulating new interpretations of law. In the event of a circuit split, it is to follow the law of the circuit where the case could have been filed if the plaintiff had opted for traditional litigation instead of the administration proceeding. Decisions of the Board have no precedential effect, and may not be cited as precedent in copyright litigation, not even in subsequent cases before the Board itself.

Opt-Out Opportunity: As you might expect, there is no requirement for copyright owners with small claims to use the CCB. They remain free to bring a conventional suit in federal district court.

Perhaps more importantly, a respondent in a CCB proceeding has 60 days after being served to opt out and refuse to participate in the case before the Board. Proponents of the CCB thus tend to say that participation is “voluntary.” The package of materials that must be served on the respondent must include an opt-out form.

If the respondent does opt-out, the complaining party may choose to bring an infringement suit in federal court or, of course, to drop the matter. At the expiration of this 60 period, if respondent has not opted out, the claim, in the parlance of the relevant regulations “becomes active.”

There is also a mechanism for libraries and archives to opt-out of all CCB proceeding categorically, in what the Board calls a “blanket” opt-out. The blanket opt-out has quickly become very popular: as of this writing, almost 700 libraries and archives have taken advantage of it. See Library and Archive Opt-Out List, <https://ccb.gov/libraries-archives-opt-out/>. If a

particular library does not take advantage of this option it may still opt-out of particular claims filed against it on a case-by-case basis.

This opt-out feature was included, in part, to ensure that the new system would not conflict with the Constitutional guarantee of trial by jury, as well as to provide an “escape mechanism” for parties who believe they are merely being harassed with claims that would never warrant seeking relief in more formal judicial proceeding.

Damage Caps: As noted above the maximum that can be recovered in a CCB proceeding is \$30,000 in either actual or statutory damages. However, for statutory damages there is also a “per work” maximum of \$15,000 (if the work was timely registered) or \$7,500 (if not timely registered). Thus if only one work is at issue and the claimant seeks statutory damages, the award is likely to be something less than \$15,000 and, in many case, likely to be considerably less than that.

The usual *minimum* amounts for statutory damages govern in cases before the board (those are \$750 unless the respondent can show he had no reason to believe his conduct constituted infringement, in which case that minimum drops to \$200).

Limited Appellate Rights: In most cases the losing party before the Board is not permitted to appeal the ruling to the federal courts. The sole options are to seek reconsideration from the Board, which is only permitted based on a claim of clear error of law or fact material to the outcome, or a technical mistake. If reconsideration is denied the losing party may appeal to the Register of Copyrights for a decision limited to question of whether the CCB abused its discretion in denying reconsideration.

The only situations in which a party may seek judicial review are (1) if the Board’s determination was issued as a result of fraud, corruption, misrepresentation, or other misconduct; (2) the Board exceeded its authority or failed to render a final determination; or (3) when the determination by the Board was based on default by one of the parties, a claim that the default or failure to prosecute was due to excusable neglect. These situations are likely to be extremely rare, meaning that as a practical matter, the CCB ruling will be the final word on the matter.

Fees: The claimant must pay an initial fee of \$40 at the time the claim is filed. If the respondent does not opt out, and the claim “becomes active,” the claimant must pay an additional fee of \$60. The fee for filing an appeal is the less friendly sum of \$300. By comparison the current cost to file a civil complaint in U.S. District Court is \$402, and the cost to file an appeal is \$505.

Annual Usage Limitations: The regulations implementing the CCB system provide that:

(1) A claimant, including a corporate claimant’s parents, subsidiaries, and affiliates, shall file no more than 30 proceedings in any 12-month period.

(2) A sole practitioner or a legal counsel associated with a law firm shall file no more than 40 CCB proceedings on behalf of claimants in any 12-month period.

(3) A law firm shall file no more than 80 CCB proceedings on behalf of claimants in any 12-month period.

37 C.F.R. § 233.2. We've been pretty good, so far, in not annoying you with questions, but you knew that wasn't going to last forever. What do you think motivated the adoption of these limits?

Special Smaller Claims Procedure: For claimants seeking \$5,000 or less in damages, there is an even more simplified set of procedures. These claims are heard by only one Copyright Claims Officer rather than by the whole board and discovery and arguments are even narrowly limited. Details are set out in 37 C.F.R. § 226.4

Much more information is available at the CCB website, <https://www.ccb.gov/> and in the [Copyright Claims Board Handbook](#). If curiosity or professional obligations motivate you to take an even deeper dive into the mechanics of the CCB, you should, of course, read through the CASE statute and the governing regulations codified in Title 37 of the Code of Federal Regulations (C.F.R.) at Chapter II, subchapter B. (37 C.F.R. §§ 220.1-232.2). There is also a useful video of a panel discussion about the board which you can find by [clicking here](#).

The CCB is not without its detractors, even though it has just barely come into existence. The Electronic Frontier Foundation (or EFF) has said “the CCB is likely to disadvantage many people who are accused of copyright infringement, especially ordinary internet users, website owners, and small businesses. It also violates the Constitution in ways that harm everyone,” and they predict that “most knowledgeable parties will choose to opt out of the CCB process.” You can read their full critique by [clicking here](#).

In our view it is too early to make confident statements about who will be using the CCB system, how often respondents will opt out, whether the Board will be biased in favor of finding infringement or, frankly, most anything else. As the copyright world gains experience with this new system some of these issues will become clear, and hopefully defects can be corrected by regulatory or statutory amendments. That said, what's your prediction? CCB — good development or disaster waiting to happen?

Chapter 7: *The 1909 Act Framework and Its Partial Persistence: Of Publication, Notice, Deposit and Registration*

B. Publication

I. Distribution

Page 511 – In the “Food for Thought” box, replace the first sentence with the following:

Notice that the Academy of Motion Picture Arts and Sciences court acknowledges the decision in the Letter Edged in Black Press case, excerpted below on p. 522, only with a “cf.” cite.

C. Notice

p. 532: Replace note 4 with the following:

4. **All Rights Reserved.** Flip open any book you have lying around your apartment and read the copyright information. It is likely that you will see the phrase “All Rights Reserved” next to any copyright notice the publisher has included. This phrase is meaningless under current law, and is included only as a matter of habit and reflex. The practice of using the words

GO ONLINE

Did authors and publishers actually use “All Rights Reserved” in the 1870s and 1880s? To examine the title and copyright pages of Mark Twain’s “Huckleberry Finn,” published in 1886, [click here](#).

originally developed under the Copyright Act of 1870, which after granting exclusive rights such as copying and vending, added that “authors may reserve the right to dramatize or to translate their own works.” The Library of Congress advised authors that that provision might require an affirmative statement to ensure the retention of rights of dramatization and translation, and suggested that they use the phrase “All Rights Reserved.” In 1891, Congress removed the “may reserve” language, and granted rights of dramatization and translation

outright, thus eliminating the need to use “All Rights Reserved.” Nineteen years later, the phrase was resurrected by a copyright treaty known as the Buenos Aires Convention, which provided that copyright in Western Hemisphere countries that were parties to the treaty could be secured by inserting the phrase in published copies. (For more detail, see the review of international copyright law provided as an online adjunct to this book by [clicking here](#).) However, in the century since that treaty was finalized, every party to it has signed the Berne Convention, which forbids member states from conditioning copyright on any formalities. Thus, “All Rights Reserved” is now purely vestigial – just like wisdom teeth and goose bumps.

E. Registration

Page 550 – Insert the following in place of the second paragraph in Note 4:

The requirement of final action on a registration application before an infringement suit can be filed could result in unfairness to copyright owners. For instance, the statute of limitations might run before the Copyright Office has made a decision on the application, leaving the copyright owner with no remedy due to administrative foot dragging. This led some plaintiffs to argue that the requirement of § 411 should be deemed satisfied when the copyright owner filed a completed registration *application*, rather than when the registration was ultimately granted or denied. This argument proved persuasive to some, but not all, of the various circuits. In *Fourth Estate Public Benefit Corp. v. Wall-Street.com, LLC*, 139 S.Ct. 881 (2019), the Court resolved the circuit-split by unanimously holding that the unambiguous text of § 411 required final action by the Copyright Office – either an issued registration or a formal denial – before suit could be filed. The Court found that the alternative reading of allowing suit based solely on a registration-application would render several other provisions of the statute superfluous. Justice Ginsburg dismissed the

concern about delay by observing that “the average processing time for registration applications is currently seven months, leaving ample time to sue after the Register’s decision, even for infringement that began before submission of an application.”

Page 552 – Insert the following above Note 7:

6A. Inaccuracies in Copyright Registrations: Ignorance of the Law is Sometimes an Excuse.

Suppose that a registration application contains inaccurate information. Maybe it claims that the work was first published in the United States, when in fact it was first published in Iran, a country that has no copyright relations with the United States. Maybe it states the wrong year of birth of the author. Suppose further that the Copyright Office grants the registration without discovering the inaccuracies. When do the inaccuracies render the registration invalid, thus stopping the owner of copyright in a domestic work from suing for infringement (§411), or stopping the owner of copyright in any work from obtaining statutory damages and attorney’s fees (§412)? Section 411(b)(1) answers that question in a way that is quite forgiving to the applicant. It states that inaccuracies in the registration will render it invalid for purposes of §§ 411 and 412 only when “(A) the inaccurate information was included on the application for copyright registration with knowledge that it was inaccurate; and (B) the inaccuracy of the information, if known, would have caused the Register of Copyrights to refuse registration.”

A recent Supreme Court case addressed the issue of whether § 411(b)(1)(A) excuses mistakes of law and mistakes of fact on the same terms. In that case, *Unicolors, Inc. v. H&M Hennes & Mauritz, L.P.*, 142 S.Ct. 941 (2022), Unicolors had submitted a single application to register copyright in 31 separate fabric designs. The registration was granted. Unicolors later sued clothing retailer H&M for infringing one of the designs, and represented that the single registration it had obtained for 31 designs satisfied its § 411 obligation to register copyright in the particular design at issue before suing. H&M argued that the registration had been improperly granted. Copyright Office regulations provide that a group of separate works can only be registered in a single application if they constitute a “unit of publication,” that is, if they were published together and at the same time. 37 C.F.R. § 202.3(b)(4) (2020). (As you might imagine, this provision prevents applicants from registering many different works, each of which the Copyright Office has to examine, process, and catalog, while paying only one registration fee.) Unicolors knew that it had not published the 31 designs together and at the same time, and it therefore could not claim excusable lack of knowledge under § 411(b)(1)(A) as to that fact. However, Unicolors argued (in the Supreme Court, at least) that it did not know of the regulation that required such common publication in order to include all of the designs in one application, and that its lack of legal knowledge should also excuse its mistake in representing that a single application was proper.

The Supreme Court agreed. It held that the plain language of § 411(b)(1)(A) does not distinguish between lack of factual knowledge and lack of legal knowledge. It also noted that the legislative history of that section indicated that it was intended to make it easier for nonlawyers to obtain valid copyright registrations, and it evinced sympathy for applicants who could not follow complicated statutory and regulatory provisions. Do you agree? Would

you support a provision that required registrants to cure inaccuracies that could be cured, and gave them some period of time to do so (while allowing them to proceed with a lawsuit in the meantime)? Without any obligation to cure, is § 411(b)(1)(A) fair to other registrants who were diligent in informing themselves of registration requirements, and complying with those requirements at greater cost to them?

F. Restoration of Copyright in Foreign Works

Page 559 – in the Troll Co. opinion, just before the “Discussion” section, insert the following text:

[Troll Co. served Uneeda with written notice of its intent to enforce the copyright (a procedure sometimes required under section 104A, as discussed below) on October 18, 2005.]

Chapter 8: *Initial Ownership of Copyright*

A. Sole and Joint Authorship

Page 581 – Insert the following at the end of Note 1:

Note, however, that one co-owner cannot grant an exclusive license to use a work without the consent of the other co-owners, because one co-owner cannot limit the other co-owners’ right to exploit the copyright. See [Tresóna Multimedia, LLC v. Burbank High School Vocal Music Ass’n](#), 953 F.3d 638, 645-646 (2020).

C. Governments and Legally Binding Works

Page 627 – Replace the subchapter title above, and all material on pages 627-630 before the caption of the *Veck* case, with the following:

C. Governments as Authors and Owners, and Legally Binding Works

This section addresses a number of related issues concerning copyright, governments, and law. The structure of the issues in this area has been affected, but perhaps not entirely clarified, by the very recent Supreme Court decision in *Georgia v. Public.Resource.Org*, presented as a principal case below. For the moment, we have chosen to organize the issues into three related but distinct groups. The first group clusters around the question of whether and when governments can be “authors” within the meaning of the Copyright Act. Because governments are not natural persons, that question is really the question of whether and when government officials, employees, or contractors can create works in which copyright can be claimed by the governments that employ or contract with them. As we will see, the answer is different for different types of officials or employees, and is also different for the federal government than for state governments. The second group concerns whether and when governments can become owners of copyright by assignment

in works authored by private individuals. The third group concerns whether and under what conditions private individuals can own copyright in works that have become legally binding.

I. Authorship by Government Officials “Empowered to Speak with the Force of Law”

Georgia v. Public.Resource.Org, Inc.

United States Supreme Court, 2020
140 S. Ct. 1498

ROBERTS, C.J..

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, 9 S.Ct. 36, 32 L.Ed. 425 (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*, 244 Ga. 325, 330, 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).

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. 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 . . . concluded that the annotations were eligible for copyright protection because they were "not enacted into law" and lacked "the force of law." 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. . . . 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.” The Court therefore deemed the “ultimate inquiry” to be whether a work is “attributable to the constructive authorship of the People.” 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.” 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, 8 L.Ed. 1055 (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).

MAKE THE CONNECTION

You may recall that *Wheaton v. Peters* appears as a principal case at the beginning of Chapter 7, on p. 500 in the main volume. There, we focused on the Court’s analysis of the relationship between common-law copyright, which it held ended with publication, and federal copyright, which it held could be acquired only by complying with a series of formalities. It reached those issues because Wheaton claimed copyright in annotations that he himself had written, such as summaries of the attorneys’ arguments. Here, we learn that Wheaton also argued that the Justices had tacitly assigned copyright in their opinions to him. At the time of the oral argument, five of the seven Justices on the Court had served while Wheaton was reporter, and hence were the very Justices who Wheaton was arguing had silently given him copyright in their opinions. Awkward?

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, 9 S.Ct. 36, 32 L.Ed. 425 (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, 9 S.Ct. 36. 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, 9 S.Ct. 36. 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, 9 S.Ct. 36 (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*, 142 Mass. 29, 6 N.E. 559 (1886)).

In a companion case decided later that Term, *Callaghan v. Myers*, 128 U.S. 617, 9 S.Ct. 177, 32 L.Ed. 547 (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, 9 S.Ct. 177. 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, 9 S.Ct. 177.

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, 9 S.Ct. 36. 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, 9 S.Ct. 177.

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*, 142 Mass. at 35, 6 N.E. at 560 (cited by *Banks*, 128 U.S. at 253–254, 9 S.Ct. 36). Our cases give effect to that principle in the copyright context through construction of the statutory term “author.” *Id.*, at 253, 9 S.Ct. 36. Rather than attempting to 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*, 142 Mass. at 35, 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, 9 S.Ct. 36, 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

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.

* * *

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, 9 S.Ct. 36. 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.*, 244 Ga. at 330, 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. See *post*,

at 1523 – 1524 (dissenting opinion). 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, 9 S.Ct. 36, 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. . . .

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. But we are particularly reluctant to disrupt precedents interpreting language that Congress has since reenacted. As we explained last Term in *Helsinn Healthcare S. A. v. Teva Pharmaceuticals USA, Inc.*, 586 U.S. ———, 139 S.Ct. 628, 202 L.Ed.2d 551 (2019), when Congress “adopt[s] the language used in [an] earlier act,” we presume that Congress “adopted also the construction given by this Court to such language, and made it a part of the enactment.” *Id.*, at ———, 139 S.Ct., at 634 (quoting *Shapiro v. United States*, 335 U.S. 1, 16, 68 S.Ct. 1375, 92 L.Ed. 1787 (1948)). 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.

* * *

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, 123 S.Ct. 769, 154 L.Ed.2d 683 (2003). . . .

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.” Brief for Petitioners 32 (capitalization deleted). * * * 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).

* * *

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.

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, *ante*, at 1508 – 1509, 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. . . .

Like the majority, I begin with the three 19th-century precedents that the parties agree provide the foundation for the government edicts doctrine. * * * These precedents [– *Wheaton v. Peters*, *Banks v. Manchester*, and *Callaghan v. Myers* –] 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). * * *

Allowing annotations to be copyrighted does not run afoul of [the] 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. . . . 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. * * *

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.” Compare, e.g., OCGA § 34–9–260 (annotation for *Cho Carwash Property, LLC v. Everett*, 326 Ga.App. 6, 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. *Ante*, at 1512 – 1513. 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.

The text of the Copyright Act supports my reading of the precedents. 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. “Congress’ use of explicit language in one provision cautions against inferring the same limitation” elsewhere in the statute. *State Farm Fire & Casualty Co. v. United States ex rel. Rigsby*, 580 U.S. ———, ———, 137 S.Ct. 436, 442, 196 L.Ed.2d 340 (2016). 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.

* * *

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. . . .

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. But these differences also demonstrate that the same rule does not *a fortiori* apply to all legislative duties.⁸

⁸ Although legislative history is not at issue in this case, the majority also contends that its rule is necessary to fend off the possibility that “[a] State could monetize its entire suite of legislative history.” *Ante*, at 1513. Putting aside the jurisprudential debate over the use of such materials in interpreting federal statutes, many States can, and have, specifically authorized courts to consider legislative history when construing statutes. See, e.g., Colo. Rev. Stat. § 2–4–203(1)(c) (2019); Iowa Code § 4.6(3) (2019); Minn. Stat. § 645.16(7) (2018); N. M. Stat. Ann. § 12–2A–20(C)(2) (2019);

* * *

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. See *ante*, at 1512 – 1513. 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. * * *

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. *Ante*, at 1517 – 1518. 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*, at 1508 (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, 9 S.Ct. 177, 32 L.Ed. 547 (1888), but are not copyrightable when created by judges, *Banks v. Manchester*, 128 U.S. 244, 253, 9 S.Ct. 36, 32 L.Ed. 425 (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],” cf. *ante*, at 1508, 1509, 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, 43 S.Ct. 597, 67 L.Ed. 1078 (1923), and sometimes making the applicable law, see *Friendly, In Praise of Erie*—and of the New Federal Common Law, 39 N. Y. U. L. Rev. 383

N. D. Cent. Code Ann. § 1-02-39(3) (2019); Ohio Rev. Code Ann. § 1.49(C) (Lexis 2019); 1 Pa. Cons. Stat. § 1921(c)(7) (2016). Given the direct role that legislative history plays in the construction of statutes in these States, it is hardly clear that such States could subject their legislative histories to copyright.

(1964). See also *Marbury v. Madison*, 1 Cranch 137, 177, 2 L.Ed. 60 (1803) (“It is emphatically the province and duty of the judicial department to say what the law is.”). 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, 43 S.Ct. 597; see *Patchak v. Zinke*, 583 U.S. ———, ———, 138 S.Ct. 897, 905, 200 L.Ed.2d 92 (2018) (plurality opinion) (“[T]he legislative power is the power to make law.”). 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. See, e.g., App. 268–269 (text of enacted laws are transmitted to the publisher for the addition of commentary); *id.*, at 403–404 (publisher adds new case notes on a rolling basis as courts construe existing statutes). 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. . . . 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.

* * *

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.

Notes

1. **Understanding the Lines that the Opinions Draw.** The opinions in the *Public.Resource.Org* (*PRO*) case all agree that some texts written by legislators or judges are excluded from copyright protection by the “government edicts” doctrine. However, each of them presents a different interpretation of that doctrine. Those interpretations may have some twists, but simplified versions of each can be drawn from brief quotes from each of the three opinions. Consider these quotes:

- The Court: “[O]fficials empowered to speak with the force of law cannot be the authors of . . . the works they create in the course of their official duties.”
- Justice Thomas: “[I]t must follow from our precedents that statutes and regulations cannot be copyrighted, but accompanying notes lacking legal force can be.”
- Justice Ginsburg: “[S]tate laws are not copyrightable. Nor are other materials created by state legislators in the course of performing their lawmaking responsibilities. [But] the role of the legislature [does not extend to] construing statutes after their enactment.”

Can you place interpretations of the “government edicts” doctrine drawn from those quotes in order from the narrowest to the broadest, perhaps thinking of them graphically as three nested circles in a Venn diagram? Consider the following list of types of works, and assume that each was written by state legislators within the scope of their government employment. Which would fall within even the narrowest interpretation of the doctrine; which would fall outside of that interpretation but within the two others; which only within the broadest interpretation; and which outside of all three interpretations? (1) A statute currently in force; (2) A legislative committee report on a bill that was later enacted into law and is currently in force; (3) A guide to the architecture of the state capitol; (4) A list of judicial opinions that have interpreted a statute; (5) Correspondence between legislators regarding a bill that was later enacted into law and is currently in force.

2. **The Scope of the “Government Edicts” Doctrine and What Judges and Legislators Do.** Writing for the Court, Chief Justice Roberts suggests that every word that judges and legislators produce in their official capacities is potentially important for citizens to understand what the law is and how it might apply to their conduct. By contrast, in dissent, Justice Thomas suggests that what judges and legislators do is quite different. He agrees that every word that judges produce may be important to understand or predict what the law is – even concurrences and dissents that technically do not have the force of law. However, he contends, that is not true of legislators, because legislation is different. Do you agree? Does that depend at least in part on a contested theory of statutory interpretation? For strict textualists, who believe that only the text of enacted law should be consulted when trying to decide cases, statements of legislators outside of that text should be irrelevant. Such statements have not been enacted following the legislative process set forth in state or federal constitutions, and taking them into consideration would also multiply what citizens need to learn to know the law. Note that in footnote 8, Justice Thomas suggests that legislative history may not be protected by copyright in those states that have passed laws explicitly stating that legislative history is relevant to interpreting statutes. By contrast, Justice Ginsburg’s dissent would exclude all pre-enactment legislative history from copyright protection, but allow copyright protection for annotations made after enactment.
3. **Copyright and the State’s Endorsement of a Privately-Sold Product.** The title of the code at issue in this case – the “Official Code of Georgia Annotated” – suggests that the Georgia legislature has endorsed the annotations as its guide to the interpretation and application of the laws that it has passed. As the Opinion for the Court also pointedly notes, “[t]he 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.’” Can you imagine how a court or other government office might give some deference or preference to the official annotated code? For example, if a relevant judicial opinion did not appear in the OCGA, might a court be somewhat more sympathetic to a lawyer who did not cite that opinion? Conversely, if a relevant opinion did

appear in the OCGA, might a court be less sympathetic to a lawyer who states that she did not cite it because it did not appear in a competing annotated code produced by another publisher? If lawyers are worried about missing anything that might appear in “official annotations,” won’t they feel compelled to consult the OCGA? Yet under Georgia’s agreement with Lexis, in order to consult the only government-endorsed annotated code, they must purchase a product from a private company. How much is the Court’s decision in this case motivated by a sense that that arrangement – government endorsement and branding of a legal research tool sold by on private company – is unfair or unseemly?

Notice that endorsement and branding are concepts associated more with trademark law than with copyright law, and that copyright doctrine may not be equipped to deal with all endorsement concerns. For example, to deem an annotated code to be “official,” the state need not have entered into a work-made-for-hire contract. It could have accepted an assignment of copyright, or it could even have let Lexis retain copyright in the annotations, and perhaps taken a license for certain uses. Without a work-made-for-hire contract, could the Court still have concluded that the Georgia legislature was the “author” of the annotations for copyright purposes? On authors’ names as brands, see, e.g., Laura Heymann, *The Birth of the Authonym: Authorship, Pseudonymity, and Trademark Law*, 80 NOTRE DAME L. REV. 1377 (2005).

- 4. Statutory Annotations and the Incentive/Access Paradigm.** The Opinion for the Court in *Public.Resource.Org* emphasizes the importance of public access to the statutory annotations at issue in the case. Without tools to access to cases and other materials interpreting the law, people really won’t be able to understand many laws that they are expected to follow, or know whether they have been ruled unenforceable. In a society of economic inequality such as ours, the issue of access is sharpened. If a work is protected by copyright, states the Court, some citizens will be able to afford only “economy-class” knowledge of the law, whereas others get “first-class” knowledge.

By contrast, Justice Thomas downplays the restrictions on access, and emphasizes the role of copyright law in providing an incentive to produce the annotations in the first place. Thomas notes that copyright does protect similar annotations produced by other private companies, and asserts that the annotations are only tools to locate helpful interpretations, not the interpretations themselves. He is worried that without copyright protection, “many States will stop producing annotated codes altogether,” thus leaving more people with only an “economy-class version” of the law. This is, of course, an instance of the most prominent form of argument about whether copyright should exist, and whether it should be strengthened or weakened in various ways. Which opinion is stronger on this argument? If you think you would have to know something more to answer that question, what would you like to know? Could the State of Georgia simply fund an annotated state code with tax dollars? Would you be more or less worried about state funding of fiction and art and music than about state funding of statutory annotations?

- 5. Incentives Other Than Copyright and Public Funding.** Lexis makes the OCGA available, not just in a set of bound hard copies, but through its own online legal research service. How much does Lexis need copyright to protect the OCGA as presented through that service? To start to answer that question, you might consider a few other questions. How does Lexis

control access to its online service? How easy is it to copy the entire OCGA from Lexis's website? What kinds of functions (search, hyperlinking, and others) does Lexis provide with its online OCGA? How convenient are those functions for lawyers, and how easy is it to duplicate them?

Compare how you might use OCGA on Lexis's website with how you can use the copy of the OCGA that Public.Resource.Org has placed online. The latter [is available online at archive.org](#). Which one is more useful? When we went to take a look at the OCGA on archive.org, in early August 2020, the version available was the OCGA 2018, which had been made available in late February and early March of 2019. In the intervening 16 months, the most popular volume had been viewed 481 times, and the least popular volume had been viewed 21 times. As of early August 2020, there were about 40,000 active members of the Georgia bar. Our guess is that many more lawyers access the OCGA through the Lexis website than on archive.org. Under those circumstances, is it possible that Lexis will agree to continue to produce the OCGA even though it is in the public domain, and Lexis cannot prevent it from appearing on archive.org? What impact might that have on the incentive argument made by Justice Thomas? Conversely, what impact might that have on the "economy class / first class" argument made by the Chief Justice – aren't the scans that appear on archive.org still an "economy-class" research tool as compared to the "first-class" tool available on Lexis?

6. **Executive Branch Officials.** The *PRO* Court considers whether state judges and legislators, acting in their official capacity, can ever be authors within the meaning of the Copyright Act, and concludes that they cannot. It does not consider whether executive branch officials, such as governors and agency heads, can be authors. Clearly, some executive branch officials are "empowered to speak with the force of law." Governors are authorized to issue executive orders that change legal relationships. Agency heads issue regulations with which private individuals must comply on pain of penalties or legal liability. Under *Georgia v. PRO*, then, is anything written by, or as a work-made-for-hire for, such officials in their official capacity, also in the public domain?

2. Authorship by Other Government Officials and Employees

After *Georgia v. Public.Resource.Org*, government officials who are "empowered to speak with the force of law" cannot be "authors," within the meaning of the Copyright Act, for works they create in the course of their official duties. What about other government officials and employees? The answer to that question depends upon the government in question.

a. The United States Government

The Copyright Act does contain a specific provision regarding works created by federal officials and employees. The first clause of § 105(a) of the 1976 Act provides: "Copyright protection under this title is not available for any work of the United States Government." 17 U.S.C. § 105. Undoubtedly, you are all already turning to § 101 to see if "work of the United States Government" is defined, and indeed it is, as "a work prepared by an officer or employee of the United States Government as part of that person's official duties." 17 U.S.C. § 101.

Two important results follow from these general provisions. First, from the point of view of an officer or employee of the United States Government, § 105 operates like the work made for hire doctrine: it divests the officer or employee of copyright ownership of works of which he or she would otherwise be considered the author. Like the work made for hire provisions, § 105 contemplates the possibility that the officer or employee could claim copyright “in a work written at that person’s own volition and outside his or her duties.” H.R. Rep. No. 94-1476, 94th Cong., 2d Sess. 58 (1976). The House Report indicates that “[a]lthough the wording of the definition of ‘work of the United States Government’ differs somewhat from that of the definition of ‘work made for hire,’ the concepts are intended to be construed in the same way.” (That kind of legislative history, of course, makes textualists blow steam out their ears.) Note that unlike the definition of “work made for hire,” the definition of “work of the United States Government” does not allow agreements that the employee or officer will own copyright in the relevant works. Given all of this, what is the status of President Trump’s voluminous Tweets? Are they prepared as part of his “official duties”?

Second, whereas the copyright of works made for hire vests in the employer, United States Government works enter into the public domain—they are simply “not eligible for copyright protection.”

An interesting wrinkle to § 105 was recently added by an amendment tucked away deep in the National Defense Authorization Act for Fiscal Year 2020. Section 544 of that Act amends § 105 to provide that civilian members of the faculties of twelve specified military educational institutions own copyright in literary works that they produce in the course of their employment for publication in a scholarly press or journal. *See* Pub.L. 116-92, § 544, 133 Stat. 1198, 1376 (enacted December 20, 2019). You may recall that some courts have recognized a “teacher” or “professor” exception to the work made for hire doctrine that is not found in the text of the Copyright Act. *See* the discussion on pages 616 to 618 of the main volume. This recent amendment could be seen as the first textual acknowledgement of that exception, limited to instructors at specified military educational institutions.

b. State Governments

The Copyright Act does not contain any specific provision regarding authorship by state government employees, or ownership of the works that they produce. A search of the Copyright Office’s registration database reveals many registrations of works claimed to be owned by state governments as works made for hire. For example, a 244-page book titled “Basic Boating Course: was registered in 1978 by the State of Maryland as the employer for hire of author Nancy Brake. Some state laws explicitly authorize state or local agencies to claim copyright in materials they produce. For example, a California statute provides: “Any county board of education may secure copyrights, in the name of the board, to all copyrightable works developed by the board, and royalties or revenue from such copyrights are to be for the benefit of the board securing such copyrights.” Cal. Ed. Code § 1044 (West 2019). Other state law has been interpreted to explicitly forbid state and local agencies from claiming copyright in particular materials. For instances, in *Microdecisions, Inc. v. Skinner*, 889 So.2d 871 (Fla. 2d Dist. App. 2004), a Florida court of appeals held that a county property appraiser could not claim copyright in maps created in that office, because those maps were public records in which Florida law prohibited any assertion of

copyright without specific statutory authorization.

3. Government Acquisition of Copyright by Transfer

The second clause of § 105(a) of the Copyright Act provides that United States Government is not precluded from receiving and holding copyrights transferred to it by assignment, bequest, or otherwise.” 17 U.S.C. § 105(a). Thus, although the federal government cannot hold copyright in a work produced by a government employee, it can take an assignment of copyright in a work produced by an independent contractor. (For examples of this distinction involving copyright in stamp and coin designs, see the breakout box on p. 628 of the main volume.) This could sometimes produce an odd incentive to contract work out, couldn't it? If a federal government agency has its own employee produce a book or a design, it cannot use copyright law to maintain control over that work, but if it commissions that work from a private individual, it can take an assignment of copyright and enforce that copyright against would-be copiers. Should government agencies be able to hold copyrights and collect licensing fees from private entities and individuals who wish to use such works? The House Report on the 1976 Act noted one argument against allowing copyright, namely, that “the public should not be required to pay a ‘double subsidy,’” H.R. Rep. No. 94-1476, 94th Cong., 2d Sess. 58 (1976). On the other hand, if a government agency received licensing fees from government-owned works such as photographs or guidebooks, it would in theory be able to reduce its dependence on tax revenues, wouldn't it?

Limits on Government Ownership by Transfer in Works that Become Legally Binding. The federal government is explicitly authorized by § 105 to hold and enforce copyrights that it has received by transfer, and states are implicitly authorized to do so as well, since the Copyright Act imposes no restriction on state acquisition of copyrights. However, that does raise the issue of whether the Supreme Court would allow federal or state governments to assert copyright in materials in which they had acquired copyright by transfer, and then gave binding legal force or otherwise designated as official. Suppose, for example, that a private individual or organization had drafted rules limiting emissions of certain pollutants into the air. A governmental body – which could be Congress or a state legislature or a regulatory agency – then obtained copyright in that body of rules by assignment, and enacted it into law or issued it as regulations. Could the government assert copyright in those rules, now legally binding? Courts would almost certainly hold that it could not. Yet consider how that issue is not quite resolved by the Supreme Court in *Georgia v. Public.Resource.Org*. In that case, Georgia happened to enter into a work-made-for-hire agreement with Lexis, so that under the Copyright Act, Georgia was considered to be the *author* of the annotations at issue in that case. That enabled the *Public.Resource.Org* Court to analyze that case in terms of authorship, and to decide that the Copyright Act would not recognize Georgia officials empowered to speak with the force of law as authors of anything they created in their official capacity.

Under altered facts, if a private individual created an original work consisting of potential rules or guidelines regarding air pollution, there does not seem to be any doubt that the Copyright Act would recognize that individual as an author. Suppose that at some later date, a government obtains copyright in that work by transfer. Then the government gives that work legal force. A court could simply conclude that no work that is legally binding is under copyright. However, if

it wanted to tie that conclusion to some other existing copyright law concept, how would it do so? It seems to stretch copyright doctrine considerably to conclude that the government has become the *author* of a work in which we would have previously recognized authorship by a private individual. One alternative route is to hold that any expression in the rules or guidelines had merged with unprotectable ideas, since a rule governing conduct is an unprotectable idea, and there is only one or a very small number of ways of expressing that precise rule. That is a route taken by Fifth Circuit in the *Veck* case, on p. 630 in the main volume. However, you may conclude that this area of law is not as conceptually crystalline as it could be.

4. Private Ownership of Legally Binding Works.

Lastly, we consider claims of copyright by private individuals or organizations in works that have become legally binding. Suppose that a private individual, or a private trade organization or public interest law organization, decides to create language would serve well as a statute or regulation. A government then adopts that privately-authored work as law. It may have done so with or without the private individual or organization's encouragement, but that encouragement can be construed at most as a non-exclusive license. In this group of cases, the government did not take an assignment of copyright in the language it made law. Does the individual or organization still hold copyright in the language, so that it can bring an infringement action against anyone other than the government that makes and distributes copies of what has now become law? That is the subject of the next case.

p. 645 – Insert after the existing material in Note 2:

The “incorporation by reference” issue was squarely presented in *American Society For Testing And Materials v. Public.Resource.org, Inc.*, ___ F.3d ___, 2018 WL 3431738 (D.C. Cir. 2018). The defendant in that case, public.resource.org (PRO), is a non-profit organization that seeks to make the law available to the public. Its slogan is “making government information more accessible.” In pursuit of that goal PRO uploaded to its website hundreds of different privately authored technical standards that had been incorporated by reference in either state or federal laws or regulations. This material was publicly available and frequently downloaded. All of these materials were protected by copyright. Eventually, a number of standards developing organizations, including the ASTM (formerly the American Society for Testing and Materials), sued PRO for copyright infringement. PRO asserted two theories in its defense. First, it claimed that once standards are incorporated by reference they become “the law” and that, among other things, the First Amendment makes it impermissible to assert copyright claims to the law. Second, they relied on the fair use defense.

The DC Circuit confined its consideration to the fair use issue, leaving “for another day” the issue of whether it is constitutional for copyright protection to apply to private works that have been incorporated by reference into binding legal materials. On the fair use issue, the appellate court reversed the summary judgment for plaintiffs that had been entered below. It found that there were genuine issues of material fact on the fair use issue, and emphasized that on remand, the trial court would have to proceed standard-by-standard to evaluate the fair use claim. For standards that were explicitly referenced as binding, it strongly hinted that the defendant

should be free to make copies. Where the copying was more extensive than that and related to provisions of standards that were not formally referenced in binding law, the implication was that fair use would be unavailable. Given the amount of material on PRO's site, we do not envy the district court, which will have to invest considerable time and effort to wade through each item individually. On the other hand, we envy the lawyers their fees.



p. 648 – Replace the existing note 4, and the material in the breakout box on state and federal immunity, with the following:

- 4. State Liability for Infringement and Sovereign Immunity.** In the absence of permission or an exercise of eminent domain, a first reading of the statute suggests that the state would be liable for infringement if it copied privately authored material. Section 501(a) of the Copyright Act provides that “anyone” who violates one of the exclusive rights of copyright is an infringer. In 1990, Congress amended § 501(a) to make clear that “anyone” includes “any State, any instrumentality of a State, and any officer or employee of a State or instrumentality of a State acting in his or her official capacity,” and to specifically provide that “[a]ny State, and any such instrumentality, officer, or employee, shall be subject to the provisions of this title in the same manner and to the same extent as any nongovernmental entity.” Thus, the Copyright Act makes clear the intention of Congress to make state governments liable for copyright infringement. However, in *Allen v. Cooper*, 140 S. Ct. 994 (2020), the Court held that states could claim immunity against copyright infringement damages judgments under the Eleventh Amendment, and that Congress’s attempt to make states liable for those judgments was not a valid exercise of any of its powers. For more on *Allen v. Cooper* and on state and federal immunity in conjunction with copyright infringement claims, see the revised note on “State and Federal Immunity” that is now an insert in this supplement to Chapter 13, at p.1016, below.

Chapter 9: *Transactions*

C. Transfer Formalities, Revocability, and Transferability Under the 1976 Act

Page 669 — Insert the following as a new note after Note 1:

1A. **Implied Licenses and Tattoos.** Imagine, as surely must be the case for some of our readers, that you have been inked. If you got your tattoo(s) before taking a copyright course it is highly unlikely you thought to get an assignment of the copyright in that tattoo from the artist who created it. Every time you take a selfie, however, you are making a copy of the work that adorns your body, and doing so without a license. Of course, your selfies, saved in your digital photo album or sent to a few friends, would almost certainly be fair use. But what if you were a famous athlete, say an NBA star, and you had licensed your image to a video game company, which replicated you in their game? That was the situation in *Solid Oak Sketches, LLC v. 2K Games, Inc.*, 2020 WL 1467394 (S.D.N.Y. 2020). The plaintiff in that case was not the actual tattoo artist, but an exclusive licensee who held rights to exploit the tattoo design in various ways excluding, however, applying the designs to a person’s skin. Defendant had depicted NBA stars LeBron James, Eric Bledsoe and Kenyon Martin—tattoos and all—in its games, though the evidence revealed that the tattoos were usually only visible occasionally, usually out of focus, and not the center of attention. The court held that the use of the tattoos was non-infringing because the copying was de minimis, a ruling reminiscent of the *Gottlieb* decision that appears on page 258 of the main volume.

Of more interest in the present context was the court’s further holding that “the tattooists necessarily granted the Players nonexclusive licenses to use the Tattoos



Script with Scroll, Clouds, and Doves (LeBron James)

as part of their likenesses. . . . Therefore, Defendants had permission to include the Tattoos on the Players’ bodies in NBA 2K because the Players had an implied license to use the Tattoos as part of their likeness, and the Players either directly or indirectly granted Defendants a license to use their likenesses.” If the tattoo artist had wanted to specifically reserve rights to benefit from any subsequent use of the tattoo in advertising, video games, or otherwise, would there be a way to do that? If so, do you think it happens very often?

Page 670 – Insert the following as a new paragraph at the end of Note 4:

To confer standing to sue however, the exclusive license must be valid. One situation in which the license might be invalid would be where the licensor did not own the entire copyright interest, but rather was merely one of several co-owners. This issue proved fatal to the plaintiff in *Tresóna v. Burbank High School Vocal Music Assoc.*, 953 F.3d 638 (9th Cir. 2020), where a music licensing organization attempted to sue for unauthorized performances of works by a High School show choir. Tracing the chain of title of the plaintiff, the court determined that the licenses they held to several of the songs in questions had been granted by fewer than all the copyright owners, and that therefore they lacked standing to sue. Other cases have come to the same conclusion.



MAKE THE CONNECTION

As we noted in Chapter 8, a co-owner does not have the authority to grant an exclusive license, because that would effectively limit the other co-owners' ability to exploit the copyright themselves. An imperfect analogy to illustrate the point would be to imagine that one day while you were out your roommate granted a third party an exclusive sublease to your apartment. That wouldn't be very nice to you, would it? But it also wouldn't be enforceable if both of your names were on the lease – a co-owner of an interest in land doesn't have the power to execute a conveyance that would exclude the other co-owners, and copyright law borrows from that rule.

Chapter 10: *Copyright Duration and Related Limitations on Transfer*

B. Limitations on Transfer

2. Terminations of Transfer

a. “Extension-Windfall-Recovery” Terminations

Page 767 – The last three lines of note 6 should read as follows:

and (2) the holder of the termination power is unable to bargain to remove the uncertainty, because its only bargaining chip—the power to terminate—cannot [“can” in the main volume] be effectively given away in return for a more lucrative deal.

Chapter 11: *The Reproduction, Distribution, and Adaptation Rights, and the Visual Artists Rights Act*

B. The Right of Distribution to the Public

1. The Meaning of “Distribution to the Public”

Page 812 – Insert the following in place of the third paragraph in Note 6:

Capitol Records sued ReDigi and secured a summary judgment ruling in its favor. On appeal, the Second Circuit affirmed, *Capitol Records, LLC v. ReDigi Inc.*, 910 F.3d 649 (2nd Cir. (N.Y.), 2018). The

district court had relied on two bases for its ruling. First, it held that ReDigi's process involves the making of a copy which violated the plaintiff's reproductions right – a right which is not limited by the first-sale principle codified in § 109. Second, it noted that because the copies being resold by ReDigi were not “lawfully made” as required by § 109, the first sale doctrine could not apply. The court of appeals affirmed on the first ground finding it unnecessary to reach the second. Judge Leval took a literal view of the concept of reproduction, explaining:

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.

The Second Circuit was not impressed by ReDigi's efforts to insure that no copies of the music file remained on the original purchasers computer, noted that “[w]e 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.” It also noted that its conclusion was consistent with the views of the Copyright Office, first expressed in 2001 and reiterated in 2016 (“a digital file transfer creates a new copy or phonorecord on the transferee's computer”) and thus does not qualify for first sale protection. U.S. Copyright Office, Library of Cong., *The Making Available Right in the United States* 22, n.94 (2016). The Second Circuit also went on to find that ReDigi's activities were not protected by the fair use doctrine.

After the complaint was filed in this case, ReDigi launched “ReDigi 2.0”. That system would have allowed purchasers to download music files directly onto ReDigi's servers, and stream the song whenever they wanted to listen to it. If they wanted to sell the song, the right to access the song via streaming would simply be transferred or reallocated to the buyer. In this system, no copy of the song is made (after the initial authorized copy that occurs when the song is first purchased). Both the trial and appeals court refused to reach the question of the legality of that alternative version of the service because the complaint only addressed the original version of the system. However the stipulated judgment in the case forbids ReDigi from operating version 2.0. The Second Circuit noted in a footnote that “[b]ecause neither we, nor the district court, have decided whether version 2.0 would infringe, this opinion does not decide on the lawfulness of the use—by persons who are independent of the Defendants—of systems functioning like version 2.0, at least to the extent that their systems differ from the aspects of version 1.0 that are adjudicated in this opinion.” What is your assessment of the legality of a system like ReDigi 2.0?

p. 820 – Insert the following at the end of the first (carry-over) paragraph.

In July of 2018 the Ninth Circuit affirmed this ruling, see [Close v. Sotheby's, Inc.](#), 894 F.3d 1061 (9th Cir. 2018). However, the Ninth Circuit held that for sales that took place prior to the effective date of the current copyright statute (January 1, 1978), but after the California law became effective, the California Resale Royalties Act was not pre-empted. As the court summarized, “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.”

E. Protecting Integrity and Attribution: “Moral Rights” and the Visual Artists Rights Act

p. 873 – Insert the following after the last paragraph:

Indeed, in one sense, current U.S. copyright law actually includes a provision affirmatively privileging violations of the right of integrity, at least as regards motion pictures. In 2005 Congress adopted a statute called the Family Movie Act (codified as 17 U.S.C. § 110(11)), which shields from liability acts that filter out portions of a motion picture (such as scenes involving nudity, sex, violence or crude language) during a performance, provided the performance is being made from a lawful copy of the movie, and no new copy is made. Of course, many filmmakers include such scenes precisely because they feel they contribute to the story they are trying to tell, and likely feel that the elimination of such scenes destroys or at least alters their artistic vision. Nonetheless, current U.S. law provides a safe harbor for this kind of on-the-fly alteration. (You can find a few more details about the Family Movie Act at page 945, where we discuss limitations on performance and display rights more generally.) Do you think that the Family Movie Act violates U.S. obligations under the Berne Convention? Is the conduct it authorizes any different from a viewer hitting the mute button or closing his or her eyes to avoid objectionable content?

p. 893 – Replace the second paragraph with the following:

Four years later, when the case had finally proceeded to a full trial on the merits, the district court held that the defendants had indeed violated VARA, and awarded the plaintiffs \$6.75 million in damages — the maximum statutory damages of \$150,000 for each of the 45 destroyed works of art that the court found were of “recognized stature.” On appeal the Second Circuit affirmed. *Castillo v. G & M Realty L.P.*, 950 F.3d 155 (2d Cir. 2020).

On the substantive question, the court of appeals held that a work qualified as a “work of recognized stature” under VARA if it “is one of high quality, status, or caliber that has been acknowledged as such by a relevant community.” The court expanded on this test as follows:

The relevant community will typically be the artistic community, comprising art historians, art critics, museum curators, gallerists, prominent artists, and other experts. Since recognized stature is necessarily a fluid concept, we can conceive of circumstances under which, for example, a “poor” work by an otherwise highly regarded artist nonetheless merits protection from destruction under VARA. . . . For that reason, aside from the rare case where an artist or work is of such prominence that the issue of

recognized stature need not be tried, expert testimony or substantial evidence of non-expert recognition will generally be required to establish recognized stature.

The defendant had argued that since it was routine for many of the works at 5Pointz to be “overpainted” after a short period of time, their temporary nature precluded a finding that they were of recognized stature. The court rejected this contention, citing various acclaimed works of art that were also temporary such as acclaimed artist Christo’s installation of over 7500 orange draped gates in Central Park. The court embraced a flexible, case-by-case approach on this question saying that although “a work’s short lifespan means that there will be fewer opportunities for the work to be viewed and evaluated, the temporary nature of the art is not a bar to recognized stature.”

Given that the plaintiff’s expert witness was credible and that the issue of “recognized stature” is a question of fact that can only be disturbed on appeal if clearly erroneous, the Second Circuit saw no reason to set aside the findings below.

On the damage issue, the court found the evidence of defendant’s willful violation of plaintiff’s rights compelling, and felt that the award of the maximum amount of statutory damages for each work was a justifiable exercise of the trial court’s discretion. The court noted instances in which defendant had made misrepresentations to the court with regard to the urgency of demolishing the building, and cited with approval the trial court’s observation that the plaintiffs “conducted themselves with dignity, maturity, respect, and at all times within the law.”

The defendants have filed a petition for certiorari which is pending at the time this Supplement was prepared. In the humble opinion of your authors, the Supreme Court will have no interest in the matter. The principal individual defendant in the case, Gerald Wolkoff, the head of G & M Realty, died in July, 2020, and you can find a brief story about him, and the litigation, if you [click here](#).

Chapter 12: *Public Performance and Display Rights*

B. The Emerging Importance of the Display Right

p. 941: Insert After Note 1:

1A: Limitations on the Server Test? In two cases decided in 2018 and 2021, judges in the Southern District of New York have rejected *Perfect 10 v. Amazon*’s “server test.” In [Goldman v. Breitbart News Network, LLC](#), 302 F.Supp.3d 585 (2018), plaintiff Justin Goldman took a photograph of New England Patriots quarterback Tom Brady and Boston Celtics General Manager Danny Ainge walking down a street together in East Hampton, New York. Goldman posted the photograph to his private Snapchat Story, accessible only to friends. The photograph was apparently interesting to sports fans because the Boston Celtics were at the time trying to recruit star basketball player Kevin Durant, and the photo boosted speculation that Tom Brady – a football player, not a basketball player – was involved in the recruitment effort, which would have been quite unusual. Someone with access to Goldman’s Snapchat

story copied and distributed the photo, and it ended up featuring in several Tweets. The defendants in the *Goldman* case, which include, not just Breitbart News Network, but Time Inc., Yahoo, Gannett, the Boston Globe, and others, did what the *Perfect 10* court calls

SEE IT

You want to see the photo, don't you? So did we. As of this writing, at least [one Tweet containing the photo is still publicly available.](#))

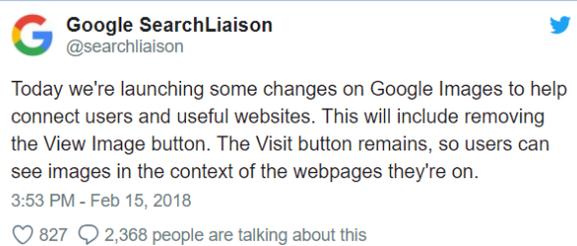
“framing,” and *Goldman* calls “embedding.” They created code that caused Goldman’s photo to appear on their webpages, by pulling the photo from one of the Tweets that were public at the time. Thus, although the photo appeared visually on the websites of the defendants’ media outlets, no copy of the photo resided on the defendants’ servers – just as no copy of the full-size *Perfect 10* photos resided on Google’s servers in the *Perfect*

10 case.

Judge Katherine Forrest, however, rejected a “server test” that would have resulted in a ruling for the defendants. She noted that the definition of “display” in the Copyright Act – “to transmit . . . a . . . display of the work . . . by means of any device or process” – does not include any requirement of possession of a copy of a work. The defendants all took “took active steps to put a process in place that resulted in a transmission of the photos so that they could be visibly shown,” most often by writing the code that would pull the photo from a Tweet and place it in the middle of their webpages. Thus, they were involved in “transmitting a display” of Goldman’s photo whether or not that photo was stored on their servers. Judge Forrest also argued that the Supreme Court’s opinion in the *Aereo* case, excerpted in the main volume of the casebook on p. 909, supported the plaintiffs, because it refused to draw distinctions based on “invisible technological details” and instead focused on the functionality of the service from a user’s point of view. Here, a visitor to the defendants’ websites typically would not know or care where Goldman’s photo was stored. Finally, although Forrest clearly doubts that *Perfect 10* was correctly decided, she also distinguished the facts in *Goldman* from those in *Perfect 10*. *Perfect 10* involved display of photos by a search engine that was assisting the user to find and navigate to webpages, and the full-size photo was visible to the user only if the user took the affirmative act of clicking on

FOOD FOR THOUGHT

On the same day that the District Court opinion in *Goldman* was announced, February 15, 2018, Google announced that it was changing the way its Image Search works. As you know from *Perfect 10 v. Amazon* (and probably from your own use) an image search initially returns thumbnail versions of images. Clicking on a thumbnail results in the display of a somewhat larger version of that photo, but still not full-size. Until February 15, 2018, you could then click on a “View Image” button and see the full-size image, without the context of the website on which it originally appeared. Google removed the “View Image” button. Here’s the tweet in which it announced that change:



Do you think that the *Goldman* opinion seriously increased the risk that Google Image Search with a “View Image” button infringed the display right of the owners of copyright in the images? Did removing the “View Image” button, but keeping the “Visit” button, remove that risk? (All major browsers allow you to right-click on an image and display it out of context in a new window. Is that a problem?)

the thumbnail. “This is manifestly not the same as opening up a favorite blog or website to find a full color image awaiting the user, whether he or she asked for it, looked for it, clicked on it, or not.” *Goldman*, 302 F.Supp.3d at 596.

In July 2021, Judge Jed Rakoff, also of the Southern District of New York, decided to follow Judge Forrest in rejecting the “server rule.” In [Nicklen v. Sinclair Broadcast Group, Inc. 2021 WL 3239510 \(S.D.N.Y.\)](#), Canadian photographer Paul Nicklen made a video of a starving polar bear and posted it on his Instagram account. The defendant Sinclair Broadcast Group embedded that video in online articles without Nicklen’s permission, and Nicklen sued for copyright infringement. Judge Rakoff denied Sinclair’s motion to dismiss. He concluded that “[t]he Copyright Act’s text and history establish that embedding a video on a website ‘displays’ that video, because to embed a video is to show the video or individual images of the video nonsequentially by means of a device or process.” Judge Rakoff acknowledged that “[p]roponents of the server rule suggest that a contrary rule would impose far-reaching and ruinous liability, supposedly grinding the internet to a halt.” However, he concluded, those were just speculations, and the alternative provided by the server rule is no more palatable, because under that rule, “a photographer who promotes his work on Instagram or a filmmaker who posts her short film on YouTube surrenders control over how, when, and by whom their work is subsequently shown – reducing the display right, effectively, to the limited right of first publication that the Copyright Act of 1976 rejects.”

SEE IT

Paul Nicklen co-founded a conservationist photography organization called Sea Legacy. To see the video of the starving polar bear as posted on the website of that organization, [click here](#).

Isn’t the real complaint of Goldman and Nicklen that “embedders” are removing their content from the context in which they chose to display it, and substituting another context that potentially creates income, not for them, but for the embedders? Does copyright law have good language for talking about substitutions of context?

In late 2021 and early 2022, a District Court in the Ninth Circuit reaffirmed the server test articulated in *Perfect 10*. See *Hunley v. Instagram, LLC*, 2021 WL 4243385 (N.D. Cal.); *Hunley v. Instagram*, 2022 WL 298570 (N.D. Cal.). Thus, the Ninth Circuit and the Second Circuit remain at odds over this issue.

C. Limitations on the Public Performance and Display Rights

p. 945 – Insert the following after paragraph (g):

h. The Family Movie Act of 2005

To accommodate viewers who want to view popular movies, but who are uncomfortable with explicit scenes of violence or sexual activity, or with coarse language, Congress added section 110(11) to the copyright statute in 2005 by adopting the Family Movie Act, P.L. 109-9 (Title II). It provides immunity from infringement liability for filtering “mature content” from movies. Specifically, it declares that it is not an infringement to make limited portions of a motion picture

“imperceptible” during a performance in, or transmitted to a private home, provided that the performance is being made from an authorized copy of that motion picture. The statute also immunizes developing and distributing software for home use that can accomplish the same results, once again, provided that the software does not make a new copy of the movie. In other words, the immunity extends only to “editing on the fly” to remove objectionable content.

In [Disney Enterprises, Inc. v. VidAngel Inc.](#), 869 F.3d 848 (9th Cir. 2017), the court considered the scope of the section 110(11) limitation. The defendant in that case, a company called VidAngel, offered a filtering service to consumers. In the business model challenged in the lawsuit, VidAngel did this by purchasing multiple DVD copies of popular movies. It used one of those discs to make a “master” copy (bypassing any copy controls on that disc). This copy was broken into small segments which VidAngel tagged for objectionable types of content, such as nudity, drug use, racial slurs and the like. The other discs were kept in inventory and nominally “purchased” by subscribers, although those discs were physically retained by VidAngel, and were routinely “sold-back” to VidAngel for the price paid, minus one dollar per day. Subscribers would then select filters and VidAngel would transmit the movie to them, using the master copy on its server while suppressing the relevant snippets corresponding to the selected filters. The other copies of the DVD discs apparently sat in the vault unused.

The court found that these activities were infringing and were not shielded by section 110(11), and thus affirmed a preliminary injunction against VidAngel. The company argued that it had complied with the Family Movie Act limitations because it began its multi-step filtering process using an authorized DVD. The Ninth Circuit disagreed, noting that “the most natural reading of the statute is that the filtered performance or transmission itself must be ‘from’ an authorized copy of the motion picture.” Since VidAngel’s transmissions came from the copies it had made and stored on its servers, the court concluded that they could not rely on the defense. The court bolstered this analysis by observing that

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.

In the wake of the legal defeat VidAngel has sought protection under the bankruptcy laws, which has the effect of freezing the litigation described above. It has also filed its own suit in Utah federal court against a different group of copyright owners than those who sued it in California. It has also revised its filtering process – it now uses a stream-based technology, rather than decrypting and copying from DVDs -- and is seeking a declaratory judgment that its new practices are legal. Presumably it thinks that suing in a more socially conservative state where many residents might favor filtering technologies will provide it with a more positive reception for its arguments. The caption of that pending case is *VidAngel LLC v. Sullivan Entertainment Group*, Docket No. 2:17-cv-00989 (D. Utah).



WATCH MOVIES HOWEVER THE BLEEP YOU WANT

E. The Digital Performance Right for Sound Recordings

P. 977 – Replace the entirety of Chapter 12.E., pp. 977-987, with the following:

E. Digital Streaming of Music After the Musical Works Modernization Act

In the main body of the casebook, this section of Chapter 12 is devoted to exploring the digital audio transmission right for sound recordings. That exclusive right was added to the Copyright Act by Digital Performance Right in Sound Recordings Act of 1995 (“DPRA”), and codified as § 106(6), with elaborations in § 114. (Notice that “digital audio transmissions” can include over-the-air broadcasts as well as transmissions over the internet, and we are using “streaming” in that broad sense as well.)

Digital audio transmissions are no longer a nascent technology that obtained a new exclusive right. Rather, they now represent the predominant form of enjoying music in the United States. Digital streaming of music has largely replaced both sales of physical media like CDs, vinyl, and cassettes, and sales of digital downloads. In 2018, 75 percent of the revenue from recorded music in the United States – \$7.4 billion of the \$9.8 billion total – came from streaming. Only 11% (\$1.15 billion) came from physical media sales, and only 10% (\$1.04 billion) from downloads. (The tiny remainder – 3% – came from synchronization licenses – licenses to use sound recordings in video and movies.) See [Recording Industry Association of America, RIAA 2018 Year-End Music Industry Revenue Report](#) (hereinafter “RIAA 2018 Report”). The dominance of digital streaming will almost certainly only increase.

Because of the dominance of digital music streaming, and because of recent legislation in that area, we think it is important to give you an overview of how copyright licensing for digital streaming will now work, both for sound recordings and for musical works. The recent legislation is [Orrin G. Hatch – Bob Goodlatte Music Modernization Act \(“MMA”\)](#), which was signed into law by President Trump on October 11, 2018, and consists of three separate Titles. Title I, which is known separately as the “Musical Works Modernization Act” or MWMA, focuses mainly on musical works licensing, but also has some provisions that affect the licensing of sound recordings. Title III, known separately as the “Allocation for Music Producers Act,” is directed to sound recording licensing. (Title II, known separately as the “Classics Protection and Access Act,” grants new federal rights in pre-1972 sound recordings, while further preempting existing state-

law rights. We will introduce that legislation in the following section, Chapter 12.F.) The overview we will present will largely be from the perspective of someone who would like to start a business that streams music to the public. If you wanted to do that, what permissions would be necessary, and how would you obtain them, given the kind of streaming that you wanted to do?

I. Streaming and Paying for Sound Recordings: The Three Categories of Digital Audio Transmissions. We're going to start with the details of licensing sound recordings for streaming purposes. Historically, of course, if you wanted to broadcast or otherwise perform musical sound recordings, you would only have to pay for use of the musical works, which you would do through a PRO like ASCAP. Sound recordings had no public performance rights. The DPRA did not grant full public performance rights to sound recordings. They can still be played by venues like shops and restaurants and analog radio stations without any license. However, the DPRA did add a right for one particular type of public performance of sound recordings: digital audio transmissions, which are digital transmissions of sound without any accompanying images.

As amended by the Digital Millennium Copyright Act, the DPRA divides digital audio transmissions into three categories: exempt transmissions, statutory-license transmissions, and negotiated-license transmissions. Thus, if you want to stream music, your first step would be to figure out which of those categories encompasses the streaming you want to do. The boundaries of the three categories are codified in some very long and torturous language in § 114 of the Copyright Act. (Although you are used to looking for definitions of copyright terms in § 101, § 114 includes its own set of definitions in § 114(j); that's how complicated it is.)

a. Exempt transmissions and free radio broadcasters. Your streaming activity would qualify as an exempt transmission, for which no sound-recording permissions or royalties are required, if you were engaging in a non-interactive, nonsubscription broadcast transmission. See 17 U.S.C. § 114(d)(1)(A). Section 114's definition of "broadcast transmission" requires you to be an entity licensed by the Federal Communications Commission. See 17 U.S.C. § 114(j). That means that this category is reserved for businesses that are operating what most of us think of as "old-fashioned radio stations" – free, over-the-air broadcasts – and that either want to broadcast over-the-air digitally (one popular version of which is known as "HD Radio") or to stream audio over the internet. Recall that these old-fashioned radio stations have never had to pay for their analog broadcast of sound recordings. The "exempt transmissions" category can be seen in part as a concession to this longstanding radio station business model, allowing such stations to move into digital broadcasting or internet radio without having to pay new royalties. You may wonder about the fairness of favoring old, entrenched industry participants. But you may also realize that such favoritism is sometimes a political necessity to get legislation passed, and of course those participants also have arguments about why they should be treated differently. Thus, if you're operating an FCC-licensed radio station, you will likely be able to venture into digital broadcasting or internet radio without having to worry about getting permission from the owner of copyright in the sound recordings. You will just have to pay for performing the musical works, about which more below.

b. Statutory-license transmissions and noninteractive services. If you are not an FCC-licensed radio station, you will have to obtain permission and pay royalties to stream sound recordings. If you meet the four pages of requirements in § 114(d)(2), you will be able to take advantage of a statutory license, under which you can pay a government-determined fee to obtain permission to stream. We can't cover all four pages of requirements here, but we can tell you that the general purposes of those requirements are to ensure that a streaming service does not come too close to substituting for purchasing music, and that it does not do too much to facilitate user copying.

The single most important distinction that affects eligibility for a statutory license is that between **interactive** services and **non-interactive** services. The classic interactive service is an on-demand service – a service that allows users to choose exactly which song to listen to at any given time. The classic non-interactive service offers music programming like an old-fashioned radio station – programming that may stay within a general genre of music, but over which a listener has no influence or advance knowledge. As you might imagine, however, there are degrees of interactivity in between those two poles, like the service for which Pandora became famous, which lets the user create a “personal radio station” based on one or more recording artists, and then influence the contents of that channel by liking or not liking songs that are played. The “interactive” category in § 114 covers some forms of interactivity beyond a pure on-demand service, so if you were unsure about what kind of service you were offering, you would want to consult the definition in § 114(j)(7). (Pandora’s classic service is designed to stay within the “non-interactive” category.) The *Arista Records* case at page 977 of the casebook, in this subsection, provides a good illustration of the various twists and turns involved in this categorization.

If your service qualifies for the § 114 statutory license, you will be in good company. Other existing services that use the § 114 statutory license include satellite radio services like SiriusXM; internet radio services like TuneIn and iHeartRadio; services that stream music into businesses and elevators like Mood Music (formerly Muzak); services that provide audio-only channels on cable television, like Music Choice (which a student once told one of your authors that “only old people listen to”); public radio stations and networks like National Public Radio; and many smaller commercial, noncommercial and religious services. An organization called [SoundExchange](#) was created to collect the § 114 statutory license fees, so you would want to consult its [service provider pages](#) to register, obtain permission and make royalty payments. Statutory licenses generated about \$1.2 billion in recording industry revenues in 2018, accounting for about 12% of total industry revenues, and about 16% of streaming revenues. (That, of course, means that negotiated interactive streaming licenses generated much more revenue, as we will see below. But it also means that the § 114 statutory license generated more than either sales of physical media or digital downloads.)

Rate Standards. How much will you have to pay for your statutory license? Section 114 statutory license rates are set by the [Copyright Royalty Board](#), following standards established by statute. As you might imagine, those standards and the resulting rates are a matter of great interest to the relevant industry participants, and have sometimes generated intense dispute. One standard used in statutory licenses is the “willing buyer, willing seller” standard. Under that standard, the Copyright Royalty Board has to try to estimate what the rate would be if the parties

were bargaining in a competitive market – a task that is at least conceptually reasonably simple, if practically difficult. An alternative statutory rate standard directs the Copyright Royalty Board to set rates in order to achieve four goals:

- (A) To maximize the availability of creative works to the public.
- (B) To afford the copyright owner a fair return for his or her creative work and the copyright user a fair income under existing economic conditions.
- (C) To reflect the relative roles of the copyright owner and the copyright user in the product made available to the public with respect to relative creative contribution, technological contribution, capital investment, cost, risk, and contribution to the opening of new markets for creative expression and media for their communication.
- (D) To minimize any disruptive impact on the structure of the industries involved and on generally prevailing industry practices.

17 U.S.C. § 801(b)(1). If you are guffawing and snorting at the absurdity of figuring out exactly what rate will perfectly accomplish all of those goals, then you are in good company – or at least in our company. What you do need to know is that rates set under that four-part standard have historically been lower than rates set under the “willing buyer, willing seller” standard. For many years, § 114 provided that the digital streaming services that were already in existence at the time the DPSA was enacted, such as SiriusXM, Mood Music (Muzak), and Music Choice, had to pay rates determined under the four-part standard, while newer services had to pay rates under the “willing buyer, willing seller” standard. *See* 17 U.S.C. § § 114(f)(1)(B), 114(f)(2)(B) (2018). The MWMA, however, abolishes that distinction, and sets all rates using the “willing buyer, willing seller” standard, *see* MMA § 103(a)(1) (2018) – a change welcomed by recording companies and the newer digital streaming services, and which may be reflected in your monthly cable TV bill or subscription fee for SiriusXM in due course.

Distribution of Royalties. There is one more thing you should know about the flow of royalties under § 114 statutory licenses, although it does not directly affect you if your only involvement is operating a streaming service. Section 114 establishes *by statute* how the royalties from § 114 licenses will be distributed among categories of industry participants: 50% to the owners of copyright in the sound recordings; 45% to featured recording artists (those individuals or groups most prominently featured on a recording); 2 ½% to a fund for nonfeatured musicians; and 2 ½% to a fund for nonfeatured vocalists. *See* 17 U.S.C. § 114(g)(2). That distribution is to be made regardless of any prior contractual arrangements. That should give you a little pause – wow, whatever happened to freedom of contract? However, it has its immediate precedent in the Audio Home Recording Act (discussed in the casebook main volume on pages 494-495), and its more distant precedent in the arrangements of the legacy PROs, ASCAP and BMI, which distribute 50% of musical work public performance royalties to music publishers, and the other 50% to individual composers and authors.

Notice that the distribution set up in § 114(g) does not include any percentage for producers, mixers, or sound engineers (all of whom we will call “producers” here, for the sake of convenience). That is the case even though it has been recognized since federal protection was granted to sound recordings that people who serve in those roles can make copyrightable contributions. Title III of the MMA, the Allocation for Music Producers Act (“AMP”), amends §

114(g) to include some acknowledgement of producers, but that acknowledgement falls short of an unconditional mandate of a percentage of § 114 royalties. Instead, AMP requires SoundExchange to make distributions of § 114 royalties to producers if directed to by the owners of copyright or by the featured artists (something that SoundExchange was already informally doing). It also creates a complicated scheme whereby producers may be able to get 2% of the § 114 royalties from pre-1995 sound recordings. Those sound recordings, of course, are those that were made before digital audio transmission royalties existed, so that producers could not have anticipated such royalties and did not contract for them. However, AMP provides producers the 2% share only if they file a request asking for it, and only if the featured artists don't object, so it is hardly a guarantee.

c. Negotiated licenses and interactive services. Finally, if your streaming service is going to be an interactive service, or will otherwise fail to qualify for the statutory license, then you have to go to each recording company and negotiate licenses to stream the sound recordings in which they own copyright. That is what on-demand streaming services – Spotify, Apple Music, Amazon Music Unlimited, Pandora Premium, YouTube Music, and others – all do. The recording industry is quite concentrated. In 2018, the “Big Three” record labels accounted for 71% of global recording industry revenue, with Universal Music garnering 31%, Sony Music Entertainment 21%, and Warner Music 18%. See [Mark Mulligan, 2018 Global Label Market Share: Stream Engine](#). That is in some sense an advantage: you will be able to stream a lot of songs without having to conclude dozens or hundreds of deals. In another sense, however, it may be a disadvantage – if Universal Music knows that your service will have a huge gap without its catalog of recordings, it may drive a hard bargain. In some cases, the license agreements have included equity stakes in the streaming service, which, in the case of Spotify at least, turned out to be very lucrative for the recording industry. See [Lucas Shaw, Record Labels Reap More Than \\$1 Billion Selling Spotify Stakes, Bloomberg Quint, May 7, 2018](#). In 2018, paid subscriptions to on-demand streams were the single most important source of recording industry revenues, generating about \$5.4 billion, over half of the total industry revenues of \$9.8 billion, and over three-quarters of total revenues from streaming. Advertising-supported free on-demand services like Spotify Free added an additional \$760 million in revenue. See [RIAA 2018 Report](#).

2. Streaming and Paying for Musical Works. If you have figured out how to pay for the sound recordings you want to stream, you are doing well, but you are only halfway done. You also have to pay for the musical works. Even though many songs today have never been “notated” (that is, written out in sheet music), because they were created as sound recordings in a recording studio, the ghost of sheet music inhabits each sound recording. For every musical sound recording digitally streamed you have to pay separately for the sound recording (unless you are exempt as discussed above) and the musical work, even if the composer and the performer are the same person. And if that doesn't have you tearing out your hair, we will see that the MWMA makes interactive streaming services pay twice for a single stream of a single musical work.

a. Public performance rights and PROs. All streaming services must pay for public performance rights for the musical works they stream. This is a continuation of the oldest of music licensing traditions, under which theaters, restaurants, and other public venues, as well as radio and television stations, must pay for the musical works that they publicly perform. The

entities that grant most public performance licenses and collect fees for streaming are the same performing rights organizations that we introduced in the previous section of this chapter – ASCAP, BMI, SESAC, and GMR – which act on behalf of composers, authors, and music publishers. Recall that in case of dispute, the rates charged by ASCAP and BMI are set, not by the Copyright Royalty Board, but by the U.S. District Court for the Southern District of New York (“SDNY”), a legacy of an antitrust consent decree dating from the 1940s. However, § 114 does have something to say about how that court must set rates for public performances of streamed musical works.

Back in 1995 when the DPSA first established the digital audio transmission right for sound recordings, music publishers were afraid that streaming services might convince the court that ASCAP and BMI rates should be lower, now that streaming services were going to be paying for both sound recordings and musical works. They therefore successfully lobbied for § 114(i), which prohibited the court from considering royalties that streaming services paid for sound recordings when determining rates to be paid ASCAP and BMI for musical works. Be careful what you ask for. With § 114(i) in place, recording companies were able to get the Copyright Royalty Board to set higher rates for sound recordings than music publishers could get the SDNY to set for musical works. Music publishers would have liked to show the SDNY that the sound recording rates were higher, but the very provision for which they lobbied – § 114(i) – prevented them from doing so. Thus, they went back to Congress, and lobbied for Congress to replace § 114(i) with a provision that allowed the SDNY to consider rates for sound recordings when setting rates for musical works in conjunction with digital audio transmissions. Sections 103 (b) and (c) of the MWMA do just that.

b. Mechanical licenses for interactive streaming. Section 115, you will recall, creates the oldest statutory license in the Copyright Act, dating from 1909. Historically, it has applied to the activity of making and distributing phonorecords containing “covers” of musical works – not the first recording of a musical work released (like [Toto’s 1982 recording of “Africa”](#)), but the second or third or hundredth (like [Weezer’s 2018 recording of that song](#)). Thus, if you want to make and distribute CDs – or cassettes or vinyl or music boxes – that contain a new sound recording of a musical work, and another recording of that musical work has already been released, then you do not have to negotiate with the owner of copyright in that musical work for a license. Rather, you can take advantage of the § 115 statutory license, and pay a statutory fee (now also set by the Copyright Royalty Board). That license is known colloquially as the “mechanical license” because it historically pertained to making objects that could be played on machines like record players, player pianos, and music boxes.

In 1995, the DPSA amended § 115 to provide that the mechanical statutory license also covered “digital phonorecord deliveries.” That term clearly encompassed permanent downloads, which made sense. When someone purchases and downloads a song from a service like iTunes, that purchaser obtains possession of a permanent copy (technically speaking, a phonorecord) of a sound recording of a musical work. Having possession of that permanent copy on a computer (as a file residing on the hard drive), or on a phone or an iPod, is very similar to having possession of a permanent copy on a CD.

If download services like iTunes have to pay for mechanical licenses, do streaming services also have to pay for mechanical licenses? Should the term “digital phonorecord delivery” be read to include streaming? If you followed the traditional logic of the exclusive rights, what would your answer be? Before reading any further, we suggest that you consider that question while perusing the list of exclusive rights in § 106.

Done that? Here’s where we think the traditional logic would lead. Mechanical licenses are associated with the reproduction and distribution rights. They are all about making permanent copies. Streaming services provide performances of sound recordings and musical works, not permanent copies. Therefore, they should therefore implicate only the public performance right, and should require public performance licenses, not mechanical licenses. Reproduction and performance, as we have considered them up until now in this casebook, are simply two different things. True, unlike traditional analog broadcasting, streaming over the internet requires making “buffer copies” that may be in existence for a few seconds. Recall, however, that in *Cartoon Network LLLP v. CSC Holdings, Inc.*, 536 F.3d 121 (2d Cir. 2008) (p. 37 in the Second Edition of this casebook), the Second Circuit held that such buffer copies should not be consider “fixed” within the meaning of the Copyright Act, and therefore do not implicate the reproduction right. You may also be aware that some streaming services use digital rights management to blur the distinction between reproduction and performance. For example, Spotify, Apple Music, and Amazon all offer some subscribers the opportunity to listen to songs offline. That feature requires having a copy (technically, a phonorecord) of the song on your device, and that copy may stay on the device for days or months – long enough that the *Cartoon Network* court would undoubtedly deem it to be “fixed,” and therefore to implicate the reproduction right. While such a copy will be unplayable if your streaming subscription lapses – that’s the DRM protection that makes it a little different than a copy that is owned outright – it is extremely unlikely that a court would hold that the copy is not fixed merely because it may become inaccessible at some point in the future. However, under the MMA, all interactive streaming is treated as reproduction requiring mechanical licensing, whether or not offline listening is available. As a purely conceptual matter, that may leave you scratching your head.

Conceptual coherence aside, however, there are at least two practical considerations that could weigh in favor of making interactive streaming subject to a mechanical license as well as a public performance license. First, as long as you have a good broadband internet connection, on-demand streaming is, from the user experience perspective, indistinguishable from playing a local copy. You can play the same song 50 times in a row on Spotify or Amazon Music Unlimited, just as you can if you have that song on your phone as an iTunes download or if you own a physical CD of the song. Therefore, on-demand streaming will likely substitute for owning copies, drying up traditional mechanical license fees, and there should perhaps be a replacement stream of income derived from a user’s “access to a song whenever (and however much) I want it” experience.

Second, and just as importantly, mechanical license royalties have traditionally been set, collected, and distributed quite differently from public performance royalties. Public performance royalties go through ASCAP and BMI, with all of their antitrust history and court-determined rates, and are split 50/50 between publishers and songwriters. Mechanical license royalties go

through either the Harry Fox Association or the Copyright Office, with rates determined by the Copyright Royalty Board or its predecessors, and 100% of those royalties go initially to music publishers, to be further distributed by them according to their contractual obligations. If no mechanical royalties are due from on-demand streams, then as listeners migrate from buying copies to on-demand streaming, a larger and larger percentage of revenue is channeled through PROs, and is subject to court-supervised rates and the 50/50 split. Moreover, under the antitrust consent decree, ASCAP and BMI have to continue to provide access to their catalogs while a rate dispute is being litigated, even though no royalties will be paid until the judgment is issued. See [U.S. Copyright Office, Copyright and the Music Marketplace 94 \(2015\)](#). That means that if streaming giants like Spotify and Apple Music dispute rates, a very substantial percentage of public performance revenue to music publishers could be significantly delayed.

However, there is an enormous practical problem to making on-demand streaming subject to mechanical licenses. The entire administrative machinery set up for handling mechanical licensing was based on the assumption that no one would be seeking to obtain more than about a dozen licenses at one time. Historically, that assumption held true: If you were a musician who wanted to release a CD (or a downloadable album) of cover versions of songs composed by others, then you might need, at most, 10 or 12 mechanical licenses. If, however, you are Spotify or Apple Music, and you are setting up an on-demand streaming service, and that service is held to be subject to mechanical licensing, you will need *millions* of mechanical licenses. (As of this writing, Spotify claims to have a library of about 35 million songs, and Apple Music claims to have about 45 million.) To make matters worse, while, as we noted above, the recording industry is quite concentrated, with almost three-quarters of annual revenue in the hands of the “Big Three,” the music publishing industry is somewhat less concentrated, and many of the mechanical licenses will be for older musical works whose copyright owners are very difficult to ascertain and locate.

Because of the legal uncertainty of whether the Copyright Act required mechanical licenses for interactive streaming, and because mechanical licenses were so difficult to obtain in the quantities that streaming services needed them, those services went ahead and added many songs to their libraries without obtaining mechanical licenses. (You will perhaps have realized by now that many successful digital distribution companies have gotten where they are by barging ahead with their business plans and cleaning up the copyright issues later.) That subjected those streaming services to potential liabilities of hundreds of millions of dollars in statutory damages for copyright infringement if it turned out that they used musical works without all of the required permissions. Spotify, in particular, has faced several lawsuits seeking, in the aggregate, about \$2 billion.

That is a rather long-winded windup to the major provisions of the MWMA, but now it is finally time to unveil them. First, the MWMA provides that *interactive streaming is subject to mechanical licensing as well as public performance licensing*. It defines the term “digital phonorecord delivery” to include interactive streaming, and also notes that interactive streaming can simultaneously be a public performance. See 17 U.S.C. § 115(e)(10) (as amended by MMA § 102(a)(5)). Conceptual coherence loses; practical considerations win. The MWMA allows interactive streamers to use the § 115 statutory license, but subjects them to somewhat different procedures than those applicable to record companies that want to make and distribute

recordings on physical media or via downloads. Thus, if your streaming service is classified as interactive, you're going to have to pay for both mechanical licenses and public performance licenses; if it's classified as non-interactive, you will only have to pay for public performance licenses.

Second, the MWMA empowers the Copyright Office to designate a new nonprofit "Mechanical Licensing Collective" ("MLC") that will collect and distribute interactive streaming mechanical license royalties. MMA § 102(a)(4) (codified at 17 U.S.C. § 115(d)(3)). On July 8, 2019, the Copyright Office designated the imaginatively-named "Music Licensing Collective, Inc." as the MLC. *See* [Library of Congress, U.S. Copyright Office, Designation of Music Licensing Collective and Digital Licensee Coordinator](#), 84 Fed. Reg. 32274 (July 8, 2019).

Crucially, the MLC will offer a blanket license similar to that offered by PROs like ASCAP and BMI. MMA § 102(a)(4) (codified at 17 U.S.C. § 115(d)(1)). Streaming services will be able to pay one fee to obtain mechanical licenses for every musical work administered by the MLC, and the MLC will sort out the distribution of those receipts to copyright owners – including identifying the correct owners. Streaming services will have to pay royalties whether or not the owners can currently be found. If the owners can't be found within three years after the payment is made, the MLC will be able to distribute that money proportionally among copyright owners registered with the MLC.

Third, the MWMA makes the MLC responsible for creating and maintaining a database of musical works that contains, for each musical work, its title; copyright ownership information; contact information for the owners; and identifying information for sound recordings in which the musical work is embodied. *Id.* (codified at 17 U.S.C. § 115(d)(3)(E)).

Fourth, the Copyright Royalty Board will continue to set rates for mechanical licenses, but the MWMA amends § 115 to move from the "four-factor" rate standard introduced above to a "willing buyer, willing seller" standard. *Id.* (codified at 17 U.S.C. § 115(c)(1)(F)). As explained above, that is likely to result in somewhat higher rates.

Finally, the MWMA provides a retroactive limitation of streaming services' liability for failure to pay mechanical license fees. In any such lawsuit filed against a streaming service after January 1, 2018 – which, you will note, is 10 months before the MMA passed – the plaintiffs will be limited to recovering the § 115 license rates due, so long as the streaming service does a few things to qualify for that limitation. *Id.* (codified at 17 U.S.C. § 115(d)(10)). That removes the potentially enormous liability for statutory damages for copyright infringement. Spotify has now settled the largest lawsuits filed against it before 2018, and so it no longer needs to worry about its past failures to pay for mechanical licenses.

The MWRA clearly makes the process for paying for mechanical licenses for digital music streaming much easier than it was. But should mechanical licenses be necessary for music streaming at all? If you don't think you know enough to answer that question, what more would you like to know? Overall, do the rules for licensing music streaming – both of sound recordings and of musical works – now seem to make sense? If not, what changes would you propose?

F. State-Law Public Performance Rights for Pre-1972 Sound Recordings

P. 987 – Replace this entire section with the following:

F. Rights in Pre-1972 Sound Recordings: State Law and the Classics Protection and Access Act

Before 1972, federal copyright law did not protect sound recordings at all. When Congress extended copyright protection to sound recordings in the Sound Recording Act of 1971, it did so only prospectively, limiting the protection to sound recordings that were “fixed, published, and copyrighted” on or after February 15, 1972. Thus, sound recordings fixed before that date continued to be protected only under state law. In 1994, in order to comply with the obligations of the United States under the Berne Convention, Congress provided for retroactive federal copyright protection of pre-1972 sound recordings that were of foreign origin. See 17 U.S.C. § 104A(h)(6)(ii). However, under the somewhat complicated rules of the Berne Convention and of § 104A of the Copyright Act, the vast majority of sound recordings that have commercial value in the United States are of domestic origin, rather than foreign origin, and were therefore still protected only under state law.

Owners of copyright in pre-1972 sound recordings have obtained many state-law judgments against those who have reproduced and distributed copies of sound recordings without permission, and prosecutors have obtained state criminal convictions as well. However, state-law remedies are often cumbersome, and there is a serious question of whether state protections include any public performance rights, a question that has become more and more important in the era of music streaming. The Sound Recording Act of 1971 itself quite purposely omitted a federal public performance right for sound recordings. The Digital Performance Right in Sound Recordings Act of 1995 only partially filled that hole when it granted sound recordings protected under federal law a right to public performance “by means of a digital audio transmission.” Thus, old-fashioned analog radio broadcasters have never paid owners of copyright in sound recordings when they played them on the air, and continue not to do so.

More recently, many companies that started streaming pre-1972 sound recordings online, or broadcasting them digitally, decided not to pay the owners of those recordings either, taking the position that state-law protection of those older recordings did not include any public performance rights. The litigation that ensued over whether state law grants public performance rights to pre-1972 sound recordings did not go well for plaintiffs. After some early wins in federal courts, the plaintiffs lost when the federal courts certified questions to state courts in New York and Florida. Those courts both ruled that the law of their states did not extend public performance rights to pre-1972 sound recordings. See *Flo & Eddie Inc. v. Sirius XM Radio, Inc.*, 28 N.Y. 3d 583 (2016); *Flo & Eddie, Inc. v. Sirius XM Radio, Inc.*, 229 So.3d 305 (Fla. 2017). In a case with a somewhat complicated procedural history, the Ninth Circuit eventually ruled in August 2021 that California law did not grant public performance rights to pre-1972 sound recordings. See *Flo & Eddie, Inc. v. Pandora Media, Inc.*, 9 F.4th 1167 (9th Cir. 2021)..

Meanwhile, owners of pre-1972 sound recordings and streaming services were both active in lobbying Congress, and their efforts resulted in a legislative compromise that includes some retrospective federal protection for pre-1972 sound recordings. That legislation arrived on October 11, 2018 as the Classics Protection and Access Act (“CPAA”), enacted as [Title II of the Orrin G. Hatch – Bob Goodlatte Music Modernization Act, Public Law 115-264](#). Somewhat oddly, the CPAA as enacted does not fold pre-1972 sound recordings into existing copyright protections. Rather, it creates a scheme of “quasi-copyright” or “neighboring rights” for pre-1972 sound recordings to be codified in a new Chapter 14 of the Copyright Act. That scheme parallels, in most but not all respects, the copyright rights and remedies provided in earlier chapters of the Copyright Act. The first subsection of the only section in Chapter 14, § 1401(a)(1), provides that anyone who acts with respect to a sound recording in any way that would violate any of the exclusive rights under § 106, or the anti-circumvention and rights management information protections under §§ 1201 and 1202, will be subject to the remedies under §§ 502 through 505 and 1203, “to same extent as” an infringer of copyright. That means that owners of pre-1972 sound recordings now have almost all of the same rights and remedies as those of more recent recordings protected by copyright. The sole exception is criminal remedies, which the Copyright Act provides in § 506, a section that is intentionally omitted from incorporation into § 1401.

To round out the near-mirroring of copyright protection, the CPAA provides that federal rights in sound recordings will be subject to most of the limitations and exceptions in Chapter 1 of the Copyright Act, including § 107 fair use, § 108 library and archive uses, § 109 first sale, § 110 public performance exceptions, and § 112(f) ephemeral copies. 17 U.S.C. § 1401(f)(1)(A). Secondary liability for uses of pre-1972 sound recordings is also made subject to the four “safe harbors” in § 512 of the Copyright Act. 17 U.S.C. § 1401(f)(3).

To obtain statutory damages and attorney’s fees, owners of rights in pre-1972 sound recordings need not and cannot follow the registration requirements under § 412 of the Copyright Act, since the CPAA does not technically extend copyright protection to those recordings. However, those enhanced remedies will be available only to rights owners who file a document with the Copyright Office that identifies the title, artist, and rights owner of the sound recording. 17 U.S.C. § 1401(f)(5). Although that document will provide much of the same information that a registration application does, the filing provision does not include a deposit requirement, and thus the CPAA establishes a precedent for extending enhanced remedies without a deposit to add to the collection of the Library of Congress, and without examination by the Copyright Office.

How long will owners of copyright in pre-1972 sound recordings enjoy the rights granted by the CPAA? The Act provides for staggered terms, depending upon when copies of the sound recordings were originally publicly distributed. *See* 17 U.S.C. § 1401(a)(2). Sound recordings that were published before 1923 will enjoy these new federal rights only until December 31, 2021. Sound recordings first published between 1923 and 1946 will get protection until 100 years after their first publication, and thus their terms will begin to expire at the end of 2023 (for recordings published in 1923) and will do so every year until the end of 2046 (for recordings first published in 1946). Sound recordings first published between 1947 and 1955 will get protection for 110 years after first publication, and thus their terms will expire between the end of 2057 and the end of 2065. The terms of sound recordings first published between 1956 and 1972 will all expire on

February 15, 2067, and thus those recordings will receive terms of between 95 years (for the early 1972 recordings) and 110 years (for the 1956 recordings) after first publication. Previously unpublished recordings will also be protected until February 15, 2067.

Those staggered terms seem awfully complicated, don't they? Like many complicated provisions, they represent a compromise. Drafters of an earlier version of the CPAA had granted federal protection to all sound recordings, no matter how old, until February 15, 2067. Under the Copyright Act of 1976, that was the date on which pre-1972 sound recordings would become subject to federal copyright law, and thus have their terms limited, even though protection under state law had extended indefinitely. See 17 U.S.C. § 301(c) (1976) (providing for preemption of state law regarding pre-1972 sound recordings on February 15, 2067); *Capitol Records v. Naxos of America*, 4 N.Y. 3d 540, 559-560 (2005) (discussing perpetual state common law protection in the absence of federal preemption). Others argued that sound recordings should receive only the term of copyright enjoyed by other works protected by federal law, which would mean that all sound recordings published before 1923 would immediately fall into the public domain when the CPAA passed, and those published in or after 1923 would all get protection until the end of 95 years from the year of first publication.

Under the compromise, most sound recordings will receive a longer term than they would have had they been federally protected from first publication. However, most of those recordings will also become free for public use sooner than they would have under previous law. The CPAA preempts state law for all activities that take place with respect to sound recordings after the effective date of the Act (with the possible exception of “nonsubscription broadcast transmissions,” of which more below). See CPAA § 202(a)(1)(amending 17 U.S.C. § 301(c)). Thus, while before the enactment of the CPAA sound recordings would have remained under state law protection until 2067, under the CPAA once the federal term ends state law protection will be largely or entirely unavailable as well. The practical upshot: you can now pass out to your friends as many copies of the records that [Enrico Caruso published in his lifetime](#) as you would like, and you will not be potentially liable under state law.

Yet another twist of the CPAA is that it does not render entirely moot litigation about potential state-law liability for public performance of sound recordings. First, the CPAA has very narrow preemptive effect for some activities that took place with respect to pre-1972 sound recordings before the effective date of the Act. In that regard, it allows broadcasters to treat certain categories of pre-CPAA digital audio transmissions as if they were already governed by federal law, and to pay any royalties due and thereby escape state-law liability. See 17 U.S.C. § 1401(e). (The digital audio transmissions that are eligible for that treatment are “exempt transmissions” and “statutory-license transmissions,” not “negotiated-license transmissions” – see Chapter 12.E. above in this supplement for a discussion of those categories.) That does not affect any potential state-law liability for pre-CPAA public performances that were not digital audio transmissions, nor does it affect the negotiated-license transmissions made by on-demand streamers like Spotify and Pandora Premium. However, as mentioned above, owners of pre-1972 sound recordings have lost their cases regarding public performance rights under New York, Florida, and California law, and it seems unlikely that they will try anywhere else.

Second, as far as post-enactment activities are concerned, the CPAA generally preempts state law, but it provides that it has no effect on possible federal preemption of potential state-law liability for “nonsubscription broadcast transmissions” that are not covered by § 1401, i.e., that are not digital audio transmissions. See CPAA § 202(a)(1) (amending 17 U.S.C. § 301(c)). That means that there might still be nonpreempted state-law liability for analog or audiovisual public performances of sound recordings. While your casebook authors believe that a court would likely hold that state-law liability for public performances of at least post-1971 sound recordings are preempted by the Copyright Act, the CPAA states that that issue should be decided as if the CPAA didn’t exist. And while we are on the subject of coordination of the CPAA with other provisions, we should mention that the CPAA does not acknowledge anywhere that pre-1972 sound recordings of foreign origin have been protected by federal copyright since 1995 under § 104A of the Copyright Act. Thus, courts may be called on to reconcile § 1401 with § 104A.

There are a number of other twists and turns to the CPAA, so if you come across an issue involving a pre-1972 sound recording in real life, we advise you to go to the statute and read it carefully. However, we think we have already presented enough twists and turns to make you queasy. That is the nature of contemporary copyright legislation: complex negotiations between industry players, resulting in complex provisions.

Chapter 13: *Remedies*

A. Damages: Compensation and Restitution

Page 1016 – At the bottom of the page, add the following box:

State and Federal Immunity

Whether state and federal governments can be sued for copyright infringement is a complicated topic. The moving parts include federal statutes, Eleventh Amendment jurisprudence, and Takings Clause jurisprudence. Here’s a brief introduction.

Attempted Federal Abrogation of State Sovereign Immunity. In 1990, Congress enacted amendments to the Copyright Act that purport to abrogate state sovereign immunity in copyright infringement lawsuits, rendering states that are defendants in those suits subject to the same remedies as private parties, including damages. See Copyright Remedy Clarification Act of 1990, Pub. L. 101-553, 104 Stat. 2749 (codified at 17 U.S.C. §§ 501(a), 511) (hereinafter “CRCA”). In the late 1990s, the Supreme Court held that similar attempts to abrogate state sovereign immunity in federal patent and trademark lawsuits were not a valid exercise of any of Congress’s constitutional powers. See *Florida Prepaid Postsecondary Educ. Expense Bd. v. College Savings Bank*, 527 U.S. 627 (1999) (Patent Act); *College Savings Bank v. Florida Prepaid Postsecondary Educ. Expense Bd.*, 527 U.S. 666 (1999) (Lanham Act). At that time, however, the Court did not consider whether Congress’s attempt to abrogate state sovereign immunity in copyright lawsuits was valid.

Two decades later, in *Allen v. Cooper*, 140 S. Ct. 994 (2020), the Court held that Congress’s attempt to subject states to the full range of copyright infringement remedies failed in much the same way

as its attempts with regard to patent and trademark infringement. The Court reaffirmed its earlier holding in the *Florida Prepaid* cases and in *Seminole Tribe v. Florida*, 517 U.S. 44 (1996), that Congress can never abrogate state sovereign immunity under its Article I powers, including its powers under the Commerce Clause or the Intellectual Property Clause. Rather, Congress can only abrogate state sovereign immunity under its power to enforce the Fourteenth Amendment, which prohibits the states from “depriv[ing] any person of life, liberty, or property, without due process of law.” To exercise that power, Congress must identify state conduct that violates the Fourteenth Amendment, and then must tailor its legislative scheme to remedying or preventing such conduct. *Florida Prepaid v. College Savings Bank*, 527 U.S. at 639. Before passing the CRCA, Congress did commission Register of Copyrights Ralph Oman to prepare a report on state infringements of copyright. *Allen*, 140 S. Ct. at 1006. However, the *Allen* Court concluded that the report did not identify a pattern of state copyright infringement significant enough to justify wholesale abrogation of state sovereign immunity. *Id.* at 1006-1007. Thus, the CRCA was not a valid exercise of Congress’s Fourteenth Amendment powers, and states can continue to claim Eleventh Amendment immunity as copyright infringement defendants. *Id.* However, there are two important qualifications to that immunity.

First, local governments are not considered to be covered by state sovereign immunity. *See, e.g., Owen v. City of Independence, Missouri*, 445 U.S. 622 (1980). Thus, the *Florida Prepaid* cases would not prevent damages actions against cities or towns for copyright infringement.

Second, a quirky but venerable rule allows actions for injunctive relief against state officials even though damages actions against the state are unavailable. *See Ex Parte Young*, 209 U.S. 123 (1908). In the context of copyright law, that means that a copyright owner can sue for an injunction banning future infringement, even though damages for past infringement are unavailable. For example, in *Hairston v. North Carolina Agricultural & Technical State University*, 2005 WL 2136923 (M.D.N.C.), the defendant state university reproduced in a number of university publications a photograph of four men at a lunch counter in Greensboro, North Carolina, taken on the thirtieth anniversary of their famous civil rights sit-in at that counter. The author of that photograph sued, seeking both money damages and injunctive relief. The Magistrate Judge in *Hairston* concluded that the plaintiff could not sue the university for money damages, but could sue state university officials to prevent future use of the photograph in university publications. *See id.* at 8; *see also Salerno v. City University of New York*, 191 F.Supp.2d 352, 357 (S.D.N.Y. 2001) (allowing a copyright infringement suit for injunctive relief against state university officials to proceed).

The Takings Clause Route. Given this state of affairs, readers with a good memory of first-year property law might have an idea for a clever workaround. Here’s the concept: If a state (or state agency) engages in act of infringement, the copyright owner would first secure an injunction against continued use of the work under the “Ex Parte Young” rule described above.. Then, the owner would file what is known as a “reverse condemnation” proceeding in state court seeking money damages for the past use of the work.

A reverse condemnation case is a claim under principles of the law of eminent domain. The U.S. Constitution, as well as the Constitution in every state, forbids state governments from taking private property without just compensation. When the government wants to seize tangible property, such as real estate, for a public purpose like the construction of a highway, it brings a

suit to “condemn” the property and establish the fair price to be paid to the owner. If, however, the government simply takes the property without asking, the owner can file suit seeking the compensation owed. That is what is meant by “reverse condemnation.” Moreover, unlike copyright suits which must be filed in Federal court, where the states have Eleventh Amendment immunity, reverse condemnation cases can and usually are filed in state courts, and the states cannot claim immunity from such suits in their own courts because the constitutional taking clauses act as waivers of any possible immunity.

So will this work as a way to get monetary damages for state government copyright infringement? Probably not.

A recent case explains why. In *Jim Olive Photography v. Univ. of Houston Sys.*, 624 S.W.3d 764 (Tex. 2021), plaintiff was a professional photographer who had taken several aerial photographs of the city of Houston. The folks at the University of Houston’s Business School decided that one of those photos would look good on several of its web pages, so it began displaying downloaded copies of the photo without seeking Mr. Olive’s permission. Because the University of Houston is a public institution, the State of Texas was, technically, the infringing party. Years later, when Olive discovered that his photo was on the school’s website, he contacted them and they immediately removed it. The University, however, did not pay Mr. Olive for their long-time use of the image prior to his communication. Olive then brought a reverse condemnation suit in state court claiming that the use of his picture was a governmental taking of property and seeing compensation.

The Texas Supreme Court concluded that the infringement of copyright on the facts presented did not rise to the level of a “taking” requiring compensation. It began by noting that all government action may tend to reduce the value of private property somewhat. Zoning laws, for instance, prevent certain uses that might make property more valuable. Even constructing a bus stop on the street adjacent to one’s home might reduce the value of the property. Thus to qualify as a taking “per se,” the government action must significantly interfere with the rights of exclusive ownership.

In the case of copyright infringement the copyright owner retains the right to exclude all others from using the work and, of course, to license or assign the work for money. As the court put it “[a]llegations of copyright infringement assert a violation of the owner’s copyright, but not its confiscation, and therefore factual allegations of an infringement do not alone allege a taking.” Can you imagine any situations where the effects of state government infringement would be so severe as to amount to a virtual destruction of the value of the copyright? What if a state University decided to reproduce a text book without obtaining a license from the copyright holder, and made the copies available for free to anyone in the state who wanted them, both students and non-students alike—would that effectively destroy the value of the copyright?

There is another branch of eminent domain and takings law that involves “regulatory takings.” In these cases courts use a multi-factor test in an attempt to assess the burden a government action or regulation places on the rights of the property owner. The plaintiff in the *Olive Photography* case did not plead a regulatory taking, and so the court refused to consider that possibility. It’s an unfair question since we haven’t set out any of the regulatory taking factors, but do you think that might have succeeded?

Suing the Federal Government for Copyright Infringement. The federal government is immune from suit unless it consents to be sued. Since 1960, however, it has consented to be sued for copyright infringement—with some limitations—as provided by 28 U.S.C. § 1498(b). Under § 1498(b), a copyright infringement suit against the United States must be brought in the United States Court of Federal Claims, and remedies are limited. Injunctions may not be issued nor costs or attorneys’ fees awarded. The statute does allow “reasonable and entire compensation as damages for . . . infringement.” Thus, for example, in *Steve Altman Photography v. United States*, 18 Cl. Ct. 267 (1989), the court (then called the United States Claims Court) awarded a photographer \$1500 when a federal government agency’s use of his photographs exceeded the scope of the license he had granted it. Section 1498(b) also allows statutory damages, but only “the minimum statutory damages set forth in [17 U.S.C.] section 504(c),” which suggests that awards can be made only at the bottom of the statutory range. Given the absence of an injunctive remedy against the federal government, the combined effect of the copyright statute and § 1498 is effectively to create a compulsory license in favor of the federal government, allowing it to use materials under copyright without securing permission, but subject to judicially determined “compensation.”

Chapter 14: *Invoking Judicial Power: Jurisdiction, Venue, Standing, Limitations, Preemption, Choice of Law and Related Issues*

C. Attorney’s Fees

Page 1027 – Change the section title to read as follows:

C. Costs and Attorney’s Fees

Page 1054 – Add the following new note after Note 6 at the bottom of the page:

7. **Other Costs.** While attorney’s fees are usually the largest litigation expense, there are many other costs associated with carrying on a copyright case (or any other type of case). There are filing fees that must be paid to the clerk of the court; fees that must be paid to marshals for serving process; charges for the printing of transcripts; fees for interpreters where necessary; duplication costs for documents; and payments to expert witnesses, including both those appointed by the court and those voluntarily retained by the parties. Section 505 of the copyright statute provides that “the court in its discretion may allow the recovery of full costs by or against any party.” In *Rimini Street, Inc. v. Oracle USA, Inc.*, 139 S. Ct. 873 (2019), the Supreme Court considered whether the reference to “full costs” in the copyright statute was limited to recovery of only those items listed in the general federal costs recovery statute codified at 28 U.S.C. §§ 1821, 1920. In that case Oracle had won a substantial verdict against Rimini for copyright infringement. The district court also ordered Rimini to pay over \$28 million in attorney’s fees, about \$3.5 million in traditional costs, and an additional \$12.8 million for other litigation expenses such as expert witness fees, jury consultant fees and amounts spent on e-discovery. These latter items are not included in the general cost-recovery statute, and so Rimini challenged that portion of the award. Writing for a unanimous Court, Justice Kavanaugh held that absent specific statutory language to the contrary, a reference to “costs”

is limited to only those costs itemized in the general cost-recovery statute. Offering up a linguistics seminar, he noted:

The adjective “full” in § 505 . . . does not alter the meaning of the word “costs.” Rather, “full costs” are all the “costs” otherwise available under law. The word “full” operates in the phrase “full costs” just as it operates in other common phrases: A “full moon” means the moon, not Mars. A “full breakfast” means breakfast, not lunch. A “full season ticket plan” means tickets, not hot dogs. So too, the term “full costs” means *costs*, not other expenses.

Do you think Congress should amend the cost-recovery statute to provide prevailing parties with recovery of the kinds of expenses at issue in *Rimini Street*? Imagine the situation of a defendant who prevails after being unreasonably accused of copyright infringement. If the case were as complex as the one in *Rimini Street*, that defendant would have to absorb almost \$13 million dollars in expenses out of pocket to defend itself. That certainly could impose considerable pressure to settle. On the other hand, a successful plaintiff is effectively undercompensated if much of its damage or profits recovery must be used to cover litigation expenses. Finally (on the third hand), would allowing recovery of these kinds of expense encourage both sides to engage in extravagant spending during the lawsuit, in the expectation that it could shift the costs to the other party, and if so, would that be a good thing?

F. Preemption

p. III0 – Add at the conclusion of Note 1:

In that regard, consider the following language from a recent Fifth Circuit decision

[T]he Copyright Act preempts more than it protects. *Ultraflo Corp. v. Pelican Tank Parts, Inc.*, 845 F.3d 652, 656 (5th Cir.), *cert. denied*, — U.S. —, 137 S.Ct. 2266, 198 L.Ed.2d 699 (2017). Specifically, § 301(a) “preempts state protection of works that fall within the subject matter (that is, the scope) of copyright, regardless whether the works are actually afforded protection under the Copyright Act.” *Id.* (citing *Spear Mktg., Inc. v. BancorpSouth Bank*, 791 F.3d 586, 596–96 (5th Cir. 2015)); *see also United States ex rel. Berge v. Bd. of Trustees of the Univ. of Ala.*, 104 F.3d 1453, 1463 (4th Cir. 1997) (“[S]cope and protection are not synonyms. . . . [T]he shadow actually cast by the Act’s preemption is notably broader than the wing of its protection.”). That means the Copyright Act can preempt a state law claim even if the intellectual property lands in one of § 102(b)’s exclusions. *Ultraflo*, 845 F.3d at 656; *Spear*, 791 F.3d at 596–97.

Motion Medical Technologies, L.L.C. v. Thermotek, Incorporated, 875 F.3d 765, 773 (5th Cir. 2017).

p. III7: Insert after end of first sentence:

More recently, in a case involving paid downloads of photographs of former student-athletes, the Ninth Circuit followed the analysis and preemption conclusion of *Dryer*. *See Maloney v. T3Media, Inc.*, 853 F.3d 1004 (2017).