

**CASES AND MATERIALS ON COPYRIGHT  
AND OTHER ASPECTS OF ENTERTAINMENT LITIGATION  
INCLUDING UNFAIR COMPETITION, DEFAMATION, PRIVACY**

**EIGHTH EDITION**

**2014 SUPPLEMENT**

**Melville B. Nimmer**

Late Professor of Law  
UCLA

**Paul Marcus**

Haynes Professor of Law  
The College of William and Mary

**David A. Myers**

Professor of Law  
Valparaiso University

**David Nimmer**

Of Counsel, Irell & Manella  
Los Angeles, California

## TABLE OF CONTENTS

Chapter 4: THE NATURE OF THE RIGHTS PROTECTED BY COPYRIGHT .....	1
Chapter 7: INFRINGEMENT ACTIONS .....	17
Chapter 8: COPYRIGHT REMEDIES .....	18
Chapter 9: FEDERAL PREEMPTION OF STATE LAWS .....	19
Chapter 11: UNFAIR COMPETITION.....	20
Chapter 12: THE PROTECTION OF IDEAS BY EXPRESS OR IMPLIED CONTRACT .....	22
Chapter 13: DEFAMATION .....	23
Chapter 14: RIGHT OF PRIVACY—PUBLIC DISCLOSURE OF PRIVATE FACTS.....	26
Chapter 15: RIGHT OF PRIVACY—FALSE LIGHT .....	28
Chapter 16: RIGHT OF PUBLICITY .....	29

## Chapter 4

### THE NATURE OF THE RIGHTS PROTECTED BY COPYRIGHT

#### § 4.02 THE DISTRIBUTION RIGHT

Page 257: [Add as new principal case, just before Collateral References:]

#### **KIRTSAENG v. JOHN WILEY & SONS, INC.**

Supreme Court of the United States

568 U. S. \_\_\_\_ (2013)

JUSTICE BREYER delivered the opinion of the Court.

Section 106 of the Copyright Act grants “the owner of copyright under this title” certain “exclusive rights,” including the right “to distribute copies . . . of the copyrighted work to the public by sale or other transfer of ownership.” 17 U. S. C. §106(3). These rights are qualified, however, by the application of various limitations set forth in the next several sections of the Act, §§107 through 122. Those sections, typically entitled “Limitations on exclusive rights,” include, for example, the principle of “fair use” (§107), permission for limited library archival reproduction, (§108), and the doctrine at issue here, the “first sale” doctrine (§109).

Section 109(a) sets forth the “first sale” doctrine as follows:

“Notwithstanding the provisions of section 106(3) [the section that grants the owner exclusive distribution rights], the owner of a particular copy or phonorecord *lawfully made under this title* . . . is entitled, without the authority of the copyright owner, to sell or otherwise dispose of the possession of that copy or phonorecord.” (Emphasis added.)

Thus, even though §106(3) forbids distribution of a copy of, say, the copyrighted novel Herzog without the copyright owner’s permission, §109(a) adds that, once a copy of Herzog has been lawfully sold (or its ownership otherwise lawfully transferred), the buyer of *that copy* and subsequent owners are free to dispose of it as they wish. In copyright jargon, the “first sale” has “exhausted” the copyright owner’s §106(3) exclusive distribution right.

What, however, if the copy of Herzog was printed abroad and then initially sold with the copyright owner’s permission? Does the “first sale” doctrine still apply? Is the buyer, like the buyer of a domestically manufactured copy, free to bring the copy into the United States and dispose of it as he or she wishes?

To put the matter technically, an “importation” provision, §602(a) (1), says that

“[i]mportation into the United States, without the authority of the owner of copyright under this title, of copies . . . of a work that have been acquired outside the United States is an infringement of the exclusive right to distribute copies . . . under section 106 . . . .”

17 U. S. C. §602(a)(1) (2006 ed., Supp. V) (emphasis added).

Thus §602(a)(1) makes clear that importing a copy without permission violates the owner’s exclusive distribution right. But in doing so, §602(a)(1) refers explicitly to the §106(3) exclusive distribution right. As we have just said, §106 is by its terms “[s]ubject to” the various doctrines and principles contained in §§107 through 122, including §109(a)’s “first sale” limitation. Do those same modifications apply—in particular, does the “first sale” modification apply—when considering whether §602(a)(1) prohibits importing a copy?

Putting section numbers to the side, we ask whether the “first sale” doctrine applies to protect a buyer or other lawful owner of a copy (of a copyrighted work) lawfully manufactured abroad. Can that buyer bring that copy into the United States (and sell it or give it away) without obtaining permission to do so from the copyright owner? Can, for example, someone who purchases, say at a used bookstore, a book printed abroad subsequently resell it without the copyright owner’s permission?

In our view, the answers to these questions are, yes. We hold that the “first sale” doctrine applies to copies of a copyrighted work lawfully made abroad.

1

A

There are two essentially equivalent versions of a Wiley textbook, each version manufactured and sold with Wiley’s permission: (1) an American version printed and sold in the United States, and (2) a foreign version manufactured and sold abroad. And Wiley makes certain that copies of the second version state that they are not to be taken (without permission) into the United States.

Petitioner, Supap Kirtsaeng, a citizen of Thailand, moved to the United States in 1997 to study mathematics at Cornell University. He paid for his education with the help of a Thai Government scholarship which required him to teach in Thailand for 10 years on his return. Kirtsaeng successfully completed his undergraduate courses at Cornell, successfully completed a Ph. D. program in mathematics at the University of Southern California, and then, as promised, returned to Thailand to teach. While he was studying in the United States, Kirtsaeng asked his friends and family in Thailand to buy copies of foreign edition English language textbooks at Thai book shops, where they sold at low prices, and mail them to him in the United States. Kirtsaeng would then sell them, reimburse his family and friends, and keep the profit.

## B

In 2008 Wiley brought this federal lawsuit against Kirtsaeng for copyright infringement. Wiley claimed that Kirtsaeng's unauthorized importation of its books and his later resale of those books amounted to an infringement of Wiley's §106(3) exclusive right to distribute as well as §602's related import prohibition. Kirtsaeng replied that the books he had acquired were "lawfully made" and that he had acquired them legitimately.

## II

We must decide whether the words "lawfully made under this title" restrict the scope of §109(a)'s "first sale" doctrine geographically. The Second Circuit, the Ninth Circuit, Wiley, and the Solicitor General (as *amicus*) all read those words as imposing a form of *geographical* limitation. The Second Circuit held that they limit the "first sale" doctrine to particular copies "made in territories *in which the Copyright Act is law*," which (the Circuit says) are copies "manufactured domestically," not "outside of the United States." Wiley agrees that those five words limit the "first sale" doctrine "to copies made in conformance with the [United States] Copyright Act *where the Copyright Act is applicable*," which (Wiley says) means it does not apply to copies made "outside the United States" and at least not to "foreign production of a copy for distribution exclusively abroad." Similarly, the Solicitor General says that those five words limit the "first sale" doctrine's applicability to copies "*made subject to and in compliance with [the Copyright Act]*," which (the Solicitor General says) are copies "made in the United States." And the Ninth Circuit has held that those words limit the "first sale" doctrine's applicability (1) to copies lawfully made in the United States, and (2) to copies lawfully made outside the United States but initially sold in the United States with the copyright owner's permission.

Under any of these geographical interpretations, §109(a)'s "first sale" doctrine would not apply to the Wiley Asia books at issue here. And, despite an American copyright owner's permission to *make* copies abroad, one who *buys* a copy of any such book or other copyrighted work—whether at a retail store, over the Internet, or at a library sale—could not resell (or otherwise dispose of) that particular copy without further permission.

Kirtsaeng, however, reads the words "lawfully made under this title" as imposing a *non-geographical* limitation. He says that they mean made "in accordance with" or "in compliance with" the Copyright Act. In that case, §109(a)'s "first sale" doctrine would apply to copyrighted works as long as their manufacture met the requirements of American copyright law. In particular, the doctrine would apply where, as here, copies are manufactured abroad with the permission of the copyright owner.

In our view, §109(a)'s language, its context, and the common-law history of the "first sale" doctrine, taken together, favor a *non-geographical* interpretation. We also doubt that Congress would have intended to create the practical copyright-related harms with which a geographical interpretation would threaten ordinary scholarly, artistic, commercial, and consumer activities. See Part II– D, *infra*. We consequently conclude that Kirtsaeng's non-geographical reading is the better reading of the Act.

## A

The language of §109(a) read literally favors Kirtsaeng’s non-geographical interpretation, namely, that “lawfully made under this title” means made “in accordance with” or “in compliance with” the Copyright Act. The language of §109(a) says nothing about geography.

## B

Both historical and contemporary statutory context indicate that Congress, when writing the present version of §109(a), did not have geography in mind. In respect to history, we compare §109(a)’s present language with the language of its immediate predecessor. That predecessor said:

“[N]othing in this Act shall be deemed to forbid, prevent, or restrict the transfer of any copy of a copyrighted work *the possession of which has been lawfully obtained.*”

The predecessor says nothing about geography (and Wiley does not argue that it does). So we ask whether Congress, in changing its language implicitly *introduced* a geographical limitation that previously was lacking.

A comparison of language indicates that it did not. The predecessor says that the “first sale” doctrine protects “the transfer of any copy *the possession of which has been lawfully obtained.*” The present version says that “*the owner* of a particular copy or phonorecord lawfully made under this title is entitled to sell or otherwise dispose of the possession of that copy or phonorecord.”

## C

A relevant canon of statutory interpretation favors a non-geographical reading. “[W]hen a statute covers an issue previously governed by the common law,” we must presume that “Congress intended to retain the substance of the common law.”

The “first sale” doctrine is a common-law doctrine with an impeccable historic pedigree. In the early 17th century Lord Coke explained the common law’s refusal to permit restraints on the alienation of chattels. Lord Coke wrote:

“[If] a man be possessed of . . . a horse, or of any other chattell . . . and give or sell his whole interest . . . therein upon condition that the Donee or Vendee shall not alien[ate] the same, the [condition] is voi[d], because his whole interest . . . is out of him, so as he hath no possibilit[y] of a Reverter, and it is against Trade and Traffi[c], and bargaining and contracting betwee[n] man and man: and it is within the reason of our Author that it should ouster him of all power given to him.” 1 E. Coke, *Institutes of the Laws of England* §360, p. 223 (1628).

A law that permits a copyright holder to control the resale or other disposition of a chattel once sold is similarly “against Trade and Traffi[c], and bargaining and contracting.”

With these last few words, Coke emphasizes the importance of leaving buyers of goods free to compete with each other when reselling or otherwise disposing of those goods. American law too has generally thought that competition, including freedom to resell, can work to the advantage of the consumer.

The “first sale” doctrine also frees courts from the administrative burden of trying to enforce restrictions upon difficult-to-trace, readily movable goods. And it avoids the selective enforcement inherent in any such effort. Thus, it is not surprising that for at least a century the “first sale” doctrine has played an important role in American copyright law.

The common-law doctrine makes no geographical distinctions.

## D

Associations of libraries, used-book dealers, technology companies, consumer-goods retailers, and museums point to various ways in which a geographical interpretation would fail to further basic constitutional copyright objectives, in particular “promot[ing] the Progress of Science and useful Arts.”

The American Library Association tells us that library collections contain at least 200 million books published abroad (presumably, many were first published in one of the nearly 180 copyright-treaty nations and enjoy American copyright protection under 17 U. S. C. §104); that many others were first published in the United States but printed abroad because of lower costs; and that a geographical interpretation will likely require the libraries to obtain permission (or at least create significant uncertainty) before circulating or otherwise distributing these books.

How, the American Library Association asks, are the libraries to obtain permission to distribute these millions of books? How can they find, say, the copyright owner of a foreign book, perhaps written decades ago? They may not know the copyright holder’s present address. And, even where addresses can be found, the costs of finding them, contacting owners, and negotiating may be high indeed. Are the libraries to stop circulating or distributing or displaying the millions of books in their collections that were printed abroad?

Used-book dealers tell us that, from the time when Benjamin Franklin and Thomas Jefferson built commercial and personal libraries of foreign books, American readers have bought used books published and printed abroad. The dealers say that they have “operat[ed] . . . for centuries” under the assumption that the “first sale” doctrine applies. But under a geographical interpretation a contemporary tourist who buys, say, at Shakespeare and Co. (in Paris), a dozen copies of a foreign book for American friends might find that she had violated the copyright law. The used book dealers cannot easily predict what the foreign copyright holder may think about a reader’s effort to sell a used copy of a novel. And they believe that a geographical interpretation will injure a large portion of the used-book business.

Technology companies tell us that “automobiles, microwaves, calculators, mobile phones, tablets, and personal computers” contain copyrightable software programs or packaging. Many of these items are made abroad with the American copyright holder’s permission and then sold and imported (with that permission) to the United States. A geographical interpretation would prevent the resale of, say, a car, without the permission of the holder of each copyright on

each piece of copyrighted automobile software. Yet there is no reason to believe that foreign auto manufacturers regularly obtain this kind of permission from their software component suppliers, and Wiley did not indicate to the contrary when asked. Without that permission a foreign car owner could not sell his or her used car.

Art museum directors ask us to consider their efforts to display foreign-produced works by, say, Cy Twombly, René Magritte, Henri Matisse, Pablo Picasso, and others. A geographical interpretation, they say, would require the museums to obtain permission from the copyright owners before they could display the work, even if the copyright owner has already sold or donated the work to a foreign museum. What are the museums to do, they ask, if the artist retained the copyright, if the artist cannot be found, or if a group of heirs is arguing about who owns which copyright?

These examples, and others previously mentioned, help explain why Lord Coke considered the “first sale” doctrine necessary to protect “Trade and Traffi[c], and bargaining and contracting,” and they help explain *why* American copyright law has long applied that doctrine.

Neither Wiley nor any of its many *amici* deny that a geographical interpretation could bring about these “horribles”—at least in principle. Rather, Wiley essentially says that the list is artificially invented.

Reliance upon the “first sale” doctrine is deeply embedded in the practices of those, such as booksellers, libraries, museums, and retailers, who have long relied upon its protection. Museums, for example, are not in the habit of asking their foreign counterparts to check with the heirs of copyright owners before sending, e.g., a Picasso on tour. That inertia means a dramatic change is likely necessary before these institutions, instructed by their counsel, would begin to engage in the complex permission-verifying process that a geographical interpretation would demand. And this Court’s adoption of the geographical interpretation could provide that dramatic change. These intolerable consequences (along with the absurd result that the copyright owner can exercise downstream control even when it authorized the import or first sale) have understandably led the Ninth Circuit, the Solicitor General as *amicus*, and the dissent to adopt textual readings of the statute that attempt to mitigate these harms. But those readings are not defensible, for they require too many unprecedented jumps over linguistic and other hurdles that in our view are insurmountable.

Finally, the fact that harm has proved limited so far may simply reflect the reluctance of copyright holders so far to assert geographically based resale rights. They may decide differently if the law is clarified in their favor. Regardless, a copyright law that can work in practice only if unenforced is not a sound copyright law. It is a law that would create uncertainty, would bring about selective enforcement, and, if widely unenforced, would breed disrespect for copyright law itself.

Thus, we believe that the practical problems that petitioner and his *amici* have described are too serious, too extensive, and too likely to come about for us to dismiss them as insignificant—particularly in light of the ever growing importance of foreign trade to America. The upshot is that copyright-related consequences along with language, context, and interpretive canons argue strongly against a geographical interpretation of §109(a).

### III

For these reasons we conclude that the considerations supporting Kirtsaeng’s non-geographical interpretation of the words “lawfully made under this title” are the more persuasive. The judgment of the Court of Appeals is reversed, and the case is remanded for further proceedings consistent with this opinion.

*It is so ordered.*

JUSTICE KAGAN, with whom JUSTICE ALITO joins, concurring.

I concur fully in the Court’s opinion. Neither the text nor the history of 17 U.S.C. § 109(a) supports removing first-sale protection from every copy of a protected work manufactured abroad. . . .

JUSTICE GINSBURG, with whom JUSTICE KENNEDY joins, and with whom Justice SCALIA joins [in part] dissenting.

“In the interpretation of statutes, the function of the courts is easily stated. It is to construe the language so as to give effect to the intent of Congress.” Instead of adhering to the Legislature’s design, the Court today adopts an interpretation of the Copyright Act at odds with Congress’ aim to protect copyright owners against the unauthorized importation of low-priced, foreign-made copies of their copyrighted works. The Court’s bold departure from Congress’ design is all the more stunning, for it places the United States at the vanguard of the movement for “international exhaustion” of copyrights—a movement the United States has steadfastly resisted on the world stage.

To justify a holding that shrinks to insignificance copyright protection against the unauthorized importation of foreign-made copies, the Court identifies several “practical problems.” The Court’s parade of horrors, however, is largely imaginary. Congress’ objective in enacting 17 U.S.C. § 602(a)(1)’s importation prohibition can be honored without generating the absurd consequences hypothesized in the Court’s opinion. I dissent from the Court’s embrace of “international exhaustion,” and would affirm the sound judgment of the Court of Appeals. . . .

#### **Notes and Questions**

1. Is the majority’s holding, in the dissent’s words, “at odds with Congress’ aim to protect copyright owners against the unauthorized importation of low-priced, foreign-made copies of their copyrighted works”?
2. The majority put “section numbers [of the Copyright Act] to the side” in looking to Congressional intent here. Does the holding support the legislative goals in the Act?
3. The majority relied heavily on the position of a number of associations, including the American Library Association, which laid out the grave difficulties which would have resulted from affirming the court of appeals holding. The dissent describes these as an unsubstantiated “parade of horrors.” Which view is correct?

## § 4.03 THE PERFORMANCE RIGHT

*Page 280: [Add as new principal case, just before heading [C]]*

### AMERICAN BROADCASTING COMPANIES, INC. v. AEREO, INC.

Supreme Court of the United States

\_\_\_ U. S. \_\_\_ (2014)

JUSTICE BREYER delivered the opinion of the Court.

The Copyright Act of 1976 gives a copyright owner the “exclusive righ[t]” to “perform the copyrighted work publicly.” 17 U.S.C. § 106(4). The Act's Transmit Clause defines that exclusive right as including the right to “transmit or otherwise communicate a performance ... of the [copyrighted] work ... to the public, by means of any device or process, whether the members of the public capable of receiving the performance ... receive it in the same place or in separate places and at the same time or at different times.” § 101.

We must decide whether respondent Aereo, Inc., infringes this exclusive right by selling its subscribers a technologically complex service that allows them to watch television programs over the Internet at about the same time as the programs are broadcast over the air. We conclude that it does.

#### I

#### A

For a monthly fee, Aereo offers subscribers broadcast television programming over the Internet, virtually as the programming is being broadcast. Much of this programming is made up of copyrighted works. Aereo neither owns the copyright in those works nor holds a license from the copyright owners to perform those works publicly. Aereo's system is made up of servers, transcoders, and thousands of dime-sized antennas housed in a central warehouse. It works roughly as follows:

First, when a subscriber wants to watch a show that is currently being broadcast, he visits Aereo's website and selects, from a list of the local programming, the show he wishes to see.

Second, one of Aereo's servers selects an antenna, which it dedicates to the use of that subscriber (and that subscriber alone) for the duration of the selected show. A server then tunes the antenna to the over-the-air broadcast carrying the show. The antenna begins to receive the broadcast, and an Aereo transcoder translates the signals received into data that can be transmitted over the Internet.

Third, rather than directly send the data to the subscriber, a server saves the data in a subscriber-specific folder on Aereo's hard drive. In other words, Aereo's system creates a subscriber-specific copy—that is, a “personal” copy—of the subscriber's program of choice.

Fourth, once several seconds of programming have been saved, Aereo's server begins to stream the saved copy of the show to the subscriber over the Internet. (The subscriber may instead direct Aereo to stream the program at a later time, but that aspect of Aereo's service is not before us.) The subscriber can watch the streamed program on the screen of his personal computer, tablet, smart phone, Internet-connected television, or other Internet-connected device. The streaming continues, a mere few seconds behind the over-the-air broadcast, until the subscriber has received the entire show.

Aereo emphasizes that the data that its system streams to each subscriber are the data from his own personal copy, made from the broadcast signals received by the particular antenna allotted to him. Its system does not transmit data saved in one subscriber's folder to any other subscriber. When two subscribers wish to watch the same program, Aereo's system activates two separate antennas and saves two separate copies of the program in two separate folders. It then streams the show to the subscribers through two separate transmissions—each from the subscriber's personal copy.

## B

Petitioners are television producers, marketers, distributors, and broadcasters who own the copyrights in many of the programs that Aereo's system streams to its subscribers. They brought suit against Aereo for copyright infringement in Federal District Court. They sought a preliminary injunction, arguing that Aereo was infringing their right to “perform” their works “publicly,” as the Transmit Clause defines those terms.

The District Court denied the preliminary injunction. Relying on prior Circuit precedent, a divided panel of the Second Circuit affirmed. In the Second Circuit's view, Aereo does not perform publicly within the meaning of the Transmit Clause because it does not transmit “to the public.” Rather, each time Aereo streams a program to a subscriber, it sends a *private* transmission that is available only to that subscriber. We granted certiorari.

## II

This case requires us to answer two questions: First, in operating in the manner described above, does Aereo “perform” at all? And second, if so, does Aereo do so “publicly”? We address these distinct questions in turn.

Does Aereo “perform”? Phrased another way, does Aereo “transmit ... a performance” when a subscriber watches a show using Aereo's system, or is it only the subscriber who transmits? In Aereo's view, it does not perform. It does no more than supply equipment that “emulate[s] the operation of a home antenna and [digital video recorder (DVR) ].” Like a home antenna and DVR, Aereo's equipment simply responds to its subscribers' directives. So it is only the subscribers who “perform” when they use Aereo's equipment to stream television programs to themselves.

Considered alone, the language of the Act does not clearly indicate when an entity “perform[s]” (or “transmit[s]”) and when it merely supplies equipment that allows others to do so. But when read in light of its purpose, the Act is unmistakable: An entity that engages in activities like Aereo's performs.

## A

History makes plain that one of Congress' primary purposes in amending the Copyright Act in 1976 was to overturn this Court's determination that community antenna television (CATV) systems (the precursors of modern cable systems) fell outside the Act's scope. In *Fortnightly Corp. v. United Artists Television, Inc.*, 392 U.S. 390, 88 S.Ct. 2084, 20 L.Ed.2d 1176 (1968), the Court considered a CATV system that carried local television broadcasting, much of which was copyrighted, to its subscribers in two cities. The CATV provider placed antennas on hills above the cities and used coaxial cables to carry the signals received by the antennas to the home television sets of its subscribers. The system amplified and modulated the signals in order to improve their strength and efficiently transmit them to subscribers. A subscriber “could choose any of the ... programs he wished to view by simply turning the knob on his own television set.” *Id.*, at 392. The CATV provider “neither edited the programs received nor originated any programs of its own.” *Id.*

Asked to decide whether the CATV provider infringed copyright holders' exclusive right to perform their works publicly, the Court held that the provider did not “perform” at all. The Court drew a line: “Broadcasters perform. Viewers do not perform.” 392 U.S., at 398 (footnote omitted). And a CATV provider “falls on the viewer's side of the line.” *Id.*, at 399.

The Court reasoned that CATV providers were unlike broadcasters: “Broadcasters select the programs to be viewed; CATV systems simply carry, without editing, whatever programs they receive. Broadcasters procure programs and propagate them to the public; CATV systems receive programs that have been released to the public and carry them by private channels to additional viewers.” *Id.*, at 400. Instead, CATV providers were more like viewers, for “the basic function [their] equipment serves is little different from that served by the equipment generally furnished by” viewers. *Id.*, at 399.

In *Teleprompter Corp. v. Columbia Broadcasting System, Inc.*, 415 U.S. 394, 94 S.Ct. 1129, 39 L.Ed.2d 415 (1974), the Court considered the copyright liability of a CATV provider that carried broadcast television programming into subscribers' homes from hundreds of miles away. Although the Court recognized that a viewer might not be able to afford amplifying equipment that would provide access to those distant signals, it nonetheless found that the CATV provider was more like a viewer than a broadcaster. *Id.*, at 408–409. It explained: “The reception and rechanneling of [broadcast television signals] for simultaneous viewing is essentially a viewer function, irrespective of the distance between the broadcasting station and the ultimate viewer.” *Id.*, at 408.

## B

1

In 1976 Congress amended the Copyright Act in large part to reject the Court's holdings in *Fortnightly* and *Teleprompter*. Congress enacted new language that erased the Court's line between broadcaster and viewer, in respect to “perform[ing]” a work. The amended statute clarifies that to “perform” an audiovisual work means “to show its images in any sequence or to make the sounds accompanying it audible.” § 101. Under this new language, *both* the

broadcaster *and* the viewer of a television program “perform,” because they both show the program's images and make audible the program's sounds.

Congress also enacted the Transmit Clause, which specifies that an entity performs publicly when it “transmit[s] ... a performance ... to the public.” § 101. Cable system activities, like those of the CATV systems in *Fortnightly* and *Teleprompter*, lie at the heart of the activities that Congress intended this language to cover. The Clause thus makes clear that an entity that acts like a CATV system itself performs, even if when doing so, it simply enhances viewers' ability to receive broadcast television signals.

Congress further created a new section of the Act to regulate cable companies' public performances of copyrighted works. See § 111. Section 111 creates a complex, highly detailed compulsory licensing scheme that sets out the conditions, including the payment of compulsory fees, under which cable systems may retransmit broadcasts.

Congress made these three changes to achieve a similar end: to bring the activities of cable systems within the scope of the Copyright Act.

## C

### 2

This history makes clear that Aereo is not simply an equipment provider. Rather, Aereo, and not just its subscribers, “perform[s]” (or “transmit[s]”). Aereo's activities are substantially similar to those of the CATV companies that Congress amended the Act to reach. Aereo sells a service that allows subscribers to watch television programs, many of which are copyrighted, almost as they are being broadcast. In providing this service, Aereo uses its own equipment, housed in a centralized warehouse, outside of its users' homes. By means of its technology (antennas, transcoders, and servers), Aereo's system “receive[s] programs that have been released to the public and carr[ies] them by private channels to additional viewers.” *Fortnightly*, 392 U.S., at 400. It “carr[ies] ... whatever programs [it] receive[s],” and it offers “all the programming” of each over-the-air station it carries. *Id.*, at 392, 400.

Aereo's equipment may serve a “viewer function”; it may enhance the viewer's ability to receive a broadcaster's programs. It may even emulate equipment a viewer could use at home. But the same was true of the equipment that was before the Court, and ultimately before Congress, in *Fortnightly* and *Teleprompter*.

We recognize, and Aereo and the dissent emphasize, one particular difference between Aereo's system and the cable systems at issue in *Fortnightly* and *Teleprompter*. The systems in those cases transmitted constantly; they sent continuous programming to each subscriber's television set. In contrast, Aereo's system remains inert until a subscriber indicates that she wants to watch a program. Only at that moment, in automatic response to the subscriber's request, does Aereo's system activate an antenna and begin to transmit the requested program.

This is a critical difference, says the dissent. It means that Aereo's subscribers, not Aereo, “selec[t] the copyrighted content” that is “perform[ed],” and for that reason they, not Aereo, “transmit” the performance. Aereo is thus like “a copy shop that provides its patrons with a library card.” A copy shop is not directly liable whenever a patron uses the shop's machines to “reproduce” copyrighted materials found in that library. And by the same token, Aereo should not be directly liable whenever its patrons use its equipment to “transmit” copyrighted television programs to their screens.

In our view, however, the dissent's copy shop argument, in whatever form, makes too much out of too little. Given Aereo's overwhelming likeness to the cable companies targeted by the 1976 amendments, this sole technological difference between Aereo and traditional cable companies does not make a critical difference here. The subscribers of the *Fortnightly* and *Teleprompter* cable systems also selected what programs to display on their receiving sets. Indeed, as we explained in *Fortnightly*, such a subscriber “could choose any of the ... programs he wished to view by simply turning the knob on his own television set.” 392 U.S., at 392. The same is true of an Aereo subscriber. Of course, in *Fortnightly* the television signals, in a sense, lurked behind the screen, ready to emerge when the subscriber turned the knob. Here the signals pursue their ordinary course of travel through the universe until today's “turn of the knob”—a click on a website—activates machinery that intercepts and reroutes them to Aereo's subscribers over the Internet. But this difference means nothing to the subscriber. It means nothing to the broadcaster. We do not see how this single difference, invisible to subscriber and broadcaster alike, could transform a system that is for all practical purposes a traditional cable system into “a copy shop that provides its patrons with a library card.”

In other cases involving different kinds of service or technology providers, a user's involvement in the operation of the provider's equipment and selection of the content transmitted may well bear on whether the provider performs within the meaning of the Act. But the many similarities between Aereo and cable companies, considered in light of Congress' basic purposes in amending the Copyright Act, convince us that this difference is not critical here. We conclude that Aereo is not just an equipment supplier and that Aereo “perform[s].”

### III

Next, we must consider whether Aereo performs petitioners' works “publicly,” within the meaning of the Transmit Clause. Under the Clause, an entity performs a work publicly when it “transmit[s] ... a performance ... of the work ... to the public.” Aereo denies that it satisfies this definition. It reasons as follows: First, the “performance” it “transmit[s]” is the performance created by its act of transmitting. And second, because each of these performances is capable of being received by one and only one subscriber, Aereo transmits privately, not publicly. Even assuming Aereo's first argument is correct, its second does not follow.

We begin with Aereo's first argument. What performance does Aereo transmit? Under the Act, “[t]o ‘transmit’ a performance ... is to communicate it by any device or process whereby

images or sounds are received beyond the place from which they are sent.” And “[t]o ‘perform’ “an audiovisual work means “to show its images in any sequence or to make the sounds accompanying it audible.”

Petitioners say Aereo transmits a *prior* performance of their works. Thus when Aereo retransmits a network's prior broadcast, the underlying broadcast (itself a performance) is the performance that Aereo transmits. Aereo, as discussed above, says the performance it transmits is the *new* performance created by its act of transmitting. That performance comes into existence when Aereo streams the sounds and images of a broadcast program to a subscriber's screen.

We assume *arguendo* that Aereo's first argument is correct. Thus, for present purposes, to transmit a performance of (at least) an audiovisual work means to communicate contemporaneously visible images and contemporaneously audible sounds of the work. When an Aereo subscriber selects a program to watch, Aereo streams the program over the Internet to that subscriber. Aereo thereby “communicate[s]” to the subscriber, by means of a “device or process,” the work's images and sounds. And those images and sounds are contemporaneously visible and audible on the subscriber's computer (or other Internet-connected device). So under our assumed definition, Aereo transmits a performance whenever its subscribers watch a program.

But what about the Clause's further requirement that Aereo transmit a performance “to the public”? As we have said, an Aereo subscriber receives broadcast television signals with an antenna dedicated to him alone. Aereo's system makes from those signals a personal copy of the selected program. It streams the content of the copy to the same subscriber and to no one else. One and only one subscriber has the ability to see and hear each Aereo transmission. The fact that each transmission is to only one subscriber, in Aereo's view, means that it does not transmit a performance “to the public.”

In terms of the Act's purposes, these differences do not distinguish Aereo's system from cable systems, which do perform “publicly.” Viewed in terms of Congress' regulatory objectives, why should any of these technological differences matter? They concern the behind-the-scenes way in which Aereo delivers television programming to its viewers' screens. They do not render Aereo's commercial objective any different from that of cable companies. Nor do they significantly alter the viewing experience of Aereo's subscribers. Why would a subscriber who wishes to watch a television show care much whether images and sounds are delivered to his screen via a large multisubscriber antenna or one small dedicated antenna, whether they arrive instantaneously or after a few seconds' delay, or whether they are transmitted directly or after a personal copy is made? And why, if Aereo is right, could not modern CATV systems simply continue the same commercial and consumer-oriented activities, free of copyright restrictions, provided they substitute such new technologies for old? Congress would as much have intended to protect a copyright holder from the unlicensed activities of Aereo as from those of cable companies.

The text of the Clause effectuates Congress' intent. Aereo's argument to the contrary relies on the premise that “to transmit ... a performance” means to make a single transmission. But the Clause suggests that an entity may transmit a performance through multiple, discrete transmissions. That is because one can “transmit” or “communicate” something through a *set* of

actions. Thus one can transmit a message to one's friends, irrespective of whether one sends separate identical e-mails to each friend or a single e-mail to all at once. So can an elected official communicate an idea, slogan, or speech to her constituents, regardless of whether she communicates that idea, slogan, or speech during individual phone calls to each constituent or in a public square.

The fact that a singular noun (“a performance”) follows the words “to transmit” does not suggest the contrary. One can sing a song to his family, whether he sings the same song one-on-one or in front of all together. Similarly, one's colleagues may watch a performance of a particular play—say, this season's modern-dress version of “Measure for Measure”—whether they do so at separate or at the same showings. By the same principle, an entity may transmit a performance through one or several transmissions, where the performance is of the same work.

5

The Transmit Clause must permit this interpretation, for it provides that one may transmit a performance to the public “whether the members of the public capable of receiving the performance ... receive it ... at the same time or at different times.” Were the words “to transmit ... a performance” limited to a single act of communication, members of the public could not receive the performance communicated “at different times.” Therefore, in light of the purpose and text of the Clause, we conclude that when an entity communicates the same contemporaneously perceptible images and sounds to multiple people, it transmits a performance to them regardless of the number of discrete communications it makes.

We do not see how the fact that Aereo transmits via personal copies of programs could make a difference. The Act applies to transmissions “by means of any device or process.” And retransmitting a television program using user-specific copies is a “process” of transmitting a performance. A “cop[y]” of a work is simply a “material objec[t] ... in which a work is fixed ... and from which the work can be perceived, reproduced, or otherwise communicated.” So whether Aereo transmits from the same or separate copies, it performs the same work; it shows the same images and makes audible the same sounds. Therefore, when Aereo streams the same television program to multiple subscribers, it “transmit[s] ... a performance” to all of them.

Moreover, the subscribers to whom Aereo transmits television programs constitute “the public.” Aereo communicates the same contemporaneously perceptible images and sounds to a large number of people who are unrelated and unknown to each other. This matters because, although the Act does not define “the public,” it specifies that an entity performs publicly when it performs at “any place where a substantial number of persons outside of a normal circle of a family and its social acquaintances is gathered.” The Act thereby suggests that “the public” consists of a large group of people outside of a family and friends.

6

Neither the record nor Aereo suggests that Aereo's subscribers receive performances in their capacities as owners or possessors of the underlying works. This is relevant because when an entity performs to a set of people, whether they constitute “the public” often depends upon their relationship to the underlying work. When, for example, a valet parking attendant returns

cars to their drivers, we would not say that the parking service provides cars “to the public.” We would say that it provides the cars to their owners. We would say that a car dealership, on the other hand, does provide cars to the public, for it sells cars to individuals who lack a pre-existing relationship to the cars. Similarly, an entity that transmits a performance to individuals in their capacities as owners or possessors does not perform to “the public,” whereas an entity like Aereo that transmits to large numbers of paying subscribers who lack any prior relationship to the works does so perform.

7

Finally, we note that Aereo's subscribers may receive the same programs at different times and locations. This fact does not help Aereo, however, for the Transmit Clause expressly provides that an entity may perform publicly “whether the members of the public capable of receiving the performance ... receive it in the same place or in separate places and at the same time or at different times.”*Ibid.* In other words, “the public” need not be situated together, spatially or temporally. For these reasons, we conclude that Aereo transmits a performance of petitioners' copyrighted works to the public, within the meaning of the Transmit Clause...

\* \* \*

In sum, having considered the details of Aereo's practices, we find them highly similar to those of the CATV systems in *Fortnightly* and *Teleprompter*. And those are activities that the 1976 amendments sought to bring within the scope of the Copyright Act. Insofar as there are differences, those differences concern not the nature of the service that Aereo provides so much as the technological manner in which it provides the service. We conclude that those differences are not adequate to place Aereo's activities outside the scope of the Act.

For these reasons, we conclude that Aereo “perform[s]” petitioners' copyrighted works “publicly,” as those terms are defined by the Transmit Clause. We therefore reverse the contrary judgment of the Court of Appeals, and we remand the case for further proceedings consistent with this opinion.

*It is so ordered.*

JUSTICE SCALIA, with whom JUSTICE THOMAS and JUSTICE ALITO join, dissenting.

...

There are two types of liability for copyright infringement: direct and secondary. As its name suggests, the former applies when an actor personally engages in infringing conduct. See *Sony Corp. of America v. Universal City Studios, Inc.*, 464 U.S. 417, 433, 104 S.Ct. 774, 78 L.Ed.2d 574 (1984). Secondary liability, by contrast, is a means of holding defendants responsible for infringement by third parties, even when the defendants “have not themselves engaged in the infringing activity.” *Id.*, at 435. It applies when a defendant “intentionally induc[es] or encourag[es]” infringing acts by others or profits from such acts “while declining to exercise a right to stop or limit [them].” *Metro-Goldwyn-Mayer Studios Inc. v. Grokster, Ltd.*, 545 U.S. 913, 930, 125 S.Ct. 2764, 162 L.Ed.2d 781 (2005).

The Networks claim that Aereo *directly* infringes their public-performance right. Accordingly, the Networks must prove that Aereo “perform[s]” copyrighted works, § 106(4), when its subscribers log in, select a channel, and push the “watch” button. That process undoubtedly results in a performance; the question is *who* does the performing. If Aereo's subscribers perform but Aereo does not, the claim necessarily fails.... The Networks' claim is governed by a simple but profoundly important rule: A defendant may be held directly liable only if it has engaged in volitional conduct that violates the Act....

In sum, Aereo does not “perform” for the sole and simple reason that it does not make the choice of content. And because Aereo does not perform, it cannot be held directly liable for infringing the Networks' public-performance right. That conclusion does not necessarily mean that Aereo's service complies with the Copyright Act. Quite the contrary. The Networks' complaint alleges that Aereo is directly *and* secondarily liable for infringing their public-performance rights (§ 106(4)) *and also* their reproduction rights (§ 106(1)). Their request for a preliminary injunction—the only issue before this Court—is based exclusively on the direct-liability portion of the public-performance claim (and further limited to Aereo's “watch” function, as opposed to its “record” function). Affirming the judgment below would merely return this case to the lower courts for consideration of the Networks' remaining claims.

\*\*\*

I share the Court's evident feeling that what Aereo is doing (or enabling to be done) to the Networks' copyrighted programming ought not to be allowed. But perhaps we need not distort the Copyright Act to forbid it. As discussed at the outset, Aereo's secondary liability for performance infringement is yet to be determined, as is its primary and secondary liability for reproduction infringement. If that does not suffice, then (assuming one shares the majority's estimation of right and wrong) what we have before us must be considered a “loophole” in the law. It is not the role of this Court to identify and plug loopholes. It is the role of good lawyers to identify and exploit them, and the role of Congress to eliminate them if it wishes. Congress can do that, I may add, in a much more targeted, better informed, and less disruptive fashion than the crude “looks-like-cable-TV” solution the Court invents today.

### Notes and Questions

1. In light of the majority's lengthy discussion of the technology Aereo used to provide content to its subscribers, would a different type of service be shielded from the holding in *Aereo*? What would that service be? Does the ruling threaten other technologies that Congress would have considered benign?
2. The dissent contends that the majority overlooks any distinction between direct and secondary liability for infringement. True?
3. Justice Scalia asserts in dissent that Congress would do a better job at achieving an equitable result. Do you agree? What would such legislation look like?
4. After *Aereo*, is the above ruling in *Cartoon Network v. CSC* still good law?

## Chapter 7

### INFRINGEMENT ACTIONS

#### § 7.03 THE DEFENSE OF FAIR USE

*Page 617: [Add as a new NOTE just before Collateral References:]*

In *Cariou v. Prince*, 714 F.3d 694 (2nd Cir. 2013), the Second Circuit struggled with a number of issues as to fair use. There the plaintiff Patrick Cariou published *Yes Rasta*, a book of classical portraits and landscape photographs taken over the course of six years Cariou spent living among Rastafarians in Jamaica. The defendant, Richard Prince, used those photographs in his *Canal Zone* art series. In forming the *Canal Zone* pieces, Prince altered the photographs in several ways, such as painting “lozenges” over the subject’s facial features, adding or subtracting aspects from the original photographs, and using only portions of some of the images. Prince argued that his appropriation of Cariou’s photographs should be allowed under the fair-use exception of federal copyright protections.

The trial judge had required a showing of “transformative” use of the original work, and “imposed [the] requirement that the new work in some way comment on, relate to the historical context or, or critically refer back to the original works” to qualify for the fair use exception. The judge then concluded that “Prince did not intend to comment on Cariou, on Cariou’s Photos, or on aspects of popular culture closely associated with Cariou or the Photos when he appropriated the Photos,” and rejected Prince’s fair use defense.

The appeals court majority reversed, holding that “[t]he law imposes no requirement that a work comment on the original or its author in order to be considered transformative, and a secondary work may constitute a fair use even if it serves some purpose other than those (criticism, comment, news reporting, teaching, scholarship, and research) identified in the preamble to the statute.” The court explained further that “to qualify as a fair use, a new work generally must alter the original with ‘new expression, meaning, or message.’” (quoting *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 579 (1994)). Although the trial court had ruled in Cariou’s favor as a matter of law as to all thirty works at issue, the appellate court ruled in Prince’s favor as a matter of law as to twenty-five of them (remanding the remainder for reconsideration).

Which court more faithfully applies the intent and the language of the Copyright Act here?

*Page 617: [Add to Collateral References:]*

Fagundes, *Efficient Copyright Infringement*, 98 IOWA L. REV. 1791 (2013).

Sag, *Predicting Fair Use*, 73 OHIO ST. L.J. 47 (2012).

Tushnet, *Worth a Thousand Words: The Images of Copyright*, 125 HARV. L. REV. 683 (2012).

## Chapter 8

### COPYRIGHT REMEDIES

#### § 8.03 ATTORNEY'S FEES

*Page 642: [Add to Note 1:]*

While the appeals court in *Balsey v. LFP, Inc.*, 691 F.3d 747, 773 (6th Cir. 2012), acknowledged that the decision to grant attorney's fees to the prevailing party remains within the discretion of the trial judge, it noted that "The grant of fees and costs 'is the rule rather than the exception and they should be awarded routinely.'" In a case involving multiple claims [both state and federal], the trial court there had awarded more than \$112,000 in fees to the plaintiff, finding that this amount was 40% of the total fees, that "portion of services...attributable to litigating the direct copyright claim".

*Page 682: [Add to Collateral References:]*

Donnini, *Downloading, Distributing, and Damages in the Digital Domain: The Need for Copyright Remedy Reform*, 29 SANTA CLARA COMPUTER & HIGH TECH. L.J. 413 (2013).

McGrath, *Should There be a Presumption Favoring Awards of Attorney's Fees in Copyright Litigation?*, 12 J. MARSHALL REV. INTELL. PROP. L. 630 (2013).

## Chapter 9

### FEDERAL PREEMPTION OF STATE LAWS

#### § 9.02 PREEMPTION UNDER THE CURRENT COPYRIGHT ACT

*Page 676: [Add to Note 1:]*

The courts continue to be faced with many cases in which the key issue is whether the state cause of action protects “rights that are ‘equivalent’ to any of the exclusive rights of a federal copyright.” *Globeranger Corp. v. Software AG*, 691 F. 3d 702, 706 (5<sup>th</sup> Cir. 2012). As is often the situation, the “extra element” requirement is difficult to discern, as in *Tire Engineering v. Shandong Linglong Rubber Co.*, 682 F. 3d 292 (4<sup>th</sup> Cir. 2012) [state-law conversion claim]. The court in *Forest Park Pictures v. Universal Television*, 683 F. 424, 431 (2<sup>nd</sup> Cir. 2012) sought to explain the several “qualitative differences” between a contract claim and a copyright violation claim:

First, the Copyright Act does not provide an express right for the copyright owner to receive payment for the use of a work. It simply gives the copyright owner the right to prevent distribution, copying, or the creation of derivative works (though, of course, the copyright owner may cede or all part of these rights for payment). Second, a plaintiff suing for failure to pay under a contract must prove extra elements beyond use or copying, including mutual assent and valid consideration. Third, a breach of contract claim asserts rights only against the contractual counterparty, not the public at large. “A copyright is a right against the world. Contracts, by contrast, generally affect only their parties; strangers may do as they please, so contracts do not create ‘exclusive rights.’ ”

*Page 682: [Add to Collateral References:]*

Lindsay, *Complete Preemption and Copyright: Toward a Successive Analysis*, 20 J. INTELL. PROP. L. 43 (2012).

Vaughan, *The Paradox That Wasn't: Federal Preemption of State-Law Voice Misappropriation Claims*, 11 J. MARSHALL REV. INTELL. PROP. L. 694 (2012).

## Chapter 11

### UNFAIR COMPETITION

#### § 11.03 CHARACTERS

Page 783 [Add Note 5:]

5. Would the “Batmobile” qualify as a protectable “character” under unfair competition theory? Under copyright law? For affirmative responses to both questions, see *D.C. Comics v. Towle*, 2013 U.S. Dist. LEXIS 17674 (C.D. Cal. 2013).

#### § 11.04 FIRST AMENDMENT DEFENSE

Page 794: [Add to Note 1:]

In *Brown v. Electronic Arts, Inc.*, 724 F.3d 1235 (9th Cir. 2013), Electronic Arts (EA) created a *Madden NFL* video game which enabled users to control avatars representing professional football players in simulated NFL games. Each avatar on a current team was designed to mirror a real current NFL player, which included using the player’s name, jersey number, physical attributes, and physical skills. For versions of the game that included historical and all-time teams, player names were not used but their team affiliations, playing positions, ages, weights, heights, ability levels, and other attributes were. EA had a licensing agreement with the NFL and the NFL Players Association to use the names and likeness of current NFL players. However, former NFL players were not covered under the agreements. As a result, Jim Brown, former NFL superstar for the Cleveland Browns, asserted that EA used his likeness in several versions of the *Madden NFL* game without compensating him. Brown brought suit claiming that by using his likeness in the game, EA violated § 43(a) of the Lanham Act.

The court applied the *Rogers* test asserting that video games, such as those like the *Madden* games, are expressive works deserving of First Amendment protection. The court held that Brown failed to demonstrate that the game’s use of Brown’s likeness was explicitly misleading to consumers, noting that it was Brown’s burden to prove that EA misled consumers as to Brown’s *endorsement* of the game, not that EA used Brown’s likeness in the game:

As expressive works, the *Madden NFL* video games are entitled to the same First Amendment protection as great literature, plays, or books. Brown's Lanham Act claim is thus subject to the *Rogers* test, and we agree with the district court that Brown has failed to allege sufficient facts to make out a plausible claim that survives that test. Brown's likeness is artistically relevant to the games and there are no alleged facts to support the claim that EA explicitly misled consumers as to Brown's involvement with the games. The *Rogers* test tells us that, in this case, the public interest in free expression outweighs the public interest in avoiding consumer confusion.

724 F.3d at 1248.

Page 796: [Add Note 4:]

4. Should *Rogers v. Grimaldi* apply to cases involving reverse confusion? See *Fortres Grand Corp. v. Warner Brothers Entertainment, Inc.*, 947 F. Supp. 2d 922 (N.D. Ind. 2013). The plaintiff, Fortres Grand Corp., manufactures and sells a real software program called “Clean Slate.” One of the plot lines in the film, *The Dark Knight Rises*, involves the character Selina Kyle (aka Catwoman) and her attempt to procure a software program that will erase her criminal history from every computer database in the world. The software program she is trying to procure was designed by the fictional company Rykin Data and is referred to four times in the film as “Clean Slate.” *Id.* at 925. The court concluded this was protected by the First Amendment:

... Indeed, if *Rogers* didn’t apply to cases of reverse confusion, the chilling effects on speech could be enormous. Warner Bros. makes this point deftly in its reply brief:

Plaintiff’s proposed rule would mean that a small, relatively unknown trademark owner, claiming rights in a mark that few people have ever heard of, would enjoy monopoly power over the use of certain words in expressive works—power that the First Amendment plainly denies to the owners of famous, household-word trademarks. If the First Amendment prevents the owners of strong and famous marks . . . from controlling the expressive speech of others, there is no rational basis for holding that the First Amendment freely permits the owners of more obscure marks to dictate the expressive speech of others. Such a rule, indeed, would be disastrous in practice. Under such a legal regime, it would be hard to imagine how Warner Bros. possibly could describe the fictional software that Catwoman desires in *The Dark Knight Rises* without exposing itself to “gotcha!” trademark lawsuits from plaintiffs asserting reverse confusion theories. [DE 29 at 17.]

*Id.* at 933.

## Chapter 12

### THE PROTECTION OF IDEAS BY EXPRESS OR IMPLIED CONTRACT

*Page 821: [Add Note 10:]*

10. For a study that invites you to review the film, *Ace in the Hole*, alongside the lawsuit of *Desney v. Wilder*, see Hoyt, *Writer in the Hole: Desney v. Wilder, Copyright Law, and the Battle Over Ideas*, 50 *Cinema J.* 21 (2011). The author argues that by looking at the entire film, one can discern that Billy Wilder did not sufficiently use Victor Desney's idea to suggest that he breached their implied contract. "By declining to view *Ace in the Hole* and relying instead on the screenplay and boiled down series of plot points, the California Supreme Court missed the key differences in tone, inflection, and meaning expressed on the screen." *Id.* at 33. Should courts use film and media scholars as experts to determine whether the defendant has used the plaintiff's idea?

*Page 821: [Add to Collateral References:]*

Girolamo, *Twenty Five Words or Less: How Hollywood's Pitch Process has Changed the Law of Idea Protection*, 22 *S. Cal. Interdisc. L.J.* 463 (2013).

*Page 849: [Add to note 4:]*

For further information regarding damages in idea submission cases, see Fink & Diaz, *Hey That Was My Idea! Understanding Damages in Idea Submission*, 29 *Comm. Law.* 4 (June, 2012).

## Chapter 13

### DEFAMATION

Page 890: [Add after first full paragraph:]

Despite efforts to change London’s reputation as the “libel capital of the world,” the chilling effect of British libel law remains evident as Cambridge University Press refuses to publish books it fears could prompt libel lawsuits in British courts. See DeSantis, *Citing Libel Fears, Cambridge U. Press Won’t Proceed with Book on Putin*, THE CHRONICLE OF HIGHER EDUCATION, Apr. 7, 2014, available at <http://chronicle.com/blogs/ticker/citing-libel-fears-cambridge-u-press-wont-proceed-on-scholars-putin-book/75417>.

Page 896: [Add to Note 1:]

*Cf. Bates v. Cast*, 316 P.3d 246 (Ok. Civ. App. 2014) (finding that no reasonable reader would conclude that the fictional character in a book, “and its cast of wholly fictitious vampyres,” depicts the plaintiff despite the fictional character having the same name as the plaintiff and defendant’s public identification of the plaintiff as “the real Erin Bates”).

Page 897: [Add to Collateral Reference:]

Brenner, Weiman & Defrancis, *Lawsuits Claiming Libel in Fiction are Decided on the Basis of Whether the Work is “Of and Concerning” the Plaintiff*, 35 L.A. LAW 40 (May 2012).

Page 907: [Add to the last paragraph in Note 4:]

*Cf. Young v. Gannett Satellite Information Network, Inc.*, 734 F.3d 544, 548 (6th Cir. 2013) (“A newspaper cannot publish an accusation that it knows has no evidence behind it as a fact to fit its desired storyline and then cloak itself in the First Amendment.”).

Page 911: [Add Note 7:]

7. “Is there a First Amendment right to lie?” That provocative question is asked by Professor Norton in her article, *Lies and the Constitution*, 2012 S. CT. REV. 161, following the Supreme Court’s decision in *United States v. Alvarez*, 132 S. Ct. 2537 (2012). Alvarez violated a federal criminal statute when he lied to attendees of a meeting of the Three Valley Water District Board. Alvarez introduced himself as “a retired Marine of twenty-five years” and further announced “. . . In 1987, I was awarded the Congressional Medal of Honor. I got wounded many times by the same guy.” When it was determined that those statements were false, Alvarez was indicted under the Stolen Valor Act of 2005. The Supreme Court held the Act constituted a content-based restriction on free speech in violation of the First Amendment.

The answer to Professor Norton’s question appears to be: It’s complicated. Her article presents a review of the issues raised by *Alvarez*, and offers a solution based on balancing the competing interests at stake. For an analysis of the appropriate way to balance the competing

concerns raised by *New York Times v. Sullivan*, see the Note beginning on page 911 of the casebook, and the cases and materials that follow.

*Page 911: [Add to Collateral References:]*

Marcus, *The Evolution [or is it Revolution] of Defamation Standards in the United States: The Impact of New York Times v. Sullivan* (unpublished manuscript) (2014) (on file with the authors).

*Page 962: [Add at the end of Note 2:]*

*See also Bierman v. Weier*, 826 N.W.2d 436, 448 (Iowa 2013):

As a result, in private plaintiff/private interest cases, media status is highly determinative in Iowa. A media defendant benefits from the bar on presumed damages and the subsequent requirement to prove fault and falsity, whereas a non-media defendant is subject to presumptions of damages, falsity, and malice if a traditional case of defamation per se has been established.

The Iowa court went on to justify its decision in the modern world of mass communications:

In recent years, however, the internet and social media have evened the playing field somewhat, by giving individuals with access to a computer a ready platform for spreading falsehoods or engaging in cyberbullying. Yet unlike the media, these individuals may have fewer incentives to self-police the truth of what they are saying. For example, they may speak anonymously or pseudonymously. Also, because they are not in the communications business, they may care less about their reputation for veracity. In short, as compared to a generation ago, non-media defendants may have a greater capacity for harm without corresponding reasons to be accurate in what they are saying. This is a justification for retaining our media/non-media distinction.

*Id.* at 457. Is this case consistent with the federal decisions on the matter? Do you agree with the decision from a public policy perspective?

*Page 949: [Add Collateral Reference:]*

Strasser, *A Family Affair? Domestic Relations and Involuntary Public Figure Status*, 17 LEWIS & CLARK L. REV. 69 (2013).

*Page 964: [Add Collateral Reference after Note 5:]*

Levine & Wermeil, *The Landmark that Wasn't: A First Amendment Play in Five Acts*, 88 WASH. L. REV. 1 (2013).

*Page 1007: [Add Collateral References:]*

Levinson, *Targeted Hate Speech and the First Amendment: How the Supreme Court Should Have Decided Snyder*, 46 SUFFOLK U.L. REV. 45 (2013).

Strasser, *What's It to You: The First Amendment and Matters of Public Concern*, 77 MO. L. REV. 1083 (2012).

*Page 1053: [Add to the end of Note 5:]*

For the argument that the innocent construction rule should be applied to the “of and concerning” element in all cases of libel by fiction, see Richards, *When “Ripped from the Headlines” Means “See You in Court”: Libel by Fiction and the Tort-Law Twist on a Controversial Defamation Concept*, 13 TEX. REV. ENT. & SPORTS L. 117 (2012).

## Chapter 14

### RIGHT OF PRIVACY—PUBLIC DISCLOSURE OF PRIVATE FACTS

#### § 14.01. The Nature of the Injury

*Page 1061: [Add to Note 3:]*

In a significant Ninth Circuit decision, Judge Kozinski recognized the privacy rights of survivors when a former prosecutor had given an autopsy photo of a two-year-old child to the news media and a television station. The mother sued the prosecutor and the County of San Diego under 42 U.S.C. § 1983, alleging that the copying and dissemination of her son’s autopsy photographs violated her Fourteenth Amendment due process rights. Judge Kozinski noted that no court has yet held the right of privacy encompasses the power to control images of a dead family member, but the Supreme Court came close in a case involving the Freedom of Information Act (FOIA). In *National Archives and Records Administration v. Favish*, 541 U.S. 157 (2004), the Court held that death scene photographs fell under the exemption to FOIA’s general requirement of public access to government information, which carved out “law enforcement records or information . . . [that] could reasonably be expected to constitute an unwarranted invasion of personal privacy.” 5 U.S.C. § 552(b)(7)(c). There the Court found that the family of Vincent Foster, former Deputy Counsel to then President Clinton, had a right to personal privacy, which included the right with respect to their close relative’s death scene images. Judge Kozinski held that the common law right to noninterference with a family’s remembrance of a decedent is so ingrained in our traditions that it is constitutionally protected:

A common law right rises to the level of a constitutional right if it is “deeply rooted in this Nation’s history and tradition, and implicit in the concept of ordered liberty.” *Washington v. Glucksberg*, 521 U.S. 702, 720–21, 117 S. Ct. 2258, 138 L. Ed. 2d 772 (1997) (internal citations and quotation marks omitted). The *Favish* Court considered our history and traditions, and found that “th[e] well-established cultural tradition acknowledging a family’s control over the body and death images of the deceased has long been recognized at common law.” *Favish*, 541 U.S. at 168, 124 S. Ct. 1570. For precisely the same reasons, we conclude that this right is also protected by substantive due process.

The long-standing tradition of respecting family members’ privacy in death images partakes of both types of privacy interests protected by the Fourteenth Amendment. First, the publication of death images interferes with “the individual interest in avoiding disclosure of personal matters. . . .” (citation omitted). Few things are more personal than the graphic details of a close family member’s tragic death. Images of the body usually reveal a great deal about the manner of death and the decedent’s suffering during his final moments—all matters of private grief not generally shared with the world at large.

Second, a parent’s right to control a deceased child’s remains and death images flows from the well-established substantive due process right to family integrity. See *Rosenbaum v. Washoe County*, 663 F.3d 1071, 1079 (9th Cir. 2011) (“The

substantive due process right to family integrity or to familial association is well established.”). The interest of parents “in the care, custody, and control of their children . . . is perhaps the oldest of the fundamental liberty interests. . . .” *Troxel v. Granville*, 530 U.S. 57, 65, 120 S. Ct. 2054, 147 L. Ed. 2d 49 (2000). A parent's right to choose how to care for a child in life reasonably extends to decisions dealing with death, such as whether to have an autopsy, how to dispose of the remains, whether to have a memorial service and whether to publish an obituary. Therefore, we find that the Constitution protects a parent's right to control the physical remains, memory and images of a deceased child against unwarranted public exploitation by the government.

*Marsh v. County of San Diego*, 680 F.3d 1148, 1154 (9th Cir. 2012). The claims against the former prosecutor were dismissed, however, because he was not “acting under color of state law” when he sent the autopsy photograph over to the press. The claims against the County of San Diego were also dismissed because the isolated instance of photocopying was insufficient evidence of a “policy statement, ordinance, regulation or decision officially adopted and promulgated” by the County. *Id.* at 1159.

#### **§ 14.03. First Amendment Defense**

*Page 1183 [Add Note 4:]*

4. Some recent copyright cases have provided a way for plaintiffs to protect privacy interests. *See, e.g.*, *Garcia v. Google, Inc.*, 743 F.3d 1258 (9th Cir. 2014) (actress playing minor role in a movie that was supposed to be “an adventure film set in ancient Arabia,” but which turned out to be an anti-Islamic film, held entitled to injunctive relief for copyright infringement); *Balsley v. LFP, Inc.*, 691 F.3d 747 (6th Cir. 2012) (television news anchor danced in a wet t-shirt contest; when she discovered photos had been taken, she bought the rights to photographs taken of her; she later successfully sued *Hustler Magazine* for copyright infringement when the defendant published the photos). Is copyright law a good vehicle for such claims? What about First Amendment considerations? *See* Samuelson, *Protecting Privacy through Copyright Law?*, in *VISIONS OF PRIVACY IN THE MODERN AGE* (Rotenberg ed., forthcoming 2014), available at <http://ssrn.com/abstract=2435288>..

## Chapter 15

### RIGHT OF PRIVACY–FALSE LIGHT

#### § 15.01, Nature of the Injury

*Page 1193: [Add to Note 3:]*

One commentator spoke strongly in favor of the continued viability of the tort:

The false light tort is nonetheless very much alive. It persists as the expression of the deeply rooted belief that there is something objectionable and potentially injurious about being publicized in a way that class with one's own self-image and that all should have a right to "choose those portions of the person which are to be made public" as a matter of "human dignity and independence." The false light tort was a necessary protection against the "distortion of self-image" caused by an inaccurate or undesirable depiction, which "impinged upon the person's individuality." "In a false light action, the defendant's falsehood brings about a mismatch or conflict between the plaintiff's actual identity and his identity in the minds of others, a conflict that itself can be offensive or disorienting." By depicting a person in a way that veered sharply from her own self-image, false light statements "impugn[ed] or confound[ed] the individual's identity in society" and imperiled her "sense of self."

Barbas, *The Laws of Image*, 46 NEW ENG. L. REV. 23, 80-81 (2012).

#### § 15.02 FIRST AMENDMENT DEFENSE

*Page 1214: [Add to Note 3:]*

The courts continue to make clear that a public figure making a false light claim must prove actual malice. See, *Pippen v. NBC*, 734 F. 3d 610 (7<sup>th</sup> Cir. 2013); *Parsi v. Daiouleslam*, 890 F. Supp. 2d 77 (D. D.C. 2012).

*Page 1244: [Add to Note 4:]*

In *Seaton v. TripAdvisor*, 728 F. 3d 592 (6<sup>th</sup> Cir. 2013) one of the reviewers on the defendant's travel advisory website placed the plaintiff's hotel on the "2011 Dirtiest Hotels" list. The plaintiff argued that he was personally defamed and his company put in a false light. The defamation count was dismissed with the court finding as a matter of law that placement on the list constituted "protected opinion because the list employs loose, hyperbolic language and its general tenor undermines any assertion by [plaintiff] that the list communicates anything more than the opinions of TripAdvisor's users." Defendant also prevailed on the false light claim, as the plaintiff was not "personally named on the list and because [the hotel] as a business, cannot make such a claim...."

## Chapter 16

### RIGHT OF PUBLICITY

#### § 16.01 THE NATURE OF THE INJURY

Page 1269: [Add to Note 2:]

In *Hebrew Univ. of Jerusalem v. General Motors, LLC*, 903 F.Supp.2d 932 (C.D. Cal. 2012), General Motors (“GM”) used an image of Albert Einstein in a November 2009 advertisement for its 2010 Terrain vehicle. The ad depicted Einstein’s face digitally superimposed onto a muscled physique, accompanied by the written message, “Ideas are sexy too.” The ad ran in only one issue of *People* magazine. Plaintiff, Hebrew University of Jerusalem (“HUI”), which claimed to own Einstein’s right of publicity as a beneficiary under Einstein’s will, brought suit against GM for use of Einstein’s image. The district court applied New Jersey law (because Einstein was domiciled there at the time of his death in 1955), and held that the duration of common law postmortem right of publicity was fifty years:

A maximum 50-year postmortem duration here would be a reasonable middle ground that is long enough for a deceased celebrity’s heirs to take advantage of and reap the benefit of the personal aspects of the right. *See Restatement (Third) of Unfair Competition* § 46 cmt. h (“As a general matter, however, the dignitary and proprietary interests that support the recognition of a right of publicity become substantially attenuated after death. Post mortem uses are also less likely to create a false suggestion of endorsement or sponsorship.”). The obviously humorous ad for the 2010 Terrain having been published 55 years or more after Einstein’s death, it is unlikely that any viewer of it could reasonably infer that Einstein or whoever succeeded to any right of publicity that Einstein may have had was endorsing the GMC Terrain.

\* \* \*

HUI argues that, if the Court must set a limit on the postmortem right of publicity, it should be coterminus with the current federal Copyright Act, which protects copyrights for 70 years after death. *See* 17 U.S.C. § 302. This Court disagrees. The purpose of the right and its underlying policies do not warrant a mechanical application of the Copyright Act’s term of life plus 70 years. Indeed, although McCarthy ultimately recognizes that using the federal Copyright Act as a model will “[m]ore often than not . . . provide the tie-breaking solution to the problem” of determining the postmortem duration of the right of publicity, *McCarthy*, [Rights of Publicity and Privacy,] § 9:16, it is clear that such an analogy is inconsistent with McCarthy’s own views about the purpose and policies underlying the right. In fact, he would prefer to limit the extent of the right to 10–20 years after death, despite noting that other commentators have proposed longer durations, including a life-plus-50-year term modeled after the former version of the federal Copyright Act. *Id.*

The current 70-year postmortem term was enacted by the 1998 Copyright Term Extension Act, which increased the length of copyright protection from its former duration of life plus 50 years. *See Eldred*, 537 U.S. at 193, 123 S.Ct. 769. HUI acquired Einstein’s right of publicity in 1982, *Hebrew Univ. of Jerusalem*, 878 F.Supp.2d at 1024–25, at which time the 1976 Copyright Act was in place—with a 50-year postmortem duration. *See Eldred v. Ashcroft*, 537 U.S. 186, 193, 123 S.Ct. 769, 154 L.Ed.2d 683 (2003). HUI’s reasonable expectation at that time, based on the same theory of analogy to copyright that it advocates today, necessarily would have been that any rights it acquired would not last more than 50 years after Einstein’s death. Similarly, when the *Presley* court suggested that the New Jersey Legislature consider the Copyright Act as a guide in setting a postmortem duration for the right of publicity, that statute had only a life-plus-50-year duration. *See Estate of Presley*, 513 F.Supp. at 1355 n.10. This was approximately one year before HUI acquired its interest.

There are certain similarities between the goals of copyright and those of the right of publicity. In a sense, both rights evolve from an act of creation, whether it is the creation of a “work” such as a writing or the creation of a cultivated persona. These acts of creation are the product of an individual’s choices and self-expression. Some courts, accordingly, have analogized between copyright and the right of publicity in the context of balancing the interests protected by those rights with the interests protected under the First Amendment. *See, e.g., Hart*, 808 F.Supp.2d at 776–77 (noting the “common underlying principles shared by the right of publicity and copyright doctrine”); *Estate of Presley*, 513 F.Supp. at 1359 n. 21 (describing Elvis’s likeness as an “original work”); *see also Comedy III Prods., Inc. v. Gary Saderup, Inc.*, 25 Cal.4th 387, 399, 106 Cal.Rptr.2d 126, 21 P.3d 797 (Cal.2001) (“The right of publicity, like copyright, protects a form of intellectual property that society deems to have some social utility. Often considerable money, time and energy are needed to develop one’s prominence in a particular field.... For some, the investment may eventually create considerable commercial value in one’s identity.”); *Zacchini*, 433 U.S. at 576, 97 S.Ct. 2849 (noting that a state’s interest in protecting the right of publicity “is closely analogous to the goals of patent and copyright law, focusing on the right of the individual to reap the reward of his endeavors and having little to do with protecting feelings or reputation”).

Despite the intersecting similarities between copyright and the right of publicity, however, that the right of publicity is an outgrowth of the right of privacy suggests that the term of copyright protection is far from a perfect precedent for determining the duration of the right of publicity. First, as HUI itself has argued, the right of publicity is an intensely personal right meant, to some extent, to protect against personal and dignitary harms, such as having one’s persona associated with a product or idea of which he disapproves. *See Restatement (Third) of Unfair Competition* § 46 cmt. c. Thus, “the focus of copyright is on recorded creative expressions while the focus of the right of publicity is on the identity and ‘persona’ of a human being.” *McCarthy*, § 5:45; *see also Restatement (Third) of Unfair Competition* § 46 cmt. i (“[T]he subject

matter of the right of publicity generally lies outside the scope of copyright. Moreover, the protection afforded by the right of publicity against the exploitation of a person's identity for purposes of trade is not ordinarily 'equivalent' to the rights against reproduction, distribution, performance, and display recognized under copyright.'").

Moreover, the protection of copyright is designed to encourage the future creation of works of art, whereas the interest sought to be protected by the right of publicity is usually the byproduct of a different and earlier endeavor. "The commercial value of a person's identity often results from success in endeavors such as entertainment or sports that offer their own substantial rewards. Any additional incentive attributable to the right of publicity may have only marginal significance." Restatement (Third) of Unfair Competition § 46 cmt. c. For this reason, it is questionable whether those interests should be protected for as long a period after the death of the person to whom they belong as are his copyrighted works.

\* \* \*

New Jersey courts' treatment of the First Amendment implications of the right of publicity is indicative of how that state's highest court might decide the issue of the right's duration. Many of those courts have applied a balancing test in their efforts to protect First Amendment values while determining the reach of the right of publicity. (citations omitted) Given that lower New Jersey courts apply a balancing test to the treatment of the First Amendment interests implicated by the right of publicity, it is likely that the New Jersey Supreme Court would perceive pitfalls in allowing an unlimited or lengthy term to the right of publicity, and that it would be likely to strike a similar balance if confronted with the question of the postmortem duration of that right.

In addition to First Amendment implications, there is another consideration. In the 57 years since Albert Einstein died, the means of communication have increased and so has the proclivity of people to use them frequently. Journalists, academics and politicians frequently issue pronouncements about the impact on society, both in the United States and around the globe, of the dizzying explosion in the tools of communication. New devices and platforms have been developed, including smart phones, personal computers, social networks, email, Twitter, blogs, etc. These technologies have caused a swift and dramatic, but still developing, impact on ordinary life. It has become a truism that their speed, their accessibility, and their popularity appear to have changed social norms regarding privacy and public expression. But it is not yet clear what this should mean for the protection of such rights as the right of privacy, the right of expression and the right of publicity. For example, on balance should the law increasingly protect people's right of expression, now that we enjoy so many fora in which to broadcast our views? Similarly, should the law value the right of privacy *less* than before, given that many social media devotees, especially young people, are said to have little compunction about

revealing intimate information about themselves? Conversely, should the law afford celebrities greater rights in controlling publicity about themselves, to protect against what appears to be a growing tendency of people to not just exalt but even to exploit the fame and celebrity of others?

The Court does not profess to have answers to these questions, but what is clear is that since the full impact of these rapid changes remains uncertain, it would be imprudent to issue any ruling that strengthens (or at least lengthens) one right—that of the right of publicity—to the potentially significant detriment of these other rights.

*Id.* at 937–38; 941–43. Do you agree with the court’s reasoning in this case? How would you answer the questions the court poses at the end of its opinion?

### **C. First Amendment Defense**

*Page 1339: [Add to Note 1:]*

What about social media sites? Do they represent a vehicle for dissemination of ideas? *See Duke, Katherine Heigl Files \$6 Million Suit against Drugstore Chain over Tweet*, CNN (Apr. 10, 2014), <http://www.cnn.com/2014/04/10/showbiz/katherine-heigl-duane-reade-lawsuit/index.html>.

*Page 1412: [Add to Note 2:]*

Recently the Ninth Circuit affirmed the *Keller* decision in *In re NCAA Student-Athlete Name & Likeness Licensing Litigation*, 724 F.3d 1268, 1284 (9th Cir. 2013) (holding that the video game developer's use of the likenesses of college athletes in its video games was not protected by the First Amendment and, therefore, a former college football player's right-of-publicity claims against the video game developer were not barred by California's anti-SLAPP statute). *See generally First Amendment—Right of Publicity—Ninth Circuit Rejects First Amendment Defense to Right of Publicity Claim.—In Re NCAA Student- Athlete Name and Likeness Licensing Litigation*, 724 F.3d 1268 (9th Cir. 2013), 127 Harv. L. Rev. 1212 (2014). On the other hand, the Third Circuit reversed the *Hart* decision on appeal, concluding that a proper application of the transformative use test revealed that the “NCAA Football. . . games at issue. . . [did] not sufficiently transform [Hart]’s identity to escape the right of publicity claim.” *Hart v. Electronics Arts, Inc.*, 717 F.3d 141, 170 (3d Cir. 2013).

*Page 1412: [Add to Collateral References:]*

Edelman, *Closing the “Free Speech” Loophole: The Case for Protecting College Athletes’ Publicity Rights in Commercial Video Games*, 65 Fla. L. Rev. 553 (2013).

Blanke, *No Doubt About it—You’ve Got to Have Hart: Simulation Video Games May Redefine the Balance Between and Among the Right of Publicity, the First Amendment, and Copyright Law*, 19 B.U.J Sci. & Tech. L. 26 (2013).

Bucher, *Game On: Sports-Related Games and the Contentious Interplay Between the Right of Publicity and the First Amendment*, 14 Tex. Rev. Ent. & Sports L. 1 (Fall 2012).