

Copyright Law

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Chapter 2

PREREQUISITES FOR COPYRIGHT PROTECTION

§ 2.02 ORIGINALITY

[D] The Idea/Expression Dichotomy

USAGE: On page 118, SUBSTITUTE the following for the first paragraph of Note (4):

(4) *Possible meanings of Baker v. Selden.* Along the way to exculpating *Baker*, the principal case offers us not one but several holdings. The most straightforward is its concluding statement that “blank account books are not the subject of copyright.” Most courts, as well as the U.S. Copyright Office in its Regulations, 37 C.F.R. § 202.1(c) (barring protection for “blank forms . . . which are designed for recording information and do not in themselves convey information”), appear to have accepted this proposition. There are, of course, problems in applying it. *Compare, e.g., Utopia Provider Systems, Inc. v. Pro-Med Clinical Systems, LLC*, 596 F.3d 1313 (11th Cir. 2010) (denying copyright in hospital emergency room charts) *with Southern Credentialing Support Services, LLC v. Hammond Surgical Hospital, LLC*, 946 F.3d 780 (5th Cir. 2020) (selection and arrangement of questions on medical claim forms is protectable). For a good overview of the blank forms doctrine, see *Advanz Behavioral Management Resources, Inc. v. Miraflor*, 21 F. Supp. 2d 1179 (C.D. Cal. 1998).

[E] The Merger Doctrine

USAGE: On page 124, SUBSTITUTE the following for the last paragraph of Note (5):

See also Satava v. Lowry, 323 F.3d 805 (9th Cir. 2003) (denying protection to the idea of “a vertically oriented, colorful, fanciful jellyfish [sculpture] . . . encased in an outer layer of rounded clear glass,” holding: “Satava possesses a thin copyright that protects against only virtually identical copying”); *Enchant Christmas Light Maze & Market, Ltd. v. Glowco, LLC*, 958 F.3d 532 (6th Cir. 2020) (sculptures of animals posed as in nature entitled only to “thin” copyright). *But see Coquico, Inc. v. Rodriguez-Miranda*, 562 F.3d 62 (1st Cir. 2009) (although merger doctrine foreclosed copyright protection for idea of realistic depiction of a coquí, a Puerto Rican tree frog, plush toy featured combination of protected elements, including distinctive stitching, pose, and dimensions).

§ 2.03 OTHER PRELIMINARY CONSIDERATIONS

[B] U.S. Government Works

USAGE: On page 134, SUBSTITUTE the following for the third paragraph:

There are two express exceptions to the § 105 bar. First, 17 U.S.C. §105(b) allows civilian faculty at twelve federal military colleges, including the four service academies, to claim copyright in their own scholarly works, subject to “an irrevocable, royalty-free, world-wide, nonexclusive license” to the federal government. Second, 15 U.S.C. § 290e(a) allows the United States to claim copyright in “standard reference data” compiled and evaluated by the National Institute of Technology and Standards in many different areas of science and engineering. The purpose of both exceptions is to promote publication of the works by facilitating licensing to private publishers.

USAGE: On page 135, SUBSTITUTE the following for the text of the first full paragraph:

Certain types of government works, however, are part of the public domain and cannot be subject to copyright ownership by any government, whether state or federal — the most important instances, of course, being statutes and judicial opinions that are, themselves, the law. *See Patterson & Joyce, Monopolizing the Law: The Scope of Copyright Protection for Law Reports and Statutory Compilations*, 36 UCLA L. Rev. 719 (1989). In *Georgia v. Public.Resource.Org, Inc.*, 140 S. Ct. 1498 (2020), the Supreme Court explained that “[b]ecause 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.” *Id.* at 1507. The same rule applies to materials that “legislators create in the discharge of their legislative duties ... [such as] floor statements, committee reports, and proposed bills.” *Id.* at 1508. Thus, while annotations summarizing judicial opinions generally are copyrightable, the Supreme Court held that “official” annotations commissioned and adopted by the state legislature were uncopyrightable, because “the annotations provide commentary and resources that the legislature has deemed relevant to understanding its laws.” *Id.* at 1509. Justice Thomas, joined by Justices Alito and Breyer, dissented on the ground that the annotations did not have “the force of law,” while Justice Ginsburg, also joined by Justice Breyer, dissented on the ground that creating annotations fell outside the scope of the legislators’ official duties.

Chapter 3

WORKS OF AUTHORSHIP

§ 3.01 ORIGINAL WORKS OF AUTHORSHIP UNDER § 102

[B] Literary Works, Including Computer Software

USAGE: On pages 151-152, SUBSTITUTE the following for the first paragraph of Note (11):

(11) How should we deal with characters that have had a variety of different manifestations, visual and literary, over time? *See, e.g., DC Comics v. Towle*, 802 F.3d 1012 (9th Cir. 2015) (holding “the Batmobile is a copyrightable character,” despite differences in appearance in 1940s comic books, 1966 TV series, and 1989 film); *Toho Co. v. William Morrow & Co.*, 33 F. Supp. 2d 1206 (S.D.N.Y. 1998) (“While Godzilla may have shifted from evil to good, . . . Godzilla is a well-defined character with highly delineated consistent traits”); *Metro-Goldwyn-Mayer, Inc. v. American Honda Motor Co.*, 900 F. Supp. 1287 (C.D. Cal. 1995) (James Bond character is protected by copyright, even though the character has changed “from year to year and film to film”). *But see Daniels v. Walt Disney Co.*, 958 F.3d 767 (9th Cir. 2020) (anthropomorphic color-coded characters representing human emotions were not protected; characters initially were insect-like, but second generation were small loveable bears).

[C] Musical Works and Sound Recordings

USAGE: On page 172, SUBSTITUTE the following for the first paragraph under the subheading “Musical Works”:

The originality requirement for a musical work may be satisfied through melody, harmony, or rhythm, individually or in combination. *See, e.g., Newton v. Diamond*, 204 F. Supp. 2d 1244, 1249 (C.D. Cal. 2002), *aff’d*, 388 F.3d 1189 (9th Cir. 2004). Copyright, however, does not protect “commonplace elements” such as “descending chromatic scales, arpeggios or short sequences of three notes,” because “[t]hese building blocks belong in the public domain and cannot be exclusively appropriated by any particular author.” *Skidmore v. Led Zeppelin*, 952 F.3d 1051, 1069-70 (9th Cir. 2020) (en banc).

[E] Pictorial, Graphic and Sculptural Works

USAGE: On page 198, SUBSTITUTE the following for the text of Note (5):

(5) The Act also provides that an article is not “useful” if its only function is “to portray the appearance of the article.” But what, exactly, does this mean? In two cases involving taxidermy forms, both the Fourth and Second Circuits concluded that animal and fish mannequins, respectively, fell within this exception. *See Superior Form Builders, Inc. v. Dan Chase Taxidermy Supply Co.*, 74 F.3d 488 (4th Cir. 1996); *Hart v. Dan Chase Taxidermy Supply Co.*, 86 F.3d 320 (2d Cir. 1996). The fact that the mannequins were used to display animal and fish skins was not sufficient to make them “useful articles.” *See also Zahourek Systems, Inc. v. Balanced Body University, LLC*, 2020 U.S. App. LEXIS 22656 (10th Cir. 2020) (finding genuine issue of material fact as to whether a large model of a human skeleton was a useful article, even though it was educational).

Similarly, in *Pivot Point Int’l, Inc. v. Charlene Products, Inc.*, 372 F.3d 913 (7th Cir. 2004), the court expressed doubt as to whether a female mannequin head (dubbed “Mara”) that was used by cosmetology students to practice makeup application and hair styling was a “useful article” at all. Does Mara have “an intrinsic utilitarian function” other than to portray her own appearance? The *Pivot Point* court dodged the issue, assuming without deciding that Mara was a useful article, and rested its decision instead on “conceptual separability.”

USAGE: On page 203, SUBSTITUTE the following text for the second paragraph of Note (14):

Yet again, however, the Supreme Court rejected this test in *Star Athletica*, stating that “[t]he focus of the separability inquiry is on the extracted feature and not on any aspects of the useful article that remain after the imaginary extraction.” Does this omission threaten to grant copyright protection to any of the “utilitarian aspects” of useful articles? Or is this possibility foreclosed by the majority opinion’s caveat that “[o]f course, ... the feature cannot itself be a useful article or ‘[a]n article that is normally a part of a useful article’ (which is itself considered a useful article)”? *See Lanard Toys, Ltd. v. Dolgencorp, LLC*, 958 F.3d 1337, 1345-46 (Fed. Cir. 2020) (denying copyright protection to a chalk holder shaped like a toy pencil); *Town & Country Linen Corp. v. Ingenious Designs, LLC*, 436 F. Supp. 3d 653, 665 (S.D.N.Y. 2020) (design of a control panel on a clothes dryer is not separable because it is a “utilitarian aspect” of the dryer).

Chapter 4

OWNERSHIP AND TRANSFERS

§ 4.01 INITIAL OWNERSHIP

[B] Works Made For Hire

USAGE: On page 273, SUBSTITUTE the following for the text of Note (13):

(13) Who is the initial owner of the copyright when the parties have signed a writing with respect to a work that is not categorically eligible to be “made for hire”? Most courts have construed an invalid work-for-hire agreement as effecting an assignment. *See, e.g., T.D. Bank, N.A. v. Hill*, 928 F.3d 259 (3d Cir. 2019). Many hiring parties try to ensure their ownership by drafting an agreement that expresses the parties’ intent that the work is made for hire, but that if this is not possible, then the creator assigns the copyright to the commissioning party. Although an assignment provides a somewhat inferior ownership right compared with ownership as a work-for-hire “author,” it probably meets the needs of most commissioning parties. The major drawback to an assignment, when compared with a work for hire, is that a transfer of copyright can be terminated between the 35th and 40th year of the grant, if the author or her heirs decide to do so. *See* § 203(a) of the 1976 Act, discussed below in Chapter 5. Will many employers be concerned by the prospect of such terminations? How many commissioned works — or noncommissioned works, for that matter — have a commercial life of more than 35 years? Consider, for example, advertising jingles, commercial artwork, and computer software.

USAGE: On pages 274-275, SUBSTITUTE the following for the first paragraph of Note (15):

(15) *The writing requirement.* In addition to coming within one of the nine categories, § 101(2) also requires that the parties “expressly agree in a written instrument signed by them” that the work is a work made for hire. How formal does the “written instrument” have to be? Does a printed legend on the back of a check, just below the signature where the check was endorsed, qualify? *See Playboy Enterprises v. Dumas*, 53 F.3d 549 (2d Cir. 1995) (yes). Does it matter *when* the parties sign the written agreement? The courts are in conflict. *Compare Schiller & Schmidt, Inc. v. Nordisco Corp.*, 969 F.2d 410 (7th Cir. 1992) (Posner, J.) (“The writing must precede the creation of the property”) and *Estate of Kauffmann v. Rochester Inst. of Tech.*, 932 F.3d 74 (2d Cir. 2019) (writing signed five years after the fact was not sufficient) *with Dumas* (rejecting absolute rule, where oral agreement was confirmed in writing after each work was created).

§ 4.02 TRANSFERS OF RIGHTS

[C] Decisional Law

USAGE: On pages 309-310, SUBSTITUTE the following for the text of Note (10):

(10) *Implied licenses and choice of law issues.* As *Effects Associates* indicates, nonexclusive licenses need not be in writing and may be granted orally or by implication. The writing requirement of § 204(a) of the 1976 Act is inapplicable because that provision applies only to transfers of ownership (assignments and exclusive licenses), not to nonexclusive licenses. But what law — state or federal — determines whether an implied nonexclusive license has been granted?

In *Foad Consulting Group, Inc. v. Musil Govan Azzalino*, 270 F.3d 821 (9th Cir. 2001), the court held that although the effect of an implied nonexclusive license may be based on federal law, state law determines whether such a license was in fact granted. Judge Kozinski, in a concurring opinion, disagreed, arguing that the implied license is an incident of federal law. What makes sense from a copyright policy standpoint? *See also Cincom*, 581 F.3d at 436–37 (applying “federal common law” rule prohibiting assignment of nonexclusive licenses); *Photographic Illustrators Corp. v. Orgill*, 953 F.3d 56 (1st Cir. 2020) (assuming federal common law applies and holding that, where sublicenses are allowed, they may be implied rather than express).

Chapter 5

DURATION AND TERMINATIONS

§ 5.02 TERMINATIONS OF TRANSFERS

[2] Decisional Law

USAGE: On page 386, SUBSTITUTE the following for the first paragraph of Note (5):

(5) Works made for hire are not eligible for termination. Moreover, under § 203 (unlike § 304), only grants made by the “author” may be terminated. Together, those two provisions may defeat many performing artists’ attempts to terminate, because it is common for performing artists to offer their services or grant their rights through “loan-out” corporations for tax purposes. *See Waite v. UMG Recordings, Inc.*, 2020 U.S. Dist. LEXIS 56198 (S.D.N.Y. Mar. 31, 2020).

How should a court treat a settlement agreement that stipulates that a previously created work was a “work made for hire”? In *Marvel Characters, Inc. v. Simon*, 310 F.3d 280 (2d Cir. 2002), the court held that such an agreement constituted an “agreement to the contrary” that could not defeat the purported sole author’s right of termination. Otherwise, “publishers would be able to utilize their superior bargaining power to compel authors to agree that a work was created for hire in order to get their works published.” Thus, “[i]t is the relationship that in fact exists between the parties, and not their description of that relationship, that is determinative.” *Id.* at 290–91, *quoting* 3 NIMMER ON COPYRIGHT § 11.02[A][2] (2002).

USAGE: On page 388, SUBSTITUTE the following for the first paragraph of Note (7):

(7) Another issue in *Siegel* concerned proper identification of the grants to be terminated. The District Court held that the failure to list a 1948 consent decree in the notice of termination was “harmless error,” because it simply confirmed a settlement the parties had agreed to two days earlier, which was listed in the notice. 690 F. Supp. 2d 1048 (C.D. Cal. 2009). *See also Waite*, 2020 U.S. Dist. LEXIS 56198 (error and omissions in notices were harmless, where defendant admittedly possessed copies of the relevant agreements).

USAGE: On pages 389-390, SUBSTITUTE the following for the text of Note (10):

(10) Can foreign law override U.S. law on the non-alienation of U.S. termination rights? In *Gloucester Place Music Ltd. v. Le Bon*, [2016] EWHC 3091 (Ch.), an English judge ruled that British law governed the contracts between the band Duran Duran and its publisher, and that the contracts were breached by serving termination notices in the U.S. If this ruling is upheld on appeal, what is to prevent publishers from routinely stipulating that British law applies in the future? *See also Ennio Morricone Music, Inc. v. Bixio Music Group, Ltd.*, 936 F.3d 69 (2d Cir. 2019) (Italian law was not sufficiently similar to U.S. law to permit conclusion that composer's movie scores were works made for hire). For more on choice of law, see § 8.04 below.

Chapter 6

PUBLICATION AND FORMALITIES

§ 6.03 DEPOSIT AND REGISTRATION

[B] Concepts and Procedures

USAGE: On page 433, ADD the following between Note (6) and Note (7):

(6A) Under the 1976 Act, if a musical work is “published” only in the form of a sound recording, for purposes of registration the copyright owner should deposit a “phonorecord” instead of a “copy.” See U.S. Copyright Office, Circular 50: *Copyright Registration for Musical Compositions*. But under the 1909 Act, the Copyright Office would only accept sheet music as a deposit when registering a musical work. Accordingly, the scope of copyright in a musical work registered under the 1909 Act is limited to the sheet music that was deposited. See *Skidmore v. Led Zeppelin*, 952 F.3d 1051, 1062-64 (9th Cir. 2020) (en banc). Unfortunately for many copyright owners, the common practice under the 1909 Act was to deposit only a “lead sheet,” “a very simple, hand-written rendering of the lyrics and melody of the composition without harmonies or other embellishments.” *Woods v. Bourne Co.*, 60 F.3d 978, 989 (2d Cir. 1995). Thus, protection for pre-1978 musical works often omits some of the distinctive elements of the music that appeared only on the sound recording of such music.

USAGE: On pages 438-439, SUBSTITUTE the following for the second paragraph of Note (16):

Obviously, the cost of compliance with registration formalities can be significant for an author who creates many works. Imagine, for example, a freelance photographer who takes hundreds of photos each week and circulates them widely to possible buyers. Not knowing in advance which will have commercial value, she wishes to have as much legal protection as possible — but obviously cannot afford to register each photograph individually. Accordingly, the Copyright Office has exercised its authority under § 408(c) to provide by regulation for a single registration for group registrations of automated databases (and revisions to them), serials, newspapers, newsletters, periodicals, unpublished and published photographs, and up to ten unpublished works of like kinds. See 37 C.F.R. §§ 202.3(b)(5), 202.4(c)–(i).

USAGE: On page 439, SUBSTITUTE the following for the first paragraph of Note (17):

(17) As the excerpt from the Copyright Office’s Circular 1 above explains, online registration through the Electronic Copyright Office (eCO) system is preferred, although a hard-copy deposit usually must still be submitted (except for certain works that are published only in electronic form or are unpublished). Under the fees put in effect on March 20, 2020, a simple electronic application costs \$45, whereas a paper application costs \$125. See <http://copyright.gov/about/fees.html>.

USAGE: On page 440, SUBSTITUTE the following for the text of Note (20):

(20) The Copyright Office’s application forms demand detailed information about the nature of the authorship on the basis of which copyright in a particular work is claimed, including the relationship (in the case of derivative works) between the new authorship and the contents of the underlying work upon which it builds. Under § 411(b), however, errors in the application do not invalidate the registration unless made “with knowledge that it was inaccurate,” and unless “the inaccuracy of the information, if known, would have caused the Register of Copyrights to refuse registration.” § 411(b)(1)(A)-(B). Since § 411(b) was added in 2008, some courts have held that it merely codifies the defense of “fraud on the Copyright Office,” and therefore it requires a showing of intentional deception or fraud in order to invalidate a registration. See, e.g., *Roberts v. Gordy*, 877 F.3d 1024 (11th Cir. 2017). Other courts, however, have held that the plain language of § 411(b) only requires “knowledge” of the error. See, e.g., *Unicolors, Inc. v. H&M Hennes & Mauritz, L.P.*, 959 F.3d 1194 (9th Cir. 2020). Moreover, the Ninth Circuit has held that “knowledge” means only “factual knowledge as distinguished from knowledge of the law.” *Gold Value Int’l Textile, Inc. v. Sanctuary Clothing, LLC*, 925 F.3d 1140, 1147 (9th Cir. 2019). Thus, in the latter two cases, the court invalidated a registration based solely on the applicant’s (mis)interpretation of the term “publication.” See Chapter 10 for further discussion of “fraud on the Copyright Office” as an affirmative defense.

[C] Registration of Collective and Derivative Works

USAGE: On pages 441-442, SUBSTITUTE the following for the second paragraph of this section:

In *Morris v. Business Concepts, Inc.*, 283 F.3d 502 (2d Cir. 2002), the court held that if the copyright claimant for both the individual contribution and the collective work is the same (i.e., if all rights in the individual contribution had been transferred to the collective work copyright owner), then the registration for the collective work will cover the individual contribution as well. *Accord Xoom, Inc. v. Imageline, Inc.*, 323 F.3d 279 (4th Cir. 2003); *Educational Testing Services v. Katzman*, 793 F.2d 533 (3d Cir. 1986).

Similarly, in *Alaska Stock, LLC v. Houghton Mifflin Harcourt Publ'g Co.*, 747 F.3d 673 (9th Cir. 2014), the court approved a Copyright Office practice permitting a stock photo agency to register hundreds of photos as a single collective work, even though the registration did not list all of the individual authors and the copyrights were assigned to the agency *solely* for purposes of registration. *Accord Sohm v. Scholastic, Inc.*, 959 F.3d 39 (2d Cir. 2020); *Metro. Reg'l Info. Sys. v. Am. Home Realty Network, Inc.*, 722 F.3d 591 (4th Cir. 2013). But where the copyright claimants for the individual contribution and the collective work are *not* the same (as in *Morris* itself, in which the magazine was granted an exclusive license only for 90 days), then the registration for the collective work does *not* cover the individual contributions.

§ 6.04 THE COPYRIGHT OFFICE

[B] History and Functions of the Copyright Office

USAGE: On page 444, ADD the following after the fourth full paragraph:

As part of its response to the coronavirus pandemic in 2020, Congress added § 710, which gives the Register authority to temporarily “toll, waive, adjust, or modify” any deadline or procedural provision, except for statutes of limitations or copyright terms, for no longer than reasonably appropriate to mitigate the impact of any national emergency. Using this authority, the Register announced temporary modifications to timing provisions for registration, termination, and compulsory licenses. See <https://www.copyright.gov/coronavirus/> for details.

Chapter 7

EXCLUSIVE RIGHTS AND THEIR LIMITATIONS

§ 7.01 OVERVIEW

[D] Miscellaneous Rights: In and Beyond Copyright

[2] Copyright Management Information

USAGE: On page 456, SUBSTITUTE the following for the last paragraph of this section:

Id. Do these facts really negate a finding of the requisite “knowledge”? How important, practically, is such a disclaimer? Should it matter how easy (or difficult) it was to print or download images retrieved by the Arriba Soft service? *See also Stevens v. CoreLogic, Inc.*, 893 F.3d 648 (9th Cir. 2018) (provider of software that automatically strips metadata from photos was not liable, because there was no evidence it had the requisite knowledge or intent); *Gordon v. Nextel Communications*, 345 F.3d 922 (6th Cir. 2003) (even though defendant intentionally removed notice, it did not have reasonable grounds to know that it would facilitate infringement, because it believed a license had been obtained); *but see Energy Intelligence Group, Inc. v. Kayne Anderson Capital Advisors, L.P.*, 948 F.3d 261 (5th Cir. 2020) (defendant intentionally changed names of PDF files before forwarding them to others); *Friedman v. Live Nation Merchandise, Inc.*, 833 F.3d 1180 (9th Cir. 2016) (circumstantial evidence of defendant’s knowledge was sufficient). Litigation about CMI issues has been fairly sparse to date, but it has started to increase as courts and litigants become more familiar with § 1202’s provisions.

§ 7.05 THE PUBLIC PERFORMANCE RIGHT

[B] Secondary Transmissions

[4] The Satellite Carrier Limitations

USAGE: On page 577, SUBSTITUTE the following for the text of this section:

Cable television may have been a “state of the art” development when the 1976 Act was adopted, but retransmission technologies continued, of course, to advance in sophistication. One notable development was the introduction of various technologies for satellite home viewing. This development initially led to considerable confusion and

conflict over the proper characterization of satellite systems for purposes of the § 111 statutory license.

The response was new legislation: the Satellite Home Viewer Act of 1988, creating a new statutory license, specifically tailored for satellite systems, in § 119 of the Copyright Act. Section 119 initially was enacted on an interim basis, with a sunset date of December 31, 1994. It was, however, modified and extended for successive five-year periods until 2019, when it was amended and made permanent in the Satellite Television Community Protection and Promotion Act of 2019, title XI of Pub. L. 116-94, § 1102, 133 Stat. 3201. In addition, in 1999 Congress added a permanent, royalty-free statutory license in § 122 for retransmission of copyrighted works included in a primary transmission by a television broadcast station into its local market (so-called “local-to-local” satellite retransmissions). *See Satellite Broadcasting & Communications Ass’n v. FCC*, 275 F.3d 337 (4th Cir. 2001) (upholding § 122’s “carry one, carry all” rule against Constitutional challenge).

As amended, § 119 covers the retransmission of copyrighted works included in primary transmissions made by both non-network stations (so-called “superstations”) and by network stations outside of their local markets. Satellite retransmissions of superstation programming are subject to relatively few significant conditions other than payment of royalties. (In particular, superstations may be retransmitted for viewing in “commercial establishments” as well as for private home viewing.) By contrast, satellite retransmissions of distant network programming qualify for the statutory license only if they are made “to the public for private home viewing,” and they are subject to a number of additional conditions.

In particular, distant network programming now may be retransmitted only to recreational vehicles (RVs) and commercial trucks, and to households in so-called “short markets,” those which do not have a local affiliate of one or more of the four major networks. Another condition is that the satellite carrier must provide local-to-local retransmission into all 210 Designated Market Areas in the United States. *Cf. DISH Network, Inc. v. FCC*, 636 F.3d 1139 (9th Cir. 2011) (requirement that satellite providers carry public broadcasting channels in HD as a condition of the statutory license does not violate the First Amendment). The purpose of these limitations is to prevent satellite TV operators from substituting distant network affiliate signals for the signals of local network affiliates. Significant remedies are available against satellite broadcasters who persistently disregard the limitation.

§ 7.08 MORAL RIGHTS

[C] Copyright Protection: The Visual Artists Rights Act of 1990

[2] Case Law

USAGE: On page 619, SUBSTITUTE the following for the text of Note (6):

(6) The statutory standard of “recognized stature” continues to plague the courts, as does the tension between moral rights and the removal of works of art from public places. In *Castillo v. G&M Realty, L.P.*, 950 F.3d 155 (2d Cir. 2020), for example, the defendant allowed numerous graffiti artists to use a building slated for demolition, which became known as 5Pointz. When the defendant sought to destroy the building to make way for luxury condos, the artists sued. After the District Court denied a preliminary injunction, the defendant whitewashed the art, and eventually the building was destroyed. After a trial, the Second Circuit affirmed the finding that 45 of the 49 works of art were of “recognized stature” and an award to the artists of \$6.75 million in statutory damages for willful infringement.

Chapter 8

INFRINGEMENT ACTIONS

§ 8.02 FRAMING THE LAWSUIT

[A] Jurisdictional Matters

USAGE: On page 636, SUBSTITUTE the following for the second paragraph of the section on “Personal jurisdiction”:

The Internet has given the law of personal jurisdiction some fascinating new twists — and, as you might expect, some of them have come in copyright cases. Although some cases have expressed skepticism about extending personal jurisdiction, many courts have been willing to interpret personal jurisdiction broadly. *Compare UMG Recordings, Inc. v. Kurbanov*, 963 F.3d 344 (4th Cir. 2020) (Russian resident who offered “stream-ripping” service via website to U.S. residents was subject to personal jurisdiction in Virginia) *with Werner v. Dowlatsingh*, 2020 U.S. App. LEXIS 19320 (9th Cir. 2020) (Canadian resident who uploaded allegedly infringing videos to YouTube in Canada was not subject to personal jurisdiction in California).

USAGE: On pages 640-641, SUBSTITUTE the following for the last four paragraphs of this section:

By contrast, Chief Justice Rehnquist’s majority opinion in the patent case acknowledged that abrogation of state sovereign immunity might, in certain cases, be accomplished under the Fourteenth Amendment. According to the majority, however, Congress’s express attempt to subject the states to federal jurisdiction for claims of patent infringement was not the type of “appropriate legislation” authorized in § 5 of the Fourteenth Amendment.

Finally, in *Allen v. Cooper*, 140 S. Ct. 994 (2020), the Supreme Court unanimously held that the Copyright Remedy Clarification Act was not a valid exercise of Congress’ power to abrogate state sovereign immunity under the Fourteenth Amendment. The Court emphasized that, like the patent act invalidated in *Florida Prepaid*, the CRCA was not based on a finding of a pattern of copyright infringement by the states, nor on a determination that such infringements as did occur rose to the level of a Due Process violation. *See also Univ. of Houston Sys. v. Jim Olive Photography*, 580 S.W.3d 360 (Tex. App. 2019) (rejecting inverse condemnation claim, because copyright infringement is more akin to a common law trespass than to a “taking”).

Technically, of course, the Eleventh Amendment does not excuse states from their duties, under the Supremacy Clause, to adhere to federal law. Instead, it forecloses the most obvious and satisfactory remedies for the violation of such duties: namely, the remedies available, under federal intellectual property laws, in the exclusive jurisdiction of the federal courts. Moreover, the Supreme Court has ruled (in a different substantive context) that states may claim sovereign immunity against federal causes of action in state court as well. *See Alden v. Maine*, 527 U.S. 706 (1999).

Seminole Tribe holds out the possibility that the federal government could bring suit against a state government in federal court, 517 U.S. at 71 n.14, although it is unclear how this device could operate to redress private rights. *See Fed'l Maritime Comm'n v. S.C. State Ports Auth.*, 535 U.S. 743 (2002) (state sovereign immunity precluded a federal agency from adjudicating a private party's complaint that a state agency had violated federal law). In addition, under the doctrine of *Ex parte Young*, 209 U.S. 123 (1908), Congress can authorize private suits for prospective injunctions requiring state officials to uphold federal copyright law. *See Nat'l Ass'n of Bds. of Pharm.*, 633 F.3d at 1308–12; *but see Allen v. Cooper*, 895 F.3d 337, 355 (4th Cir. 2018) (allegations that state officials continued to “enforce” conflicting state law were insufficient), *aff'd on other grounds*, 140 S. Ct. 994 (2020). In addition, some courts have held that actions for damages may be maintained against state officials in their individual capacity, unless it can be shown that the judgment would inevitably be paid out of the public purse. *See National Ass'n of Boards of Pharmacy v. Bd. of Regents of the Univ. Sys. of Ga.*, 86 U.S.P.Q.2d (BNA) 1683, 1701 (M.D. Ga. 2008), *aff'd in part, vacated in part, and remanded*, 633 F.3d 1297 (11th Cir. 2011); *Mktg. Info. Masters, Inc. v. Bd. of Trustees of the Cal. State Univ. Sys.*, 552 F. Supp. 2d 1088, 1095–96 (S.D. Cal. 2008). State officials are entitled to qualified immunity unless their actions violated “clearly established law.” *See Allen v. Cooper*, 895 F.3d at 356–57. This may be the most meaningful option remaining after the *Florida Prepaid* cases.

Indian tribes and U.S. territories also currently enjoy sovereign immunity to claims of copyright infringement. *See Bassett v. Mashantucket Pequot Tribe*, 204 F.3d 343 (2d Cir. 2000); *De Romero v. Institute of Puerto Rican Culture*, 466 F. Supp. 2d 410 (D.P.R. 2006). Unlike the immunity enjoyed by state governments, however, presumably the sovereign immunity of these entities could be abrogated by Congress at any time.

[B] Other Procedural Matters

USAGE: On pages 648–649, SUBSTITUTE the following for the second paragraph of Note (7):

In *Sybersound Records, Inc. v. UAV Corp.*, 517 F.3d 1137 (9th Cir. 2008), the court held that because a co-owner of copyright could only grant a nonexclusive license, an exclusive licensee of a co-owner did not have standing to sue competitors who allegedly lacked licenses. Why not? Does a co-owner of a copyright have standing to sue

for infringement of his or her share without joining the other co-owners? *See Davis v. Blige*, 505 F.3d 90 (2d Cir. 2007) (yes). If so, why shouldn't the co-owner's successor-in-interest have the same right? *See Brownmark Films, LLC v. Comedy Partners*, 800 F. Supp. 2d 991, 995–97 (E.D. Wis. 2011) (disagreeing with *Sybersound*), *aff'd on other grounds*, 682 F.3d 687 (7th Cir. 2012). The Ninth Circuit recently reaffirmed *Sybersound*, *see Tresóna Multimedia, LLC v. Burbank High School Vocal Music Ass'n*, 953 F.3d 638, 645 (9th Cir. 2020), distinguishing two cases that had limited *Sybersound* to its facts, holding that co-owners may both be owners of an “exclusive” right. *Minden Pictures, supra*; *Corbello v. DeVito*, 777 F.3d 1058, 1064–66 (9th Cir. 2015).

USAGE: On page 651, ADD the following at the end of the paragraph following the two indented paragraphs (the penultimate paragraph in this section):

But see Strike 3 Holdings, LLC v. Doe, 2020 U.S. App. LEXIS 21769 (D.C. Cir. 2020) (facts did not support accusation that plaintiff is a copyright “troll” with improper motive).

USAGE: On page 652, SUBSTITUTE the following for the third full paragraph (the last paragraph in the section “Burden of proof”):

As stated, the plaintiff also has the burden of showing that there has been an infringement of the copyright by the defendant. The specific components of the required showing — copying and improper appropriation — are discussed in the next section of this chapter. For the moment, it is enough for you to know that, even if the plaintiff establishes the elements of a *prima facie* case, the defendant may rebut by introducing evidence that the allegedly infringing work was independently created, or was derived from a source in common with the plaintiff's work. If such evidence is introduced, “the plaintiff has the burden of proving that the defendant in fact copied the protected material.” *Peel & Co., Inc. v. The Rug Market*, 238 F.3d 391, 395 (5th Cir. 2001). The defendant also may try to show that the use was authorized by the plaintiff or was otherwise privileged (for example, under the doctrine of “fair use”). In attempting to make such showings, the defendant has the burden of proof. *See Bourne v. Walt Disney Co.*, 68 F.3d 621, 631 (2d Cir. 1995) (authorization); *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 590 (1994) (fair use). *But see Sohm v. Scholastic, Inc.*, 959 F.3d 39 (2d Cir. 2020) (where existence of license is established, plaintiff has the burden of proving that defendant exceeded the scope of the license).

§ 8.03 PROVING THE CLAIM

[B] Copying

USAGE: On page 664, DELETE the third paragraph of Note (5) (the first paragraph on the page). [The opinion in *Skidmore v. Led Zeppelin*, 905 F.3d 1116 (9th Cir. 2018), was vacated when a petition for rehearing *en banc* was granted; and the subsequent *en banc* opinion acknowledged the jury’s finding of access without discussing the sufficiency of the evidence.]

USAGE: On pages 671-672, SUBSTITUTE the following for Note (5):

(5) How should lawyers — and courts — proceed in cases where the plaintiff’s showing on probative similarity falls just short of being “striking,” but is coupled with some other relevant proof, albeit weak or inconclusive? The rule that other proof of access can be dispensed with in cases of “striking similarity” probably is best viewed as a special case of the more general proposition that “the stronger the similarity between the two works in question, the less compelling the proof of access needs to be.” *Ellis v. Diffie*, 177 F.3d 503, 506 (6th Cir. 1999). Should this “inverse ratio” rule also work the other way? If the plaintiff introduces compelling direct evidence of access by the defendant, does this mean that the degree of similarity required to establish copying becomes virtually nil? Although the Ninth Circuit held such an aberrant view for decades, in *Skidmore v. Led Zeppelin*, 952 F.3d 1051 (9th Cir. 2020) (*en banc*), it overruled its prior cases, saying the “inverse ratio” rule “defies logic.” *See also Arc Music Corp. v. Lee*, 296 F.2d 186, 187 (2d Cir. 1961) (rejecting the “inverse ratio” rule as “a superficially attractive apothegm which upon examination confuses more than it clarifies. The logical outcome of the claimed principle is obviously that proof of actual access will render a showing of similarities entirely unnecessary.”). Instead, *Skidmore* reiterated that “[n]o amount of proof of access will suffice to show copying if there are no similarities.” *Accord, Stromback v. New Line Cinema*, 384 F.3d 283, 299 (6th Cir. 2004); *see also Arnstein v. Porter*, 154 F.2d 464, 468 (2d Cir. 1946). The Ninth Circuit’s reversal leaves the Sixth Circuit as the sole holdout endorsing the “inverse ratio” rule. *But see Enchant Christmas Light Maze & Market Ltd. v. Glowco, LLC*, 958 F.3d 532, 536-37 n.1 (6th Cir. 2020) (expressing doubt about the rule).

[C] Improper Appropriation

[1] By Way of Overview

USAGE: On page 677, CONSIDER assigning the following brief case excerpt in connection with the casebook’s discussion of the “subtractive” approach:

COMPULIFE SOFTWARE, INC. v. NEWMAN

United States Court of Appeals, Eleventh Circuit
959 F.3d 1288 (2020)

NEWSOM, Circuit Judge:

... To succeed on its claim of copyright infringement, Compulife “must prove ‘(1) ownership of a valid copyright, and (2) copying of constituent elements of the work that are original.’” *Bateman v. Mnemonics, Inc.*, 79 F.3d 1532, 1541 (11th Cir. 1996) (quoting *Feist Publications, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 361 (1991)). The existence and validity of Compulife's copyright are undisputed, so we can proceed directly to the second prong — copying. Copying comprises two subparts, “factual and legal copying,” both of which Compulife, as the plaintiff, has the burden to prove. *See BUC Int'l Corp. v. Int'l Yacht Council Ltd.*, 489 F.3d 1129, 1148 n.40 (11th Cir. 2007).

Factual copying — the question “whether the defendant actually used the plaintiff's material,” *id.* — may be shown “either by direct evidence, or, in the absence of direct evidence, it may be inferred from indirect evidence demonstrating that the defendant had access to the copyrighted work and that there are probative similarities between the allegedly infringing work and the copyrighted work.” *MiTek*, 89 F.3d at 1554.⁴ Factual copying isn't really disputed here, and we think it has been established, in any event, so we focus here on legal copying.

“Legal”—or “actionable”—copying occurs when “those elements of the [copyrighted work] that have been copied are protected expression and of such importance to the copied work that the appropriation is actionable.” *Peter Letterese & Assocs. v. World Inst. of Scientology Enters.*, 533 F.3d 1287, 1300 (11th Cir. 2008) (alteration in original) (quoting *MiTek*, 89 F.3d at 1554). In most cases, a “‘substantial similarity’ between the allegedly offending program and the protectable, original elements of the copyrighted works” establishes actionable copying. *Bateman*, 79 F.3d at 1542....

Substantial similarity “must be assessed with respect to both the quantitative and the qualitative significance of the amount copied to the copyrighted work as a whole.” *Peter Letterese*, 533 F.3d at 1307. Quantitatively insubstantial copying may still be actionable if it is qualitatively substantial. *See Harper & Row Publishers, Inc. v. Nation Enterprises*, 471 U.S. 539, 565 (1985). For instance, because “a small portion of the

⁴ A warning here: Although “probative similarity” may sound just like “substantial similarity” — which we'll encounter momentarily — “[t]here is a vital distinction here between” them. 4 NIMMER ON COPYRIGHT § 13.02[B] n.70.4 (2019). “[P]robative similarity is but one of several vehicles to prove copying as a factual matter,” whereas “substantial similarity” is part of the test for legal copying and “remains an indispensable element of plaintiff's proof, even in cases . . . in which defendant does not contest factual copying.” *Id.* § 13.01[B].

structure or code of a [computer] program may nonetheless give it distinctive features or may make the program especially creative or desirable,” copying of that portion is actionable. 4 NIMMER ON COPYRIGHT § 13.03[F][5] (2019).

Before comparing two works to determine if they display the required substantial similarity, a court must “eliminate from comparison the unprotectable elements of” the copyrighted work. *Bateman*, 79 F.3d at 1545. This process — known as “filtration” — is necessary because even substantial similarity between a copyrighted work's unprotectable elements and a purportedly infringing work isn't actionable, regardless of how many unprotectable elements are copied or how important they may be. *Id.* at 1544....

Filtration can be tricky because copied material may be unprotectable for a wide variety of reasons. First, for instance, copyright protection extends only to a work's expressive elements, not to any underlying “idea, procedure, process, system, method of operation, concept, principle, or discovery” expressed therein. 17 U.S.C. § 102; *see also Baker v. Selden*, 101 U.S. 99, 102 (1879) (“[T]here is a clear distinction between the book, as such, and the art which it is intended to illustrate.”). Courts call this the “idea-expression” dichotomy, with the term “idea” standing in “as a metonym for all eight categories” of unprotectable material. 1 NIMMER ON COPYRIGHT § 2A.06.... Second, and separately, some expression may be so intrinsic to the communication of an idea — or procedure, process, etc. — that it is considered to have “merged” into the idea. According to the merger doctrine, where there are sufficiently “few ways of expressing an idea, not even the expression is protected by copyright.” *BUC*, 489 F.3d at 1143. In one seminal example, the First Circuit determined that a written rule governing a sweepstakes — requiring, for instance, that “[e]ntrants should print name, address and social security number on a boxtop, or a plain paper” — wasn't protectable because the ideas it expressed were “so straightforward and simple” that “at best only a limited number” of possible modes of expression could exist to convey them. *Morrissey v. Procter & Gamble Co.*, 379 F.2d 675, 678-79 (1st Cir. 1967).

Third — and this is easier to understand — material taken from the public domain is unprotected, even if incorporated into a copyrighted work. *See Stewart v. Abend*, 495 U.S. 207, 234 (1990) (holding that an author “may receive protection only for his original additions,” not “elements . . . already in the public domain”). Fourth, material may be unprotected if it constitutes *scènes à faire* — that is “[i]ncidents, characters, or settings that are indispensable or standard in the treatment of a given topic.” *Corwin v. Walt Disney Co.*, 475 F.3d 1239, 1251 (11th Cir. 2007) (alteration in original)...; *see also Beal v. Paramount Pictures Corp.*, 20 F.3d 454, 459 (11th Cir. 1994) (describing *scènes à faire* as “stock scenes that naturally flow from a common theme”). For example, we have noted that there is “no protection for common elements in police fiction, such as ‘drunks, prostitutes, vermin and derelict cars’ and ‘foot chases and the morale problems of policemen, not to mention the familiar figure of the Irish cop.’” *Corwin*, 475 F.3d at 1251 (quoting *Walker v. Time Life Films, Inc.*, 784 F.2d 44, 50 (2d Cir. 1986)). Finally, certain ways of arranging information — say, alphabetically — are entirely unoriginal, and therefore unprotectable. *See Feist*, 499 U.S. at 363 (explaining that presenting data in

alphabetical order is “so commonplace that it has come to be expected as a matter of course”)....

[M]any species of unprotectability may be at issue in a single case, and the filtration process must eliminate all of them so that only protectable material is considered when deciding — at the comparison step — whether two works are substantially similar. *Bateman*, 79 F.3d at 1545 (“[F]iltration should eliminate from comparison the unprotectable elements of ideas, processes, facts, public domain information, merger material, *scènes à faire* material, and other unprotectable elements.” (alteration in original)) ...

In light of these considerations, copyright-infringement analysis should proceed as follows: Once the plaintiff has proven that he has a valid copyright and that the defendant engaged in factual copying, the defendant may seek to prove that some or all of the copied material is unprotectable. If the defendant carries this burden as to any portion of the copied material, that material should be filtered out of the analysis before comparing the two works. After filtration is complete, the burden shifts back to the plaintiff to prove substantial similarity between any remaining (i.e., unfiltered) protectable material and the allegedly infringing work. If the defendant demonstrates — at the filtration stage — that it copied only unprotectable material, such that no substantial similarities remain after filtration, the defendant is entitled to summary judgment. See *Home Design Servs., Inc. v. Turner Heritage Homes Inc.*, 825 F.3d 1314, 1322 (11th Cir. 2016). But ... where the defendant’s evidence is insufficient to prove that a particular element is unprotectable, the court should simply assume that the element is protectable and include that element in the final substantial-similarity comparison between the works.⁸

⁸ That is not to say that the defendant must always introduce *evidence* in order to enable the district court to filter. The defendant may sometimes be able to demonstrate by argument alone that an element of a copyrighted work is unprotected. For example, no evidence would be necessary to convince a court that alphabetization is an entirely unoriginal method of arranging data and thus unprotectable as a structural element of a work. See *Feist*, 499 U.S. at 363. But where evidence is required to determine whether some element is protectable, it is the defendant who must advance it or risk abandoning the issue.

One other thing: A plaintiff may concede that some element of code is unprotectable, in which case a district court will not err in filtering that element. When, for instance, the plaintiff provides a list of features it believes to be protectable, he implicitly concedes that elements not included on the list are unprotectable....

[2] Illustrative Cases

USAGE: On page 722, SUBSTITUTE the following for the text of Note (8):

(8) *Reactions to Altai*. *Altai* can be criticized as being overly restrictive in its vision of software copyright, as well as for doing a better job of articulating standards and procedures than of applying them. All the same, the criteria articulated in *Altai* apparently satisfied a previously unmet need. Since 1992, each circuit newly confronting the choice between the *Whelan* and *Altai* approaches has adopted the latter, in one form or another. See, e.g., *Compulife Software, Inc. v. Newman*, 959 F.3d 1288 (11th Cir. 2020); *Paycom Payroll, LLC v. Richison*, 758 F.3d 1198 (10th Cir. 2014); *Gen'l Univ. Sys., Inc. v. Lee*, 379 F.3d 131 (5th Cir. 2004); *Apple Computer, Inc. v. Microsoft Corp.*, 35 F.3d 1435 (9th Cir. 1994) (similar standard “articulated differently”); cf. *R.C. Olmstead, Inc. v. CU Interface, LLC*, 606 F.3d 262 (6th Cir. 2010) (“All of the evidence offered by Olmstead clearly lacks the abstraction and filtration elements.”). Only the Third Circuit stubbornly clings to *Whelan*, rejecting an argument based on *Altai* that interoperability justifies a certain amount of copying. See *Dun & Bradstreet Software Services, Inc. v. Grace Consulting, Inc.*, 307 F.3d 197 (3d Cir. 2002).

USAGE: On page 723, SUBSTITUTE the following for the first sentence of Note (9):

For a recent dispute concerning the application of *Altai*’s three-part test, see *Oracle Am., Inc. v. Google Inc.*, 872 F. Supp. 2d 974 (N.D. Cal. 2012), *rev’d*, 750 F.3d 1339 (Fed. Cir. 2014), *on appeal after remand*, 886 F.3d 1179 (Fed. Cir. 2018), *cert. granted*, 140 S. Ct. 520 (2019).

§ 8.04 EXTRATERRITORIALITY AND CONFLICTS OF LAW

[A] Extraterritoriality

USAGE: On page 745, ADD the following to the end of the first paragraph of Note (3):

See also *IMAPizza, LLC v. At Pizza, Ltd.*, 2020 U.S. App. LEXIS 22294 (D.C. Cir. 2020) (alleged copycat restaurant did not violate Copyright Act because reproduction occurred entirely in the U.K., despite preparatory acts in the U.S.).

USAGE: On page 748, ADD the following in between Note (8) and Note (9):

(8A) Even if the allegedly infringing conduct occurred in the United States, additional complications arise if the defendant is a foreign government. In particular, such claims must fall within an exception to the Foreign Sovereign Immunities Act. For one successful effort, see *Pablo Star, Ltd. v. Welsh Government*, 961 F.3d 555 (2d Cir. 2020) (exception for “commercial activity carried on in the United States” applied to Welsh government’s use of copyrighted photos to promote a walking tour of New York).

[B] Conflict of Laws

USAGE: On page 755, SUBSTITUTE the following for the text of Note (4):

(4) Because copyrights under the Berne Convention arise automatically, the “act of state” doctrine generally has not been applied to the validity of copyrights that arise abroad. *Cf. Geophysical Service, Inc. v. TGS-NOPEC Geophysical Co.*, 850 F.3d 785 (5th Cir. 2017) (“act of state” doctrine does not prevent a U.S. court from determining whether copies made by a Canadian government agency were “lawfully made under this title” in determining whether importation was permitted under the first-sale doctrine), *on appeal after remand*, 784 Fed. App’x 253 (5th Cir. 2019) (affirming finding that plaintiff granted the Canadian government an implied license).

Chapter 9

SECONDARY LIABILITY

§ 9.01 CONTRIBUTORY INFRINGEMENT AND VICARIOUS LIABILITY

[B] Case Law

USAGE: On page 765, ADD the following after the first paragraph of Note (5):

Conversely, when the direct infringer clearly is acting as another’s agent, should the principal be able to avoid liability simply because any financial benefit it gained is “indirect”? In *Erickson Prods., Inc. v. Kast*, 921 F.3d 822 (9th Cir. 2019), for example, Kast hired a website developer to improve his website, and the developer used photographs taken by Erickson without authorization. Nonetheless, the court held that Kast was not vicariously liable for the infringement as a matter of law because, even though the developer had saved money by not paying a licensing fee, there was no evidence that he had charged Kast less as a result; and even if he had, such a financial benefit would have been “indirect.” How is that benefit any less “direct” than the purported financial benefit in *Fonovisa*?

USAGE: On pages 765-766, SUBSTITUTE the following for the text of Note (5):

(5) From the copyright litigator’s standpoint, sometimes it is highly desirable to be able to reach the parent corporation of an allegedly infringing subsidiary. Under which version of derivative liability are you most likely to be able to accomplish this result? *See Sinclair v. Ziff Davis, LLC*, 2020 U.S. Dist. LEXIS 64319 (S.D.N.Y. 2020) (“a parent corporation can be liable only if there is a substantial continuing involvement by the parent specifically with respect to the allegedly infringing activity of the subsidiary.”). *See also UMG Recordings, Inc. v. Shelter Capital Partners, LLC*, 667 F.3d 1022 (9th Cir. 2011) (claims against investors in video-sharing website Veoh Networks dismissed; allegations that investors controlled a majority of the board of directors were insufficient absent allegations that those directors acted in concert); *but see Arista Records v. Lime Group, supra* (although formally separate, parent and subsidiary were operated as a single company).

§ 9.02 COPYING DEVICES AND SOFTWARE

[B] The Audio Home Recording Act

USAGE: On page 779, SUBSTITUTE the following for the text of Note (8):

(8) In *Alliance of Artists and Recording Companies, Inc. v. DENSO Int'l Am., Inc.*, 947 F.3d 849 (D.C. Cir. 2020), plaintiffs alleged that certain audio systems installed in Ford and GM cars were “digital audio recording devices” (or DARDs). The court affirmed that in order for a device to be a DARD, it must make a “digital audio copied recording” (DACR), *and* that under the plain language of the statute, the DACR must itself also meet the definition of a “digital music recording” (DMR). The court also affirmed that in-car devices that copied CDs to hard drives were *not* DARDs, because hard drives were excluded from the definition of DMRs (and thus from the definition of DACRs); and it rejected the plaintiffs’ theory that a portion (or partition) of the hard drive could be considered a separate material object.

§ 9.03 INTERNET SERVICE PROVIDERS

[A] Introduction

USAGE: On page 794, SUBSTITUTE the following for the first full paragraph:

Several recent cases illustrate the application of secondary liability principles to Internet service providers. In *Luvdarts, LLC v. AT&T Mobility, LLC*, 710 F.3d 1068 (9th Cir. 2013), the court held that mobile wireless carriers were *not* liable for providing messaging services over which users allegedly sent infringing material. The carriers were not contributorily liable, because they did not have knowledge of specific instances of infringement, nor did they take steps to avoid learning about infringing activity (“willful blindness”). The carriers were not vicariously liable, because the plaintiff failed to plausibly allege that the carriers could implement an effective system to supervise user activity. Similarly, in *Perfect 10, Inc. v. Giganews, Inc.*, 847 F.3d 657 (9th Cir. 2017), the court held that defendant was *not* liable for providing a Usenet service that automatically forwarded messages posted by users, including allegedly infringing photos. Giganews did not materially contribute by failing to remove the messages, because it could not easily do so without being provided with message IDs in machine-readable form. Giganews was not vicariously liable, because “there was no evidence indicating that anyone subscribed to Giganews because of infringing Perfect 10 material.” *Id.* at 674. *See also VHT, Inc. v. Zillow Group, Inc.*, 918 F.3d 723 (9th Cir. 2019) (no secondary liability for real-estate photos posted by others).

[B] Limitation of Liability for Service Providers

USAGE: On page 811, ADD the following text to the end of this section:

In May 2020, the Copyright Office issued a Report on Section 512, concluding that “Congress’ original intended balance has been tilted askew.” It noted that service providers thought § 512 was a “success,” while rightsholders complained of “the ‘whack-a-mole’ problem of infringing content reappearing after being taken down.” Although the Office did not recommend any “wholesale changes,” it made 12 specific recommendations for action and future study. For details, see www.copyright.gov/policy/section512.

§ 9.04 TECHNOLOGICAL PROTECTION MEASURES AND CIRCUMVENTION DEVICES

[A] Anti-Circumvention Measures

USAGE: On page 817, ADD the following citation to the end of Note (1):

See also U.S. v. Green, 392 F. Supp. 3d 68 (D.D.C. 2019) (Administrative Procedure Act does not apply to the triennial rulemaking because the Librarian of Congress is exempt as an employee of “Congress”).

Chapter 10

FAIR USE AND AFFIRMATIVE DEFENSES

§ 10.03 CONCEPTUAL ISSUES IN FAIR USE

[B] The Meaning of “Transformative Use”

USAGE: On page 883, SUBSTITUTE the following for the third paragraph of Note (6):

See also Andy Warhol Foundation for the Visual Arts, Inc. v. Goldsmith, 382 F. Supp. 3d 312 (S.D.N.Y. 2019) (Warhol’s “Prince Series,” based on Goldsmith’s photo, was a fair use). For academic commentary, see Jaszi, *Is There a Postmodern Copyright?*, 12 Tul. J. Tech. & Intell. Prop. 105 (2009); Heymann, *Everything Is Transformative: Fair Use and Reader Response*, 31 Colum. J.L. & Arts 445 (2008); Landes, *Copyright, Borrowed Images and Appropriation Art: An Economic Approach*, 9 Geo. Mason L. Rev. 1, 10 (2000).

[D] Reproduction Technologies and Personal Use

[1] Photocopying and Digital Reproduction

USAGE: On page 894, SUBSTITUTE the following for the first paragraph:

On the “front lines” of education, controversies regarding fair use have expanded beyond photocopying to include electronic reproduction and distribution. For example, Cambridge University Press and other publishers filed an infringement suit against Georgia State University for “pervasive, flagrant, and ongoing unauthorized distribution of copyrighted materials” by means of its “electronic course reserves service, . . . its departmental web pages[,] and hyperlinked online syllabi.” *See Cambridge Univ. Press v. Becker*, 863 F. Supp. 2d 1190 (N.D. Ga. 2012). Although the District Court held largely in favor of Georgia State, the Court of Appeals reversed, holding that the District Court erred in 1) giving all four factors equal weight, 2) not assessing the second factor on a case-by-case basis, 3) “applying a 10 percent-or-one-chapter safe harbor” under the third factor, and 4) not affording enough weight to the fourth factor. *Cambridge Univ. Press v. Patton*, 769 F.3d 1232 (11th Cir. 2014). After remand, where the District Court again found largely in favor of Georgia State, the Court of Appeals again reversed, because the District Court balanced the factors mathematically rather than holistically and erred in reanalyzing certain facts. *Cambridge Univ. Press v. Albert*, 906 F.3d 1290 (11th Cir. 2018). This time, the District Court found that 37 of the digital excerpts were fair use,

while 11 were infringing. *Cambridge Univ. Press v. Becker*, 2020 U.S. Dist. LEXIS 35134 (N.D. Ga. 2020). Does this series of decisions give academic publishers and universities sufficient guidance to resolve future cases?

§ 10.06 AFFIRMATIVE COPYRIGHT DEFENSES

USAGE: On page 939, ADD the following text before the last paragraph:

In *Sohm v. Scholastic, Inc.*, 959 F.3d 39 (2d Cir. 2020), the Second Circuit again reaffirmed the discovery rule; but it also held that plaintiff could only recover damages for acts occurring within three years of the date suit was filed. The court failed to notice that those holdings were contradictory: Damages occurring within three years of filing already may be recovered under the “infringing act” rule, so the only purpose to using the discovery rule is to recover damages occurring *more than* three years before filing.

USAGE: On page 939, SUBSTITUTE the following text for the last paragraph:

Interestingly, several courts have held that the statute of limitations in the Copyright Act is not limited to infringement claims, but extends as well to claims seeking declarations of copyright ownership. *See, e.g., Merchant v. Levy*, 92 F.3d 51, 55–56 (2d Cir. 1996) (plaintiffs were time-barred “from seeking a declaration of copyright co-ownership rights and any remedies that would flow from such a declaration”); *accord, Webster v. Dean Guitars*, 955 F.3d 1270 (11th Cir. 2020); *Everly v. Everly*, 958 F.3d 442 (6th Cir. 2020); *Santa-Rosa v. Combo Records*, 471 F.3d 224 (1st Cir. 2006). *But see Pritchett v. Pound*, 473 F.3d 217 (5th Cir. 2006) (action for declaratory judgment not barred where party seeks no affirmative relief and only asserts ownership as a defense). When does a claim for a declaratory judgment of co-ownership accrue? *See Everly*, 958 F.3d at 450 (claim accrues upon a “plain and express repudiation” of ownership); *accord, Seven Arts Filmed Entm’t, Ltd. v. Content Media Corp. PLC*, 733 F.3d 1251 (9th Cir. 2013); *Gary Friedrich Enters., LLC v. Marvel Characters, Inc.*, 716 F.3d 302 (2d Cir. 2013). Does the analogy to “adverse possession” in real property law counsel a discovery rule in these situations? *See Brownstein v. Lindsay*, 742 F.3d 55 (3d Cir. 2014) (registration of alleged joint work with copyright notice in name of one author only did not place alleged co-author on notice of adverse claim); *accord, Wilson v. Dynatone Pub. Co.*, 892 F.3d 112 (2d Cir. 2018); *Gaiman v. McFarlane*, 360 F.3d 644 (7th Cir. 2004).

USAGE: On page 944, SUBSTITUTE the following text for the second paragraph:

The result in *Whimsicality* presumably would have been different under an amendment made to the Copyright Act in 2008, which provides that a registration certificate is valid, even if it contains inaccurate information, unless the information was

both knowingly inaccurate and material to the Copyright Office’s registration decision. *See Roberts v. Gordy*, 877 F.3d 1024 (11th Cir. 2017) (District Court erred in failing to use proper standard of *scienter*). In such cases, “the court shall request the Register of Copyrights to advise the court whether the inaccurate information, if known, would have caused the Register of Copyrights to refuse registration.” 17 U.S.C. § 411(b)(1). *See DeliverMed Holdings, LLC v. Schaltenbrand*, 734 F.3d 616 (7th Cir. 2013) (vacating and remanding declaratory judgment of invalidity when District Court failed to consult the Register). As explained in § 6.03, however, the Ninth Circuit has invalidated registrations based on “knowledge” of facts that did not amount to fraud.

Chapter 11

REMEDIES, PREEMPTION, AND RELATED BODIES OF LAW

§ 11.01 REMEDIES UNDER FEDERAL LAW

USAGE: On pages 945-946, SUBSTITUTE the following for the second paragraph in this section (the paragraph that crosses the page):

Immediately below, as is our custom, we reproduce excerpts from the legislative history of the 1976 Copyright Act relating to remedial issues. Bear in mind that some major additions to Chapter 5 of Title 17 have taken place since that time. For example, in 1990, Congress added § 511 to the Copyright Act, “clarifying” its intent to subject states and state officials to suit in federal court for copyright infringement. As we noted in § 8.02 above, in *Allen v. Cooper*, 140 S. Ct. 994 (2020), the Supreme Court held that this congressional effort was unconstitutional.

[B] Non-Monetary Relief

[1] Preliminary and Permanent Injunctions

USAGE: On page 960, SUBSTITUTE the following for the second paragraph of Note (9):

Sometimes, however, the “public interest” factor (closely linked to considerations of copyright policy) may come into play. *See, e.g., T.D. Bank, N.A. v. Hill*, 928 F.3d 259 (3d Cir. 2019) (public interest disfavors injunction “where a copyright holder wields its exclusive rights to suppress unwelcome speech”); *Abend v. MCA, Inc.*, 863 F.2d 1465, 1479 (9th Cir. 1988) (withdrawal of film *Rear Window* would cause public injury as well as injustice to the film’s owners, and an award of damages would vindicate the plaintiff’s interests), *aff’d on other grounds sub nom. Stewart v. Abend*, 495 U.S. 207 (1990) (discussed in § 5.01 above) (carefully describing the Court of Appeals’ discussion of remedies as “not relevant to the issue on which we granted *certiorari*”); *Campbell v. Acuff Rose*, 510 U.S. 569, 578 n.10 (1994) (“the goals of the copyright law . . . are not always best served by automatically granting injunctive relief when parodists are found to have gone beyond the bounds of fair use.”); and *Greenberg v. National Geographic Society*, 244 F.3d 1267, 1275 (11th Cir. 2001) (discussed in § 4.01 above) (urging the District Court “to consider alternatives, such as mandatory license fees, in lieu of foreclosing the public’s computer-aided access to” *The Complete National Geographic* on CD-ROM).

[C] Damages

[2] Statutory or “In Lieu” Damages

USAGE: On page 981, SUBSTITUTE the following for the first paragraph of Note (3):

(3) *Willfulness*. According to the *Krypton* court, the defendant’s act is willful if he/she proceeds with knowledge that the conduct in question constitutes an infringement. Can a lesser degree (or different kind) of culpability satisfy the willfulness standard? *See Erickson Prods., Inc. v. Kast*, 921 F.3d 822 (9th Cir. 2019) (reckless disregard or willful blindness will suffice, but not negligence). Note also that 504(c)(3), added in 2005, provides a rebuttable presumption of willfulness if the infringer “knowingly provided or knowingly caused to be provided materially false contact information . . . in registering, maintaining, or renewing a domain name used in connection with the infringement.” But merely determining that the defendant’s infringing act was willful does not establish the amount of statutory damages to be awarded. Rather, § 504(c)(2) provides that the court may then “in its discretion” increase the award.

USAGE: On page 984, SUBSTITUTE the following for the first two paragraphs of Note (8):

(8) In *Walt Disney Co. v. Powell*, 897 F.2d 565 (D.C. Cir. 1990), defendant sold shirts that bore the famous Disney characters, Mickey and Minnie Mouse, in various poses. The District Court held that six works were willfully infringed, allowing six statutory damages recoveries. The Court of Appeals found that only two works had been infringed, observing “that where separate copyrights ‘have no separate economic value, whatever their artistic value they must be considered part of a work for purposes of the copyright statute,’” and concluding that “Mickey and Minnie are certainly distinct, viable works with separate economic value and copyright lives of their own.” *Id.* at 569.

Do you agree that economic viability should be the standard? What does it mean to say that a work has independent economic value? And who should make this determination? *See Sullivan v. Flora, Inc.*, 936 F.3d 562 (7th Cir. 2019) (collecting cases and remanding to determine whether illustrations were separate works or parts of two compilations); *but see Bryant* (refusing to recognize an exception to the “one award per compilation” rule for parts of a compilation having independent economic value).