

Copyright Law

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Chapter 2

PREREQUISITES FOR COPYRIGHT PROTECTION

§ 2.02 ORIGINALITY

[B] Originality and the Constitution

USAGE: On page 80, ADD the following to the end of Note (8):

Advances in artificial intelligence also have raised the issue whether computers can be considered “authors”. Again, the Copyright Office says “no.” *Id.* In a test case, a District Court affirmed the Register’s refusal to register a copyright in the artwork “A Recent Entrance to Paradise,” based on applicant Steven Thaler’s representation that the work “was autonomously created by a computer algorithm running on a machine.” *See Thaler v. Perlmutter*, ___ F. Supp. 3d ___, No. 22-1564 (D.D.C. Aug. 18, 2023). Similarly, when the Copyright Office learned that a comic book it had registered, *Zarya of the Dawn*, contained AI-generated images, it canceled the registration and issued a new registration, limiting the copyright claim to the text and the original “selection, coordination, and arrangement” of text and images. *See* U.S. Copyright Office, letter of Feb. 21, 2023, at <https://www.copyright.gov/docs/zarya-of-the-dawn.pdf>.

[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).

USAGE: On page 131, SUBSTITUTE the following for the second and third paragraphs of Note (13):

This was the issue in *Oracle Am., Inc. v. Google, Inc.*, 750 F.3d 1339 (Fed. Cir. 2014), described in more detail in § 8.03. Oracle owns the copyright in the Java Application Programming Interface (API), a collection of computer programs that run various tasks in the Java programming language. In creating its Android software, Google wrote its own code to implement many of those same tasks, but it copied the “declaring code” defining the names and organization of those tasks from Java, so that programmers familiar with Java could readily write programs to run on Android. Google argued that its copying was protected by the merger doctrine because these names and their structure had become industry standards that were the only practicable means of expressing the underlying ideas of each named function.

In ruling in Oracle’s favor, the Federal Circuit’s treatment of the merger doctrine was problematic in a number of respects. Most notable for future software cases is that the court ruled, in effect, that one may never rely on the merger doctrine to protect copying of a software interface or command structure that was original at the time of creation but has since become the only practicable means of expressing the underlying ideas. As we will see in § 10.04, however, the Supreme Court later held that even assuming the code was protected by copyright, Google’s use was a fair use.

For a view contrary to the Federal Circuit’s, see *Pyrotechnics Mgmt., Inc. v. XFX Pyrotechnics*, 38 F.4th 331 (3d Cir. 2022), in which the Third Circuit held that plaintiff’s “communications protocol” for controlling fireworks displays, including its 96-bit digital message format, was uncopyrightable. “Pyrotechnics admits that there is no way for the control panel to communicate with the field module [that launches the fireworks] without using the digital message format. Because there are no other ‘means of achieving the [protocol’s] desired purpose’ of communicating with the devices, the digital message format must be part of the uncopyrightable idea and not a protectable expression.”

§ 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).

USAGE: On page 165, SUBSTITUTE the following for the second paragraph of Note (6):

After some early divergence of approaches to this problem in the lower courts, the First Circuit in 1995 decided *Lotus Development Corp. v. Borland International, Inc.*, 49 F.3d 807 (1st Cir. 1995) (menu command structure was uncopyrightable “method of operation” within meaning of § 102(b)), a case affirmed in 1996 by an equally divided Supreme Court. Although the Federal Circuit rejected the *Lotus* approach in the analogous context of application programming interfaces (APIs), the Supreme Court ultimately ruled that even assuming the structure of the Java API was protected by copyright, Google’s use of that structure in creating its Android platform was a fair use. *See Oracle America, Inc. v. Google, Inc.*, 750 F.3d 1339 (Fed. Cir. 2014), *rev’d on other grounds*, 593 U.S. ___, 141 S. Ct. 1183 (2021). For more on the *Lotus* and *Oracle* cases, see §§ 8.03 and 10.04 below.

[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). *See also Gray v. Hudson*, 28 F.4th 87, 97-100 (9th Cir. 2022) (denying protection to eight-note ostinato consisting of notes of minor scale 3-3-3-3-2-2-1 in even rhythm); Carroll, *The Law of Musical Borrowing: Sampling, Remixes, Mashups, Linking, and User-Generated Content*, in OXFORD HANDBOOK OF MUSIC LAW AND POLICY (2020).

[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*, 965 F.3d 1141 (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).

USAGE: On pages 203-204, SUBSTITUTE the following text for the first paragraph of Note (16):

(16) *Additional limitations concerning useful articles.* In addition to the limitation on copyright protection for useful articles in § 101’s definition of “pictorial, graphic, and sculptural” works, the Copyright Act contains two other limitations pertinent to useful articles. First, when the design of a useful article *does* qualify for copyright protection, § 113(c) still allows others to make, distribute, and display pictures or photos of such articles in advertisements, commentaries, or news reports. Second, when a pictorial, graphic, or sculptural work “portrays a useful article as such,” then under § 113(b), the copyright owner has no greater or lesser rights in such a work than she did under the law, as interpreted by the courts, in effect on December 31, 1977. This section preserves pre-1978 case law holding that the copyright in a drawing of a useful article does not prevent others from manufacturing the useful article itself. See, e.g., *R.J. Control Consultants, Inc. v. Multijet, LLC*, 981 F.3d 446 (10th Cir. 2020).

[F] Architectural Works

USAGE: On page 217, SUBSTITUTE the following for the text of Note (7):

(7) *Additional issues.* Most architectural works cases deal with alleged infringement of designs less fanciful than the one involved in *Shine*. A good deal of litigation concerns competing plans for mass-produced “semi-custom” tract homes, which consist of a combination of “standard features” incapable of copyright protection in themselves. See, e.g., *Design Basics, LLC v. Signature Construction, Inc.*, 994 F.3d 879 (7th Cir. 2021); *Design Basics, LLC v. Kersteins Homes & Designs, Inc.*, 1 F.4th 502 (7th Cir. 2021); *Designworks Homes, Inc. v. Thomson Sailors Homes, LLC*, 9 F.4th 961 (8th Cir. 2021). In such cases, the issue of copyrightability may turn on whether the

particular design in which rights are claimed represents a sufficiently original variation on preexisting structures. The standard is not a particularly exacting one, as we will see in our more general discussion of derivative works in the following section of this chapter. But, of course, the resulting right is a relatively “thin” copyright, which a would-be copyist may be able to “design around.” How big a problem is this? Should we be concerned that alleged copyright “trolls” have copyrighted thousands of designs, so they can plausibly claim infringement anytime they find a “similar” home on the market?

USAGE: On page 218, ADD the following text to the end of Note (10):

Although floor plans are arguably a “pictorial representation” of a building, the context of the AWCPA (including the fact that “technical drawings, including architectural plans” are specifically listed in the definition of “pictorial, graphic, and sculptural works”) persuaded the Eighth Circuit that § 120(a) does *not* apply to floor plans, leaving realtors and homeowners to rely on “fair use” when displaying floor plans of homes for sale. See *Designworks Homes, Inc. v. Columbia House of Brokers Realty, Inc.*, 9 F.4th 803 (8th Cir. 2021).

Chapter 4

OWNERSHIP AND TRANSFERS

§ 4.01 INITIAL OWNERSHIP

[B] Works Made For Hire

USAGE: On page 270, SUBSTITUTE the following for the last paragraph of Note (6):

In *Horror Inc. v. Miller*, 15 F.4th 232 (2d Cir. 2021), the court rejected arguments that labor law or the terms of a relevant collective bargaining agreement should displace the CCNV factors when a member of the Writers Guild of America (WGA) wrote the screenplay to *Friday the 13th* for a WGA-approved corporation. Applying those factors, the court held that the writer was not an employee and was therefore entitled to terminate his transfer of his rights in the screenplay.

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 non-commissioned 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

[B] Preliminary Concepts

USAGE: On page 300, ADD the following text after the end of subsection [2]:

[3] Non-Fungible Tokens (NFTs)

In the world of fine art and collectibles, an “original” manuscript or work of art has a monetary value that is far greater than subsequent reproductions or “copies.” With digital artworks, however, the distinction between the “original” fixation of the work and subsequent reproductions vanishes, as all digital copies of a digital work are identical. In order to simulate the scarcity and value associated with a single, tangible “original” work of art, digital artists hit upon the concept of selling non-fungible tokens, or NFTs.

An NFT is an electronic record of ownership that is stored using blockchain technology. The blockchain stores a permanent record of all transactions involving the token, thereby preserving the chain of title (or “provenance”) for the token. Unlike cryptocurrencies such as bitcoin, which are “fungible,” each NFT is unique (thus “non-fungible”) because it is comprised, at its core, of (usually) two unique numerical identifiers that are usually produced through “minting,” a computational process.

The NFT can be, but does not have to be, related to a digital copy of an original work in two ways. One is that a copy of a digital work can be the input for the minting process to generate a unique numerical value that is part of the NFT. The other is that an NFT file can contain other information, including a hyperlink to a copy of the digital work. *See Guadamuz, The Treachery of Images: Non-Fungible Tokens and Copyright*, 16 J. INTEL. PROP. LAW & PRACTICE 1367 (2021). Importantly, however, even if a copy of a digital work is used to mint an NFT, the output of the process is not a new copy of the work, and therefore minting does not exercise the exclusive right of reproduction.

Considerable confusion in the media and even in legal commentary surrounds the relationship between NFTs and copyright law, because some transactions labelled as the sale of an NFT are in fact a bundle of transactions, comprising the transfer of rights in the NFT accompanied by an assignment or license of some exclusive rights under copyright.

Legally, however, the rights to the NFT and the rights covered in the contracts or licenses are distinct.

For this reason, it is often unclear exactly what the purchaser of the NFT is buying. An NFT is simply an electronic record; it can be associated with any type of property, or with nothing at all. There is no guarantee that the person who “mints” and sells the NFT actually owns anything, and there is no guarantee that any rights of any kind are transferred together with the NFT. Ownership of an NFT is a right to claim ownership of the token itself, but that does not by itself create any ownership interests in the copyright associated with the digital work. What the buyer obtains is defined entirely by the contract or agreement accompanying the NFT; and often those agreements are ambiguous or otherwise poorly drafted.

Thus, an NFT transaction *could* include a transfer of copyright ownership (assuming the digital terms of sale qualify as a signed writing under § 204(a)), or it *could* include a transfer of ownership of a particular “copy” (which may or may not still exist many years in the future); but the only thing it definitely is used to transfer is ownership of the token itself. Thus, an NFT that is associated with a digital artwork represents a third layer of “ownership” that should carefully be distinguished from ownership of the copyright to the underlying work and from ownership of a particular copy.

In the lawsuits that have been filed concerning NFTs and copyright law, typically the copyright claim is used to obtain federal subject-matter jurisdiction over the lawsuit. One important question that is yet to be decided is whether ownership of a copyright gives the owner the exclusive right to mint and sell NFTs. An NFT does not *necessarily* involve reproduction, distribution, or public display of the referenced work of art; but one court has suggested that a digitally-encoded hyperlink does implicate one or more of those exclusive rights. *See Notorious B.I.G., LLC v. Yes. Snowboards*, 2022 WL 2784808 (C.D. Cal. June 3, 2022) (on a motion for a preliminary injunction, assuming without deciding that an NFT is a “digital representation” of the underlying work and therefore falls within the exclusive right to prepare derivative works).

[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).

USAGE: On page 310, SUBSTITUTE the following for the first paragraph of Note (11):

(11) *Existence and duration of implied licenses.* Although one court has stated that “implied licenses are found only in narrow circumstances,” *Estate of Hevia v. Portrio Corp.*, 602 F.3d 34 (1st Cir. 2010), a growing number of cases have found implied licenses to exist. *See, e.g., Baisden v. I’m Ready Prods., Inc.*, 693 F.3d 491 (5th Cir. 2012) (upholding jury verdict that playwright had granted implied license to make and sell DVDs of stage production); *Latimer v. Roaring Toyz, Inc.*, 601 F.3d 1224 (11th Cir. 2010) (artist granted implied license to make and display photos of custom motorcycle artwork, and photographer in turn granted an implied license to display photos at media event); *Solid Oak Sketches, LLC v. 2K Games, Inc.*, 449 F. Supp. 3d 333 (S.D.N.Y. 2020) (tattoo artists impliedly granted licenses to NBA players to use their tattoos as elements of their likenesses).

USAGE: On page 311, ADD the following paragraph to the end of Note (13):

Although Instagram’s Terms of Use expressly grant Instagram the right to sublicense any photo publicly posted to the website, courts disagree whether and when the Instagram API in turn grants a sublicense to others to “embed” the photo in their own content. *Compare McGucken v. Newsweek, Inc.*, 464 F. Supp. 3d 594 (S.D.N.Y. 2020) (no sublicense) with *Sinclair v. Ziff Davis, LLC*, 454 F. Supp. 3d 342 (S.D.N.Y. 2020) (sublicense granted). After Instagram stated publicly that it does *not* grant a sublicense, however, the *Sinclair* court reconsidered its position. *Sinclair v. Ziff Davis, LLC*, 2020 U.S.P.Q.2d (BNA) 10694 (S.D.N.Y. June 24, 2020) (Instagram policy statement is ambiguous regarding sublicense).

Chapter 5

DURATION AND TERMINATIONS

§ 5.01 DURATION OF COPYRIGHTS

USAGE: On page 336, SUBSTITUTE the table below, to reflect the fact that works published 95 years prior to January 1 of the current year enter the public domain on January 1 (a.k.a. Public Domain Day):

| Duration after the CTEA | | | | |
|---|--|----------------|--|---|
| | Date of Protection | Nature of Term | Length of Term | |
| Works Created on or after 1/1/1978 | When work was fixed in a tangible medium of expression | Unitary | Basic Term: Life of the author plus 70 years Alternative Term for anonymous or pseudonymous works, or works made for hire; 95 years from publication or 120 years from creation, whichever is shorter | |
| Works Created but Not Published before 1/1/1978 | Federal protection began on 1/1/1978 | Unitary | Same as above; but at least through 12/31/2002, if the work remained unpublished as of that date, or through 12/31/2047 if the work was published before 1/1/2003 | |
| Works Published between 1964 and 1977 | When work was published with notice | Dual Term | 28-year first term | Automatic renewal term of 67 years (renewal registration is optional but incentives attach to renewal registration) |
| Works Published before 1964 and less than 95 years before January 1 of the current year | When work was published with notice | Dual Term | 28-year first term | Renewal term of 67 years, but only if renewal was properly obtained |
| Works Published 95 years or more before January 1 of the current year | N/A | N./A | Work is now in the Public Domain (e.g., works published in 1927 entered the public domain on January 1, 2023) | |

§ 5.02 TERMINATIONS OF TRANSFERS

[A] Section 203 Terminations: Post-1977 Transfers

[2] Summary of Provisions of § 203

USAGE: On page 367, SUBSTITUTE the following for the first paragraph of this section (“I. Grants Subject to Termination — § 203(a)):

Section 203 applies to any transfer or license of any right in any work, as long as (1) the grant is executed on or after January 1, 1978, and (2) the grant is made by the author. (Note that grants made by the author’s heirs *cannot* be terminated under § 203. *See Peretti v. Authentic Brands Group, LLC*, 33 F.4th 131 (2d Cir. 2022).) There are two exceptions: § 203 does not apply to works made for hire or to dispositions made by will. *See, e.g., Horror, Inc. v. Miller*, 15 F.4th 232 (2d Cir. 2021) (collective bargaining agreement did not automatically render screenplay to *Friday the 13th* a work made for hire).

[B] Section 304(c) Terminations: Pre-1978 Transfers

[2] Summary of Provisions of § 304(c)

USAGE: On page 371, SUBSTITUTE the following for the first paragraph of this section (“I. Grants Subject to Termination — § 304(c)):

Section 304(c) applies to any transfer or license of the renewal term in a statutory copyright subsisting on the effective date of the 1976 Act, as long as (1) the grant was executed before January 1, 1978, and (2) the grant was made by the author, or by the widow, widower, or children of the author, or his or her executor or next of kin. As with § 203, § 304(c) does not apply to works made for hire or to dispositions made by will. *See, e.g., Markham Concepts, Inc. v. Hasbro, Inc.*, 1 F.4th 74 (1st Cir. 2021) (applying pre-1978 “instance and expense” test to find board game *The Game of Life* was a work made for hire not subject to termination).

[D] The Mechanics of Termination

[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.*, 450 F. Supp. 3d 430 (S.D.N.Y. 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*, 450 F. Supp. 3d at 440-41 (errors 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 431, SUBSTITUTE the following for the first paragraph of Note (1):

(1) *Section 407 deposit.* Basically, § 407 of the 1976 Act requires “the owner of [the] copyright or of the exclusive right of publication” in a visually perceptible work to deposit, within three months after it is “published with notice of copyright in the United States,” two complete copies of the “best edition” of the work (or, if the work is a sound recording, two complete phonorecords of the best edition of the sound recording, along with all accompanying printed material). The deposit provision is a long-standing requirement of our copyright law; and, until recently, it has survived constitutional challenge. *See Ladd v. Law & Technology Press*, 762 F.2d 809 (9th Cir. 1985). In *Valancourt Books, LLC v. Garland*, ___ F.4th ___, 2023 WL 5536195 (D.C. Cir. 2023), however, the Court of Appeals held that, because § 407 deposit is no longer a condition of copyright protection, it constitutes a “taking” of private property for public use without just compensation, rather than a constitutional condition on a government benefit.

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 435, SUBSTITUTE the following for the text of Note (13):

(13) If the application for registration is denied, the applicant may file a request for reconsideration, which will be reviewed by a staff attorney who did not participate in the initial examination. If a second request for reconsideration is made, the application is reviewed by the Copyright Review Board, which consists of the Register of Copyrights, the General Counsel of the Copyright Office, and a third examiner designated by the Register. (Written opinions of the Copyright Review Board from 2016 to the present are available on the Copyright Office’s website.)

If the denial is upheld, the applicant may then seek judicial review under the Administrative Procedure Act. *See, e.g., Darden v. Peters*, 488 F.3d 277 (4th Cir. 2007) (reviewing denial for abuse of discretion). Alternatively, § 411(a) allows the rejected applicant to file an action for infringement, so long as the Register of Copyrights is given notice and an opportunity to intervene. *See, e.g., Paul Morelli Design, Inc. v. Tiffany & Co.*, 200 F. Supp. 2d 482 (E.D. Pa. 2002) (giving “some deference” to Register’s decision, rather than abuse of discretion or *de novo* review). Note, however, that reconsideration (exhaustion of administrative remedies) is *not* a prerequisite to filing an infringement action where registration has been refused. *See* UAB “Planner5D” v. Facebook, Inc., 534 F. Supp. 3d 1126 (N.D. Cal. 2021).

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). In *Unicolors, Inc. v. H&M Hennes & Mauritz, L.P.*, 142 S. Ct. 941 (2022), the Supreme Court clarified that “§ 411(b) does not distinguish between a mistake of law and a mistake of fact.” It therefore vacated a Ninth Circuit decision that had invalidated a registration based solely on the applicant’s (mis)interpretation of the term “publication.” On remand, the Ninth Circuit held that § 411(b) codified the defense of “fraud on the Copyright Office,” and therefore it requires a showing of intentional misrepresentation or fraud in order to invalidate a registration. *Unicolors, Inc. v. H&M Hennes & Mauritz, L.P.*, 52 F.4th 1054 (9th Cir. 2022). *Accord, Roberts v. Gordy*, 877 F.3d 1024 (11th Cir. 2017). 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.

§ 7.02 THE REPRODUCTION RIGHT

[D] Electronic Reproduction

USAGE: On page 483, SUBSTITUTE the following for the first paragraph of Note (14):

(14) *Netcom*’s holding that direct infringement requires some element of volition has proven influential in subsequent cases. *See, e.g., BWP Media USA, Inc. v. Polyvore, Inc.*, 922 F.3d 42 (2d Cir. 2019); *BWP Media USA, Inc. v. T&S Software Assocs., Inc.*, 852 F.3d 436 (5th Cir. 2017); *Perfect 10, Inc. v. Giganews, Inc.*, 847 F.3d 657 (9th Cir. 2017). Thus, in *Cartoon Network*, the court relied on both *Netcom* and *CoStar* in holding that Cablevision was not directly liable for setting up an RS-DVR system for its customers, because it was the customers, and not Cablevision, who made copies for later

viewing. In a questionable extension of *Cartoon Network*, the Second Circuit held that direct liability is limited to “the person who actually presses the button,” so that a CEO who ordered his subordinates to infringe was not directly liable. *ABKCO Music, Inc. v. Sagan*, 50 F.4th 309, 321-22 (2d Cir. 2022).

Note that *Netcom* ordinarily does not result in a finding of no liability, but only serves to distinguish direct infringement from secondary liability. (We will consider secondary liability in Chapter 9.) In *Cartoon Network*, however, plaintiffs made a strategic decision not to plead secondary liability, because the U.S. Supreme Court had held (in the *Sony Betamax* case considered below in § 9.02) that it is a “fair use” for viewers to make copies of television programs for later viewing. (In *Sagan*, plaintiffs’ failure to plead secondary liability was inadvertent.) Thus, once the court decided that direct liability was not appropriate, defendants were entitled to summary judgment.

§ 7.03 THE ADAPTATION RIGHT

[B] Case Law

USAGE: On page 496, SUBSTITUTE the following for the text of Note (14):

(14) The lack of fixation played an important role in three cases holding that the unauthorized display of “pop-up” advertisements while browsing the Internet does not result in a “derivative work” of the website that is temporarily covered by the advertisement. *See 1-800 Contacts, Inc. v. WhenU .com, Inc.*, 309 F. Supp. 2d 467 (S.D.N.Y. 2003), *rev’d on other grounds*, 414 F.3d 400 (2d Cir. 2005); *Wells Fargo & Co. v. WhenU .com, Inc.*, 293 F. Supp. 2d 734 (E.D. Mich. 2003); *U-Haul Int’l, Inc. v. WhenU .com, Inc.*, 279 F. Supp. 2d 723 (E.D. Va. 2003). *See also Davis v. Pinterest, Inc.*, 601 F. Supp. 3d 514 (C.D. Cal. 2022) (displaying advertisements next to plaintiff’s images does not violate any of plaintiff’s exclusive rights).

§ 7.04 THE PUBLIC DISTRIBUTION RIGHT

[B] Domestic Distribution

USAGE: On page 510, SUBSTITUTE the following for the text of Note (7):

(7) Yet another argument made in similar cases is that the 1996 WIPO treaties require that signatory nations prohibit the unauthorized “making available to the public” of copyrighted works. WIPO Copyright Treaty Art. 6(1); WPPT Art. 12(1). In *Thomas*, the RIAA argued that requiring “actual distribution” would cause the United States to violate its treaty obligations. Instead, it urged the court to adopt the principle that “an Act of Congress ought never to be construed to violate the law of nations if any other possible

construction remains.” *Murray v. Schooner Charming Betsy*, 6 U.S. (2 Cranch) 64, 118 (1804). The court, however, rejected the argument, on the ground that the WIPO treaties are not self-executing and were contradicted by “unambiguous” domestic law. 579 F. Supp. 2d at 1225–26. *But see SA Music, LLC v. Apple, Inc.*, 592 F. Supp. 3d 869 (N.D. Cal. 2022) (agreeing with the argument).

USAGE: On pages 513-14, SUBSTITUTE the following for the text of Note (13):

(13) How does the first-sale doctrine apply to electronic distribution? Suppose you have lawfully purchased an electronic file containing a copyrighted work and installed it on a device. Can you transfer the possession of that file to someone else without giving them the device itself? According to the Copyright Office, the answer is “no”: any transfer of an electronic file constitutes a reproduction, to which the first sale doctrine does not apply. Would it be possible to craft legislation to allow such a transfer if the sender “erases or destroys his or her copy or phonorecord at substantially the same time”? Would such a provision make good policy sense? How easy (or difficult) would it be to enforce?

Alternatively, can the fair use doctrine effectively substitute for the first-sale doctrine in the digital environment? Suppose a library owns six physical copies of a book. Can it keep those copies in a warehouse and lend electronic copies to six people at a time instead? In *Hachette Book Group, Inc. v. Internet Archive*, ___ F. Supp. 3d ___ (S.D.N.Y. 2023), the District Court held that the Archive’s “controlled digital lending” program violated the reproduction and distribution rights and was not a fair use. *See also Capitol Records, LLC v. ReDigi, Inc.*, 910 F.3d 649 (2d Cir. 2018) (uploading copies of lawfully purchased music files to a cloud server, to enable “resale” by changing the ownership data associated with the file, violated the reproduction right and was not a fair use). What if the *initial* copy purchased by the user is sent directly to ReDigi’s servers, so there is no unauthorized reproduction? Does it matter if the license agreement prohibits resale of digital music files?

§ 7.05 THE PUBLIC PERFORMANCE RIGHT

[A] Public Performances

[7] Performance Rights in Sound Recordings

USAGE: On page 551, SUBSTITUTE the following for the last full paragraph:

In 2011, the Register of Copyrights weighed in again, concluding that pre-1972 sound recordings should be brought under federal law, and that a general public performance right should be afforded to all sound recordings. *Federal Copyright*

Protection for Pre-1972 Sound Recordings (Dec. 2011). Nothing happened, however, until Flo & Eddie, Inc., which owns the copyright in sound recordings made by the 1960s band The Turtles, began a quixotic campaign to force Sirius XM and other digital broadcasters to pay performance royalties for pre-1972 sound recordings. To everyone's surprise, Flo & Eddie initially succeeded in getting federal courts to recognize a public performance right under state law in California and New York. Although the rulings were later overturned, *see Flo & Eddie, Inc. v. Sirius XM Radio, Inc.*, 70 N.E.3d 936 (N.Y. 2016); *Flo & Eddie, Inc. v. Sirius XM Radio, Inc.*, 9 F.4th 1167 (9th Cir. 2021), the flood of litigation promoted Congress to pass the Classics Protection and Access Act (Title II of the Music Modernization Act of 2018), which granted federal protection equivalent to copyright to sound recordings fixed before February 15, 1972. *See* § 7.07[C] below. In preempting state law, however, Congress left the door open for states to recognize public performance rights for nonsubscription broadcast transmissions that are not digital audio transmissions. *See* 17 U.S.C. § 301(c). Should a state choose to recognize such rights in the future, such a sea-change might force Congress to reconsider a general public performance right for post-1972 sound recordings as well.

[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.

§ 7.06 THE PUBLIC DISPLAY RIGHT

[C] Case Law

USAGE: On page 587, ADD the following to the end of the first paragraph of Note (4):

Accord, Nicklen v. Sinclair Broadcast Group, Inc., 551 F. Supp. 3d 188 (S.D.N.Y. 2021) (“embedding” a video in an online news article violates the public display right); *McGucken v. Newsweek, LLC*, 2022 U.S. Dist. LEXIS 50231 (S.D.N.Y. 2022) (same for “embedding” a photo).

USAGE: On page 587, ADD the following paragraph to the end of Note (4):

After the *Goldman* case settled, several disputes arose concerning Instagram, which similarly enables users to “embed” photos posted publicly by others. Implicitly assuming *Goldman* was correct, some of those cases turned on whether Instagram expressly granted a sublicense to its users. See §4.02[C] for details. The Ninth Circuit, however, has rejected *Goldman*, reaffirming the “server” test of *Perfect 10* and holding that it applies to content “embedded” by means of an inline link. See *Hunley v. Instagram, LLC*, 73 F.4th 1060 (9th Cir. 2023).

USAGE: On page 590, SUBSTITUTE the following for the last paragraph (following the indented paragraph) in Note (13):

Id. at 217; *see also LMNOPI v. XYZ Films, Inc.*, 449 F. Supp. 3d 86 (S.D.N.Y. 2020) (four-second shot of plaintiff’s street mural in background of film *Bushwick* was *de minimis*); *Gottlieb Development LLC v. Paramount Pictures Corp.*, 590 F. Supp. 2d 625 (S.D.N.Y. 2008) (use of copyrighted pinball machine in the background of movie *What Women Want* was *de minimis*). For more on *de minimis* use, see § 8.03 below.

§ 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.

USAGE: On page 620, SUBSTITUTE the following for the text of Note (9):

(9) The sculpture in *Phillips* was built with the consent of the owner of the property on which it stood. Would the analysis be different if it had been introduced onto the land without its owner’s permission? *See Canilao v. City Comm’l Investments, LLC*, 613 F. Supp. 3d 1236 (N.D. Cal. 2022), finding an implied requirement that the artist has the consent of the building owner for VARA’s protections to apply to nonremovable artwork. What is the statutory basis for such a conclusion?

USAGE: On page 622, ADD the following text to the end of Note (14):

Does VARA allow a building owner to permanently cover up an allegedly offensive mural that cannot safely be removed? *See Kerson v. Vermont Law School*, ___ F.4th ___ (2d Cir. 2023) (yes; concealing the mural is neither “destruction” nor “modification” of it).

Chapter 8

INFRINGEMENT ACTIONS

§ 8.02 FRAMING THE LAWSUIT

[A] Jurisdictional Matters

USAGE: On page 633, SUBSTITUTE the following for the first paragraph of Note (5):

(5) The second prong of the *Harms* test presents perhaps fewer difficulties. Federal courts have jurisdiction under § 1338(a) in cases in which the complaint “asserts a claim requiring construction of the Act.” In *Harms* itself, this standard was not met because the question of ownership of the copyright depended entirely on interpretation of the contract at issue. But where the question of ownership requires an interpretation of the “work made for hire” or “joint work” provisions of the Copyright Act (see Chapter 4), federal subject-matter jurisdiction is proper. *See, e.g., DiAngelo Pubs., Inc. v. Kelley*, 9 F.4th 256 (5th Cir. 2021); *Severe Records, LLC v. Rich*, 658 F.3d 571 (6th Cir. 2011). Indeed, there may be federal jurisdiction over state-law claims such as misappropriation of trade secrets and conversion, if the question of ownership overlaps with the “work made for hire” provisions of the federal Copyright Act. *See JustMed, Inc. v. Byce*, 600 F.3d 1118 (9th Cir. 2010).

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 AMA Multimedia, LLC v. Wanat*, 970 F.3d 1201 (9th Cir. 2020) (Polish citizen whose website hosted infringing content was not subject to personal jurisdiction in California, despite using geolocation service that targeted ads to local users).

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 Jim Olive Photography v. Univ. of Houston Sys.*, 624 S.W.3d 764 (Tex. 2021) (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, each 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, 964 F.3d 1203 (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).

USAGE: On page 653, SUBSTITUTE the following for the second bullet point (second indented paragraph):

- If the remedy or remedies sought are wholly equitable in character, e.g., an injunction and nothing more, such relief may be awarded by the judge alone and is not subject to a right to trial by jury. Should an accounting of defendant’s profits be considered an “equitable” remedy for these purposes? *See Fair Isaac Corp. v. Fed’l Ins. Co.*, 468 F. Supp. 3d 1110 (D. Minn. 2020) (yes); *Navarro v. Procter & Gamble Co.*, 529 F. Supp. 3d 742 (S.D. Ohio 2021) (yes); *Huffman v. Activision Publ., Inc.*, 2021 WL 2339193 (E.D. Tex. June 8, 2021) (no).

USAGE: On pages 655, ADD the following new subsection to the end of § 8.02:

[C] Small Claims Enforcement

The cost of litigation in federal court is high: Discovery and pre-trial preparation can easily cost upward of \$10,000 per month. Unless a plaintiff has registered its copyrights and is eligible to recovery attorneys’ fees, most attorneys are unwilling to file an infringement claim on a contingent fee basis. And even when a lawyer is available, it rarely makes economic sense to file an infringement claim if the expected recovery is only a few thousand dollars.

Consequently, in 2020 Congress enacted the Copyright Alternative in Small-Claims Enforcement Act, or CASE Act, codified in Chapter 15 of Title 17. The CASE Act created the Copyright Claims Board. The Board has jurisdiction to rule on: (1) claims of copyright infringement in which the claimant seeks \$30,000 or less in damages; (2) claims seeking a declaration that specific activities do not infringe copyright; and (3) claims under § 512(f) of “misrepresentation” in takedown notices sent under the Digital Millennium Copyright Act (DMCA). § 1504(c). [See Chapter 9 for a discussion of the DMCA’s notice-and-takedown procedure.]

The Board consists of three full-time Copyright Claims Officers, appointed by the Librarian of Congress for staggered six-year terms. § 1502(b). The Officers are assisted by at least two full-time Copyright Claims Attorneys, hired by the Register. *Id.*

Participation in a proceeding before the Board is “voluntary,” in the sense that a claimant may choose to commence a proceeding with the Board instead of filing a lawsuit in federal court. § 1504(a). The respondent against whom a claim is made has a 60-day period after service of notice within which to “opt out” of the Board proceeding in writing, in which case the proceeding is dismissed without prejudice. § 1506(i). If the respondent fails to “opt out” in writing, however, then it is legally bound by the Board’s determination. *Id.* The Register must allow libraries and archives to prospectively and preemptively opt out of *all* Board proceedings, without paying any fee to do so. § 1506(aa).

For infringement claims, a copyright owner may file a claim with the Board without having registered first; but the case may not proceed until an application to register (with the required fee and deposit) has been made, and the Board cannot render a determination until the registration certificate issues. Board proceedings take place solely “by means of written submissions, hearings, and conferences carried out through internet-based applications,” “without the requirement of in-person appearances by parties or others.” § 1506(c)(1)-(2). Discovery is limited to written interrogatories, requests for admission, and production of documents; there are no depositions as a matter of course, and the Board may *not* issue any subpoenas to non-parties. § 1506(n). A party may be, but is not required to be, represented by an attorney (or a law student acting *pro bono* who is otherwise qualified to represent parties). § 1506(d). The formal rules of evidence do not apply; the Board may consider written testimony and documents, and it may hold hearings by electronic means. § 1506(o),(p). Unless the parties settle, the Board must make factual findings and issue a written determination, which “shall be made available on a publicly accessible website.” § 1506(t)(3).

The Board may award either actual damages and the defendant’s profits under § 504(b) or statutory damages under § 504(c), except that the Board “may not make any finding that, or consider whether, the infringement was committed willfully.” § 1504(e)(1). If the copyright was timely registered under § 412, the Board may award statutory damages of up to \$15,000 for each work infringed, subject to the maximum total award of \$30,000. If the copyright was *not* timely registered under § 412, the Board may still award statutory damages of up to \$7,500 for each work infringed, subject to a maximum total award of \$15,000. *Id.* (This is a big change from existing law, under which a plaintiff may not recover statutory damages *at all* unless the work was timely registered under § 412.) The Board cannot issue an injunction, but the Board’s determination “shall include” a requirement to cease the infringing conduct if a party agrees to do so and the agreement is reflected in the record. § 1504(e)(2).

Post-determination procedure is also limited. Within 30 days, a party may request reconsideration for a clear error of law or fact or a technical mistake. § 1506(w). If that is denied, the party may pay an additional fee and request review by the Register of Copyrights, who can remand the claim to the Board if she finds an abuse of discretion. § 1506(x). The losing party may challenge the determination in federal District Court only

for fraud, corruption, misrepresentation, or excusable neglect, § 1508(c); and if the losing party does not comply, the winning party may seek an order and judgment in federal District Court confirming the Board’s determination. §1508(a). A final determination precludes litigation of all claims asserted and determined by the Board, but otherwise it does *not* have any preclusive effect. § 1507.

The Copyright Claims Board began operation in June 2022. Because participation is voluntary, the key question is whether litigants believe proceedings before the Board are a preferable alternative to litigation in federal District Court. If you were representing either a copyright owner or an alleged infringer, would you initiate, or agree to, a Board proceeding? Why or why not? Within three years after the Board begins operations, the Register is required to file a report with Congress assessing the use and efficacy of this experimental procedure.

§ 8.03 PROVING THE CLAIM

[B] Copying

USAGE: On page 661, SUBSTITUTE the following for the second sentence of Note (1):

See, e.g., Compulife Software, Inc. v. Newman, 959 F.3d 1288 (11th Cir. 2020).

USAGE: On page 663, SUBSTITUTE the following for the first paragraph of Note (5):

(5) Of course, to support a finding of access, “a plaintiff must show a reasonable possibility, not merely a bare possibility, that an alleged infringer had the chance to view the protected work.” *Art Attacks Ink, LLC v. MGA Ent’m, Inc.*, 581 F.3d 1138, 1143 (9th Cir. 2009). In *Art Attacks Ink*, evidence that the plaintiff sold its “Spoiled Brats” t-shirts at the L.A. County Fair beginning in 1998, and that one of the defendant’s employees attended the fair sometime between 1995 and 2005, was deemed insufficient to demonstrate access before the defendant began marketing its “Bratz” dolls in 2001. *See also Batiste v. Lewis*, 976 F.3d 493 (5th Cir. 2020) (evidence that defendants performed once in New Orleans, “not too far” from a record store that sold plaintiff’s music, raises only a “bare possibility” of access and is insufficient to defeat summary judgment).

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 676, ADD the following at the end of the citation following the indented paragraph:

Accord, Bell v. Wilmott Storage Servs., LLC, 12 F.4th 1065 (9th Cir. 2021) (*de minimis* use means so little of a copyrighted work has been copied that the allegedly infringing work is not substantially similar, so it is not a separate affirmative defense to infringement).

USAGE: On page 677, SUBSTITUTE the following for the second full paragraph:

Many courts do rigorously disqualify all noncopyrightable elements from consideration and only then compare what remains of the complaining and accused works. See, e.g., *Corbello v. Valli*, 974 F.3d 965 (9th Cir. 2020) (excluding alleged similarities

between the play *Jersey Boys* and the plaintiff’s non-fiction biography that were based on historical facts, common phrases, and *scènes à faire*); *Blehm v. Jacobs*, 702 F.3d 1193 (10th Cir. 2012) (“everyday activities, common anatomical features, and natural poses are ideas that belong to the public domain. . . . [W]e do not consider these unprotected elements in our substantial similarity analysis.”). Is success in applying the “subtractive” approach as likely when the finder-of-fact is a *jury*? Consider the following list of nonprotectible elements, found in *Haley*, 460 F. Supp. at 44–46:

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

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].

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 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 (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. [*Feist*]. 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.

[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), *rev’d*, 593 U.S. ___, 141 S. Ct. 1183 (2021).

USAGE: On page 724, SUBSTITUTE the following for the last paragraph of Note (9):

Id. at 1371–72. The Federal Circuit remanded the case to the District Court to determine whether Google’s copying could be considered a “fair use.” For the Supreme Court’s subsequent opinion finding fair use in favor of Google, see § 10.04[A] below.

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....

USAGE: On page 727, SUBSTITUTE the following for the last paragraph of Note (13):

When the Supreme Court agreed to review *Lotus v. Borland*, expectations were raised that the scope of copyright in user interfaces might finally be clarified. But such hopes were dashed when the Court affirmed the First Circuit by a 4-4 vote (Justice Stevens not participating). The effect of the Court’s “non-decision” is that the result stands: The opinion in *Lotus* remains a binding precedent in the First Circuit and a potentially influential one beyond its borders. Although two Courts of Appeals have declined to follow *Lotus* on this point, see *Mitel, Inc. v. Iqtel, Inc.*, 124 F.3d 1366 (10th Cir. 1997); *Oracle v. Google*, 750 F.3d at 1365–66, the Supreme Court’s opinion in the latter case strongly implied that *Lotus* was correctly decided, while holding instead that Google’s use of the names and organization of the Java Application Programming Interface (API) was a fair use. See §10.04 below. In approving Google’s goal of allowing programmers familiar with Java to use familiar names in writing programs for Android, the Supreme Court cited Judge Boudin’s “privileged use” proposal with approval.

USAGE: On page 737, SUBSTITUTE the following for the last sentence of Note (5) (first full sentence at the top of the page):

Despite these developments, successful summary judgment motions often remain elusive in the Ninth Circuit, due to the superficial attractiveness of “selection and arrangement” arguments. See, e.g., *Alfred v. Walt Disney Co.*, 821 Fed. App’x 727 (9th Cir. 2020) (reversing dismissal of claim that movie *Pirates of the Caribbean* infringed plaintiff’s screenplay); *Zindel v. Searchlight Pictures, Inc.*, 815 Fed. App’x 158 (9th Cir. 2020) (reversing summary judgment holding that movie *The Shape of Water* did not infringe plaintiff’s play).

§ 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.*, 965 F.3d 871 (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.); *Superama Corp. v. Tokyo Broad. Sys. Television, Inc.*, 830 Fed. App’x 821 (9th Cir. 2020) (affirming dismissal where Japanese defendant downloaded and broadcast allegedly infringing footage in Japan).

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).

USAGE: On page 756, SUBSTITUTE the following for the text of Note (8):

(8) Domestic courts also may be asked to enforce a judgment against a U.S. defendant that was obtained in a foreign country under that country’s laws. Such judgments generally will be enforced unless they violate the fundamental public policy of the forum state. *See Sarl Louis Feraud Int’l v. Viewfinder, Inc.*, 489 F.3d 474 (2d Cir. 2007) (mere fact that U.S. law does not extend copyright to dress designs does not render French default judgment repugnant to First Amendment; remanding to determine whether conduct involved would have qualified for fair use under U.S. law); *De Fontbrune v. Wofsy*, 39 F.4th 1214 (9th Cir. 2022) (no conflict with U.S. public policy because reproducing plaintiff’s photos of Picasso paintings was likely not a fair use).

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 photos 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*, 454 F. Supp. 3d 352 (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:

Numerous 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).

USAGE: On page 794, ADD the following after the fourth full paragraph:

Print-on-demand websites. “Print-on-demand” websites, such as Redbubble, allow users to upload photographs or other artwork, and they enable customers to order products with the photographs or artwork printed on them. When an order is made, the website’s software forwards the order to a manufacturer, which prints the image on the products and ships them directly to the customer, often in “branded” packaging. The

website operator never takes custody of the products, but it contracts with manufacturers and it handles all payments and refunds.

In terms of the exclusive rights, the image that is uploaded is publicly displayed on the website, and copies are reproduced and publicly distributed. If the uploaded image is infringing, which parties should be considered direct infringers, and which are secondary infringers? *Compare Atari Interactive, Inc. v. Redbubble, Inc.*, 515 F. Supp. 3d 1089 (N.D. Cal. 2021) (Redbubble is not directly liable for upload or public display, but may be directly liable for subsequent reproduction and distribution), *appeal pending*, No. 21-17062 (9th Cir. filed Dec. 16, 2021) with *Sid Avery & Assocs., Inc. v. Pixels.com, LLC*, 2021 WL 736258 (C.D. Cal. Feb. 24, 2021) (Pixels is *not* directly liable for reproduction and distribution of infringing products), *appeal pending*, No. 21-55291 (9th Cir. filed Mar. 26, 2021). *Cf. Ohio State University v. Redbubble, Inc.*, 989 F.3d 435, 448 (6th Cir. 2020) (website may be directly liable for infringing trademarks and rights of publicity).

[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 pages 815-816, SUBSTITUTE the following for the last two paragraphs on page 815 through the third paragraph on page 816:

In the initial rulemaking, a key dispute concerned the meaning of “classes” of works. Some users proposed, for example, that “works embodied in copies which have been lawfully acquired by users who subsequently seek to made noninfringing uses thereof” constituted an eligible “class” of works. The Copyright Office rejected this suggestion, because it did not refer primarily to the qualities of the works themselves. See 65 Fed. Reg. 64555 (2000). Beginning with the third rulemaking in 2006, however, the Copyright Office took a more flexible view, stating that “in certain circumstances, it will also be permissible to refine the description of a class of works by reference to the type of user who may take advantage of the exemption or by reference to the type of use of the

work that may be made pursuant to the exemption.” 71 Fed. Reg. 68,472 (2006). Thus, in 2021 the Copyright Office approved several related exemptions for:

Motion pictures . . . where circumvention is undertaken solely in order to make use of short portions of the motion pictures in the following instances: (i) For the purpose of criticism or comment (A) For use in documentary filmmaking, or other films . . . in parody or for its biographical or historically significant nature; (B) For use in noncommercial videos . . . ; (C) For use in nonfiction multimedia ebooks. (ii) For educational purposes: (A) . . . for the purpose of criticism, comment, teaching, or scholarship; (B) By faculty of accredited nonprofit educational institutions . . . for purposes of offering massive open online courses (MOOCs) . . . in film studies or other courses requiring close analysis of film and media excerpts . . . ; or (C) . . . in nonprofit digital and media literacy programs offered by libraries, museums, and other nonprofit entities with an educational mission, in the course of face-to-face instructional activities

37 C.F.R. §201.40(b)(1). Twenty additional classes of copyrighted works were exempted from §1201(a)(1)’s prohibition of circumvention for three years, including: electronically distributed literary works, when needed to enable read-aloud functionality or other assistive technologies, or to enable text and data mining; compilations of data generated by implanted medical devices; computer programs that enable lawfully acquired wireless devices to connect to a wireless telecommunications network with authorization of the network operator; and computer programs in vehicles and other devices, when needed to enable diagnosis or repair. *Id.* at §201.40(b)(2)-(20). The Office also uses a streamlined process to renew exemptions when there has not been any material change in facts or circumstances.

The ninth rulemaking will take place in 2024. You can find the results of the rulemaking on the Copyright Office website, www.copyright.gov/1201. If nothing else, this triennial rulemaking process provides a forum for a robust, continuing public discussion of the fate of “fair use” under a regime of “paracopyright.”

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

§ 10.02 THE FUNDAMENTALS OF FAIR USE

[B] Analyzing Fair Use Today

USAGE: On page 856, SUBSTITUTE the following for the last paragraph of Note (9) (the first full paragraph on this page):

Dr. Seuss’s successor-in-interest has had mixed success in subsequent cases. In *Dr. Seuss Enterprises, L.P. v. ComicMix, LLC*, 983 F.3d 443 (9th Cir. 2020), the court held that a mashup of Dr. Seuss and Star Trek titled *Oh, the Places You’ll Boldly Go!* was not a parody and was not a fair use. In *Lombardo v. Dr. Seuss Enterprises, L.P.*, 279 F. Supp. 3d 497 (S.D.N.Y. 2017), *aff’d*, 729 Fed. App’x 131 (2d Cir. 2018), however, the court held that a play in comedic rhyming verse titled *Who’s Holiday*, depicting Cindy Lou Who as a 45-year-old alcoholic, divorced from the Grinch, was a parody and a fair use.

§ 10.03 CONCEPTUAL ISSUES IN FAIR USE

[A] Copyright and the First Amendment

USAGE: On page 872, SUBSTITUTE the following for the text of Note (13):

(13) *Judge or Jury?* In *Harper & Row*, the Supreme Court observed that “[f]air use is a mixed question of law and fact.” 471 U.S. at 560. Does that mean that disputed fair use questions should be sent to a jury? In *Google, LLC v. Oracle Am., Inc.*, 593 U.S. ___, 141 S. Ct. 1183 (2021), the Supreme Court agreed with the Federal Circuit that “reviewing courts should appropriately defer to the jury’s findings of underlying facts; but that the ultimate question whether those facts showed a ‘fair use’ is a legal question for judges to decide *de novo*.” It also rejected Google’s argument that the Seventh Amendment required a right to jury trial on the issue of fair use. The holding gives judges more power to decide whether fair use applies in particular fact situations. For the Supreme Court’s opinion, see §10.04 below.

USAGE: On page 872, SUBSTITUTE the following for the text of Note (14):

(14) *Fair use and media reporting.* Obviously, “facts” are free for the taking. But sometimes it is difficult or downright undesirable to report just the facts and leave the associated words and images behind. If “a picture is worth a thousand words,” does that justify using the image itself in reporting the news? The issue frequently arises today

when a news outlet “embeds” a photo publicly posted on Twitter or Instagram into the content of a news article. *Compare McGucken v. Newsweek, Inc.*, 464 F. Supp. 3d 594 (S.D.N.Y. 2020) (photo of ephemeral lake in Death Valley was not a fair use) *with Walsh v. Townsquare Media, Inc.*, 464 F. Supp. 3d 570 (S.D.N.Y. 2020) (photo of singer Cardi B was a fair use).

For another instructive pair of cases, *compare Los Angeles News Service v. Reuters Television Int’l, Ltd.*, 149 F.3d 987 (9th Cir. 1998) (holding that Reuters’ use of plaintiff’s footage of Reginald Denny’s beating during the 1992 L.A. riots was not a fair use) *with Los Angeles News Service v. CBS Broadcasting, Inc.*, 305 F.3d 924 (9th Cir. 2002) (holding that Court TV’s use of a short clip of the same footage as part of “a video montage” introducing its “Prime Time Justice” program was a fair use). Does it make sense that the use of the footage for news reporting was disapproved, while the use of the footage for what was essentially commercial promotion was approved?

If you read both opinions, you will see that they place different emphasis on the issue of “transformative use,” to which we now turn.

[B] The Meaning of “Transformative Use”

USAGE: On pages 873-886, SUBSTITUTE the following for the *Bill Graham Archives* case and the Notes and Questions that follow:

ANDY WARHOL FOUNDATION FOR THE VISUAL ARTS, INC. v. GOLDSMITH

Supreme Court of the United States
143 S. Ct. 1258 (2023)

Justice SOTOMAYOR delivered the opinion of the Court.

...

I

Lynn Goldsmith is a professional photographer. Her specialty is concert and portrait photography of musicians... She quickly became “a leading rock photographer” in an era “when women on the scene were largely dismissed as groupies.”

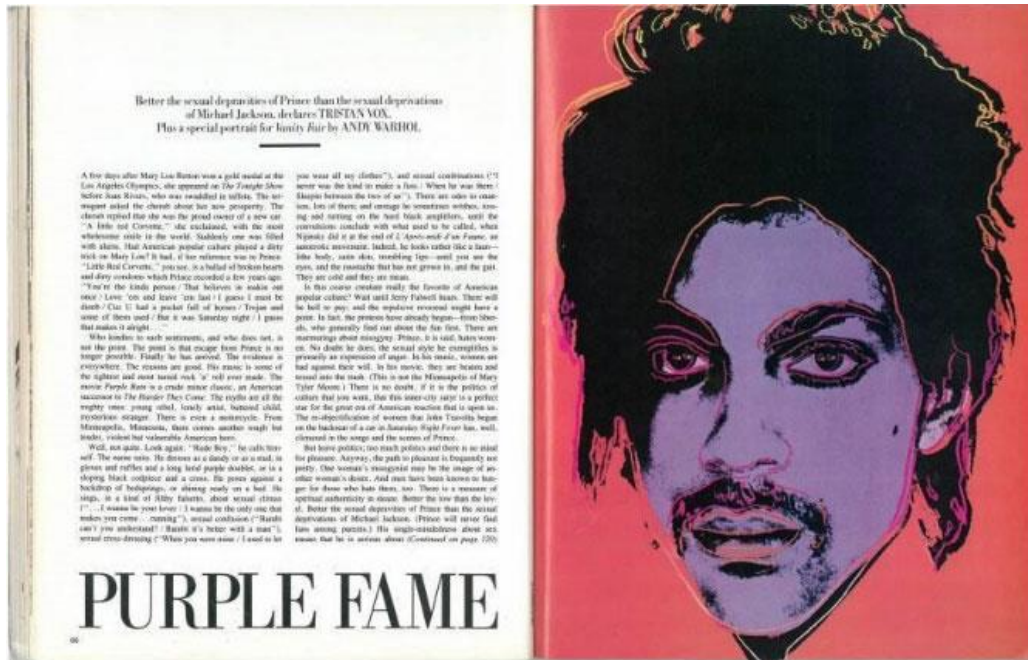
In 1981, Goldsmith convinced *Newsweek* magazine to hire her to photograph Prince Rogers Nelson, then an “up and coming” and “hot young musician.” *Newsweek* agreed, and Goldsmith took photos of Prince in concert at the Palladium in New York City and in her studio on West 36th Street.... One of Goldsmith’s studio photographs, a black and white portrait of Prince, is the original copyrighted work at issue in this case. See fig. 1, *infra*.



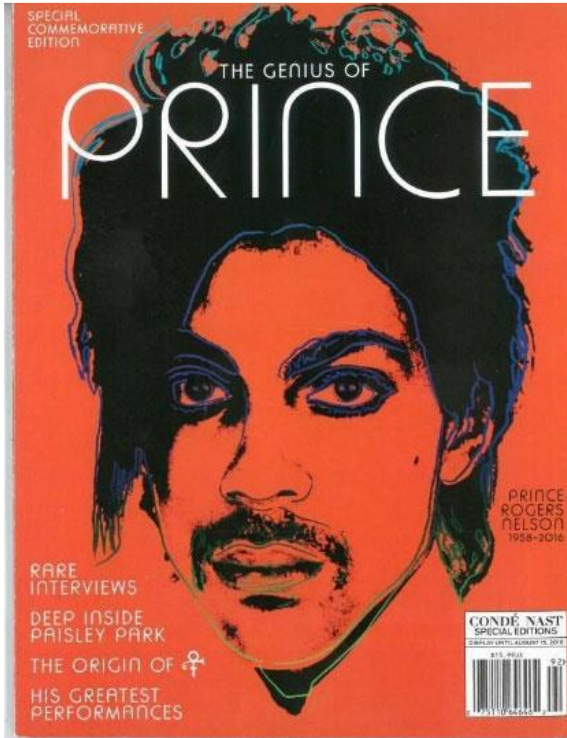
In 1984, Goldsmith, through her agency, licensed that photograph to Vanity Fair to serve as an “artist reference for an illustration” in the magazine. The terms of the license were that the illustration was “to be published in Vanity Fair November 1984 issue. It can appear one time full page and one time under one quarter page. No other usage right granted.” Ibid. Goldsmith was to receive \$400 and a source credit.

To make the illustration, Vanity Fair hired pop artist Andy Warhol. Warhol was already a major figure in American art, known among other things for his silkscreen portraits of celebrities. From Goldsmith’s photograph, Warhol created a silkscreen portrait of Prince, which appeared alongside an article about Prince in the November 1984 issue of Vanity Fair. See fig. 2, *infra*. The article, titled “Purple Fame,” is primarily about the “sexual style” of the new celebrity and his music.

Goldsmith received her \$400 fee, and Vanity Fair credited her for the “source photograph.” Warhol received an unspecified amount.



In addition to the single illustration authorized by the Vanity Fair license, Warhol created 15 other works based on Goldsmith's photograph: 13 silkscreen prints and two pencil drawings. The works are collectively referred to as the "Prince Series." See Appendix, *infra*. Goldsmith did not know about the Prince Series until 2016, when she saw the image of an orange silkscreen portrait of Prince ("Orange Prince") on the cover of a magazine published by Vanity Fair's parent company, Condé Nast. See fig. 3, *infra*.



By that time, Warhol had died, and the Prince Series had passed to the Andy Warhol Foundation for the Visual Arts, Inc. AWF no longer possesses the works, but it asserts copyright in them. It has licensed images of the works for commercial and editorial uses. In particular, after Prince died in 2016, Condé Nast contacted AWF about the possibility of reusing the 1984 Vanity Fair image for a special edition magazine that would commemorate Prince. Once AWF informed Condé Nast about the other Prince Series images, however, Condé Nast obtained a license to publish Orange Prince instead. The magazine, titled "The Genius of Prince," is a tribute to "Prince Rogers Nelson, 1958-2016." It is "devoted to Prince." Condé Nast paid AWF \$10,000 for the license. Goldsmith received neither a fee nor a source credit.

Remember that Goldsmith, too, had licensed her Prince images to magazines such as Newsweek, to accompany a story about the musician, and Vanity Fair, to serve as an artist reference. But that was not all. Between 1981 and 2016, Goldsmith's photos of Prince appeared on or between the covers of People, Readers Digest, Guitar World, and Musician magazines.

People magazine, in fact, paid Goldsmith \$1,000 to use one of her copyrighted photographs in a special collector's edition, "Celebrating Prince: 1958-2016," just after Prince died.... Other magazines, including Rolling Stone and Time, also released special editions. All of them depicted Prince on the cover. All of them used a copyrighted photograph in service of that object. And all of them (except Condé Nast) credited the photographer.

When Goldsmith saw Orange Prince on the cover of Condé Nast's special edition magazine, she recognized her work. "It's the photograph," she later testified. Orange Prince crops, flattens, traces, and colors the photo but otherwise does not alter it.

Goldsmith notified AWF of her belief that it had infringed her copyright. AWF then sued Goldsmith and her agency for a declaratory judgment of noninfringement or, in the alternative, fair use. Goldsmith counterclaimed for infringement.

The District Court granted summary judgment for AWF [on grounds of fair use].... As to the first factor, the works were “transformative”.... In particular, the works “can reasonably be perceived to have transformed Prince from a vulnerable, uncomfortable person to an iconic, larger-than-life figure,” such that “each Prince Series work is immediately recognizable as a ‘Warhol’ rather than as a photograph of Prince.” [382 F. Supp. 3d] at 326....

The Court of Appeals for the Second Circuit reversed and remanded.... It held that all four fair use factors favored Goldsmith. On the first factor, ... the Court of Appeals rejected the notion that “any secondary work that adds a new aesthetic or new expression to its source material is necessarily transformative.” [11 F.4th] at 38-39.... [A] “transformative purpose and character must, at bare minimum, comprise something more than the imposition of another artist’s style on the primary work.” [*Id.* at 42] ...

II

AWF does not challenge the Court of Appeals’ holding that Goldsmith’s photograph and the Prince Series works are substantially similar. The question here is whether AWF can defend against a claim of copyright infringement because it made “fair use” of Goldsmith’s photo....

A.1

The first fair use factor is “the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes.” § 107(1). This factor considers the reasons for, and nature of, the copier’s use of an original work. The “central” question it asks is “whether the new work merely ‘supersede[s] the objects’ of the original creation ... (‘supplanting’ the original), or instead adds something new, with a further purpose or different character.” *Campbell*, 510 U.S. at 579.... In that way, the first factor relates to the problem of substitution — copyright’s *bête noire*. The use of an original work to achieve a purpose that is the same as, or highly similar to, that of the original work is more likely to substitute for, or “supplan[t],” the work....

... Whether a use shares the purpose or character of an original work, or instead has a further purpose or different character, is a matter of degree. Most copying has some further purpose, in the sense that copying is socially useful *ex post*. Many secondary works add something new. That alone does not render such uses fair. Rather, the first factor (which is just one factor in a larger analysis) asks “whether *and to what extent*” the use at issue has a purpose or character different from the original. *Campbell*, 510 U.S. at 579 (emphasis added). The larger the difference, the more likely the first factor weighs in favor of fair use. The smaller the difference, the less likely.

A use that has a further purpose or different character is said to be “transformative.” *Ibid.* (quoting P. Leval, *Toward a Fair Use Standard*, 103 Harv. L. Rev. 1105, 1111 (1990) (hereinafter Leval)). As before, “transformativeness” is a matter of degree. That is important because the word “transform,” though not included in § 107, appears elsewhere in the Copyright Act. The statute defines derivative works, which the copyright owner has “the exclusive righ[t]” to prepare, § 106(2), to include “any other form in which a work may be recast, transformed, or adapted,” § 101. In other words, the owner has a right to derivative transformations of her work. Such transformations may be substantial, like the adaptation of a book into a movie. To be sure, this right is “[s]ubject to” fair use. § 106. The two are not mutually exclusive. But an overbroad concept of transformative use, one that includes any further purpose, or any different character, would narrow the copyright owner’s exclusive right to create derivative works. To preserve that right, the degree of transformation required to make “transformative” use of an original must go beyond that required to qualify as a derivative.

For example, this Court in *Campbell* considered whether parody may be fair use.... [In doing so, it] [d]istinguish[ed] between parody (which targets an author or work for humor or ridicule) and satire (which ridicules society but does not necessarily target an author or work) ...

This discussion illustrates two important points: First, the fact that a use is commercial as opposed to nonprofit is an additional “element of the first factor.” The commercial nature of the use is not dispositive. But it is relevant. As the Court explained in *Campbell*, it is to be weighed against the degree to which the use has a further purpose or different character. See 510 U.S. at 579 (“[T]he more transformative the new work, the less will be the significance of other factors, like commercialism, that may weigh against a finding of fair use”); see also *id.*, at 580, 585.

Second, the first factor also relates to the justification for the use. In a broad sense, a use that has a distinct purpose is justified because it furthers the goal of copyright, namely, to promote the progress of science and the arts, without diminishing the incentive to create. See *id.*, at 579; *Authors Guild v. Google, Inc.*, 804 F.3d 202, 214 (2d Cir. 2015) (Leval, J.) (“The more the appropriator is using the copied material for new, transformative purposes, the more it serves copyright’s goal of enriching public knowledge and the less likely it is that the appropriation will serve as a substitute for the original or its plausible derivatives, shrinking the protected market opportunities of the copyrighted work”). A use that shares the purpose of a copyrighted work, by contrast, is more likely to provide “the public with a substantial substitute for matter protected by the [copyright owner’s] interests in the original wor[k] or derivatives of [it],” *id.*, at 207, which undermines the goal of copyright.

In a narrower sense, a use may be justified because copying is reasonably necessary to achieve the user’s new purpose. Parody, for example, “needs to mimic an original to make its point.” *Campbell*, 510 U.S. at 580-81. Similarly, other commentary or criticism that targets an original work may have compelling reason to “conjure up” the

original by borrowing from it. *Id.*, at 588. An independent justification like this is particularly relevant to assessing fair use where an original work and copying use share the same or highly similar purposes, or where wide dissemination of a secondary work would otherwise run the risk of substitution for the original or licensed derivatives of it.... *See* Leval at 1111 (“[I]t is not sufficient simply to conclude whether or not justification exists. The question remains how powerful, or persuasive, is the justification, because the court must weigh the strength of the secondary user’s justification against factors favoring the copyright owner”).

In sum, the first fair use factor considers whether the use of a copyrighted work has a further purpose or different character, which is a matter of degree, and the degree of difference must be balanced against the commercial nature of the use. If an original work and a secondary use share the same or highly similar purposes, and the secondary use is of a commercial nature, the first factor is likely to weigh against fair use, absent some other justification for copying.

2

The fair use provision, and the first factor in particular, requires an analysis of the specific “use” of a copyrighted work that is alleged to be “an infringement.” § 107. The same copying may be fair when used for one purpose but not another. *See Campbell*, 510 U.S. at 585 (contrasting the use of a copyrighted work “to advertise a product, even in a parody,” with “the sale of a parody for its own sake, let alone one performed a single time by students in school”); *Sony Corp. of America v. Universal City Studios, Inc.*, 464 U.S. 417, 449-51 (1984) (contrasting the recording of TV “for a commercial or profit-making purpose” with “private home use”).

Here, Goldsmith’s copyrighted photograph has been used in multiple ways: After Goldsmith licensed the photograph to Vanity Fair to serve as an artist reference, Warhol used the photograph to create the Vanity Fair illustration and the other Prince Series works. Vanity Fair then used the photograph, pursuant to the license, when it published Warhol’s illustration in 1984. Finally, AWF used the photograph when it licensed an image of Warhol’s Orange Prince to Condé Nast in 2016. Only that last use, however, AWF’s commercial licensing of Orange Prince to Condé Nast, is alleged to be infringing.⁹ We limit our analysis accordingly. In particular, the Court expresses no opinion as to the creation, display, or sale of any of the original Prince Series works.¹⁰

⁹ AWF sought a declaratory judgment that would cover the original Prince Series works, but Goldsmith has abandoned all claims to relief other than her claim as to the 2016 Condé Nast license and her request for prospective relief as to similar commercial licensing.

¹⁰ ... [T]he dissent assumes that any and all uses of an original work entail the same first-factor analysis based solely on the content of a secondary work. This assumption

A typical use of a celebrity photograph is to accompany stories about the celebrity, often in magazines. For example, Goldsmith licensed her photographs of Prince to illustrate stories about Prince in magazines such as Newsweek, Vanity Fair, and People. She even licensed her photographs for that purpose after Prince died in 2016. A photographer may also license her creative work to serve as a reference for an artist, like Goldsmith did in 1984 when Vanity Fair wanted an image of Prince created by Warhol to illustrate an article about Prince. As noted by the Court of Appeals, Goldsmith introduced “uncontroverted” evidence “that photographers generally license others to create stylized derivatives of their work in the vein of the Prince Series.” 11 F.4th at 50. In fact, Warhol himself paid to license photographs for some of his artistic renditions. Such licenses, for photographs or derivatives of them, are how photographers like Goldsmith make a living. They provide an economic incentive to create original works, which is the goal of copyright.

In 2016, AWF licensed an image of Orange Prince to Condé Nast to appear on the cover of a commemorative edition magazine about Prince. The edition, titled “The Genius of Prince,” celebrates the life and work of “Prince Rogers Nelson, 1958-2016.” It is undisputed here that the edition is “devoted to Prince.” In addition to AWF’s image on the cover, the magazine contains numerous concert and studio photographs of Prince. In that context, the purpose of the image is substantially the same as that of Goldsmith’s photograph. Both are portraits of Prince used in magazines to illustrate stories about Prince.... AWF’s licensing of the Orange Prince image thus “supersede[d] the objects,” *Campbell*, 510 U.S. at 579, *i.e.*, shared the objectives, of Goldsmith’s photograph, even if the two were not perfect substitutes.

The use also “is of a commercial nature.” § 107(1). Just as Goldsmith licensed her photograph to Vanity Fair for \$400, AWF licensed Orange Prince to Condé Nast for \$10,000. The undisputed commercial character of AWF’s use, though not dispositive, “tends to weigh against a finding of fair use.” *Harper & Row*, 471 U.S. at 562.

Taken together, these two elements — that Goldsmith’s photograph and AWF’s 2016 licensing of Orange Prince share substantially the same purpose, and that AWF’s use of Goldsmith’s photo was of a commercial nature — counsel against fair use, absent some other justification for copying. That is, although a use’s transformativeness may outweigh its commercial character, here, both elements point in the same direction....

Yet not all of Warhol’s works, nor all uses of them, give rise to the same fair use analysis. In fact, [the Campbell’s Soup Cans series] well illustrates the distinction drawn

contradicts the fair use statute and this Court’s precedents. Had AWF’s use been solely for teaching purposes, that clearly would affect the analysis, and the statute permits no other conclusion....

here. The purpose of Campbell's logo is to advertise soup. Warhol's canvases do not share that purpose. Rather, the Soup Cans series uses Campbell's copyrighted work for an artistic commentary on consumerism, a purpose that is orthogonal to advertising soup. The use therefore does not supersede the objects of the advertising logo.

Moreover, a further justification for Warhol's use of Campbell's logo is apparent. His Soup Cans series targets the logo. That is, the original copyrighted work is, at least in part, the object of Warhol's commentary. It is the very nature of Campbell's copyrighted logo — well known to the public, designed to be reproduced, and a symbol of an everyday item for mass consumption — that enables the commentary. Hence, the use of the copyrighted work not only serves a completely different purpose, to comment on consumerism rather than to advertise soup, it also “conjures up” the original work to “she[d] light” on the work itself, not just the subject of the work. *Campbell*, 510 U.S. at 579. Here, by contrast, AWF's use of Goldsmith's photograph does not target the photograph, nor has AWF offered another compelling justification for the use.

B

AWF contends, however, that the purpose and character of its use of Goldsmith's photograph weighs in favor of fair use because Warhol's silkscreen image of the photograph, like the Campbell's Soup Cans series, has a new meaning or message. The District Court, for example, understood the Prince Series works to portray Prince as “an iconic, larger-than-life figure.” 382 F. Supp. 3d at 326. AWF also asserts that the works are a comment on celebrity. In particular, “Warhol's Prince Series conveys the dehumanizing nature of celebrity.” Brief for Petitioner at 44. According to AWF, that new meaning or message, which the Court of Appeals ignored, makes the use “transformative” in the fair use sense. We disagree.

1

Campbell did describe a transformative use as one that “alter[s] the first [work] with new expression, meaning, or message.” 510 U.S. at 579; see also Google, 593 U. S., at ___, 141 S. Ct. at 1202-03. That description paraphrased Judge Leval's law review article, which referred to “new information, new aesthetics, new insights and understandings.” Leval at 1111.... But *Campbell* cannot be read to mean that § 107(1) weighs in favor of any use that adds some new expression, meaning, or message.

Otherwise, “transformative use” would swallow the copyright owner's exclusive right to prepare derivative works. Many derivative works, including musical arrangements, film and stage adaptations, sequels, spinoffs, and others that “recast, transfor[m] or adap[t]” the original, add new expression, meaning or message, or provide new information, new aesthetics, new insights and understandings. That is an intractable problem for AWF's interpretation of transformative use. The first fair use factor would not weigh in favor of a commercial remix of Prince's “Purple Rain” just because the remix added new expression or had a different aesthetic. A film or musical adaptation,

like that of Alice Walker's *The Color Purple*, might win awards for its "significant creative contribution"; alter the meaning of a classic novel; and add "important new expression," such as images, performances, original music, and lyrics. But that does not in itself dispense with the need for licensing....

The dissent ... focuses on *Campbell*'s paraphrase, yet ignores the rest of that decision's careful reasoning.... *Campbell* was the culmination of a long line of cases and scholarship about parody's claim to fairness in borrowing. "For purposes of copyright law," the Court explained, "the heart of any parodist's claim to quote from existing material is the use of some elements of a prior author's composition to create a new one that, at least in part, comments on that author's works." 510 U.S. at 580. *Campbell* thus drew a nuanced distinction between parody and satire: While parody cannot function unless it conjures up the original, "satire can stand on its own two feet and so requires justification for ... borrowing." *Id.*, at 580-81. The objective meaning or message of 2 Live Crew's song was relevant to this inquiry into the reasons for copying, but any "new expression, meaning, or message" was not the test....

... [T]he Court of Appeals stated that "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." [50 F.4th] at 41. That statement is correct in part. A court should not attempt to evaluate the artistic significance of a particular work. See *Bleistein v. Donaldson Lithographing Co.*, 188 U.S. 239, 251 (1903) ("It would be a dangerous undertaking for persons trained only to the law to constitute themselves final judges of the worth of [a work], outside of the narrowest and most obvious limits"). Nor does the subjective intent of the user (or the subjective interpretation of a court) determine the purpose of the use. But the meaning of a secondary work, as reasonably can be perceived, should be considered to the extent necessary to determine whether the purpose of the use is distinct from the original, for instance, because the use comments on, criticizes, or provides otherwise unavailable information about the original, *see, e.g., Authors Guild*, 804 F.3d at 215-16.

2

The District Court determined that "[t]he Prince Series works can reasonably be perceived to have transformed Prince from a vulnerable, uncomfortable person to an iconic, larger-than-life figure." 382 F. Supp. 3d at 326. To make that determination, the District Court relied, in part, on testimony by Goldsmith that her photographs of Prince show that he "is 'not a comfortable person' and that he is 'a vulnerable human being.'" *Ibid.* An expert on Warhol, meanwhile, testified that the Prince Series works depict "Prince as a kind of icon or totem of something," a "mask-like simulacrum of his actual existence."

The Court of Appeals noted, correctly, that "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." 11 F.4th at 41. "[O]therwise, the law may well 'recogniz[e] any alteration as transformative.'" *Ibid.*

Whether the purpose and character of a use weighs in favor of fair use is, instead, an objective inquiry into what use was made, *i.e.*, what the user does with the original work.

Granting the District Court's conclusion that Orange Prince reasonably can be perceived to portray Prince as iconic, whereas Goldsmith's portrayal is photorealistic, that difference must be evaluated in the context of the specific use at issue. The use is AWF's commercial licensing of Orange Prince to appear on the cover of Condé Nast's special commemorative edition. The purpose of that use is, still, to illustrate a magazine about Prince with a portrait of Prince. Although the purpose could be more specifically described as illustrating a magazine about Prince with a portrait of Prince, one that portrays Prince somewhat differently from Goldsmith's photograph (yet has no critical bearing on her photograph), that degree of difference is not enough for the first factor to favor AWF, given the specific context of the use.

To hold otherwise would potentially authorize a range of commercial copying of photographs, to be used for purposes that are substantially the same as those of the originals. As long as the user somehow portrays the subject of the photograph differently, he could make modest alterations to the original, sell it to an outlet to accompany a story about the subject, and claim transformative use. Many photographs will be open to various interpretations. A subject as open to interpretation as the human face, for example, reasonably can be perceived as conveying several possible meanings. The application of an artist's characteristic style to bring out a particular meaning that was available in the photograph is less likely to constitute a "further purpose" as *Campbell* used the term. 510 U.S. at 579.

AWF asserts another, albeit related, purpose, which is to comment on the "dehumanizing nature" and "effects" of celebrity. No doubt, many of Warhol's works, and particularly his uses of repeated images, can be perceived as depicting celebrities as commodities. But again, even if such commentary is perceptible on the cover of Condé Nast's tribute to "Prince Rogers Nelson, 1958-2016," on the occasion of the man's death, ... [t]he asserted commentary is at *Campbell*'s lowest ebb. Because it "has no critical bearing on" Goldsmith's photograph, the commentary's "claim to fairness in borrowing from" her work "diminishes accordingly (if it does not vanish)." 510 U.S. at 580 The commercial nature of the use, on the other hand, "loom[s] larger." *Ibid.*

Here, the circumstances of AWF's 2016 licensing outweigh its diminished claim to fairness in copying under the first factor. Like satire that does not target an original work, AWF's asserted commentary "can stand on its own two feet and so requires justification for the very act of borrowing." *Id.*, at 581. Moreover, because AWF's commercial use of Goldsmith's photograph to illustrate a magazine about Prince is so similar to the photograph's typical use, a particularly compelling justification is needed. Yet AWF offers no independent justification, let alone a compelling one, for copying the photograph, other than to convey a new meaning or message. As explained, that alone is not enough for the first factor to favor fair use.

Copying might have been helpful to convey a new meaning or message. It often is. But that does not suffice under the first factor. Nor does it distinguish AWF from a long list of would-be fair users: a musician who finds it helpful to sample another artist's song to make his own, a playwright who finds it helpful to adapt a novel, or a filmmaker who would prefer to create a sequel or spinoff, to name just a few. As Judge Leval has explained, "[a] secondary author is not necessarily at liberty to make wholesale takings of the original author's expression merely because of how well the original author's expression would convey the secondary author's different message." *Authors Guild*, 804 F.3d at 215.

3

The dissent would rather not debate these finer points. It offers no theory of the relationship between transformative uses of original works and derivative works that transform originals. No reason why AWF was justified in using Goldsmith's original work in this specific instance. And no limiting principle for its apparent position that any use that is creative prevails under the first fair use factor. Instead, the dissent makes the simple (and obvious) point that restrictions on copying can inhibit follow-on works.... If AWF must pay Goldsmith to use her creation, the dissent claims, this will "stifle creativity of every sort," "thwart the expression of new ideas and the attainment of new knowledge," and "make our world poorer."

These claims will not age well. It will not impoverish our world to require AWF to pay Goldsmith a fraction of the proceeds from its reuse of her copyrighted work. Recall, payments like these are incentives for artists to create original works in the first place. Nor will the Court's decision, which is consistent with longstanding principles of fair use, snuff out the light of Western civilization, returning us to the Dark Ages of a world without Titian, Shakespeare, or Richard Rodgers....

The result ... is an account of fair use that is unbalanced in theory and, perhaps relatedly, in tone. The dissent's conclusion — that whenever a use adds new meaning or message, or constitutes creative progress in the opinion of a critic or judge, the first fair use factor weighs in its favor — does not follow from its basic premise. Fair use instead strikes a balance between original works and secondary uses based in part on objective indicia of the use's purpose and character, including whether the use is commercial and, importantly, the reasons for copying.

Finally, copyright law is replete with escape valves: the idea-expression distinction; the general rule that facts may not receive protection; the requirement of originality; the legal standard for actionable copying; the limited duration of copyright; and, yes, the defense of fair use, including all its factors, such as whether the amount taken is reasonable in relation to the purpose of the use. These doctrines (and others) provide ample space for artists and other creators to use existing materials to make valuable new works. They account for most, if not all, of the examples given by the dissent, as well as the dissent's own copying (and the Court's, too). If the last century of

American art, literature, music, and film is any indication, the existing copyright law, of which today's opinion is a continuation, is a powerful engine of creativity.

III

Lynn Goldsmith's original works, like those of other photographers, are entitled to copyright protection, even against famous artists. Such protection includes the right to prepare derivative works that transform the original. The use of a copyrighted work may nevertheless be fair if, among other things, the use has a purpose and character that is sufficiently distinct from the original. In this case, however, Goldsmith's original photograph of Prince, and AWF's copying use of that photograph in an image licensed to a special edition magazine devoted to Prince, share substantially the same purpose, and the use is of a commercial nature. AWF has offered no other persuasive justification for its unauthorized use of the photograph. Therefore, the "purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes," § 107(1), weighs in Goldsmith's favor.

... AWF does not challenge the Court of Appeals' determinations that the [other factors] ... all favor Goldsmith. Because this Court agrees with the Court of Appeals that the first factor likewise favors her, the judgment of the Court of Appeals is *Affirmed*.

Justice GORSUCH, with whom Justice JACKSON joins, concurring.

The question before us is a narrow one of statutory interpretation. It concerns the meaning of one of four factors Congress has instructed courts to consult when a party invokes the affirmative defense of "fair use" ... "the purpose and character of the use." 17 U.S.C. § 107(1). The parties disagree which "purpose" and "character" counts....

... Nothing in the copyright statute calls on judges to speculate about the purpose an artist may have in mind when working on a particular project. Nothing in the law requires judges to try their hand at art criticism and assess the aesthetic character of the resulting work.... [The first factor] asks us to assess whether the purpose and character of that use is different from (and thus complements) or is the same as (and thus substitutes for) a copyrighted work. It's a comparatively modest inquiry focused on how and for what reason a person is using a copyrighted work in the world, not on the moods of any artist or the aesthetic quality of any creation....

With all this in mind, the Court's decision seems to me exactly right. Does Mr. Warhol's image seek to depict Prince as a "larger-than-life" icon while Ms. Goldsmith's photograph attempts to cast him in a more "vulnerable" light? Or are the artistic purposes latent in the two images and their aesthetic character actually more similar than that? Happily, the law does not require judges to tangle with questions so far beyond our competence. Instead, the first fair-use factor requires courts to assess only whether the purpose and character of the challenged use is the same as a protected use. And here, the undisputed facts reveal that the Foundation sought to use its image as a commercial

substitute for Ms. Goldsmith's photograph. Of course, competitive products often differ in material respects and a buyer may find these differences reason to prefer one offering over another. But under the first fair-use factor the salient point is that the purpose and character of the Foundation's use involved competition with Ms. Goldsmith's image. To know that much is to know the first fair-use factor favors Ms. Goldsmith....

... The Court today does not even decide whether the Foundation's image of Prince infringes on Ms. Goldsmith's copyright. To uphold a claim of infringement under the Copyright Act, a court must find the defendant copied elements of the plaintiff's work that are themselves original. *Feist Publications, Inc. v. Rural Telephone Service Co.*, 499 U.S. 340, 361 (1991). As part of this process, a court must isolate and vindicate only the truly original elements of a copyrighted work. The plaintiff must usually show not only a similarity but a "substantial" similarity between the allegedly infringing work and the original elements of his own copyrighted work. And even when two works are substantially similar, if both the plaintiff's and the defendant's works copy from a third source (reworking, say, a traditional artistic or literary theme), a claim for infringement generally will not succeed. In this case, we address none of these questions or other elements of the infringement standard designed to ensure room for later artists to build on the work of their predecessors....

Last but hardly least, while our interpretation of the first fair-use factor does not favor the Foundation in this case, it may in others. If, for example, the Foundation had sought to display Mr. Warhol's image of Prince in a nonprofit museum or a for-profit book commenting on 20th-century art, the purpose and character of that use might well point to fair use. But those cases are not this case. Before us, Ms. Goldsmith challenges only the Foundation's effort to use its portrait as a commercial substitute for her own protected photograph in sales to magazines looking for images of Prince to accompany articles about the musician. And our only point today is that, while the Foundation may often have a fair-use defense for Mr. Warhol's work, that does not mean it always will. Under the law Congress has given us, each challenged use must be assessed on its own terms.

Justice KAGAN, with whom THE CHIEF JUSTICE joins, dissenting.

Today, the Court declares that Andy Warhol's eye-popping silkscreen of Prince — a work based on but dramatically altering an existing photograph—is (in copyright lingo) not "transformative." Still more, the Court decides that even if Warhol's portrait were transformative—even if its expression and meaning were worlds away from the photo — that fact would not matter. For in the majority's view, copyright law's first fair-use factor ... is uninterested in the distinctiveness and newness of Warhol's portrait. What matters under that factor, the majority says, is instead a marketing decision: In the majority's view, Warhol's licensing of the silkscreen to a magazine precludes fair use.

What is worse, ... it is not just that the majority does not realize how much Warhol added; it is that the majority does not care.... Before today, we assessed "the

purpose and character” of a copier’s use by asking the following question: Does the work “add[] something new, with a further purpose or different character, altering the [original] with new expression, meaning, or message”? *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 579 (1994).... When it did so to a significant degree, we called the work “transformative” and held that the fair-use test’s first factor favored the copier (though other factors could outweigh that one). But today’s decision ... leaves our first-factor inquiry in shambles. The majority holds that because Warhol licensed his work to a magazine — as Goldsmith sometimes also did — the first factor goes against him. It does not matter how different the Warhol is from the original photo — how much “new expression, meaning, or message” he added. It does not matter that the silkscreen and the photo do not have the same aesthetic characteristics and do not convey the same meaning. It does not matter that because of those dissimilarities, the magazine publisher did not view the one as a substitute for the other. All that matters is that Warhol and the publisher entered into a licensing transaction, similar to one Goldsmith might have done. Because the artist had such a commercial purpose, all the creativity in the world could not save him.

That doctrinal shift ill serves copyright’s core purpose.... The fair-use test’s first factor ... provides “breathing space” for artists to use existing materials to make fundamentally new works, for the public’s enjoyment and benefit. In now remaking that factor, and thus constricting fair use’s boundaries, the majority hampers creative progress and undermines creative freedom. I respectfully dissent.

I.A

[Justice Kagan describes Warhol’s technique, his place in art history, and the facts.]

B

The question in this case is whether that transformation should matter in assessing whether Warhol made “fair use” of Goldsmith’s copyrighted photo. The answer is yes — it should push toward (although not dictate) a finding of fair use.... Under established copyright law (until today), Warhol’s addition of important “new expression, meaning, [and] message” counts in his favor in the fair-use inquiry. *Campbell*, 510 U.S. at 579....

... [It is] [e]asy enough to say (as the majority does) that a follow-on creator should just pay a licensing fee for its use of an original work. But sometimes copyright holders charge an out-of-range price for licenses. And other times they just say no.... So without fair use, 2 Live Crew’s and Google’s works — however new and important — might never have been made or, if made, never have reached the public. The prospect of that loss to “creative progress” is what lay behind the Court’s inquiry into transformativeness — into the expressive novelty of the follow-on work (regardless whether the original creator granted permission)....

Now recall all the ways Warhol, in making a Prince portrait from the Goldsmith photo, “add[ed] something new, with a further purpose or different character” — all the ways he “alter[ed] the [original work’s] expression, meaning, [and] message.” The differences in form and appearance, relating to “composition, presentation, color palette, and media.” The differences in meaning that arose from replacing a realistic — and indeed humanistic — depiction of the performer with an unnatural, disembodied, masklike one. The conveyance of new messages about celebrity culture and its personal and societal impacts. The presence of, in a word, “transformation” — the kind of creative building that copyright exists to encourage. Warhol’s use, to be sure, had a commercial aspect. Like most artists, Warhol did not want to hide his works in a garret; he wanted to sell them. But as *Campbell* and *Google* both demonstrate ..., the more transformative the work, the less commercialism matters. The dazzling creativity evident in the Prince portrait might not get Warhol all the way home in the fair-use inquiry; there remain other factors to be considered and possibly weighed against the first one. But the “purpose and character of [Warhol’s] use” ... — what he did to the Goldsmith photo, in service of what objects — counts powerfully in his favor. He started with an old photo, but he created a new new thing.

II

The majority does not see it.... Whatever new expression Warhol added, the majority says, was not transformative. Apparently, Warhol made only “modest alterations.” Anyone, the majority suggests, could have “crop[ped], flatten[ed], trace[d], and color[ed] the photo” as Warhol did. True, Warhol portrayed Prince “somewhat differently.” But the “degree of difference” is too small: It consists merely in applying Warhol’s “characteristic style” — an aesthetic gloss, if you will — “to bring out a particular meaning” that was already “available in [Goldsmith’s] photograph.” So too, Warhol’s commentary on celebrity culture matters not at all; the majority is not willing to concede that it even exists. And as for the District Court’s view that Warhol transformed Prince from a “vulnerable, uncomfortable person to an iconic, larger-than-life figure,” the majority is downright dismissive. Vulnerable, iconic — who cares? The silkscreen and the photo, the majority claims, still have the same “essential nature.”

The description is disheartening. It’s as though Warhol is an Instagram filter, and a simple one at that (e.g., sepia-tinting).... Ignoring reams of expert evidence ... the majority plants itself firmly in the “I could paint that” school of art criticism. No wonder the majority sees the two images as essentially fungible products in the magazine market — publish this one, publish that one, what does it matter? The problem is that it does matter, for all the reasons given in the record and discussed above. Warhol based his silkscreen on a photo, but fundamentally changed its character and meaning. In belittling those creative contributions, the majority guarantees that it will reach the wrong result.

Worse still, the majority maintains that those contributions, even if significant, just would not matter. All of Warhol’s artistry and social commentary is negated by one thing: Warhol licensed his portrait to a magazine, and Goldsmith sometimes licensed her

photos to magazines too. That is the sum and substance of the majority opinion. Over and over, the majority incants that “[b]oth [works] are portraits of Prince used in magazines to illustrate stories about Prince”; they therefore both “share substantially the same purpose” — meaning, a commercial one. Or said otherwise, because Warhol entered into a licensing transaction with Condé Nast, he could not get any help from factor 1 — regardless how transformative his image was. The majority’s commercialism-trumps-creativity analysis has only one way out. If Warhol had used Goldsmith’s photo to comment on or critique Goldsmith’s photo, he might have availed himself of that factor’s benefit.... But because he instead commented on society — the dehumanizing culture of celebrity — he is (go figure) out of luck....

[Justice Kagan describes copying and appropriation in literature (Shakespeare, Mark Twain, Vladimir Nabokov, Robert Louis Stevenson), music (Stravinsky, Charlie Parker, Bob Dylan), and visual art (Titian, Édouard Manet, Francis Bacon).]

The majority thus treats creativity as a trifling part of the fair-use inquiry, in disregard of settled copyright principles and what they reflect about the artistic process. On the majority’s view, an artist had best not attempt to market even a transformative follow-on work — one that adds significant new expression, meaning, or message. That added value (unless it comes from critiquing the original) will no longer receive credit under factor 1. And so it can never hope to outweigh factor 4’s assessment of the copyright holder’s interests. The result will be what this Court has often warned against: suppression of “the very creativity which [copyright] law is designed to foster.” *Stewart*, 495 U.S. at 236....

III

And the workings of creativity bring us back to Andy Warhol. For Warhol, as this Court noted in *Google*, is the very embodiment of transformative copying. He is proof of concept — that an artist working from a model can create important new expression. Or said more strongly, that appropriations can help bring great art into being.... The [evidentiary record] in this case contained undisputed testimony, and lots of it, that Warhol’s Prince series conveyed a fundamentally different idea, in a fundamentally different artistic style, than the photo he started from.... In failing to give Warhol credit for that transformation, the majority distorts ultimate resolution of the fair-use question.

Still more troubling are the consequences of today’s ruling for other artists. If Warhol does not get credit for transformative copying, who will? And when artists less famous than Warhol cannot benefit from fair use, it will matter even more.... “Inhibit[ing] subsequent writers” and artists from “improv[ing] upon prior works” — as the majority does today — will “frustrate the very ends sought to be attained” by copyright law. *Harper & Row*, 471 U.S. at 549. It will stifle creativity of every sort. It will impede new art and music and literature. It will thwart the expression of new ideas and the attainment of new knowledge. It will make our world poorer.

NOTES AND QUESTIONS

(1) Before *Warhol*, many commentators noted a subtle shift in the case law decided since *Campbell*: courts seemed to be focusing more on the transformative “purpose” of the use instead of (or in addition to) the transformative “character” of the new work (“new expression, meaning, or message”). One can read *Warhol* as the culmination (and blessing) of this line of cases.

But how is a court supposed to determine what the “purpose” of a new work is? Is it true, as the dissent suggests, that “[a]ll that matters is that Warhol and the publisher entered into a licensing transaction, similar to one Goldsmith might have done”? It is dispositive that the stories in the magazine were about Prince, rather than about Warhol? What if each article was about a different celebrity that was the subject of a Warhol work?

(2) The Court says that “the meaning of a secondary work, as reasonably can be perceived, should be considered to the extent necessary to determine ... the purpose of the use.” Two paragraphs later, however, it says “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.” So how is a court supposed to determine what “meaning ... reasonably can be perceived” in a work if it can’t rely on the meaning that a critic or a judge can perceive in the work? Should it rely on the testimony or opinion polls of viewers?

(3) Is the *Warhol* opinion clear about how “transformative use” in the fair use analysis differs from the statutory usage of the word “transformed” in the §101 definition of “derivative work”? Does the potential for confusion suggest that Judge Leval made an unfortunate choice in christening this standard? Or perhaps the culprit is the Supreme Court majority in *Sony* for having quashed the “productive use” terminology favored by the Ninth Circuit. What term might best convey the core concept that the first factor weighs in the defendant’s favor to the extent that the defendant’s use “adds value” to the underlying work in advancing public welfare?

(4) Although *Campbell* drew a distinction between parody and satire, it did *not* hold that satire was ineligible for fair use treatment; it only held that, in some circumstances, satire would require a greater justification for the borrowing. By contrast, the majority opinion in *Warhol* appears to limit fair use to new uses that “target an original work,” and even then, the user must “have a *compelling* reason to ‘conjure up’ the original” (emphasis added). Are you persuaded that the distinction between parody and satire is as clear-cut as the majority seems to suggest?

(5) Similarly, one of the most significant achievements of the *Campbell* opinion was its rejection of the suggestion that all commercial uses were *presumptively* unfair. But the majority opinion in *Warhol* repeatedly characterized the Foundation’s use as “commercial licensing,” and it repeatedly emphasized that the commercial nature of the

use outweighed any “new expression, meaning, or message” that Warhol’s work might contain. Does *Warhol* implicitly revive the presumption against commercial uses?

(6) Which exclusive rights did the Foundation violate? Condé Nast was the party that reproduced and distributed copies of the Warhol work. Is “licensing” a work, by itself, an infringement? Is the Foundation liable as a contributory infringer? Presumably the Foundation had to reproduce and distribute at least one copy (tangible or electronic) to enable Condé Nast to use the work; is that enough?

(7) What remedies should be imposed for the Foundation’s infringement? The majority suggests only that the Foundation must “pay Goldsmith a fraction of the proceeds from its reuse of her copyrighted work.” Would you feel differently about the fair use ruling if the lower court issued an injunction against reproduction of Warhol’s work without Goldsmith’s permission? Could a court order that Warhol’s work be destroyed under section 503? If not, does that suggest that at least the *creation* of the Warhol works should be considered a fair use?

Many commentators have lamented the fact that fair use is an all-or-nothing proposition and have proposed that there should be an intermediate option, in which the copyright owner is not entitled to prevent or enjoin a particular use, but the user should nonetheless owe the owner a reasonable royalty. Essentially, that would amount to a judicially created compulsory license. Is that result within the court’s discretion, or would the statute have to be amended to achieve it?

(8) Cases decided after *Campbell* and before *Warhol* must now be considered carefully, to determine if they are consistent with the Supreme Court’s new pronouncements in the latter. As you consider the opinions described below, ask yourself: would any of these uses still be considered “transformative” after *Warhol*? How easy is it to tell, in advance, whether a particular use will or will not qualify? How would you advise a client who wanted to engage in such uses?

(9) Warhol’s works are in the tradition of so-called “appropriation art”: art that attempts to recontextualize famous (or not-so-famous) images by juxtaposing them with new material. Should such works be considered “transformative” uses after the *Warhol* decision? Compare *Rogers v. Koons*, 960 F.2d 301 (2d Cir. 1992) (garishly painted sculpture based on a black-and-white photo was not a fair use), with *Blanch v. Koons*, 467 F.3d 244 (2d Cir. 2006) (collage of images taken from fashion magazines was a fair use).

In *Cariou v. Prince*, 714 F.3d 694 (2d Cir. 2013), the defendant Richard Prince (no relation to the singer-songwriter) reproduced images from the plaintiff’s book of Rastafarian photographs, but overpainted the images and collaged them with other images. The Second Circuit said that “[t]he law imposes no requirement that a work comment on the original or its author in order to be considered transformative”; and it held that 25 of the 30 works at issue (primarily those that combined the plaintiff’s photos with

images from other sources) were fair use as a matter of law, despite evidence that another gallery had canceled a show of plaintiff's photos after learning about Prince's paintings; and it remanded the remaining five works for further proceedings. (The parties subsequently settled the case.)

Two of the allegedly infringing works are available in the published opinion, and several more are available online. Do you the *Warhol* Court would agree? Why are the five artworks any less "transformative" than the other 25? Note that Prince fared more poorly in a subsequent case, in which he reproduced a photographer's Instagram post in its entirety, adding only his "cryptic" comments. *Graham v. Prince*, 265 F. Supp. 3d 366 (S.D.N.Y. 2017).

(10) In *Seltzer v. Green Day, Inc.*, 725 F.3d 1170 (9th Cir. 2013), defendants used a photo of a graffiti-strewn wall, including the plaintiff's poster *Scream Icon* (depicting an "anguished screaming face"), as a prominent part of a "video backdrop" during one song in its concert performances. The court held that the use was transformative, even though the video made "few physical changes" and "fail[ed] to comment on the original work." Is this holding still valid after *Warhol*? Should the artist's opinion that the use "tainted the original message" and "tarnished" its value for him personally weigh in favor of fair use, or against it? How much was the court's conclusion influenced by the artist's testimony that the economic value of the work was unchanged by the use?

(11) In *Bill Graham Archives v. Dorling Kindersley, Ltd.*, 448 F.3d 605 (2d Cir. 2008), defendant reproduced six concert posters prepared by the plaintiff in its 480-page "biography" of the rock band Grateful Dead. (BGA wanted permission to reproduce concert tapes of the band in exchange for permission to reproduce the posters.) Even though the posters were unaltered, the court held that the use was "transformative," because they were being used for their historical and biographical value, rather than to advertise a performance; and the "thumbnail"-sized images were not adequate substitutes for full-size (or full-page) reproductions of the concert posters.

Is this result consistent with *Warhol*? Can a merely illustrative use be "transformative"? In what other situations will a work that reproduces an existing work verbatim be held to be transformative because of a different purpose or context? Documentary filmmakers often justify claims of fair use by pointing out that they have provided voice-over narration or lead-ins by "talking heads" to put the unlicensed copyrighted material they quote into context. Is this practice necessary to the successful invocation of the doctrine?

(12) Not all courts agree that "historical" context makes a use fair. In *Bouchat v. Baltimore Ravens L.P.*, 619 F.3d 301 (4th Cir. 2010) ("*Bouchat IV*"), the court held that a display of memorabilia featuring the team's former logo, which had been held to infringe the plaintiff's design, was a fair use; but a majority held that the sale of highlight films containing actual game footage from previous seasons when the logo was used was

not a fair use. In a subsequent opinion, however, the court held that an “incidental” use of the logo in historical videos (for less than eight seconds) *was* a fair use. 737 F.3d 932 (4th Cir. 2013) (“*Bouchat V*”). Are these results consistent with *Warhol*? One suspects the majority may have been swayed by sympathy for the plaintiff, who previously was unsuccessful in proving that any of the team’s profits from merchandising were “attributable” to the infringing logo. Is this a case where two wrongs make a right?

(13) *A backlash against transformative use?* In *Ty, Inc. v. Publications Int’l, Ltd.*, 292 F.3d 512 (7th Cir. 2002), the Seventh Circuit addressed the issue of whether the copyrights in Ty’s “Beanie Babies” line of beanbag-like stuffed animals were infringed by two books published by the defendant. Writing for the court, Judge Posner characteristically recast the problem in economic terms, drawing a distinction between *complementary uses* of a work, such as a book review or parody, and *substitutional uses* that usurp the market for the copyrighted work or licensed derivatives. 292 F.3d at 517–18.

Applying this analysis, the court suggested that *For the Love of Beanie Babies*, a children’s book featuring posed photographs of various Beanie Babies, was probably not a fair use, because each photograph was nothing more than a derivative work based on Ty’s works. But the *Beanie Babies Collector’s Guide*, which featured a photograph of each Beanie Baby along with its release date, its retired date, its estimated value, and other information relevant to a collector, was analyzed differently, as a valuable instance of “complementary” use.

What is the relationship of this analysis to “transformative use”? Judge Posner remarks that “the distinction between complementary and substitutional copying [is] sometimes — though as it seems to us, confusingly — said to be between ‘transformative’ and ‘superseding’ copies.” *Id.* at 518. Do you agree that these concepts are equivalent? Does Judge Posner’s preferred terminology advance the discussion?

In *Authors Guild v. Google, Inc.*, 804 F.3d at 216 n.18, Judge Leval criticized Judge Posner’s terminology:

We do not find the term “complementary” particularly helpful in explaining fair use. The term would encompass changes of form that are generally understood to produce derivative works, rather than fair uses, and, at the same time, would fail to encompass copying for purposes that are generally and properly viewed as creating fair uses. When a novel is converted into film, for example, the original novel and the film ideally complement one another in that each contributes to achieving results that neither can accomplish on its own. . . . Nonetheless, at least when the intention of the film is to make a “motion picture version” of the novel, 17 U.S.C. § 101, without undertaking to parody it or to comment on it, the film is generally understood to be a derivative work, which under § 106, falls within the exclusive rights of the copyright owner. . . . At the same time, when a secondary work quotes an

original for the purpose of parodying it, or discrediting it by exposing its inaccuracies, illogic, or dishonesty, such an undertaking is not within the exclusive prerogatives of the rights holder; it produces a fair use. Yet, when the purpose of the second is essentially to destroy the first, the two are not comfortably described as complementaries that combine to produce together something that neither could have produced independently of the other. . . . Attempts to find a circumspect shorthand for a complex concept are best understood as suggestive of a general direction, rather than as definitive descriptions.

Did Judge Leval misunderstand what Judge Posner meant by “complementary”? Is their disagreement substantive, or is it merely about terminology?

(14) In addition to critiquing the vocabulary of “transformative use,” Judge Posner’s opinion is generally dismissive of four-factor fair use analysis:

We have thus far discussed the application of the fair-use doctrine in terms of the purpose of the doctrine rather than its statutory definition, which though extensive is not illuminating. . . . Factors (1) and (2) are empty, except that (1) suggests a preference for noncommercial educational uses. . . . Factor (3) is inapplicable to Beanie Babies, each one of which is copyrighted separately . . . (no one, we imagine, wants a photograph of part of a Beanie Baby). Factor (4) at least glances at the distinction we noted earlier between substitute and complementary copying, since the latter does not impair the potential market or value of the copyrighted work except insofar as it criticizes the work, which is the opposite of taking a free ride on its value.

The important point is simply that . . . the four factors are a checklist of things to be considered rather than a formula for decision; and likewise the list of statutory purposes. . . . Because the factors and purposes are not exhaustive, Ty can get nowhere in defending the judgment by arguing that some or even all of them lean against the defense of fair use. The question is whether . . . the use of the photos is a fair use because it is the only way to prepare a collectors’ guide.

292 F.3d at 522.

Is it proper for a judge, even one as distinguished as Judge Posner, essentially to dismiss the statutory text and the efforts of courts over the years to invest the factors with content, however imperfect those efforts have been? Or is Judge Posner simply being candid? If the statutory factors (or some of them) are “empty,” as Judge Posner suggests, what then? Does inquiring whether the challenged use is the “only way” to accomplish a legitimate end threaten a diminution of fair use, denying application of the doctrine where the defendant’s taking was convenient, or added real value, but wasn’t absolutely necessary?

(15) These questions matter because what arguably began as an attempt to justify the application of fair use to a range of commercial activities has become the gold standard of fair use analysis in general. How many of the four fair use factors in Bill Graham Archives seem to turn, at least in part, on whether the use is “transformative”? If this criterion now constitutes a double, triple, or even quadruple “whammy” in fair use analysis, what, if anything, has been lost from the discussion?

[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*, 446 F. Supp. 3d 1145 (N.D. Ga. 2020). Does this series of decisions give academic publishers and universities sufficient guidance to resolve future cases?

§ 10.04 FAIR USE AND TECHNOLOGY

USAGE: On page 898, SUBSTITUTE the new subheading below for the existing subheading [A] Fair Use and Reverse Engineering:

[A] Fair Use and Computer Software

USAGE: On pages 901-902, SUBSTITUTE the following for the last three paragraphs of page 901 and the first four paragraphs of page 902:

Compare *Sega* with *Atari Games, Inc. v. Nintendo of America Inc.*, 975 F.2d 832 (Fed. Cir. 1992). Both cases hold that “reverse engineering” of lawfully purchased computer chips, in an effort to understand the functioning of a video game manufacturer’s security program, is a “fair use.” In *Atari*, however, the defendant lost anyway. The Federal Circuit concluded that while its intermediate copying may have been privileged, the “key” program that Atari finally produced to fit Nintendo’s “lock” was “substantially similar” to the plaintiff’s own. For this separate and distinct instance of ultimate (rather than intermediate) copying, no defense of “fair use” was available.

In *Sony Computer Entertainment, Inc. v. Connectix Corp.*, 203 F.3d 596 (9th Cir. 2000), however, the Ninth Circuit read *Sega* expansively, permitting extensive intermediate copying in the reverse engineering context even where other, more limited methods existed for gaining access to plaintiff’s unprotectible ideas. The court held that once the necessity of the defendant’s method was established, the number of times that method was applied was not relevant. Because the defendant in *Connectix* had to make at least one copy of the Sony code to study it, it was permitted to make and use hundreds of copies to make the disassembly process more expedient. In addition, the court held that the new game platform was transformative because the defendant created its own new expression rather than just repackaging the plaintiff’s code.

For two decades, most of the practical consequences of *Sega* were invisible from the perspective of reported copyright litigation. Under the authority of *Sega*, commercial software developers continued, in their day-to-day practice, to use reverse engineering techniques, which were common to the field long before the Ninth Circuit ruling. See Samuelson & Scotchmer, *The Law and Economics of Reverse Engineering*, 111 Yale L. J. 1575 (2002). That consensus, however, was challenged by the next development in software litigation.

USAGE: On pages 902-904, SUBSTITUTE the following for the discussion of *Oracle v. Google*:

GOOGLE, LLC v. ORACLE AMERICA, INC.

Supreme Court of the United States
593 U.S. ___, 141 S. Ct. 1183 (2021)

Justice BREYER delivered the opinion of the Court.

Oracle ... is the current owner of a copyright in Java SE, a computer program that uses the popular Java computer programming language. Google, without permission, has copied a portion of that program, a portion that enables a programmer to call up

prewritten software that ... will carry out a large number of specific tasks. The lower courts have considered (1) whether Java SE's owner could copyright the portion that Google copied, and (2) if so, whether Google's copying nonetheless constituted a "fair use" of that material.... The Federal Circuit held in Oracle's favor (*i.e.*, that the portion is copyrightable and Google's copying did not constitute a "fair use").... [W]e assume, for argument's sake, that the material was copyrightable. But we hold that the copying here at issue nonetheless constituted a fair use....

I

[NOTE: The bracketed summary of the relevant facts and procedure is the Editors' summary except for quoted text, which is drawn from the Court's opinion.]

[In the 1990s, Sun Microsystems developed the Java programming language and invited all programmers to use it. To facilitate its use, Sun also developed the Java SE (Standard Edition) Application Programming Interface (API). The Java API consists of a large number of prewritten programs that execute certain routine tasks, such as adding numbers, calculating an average, etc. Instead of having to write every piece of computer code from scratch, the Java API allows programmers to simply memorize the names (or "method calls") associated with those basic tasks, which the programmer can then string together into more complex programs. "In this way, the ["method calls"] are 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," *i.e.*, they are "part of an interface between human beings and a machine."

[The software consists of both declaring code and implementing code. "The declaring code both labels the particular tasks in the API and organizes those tasks, or 'methods,' into 'packages' and 'classes.' We have referred to this organization, by way of rough analogy, as file cabinets, drawers, and files." The implementing code then "actually instructs the computer on the steps to follow to carry out each task." Finally, each of the names specified in the declaring code becomes a "method call," the words that a computer programmer uses to invoke the program that executes the method or task. For example, to compare two numbers and determine which is the larger, the programmer would "call" the method by using the name "java.lang.math.max" (which indicates the "lang" package, the "math" class, and the "max" method). See Appendix B.

[In 2005, Google acquired Android, Inc., with the intention of developing a software platform for smartphones. Google negotiated with Sun for a license to customize the Java API in creating Android. After talks with Sun broke down, Google decided to create its own Android platform, and it took 100 programmers more than three years to do so. In order to attract Java programmers to the platform, however, Google copied 11,500 lines of declaring code from the Java API, which defined and named about 6000 methods in about 600 classes in 37 of the 166 packages in the Java API. Google then "reimplemented" the Java API by writing all of its own implementing code. The amount of declaring code that Google copied comprised about 3% of the code in the 37 packages, and about .4% of the code in the 166 packages in the entire Java API. Because of the

copying, Google obtained the advantage that programmers already familiar with Java would be able to program easily in Android without having to learn new method calls.

[Android was released in November 2007, and within a few years it captured a large share of the U.S. market, earning about \$42 billion in revenue by 2015. At the time, Sun did not challenge Google’s use of the Java SE declaring code. After Oracle bought Sun in 2010, however, Oracle sued Google for both patent and copyright infringement.]

II

[At the initial trial, a jury found that Google had copied 11,500 lines of code, but it could not reach a verdict on the issue of fair use. The trial judge then held that the lines of code that were copied were not protected by copyright. 872 F. Supp. 2d 974 (N.D. Cal. 2012). Because the original case had included patent claims, the appeal went to the Federal Circuit instead of the Ninth Circuit, even though the patent claims were no longer part of the case. The Federal Circuit reversed and remanded, holding that the Java API, including the declaring code, was protected by copyright; and it remanded for a new trial on fair use. 750 F.3d 1339 (Fed. Cir. 2014).

[On remand, the jury found that Google’s use was a fair use. Oracle moved for judgment as a matter of law (notwithstanding the verdict), which the trial judge rejected. On appeal, the Federal Circuit again reversed. 886 F.3d 1179 (Fed. Cir. 2018). It held that no reasonable jury could find the work transformative, that the portion used was qualitatively insignificant, or that there was no market harm. The Court granted *certiorari*.]

III.B

Google’s petition for certiorari poses two questions. The first asks whether Java’s API is copyrightable. It asks us to examine two of the statutory provisions just mentioned, one that permits copyrighting computer programs and the other that forbids copyrighting, *e.g.*, “process[es],” “system[s],” and “method[s] of operation.” [17 U.S.C. § 102(b).] Google believes that the API’s declaring code and organization fall into these latter categories and are expressly excluded from copyright protection. The second question asks us to determine whether Google’s use of the API was a “fair use.” Google believes that it was.

A holding for Google on either question presented would dispense with Oracle’s copyright claims. Given the rapidly changing technological, economic, and business-related circumstances, we believe we should not answer more than is necessary to resolve the parties’ dispute. We shall assume, but purely for argument’s sake, that the entire Sun Java API falls within the definition of that which can be copyrighted. We shall ask instead whether Google’s use of part of that API was a “fair use.” Unlike the Federal Circuit, we conclude that it was.

IV

The language of § 107, the “fair use” provision, reflects its judge-made origins.... [T]he concept is flexible, ... [so] courts must apply it in light of the sometimes conflicting aims of copyright law, and ... its application may well vary depending upon context....

Generically speaking, computer programs differ from books, films, and many other “literary works” in that such programs almost always serve functional purposes. These and other differences have led at least some judges to complain that “applying copyright law to computer programs is like assembling a jigsaw puzzle whose pieces do not quite fit.” *Lotus Development Corp. v. Borland Int’l, Inc.*, 49 F.3d 807, 820 (1st Cir. 1995) (BOUDIN, J., concurring).

These differences also led Congress to think long and hard about whether to grant computer programs copyright protection. In 1974, Congress established a National Commission on New Technological Uses of Copyrighted Works (CONTU) to look into the matter. After several years of research, CONTU concluded that the “availability of copyright protection for computer programs is desirable.” FINAL REPORT 11 (July 31, 1978). At the same time, ... it believed that copyright’s existing doctrines (*e.g.*, fair use), applied by courts on a case-by-case basis, could prevent holders from using copyright to stifle innovation....

The upshot, in our view, is that fair use can play an important role in determining the lawful scope of a computer program copyright.... It can focus on the legitimate need to provide incentives to produce copyrighted material while examining the extent to which yet further protection creates unrelated or illegitimate harms in other markets or to the development of other products. In a word, it can carry out its basic purpose of providing a context-based check that can help to keep a copyright monopoly within its lawful bounds.... See, *e.g.*, *Lexmark Int’l, Inc. v. Static Control Components, Inc.*, 387 F.3d 522, 543–545 (6th Cir. 2004) (discussing fair use in the context of copying to preserve compatibility); *Sony Computer Ent’mt, Inc. v. Connectix Corp.*, 203 F.3d 596, 603–08 (9th Cir. 2000) (applying fair use to intermediate copying necessary to reverse engineer access to unprotected functional elements within a program); *Sega Enterprises Ltd. v. Accolade, Inc.*, 977 F.2d 1510, 1521–27 (9th Cir. 1992) (holding that wholesale copying of copyrighted code as a preliminary step to develop a competing product was a fair use)....

V

At the outset, Google argues that “fair use” is a question for a jury to decide; here the jury decided the question in Google’s favor; and we should limit our review to determining whether “substantial evidence” justified the jury’s decision. The Federal Circuit disagreed. It thought that the “fair use” question was a mixed question of fact and law; that reviewing courts should appropriately defer to the jury’s findings of underlying facts; but that the ultimate question whether those facts showed a “fair use” is a legal

question for judges to decide *de novo*.... We agree with the Federal Circuit’s answer to this question....

Next, Google argues that the Federal Circuit’s approach violates the Seventh Amendment. The Amendment both requires that “the right of trial by jury ... be preserved” and forbids courts to “re-examin[e]” any “fact tried by a jury.” U. S. Const., Amdt. 7.... The Reexamination Clause is no bar here, however, for, as we have said, the ultimate question here is one of law, not fact. It does not violate the Reexamination Clause for a court to determine the controlling law in resolving a challenge to a jury verdict, as happens any time a court resolves a motion for judgment as a matter of law. See, e.g., *Neely v. Martin K. Eby Constr. Co.*, 386 U.S. 317, 322 (1967).

Nor is Google correct that “the right of trial by jury” includes the right to have a jury resolve a fair use defense.... [W]e have described the doctrine as an “equitable,” not a “legal,” doctrine. We have found no case suggesting that application of *U. S. Bank* here would fail “to preserve the substance of the common-law [jury trial] right as it existed in 1791.” *Markman [v. Westview Instruments, Inc.]*, 517 U.S. [370,] 376 [(1996)].

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.” ... For expository purposes, we begin with the second [factor].

A. “The Nature of the Copyrighted Work”

The Sun Java API is a “user interface.” It provides a way through which [programmers] ... can “manipulate and control” task-performing computer programs “via a series of menu commands.” *Lotus Dev. 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.... 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.”).

As discussed above, we can think of the technology as having three essential parts. First, the API includes “implementing code,” which actually instructs the computer on the steps to follow to carry out each task. Google wrote its own programs (implementing programs) that would perform each one of the tasks that its API calls up.

Second, the Sun Java API associates a particular command, called a “method call,” with the calling up of each task. The symbols **java.lang.Math.max**, for example, are part of the command that will call up the program (whether written by Sun or, as here, by Google) that instructs the computer to carry out the “larger number” operation. Oracle

does not here argue that the use of these commands by programmers itself violates its copyrights.

Third, the Sun Java API contains computer code that will associate the writing of a method call with particular “places” in the computer that contain the needed implementing code. This is the declaring code. The declaring code both labels the particular tasks in the API and organizes those tasks, or “methods,” into “packages” and “classes.” We have referred to this organization, by way of rough analogy, as file cabinets, drawers, and files. Oracle does claim that Google’s use of the Sun Java API’s declaring code violates its copyrights.

The declaring code at issue here resembles other copyrighted works in that it is part of a computer program. Congress has specified that computer programs are subjects of copyright. It differs, however, from many other kinds of copyrightable computer code. It is inextricably bound together with a general system, the division of computing tasks, that no one claims is a proper subject of copyright. It is inextricably bound up with the idea of organizing tasks into what we have called cabinets, drawers, and files, an idea that is also not copyrightable. It is inextricably bound up with the use of specific commands known to programmers, known here as method calls (such as **java.lang.Math.max**, etc.), that Oracle does not here contest. And it is inextricably bound up with implementing code, which is copyrightable but was not copied.

Moreover, the copied declaring code and the uncopied implementing programs call for, and reflect, different kinds of capabilities. A single implementation may walk a computer through dozens of different steps. To write implementing programs, witnesses told the jury, requires balancing such considerations as how quickly a computer can execute a task or the likely size of the computer’s memory. One witness described that creativity as “magic” practiced by an API developer when he or she worries “about things like power management” for devices that “run on a battery.” This is the very creativity that was needed to develop the Android software for use not in laptops or desktops but in the very different context of smartphones.

The declaring code (inseparable from the programmer’s method calls) embodies a different kind of creativity. Sun Java’s creators, for example, tried to find declaring code names that would prove intuitively easy to remember. They wanted to attract programmers who would learn the system, help to develop it further, and prove reluctant to use another.... [Sun] sought to make the API “open” and “then ... compete on implementations.” The testimony at trial was replete with examples of witnesses drawing this critical line between the user-centered declaratory code and the innovative implementing code.

These features mean that, as part of a user interface, the declaring code differs to some degree from the mine run of computer programs. Like other computer programs, it is functional in nature. But unlike many other programs, its use is inherently bound together with uncopyrightable ideas (general task division and organization) and new creative expression (Android’s implementing code). Unlike many other programs, its

value in significant part derives from the value that those who do not hold copyrights, namely, computer programmers, invest of their own time and effort to learn the API's system. And unlike many other programs, its value lies in its efforts to encourage programmers to learn and to use that system so that they will use (and continue to use) Sun-related implementing programs that Google did not copy.

Although copyrights protect many different kinds of writing, we have emphasized the need to “recogni[ze] that some works are closer to the core of [copyright] than others,” *Campbell*, 510 U.S., at 586. In our view, for the reasons just described, the declaring code is, if copyrightable at all, further than are most computer programs (such as the implementing code) from the core of copyright. That fact diminishes the fear, expressed by both the dissent and the Federal Circuit, that application of “fair use” here would seriously undermine the general copyright protection that Congress provided for computer programs. And it means that this factor, “the nature of the copyrighted work,” points in the direction of fair use.

B. “The Purpose and Character of the Use”

In the context of fair use, we have considered whether the copier’s use “adds something new, with a further purpose or different character, altering” the copyrighted work “with new expression, meaning or message.” *Id.*, at 579. 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, at 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. 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.” [Citations omitted.] Or, as we held in *Campbell*, a parody can be transformative because it comments on the original or criticizes it....

Google copied portions of the Sun Java API ... 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 ... would do the same, to stop here would severely limit the scope of fair use in the functional context of computer programs....

Here Google’s use of the Sun Java API seeks to create new products. It seeks to expand the ... usefulness of Android-based smartphones. Its new product offers programmers a highly creative and innovative tool for a smartphone environment.... [Because] 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....

The jury heard that Google ... copied the [Sun Java] API (which Sun created for use in desktop and laptop computers) only insofar as needed to include tasks that would

be useful in smartphone programs. And it did so only insofar as needed to allow programmers to call upon those tasks without discarding a portion of a familiar programming language and learning a new one.... 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....

The record here demonstrates the numerous ways in which reimplementing an interface can further the development of computer programs. The jury heard that shared interfaces are necessary for different programs to speak to each other. It heard that the reimplementation of interfaces is necessary if programmers are to be able to use their acquired skills. It heard that the reuse of APIs is common in the industry. It heard that Sun itself had used pre-existing interfaces in creating Java. And it heard that Sun executives thought that widespread use of the Java programming language, including use on a smartphone platform, would benefit the company....

These ... facts convince us that the “purpose and character” of Google’s copying was transformative—to the point where this factor too weighs in favor of fair use.

There are two other considerations that are often taken up under the first factor: commerciality and good faith.... [A] finding that copying was not commercial in nature tips the scales in favor of fair use. But the inverse is not necessarily true, as many common fair uses are indisputably commercial.... So even though Google’s use was a commercial endeavor ... that is not dispositive of the first factor, particularly in light of the inherently transformative role that the reimplementation played in the new Android system.

As for bad faith, ... “[c]opyright is not a privilege reserved for the well-behaved.” Leval, at 1126. We have no occasion here to say whether good faith is as a general matter a helpful inquiry. We simply note that given the strength of the other factors pointing toward fair use and the jury finding in Google’s favor on hotly contested evidence, that factbound consideration is not determinative in this context.

C. “The Amount and Substantiality of the Portion Used”

If one considers the declaring code in isolation, the quantitative amount of what Google copied was large. Google copied the declaring code for 37 packages of the Sun Java API, totaling approximately 11,500 lines of code. Those lines of code amount to virtually all the declaring code needed to call up hundreds of different tasks. On the other hand, if one considers the entire set of software material in the Sun Java API, the quantitative amount copied was small. The total set of Sun Java API computer code, including implementing code, amounted to 2.86 million lines, of which the copied 11,500 lines were only 0.4 percent.

The question here is whether those 11,500 lines of code should be viewed in isolation or as one part of the considerably greater whole. We have said that even a small amount of copying may fall outside of the scope of fair use where the excerpt copied consists of the “heart” of the original work’s creative expression. *Harper & Row*, 471 U.S., at 564-65.... [But] copying a larger amount of material can fall within the scope of fair use where the material copied captures little of the material’s creative expression or is central to a copier’s valid purpose....

... [Here,] 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).... The “substantiality” factor will generally weigh in favor of fair use where, as here, the amount of copying was tethered to a valid, and transformative, purpose....

We do not agree ... that Google could have achieved its Java-compatibility objective by copying only the 170 lines of code that are “necessary to write in the Java language.” 886 F.3d at 1206.... [But] that conclusion views Google’s legitimate objectives too narrowly. Google’s basic objective was not simply to make the Java programming language usable on its Android systems. It was to permit programmers to make use of their knowledge and experience using the Sun Java API when they wrote new programs for smartphones with the Android platform. In principle, Google might have created its own, different system of declaring code. But the jury could have found that its doing so would not have achieved that basic objective....

D. Market Effects

The fourth statutory factor focuses upon the “effect” of the copying in the “market for or value of the copyrighted work.” Consideration of this factor, at least where computer programs are at issue, ... can require a court to consider the amount of money that the copyright owner might lose.... 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.... [A] “lethal parody, like a scathing theatre review,” may “kill demand for the original.” [*Campbell*], at 591-92. Yet this kind of harm, even if directly translated into foregone dollars, is not “cognizable under the Copyright Act.” *Id.*, at 592.

Further, we must take into account the public benefits the copying will likely produce. Are those benefits, for example, related to copyright’s concern for the creative production of new expression? Are they comparatively important, or unimportant, when compared with dollar amounts likely lost (taking into account as well the nature of the source of the loss)? ...

We do not say that these questions are always relevant to the application of fair use, not even in the world of computer programs. Nor do we say that these questions are the only questions a court might ask. But we do find them relevant here

As to the likely amount of loss, the jury could have found that Android did not harm the actual or potential markets for Java SE. And it could have found that Sun itself (now Oracle) would not have been able to enter those markets successfully whether Google did, or did not, copy a part of its API. First, evidence at trial demonstrated that, regardless of Android's smartphone technology, Sun was poorly positioned to succeed in the mobile phone market. The jury heard ample evidence that Java SE's primary market was laptops and desktops. It also heard that Sun's many efforts to move into the mobile phone market had proved unsuccessful.... When Sun's former CEO was asked directly whether Sun's failure to build a smartphone was attributable to Google's development of Android, he answered that it was not....

Second, the jury was repeatedly told that devices using Google's Android platform were different in kind from those that licensed Sun's technology.... This record evidence demonstrates that, rather than just "repurposing [Sun's] code from larger computers to smaller computers," ... [the] Android platform was part of a distinct (and more advanced) market than Java software....

Finally, the jury also heard evidence that Sun foresaw a benefit from the broader use of the Java programming language in a new platform like Android, as it would further expand the network of Java-trained programmers. In other words, the jury could have understood Android and Java SE as operating in two distinct markets. And because there are two markets at issue, programmers learning the Java language to work in one market (smartphones) are then able to bring those talents to the other market (laptops). See 4 Nimmer on Copyright § 13.05[A][4] (explaining that factor four asks what the impact of "widespread conduct of the sort engaged in by the defendant" would be on the market for the present work).

Oracle presented evidence to the contrary. Indeed, the Federal Circuit held that the "market effects" factor militated against fair use in part because ... Sun sought [a] licensing agreement with Google.... But those licensing negotiations concerned much more than 37 packages of declaring code, [including implementing code and a trademark license].... [See] 4 Nimmer on Copyright § 13.05[A][4] (cautioning against the "danger of circularity [... because] 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.... 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.... As time passes, however, it may be valuable for a different reason, namely, because ... programmers, are just used to it. They have already learned how to work with it. See *Lotus Dev. 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. 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....

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.... 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 1523-24 ("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"). After all, ... the reimplementations of a user interface allows creative new computer code to more easily enter the market.

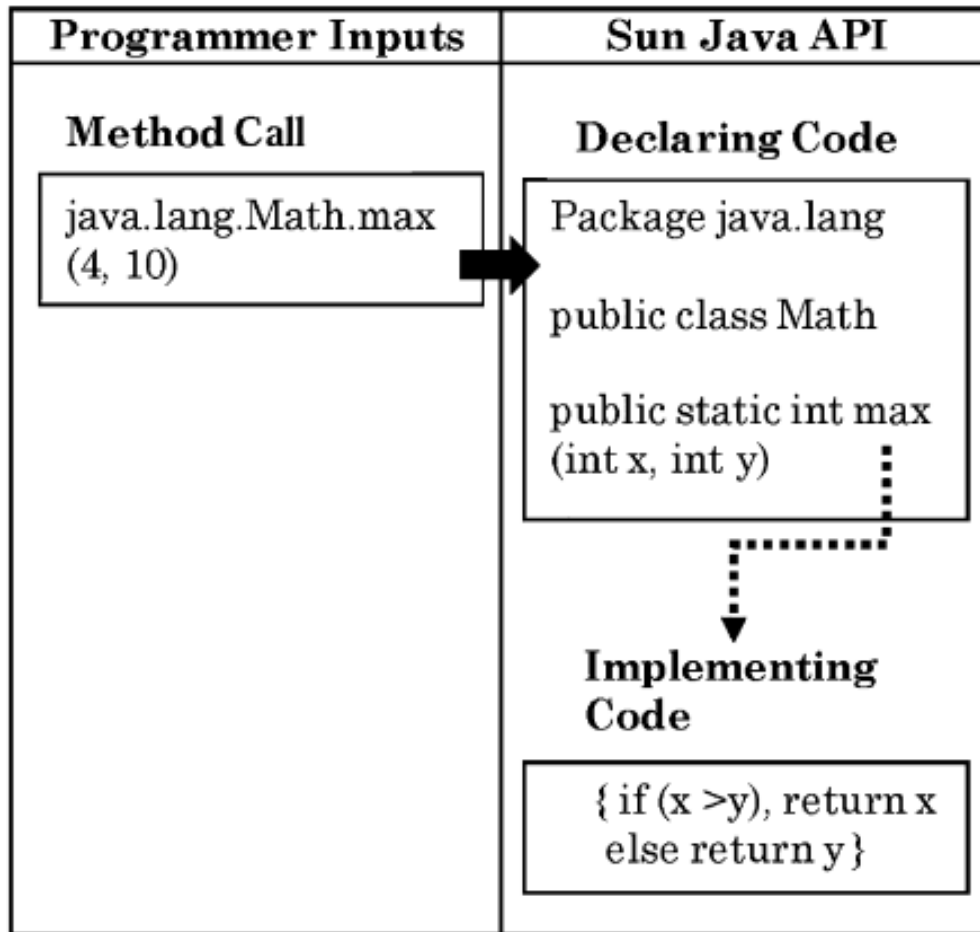
[Together, the] uncertain nature of Sun's ability to compete in Android's market place, the sources of its lost revenue, and the risk of creativity-related harms to the public, ... convince that this fourth factor—market effects—also weighs in favor of fair use....

The fact that computer programs are primarily functional makes it difficult to apply traditional copyright concepts in that technological world. See *Lotus Dev. 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 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 ... 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.*

APPENDIX B
Sun Java API Diagram



This image depicts the connection between the three parts of the Sun Java API technology at issue, using the District Court’s example. *Oracle*, 872 F.Supp.2d at 980-81. The programmer enters a method call to invoke a task from within the API (the solid arrow). The precise symbols in the method call correspond to a single task, which is located within a particular class. That class is located within a particular package. All of the lines of code that provide that organization and name the methods, classes, and packages are “declaring code.” For each method, the declaring code is associated with particular lines of implementing code (the dotted arrow). It is that implementing code (which Google wrote for its Android API) that actually instructs the computer in the programmer’s application.

Justice 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? ... By skipping over the copyrightability question, the majority ... distorts its fair-use analysis.... Oracle’s code at issue here is copyrightable, and Google’s use ... was anything but fair....

II

... Google acknowledges that implementing code is protected by the Copyright Act, but it contends that declaring code is much more functional and thus is a “method of operation” [and thus excluded by §102(b)].... That argument fails.... Declaring code defines the scope of a set of implementing code and gives a programmer a way to use it by shortcut. Because declaring code incorporates implementing code, it has no function on its own.... The functionality of both declaring code and implementing code will thus typically rise and fall together.

... [Congress] define[d] protected computer code as “a set of statements or instructions to be used *directly or indirectly* in a computer in order to bring about a certain result.” § 101 (emphasis added). Hence, Congress rejected any categorical distinction between declaring and implementing code. Implementing code orders a computer operation directly. Declaring code does so indirectly by incorporating implementing code....

This context makes clear that the phrase “method of operation” in § 102(b) does not remove protection from declaring code simply because it is functional.... “[M]ethod of operation” covers the functions and ideas implemented by computer code — such as math functions, accounting methods, or the idea of declaring code — not the specific expression Oracle created. Oracle cannot copyright the idea of using declaring code, but it can copyright the specific expression of that idea found in its library.

Google also contends that ... the “merger doctrine” bars copyright protection when there is only one way to express an idea. That argument fails for the same reasons Google’s § 102(b) argument fails.... [T]here may have been only one way for Google to copy the lines of declaring code, but there were innumerable ways for Oracle to write them....

III

... I agree with the majority that Congress did not “shiel[d] computer programs from the ordinary application” of fair use.... By skipping copyrightability, [however,] the majority gets the methodology backward, causing the Court to sidestep a key conclusion that ineluctably affects the fair-use analysis.... The result ... is an opinion that makes it difficult to imagine any circumstance in which declaring code will remain protected by copyright....

A. The Nature of the Copyrighted Work

... The majority ... uses this factor to create a distinction between declaring and implementing code that in effect removes copyright protection from declaring code. It concludes that, unlike implementing code, declaring code is far “from the core of copyright” because it becomes valuable only when third parties (computer programmers) value it and because it is “inherently bound together with uncopyrightable ideas.”

Congress, however, rejected this sort of categorical distinction that would make declaring code less worthy of protection.... And if anything, declaring code is *closer* to the “core of copyright.” Developers cannot even see implementing code. 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.

... We have not discounted a work of authorship simply because it is associated with noncopyrightable ideas. While ideas cannot be copyrighted, expressions of those ideas can....

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 ... 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....

Only after wrongly concluding that the nature of declaring code makes that code generally unworthy of protection does the Court move on to consider the other factors. This opening mistake taints the Court’s entire analysis.

B. Market Effects

“[U]ndoubtedly the single most important element of fair use” is the effect of Google’s copying “upon the potential market for or value of [Oracle’s] copyrighted work.” *Harper & Row Publishers, Inc. v. Nation Enterprises*, 471 U.S. 539, 566 (1985).

... 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 ... was to release Android to device manufacturers for free and then use Android as a vehicle to collect data on consumers and deliver behavioral ads. With a free product available that included much of Oracle's code (and thus with similar programming potential), device manufacturers no longer saw much reason to pay to embed the Java platform.

For example, before Google released Android, Amazon paid for a license to embed the Java platform in Kindle devices. But after Google released Android, Amazon used the cost-free availability of Android to negotiate a 97.5% discount on its license fee with Oracle.... The majority does not dispute — or even mention — this enormous harm.

Second, Google interfered with opportunities for Oracle to license the Java platform to developers of smartphone operating systems. Before Google copied Oracle's code, nearly every mobile phone on the market contained the Java platform.... But by copying the code and releasing Android, Google eliminated Oracle's opportunity to license its code for that use.

The majority writes off this harm by saying that the jury could have found that Oracle might not have been able to enter the modern smartphone market successfully. But whether Oracle could itself enter that market is only half the picture. We look at not only the potential market "that creators of original works would in general develop" but also those potential markets the copyright holder might "license others to develop." [*Campbell*, 510 U.S., at 592.... That Oracle could have licensed its code for use in Android is undisputed....

The majority's concern about a lock-in effect also is speculation belied by history.... The majority (again) overlooks that Apple and Microsoft created mobile operating systems without using Oracle's declaring code....

... The majority expresses concern that Oracle might abuse its copyright protection (on outdated Android versions) and "attempt to monopolize the market." But ... if companies may now freely copy libraries of declaring code whenever it is more convenient than writing their own, others will likely hesitate to spend the resources Oracle did to create intuitive, well-organized libraries that attract programmers and could compete with Android. If the majority is worried about monopolization, it ought to consider whether Google is the greater threat....

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 578-79. 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. On this scale, Google’s use of Oracle’s declaring code weighs heavily — if not decisively — against fair use.

... Commercial use sometimes can be overcome by use that is sufficiently “transformative.” *Campbell*, 510 U.S., at 579. But “we cannot ignore [Google’s] *intended purpose* of supplanting [Oracle’s] commercially valuable” platform with its own. *Harper*, 471 U.S., at 562 (emphasis in original). Even if we could, we have never found fair use for copying that reaches into the tens of billions of dollars and wrecks the copyright holder’s market.

... Google fares no better on transformative use.... This question is “guided by the examples [of fair use] given in the preamble to § 107.” [*Campbell*, 510 U.S., at 578.] Those examples include: “criticism, comment, news reporting, teaching ..., scholarship, or research.” § 107.... Google’s repurposing of Java code from larger computers to smaller computers resembles none of them.... As the Federal Circuit correctly determined, “[t]here is nothing fair about taking a copyrighted work verbatim and using it for the same purpose and function as the original in a competing platform.” 886 F.3d at 1210.

Ultimately, the majority wrongly conflates transformative use with derivative use. To be transformative, a work must do something fundamentally different from the original. A work that simply serves the same purpose in a new context ... is derivative, not transformative.... Rather than create a transformative product, Google “profit[ed] from exploitation of the copyrighted material without paying the customary price.” *Harper*, 471 U.S., at 562.

D. The Amount and Substantiality of the Portion Used

... Google does not dispute ... that it copied the heart or focal points of Oracle’s work ... [or that] Google copied that code “verbatim,” which weighs against fair use. 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....

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 ... were just a fraction of the code in the Java platform. But the proper denominator is *declaring code*, not all code. A copied work is quantitatively substantial if it could “serve as a market substitute for the original” work or

“potentially licensed derivatives” of that work. *Campbell*, 510 U.S., at 587. The declaring code is what attracted programmers. And it is what made Android a “market substitute” for “potentially licensed derivatives” of Oracle’s Java platform. Google’s copying was both qualitatively and quantitatively substantial....

In sum, three of the four statutory fair-use factors weigh decidedly against Google. The nature of the copyrighted work — the sole factor possibly favoring Google — cannot by itself support a determination of fair use because holding otherwise would improperly override Congress’ determination that declaring code is copyrightable....

NOTES AND QUESTIONS

(1) The Supreme Court’s ruling ended a decade-long battle between Google and fellow software giant Oracle. It also overturned the Federal Circuit’s 2018 ruling in favor of Oracle, which could have led to a multi-billion-dollar award against Google. If the Federal Circuit’s opinion had been affirmed, it likely would have been highly disruptive to the software industry. Ever since *Lotus Development Corp. v. Borland Int’l, Inc.*, 49 F.3d 807 (1st Cir. 1995), *aff’d by an equally divided Court*, 516 U.S. 233 (1996), the software industry had assumed that interface specifications of this type were not protected by copyright. Judge Boudin’s concurring opinion in the *Lotus* case suggested that some kind of privileged use was an alternative path to the same result. Justice Breyer’s majority opinion cited and followed Judge Boudin’s alternative path in holding that Google’s use was fair.

(2) The majority declined to answer the first question presented in the petition for *certiorari*: “Whether copyright protection extends to a software interface,” defined as “lines of computer code that allow developers to operate prewritten libraries of code to perform particular tasks.” That definition obscures the fact that there are many different types of software interfaces — and that what was copied here was not the entire Java “Application Programming Interface” (API), including its implementing code, but rather the names and functional specifications for that interface, as embodied in the API’s “declaring code.”

Most courts agree that software-to-computer or software-to-software interface specifications, which must be followed in order for software to interoperate with the computer or with other software, are not protected by copyright. *See, e.g., Computer Assocs. Int’l, Inc. v. Altai, Inc.*, 982 F.3d 693 (2d Cir. 1992) (filtering out “mechanical specifications of the computer,” “compatibility requirements of other programs,” and “computer manufacturers’ design standards”), reproduced in § 8.03 above; *Sega Enterprises, Ltd. v. Accolade, Inc.*, 977 F.2d 1510 (9th Cir. 1993) (holding “the functional requirements for compatibility with the Genesis console ... are not protected by copyright”); and *Sony Computer Ent’t, Inc. v. Connectix Corp.*, 203 F.3d 596 (9th Cir. 2000) (same for Sony Playstation), discussed above in this subsection. More controversial are human-to-computer interface specifications, such as the menu command structure in *Lotus* and the “packages, classes, and methods” of the Java API in *Google v. Oracle*.

(3) Although the majority purports to remain agnostic on the question of whether the Java API interface specifications are copyrightable, doesn't it strongly suggest that the declaring code is *not* protected by copyright? (See the majority's discussion of factor two.) Isn't Justice Thomas correct when he observes that the majority opinion "makes it difficult to imagine any circumstance in which declaring code will remain protected by copyright"?

(4) Turning to fair use, both the majority and the dissent agreed with the Federal Circuit "that reviewing courts should appropriately defer to the jury's findings of underlying facts; but that the ultimate question whether those facts showed a 'fair use' is a legal question for judges to decide *de novo*." They also rejected the notion that there was any Seventh Amendment right to jury trial on the issue of fair use. This likely means that fewer fair use cases will go to trial; and those that do will probably use a special verdict form asking specific factual questions, rather than a general verdict form simply asking who wins or loses (as in this case). It also gives appellate judges even more power to overturn lower court rulings on the issue of fair use.

Arguably, the Federal Circuit gave little to no deference to the jury's implicit findings in holding that three of the four factors favored Oracle as a matter of law. The Supreme Court majority corrected that error by expressly noting and relying on the substantial evidence supporting the jury's verdict in Google's favor.

(5) Unusually, the majority began its discussion of fair use with the second factor. In an empirical study, scholar Barton Beebe found that factor two "typically has a relatively minimal impact on the outcome of the overall four-factor test." *An Empirical Study of U.S. Copyright Fair Use Opinions Updated, 1978-2019*, 10 N.Y.U. J. Intell. Prop. & Ent. L. 1, 30 (2020). Yet occasionally factor two can be quite important. For instance, in *Harper & Row* (in § 10.03[A] above), the Supreme Court repeatedly emphasized the previously unpublished nature of the material quoted from President Ford's soon-to-published memoir, which overcome its otherwise factual nature and weighed heavily against fair use. By using the second factor as a framing device for the rest of the fair use analysis, the Court appears to agree with the argument that analysis of this factor is less about weight in either party's favor and more about identifying specific context about the copyrighted work that should inform the analysis under the other factors. See Kasunic, *Is That All There Is? Reflections on the Nature of the Second Fair Use Factor*, 31 COLUM. J. L. & ARTS 101 (2008).

In *Google*, the majority draws a distinction between "declaring code" (which names each method, defines its inputs and outputs, and organizes the methods into "classes" and "packages") and "implementing code" (which carries out the defined methods). It says that "[u]nlike many other programs, [the declaring code's] value in significant part derives from the value that ... computer programmers ... invest of their own time and effort to learn the API's *system*," and it concludes that "the declaring code is, *if copyrightable at all*, further than are most computer programs (such as the implementing code) from the core of copyright" (emphasis added). The dissent, however, argues that

“if anything, declaring code is closer to the ‘core of copyright.’ Developers cannot [or at least generally do not] even see implementing code. Implementing code thus conveys no expression to developers. Declaring code, in contrast, is user facing.”

Who has the better of the argument? Which type of code is more “functional” and which is more “expressive”? By Justice Thomas’ reasoning, however, wouldn’t object code or binary code (the 1s and 0s that actually interact with the computer) be *even more functional* than implementing code (source code)? The result would be difficult to square with Congress’ decision to protect software by copyright rather than by a *sui generis* intellectual property regime.

(6) The ultimate policy question in the case is: who should benefit from the investment that programmers made in learning the names that Sun/Oracle devised to organize and invoke the methods in its API? The majority believed that software programmers should not be “locked into” using Java simply because they had learned those names; instead, other companies should be free to use the names and to compete on their implementation of those names. The dissent believed that each new software platform should have to come up with its own names in order to compete for users. These views colored both opinions’ evaluations of each of the four factors.

(7) Turning to the first factor, what is the function of the six statutory examples of fair use (comment, criticism, news reporting, teaching, scholarship, and research) in evaluating “the purpose and character of the use”? Isn’t Justice Thomas correct that Google’s use doesn’t resemble any of them? Should that fact disqualify Google’s use from being deemed a fair use?

(8) If nothing else, the majority opinion makes it clear that “transformative use” analysis is alive and well. How was Google’s use of the declaring code “transformative”? The declaring code was used verbatim, and its function in Google’s Android platform was exactly the same as it was in Oracle’s Java platform. Google wrote its own implementing code; but Judge Learned Hand is often quoted for the proposition that “no plagiarist can excuse the wrong by showing how much of his work he did not pirate.” *Sheldon v. Metro-Goldwyn Pictures Corp.*, 81 F.2d 49, 46 (2d Cir. 1936). Isn’t that exactly the excuse that the majority approved of in this case?

Instead, the majority seems to say that Google’s use was “transformative” in large part because it enabled *third parties* (programmers) to create their own works. How much of that reasoning is applicable in contexts other than computer software? Could one movie studio copy the basic elements of a fictional universe (e.g., Star Wars or Harry Potter) in order to enable its writers and actors to create more works in that universe? What about the vocabulary and grammar of a fictional language, like Klingon or Dothraki? See Brief of Amicus Curiae Language Creation Society in *Paramount Pictures Corp. v. Axanar Prods., Inc.*, No. 2:15-cv-09938 (C.D. Cal. filed Apr. 27, 2016), at <https://conlang.org/axanar/> (written partly in Klingon). If you think those situations are analogous or different from this one, can you articulate why?

(9) One difficulty with the “transformative” concept is that it substantially overlaps with one of the exclusive rights of the copyright owner: the exclusive right “to prepare derivative works based upon the copyrighted work.” But remember that *all* of the exclusive rights are subject to fair use, *including* the derivative work right. Thus, it is simply incorrect to state, as Justice Thomas does in his dissent, that “the majority wrongly conflates transformative use with derivative use.... A work that simply serves the same purpose in a new context ... is derivative, not transformative.” A use can be *both* derivative and transformative; but some derivative and transformative uses will be fair uses and some will not. Only a wholistic consideration of all of the factors together will help us distinguish between them.

(10) The majority and the dissent agree that Google’s use was “commercial.” The majority dismisses this consideration, in light of the “inherently transformative” nature of the use. The dissent says this consideration “weighs heavily — if not decisively — against fair use.” How heavily should this subfactor weigh in the analysis? Under what circumstances should a “commercial” character disqualify something that otherwise would be considered fair use? Didn’t *Campbell* reject the argument that “commerciality carried presumptive force against a finding of fairness”? Is the “commercial” character of the use always trumped if the use is deemed “transformative”?

(11) Any trial lawyer will tell you that it is a “bad fact” that Google sought a license and, despite not getting one, went ahead and copied a portion of what it had sought to license anyway. Most people see the negotiations as an implicit concession that the material is protected by copyright (or by some other type of intellectual property). But footnote 18 in *Campbell* expressly says that seeking a license should *not* be held against a defendant claiming fair use. Moreover, the majority noted that the negotiations also involved the use of the trademarked term “Java” and the use of Sun’s implementing code, both of which Google had to forego when it decided not to license Java and instead to develop Android on its own.

(12) On the third factor, the majority says that Google copied 0.4% of the entire Java API. The district court said that Google copied 3% of the 37 Java packages at issue. The dissent says that “the proper denominator is *declaring code*, not all code,” implying that Google copied an important part of the software verbatim. Which calculation makes the most sense to you? If the numbers can be manipulated in this way, what is the purpose of using them?

(13) Under the fourth factor, the majority says that it “must consider” not only “the amount of money that the copyright owner might lose,” but also “the source of the loss” (harms from substitution are “cognizable” while other harms are not) and “the public benefits the copying will likely produce.” Having said that, it immediately disclaimed any universality to this analysis: “We do not say that these questions are always relevant ..., [n]or do we say that these questions are the only questions that a court might ask.” How did the majority and the dissent differ in answering these three

questions? How much of this three-part analysis should lower courts consider in future cases? What other questions might be relevant?

(14) In his dissent, Justice Thomas says the fourth factor is “undoubtedly the single most important element of fair use,” quoting *Harper & Row*. But is that observation still true after *Campbell*? *Campbell* mentions the quote only in its summary of the Sixth Circuit’s holding (which it overrules) — and then (perhaps pointedly) never mentions it again. Moreover, the majority in *Google v. Oracle* seems to reaffirm the *Campbell* opinion’s emphasis on “transformative” use as a more important criterion.

(15) How should fair use be applied to the various activities that make the Internet functional and useful? Many such activities, of course, are protected by the “safe harbor” for online service providers in § 512 (see § 9.03 above). The issue arises because the Internet is essentially a giant copying machine: its sole function is to copy data (including data that represent copyrighted works, such as computer programs) from one location to another; and many copies of that data are made to facilitate its transmission and use. The next section considers these issues.

USAGE: On page 928, ADD the following text after the first paragraph of Note (8):

Does the Google Books case allow fair use to substitute for the first sale doctrine? Suppose a library owns six physical copies of a book; can it keep those copies in a warehouse and lend electronic copies to six people at a time instead, so long as it maintains a one-to-one “owned to loaned” ratio? In *Hachette Book Group, Inc. v. Internet Archive*, ___ F. Supp. 3d ___ (S.D.N.Y. 2023), the District Court held that the Archive’s “controlled digital lending” program was not a fair use (although it limited the injunction to works that currently were available as ebooks). What arguments can you make for and against the Archive’s legal position?

USAGE: On page 928, ADD the following Note after Note (8):

(8A) “Generative” artificial intelligence (AI) programs, such as ChatGPT and Midjourney, have to be “trained” on large amounts of data (text, images, or music) in order to enable the programs to create new works at the touch of a button, or in response to a human-entered “prompt.” Beginning in 2022, a number of lawsuits have been filed against the owners of such generative AI programs, alleging both unauthorized copying of millions of copyrighted works in training the AI, and that the AI programs are capable of generating output that is too similar to one (or more) of the works in the training data.

Should the use of copyrighted works to “train” a generative AI program be deemed a fair use? Does it matter that the output of such a program may compete in the marketplace with some of the works that it ingested during the training process? Does it

matter that the output may in some cases be substantially similar to the input? (Usually, this occurs only if the training data contains multiple copies of a single work and/or if the prompt is unusually specific.) Or should the law treat the “training” process separately from the output that the AI program generates? (Note that the Google Books case treated the “search” function separately from the “snippet view” displays.)

Another question is whether the products of a generative AI should themselves be granted copyright protection. *See* §2.02[B] above. These questions are likely to occupy many copyright lawyers for the next decade or more. For some preliminary thoughts, see Lemley & Casey, *Fair Learning*, 99 Tex. L. Rev. 743, 770 (2021); Henderson, et al., *Foundation Models and Fair Use*, arXiv:2303.15715 (2023).

§ 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. *See Starz Entertainment, LLC v. MGM Domestic Television Distr., LLC*, 39 F.4th 1236 (9th Cir. 2022) (rejecting *Sohm* as “inherently self-contradictory”); *accord, Nealy v. Warner/Chappell Music, Inc.*, 60 F.4th 1325 (11th Cir. 2023).

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 Garza v. Everly*, 59 F.4th 876 (6th Cir. 2023) (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 *Unicolors, Inc. v. H&M Hennes & Mauritz, L.P.*, 142 S. Ct. 941 (2022) (holding that “[l]ack of knowledge of either fact or law can excuse an inaccuracy in a copyright registration.”). 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).

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

[1] Plaintiff's Damages and Defendant's Profits

USAGE: On page 975, SUBSTITUTE the following for the second paragraph of Note (11):

Note that in *Petrella v. Metro-Goldwyn-Mayer, Inc.*, 134 S. Ct. 1962 (2014), the Supreme Court held that recovery of defendant's profits should be considered an "equitable" remedy, meaning that laches, or unreasonable delay, can be considered in apportioning profits. This suggests that there is no Seventh Amendment right to jury trial where the only monetary remedy sought is disgorgement of defendant's profits. *See Fair Isaac Corp. v. Fed'l Ins. Co.*, 468 F. Supp. 3d 1110 (D. Minn. 2020); *Navarro v. Procter & Gamble Co.*, 529 F. Supp. 3d 742 (S.D. Ohio 2021). *But see Huffman v. Activision Publ., Inc.*, 2021 WL 2339193 (E.D. Tex. June 8, 2021) (right to jury trial applies to defendant's profits).

[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).

[F] Criminal Penalties

USAGE: On page 990, SUBSTITUTE the following for the first paragraph:

Under former § 506(a) (now § 506(a)(1)(A)), anyone who infringes a copyright “willfully and for purposes of commercial advantage or private financial gain” is subject to felony or misdemeanor punishment, as specified in 18 U.S.C. § 2319. “[T]he term ‘willfully’ requires the [G]overnment to prove that a defendant knew he was acting illegally rather than simply that he knew he was making copies.” *United States v. Liu*, 731 F.3d 982 (9th Cir. 2013). *Accord, United States v. Gordon*, 37 F.4th 767 (1st Cir. 2022).

USAGE: On page 991, SUBSTITUTE the following for the third full paragraph:

Further criminal violations are provided in Title 18. 18 U.S.C. § 2319A penalizes unauthorized fixation of a live musical performance, when done “knowingly and for purposes of commercial advantage or private financial gain,” by imprisonment up to five years for the first offense and up to 10 years for the second offense. (See the notes in § 2.01[B] above for case law concerning this provision.) 18 U.S.C. § 2319B, added in 2005, makes it a felony to knowingly use or attempt to use a camcorder or other recording device to record a motion picture in a theater without authorization from the copyright owner. Violators may be imprisoned for up to three years for a first offense, and up to six years for a subsequent offense. And 18 U.S.C. § 2319C, added in 2020, makes it a felony to willfully, for purposes of commercial advantage or private financial gain, provide a digital transmission service that (1) is primarily designed or provided for the purpose of publicly performing copyrighted works without authority, (2) has no commercially significant purpose or use other than to publicly perform copyrighted works without authority; or (3) is intentionally marketed for such purposes. Violators may be imprisoned for up to three years for a first offense, up to five years if they knew that a previously unreleased work was “being prepared for commercial public performance,” and up to ten years for a subsequent offense.

§ 11.02 PREEMPTION AND STATE LAW REMEDIES

[C] Conflict Preemption Under the Supremacy Clause

USAGE: On page 1006, SUBSTITUTE the following for the second paragraph of Note (9):

First, however, we should point out that conflict preemption analysis under the Supremacy Clause, of the kind involved in the cases just reviewed, is still a potential part of the overall picture of preemption analysis. Theoretically, at least, some state laws that do not technically fall within the scope of § 301’s provisions nevertheless might operate to frustrate the policies behind the copyright system, which are rooted in Article I, § 8, cl. 8 of the Constitution. In such a situation, courts would still engage in conflict preemption analysis. An instructive case is *In re Jackson*, 972 F.3d 25 (2d Cir. 2020), involving a “remix” by rapper Rick Ross, “in which [Ross] performs his own new lyrics over audio samples of popular songs by well-known recording artists,” including one by rapper Curtis “50-Cent” Jackson. The Second Circuit held that “implied preemption may bar the claim unless the state-created right vindicates a substantial state law interest,” such as false endorsement, privacy, or reputational interests. *Id.* at 37. Noting that the copyrights were owned by a third party, the court concluded that the lawsuit was preempted, as “a thinly disguised effort by the creator and performer of a work within the subject matter of copyright — who owns no copyright interest in the work — to nonetheless exert control over its distribution.” *Id.* at 41.

§ 11.03 RELATED BODIES OF STATE AND FEDERAL LAW

[C] The Right of Publicity

USAGE: On page 1064, SUBSTITUTE the following for the text of Note (12):

(12) *Preemption*. The courts remain divided as to whether and when the right of publicity is preempted by the Copyright Act. Although courts finding no preemption are still in the majority, recent cases are trending in favor of preemption. *See Brown v. Ames*, 201 F.3d 654 (5th Cir. 2000); *Landham v. Lewis Galoob Toys, Inc.*, 227 F.3d 619 (6th Cir. 2000); *Wendt v. Host International, Inc.*, 125 F.3d 806 (9th Cir. 1997), *rehearing en banc denied*, 197 F.3d 1284 (9th Cir. 1999) (actors’ claims against the use of animatronic figures representing characters in the TV series *Cheers* were not preempted, despite a sharp dissent by Judge Kozinski). *But see Dryer v. National Football League*, 814 F.3d 938 (8th Cir. 2016) (former football players’ claims for use of likenesses in highlight videos were preempted); *Maloney v. T3 Media, Inc.*, 853 F.3d 1004 (9th Cir. 2017) (college athletes’ claims for sale of game photos were preempted); *In re Jackson*, 972 F.3d 25 (2d Cir. 2020) (rapper’s right of publicity claim for unauthorized use of sound recording was preempted because copyright belonged to a third party).