Copyright Law in the Age of AI

Matthew Sag

2026 Edition

© Matthew James Sag (2018–2026). No copyright claimed in United States government works or the works of other authors specifically credited herein. Email the author at matthewsag@gmail.com subject "Copyright Law in the Age of AI" for permissions, suggestions, and corrections.

ABOUT THIS BOOK

Version. This is the 2026 Edition, version 1.4, published on November 2, 2026.

Recommended use. This book can be used as a standalone reference or textbook on United States copyright law. Individual chapters can be used to supplement other copyright law textbooks, or as extended reading.

Teachers manual. Available to those teaching copyright law courses on request.

A note on extracts. All extracts have been edited for concision and readability, often without any indication that they have been changed from the original. If you want a reliable quote from any of these sources, find the original on Westlaw, Google Scholar, etc.

Acknowledgments. I have sought and received permission to include extracts from several notable academics, for which I am grateful. Other copyright material is included in reliance on the fair use doctrine.

ABOUT THE AUTHOR

Matthew Sag is Professor of Law, Artificial Intelligence, Machine Learning and Data Science at Emory University School of Law. He writes about copyright law and intellectual property, and is a leading United States authority on the fair use doctrine and its implications for researchers working in text data mining, machine learning and artificial intelligence. More about his work is at www.matthewsag.com, and most of his academic writing is on his SSRN page.

Table of Contents

Chapter 1. Introduction to Copyright Law 16
An Overview of Copyright....16
The Historical Development of Copyright Law....17
Monopoly and censorship as a response to the printing press....17
The First Copyright Act: The Statute of Anne....18
The First United States Copyright Act....19
Wheaton v. Peters, 33 U.S. 591 (1834)....19
Copyright Formalities and Duration....25
Formalities....25
Duration....26
Publication, The Right of First Publication, and What's Left of Common Law Copyright....27
Estate of Martin Luther King v. CBS, Inc., 194 F.3d 1211 (11th Cir. 1999)....27
Ongoing Confusion About "Common Law Copyright"....28
The "Why" of Copyright Law....29
Utilitarian versus natural rights perspectives....29
Evidence for an author-centric, natural-rights account of copyright law....30
The continued relevance of non-utilitarian theories of copyright law....32
Is copyright property?....33
Key Economic Concepts in Copyright Law....34
The standard model....34
Copyright and Creativity: Evidence from Italian Operas....36
Less money, more music?....37
Sequential innovation....37
The Expansion of Copyright Rights and Subject Matter....38
Jurisprudential Changes....38
Who controls the Copyright Office?....39
The American Law Institute's Copyright Restatement....40
Copyright's International Framework....40
The Berne Convention, the TRIPs Agreement, and more....41
The Constitutional Basis of Copyright Law....42
A Quick Look at the Rights of the Copyright Owner....44

Chapter 2. Copyright Subject Matter and Questions of Creativity, Originality, and Intellectual Creation 47
Introduction....47
Creativity, Originality and Copyright Subject Matter....47
The Development of the concept of originality before Feist v. Rural Telephone....47
The Trade-Mark Cases, 100 U.S. 82 (1879)....47
The originality of photography....48
Burrow-Giles Lithographic Co. v. Sarony, 111 U.S. 53 (1884)....49
Other Significant Pre-Feist Cases....53
Bleistein v. Donaldson Lithographing Co., 188 U.S. 239 (1903)....53
Alfred Bell & Co., Ltd. v. Catalda Fine Arts, Inc., 191 F.2d 99 (2d Cir. 1951)....57
Authorship and Originality in Feist v. Rural Telephone....60
Feist Publications, Inc. v. Rural Telephone Service Co., 499 U.S. 340 (1991)....61

The implications of thin copyright after Feist....74
Locating the Threshold of Copyrightability....75
Words, Titles, and Short Phrases Usually Lack Sufficient Originality....75
Categories of work recognized by the Copyright Act....76
Fixation in general....77
Fixation, Authority and Permanence....79
Kelley v. Chicago Park District, 635 F.3d 290, 303 (7th Cir. 2011)....79
Originality and Derivative Works....83
L. Batlin & Son, Inc. v. Snyder, 536 F.2d 486 (2d Cir. 1976)....84
Comparative: The Originality/Creativity Requirement in International Copyright Law. .90

Chapter 3. Copyright in AI-Generated and AI-Assisted Works 93
The Human Authorship Requirement....93
The monkey selfie....93
AI has no claim of authorship....95
Thaler v. Perlmutter, 130 F. 4th 1039 (D.C. Cir. 2025)....95
The U.S. Copyright Office Position: Prompts Alone Are Not Enough....103
U.S. Copyright Office Copyright and Artificial Intelligence, Part 2: Copyrightability (2025)....103
Registration Case Study: Zarya of the Dawn....106
Registration Case Study: Théâtre D'opéra Spatial....107
Registration Case Study: Suryast....108
Registration Case Study: Rose Enigma....108
Case Study: A Single Piece of American Cheese....109
Where does the creativity in generative AI come from?....111
The Impact of AI Creativity....115
Software: Vibe Coding....115
Competition from AI music....116

Chapter 4. Idea-Expression, Functionality and Other Exclusions—Part I 118
Introduction....118
The Idea-Expression Distinction and Levels of Generality....118
Nichols v. Universal Pictures, 45 F.2d 119 (2d Cir. 1930)....118
Illustrations of the Idea-Expression Distinction at Work....123
Prompts as unprotectible ideas....124
The legend of John Cage's silence....125
The Exclusion of Facts, Ideas, Functions, and Processes....125
Baker v. Selden, 101 U.S. 99 (1879)....125
Rationales for the idea-expression distinction....131
Rationales for the Exclusion of Functionality from Copyright Protection....132
Should the law allow overlapping protection?....133
Section 102(b) of the Copyright Act....133
Bikram's Yoga College of India, L.P. v. Evolation Yoga, LLC, 803 F.3d 1032 (9th Cir. 2015)....135
Comparative: The Exclusion of Ideas, Facts, Functions, or Processes from Copyright Protection in Other Jurisdictions....143

Chapter 5. Idea-Expression, Functionality and Other Exclusions—Part II 145
Merger and Scènes à Faire....145
The Merger Doctrine....145
Scènes à Faire....146
Lexmark International, Inc. v. Static Control Components, Inc., 387 F.3d 522 (6th Cir. 2004)....147
The Law Itself is Not Copyrightable....157
Georgia v. Public.Resource.Org, Inc. 140 S.Ct. 1498 (2020)....157
Fair use as an alternative to copyrightability for codes that become law?....166
American Society for Testing & Materials v. Pub.Resource.Org, 896 F.3d 437 (D.C. Cir. 2018)....168
Other Exclusions from Copyright Protection....170
Taxonomies....170

Chapter 6. How the Meaning of Reproduction has Changed Over Time 173
The Scope of Copyright in the Premodern Era....173
Gyles v. Wilcox (1740) 26 ER 489....173
Folsom v. Marsh, 9 F. Cas. 342, 349 (C.C.D. Mass. 1841) (No. 4901)....175
Must a Copy be Human-Readable?....179
White-Smith Music Publishing Co. v. Apollo Co., 209 U.S. 1 (1908)....179
Subconscious Copying....182
Bright Tunes Music v. Harrisongs Music, 420 F.Supp. 177 (S.D.N.Y. 1976)....182
Is a Temporary Reproduction a Copy Under the Copyright Act?....183
The RAM Copy Doctrine....183
MAI Systems Corporation v. Peak Computer, Inc., 991 F.2d 511 (9th Cir. 1993)....184
RAM copy doctrine revised....185
Cartoon Network v. CSC Holdings, 536 F.3d 121 (2d Cir. 2008)....185

Chapter 7. The Reproduction Right—Part I 188
Introduction....188
The Era of Judicial Analysis....189
Sheldon v. Metro-Goldwyn Pictures Corp. 81 F.2d 49 (2d Cir. 1936)....189
Peter Pan Fabrics, Inc. v. Martin Weiner Corp. 274 F.2d 487 (2d Cir. 1960)....191
The Recognition Test....192
Arnstein v. Porter, 154 F.2d 464 (2d Cir. 1946)....192
Bradbury v. Columbia Broad Sys., Inc., 287 F.2d 478 (9th Cir. 1961)....196
Roth Greeting Cards v. United Card Co. 429 F.2d 1106 (9th Cir. 1970)....198
Beyond Recognition, the Unfortunate case of Sid & Marty Krofft....200
Sid & Marty Krofft Television v. McDonald's Corp 562 F.2d 1157 (1977)....200
Reyher v. Children's Television Workshop. 533 F.2d 87 (2d Cir. 1976)....208
The Era of Jury Empowerment....209
Three Boys Music Corp. v. Bolton 212 F.3d 477 (9th Cir. 2000)....210
Swirsky v. Carey, 376 F.3d 841 (9th Cir. 2004)....211
A Resurgence of Judicial Analysis....214
Peter F. Gaito Architecture, LLC v. Simone Development Corp. 602 F.3d 57 (2d Cir. 2010)....214
Rentmeester v. Nike, Inc., 883 F.3d 1111 (9th Cir. 2018)....218
Yonay v. Paramount Pictures Corp., 163 F.4th 685 (9th Cir. 2026)....231

The Inevitable Tension Between Dissection and Gestalt....239

Chapter 8. The Reproduction Right—Part II 241

Copying in Fact....241
Access is not an element of the plaintiff's prima facie case....241
Probative similarity is different to substantial similarity....242
There is no fixed relationship between probative similarity and substantial similarity....242
Independent creation....245
The death (and likely rebirth) of the inverse ratio rule....245
Skidmore v. Led Zeppelin, 952 F.3d 1051 (9th Cir. 2020) (En Banc)....246
How much access is enough....249
Art Attacks Ink, LLC v. MGA Entertainment Inc., 581 F.3d 1138 (9th Cir. 2009)....250
Striking similarity....254
Wrongful Copying (a.k.a Improper Appropriation)....255
The role of experts in wrongful copying....255
The Abstraction, Filtration, and Comparison Test....256
Special Considerations Relating to Music....257
Dual protection for musical works and sound recordings....257
Differences between the rights that accrue to musical works and to sound recordings....258
The scope of rights in musical works....260
Copyright in Musical Style?....261
Registration and the scope of copyright in musical works....263
Skidmore v. Led Zeppelin, 952 F.3d 1051 (9th Cir. 2020) (En Banc)....264
De Minimis Copying....273
Solid Oak Sketches, LLC v. 2K Games, Inc., 449 F. Supp. 3d 333 (SDNY 2020)....273
Richardson v. Townsquare Media, Inc., 174 F.4th 299 (2d 2026)....279
Statutory Limits on the Reproduction Right....283

Chapter 9. Making Derivative Works 287

Legislative History....287
Earlier Copyright Acts....287
The Copyright Act of 1976....287
When is the Right to Make a Derivative Work Based Upon the Copyrighted Work Infringed?....288
The role of originality....288
Lee v. A.R.T. Co., 125 F.3d 580, 582 (7th Cir. 1997)....288
Is the derivative work right entirely duplicative of the reproduction right?....290
Litchfield v. Spielberg, 736 F.2d 1352 (9th Cir. 1984)....290
Limiting principles....293
Illustrative Cases....294
The Nintendo Game Genie....294
Lewis Galoob Toys, Inc. v. Nintendo of Am., Inc., 964 F.2d 965 (9th Cir. 1992)....295
Interoperability is not enough....296
Oracle International Corp. v. Rimini Street, Inc., 123 F.4th 986 (9th Cir. 2024)....296
The Harry Potter Lexicon Case....300
Warner Brothers Entertainment, Inc. v. RDR Books, 575 F. Supp. 2d 513 (S.D.N.Y. 2008) 301
Castle Rock Entertainment v. Carol Publishing Group, Inc., 150 F.3d 132 (2d Cir. 1998) 305

Penguin Random House LLC v. Colting, 270 F. Supp. 3d 736 (S.D.N.Y. 2017).....*306*
The Scope of Copyright in Derivative Works.....311
Keeling v. Hars, 809 F.3d 43 (2d Cir. 2015).....*311*

Chapter 10. Introduction to Fair Use **322**
Fair use compared to other copyright limitations and exceptions.....322
Different approaches to limitations and exceptions.....322
Statutory licenses.....323
Codified inherent limitations other than fair use.....324
True copyright exceptions.....324
Section 110.....324
Disney Enterprises, Inc. v. VidAngel Inc. 869 F.3d 848 (9th Cir. 2017).....*325*
Section 108.....325
Section 117.....325
Section 121.....326
Section 1008.....326
The Codification of Fair Use in the Copyright Act of 1976.....326
The Origins of Transformative Use.....329
Campbell v. Acuff-Rose Music, Inc., 510 US 569 (1994).....*329*
The enduring significance of Campbell v. Acuff-Rose.....342
A Note on the Death of the Market Failure Theory of Fair Use.....343
The Role of the Judge and the Jury in Fair Use Cases.....346

Chapter 11. Transformative Use Since Campbell **347**
Transformative Use in *Google v. Oracle* and in *Andy Warhol Foundation*.....347
Google LLC v. Oracle America, Inc., 141 S. Ct. 1183 (2021).....*347*
Andy Warhol Foundation for the Visual Arts, Inc. v. Lynn Goldsmith, 598 U.S. 508 (2023).....*356*

Chapter 12. Transformative Use and Justification after Warhol **384**
Transformative Use and Justification post-Warhol.....384
Romanova v. Amilus Inc., 138 F.4th 104 (2d Cir. 2025).....*384*
Whyte Monkee Productions, LLC v. Netflix, Inc., 174 F.4th 761 (10th Cir. 2026).....*395*
How the courts are reading *Warhol*.....416

Chapter 13. Fair Use in Particular Contexts—Part I **417**
Parody.....417
Classic parody cases.....417
Leibovitz v. Paramount Pictures Corp., 137 F.3d 109 (2d Cir. 1998).....*417*
Suntrust Bank v. Houghton Mifflin Co., 268 F.3d 1257 (11th Cir. 2001).....*421*
Mattel Inc. v. Walking Mountain Products, 353 F.3d 792 (9th Cir. 2003).....*422*
Parody versus Satire.....424
Dr. Seuss Enterprises, LP v. Penguin Books, USA, Inc., 109 F.3d 1394 (9th Cir. 1997).....*424*
Commentary.....427
Kienitz v. Sconnie Nation LLC, 766 F.3d 756 (7th Cir. 2014).....*427*
Estate of Smith v. Graham, 799 F. App'x 36 (2d Cir. 2020).....*428*

Boesen v. United Sports Publications, Ltd., 2020 WL 6393010 (E.D.N.Y. Nov. 2, 2020) *429*
Reporting the news..... 430
Los Angeles News Service v. KCAL-TV Channel 9, 108 F.3d 1119 (9th Cir. 1997)..... *430*
Núñez v. Caribbean International News Corporation, 235 F.3d 18 (1st Cir. 2000)..... *433*
Monge v. Maya Magazines, Inc., 688 F.3d 1164 (9th Cir. 2012)..... *437*
Swatch Group v. Bloomberg, 756 F.3d 73 (2d Cir. 2014)..... *438*
Richardson v. Townsquare Media, Inc., 174 F.4th 299 (2d 2026)..... *442*
Lynk Media, LLC v. Independent Digital News & Media, LLC, 2025 WL 2771625 (S.D.N.Y. Sept. 29, 2025)..... *443*
Appropriation Art & Mashups..... 444
Rogers v. Koons 960 F.2d 301 (2d Cir. 1992)..... *444*
Blanch v. Koons, 467 F.3d 244 (2d Cir. 2006)..... *445*
Cariou v. Prince, 714 F.3d 694 (2d Cir. 2013)..... *446*
Mashups..... 450
Dr. Seuss Enterprises, LP v. ComicMix LLC, 983 F.3d 443 (9th Cir. 2020)..... *450*

Chapter 14. Fair Use in Particular Contexts—Part II **459**
Orthogonal uses..... 459
Evidence..... 459
Bond v. Blum 317 F.3d 385 (4th Cir. 2003)..... *459*
Right of Reply..... 462
Hustler Magazine Inc. v. Moral Majority Inc., 796 F.2d 1148 (9th Cir. 1986)..... *462*
Illustrative and informational uses..... 464
The image search cases: Kelly and Perfect 10..... *464*
Bill Graham Archives v. Dorling Kindersley Ltd., 448 F.3d 605 (2d Cir 2006)..... *465*
Elvis Presley Enterprises, Inc. v. Passport Video, 349 F.3d 622 (9th Cir. 2003)..... *467*
Sofa Entertainment, Inc. v. Dodger Productions, Inc., 709 F.3d 1273 (9th Cir. 2013).. *467*
Fair use in new markets..... 468
The Sony Betamax Case..... 468
Sony Corp. of America v. Universal City Studios, Inc., 464 U.S. 417 (1984)..... *468*
More typical new markets cases..... 472
Infinity Broadcast Corp. v. Kirkwood, 150 F.3d 104 (2d Cir. 1998)..... *472*
A & M Records, Inc. v. Napster, Inc., 239 F.3d 1004 (9th Cir. 2001)..... *476*
American Geophysical Union v. Texaco, Inc., 60 F.3d 913 (2d Cir. 1994)..... *482*
Non-transformative uses in the public interest..... 484
Providing Access to the Print-Disabled..... 484
Authors Guild v. HathiTrust, 755 F.3d 87 (2d Cir.2014)..... *484*
Educational Fair Uses..... 487
Access Alone Is Not Enough..... 489
Hachette Book Group, Inc. v. Internet Archive, 115 F.4th 163 (2d Cir. 2024)..... *489*

Chapter 15. Nonexpressive Use As Fair Use **498**
Introduction to Nonexpressive Use..... 498
Matthew Sag, Fairness and Fair Use in Generative AI, 92 Fordham Law Review 1887 (2024)..... *499*
The Nonexpressive Use Cases..... 503
Sega Enterprises Ltd. v. Accolade, Inc., 977 F.2d 1510 (9th Cir. 1992)..... *503*
Sony Computer Entertainment v. Connectix, 203 F.3d 596 (9th Cir. 2000)..... *504*

Assessment Technologies of Wis., LLC v. WIREdata, 350 F.3d 640 (7th Cir. 2003).....504
Lexmark Intern. v. Static Control Components, 387 F.3d 522 (6th Cir. 2004).....505
A.V. ex rel. Vanderhye v. iParadigms, LLC, 562 F.3d 630 (4th Cir. 2009).....505
Authors Guild v. HathiTrust, 755 F.3d 87 (2d Cir. 2014).....506
Authors Guild v. Google, Inc., 804 F.3d 202 (2d Cir. 2015).....506
The Generative AI Copyright Cases.....522
Is AI-training fair use?.....523
Bartz v. Anthropic PBC, 2025 WL 1741691 (N.D. Cal. June 23, 2025) (first extract)...523
Kadrey v. Meta Platforms, Inc., 2025 WL 1752484 (N.D. Cal. June 25, 2025).....529
Thomson Reuters Enterprise Centre GmbH v. ROSS Intelligence, Inc., No. 25-2153 (3d Cir. Sept. 29, 2026).....543
Lawful access and shadow libraries.....552
Bartz v. Anthropic PBC, 2025 WL 1741691 (N.D. Cal. June 23, 2025) (second extract).....553
A note on legislation.....565
Selected overseas developments.....565
Getty Images (US) Inc. v. Stability AI Ltd. [2025] EWHC 2863 (Ch) (4 Nov. 2025).....565
ANI Media v. Open AI (Delhi High Court, 24 July 2026).....565
Further reading.....567

Chapter 16. Ownership, Authorship and Transfer 568
Initial Ownership of Copyright Interests.....568
Owning the object is not owning the copyright.....568
Pope v. Curl, 2 Atk. 342 (1741) (Ch. U.K.).....568
Authorship and ownership are inextricably entwined.....569
Coauthors are Joint Owners of the Work.....569
Who qualifies as a joint author?.....570
Aalmuhammed v. Lee, 202 F.3d 1227 (9th Cir. 2000).....571
Other joint authorship cases.....578
Joint works: questions of timing and derivative works.....579
Weissmann v. Freeman, 868 F.2d 1313 (2d Cir. 1989).....579
Ownership of Employee Works and Commissioned Works.....585
Who is an employee?.....585
Community for Creative Non-Violence v. Reid, 490 U.S. 730 (1989).....585
What is within the scope of employment?.....590
Non-Employee Works Made for Hire.....590
Transfer of Copyright Interests.....592
Requirements for transfer.....592
Failed transfers and implied licenses.....592
Effects Assocs. v. Cohen, 908 F.2d 555 (9th Cir. 1990).....592
Fractured Ownership – Copyright Divisibility.....593
Termination of Transfers Under the 1909 Act.....595
Stewart v. Abend, 495 U.S. 207 (1990).....595
Termination of Transfers under the 1976 Act.....603
Post-1978 Grants.....603
Pre-1978 Grants.....604
Vetter v. Resnik, 163 F.4th 951 (5th Cir. 2026).....605
Terminated Derivatives.....617

Chapter 17. The Boundaries of the Work **618**
Boundary Problems with Copyrighted Works....618
The Quantum Theory of Copyright and Disappearing Works....620
Garcia v. Google, Inc., 786 F.3d 733 (9th Cir. 2015) (en banc)....620
Additional Thoughts on the Quantum Theory of Copyright....630
A thought experiment: serial fixation by a sole author....631
Thought experiments on the disappearance of subworks in joint works....634
The Problem of Temporally Contingent Works....638
Copyrightable Characters: Works Within Works or Intertextual Works?....639
Warner Bros. Pictures, Inc. v. Columbia Broadcasting System, 216 F.2d 945 (9th Cir. 1954)....640
Klinger v. Conan Doyle Estate, Ltd., 755 F.3d 496 (7th Cir. 2014)....642
DC Comics v. Towle, 802 F.3d 1012 (9th Cir. 2015)....647
Carroll Shelby Licensing, Inc. v. Halicki, 138 F.4th 1178 (9th Cir. 2025)....656
Are characters subworks or hypertextual works?....662
Can you Copyright a Universe?....664
Paramount Pictures Corp. v. Axanar Prods., Inc., 2017 WL 83506 (C.D. Cal. Jan. 3, 2017)....664
Copyright in Style as a Response to Generative AI....669
U.S. Copyright Office Copyright and Artificial Intelligence, Part 1: Digital Replicas. .669
U.S. Copyright Office Copyright and Artificial Intelligence, Part 3: Generative AI Training....670
Matthew Sag, Copyright Safety for Generative AI, 61 Houston Law Review 295 (2023) 672
Steinberg v. Columbia Pictures Indus., 663 F. Supp. 706 (S.D.N.Y. 1987)....674

Chapter 18. Moral Rights **676**
What are Moral Rights?....676
Moral Rights Outside the Copyright Act....677
The patchwork approach....677
Gilliam v. American Broadcasting Cos., 538 F.2d 14 (2d Cir. 1976)....677
The Dastar decision and its aftermath....678
Dastar v. Twentieth Century Fox 539 U.S. 23 (2003)....678
Moral Rights Under VARA....684
The rights of attribution and integrity and their limits....690
The duration of rights under VARA....692
A case study of VARA in action....693
Cohen v. G&M Realty LP, 320 F.Supp.3d 421 (EDNY 2018) (February 12, 2018).....693

Chapter 19. Copyright and Industrial Design **714**
Different approaches to functional art....714
Design Patents in the United States....714
Protecting industrial designs and other PGS works through copyright....715
PGS works....715
Useful Articles and Conceptual Severability....716
Mazer v. Stein, 347 U.S. 201 (1954)....716
Distinguishing Between Useful Articles and other PGS works....719
What is "conceptual separability" after *Star Athletica v. Varsity Brands*?....720

Star Athletica LLC v. Varsity Brands Inc., 137 S.Ct. 1002 (2017).....720
Did Star Athletica change the law?.....734
Star Athletica at the Copyright Office.....737
Colosseum Flatware Artwork.....737
Kitchen Helper Children's Stool.....738
Yeezy Boost.....739
What the Office has done since.....741
International: the concept of "industrial property".....743
The EU's single standard.....744

Chapter 20. Copyright in Computer Software 745

Overview of copyright protection for computer software.....745
Software copyright litigation in the 1980s and 1990s.....746
Apple Computer, Inc. v. Franklin Computer Corp., 714 F.2d 1240 (3d Cir. 1983).....747
Whelan Assocs., Inc. v. Jaslow Dental Lab., Inc., 797 F.2d 1222 (3d Cir. 1986).....747
Plains Cotton Coop. Ass'n v. Goodpasture Computer Serv., Inc., 807 F.2d 1256 (5th Cir. 1987).....747
Computer Associates International Inc. v. Altai, Inc., 982 F.2d 693 (2d Cir. 1992).....747
Sega Enterprises Ltd. v. Accolade, Inc., 977 F.2d 1510 (9th Cir. 1992).....748
Apple Computer, Inc. v. Microsoft Corp., 35 F.3d 1435 (9th Cir. 1994).....748
Lotus Dev. Corp. v. Borland Int'l, Inc., 49 F.3d 807 (1st Cir. 1995).....748
The Copyrightability and Infringement of APIs.....749
Google LLC v. Oracle America, Inc., 141 S.Ct. 1183 (2021).....750
SAS Institute, Inc. v. World Programming Ltd., 64 F.4th 1319 (Fed. Cir. 2023).....765
International: Copyright in computer programs under Berne and TRIPs.....774

Chapter 21. Distribution & First Sale 775

The Distribution Right.....775
Distribution by digital transmission?.....776
Distribution versus "Making Available".....778
The first sale doctrine.....779
Bobbs-Merrill Co. v. Straus, 210 U.S. 339 (1908).....779
Statutory recognition of distribution right and first sale doctrine.....781
Copyright Exhaustion and Parallel Importation.....782
Kirtsaeng v. John Wiley & Sons, Inc., 133 S. Ct. 1351 (2013).....782
Limits to the First Sale Doctrine in a Digital World.....792
Capitol Records, LLC v. ReDigi Inc., 910 F.3d 649 (2d Cir. 2018).....792
Contractual restraints on the first sale doctrine.....802
Rental Rights and Lending Rights.....802
Rental Rights.....802
Library Lending, Printed Books versus eBooks.....802
The "droit de suite" and resale royalties.....804
Close v. Sotheby's, 894 F.3d 1061 (9th Cir. 2018).....804
Comparative: Copyright Exhaustion Under International Copyright Agreements.....806
Comparative: Digital Exhaustion in the European Union.....807

Chapter 22. The Intersection of Copyright and State Law Rights 808

Copyright and Contract: Sale versus license.....808

Sale versus License: The Second Circuit's Economic Realities Approach....810
Krause v. Titleserv, Inc., 402 F.3d 119 (2d Cir. 2005)....810
Sale versus License: The Ninth Circuit's Vernor-MDY framework....815
Vernor v. Autodesk, Inc., 621 F.3d 1102 (9th Cir. 2010)....815
MDY Industries v. Blizzard Entertainment, 629 F.3d 928 (9th Cir. 2010)....823
Preemption of State Law Claims....827
Express preemption under Section 301(a)....827
The search for an "extra element"....828
ProCD, Inc. v. Zeidenberg, 86 F.3d 1447 (7th Cir. 1996)....828
X Corp. v. Bright Data Ltd., 733 F. Supp. 3d 832 (N.D. Cal. 2024)....829
ML Genius Holdings LLC v. Google LLC, No. 20-3113 (2d Cir. 2022) (Non-precedential)....837
Reddit, Inc. v. Anthropic PBC, 826 F. Supp. 3d 1059 (N.D. Cal. 2026)....840
The "Hot News" Doctrine and Copyright Preemption: *INS v. Associated Press* and *NBA v. Motorola*....846
The Narrowing of "Hot News" Misappropriation in Barclays v. Theflyonthewall.com....847
The preemption of right of publicity claims....848

Chapter 23. Public Performance, Display & Transmission 850
Performance and Display....850
The display right....851
The performance right....852
Performance rights for sound recordings and musical works are different....853
Performance Rights Organizations (PROs)....854
Transmission rights....855
Transmission and public performance under the 1909 Act....856
Cablevision....857
American Broadcasting Companies v. Aereo, Inc., 134 S.Ct. 2498 (2014)....859
The "Homestyle" and other exceptions to the public performance right....870
Cable & satellite licenses....870
Comparative: The Performance, Display and Transmission Rights in International Copyright Agreements....871

Chapter 24. Secondary Liability for Copyright Infringement 874
The Gershwin Era....874
Gershwin Pub. Corp. v. Columbia Artists Management, Inc., 443 F.2d 1159 (2d Cir. 1971)....874
Liability of device manufacturers and service providers....876
The Sony Safe Harbor....876
Sony Corporation of America v. Universal City Studios, Inc., 464 U.S. 417 (1984)....876
A&M Records v. Napster, Inc., 239 F.3d 1004 (9th Cir. 2001)....881
Metro-Goldwyn-Mayer Studios Inc. v. Grokster, Ltd., 545 U.S. 913 (2005)....882
Summary of the pre-*Cox* landscape....891
The post-Gershwin Era....891
Cox Communications, Inc. v. Sony Music Entertainment, 607 U.S. 583 (2026)....891
Significant Secondary Liability Cases....899
Fonovisa, Inc. v. Cherry Auction, Inc., 76 F.3d 259 (9th Cir. 1996)....900
Perfect 10, Inc. v. Amazon.com, Inc., 508 F.3d 1146 (9th Cir. 2007)....900

Perfect 10, Inc. v. Visa International Service Association, 494 F.3d 788 (9th Cir. 2007) *900*
Perfect 10, Inc. v. Giganews, Inc., 847 F.3d 657 (9th Cir. 2017) *901*
Cobbler Nevada, LLC v. Gonzales, 901 F.3d 1142 (9th Cir. 2018) *902*
Sony Music Entertainment v. Cox Communications, Inc., 93 F.4th 222 (4th Cir. 2024), rev'd, 607 U.S. 583 (2026) *902*
Tertiary liability? 903
UMG Recordings, Inc. v. Shelter Capital Partners, 718 F.3d 1006 (9th Cir. 2013) *904*

Chapter 25. Internet Safe Harbors From Claims of Copyright Infringement 907

The Origins of the Section 512 Safe Harbors 907
Matthew Sag, Internet Safe Harbors and the Transformation of Copyright Law *907*
The Section 512 Safe Harbors 910
Overview 910
Service Provider 910
Conditions for Eligibility–In General 911
Conditions for eligibility–repeat infringer policies 911
A case study in how not to implement a repeat infringer policy: BMG Rights Management (US) LLC v. Cox Communications, Inc., 881 F.3d 293 (4th Cir. 2018) 912
The end of the Cox litigation *914*
Who is a repeat infringer? 915
Section 512(c) "storage at the direction of a user" 915
The statute 915
What counts as knowledge of infringement under the DMCA safe harbors? 916
Viacom International, Inc. v. YouTube, Inc., 676 F.3d 19 (2d Cir. 2012) *916*
The status of pre-1972 sound recordings under the DMCA 930
Designating an agent to receive notifications of claimed infringement 930
What activities are at the direction of the user for the purposes of Section 512(c)? 931
Mavrix Photographs, LLC v. LiveJournal, Inc., 873 F.3d 1045 (9th Cir. 2017) *931*
Liability for misrepresentation under 512(f) 936
The case of the dancing baby 936
Lenz v. Universal Music Corp., 815 F.3d 1145 (9th Cir. 2015) *938*
Comparative: European Union Internet safe harbors 947
When does a platform stop merely hosting? 949

Chapter 26. Digital Rights Management, Copyright Management Information, and Web Scraping 950

The Circumvention of technological protection measures 950
An overview of the DMCA 950
Understanding Access Control vs. Rights Control 952
DMCA exceptions and limitations 952
Administrative Exemptions 953
Judicial interpretation of the anti-circumvention provisions 954
MDY Industries, LLC v. Blizzard Entertainment, Inc., 629 F.3d 928 (9th Cir. 2010) *954*
Copyright management information 970
Stevens v. Corelogic, Inc., 899 F.3d 666 (9th Cir. 2018) *971*
CMI Claims in Relation to Training Generative AI 977
Doe v. GitHub, Inc., No. 24-7700 (9th Cir. Sept. 16, 2026) *977*

Web Scraping....986
hiQ Labs, Inc. v. LinkedIn Corp., 31 F.4th 1180 (9th Cir. 2022)....987
Comparative: Anti-circumvention Rules in International Agreements....993

Chapter 27. Volitional Conduct 995
New technologies expose latent ambiguities in copyright law....995
The emergence of volitional conduct....997
Netcom....997
CoStar....1000
Cablevision....1001
Cartoon Network LP v. CSC Holdings, Inc., 536 F.3d 121 (2d Cir. 2008)....1002
How did the Supreme Court decision in Aereo affect the Cablevision ruling?....1006
Is there a textual basis in the Copyright Act for the volitional act requirement?....1007
Fox Broadcasting Co., Inc. v. Dish Network L.L.C., 747 F.3d 1060 (9th Cir. 2014)…1007
Volition as proximate cause?....1009
Perfect 10, Inc. v. Giganews, Inc., 847 F.3d 657 (9th Cir. 2017)....1010
Linking, Embedding and the "Server Test"....1011
Origins of the server test in Perfect 10, Inc. v. Amazon.com, Inc....1011
The server test and embedded content....1012
Hunley v. Instagram, LLC, 73 F.4th 1060 (9th Cir. 2023)....1012

Chapter 28. Copyright Remedies and Procedure 1031
Copyright Remedies....1031
Actual Damages and Accounting of Profits....1031
Injunctions....1032
Statutory damages....1032
Who should decide on the amount of statutory damages?....1033
Feltner v. Columbia Pictures Television, Inc., 523 U.S. 340 (1998)....1033
Other issues in calculating statutory damages....1035
Attorney's fees....1036
Factors vs. discretion....1036
No dual standard for prevailing plaintiffs and defendants....1037
Special considerations for prevailing defendants....1037
Costs....1038
Copyright misuse as a defense to infringement....1039
The significance of copyright formalities in copyright litigation....1040
Remedies and attorney's fees depend on timely registration....1040
Procedural Issues in Copyright Litigation....1042
Standing....1042
John Wiley & Sons, Inc. v. DRK Photo, 882 F.3d 394 (2d Cir. 2018)....1043
Registration and Jurisdiction....1046
Registration vs. filing of a registration application....1046
Fourth Estate Public Benefit Corp. v. Wall-Street.com, LLC, 139 S. Ct. 881 (2019)...1046
Different rules for some foreign works....1051
Copyright Notice....1051
Registration & deposit....1051
Choice of law....1052
Class actions....1053

Class actions in the generative AI litigation....1053
Statute of limitations....1054
Petrella v. Metro-Goldwyn-Mayer, Inc., 134 S. Ct. 1962 (2014)....*1054*
Warner Chappell Music, Inc. v. Nealy, 601 U.S. 366 (2024)....*1065*
Sovereign immunity....1067
The theory behind state sovereign immunity....1067
Allen v. Cooper, 589 U.S. 248 (2020)....*1067*
Injunctive relief against state officials....1069

CHAPTER 1. INTRODUCTION TO COPYRIGHT LAW

An Overview of Copyright

The subject of copyright law is human creativity. Like its subject matter, copyright law is fascinating, complicated, and contested. Copyright law as we know it today began over 300 years ago with the enactment of the Statute of Anne in England in 1710. The Statute of Anne was a delayed response to the disruptive technology of the printing press that had swept across Europe in late 15th and 16th Centuries. Copyright has continued to respond to technological and social change ever since.

The next few paragraphs sketch out a very basic overview of copyright as a preview of the material that lies ahead. The aim of this overview is to describe the law as it is now in the United States, and to gloss over important questions of history and alternative interpretations of the law—these will come later.

Authors & Works. Copyright is a set of exclusive rights that belong, initially at least, to the author or authors of "a work" such as a novel, a movie, or a piece of music. Copyright begins when the work is created and typically lasts for the life of the author plus 50 or 70 years. Copyright protects a wide variety of cultural objects, including books, drawings, paintings, sculpture, music, and movies. More recently this list has expanded to include computer software and architecture.

Rights. Broadly speaking, the copyright owner has the exclusive right to reproduce the work, to make adaptations based on the work that are reasonably close to the original, to distribute the work, and to communicate the work to the public through performance and display. Rights in relation to distribution and display can seem very broad, but in practice they are quite narrow because they only apply to any given copy of a work up until the first sale of that copy.

Copyright rights are broad, but they are not as broad as the equivalent rights in patent law. Patent owners have the exclusive right to "make, use, or sell" the patented invention. The concepts of "make" and "sell" have their analogs in copyright law, but there is nothing so broad as a right to "use" the copyrighted work. This is significant: you don't need permission to read a book or listen to music on a compact disc or an LP, you don't need permission to lend the book or the disc to a friend, or to tell people about the things you have learned from the book or your reaction to the music.

Expression. Even though copyright law gives the author the exclusive right to make reproductions of her works, that right only goes so far: Copyright does not protect every aspect of a work, it only protects original expression.

Copyright does not protect facts, ideas or functional product features. To illustrate, I would infringe the copyright in Martha Stewart's cookbook if I copied the entire work and made it available for free on the Internet. However, I could follow one of the recipes in that book to make a cake, and I could sell that cake for profit, all with no duty to account to Martha Stewart. Indeed, I could reduce Martha Stewart's cake recipe down to a simple set of instructions and then describe those instructions in my own words and compete with Martha Stewart in the market for cake recipes. As the Seventh Circuit explained in

Publications Int'l, Ltd. v. Meredith Corp., 88 F.3d 473 (7th Cir. 1996), recipe books can show originality and obtain copyright protection if "the authors lace their directions for producing dishes with musings about the spiritual nature of cooking or reminiscences they associate with the wafting odors of certain dishes in various stages of preparation." But so long as a second comer doesn't copy Martha Stewart's original expression, they don't infringe on her copyright, even if they use her book in ways of which she would not approve.

Rights can fragment and overlap. Copyright rights can be fragmented and overlapping.

Suppose that A writes a poem. B adapts the poem into song lyrics. C adds an original musical composition. D performs the song and it is recorded by E to create a sound recording. Further suppose that F then plays that recording in public, and G records that performance along with images of the reaction of the audience to create an audiovisual work.

If H were to copy G's movie without obtaining permission from anyone, she might be infringing the rights of A, B, C, E and G. It is possible that D and E would be joint authors of the sound recording. Also, some jurisdictions outside the United States would also recognize that D has an intrinsic right to the performance such that D's permission would be required for certain downstream uses whether she is an author of the sound recording or not.

Limitations & Exceptions. The rights of copyright owners are subject to a number of important limitations. The copyright laws of most countries contain a hodgepodge of limitations and exceptions that reflect the influence of particular interest groups at particular times. Some copyright limitations are required to meet its overall purpose of encouraging the diffusion of knowledge, promoting authorship and enabling creativity; some are required because without them copyright law might unduly constrain freedom of expression; and some limitations are required because without them copyright would confer overly broad exclusive rights in related and downstream activities. But we must also concede that some copyright limitations or exceptions are really just a result of special interest pleading and can't be fully justified as fulfilling the essential purpose of copyright or maximizing general welfare. The copyright system would be self-defeating without some limits on the broad rights of copyright owners, but exactly what limits are required, how they should be structured, and who is best placed to make these decisions are all highly controversial questions in modern copyright law.

The Historical Development of Copyright Law

Monopoly and censorship as a response to the printing press

Copyright law is constantly evolving. Prior to Gutenberg's invention of the movable type printing press in the early 15th century, the predominant technology of copying was the monastic scribe. At a time when very few people could read and copying was highly labor-intensive, copying was essentially unregulated. But then came Gutenberg and the diffusion of printing press technology throughout Europe catalyzed enormous social and political changes. In the early days of this new technological era, regulation of the printing press focused on the need to maintain religious and political orthodoxy. In England, this need

was met by a licensing system that ensured that only the Stationers' Guild was permitted to print books. In turn, the Guild ensured that only approved books were printed. The Licensing Act of 1662 explained its objective in terms of guarding against the publication of "heretical schismatical blasphemous seditious and treasonable" books.

By convention, the members of the Stationers Guild agreed that the first member to enter a literary title in the Stationers' Register would have exclusive and perpetual rights to publish it. This practice explains some of the terminology of copyright law. As Simon Stern explains in *Towards a Pre-History of the Public Domain: Copyright Law and Its Limits in Eighteenth-Century England*, in the OXFORD LITERATURE HANDBOOK: "The registered title and the rights associated with it were known as the "copy" of the publication, and the acquisition of a copy (or the "right of copy") was limited to guild members." The Stationers Guild was essentially a cartel of London publishers and booksellers. Within this group it was common to view the 'copy' as a form of property, it was treated as an exclusive right and was a thing to be owned, traded, and used as collateral for loans. But it is important to understand that although the booksellers thought of the "copy" as their property, this concept of property was very different from the idea of "literary property"—a term that came into vogue only much later—and our modern concept of copyright. For more, see John Feather, *From Rights in Copies to Copyright: The Recognition of Authors' Rights in English Law and Practice in the Sixteenth and Seventeenth Centuries*, 10 CARDOZO ARTS AND ENTERTAINMENT LAW JOURNAL 461-62 (1992).

The Licensing Acts lasted until almost the end of the 17th century but they were eventually allowed to expire, thus bringing the *de jure* printing monopoly of the Stationers Guild to an end. The demise of the Licensing Acts has been attributed to a growing distaste for pre-publication censorship, and to dissatisfaction with the inflated prices and monopolistic practices of the Stationers Guild.

The transition from monopoly and censorship to statutory copyright did not occur in a vacuum. England in the 17th Century witnessed regicide, civil war, dictatorship, the restoration of the monarchy, and a "Glorious Revolution" which cemented Protestantism as the official state religion. Underlying most of these events was a power struggle between the crown and parliament in which parliament eventually prevailed.

The First Copyright Act: The Statute of Anne

In 1710, the British Parliament passed "An Act for the Encouragement of Learning, by Vesting the Copies of Printed Books in the Authors, or Purchasers, of such Copies, during the Times therein mentioned", or as it is usually simply called, The Statute of Anne.

Historians have debated whether the Statute of Anne should be seen as displacing, regulating, or merely entrenching the pre-existing monopoly of London booksellers in the seventeenth century. On the surface, the Statute of Anne was a significant departure from previous customs of the book trade because it placed control of new works of authorship into the hands of authors themselves. Also, unlike the Stationers Guild's monopoly privileges, the author's rights under the Statute of Anne were for a limited duration. Books published before the Statute were granted twenty-one years of protection under the new law. The authors of books published after the Statute of Anne took effect were entitled to

an initial term of 14 years, renewable for a second term of the same length if the author was still alive when the first term ended.

Why 14 years and not some other period? Why two terms for that matter? In *Authors and Owners: The Invention of Copyright* (1993), Mark Rose argues that the bifurcated term was an attempt to bring the new author's right within the scope of the 1624 Statute of Monopolies. The Statute of Monopolies limited the powers of the Crown to grant monopolies, but created an exception relating to any "manner of new manufacture" as long as the monopoly did not exceed a specified limited term: twenty-one years for extant grants; fourteen years for future grants.

The scope of protection under the Statute of Anne was much narrower than modern copyright. The statute did not explicitly address translations, incomplete copying or the unauthorized creation of sequels. The Statute of Anne also contained a provision whereby booksellers who charged "high and unreasonable" prices could be called into account and potentially fined. The statute did not reach the import of foreign books in languages other than English.

The First United States Copyright Act

The first United States copyright law was the Copyright Act of 1790—formally titled, "An Act for the Encouragement of Learning," enacted on May 31, 1790. But the U.S. Supreme Court did not hear its first copyright case until 1834.

Wheaton v. Peters, 33 U.S. 591 (1834)

Mr. Justice McLean delivered the opinion of the Court

[*Wheaton v. Peters* was a dispute between an early Supreme Court reporter, Wheaton, and his successor, Peters. Wheaton had compiled the opinions of the Supreme Court from his tenure as official reporter along with annotations and summaries of argument into a costly series of reports. His successor, Peters, produced an abridged version of those same materials, winnowed down to the opinions themselves. Although Peter's reports were inferior in many respects, they were substantially cheaper and thus had a devastating effect on the market for Wheaton's reports. In addition to maintaining a claim under statutory copyright, the plaintiff argued that "an author was entitled, at common law, to a perpetual property in the copy of his works, and in the profits of their publication; and to recover damages for its injury, by an action on the case, and to the protection of a court of equity."]

Perhaps no topic in England has excited more discussion, among literary and talented men, than that of the literary property of authors. So engrossing was the subject, for a long time, as to leave few neutrals, among those who were distinguished for their learning and ability. At length the question, whether the copy of a book or literary composition belongs to the author at common law, was brought before the court of king's bench, in the great case of *Millar v. Taylor*, reported in 4 Burr. 2303. This was a case of great expectation; and the four judges, in giving their opinions, seriatim, exhausted the argument on both sides. Two of the judges, and Lord Mansfield held, that, by the common law, an author had a literary property in

his works; and they sustained their opinion with very great ability. Mr. Justice Yeates, in an opinion of great length, and with an ability, if equaled, certainly not surpassed, maintained the opposite ground.

Previous to this case, injunctions had issued out of chancery to prevent the publication of certain works, at the instance of those who claimed a property in the copyright, but no decision had been given. And a case had been commenced, at law, between Tonson and Collins, on the same ground, and was argued with great ability, more than once, and the court of king's bench were about to take the opinion of all the judges, when they discovered that the suit had been brought by collusion, to try the question, and it was dismissed.

This question was brought before the House of Lords, in the case of *Donaldson v. Beckett and others*. … It would appear from the points decided, that a majority of the judges were in favor of the common law right of authors, but that the same had been taken away by the statute.

The title and preamble of the statute, 8 Anne, ch. 19, is as follows:

> "An act for the encouragement of learning by vesting the copies of printed books in the authors or purchasers of such copies, during the times therein mentioned."
>
> "Whereas printers, booksellers and other persons, have of late frequently taken the liberty of printing, reprinting and publishing, or causing to be printed, reprinted and published, books and other writings without the consent of the authors or proprietors of such books and writings, to their very great detriment, and too often to the ruin of them and their families," &c.

From the above authorities, and others which might be referred to if time permitted, the law appears to be well settled in England, that, since the statute of 8 Anne, the literary property of an author in his works can only be asserted under the statute. And that, notwithstanding the opinion of a majority of the judges in the great case of *Miller v. Taylor* was in favor of the common law right before the statute, it is still considered, in England, as a question by no means free from doubt.

That an author, at common law, has a property in his manuscript, and may obtain redress against any one who deprives him of it, or by improperly obtaining a copy endeavours to realise a profit by its publication, cannot be doubted; but this is a very different right from that which asserts a perpetual and exclusive property in the future publication of the work, after the author shall have published it to the world.

The argument that a literary man is as much entitled to the product of his labour as any other member of society, cannot be controverted. And the answer is, that he realises this product by the transfer of his manuscripts, or in the sale of his works, when first published.

A book is valuable on account of the matter it contains, the ideas it communicates, the instruction or entertainment it affords. Does the author hold a perpetual property in these? Is there an implied contract by every purchaser of his book, that he may realise whatever instruction or entertainment which the reading of it shall give, but shall not write out or print its contents.

In what respect does the right of an author differ from that of an individual who has invented a most useful and valuable machine? In the production of this, his mind has been as intensely engaged, as long, and, perhaps, as usefully to the public, as any distinguished author in the composition of his book.

The result of their labours may be equally beneficial to society, and in their respective spheres they may be alike distinguished for mental vigour. Does the common law give a perpetual right to the author, and withhold it from the inventor? And yet it has never been pretended that the latter could hold, by the common law, any property in his invention, after he shall have sold it publicly.

It would seem, therefore, that the existence of a principle may well be doubted, which operates so unequally. This is not a characteristic of the common law. It is said to be founded on principles of justice, and that all its rules must conform to sound reason.

Does not the man who imitates the machine profit as much by the labour of another, as he who imitates or republishes a book? Can there be a difference between the types and press with which one is formed, and the instruments used in the construction of the others?

That every man is entitled to the fruits of his own labour must be admitted; but he can enjoy them only, except by statutory provision, under the rules of property, which regulate society, and which define the rights of things in general.

But, if the common law right of authors were shown to exist in England, does the same right exist, and to the same extent, in this country. … It is insisted, that our ancestors, when they migrated to this country, brought with them the English common law, as a part of their heritage.

That this was the case, to a limited extent, is admitted. No one will contend, that the common law, as it existed in England, has ever been in force in all its provisions, in any state in this union. It was adopted, so far only as its principles were suited to the condition of the colonies: and from this circumstance we see, what is common law in one state, is not so considered in another. The judicial decisions, the usages and customs of the respective states, must determine, how far the common law has been introduced and sanctioned in each. … The question respecting the literary property of authors, was not made a subject of judicial investigation in England until 1760; and no decision was given until the case of *Millar v. Taylor* was decided in 1769. Long before this time, the colony of Pennsylvania was settled. What part of the common law did Penn and his associates bring with them from England?

The literary property of authors, as now asserted, was then unknown in that country. Laws had been passed, regulating the publication of new works under license. And the king, as the head of the church and the state, claimed the exclusive right of publishing the acts of parliament, the book of common prayer, and a few other books.

No such right at the common law had been recognized in England, when the colony of Penn was organized. Long afterwards, literary property became a subject of controversy, but the question was involved in great doubt and perplexity; and a

little more than a century ago, it was decided by the highest judicial court in England, that the right of authors could not be asserted at common law, but under the statute. The statute of 8 Anne was passed in 1710.

Can it be contended, that this common law right, so involved in doubt as to divide the most learned jurists of England, at a period in her history, as much distinguished by learning and talents as any other; was brought into the wilds of Pennsylvania by its first adventurers. Was it suited to their condition?

But there is another view still more conclusive.

In the eighth section of the first article of the constitution of the United States it is declared, that congress shall have power "to promote the progress of science and useful arts, by securing for limited times, to authors and inventors, the exclusive right to their respective writings and discoveries." And in pursuance of the power thus delegated, congress passed the act of the 30th of May 1790.

This is entitled "an act for the encouragement of learning, by securing the copies of maps, charts and books, to the authors and proprietors of such copies, during the times therein mentioned."

In the first section of this act, it is provided, "that from and after its passage, the author and authors of any map, chart, book or books, already printed within these United States, being a citizen, &c. who hath or have not transferred to any other person the copyright of such map, chart, book or books, &c. shall have the sole right and liberty of printing, reprinting, publishing and vending such map, book or books, for fourteen years."

In behalf of the common law right, an argument has been drawn from the word secure, which is used in relation to this right, both in the constitution and in the acts of congress. This word, when used as a verb active, signifies to protect, insure, save, ascertain, &c.

The counsel for the complainants insist that the term, as used, clearly indicates an intention, not to originate a right, but to protect one already in existence.

There is no mode by which the meaning affixed to any word or sentence, by a deliberative body, can be so well ascertained, as by comparing it with the words and sentences with which it stands connected. By this rule the word secure, as used in the constitution, could not mean the protection of an acknowledged legal right. It refers to inventors, as well as authors, and it has never been pretended, by any one, either in this country or in England, that an inventor has a perpetual right, at common law, to sell the thing invented.

And if the word secure is used in the constitution, in reference to a future right, was it not so used in the act of congress?

But, it is said, that part of the first section of the act of congress, which has been quoted, a copyright is not only recognized as existing, but that it may be assigned, as the rights of the assignee are protected, the same as those of the author.

As before stated, an author has, by the common law, a property in his manuscript; and there can be no doubt that the rights of an assignee of such manuscript, would

be protected by a court of chancery. This is presumed to be the copyright recognized in the act, and which was intended to be protected by its provisions. And this protection was given, as well to books published under such circumstances, as to manuscript copies.

That congress, in passing the act of 1790, did not legislate in reference to existing rights, appears clear, from the provision that the author, &c. "shall have the sole right and liberty of printing," &c. Now if this exclusive right existed at common law, and congress were about to adopt legislative provisions for its protection, would they have used this language? Could they have deemed it necessary to vest a right already vested. Such a presumption is refuted by the words above quoted, and their force is not lessened by any other part of the act.

Congress, then, by this act, instead of sanctioning an existing right, as contended for, created it. This seems to be the clear import of the law, connected with the circumstances under which it was enacted.

From these considerations it would seem, that if the right of the complainants can be sustained, it must be sustained under the acts of congress. Such was, probably, the opinion of the counsel who framed the bill, as the right is asserted under the statutes, and no particular reference is made to it as existing at common law. The claim, then, of the complainants, must be examined in reference to the statutes under which it is asserted.

[At the time, copyright was conditioned on a number of formalities, including depositing a copy of the work with the Department of State. Justice McLean rejected Wheaton's argument that the deposit requirement did not bar copyright protection under the relevant statute.]

The construction of the acts of congress being settled, in the further investigation of the case it would become necessary to look into the evidence and ascertain whether the complainants have not shown a substantial compliance with every legal requisite. But on reading the evidence we entertain doubts, which induce us to remand the cause to the circuit court, where the facts can be ascertained by a jury.

And the cause is accordingly remanded to the circuit court, with directions to that court to order an issue of facts to be examined and tried by a jury, at the bar of said court, upon this point, viz. whether the said Wheaton as author, or any other person as proprietor, had complied with the requisites prescribed by the third and fourth sections of the said act of congress, passed the 31st day of May 1790, in regard to the volumes of Wheaton's Reports in the said bill mentioned, or in regard to one or more of them in the following particulars, viz. whether the said Wheaton or proprietor did, within two months from the date of the recording thereof in the clerk's office of the district court, cause a copy of the said record to be published in one or more of the newspapers printed in the resident states, for the space of four weeks; and whether the said Wheaton or proprietor after the publishing thereof, did deliver or cause to be delivered to the secretary of state of the United States, a copy of the same to be preserved in his office, according to the provisions of the said third and fourth sections of the said act.

> And if the said requisites have not been complied with in regard to all the said volumes, then the jury to find in particular in regard to what volumes they or either of them have been so complied with.
>
> It may be proper to remark that the court are unanimously of opinion, that no reporter has or can have any copyright in the written opinions delivered by this court; and that the judges thereof cannot confer on any reporter any such right.

Notes and questions

(1) The final sentence of the majority opinion notes, almost as an afterthought, that the court is unanimously of the opinion that "no reporter has or can have any copyright in the written opinions delivered by this court; and that the judges thereof cannot confer on any reporter any such right." Why not?

(2) Why does the majority recognize a common law right of first publication, but reject perpetual copyright?

(3) *A historical detour.* Whether copyright existed at common law but was then displaced by statute, versus never having existed at all was addressed in England long before *Wheaton v. Peters* in two pivotal cases in the history of copyright, *Millar v. Taylor* 98 Eng. Rep. 201 (K.B. 1769) and *Donaldson v. Becket* (1774) 1 Eng. Rep. 837. Consider this note a historical detour on what is often called "The Battle of the Booksellers," or the "Question of Literary Property" in England.

Following the enactment of the Statute of Anne, members of the Stationers' Guild argued that, regardless of the limited times referred to in the statute, they held perpetual common law exclusive printing rights. It is worth noting that members of the Stationers' Guild never sought to establish such a common law right in the period between the end of the Licensing Acts in 1695 and the enactment of the Statute of Anne in 1710. In support of this contention, these London booksellers noted that members of the Guild had a longstanding practice of respecting such claims and would not reprint any text first claimed by another member. The Guild members based in London came into increasing competition with provincial and Scottish publishers who failed to respect their comfortable cartel.

The argument for perpetual copyright was initially successful. In *Millar v. Taylor* the majority of the Court of King's Bench held that copyright existed as both a statutory and a common-law right. The majority held that when statutory copyright ended, the booksellers' common law copyright assigned from the author would continue, forever. In this view, the Statute of Anne merely vested copyright owners with additional remedies over and above those available at common law and in equity. Justice Yates, dissenting, agreed that authors had a right to control the first publication of their manuscripts, but no more. Millar died not long after the ruling and it was never appealed. In 1771, London bookseller Thomas Becket asked the Court of Chancery to enjoin Scottish bookseller Alexander Donaldson from printing James Thomson's The Seasons (Thomson died in 1748). With Statute of Anne rights expired, Becket pressed a common-law claim beyond first publication. *Donaldson v. Becket* has long puzzled readers: the procedure was ornate and the early reports thin. Lord Chancellor Apsley, reading *Millar v. Taylor* as controlling, issued a perpetual injunction. On appeal, the Lords solicited the views of the twelve common-law judges on five questions—overlapping in part—about (1) an author's first-publication right

at common law; (2) whether that right expired upon publication; (3) whether the 8 Anne statute displaced any common-law action; (4) whether a perpetual right existed at common law; and (5) whether 8 Anne impaired such a right.

The conventional account, echoed in *Wheaton v. Peters,* says a majority favored a common-law right (beyond first publication) but thought the statute took it away. *Wheaton v. Peters* does not follow that position, so it is largely a matter of historical interest that it is probably incorrect. But historical interest is still interesting, so here is why that account is mistaken. Confusion began with misreported judicial tallies. As Ronan Deazley shows, both the counts and their institutional weight were misunderstood: the Lords included judicial and lay peers; they often, but not invariably, followed the judges. Five peers spoke; only one supported a common-law right.

Crucially, the judges answered the five questions above, but the peers voted only whether to dissolve the perpetual injunction. The Lords reversed without stating whether (i) no common-law copyright existed, (ii) none existed beyond first publication, or (iii) the statute abrogated any prior right. Counting speeches yields a tie: seven judges and one peer for a common-law right; four judges and four peers against. Eighty-four Lords attended the final vote; their individual views are unknown. In stating the law of the case, Lord Chancellor Apsley expressly denied any common-law right, and that position prevailed, so that is the controlling holding of the case. For more, see Ronan Deazley, Commentary on *Donaldson v. Becket* (1774), in *Primary Sources on Copyright (1450-1900)*, eds L. Bently & M. Kretschmer, (2008) (www.copyrighthistory.org).

(4) Does *Wheaton v. Peters* support a utilitarian or a natural rights view of copyright law? We address the difference between these two perspectives later in this chapter.

Copyright Formalities and Duration

Formalities

The Supreme Court's decision in *Wheaton v. Peters* (1834) firmly established that copyright in the United States is a creature of statute rather than a natural or common-law right. Having rejected the notion of perpetual literary property, the Court grounded protection in compliance with the positive requirements of Congress's copyright acts. Under the Copyright Act of the day, copyright protection was contingent on complying with various formalities and procedural steps. U.S. law continued in this vein in the 1831 Act and in the 1909 Act, but changed significantly with the Copyright Act of 1976, which became effective January 1, 1978. The 1976 Act was a watershed moment in U.S. copyright, but it's still important to understand how the law applied to works that were created under the 1909 Act, because many of those works are still potentially under copyright today.

Under the Copyright Act of 1909, authors obtained protection only by publishing their works with a proper copyright notice, registering the work with the U.S. Copyright Office, and depositing copies with the Library of Congress. These requirements were treated as conditions of protection rather than procedural steps. Failure to comply, such as omitting a notice on publication, placed the work irrevocably in the public domain. Registration was

also a prerequisite to bringing an infringement suit, a requirement that continues through to the present day.

This system changed fundamentally with the Copyright Act of 1976. The 1976 Act made copyright protection automatic upon fixation of an original work in a tangible medium of expression, thereby eliminating publication and registration as conditions of existence. The reform aligned U.S. law with international practice and anticipated the later requirements of the Berne Convention, which the United States joined in 1989. Under this modern regime, the author's creative act of fixation, not the act of publication or registration, suffices to create the copyright.

Although formalities no longer determine whether copyright exists, they remain relevant to enforcement and evidentiary matters. A copyright notice, while optional after 1989, can still defeat a claim of innocent infringement. Registration is not mandatory for protection but serves several important functions: it is a prerequisite for filing an infringement action in federal court; it enables access to statutory damages and attorney's fees; and if completed within five years of publication, it provides prima facie evidence of validity. Deposit of copies with the Library of Congress remains an administrative requirement, and failure to deposit may incur fines but does not invalidate the copyright. Thus, formalities have evolved from conditions of creation to tools that facilitate enforcement and public record-keeping.

Duration

The duration of copyright protection in the United States depends on when the work was created and whether it was produced by an individual author or as a corporate or anonymous work. For works created on or after January 1, 1978, the general rule under § 302 of the 1976 Act grants protection for the life of the author plus 70 years. In the case of joint authorship, the term lasts seventy years after the death of the last surviving author. For anonymous, pseudonymous, and "works made for hire," the statute provides an alternative fixed term of 95 years from publication or 120 years from creation, whichever expires first.

Works created before 1978 but still protected on that date are governed by the transitional provisions of § 304. Under the 1909 Act, works enjoyed an initial term of 28 years upon registration with a renewal term of equal length. Congress repeatedly extended the renewal term, most notably through the 1976 Act and again in the 1998 Sonny Bono Copyright Term Extension Act, which lengthened the renewal period to sixty-seven years. As a result, the total duration for these older works is now 95 years from the date of publication, provided that their copyrights were properly secured and renewed. It means that there are works created under the 1909 Act, which were given an initial term of protection of 28 years, but then ended up with a second term of 67 years, totaling 95 years. One of the most important rules of thumb that any copyright attorney should know is that as of 2026, all works published before 1930 are in the public domain. But note that this date advances each year, so in 2027 the magic date will be 1931, and so on.

Under the 1976 Act it doesn't matter when a work is published. The clock starts ticking on copyright duration as soon as the work is created. As a reminder, the two most important categories are individual authors (life + 70 years) and works for hire (95 years). If that

sounds simple enough, don't worry, it gets more complicated. Specifically, in order to smooth the transition to the new framework under the 1976 Act, Congress provided that all unpublished works created prior to 1978 would remain under copyright until at least the end of 2002. Furthermore, if such a work was published between 1978 and December 31, 2002, the copyright extends through December 31, 2047. This creates the somewhat counterintuitive result that an unpublished work by an author who died in 1850 would have been protected through at least 2002, and through 2047 if published by that deadline, even though a published work from that same era would have entered the public domain long ago.

Sound recordings fixed before February 15, 1972 run on a separate and slower ladder, and the rule of thumb above does not apply to them. Before 2018 these recordings were governed by state law rather than federal copyright. The Classics Protection and Access Act, discussed later in this chapter, brought them within the federal scheme but gave them their own terms in § 1401(a)(2). Recordings first published before 1923 entered the public domain on January 1, 2022. Recordings first published between 1923 and 1946 are protected for 100 years from publication, so as of 2026 the equivalent magic date for sound recordings is 1926: recordings published in 1925 or earlier are in the public domain, and like the general rule this date advances by a year each year. Recordings first published between 1947 and 1956 get 110 years. Everything else fixed before February 15, 1972 is protected until February 15, 2067, at which point the whole category enters the public domain at once.

For guidelines for calculating copyright term, see the Cornell University Library's Copyright Information Center, Copyright Term and the Public Domain in the United States at https://copyright.cornell.edu/publicdomain, this very useful chart is updated annually.

Publication, The Right of First Publication, and What's Left of Common Law Copyright

With so much riding on the question of publication, it should not be surprising that the very concept of publication itself has become somewhat tortured under United States law.

Estate of Martin Luther King v. CBS, Inc., 194 F.3d 1211 (11th Cir. 1999)

In *Estate of Martin Luther King v. CBS* (11th Cir. 1999), the Eleventh Circuit reversed a district court's grant of summary judgment to CBS in a copyright infringement case. CBS had used substantial portions of Dr. King's famous "I Have a Dream" speech in a 1994 documentary without authorization from the Estate, which held a valid copyright obtained shortly after the speech's delivery in 1963. The central issue was whether Dr. King's public delivery of the speech at the 1963 March on Washington, broadcast live to millions and widely covered by the press, constituted a "general publication" that forfeited the speech to the public domain under the 1909 Copyright Act. The appellate court held that, under established precedent, a performance—even before a massive audience—is not a general publication, and distribution to news media for contemporary coverage of a newsworthy event constitutes only a "limited publication" that preserves copyright. The court distinguished this case from situations involving unrestricted copying or widespread distribution of tangible copies to the general public, finding genuine issues of material fact precluded summary judgment and remanding for further proceedings on CBS's other defenses.

Judge Cook agreed with the outcome of reversing summary judgment for CBS but fundamentally disagreed with Chief Judge Anderson's reasoning. While the majority relied on the "limited publication" doctrine—arguing that distributing the speech to the press for news coverage was only a limited rather than general publication—Judge Cook advocated for a simpler, more categorical approach rooted in the principle that performance of a work can never constitute publication under any circumstances. He emphasized that this rule, established by Supreme Court precedent and later codified in the 1976 Copyright Act, applied regardless of audience size, press coverage, or copying restrictions. In his view, publication could only occur when tangible copies of a work were distributed to the public without copyright notice, which never happened with Dr. King's speech. Judge Cook criticized the majority's framework because it required analyzing factors like audience size, media dissemination, and copying restrictions that he believed were irrelevant for performed works. This made the case fairly straightforward: Dr. King performed the speech but never authorized distribution of tangible copies without copyright notice, therefore no publication occurred.

The copyright law concept of publication is obviously strained and artificial. As *Estate of Martin Luther King Jr. v. CBS* illustrates, courts developed a distinction between "limited publication" and "general publication" to mitigate the extreme consequences of publication without copyright notice. Under the 1909 Act, only a "general publication" made without complying with copyright formalities would divest a work of its potential for federal copyright and simultaneously end its common law copyright (the right of first publication).

Ongoing Confusion About "Common Law Copyright"

Until the Copyright Act of 1976, unpublished works enjoyed a common law right of first publication that is sometimes referred to as "common law copyright." So long as a work remained unpublished it was eligible for statutory copyright protection from the moment of general publication in compliance with copyright formalities. Historically, the common law recognized the right of an author to control the first publication of an unpublished work. This doctrine grew out of early English cases involving unpublished letters and manuscripts, which held that the author of the letters rather than their possessor had the right to authorize or prohibit their publication. The common law did not, however, recognize any right to control subsequent publication of a work after a first authorized publication had taken place, see *Wheaton v. Peters* 33 U.S. 591 (1834) and in particular the "historical detour" discussed under note 3 after *Wheaton*.

It is often said that publication without compliance with formalities would "divest" common law copyright. But this is only true in the sense there can be only one "first" publication. In truth, publication without notice was not literally divesting, it is more accurate to say that it was exhausting of one's common law rights and represented the failure to take advantage of a contingent statutory requirement. This right of first publication did not amount to the broad concept of literary property advocated by Blackstone, and the right of first publication should not be treated as the exclusive right to reproduce, distribute, publicly perform and display the work that applies to statutory copyright.

The expression "common law copyright" is apt to cause confusion between the common law right of first publication and broader concepts of a supposed common law right in

literary property that (a) was arguably never part of English law, the arguments of Blackstone notwithstanding and (b) never became part of American common law. The term "common law copyright" should be avoided if all we are really talking about is the common law right of first publication. There is a smattering of case law that indicates the existence of a common law copyright that was something more than a right of first publication, but such cases either have been overruled or should be. For example, in *Flo & Eddie, Inc. v. Sirius*, 28 N.Y.3d 583 (NY Court of Appeals 2016), the New York Court of Appeals held that the common law of New York does not recognize a right of public performance for the creators of sound recordings fixed prior to February 15, 1972. But note that since that case was decided, the 2018 Music Modernization Act gave something equivalent to federal copyright protection to sound recordings made before February 15, 1972, which were previously only protected (if at all) under state law. These older recordings now receive federal protection for terms that depend on when they were published, as set out above. This federal law also replaced many state-level protections that previously covered these recordings.

The "Why" of Copyright Law

Utilitarian versus natural rights perspectives

There are a multitude of theories as to what the true purpose of copyright law should be.

John Locke's labor-desert theory of property as expanded in Locke's *Two Treatises of Government* could be used to justify copyright, although Locke himself was more focused on justifying real and personal property. The Lockean theory holds that because we own ourselves, we own the product of our labor. Thus, when an individual contributes their labor to unowned resources or resources held in common, they earn a property right over the resulting product. According to some, this Lockean hinges on the "no-harm" proviso, asserting that people should not harm others by taking the fruits of their labor. This implies that appropriation from common resources or a state of nature is only justifiable if there is still "enough and as good" left for others to claim, and the appropriation should not lead to waste, implying that the property claim is only legitimate if the resources can be put to use. See Wendy J. Gordon, *A Property Right in Self-Expression: Equality and Individualism in the Natural Law of Intellectual Property*, 102 YALE LAW JOURNAL 1533 (1993), and more recently, Mala Chatterjee, *Lockean Copyright vs. Lockean Property*, 12 JOURNAL OF LEGAL ANALYSIS 136 (2020). For a different perspective, see Seana Shiffrin, *Lockean Arguments for Private Intellectual Property*, in NEW ESSAYS IN THE LEGAL AND POLITICAL THEORY OF PROPERTY 138-67 (2001).

Another deontic justification for copyright comes from personality theory, most clearly explored in the writings of Immanuel Kant. Adapting personality theory to copyright, one might argue that an individual's original expression, which embodies their personality, should be respected and protected as a property right to their autonomy. For more, see Margaret Jane Radin, *Property and Personhood*, 34 STANFORD LAW REVIEW 957 (1982). While the personality theory has a certain intuitive appeal it struggles when it comes to resolving competing claims based on personality. The theory gives us no basis to reconcile the personality interests of a first author and a second who builds upon her work, such as

when a novel reflecting one author's personality is adapted into a movie reflecting the filmmaker's personality.

Many would argue that neither of these theories is a great fit for the Anglo-American tradition of copyright law. Instead, the best general characterization of Anglo-American copyright law is that it is utilitarian or consequentialist. On this view, copyright is not based on natural rights at all, it is simply enlightened social policy that provides incentives for the production of new artistic and literary works that might otherwise be lacking. Incentives are required because information goods are generally expensive to make, but cheap to copy. For more on the economics of copyright law, see below. But in the meantime, consider the textual evidence that Anglo-American copyright law is primarily utilitarian.

Evidence for an author-centric, natural-rights account of copyright law

The Supreme Court's decision in *Wheaton v. Peters* 33 U.S. 591 (1834) reprised the common law copyright debate from *Millar v. Taylor* and *Donaldson v. Becket*. The Supreme Court agreed that the common law carried from England to the colonies that became the United States recognized a right of first publication, but it rejected the broader claim of perpetual common law copyright.

The textual evidence for a positivist-utilitarian seems strong. The first copyright statute, the Statute of Anne enacted in England in 1710, begins with the following rationale:

> Whereas printers, booksellers, and other persons have of late frequently taken the liberty of printing, reprinting, and publishing, or causing to be printed, reprinted, and published, books and other writings, without the consent of the authors or proprietors of such books and writings, to their very great detriment, and too often to the ruin of them and their families …

The purpose of the Statute of Anne is apparent in its title:

> An Act for the Encouragement of Learning, by Vesting the Copies of Printed Books in the Authors, or Purchasers, of such Copies, during the Times therein mentioned.

This sentiment is also reflected in Article I, Section 8, Clause 8 of the United States Constitution, which empowers Congress:

> To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries.

These overlapping sentiments are not a coincidence: the Statute of Anne was the template for similar copyright laws in the American colonies, the United States itself and numerous other common law jurisdictions. This common heritage is seen in the long title of the U.S. Copyright Act of 1790, which was almost identical to that of the Statute of Anne:

> An Act for the encouragement of learning, by securing the copies of maps, Charts, And books, to the authors and proprietors of such copies, during the times therein mentioned.

But we should not be too quick to see this as a one-sided debate. Although the text of the Constitution and reading *Wheaton v. Peters* on its face seems to settle the question of whether copyright is a natural right or a utilitarian regulation quite decisively, there are

alternative points of view. Jane Ginsburg argues that the U.S. tradition has always had both a positivist/utilitarian current and an author-centric (quasi-natural-rights) current and she makes three sets of arguments against an overly reductive reading of *Wheaton v. Peters*. See, Jane C. Ginsburg, *Humanist Copyright*, 6 JOURNAL OF FREE SPEECH LAW 91 (2025).

First, Ginsburg notes that there was good evidence for a natural rights view of copyright prior to *Wheaton v. Peters*. She notes that founding-era sources such as pre-Constitution state statutes literally framed authors' control as a "natural right" (e.g., Massachusetts 1783), and that Madison in Federalist 43 even referred to a British common-law copyright.

Second, Ginsburg would question whether the Supreme Court in *Wheaton v. Peters* really meant to settle the status of copyright as a natural right by insisting on adherence to formalities. In various contexts, formalities can serve administrative or evidentiary functions rather than denying the existence of a natural right or signaling a pure social-contract view. Indeed, perhaps *Wheaton* was more about federalism than it was about copyright at all? Ginsburg suggests that the decision also fits the Marshall Court's project of consolidating federal power and clearing interstate barriers, not just an ideological rejection of authorial rights. On this view, *Wheaton's* rigidity about formalities was a byproduct of Commerce-Clause-era federalism, not a referendum on natural-rights theory. Furthermore, Ginsburg also notes that while *Wheaton* is a strong positivist turn for published works (you had to comply with federal formalities), the Court still acknowledged a kind of inchoate, pre-publication right.

Third, Ginsburg notes that in many ways, later doctrinal and statutory developments lean back toward a focus on what is inherent in authorship. As we'll see shortly, Justice Holmes in *Bleistein* famously presumed protection from the fact of human creation—"that something he may copyright unless the Act says otherwise"—which rhetorically flips Wheaton's posture and re-centers the author. Furthermore, modern statutes reinforce an author-centric view in some ways. Most notably, the 1976 Act's premise that copyright "subsists" upon creation and fixation (i.e., is automatic) reflects a shift away from formalities toward the creative act itself—consistent with Ginsburg's humanist arc.

Although the debate is far from settled, the U.S. Supreme Court has endorsed a purposive understanding of copyright law on more than one occasion, although with nuanced differences in emphasis between ends and means. In *Sony Corporation of America v. Universal City Studios, Inc.* 464 U.S. 417 (1984), Justice Stevens, writing for the majority, said

> The monopoly privileges that Congress may authorize are neither unlimited nor primarily designed to provide a special private benefit. Rather, the limited grant is a means by which an important public purpose may be achieved. It is intended to motivate the creative activity of authors and inventors by the provision of a special reward, and to allow the public access to the products of their genius after the limited period of exclusive control has expired.

Or, as Judge Pierre Leval put it in an influential 1990 Harvard Law Review article, *Toward a Fair Use Standard,*

> [Copyright is] not an inevitable, divine, or natural right that confers on authors the absolute ownership of their creations. It is designed rather to stimulate activity and progress in the arts for the intellectual enrichment of the public.

Other cases and authorities downplay the need to shape copyright to meet its public purpose goals, arguing that copyright incentives intrinsically tend toward the public good. On this view:

> … copyright law celebrates the profit motive, recognizing that the incentive to profit from the exploitation of copyrights will redound to the public benefit by resulting in the proliferation of knowledge.... The profit motive is the engine that ensures the progress of science.

In *Eldred v. Ashcroft* 537 U.S. 186 (2003), Justice Ginsburg (whose views on copyright were not coincidentally similar to those of her daughter Professor Jane Ginsburg) used this quote in rejoinder to Justice Stevens' and Justice Breyer's arguments concerning the constitutionality of extending the term of copyright for works that had already been created. She explained that the public and private ends are not in tension in copyright law, or at least that "the two ends are not mutually exclusive; copyright law serves public ends by providing individuals with an incentive to pursue private ones."

In contrast to the United States, the European approach to copyright does not ignore utilitarian benefits, but its foundational concern is with recognition of the rights of the author. This natural rights view of copyright explains the European enthusiasm for "moral rights" that protect the integrity of a work as distinct from the traditional economic rights. It also explains another key difference between European influenced copyright systems and those in the Anglo-American tradition, the treatment of the rights of performers. Both of these topics are addressed in later chapters. Of course, many aspects of European copyright law are more consistent with a utilitarian conception of copyright; just as a few aspects of copyright in common law jurisdictions may be better explained from a natural rights perspective.

The continued relevance of non-utilitarian theories of copyright law

Critics of non-utilitarian theories of copyright law would argue that where it is clear that a non-utilitarian theory of copyright is welfare reducing, privileging the non-utilitarian position amounts to little more than expressing a preference for the utility of one class of persons over another. As Glynn Lunney notes in COPYRIGHT'S EXCESS: MONEY AND MUSIC IN THE US RECORDING INDUSTRY 57 (2018),

> "I like authors better" may be perfectly fine as a basis for deciding who receives an invitation to your next cocktail party; it is not a satisfactory basis for a system of legal rights that binds author and non-authors alike.

What should we make of natural rights and other non-utilitarian theories of copyright law? Even if you find it difficult to accept them as the primary justification for the institution of copyright law, they have their place.

Natural rights intuitions about copyright play an important role in constructing the basic concepts of copyright law. Non-economic theories are essential to developing a coherent body of law with reasonably determinate parameters—which is another way of saying low information costs. The problem with a purely instrumental account of copyright law is that it sets a goal but tells us very little about the means to realize that goal. As Professor Shyamkrishna Balganesh, explains in a 2012 article in the Harvard Law Review, *The Obligatory Structure of Copyright Law: Unbundling the Wrong of Copying*:

> To the instrumental account, the precise structure of copyright's entitlement--that is, its "rights"--matters very little. The inducement for creativity that it seeks to provide could thus be meaningfully achieved in principle through the grant of a government-sponsored subsidy or reward, a tax break, or perhaps more realistically, a compensation (or compulsory licensing) regime. The instrumental account thus lacks explanatory depth, in that it does not extend beyond the surface of copyright's operation to explain why it operates in the precise way that it does …

Without some intrinsic idea of what copyright is supposed to be about, we face too many choices about what the law should be to be able to make any rational choices at all. The mandate to maximize the public good can't give us a predictable definition of authorship by itself, nor does it dictate where the line between ideas and expression should be drawn in the abstract. Answering these questions from a strictly utilitarian position would require knowledge of all of the other variables in the system, such as the duration of copyright, the scope of rights, etc. For more, see Matthew Sag, *Beyond Abstraction, The Law and Economics of Copyright Scope and Doctrinal Efficiency*, 81 TULANE LAW REVIEW 187 (2006).

Copyright law is built around a few key legal concepts, concepts such as originality and the idea-expression distinction that will be discussed at length elsewhere in this book. These concepts are not inconsistent with the instrumental account of copyright law, but they are more than merely levers of instrumentalism. As Balganesh further explains:

> The instrumental account thus answers the question, "why copyright?" Yet in operationalizing the institution and applying it to individual instances, a decisionmaker need not make reference to the overall instrumental goals of the institution, but can instead adopt an analysis using the granular devices and concepts on which the liability regime relies--all of which revolve around the idea of copying.

Is copyright property?

The debate about whether copyright and other forms of "intellectual property" (i.e., patents, trademarks, trade secrets, etc.) are really property tends to proceed along the following lines. Those who proclaim that copyright is property observe that as a matter of definition exclusive and tradable rights are generally thought of as property. Those who resist the property label note that copyright and other IP rights are limited in scope and duration and subject to a number of important public interest caveats.

Pro-property advocates respond with fascinating descriptions of the law relating to nuisance, easements, riparian rights, and ancient Roman concepts holding the oceans and navigable waterways in public trust. The implication being that, for every conceivable feature of copyright that supposedly distinguishes it from property, there is in fact a property law antecedent.

Those who resist the property label respond by saying something along the lines of "but that is not what *you* mean when you say copyright is property. You mean that as a normative matter, the rights of the copyright owner should come as close as possible to absolute control that is unyielding and perpetual." Both sides then declare victory in the debate and revert to their initial positions.

Whether one chooses to call copyright "property", "regulation", or something else entirely, it is worth understanding how copyright is different to rights in relation to tangible things. A property right in Blackacre confers broad rights of exclusion on the owner. As a corollary, the property owner's right to exclude necessarily implies a duty to refrain from trespass. Copyright has a similar right/duty correlation. The copyright owner's exclusive rights with respect to her original expression can be reframed in terms of a duty not to copy original expression. For more on this, see Shyamkrishna Balganesh, *The Obligatory Structure Of Copyright Law: Unbundling The Wrong Of Copying*, 125 HARVARD LAW REVIEW 1664 (2012).

In real property, the right to exclude makes possible an undefined set of use privileges in relation to Blackacre. These privileges are protected through a right to exclude because the underlying resource is rivalrous. If I am to make full use of my parking space, it is essential that you are not allowed to park your car there. Here we see the difference between copyright and real property. The exclusive rights of the copyright owner are entirely superfluous to her use of her intellectual property. If you make a copy of my manuscript, I am not prevented from reading my original copy, or from using it as the basis for additional copies. To recap, the difference between copyright and property is that in the latter case exclusion and the correlative duty not to intrude serve as placeholders for more fundamental interests; whereas in copyright, the fundamental interest is the duty not to copy original expression.

There is also a separate debate in Constitutional law as to whether copyright qualifies as property within the original meaning of the Fourteenth Amendment's Due Process Clause. Compare Justice Kagan's majority opinion in *Allen v. Cooper*, 140 S.Ct. 994 (2020) with Justice Thomas' separate opinion concurring in part and concurring in the judgment. But, to this author at least, that argument is even less interesting than the general philosophical question posed above.

Key Economic Concepts in Copyright Law

The standard model

The standard model for the economic analysis of copyright starts with the idea that copyright law is a solution to a "public goods" problem. For a classic account, see WILLIAM LANDES & RICHARD POSNER, THE ECONOMIC STRUCTURE OF INTELLECTUAL PROPERTY LAW (2003).

As Stewart Brand once said: *"Information wants to be free. Information also wants to be expensive."* This is the basic dilemma that copyright law attempts to resolve. Information wants to be free in the sense that, once produced, information is cheap to copy, distribute, and recombine. Information wants to be expensive in the sense that, for information producers to recover their fixed costs of creation, they need to be able to charge more than just the low marginal cost of copying that results from a competitive market.

In its pure form, information is what economists call a *public good*, meaning that it is both non-excludable and non-rivalrous. The non-excludable nature of information means that those who produce it often find it difficult to keep the benefits to themselves. Consider the following example. Amy, a budding novelist, plans to write a novel at an expected initial

cost of $100 (called the "cost of expression"). Amy also expects that, once written, it will only cost her $1 to make copies of her novel for distribution. There are ten potential buyers of Amy's work, each with a different valuation ranging from Bill, for whom the novel is worth $20, to Kevin, for whom the novel is worth only $11. If Amy sells ten copies of her novel at $11 each, she will recover both her initial cost of expression and her marginal cost (the cost of printing each additional volume). Unfortunately for Amy, she is unlikely to be able to charge that price because once she sells a copy to her first customer, Bill, he will also be able to make copies and offer to sell them to the remaining customers. Bill's cost of expression is zero, because he did not write the novel, so Bill can make a profit by selling at any price above his marginal cost of copying. If Amy can't stop Bill from free riding on her work, she will abandon the idea of becoming a novelist and pursue an alternative career instead, a suboptimal outcome for both Amy and her customers.

Amy's story illustrates the classic economic rationale for the creation of exclusive rights in information in general and copyright in particular. Without the legal artifact of exclusivity, assuming that everyone has the same marginal cost, Amy's competitors will face a lower average cost of production for her novel than she does. Consequently, faced with the choice between creating and copying, it makes more sense to copy. To put it another way, in a competitive market the market price will be that of the lowest cost producer, which the author will never be. As such, without some mechanism to appropriate the benefits of their investments, authors and publishers will underinvest in the production of information products. Of course, authors and artists invest in writing for many reasons beyond the financial rewards that copyright law provides. But this fact should not obscure the point that the author's hope of commercial success is often what keeps them chained to the typewriter and keeps their publisher paying the rent.

Copyright rights allow an author to internalize more of the benefits of her creations; or in the jargon of economics, copyright facilitates the *internalization* of a work's *positive externalities* and limits *free riding*.

So that was the standard model of the economics of copyright. The basic story is that without the incentives that copyright provides, creators would lack the incentive to create, or at least to disseminate their creations.

So far, so good, but what about the costs of copyright?

Copyright facilitates the internalization of a work's positive externalities and limits free riding, but free riding in this context is not necessarily something we want to limit. Intellectual works are non-rivalrous — a non-rivalrous good is one for which one person's use does not affect the value of any other person's use. For example, while a photographic print is a tangible physical object, it also embodies creative expression. If I take the print from your living room, you are deprived of the enjoyment of seeing it there; on the other hand, if I merely reproduce the print, you still have the original, and yet I now have one too. The photo qua object is rivalrous; the photo qua artistic expression is non-rivalrous.

The non-rivalrous nature of information makes the welfare implications of copyright different from those of other forms of property: the incentives attributed to allocating property rights in information must be offset against the resulting underutilization of that information. In other words, there is a trade-off between the author's incentive to produce a work and the public's interest in access to that work.

The author's exclusive rights under copyright law provide a buffer against price competition. This competitive buffer allows the author to charge higher prices than she otherwise would, which in turn has two immediate effects. First, some consumers remain willing to purchase the work at a higher price and consequently pay more. Assuming we value the welfare of both consumers and authors equally, this is simply a wealth transfer and is welfare-neutral. Second, those who are unwilling to pay the higher price are forced to go without the work in question. Market allocation of scarce resources to their highest valued use is usually welfare enhancing, but for non-rivalrous goods, the exclusion of low value users produces a deadweight loss because their consumption is not at the expense of another who values the good more.

All this suggests that there is a trade-off between efficiency in production and efficiency in consumption; essentially this is a comparison of dynamic benefits (incentives) and static costs (exclusion). Copyright has dynamic benefits in that it creates incentives to invest in the creation of new intellectual and creative works. Copyright has static costs consisting of the "consumer deadweight loss resulting from higher pricing," the concentration of market power, and possible stifling of alternative points of view. In the classic model, the optimal assignment of copyright rights is determined by balancing the dynamic incentives against static deadweight losses. For more, see William M. Landes & Richard A. Posner, *An Economic Analysis of Copyright Law*, 18 JOURNAL OF LEGAL STUDIES 325 (1989).

Copyright and Creativity: Evidence from Italian Operas

What do we know about the economics of copyright? We know that in theory copyright establishes market-based incentives for the creation and dissemination of expressive works. We also know that, depending on the scope of copyright, these incentives might become obstacles for the next generation of creators and that they might limit access to the work leading to a deadweight loss.

So much for theory, is there any evidence that copyright actually works in practice?

In *Copyrights and Creativity: Evidence from Italian Opera in the Napoleonic Age*, Michela Giorcelli and Petra Moser found a creative way to empirically test the effect of copyright law by examining the production of operas in Italian states between 1770 and 1900. Usually, it doesn't make sense to attribute the difference in output between two states to any particular aspect of their legal systems because the difference may well be attributable to whatever caused the two states to adopt different legal systems. But in this case, the variation in copyright laws came about as a result of Napoleon's military campaign in Northern Italy. This gives the authors something close to a natural experiment, variation between comparable states in copyright law that came about for reasons that have nothing to do with copyright. Lombardy and Venetia adopted copyright laws in 1801, as part of a broader packet of French laws, after they had fallen under French rule.

From 1801 onwards, Lombardy and Venetia appear to have experienced a significant increase in the number of new operas that premiered per state and per year. Giorcelli and Moser also found that the number of high-quality operas also increased in the copyright early adopter states. However, although the Italian experiment suggests that copyright really does create incentives, the same can't necessarily be said about extensions of the duration of copyright. As Giorcelli and Moser note, when Lombardy and Venetia later

moved to *extend* their copyright terms, "there was no clear increase in the level or the quality of output, even though both states had responded strongly to the adoption of basic copyright laws." See, Michela Giorcelli & Petra Moser, *Copyrights and Creativity: Evidence from Italian Opera in the Napoleonic Age* 128 JOURNAL OF POLITICAL ECONOMY 4163 (2020).

Less money, more music?

Copyright has steadily expanded for the last 300 years. As Glynn Lunney notes in COPYRIGHT'S EXCESS (2018), much of that expansion has been driven by "on the fundamental premise that more incentives will yield more and better original works," but this is a premise that we have never really tested. In *Copyright's Excess*, Lunney uses a variety of data sources to show that, at least since the 1960s, the relationship between money and music production has been exactly the opposite to that which the incentive story of copyright would predict. The central dogma of copyright holds that greater rewards spur greater endeavors and that we should expect that less money means less music. And yet, increases in copyright have reduced music output and quality, and forces undermining copyright—especially illegal peer-to-peer filesharing—have increased it.

Macroeconomic studies such as those in Lunney's book are incredibly tricky and not everyone will agree that he has demonstrated a perverse relationship between music industry revenue and music production. At the very least, however, the last 50 years of data from the United States music industry leave us with a total absence of evidence for the central dogma of copyright law.

Sequential innovation

The standard model of copyright does not pay much attention to sequential innovation. This is unfortunate in a world where very few creations stand alone. Even the greatest authors and artists typically see further by standing on the shoulders of those who came before them. Although we want the law to encourage highly original works, we don't expect art and literature to stand apart from contemporary culture. Films refer to other films, books refer to other books, even in the visual arts and in architecture one might see references and reactions to other works. The scope of copyright needs to be carefully calibrated to provide sufficient incentive for original works without smothering the creativity of the next generation.

The economics of sequential innovation raises many questions but provides few answers in the context of copyright. When creator B wants to build on all the work of creator A to produce a new copyrightable work, it is impossible to say in the abstract how the rewards/incentives for the second work should be allocated. The simplistic belief that the initial allocation of every conceivable right relating to a work should be vested in A does not account for transaction costs, uncertainty and strategic behavior, externalities (cost and benefits visited on third parties), and non-economic motivations. It might seem intuitive that the author of a book should be entitled to determine who writes the sequel, but where do we draw the line between a sequel and a companion book, a parody or simply a work in the same genre?

The Expansion of Copyright Rights and Subject Matter

The range of things that copyright protects and the ways in which it protects them have expanded significantly over the years. New technologies such as photography, player pianos, the gramophone (and other ways of recording music), the motion picture camera, radio and television have all had an important influence on the development of copyright.

More recently, technologies such as the photocopier and the videocassette recorder and then later the personal computer significantly destabilized copyright policy because these inventions placed commercially significant copying technology directly in the hands of large numbers of consumers for the first time.

The challenge of new technology intensified with digitization and the Internet. Digitization allows for perfect reproduction such that the millionth copy of an MP3 file sounds just as good as the first copy. The Internet has connected billions of people together; by and large, this is regarded as a positive development, but this togetherness has also facilitated copyright piracy on a massive scale. Determining how copyright law should respond to the challenges and opportunities of the Internet is one of the fundamental questions underlying almost every issue in copyright.

Jurisprudential Changes

Copyright discourse, particularly the discourse in judicial opinions, has changed markedly over the years. These developments are summarized in Professor Shyamkrishna Balganesh's 2020 Pennsylvania Law Review article, "*Copyright as Legal Process: The Transformation of American Copyright Law.*" Balganesh argues that

> American copyright law has undergone an unappreciated conceptual transformation over the course of the last century. Originally conceived of as a form of private law--focusing on horizontal rights, privileges, and private liability--copyright law is today understood principally through its public-regarding goals and institutional apparatus, in effect as a form of public law.

As Balganesh notes, courts today commonly invoke the ultimate policy goals of copyright as an explanation for particular copyright doctrines. Sometimes these goals are located in the essence of copyright itself, sometimes in the Constitutional mandate for copyright in Article I, Section 8, Clause 8, and sometimes in the Congressional intent animating the modern statute. Such overt policy discussion can make copyright sound like public law rather than private law, but this was not always the case.

Prior to World War II, copyright law and copyright theory focused more on a conception of copyright as a private right and far less on the ultimate policy goals of the copyright system as a whole. The discourse in early cases and treatises was formalist and not much concerned with issues of statutory interpretation or questions of legislative intent. The relative insignificance of the text of the prevailing copyright law reflected the lack of specificity of those statutes. Thus, although copyright has always been statutory, for most of the last 300 years it has been very much a common law statute. The early copyright acts were not excessively detailed or regulatory in nature and they gave judges significant

freedom to create law "out of whole cloth", guided by their own sense of the fundamental principles of copyright law.

The jurisprudence of copyright law appears to have changed quite suddenly in the second half of the 20th Century. In the 1950s, Congress became more involved in copyright policy and commissioned a series of reports on the nature and functioning of the copyright system to prepare for a comprehensive legislative revision of copyright law. Through this series of reports and the process of drafting the Copyright Act of 1976, the Copyright Office took on an expanded policy role and began to be recognized as a genuine expert agency.

Around the same time, we see the discourse of copyright adjudication turn outwards and engage more directly with copyright's public purpose. Early cases in the copyright law canon, such as *Baker v. Selden* and *Burrow-Giles Lithographic Co. v. Sarony* rest heavily on principles internal to copyright doctrine but have little or no regard for the broader issues of policy that we now view as animating and constituting those principles. But from the late 1940s, courts began to stress that the private rights of copyright owners are merely a means to an end, a "secondary consideration" to copyright's "public purpose." See *U.S. v. Paramount Pictures, Inc.*, 334 U.S. 131, 158 (1948). See also, *Mazer v. Stein*, 347 U.S. 201, 219 (1954) "The economic philosophy behind ... copyright is the conviction that encouragement of individual effort by personal gain is the best way to advance public welfare."

The changing nature of federal litigation has also had a significant impact on copyright more discourse. Courts in the United States began to make much greater use of summary judgment in the postwar era. This practice effectively diminished the importance of the jury, but it also required federal judges to articulate their reasons for decision in much greater detail. In copyright cases in the postwar era we see judges trying to articulate concepts like the idea-expression distinction, substantial similarity, and fair use, in much greater detail.

Who controls the Copyright Office?

The Copyright Office sits in an unusual constitutional position. It is housed within the Library of Congress, an institution of the legislative branch, and the Register of Copyrights is appointed by the Librarian. Yet much of what the Office does looks executive in character. It registers claims, it issues regulations, and it produces the policy reports that Congress and the courts have come to rely on. For most of the Office's history that arrangement attracted little attention. Since 2025 it has been the subject of live litigation.

On May 8, 2025, the President removed the Librarian of Congress, Carla Hayden. Days later the administration removed the Register of Copyrights, Shira Perlmutter, and installed an acting Register. Perlmutter sued, arguing that only the Librarian may remove the Register and that the Deputy Attorney General who purported to remove her, Todd Blanche, was not lawfully serving as acting Librarian. The district court declined to order her reinstatement, but in September 2025 the D.C. Circuit enjoined the administration from interfering with her service as Register pending appeal, over the dissent of Judge Walker. *Perlmutter v. Blanche*, No. 25-5285 (D.C. Cir. Sept. 10, 2025). In June 2026 the Supreme Court denied the government's emergency application to lift that injunction.

As of September 2026 no court has ruled on the merits. Everything so far is interim relief, granted on a preliminary assessment of the likelihood of success and expressly described by the D.C. Circuit as an exceptional remedy. Cross-motions for summary judgment are pending in the district court, which has asked the parties to address the effect of the Supreme Court's 2026 decision in *Trump v. Slaughter*, and the appeal in the D.C. Circuit is still being briefed. The underlying question, whether the Register serves at the pleasure of the President or is insulated from removal by the Office's placement in the legislative branch, remains open.

The stakes are larger than the fate of one official. Much of the Office's influence rests on a claim to institutional expertise and a measure of distance from the political branches. Courts cite its reports, defer in varying degrees to its registration practices, and treat its views as informed rather than merely interested. If the Register is removable at will by the President, that claim is harder to sustain, and the weight that copyright doctrine has quietly placed on the Office as an expert body becomes a question rather than an assumption. Readers should watch this litigation less for what it says about the separation of powers than for what it may say about who gets to speak with authority about copyright.

The American Law Institute's Copyright Restatement

The American Law Institute completed its long-awaited and somewhat controversial Restatement of the Law of Copyright in May 2025, marking the culmination of an eleven-year project that began in 2014. On May 20, 2025, the ALI membership voted to approve this first-ever Restatement devoted to copyright law, despite vocal opposition from some stakeholders (including the U.S. Copyright Office, prominent copyright scholars, members of Congress, and representatives from copyright industries). Critics argued that the project inappropriately attempted to recast federal statutory copyright law rather than merely restating existing judicial interpretations, with some characterizing it as reflecting the Reporters' policy preferences rather than established legal doctrine.

Supporters of the Copyright Restatement argue that it addresses a genuine need created by forty years of complex, sometimes inconsistent judicial interpretation across thirteen federal circuits. The Copyright Act leaves many questions for courts to resolve, and the resulting case law requires synthesis and clarification. For the most part, the Restatement is a straightforward, uncontroversial distillation of existing law and it is likely to be very helpful to federal district and appellate court judges. Perhaps even more so than the leading treatises, which are all quite idiosyncratic in different ways. ALI Restatements typically command significant judicial respect, but it remains to be seen how this particular Restatement is received by the courts. Note that although the membership approved the Restatement in May 2025, the official volume was still in preparation as of September 2026; in the interim, the approved Tentative Drafts are cited as the ALI's position.

Copyright's International Framework

International cooperation on IP issues dates back to the mid-19th century. However, a major shift occurred in 1994, when IP was incorporated into the global trade regime

through the World Trade Organization (WTO). This might seem like a paradox that IP laws grant territorial exclusive rights, whereas the WTO's focus is the reduction of trade barriers. Nonetheless, modern trade agreements have come to encompass wide-ranging regulatory standards, including detailed IP provisions. The rationale for integrating IP into trade agreements is the promise of regulatory harmonization and economic efficiency. This linkage has allowed IP-exporting countries—chiefly the United States—to secure stronger IP protections from importing countries in exchange for trade concessions in other sectors. It has also enhanced enforcement by connecting IP obligations to the WTO's dispute resolution system.

The 1994 Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) significantly expanded international IP law, making it more comprehensive and enforceable. TRIPS sets minimum standards across various IP domains but allows for some national discretion. To close some of these gaps, countries like the United States have pursued bilateral free trade agreements (FTAs) that impose more stringent IP protections. However, WTO-led progress slowed in the 21st Century and the U.S. and EU increasingly relied on bilateral FTAs.

The Berne Convention, the TRIPs Agreement, and more

Copyright law has been the subject of far-reaching international agreements since the Berne Convention of 1886. Today, the TRIPs agreement incorporates by reference articles 1 to 21 of the Berne Convention (Paris 1971) and its Appendix. The TRIPs Agreement also contains its own minimum standards for copyright which both overlap with and extend the Berne Convention.

> **TRIPs Article 9(1)**
>
> Members shall comply with Articles 1 through 21 of the Berne Convention (1971) and the Appendix thereto. However, Members shall not have rights or obligations under this Agreement in respect of the rights conferred under Article 6bis of that Convention or of the rights derived therefrom.

The first Berne Convention was a significant development in the internationalization of intellectual property. Prior to the Berne Convention, countries either didn't recognize the copyrights of foreign nationals, or they did so based on bilateral agreements of reciprocity. The Berne convention adopted the principle of national treatment whereby each country agrees to treat foreigners at least as well as it treats its own nationals, regardless of the level of protection offered in a foreign country. The Berne Convention also adopted certain minimum standards.

Remarkably, the United States stayed outside of the Berne Convention until 1989. Initially, the United States refused to enforce foreign copyrights as part of a deliberate industrial policy that prioritized the education of a fast-growing population over the rights of authors in faraway countries. However, even after the United States became an important producer of literature, music, film, and television it was reluctant to accede to the Berne Convention because United States law predicated copyright protection on compliance with formalities – including publication with a copyright notice, registration with the copyright office and deposit with the Library of Congress. Insistence on these formalities was strictly prohibited under the Berne Convention.

Some other significant international agreements on copyright and related rights include the Rome Convention, the International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations, first signed in 1961; and the WIPO Copyright Treaty and the WIPO Performances and Phonograms Treaty. Note that although over 180 countries are members of WIPO, the influence of these two WIPO treaties is still weaker than the TRIPS Agreement, which enjoys the strong enforcement mechanism under the WTO's Dispute Settlement Body.

In addition, copyright has also been an important issue in a number of regional and bilateral free trade agreements, particularly those negotiated by the European Union and the United States. These agreements are often referred to as "TRIPs-Plus" agreements because they seek to impose minimum standards above and beyond what was agreed to in the TRIPs Agreement.

The Constitutional Basis of Copyright Law

The Constitution addresses copyright in Article I, Section 8, Clause 8, known as the Copyright Clause or the Intellectual Property Clause. It states:

> The Congress shall have Power... To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries.

Note that "Science" in 18th-century usage meant knowledge and learning generally (what we'd now call culture, literature, and scholarship), while "useful Arts" referred to practical crafts and technology. This phrase establishes that copyright exists to serve a public purpose: advancing knowledge and creativity for society's benefit. But how much does this clause actually limit Congressional power?

The Copyright Term Extension Act of 1998 (CTEA), often called the "Sonny Bono Copyright Term Extension Act" or derisively the "Mickey Mouse Protection Act," significantly extended copyright durations in the United States. The CTEA extended copyright terms by 20 years across the board. Nominally, the act was passed largely to harmonize U.S. copyright law with the European Union, which had already adopted life-plus-70-year terms. However, critics argued it was heavily influenced by corporate lobbying, particularly from Disney, whose copyright on early Mickey Mouse works (especially "Steamboat Willie" from 1928) was approaching expiration.

Section 514 of the Uruguay Round Agreements Act (URAA) of 1994 restored U.S. copyright protection to certain foreign works that had previously been in the public domain in the United States. These were works that originated in countries that later joined the Berne Convention or other copyright treaties, were still under copyright in their source country, and had fallen into the U.S. public domain for technical reasons. The main technical reasons were failure to comply with U.S. formalities (like copyright notice or registration) or lack of copyright relations between the U.S. and the source country at the time.

Both the CTEA and the Section 514 of the URAA were challenged under the Copyright Clause and the First Amendment in two cases that rehearsed largely the same arguments.

In *Eldred v. Ashcroft* 537 U.S. 186 (2003), petitioners challenged the CTEA's retroactive extension of existing copyrights on several grounds. Petitioners argued that extending the duration of existing copyrights violated the Copyright Clause's "limited Times" requirement and failed to "promote the Progress of Science." They contended that retroactive extensions couldn't possibly incentivize creativity for works already created—the authors had already produced these works under the original terms, so extending protection afterward provided no additional incentive to create. They also argued that this made the term effectively unlimited through repeated extensions and served no constitutional purpose of promoting progress. Petitioners also argued the CTEA violated the First Amendment by restricting access to creative works for an additional 20 years, interfering with free expression and the public's ability to build upon existing culture.

In *Golan v. Holder*, 565 U.S. 302 (2012) Petitioners argued that removing works from the public domain violated the "limited Times" provision even more egregiously than mere extension—Congress was taking works that had completed their copyright term and re-privatizing them. They also argued this served no purpose in promoting progress, since these works had already been created without any expectation of U.S. copyright protection. The "Progress" requirement, they contended, was a quid pro quo: exclusive rights in exchange for creative production. But Section 514 granted rights without any corresponding creative contribution. Turning to the First Amendment, Petitioners, who included orchestra conductors, educators, and film archivists who had relied on these public domain works, argued that Section 514 imposed especially severe First Amendment burdens by removing speech from the public domain—taking away expressive material people had already been freely using.

In both cases, petitioners lost. On the Copyright Clause, the Court held that the "limited Times" requirement was satisfied as long as copyright terms had a definite endpoint—even if extended. In *Eldred*, Justice Ginsburg's majority opinion rejected the argument that retrospective extensions were categorically impermissible, noting that the First Congress had enacted retroactive copyright extensions. The Court found that "promote the Progress of Science" was merely a preamble stating copyright's purpose, not an enforceable limitation—Congress had wide latitude in determining what would best serve progress. In *Golan*, the Court similarly held that restoring foreign copyrights could rationally serve progress by encouraging better international copyright relations and ensuring American creators received reciprocal protection abroad.

As to the First Amendment, the Court held that copyright's built-in free speech safeguards —the idea/expression distinction and fair use doctrine—were generally adequate to address First Amendment concerns. Copyright law and the First Amendment were viewed as compatible, complementary systems rather than in tension. The Court applied rational basis review rather than heightened First Amendment scrutiny, treating copyright as a permissible content-neutral restriction on speech that served important governmental interests. Only if a copyright law altered the "traditional contours" of copyright protection would heightened First Amendment scrutiny apply—and neither the CTEA nor Section 514 did so in the Court's view.

These decisions reveal a constitutional understanding of copyright that is remarkably permissive. The Court treats copyright as primarily a matter for legislative policy judgment rather than strict constitutional constraint. The "limited Times" and "promote the Progress"

language in the Constitution seem to count for very little. In particular, the Court doesn't require Congress to prove that extensions or restorations actually promote creativity or seemingly provide any half-way convincing theory how it could.

Eldred and *Golan* are important decisions, but they don't add much to a textbook on copyright law. Beyond the fact that rational basis review applies to copyright term extensions and restorations, and that in practice Congress can do whatever it wants, as long as the term is nominally limited.

A Quick Look at the Rights of the Copyright Owner

Before getting too immersed in the details of copyright law, it is useful to have a general appreciation of the kinds of exclusive rights copyright provides.

The TRIPs Agreement and the Berne Convention both contain some general guidance as to the rights of the copyright owner. However, it is important to recognize that these international agreements are not self-executing, at least not in the United States. The rights of the copyright owner in a particular country only exist by virtue of that country's domestic legislation. If that domestic legislation is noncompliant with international norms, that may, or may not, lead to censure or retaliation through the dispute settlement mechanisms of the World Trade Organization. For an argument that international influence on United States copyright law now flows less through treaties than through private international law, that is, through choice-of-law and jurisdictional rules applied by courts here and abroad, see Graeme B. Dinwoodie, *International Influence on U.S. Copyright Law: A Story Growing More Complex* (JOURNAL OF THE COPYRIGHT SOCIETY OF THE U.S.A., forthcoming).

It is also important to recognize that although the TRIPs agreement and the Berne Convention (and the WIPO Treaties for that matter) use certain language to describe the rights of the copyright owner, the use of particular terms of art is not as important as the substance of the rights.

The most significant economic rights of the copyright owner under the Berne Convention are the rights of reproduction, adaptation and translation, public performance, communication and broadcast, and public distribution for cinematographic adaptations.

Berne Convention Economic Rights

Article 2^{bis} (collection of speeches)

Article 8 (translations)

Article 9 (reproduction)

Article 11 (public performance of musical works)

Article 11^{bis} (public communication)

Article 11^{ter} (public recitation)

Article 12 (adaptations, arrangements, and alterations)

Article 14 (cinematographic adaptations)

Article l4^{ter} (droit de suite, or resale right)

In addition to these, the TRIPs Agreement also contains a rental right for computer programs and cinematographic works.

Different jurisdictions have different styles of lawmaking. Some copyright laws contain specific rights tied to particular categories of works; whereas others state the rights of the copyright owner more generally. Section 106 of the United States Copyright Act of 1976 (the "Copyright Act") sets out six exclusive rights belonging to the copyright owner. These are: the right to reproduce the work in copies, the right to make a derivative work based on the copyrighted work, the right to distribute the copyrighted work, the rights of public performance and public display, and something called a digital audio transmission right.

> **17 U.S. Code § 106 - Exclusive rights in copyrighted works**
>
> Subject to sections 107 through 122, the owner of copyright under this title has the exclusive rights to do and to authorize any of the following:
>
> (1) to reproduce the copyrighted work in copies or phonorecords;
>
> (2) to prepare derivative works based upon the copyrighted work;
>
> (3) to distribute copies or phonorecords of the copyrighted work to the public by sale or other transfer of ownership, or by rental, lease, or lending;
>
> (4) in the case of literary, musical, dramatic, and choreographic works, pantomimes, and motion pictures and other audiovisual works, to perform the copyrighted work publicly;
>
> (5) in the case of literary, musical, dramatic, and choreographic works, pantomimes, and pictorial, graphic, or sculptural works, including the individual images of a motion picture or other audiovisual work, to display the copyrighted work publicly; and
>
> (6) in the case of sound recordings, to perform the copyrighted work publicly by means of a digital audio transmission.

The first three rights apply to all types of work. Generally, the performance right in Section 106(4) applies to things capable of being performed and the display right in Section 106(5) applies to things capable of being displayed. However, if you read the section carefully you will see that there is no public performance right for sound recordings in 106(4), only for musical works (for the moment, think "musical works" as musical compositions and "sound recordings" as recordings of performances). There is, however, a public performance right for sound recordings by means of a digital audio transmission, for example, by means of webcasting or Internet radio.

Sound recordings are a relatively late addition to United States copyright law. In 1972, Congress included sound recordings within the umbrella of federal copyright, but it gave no protection to recordings already in existence. In 2018 Congress extended copyright protection to pre-1972 sound recordings in the "Classics Protection and Access Act" which was passed as part of the Music Modernization Act of 2018. The method Congress chose to achieve this objective adds some additional complexity to the structure of the Copyright Act. The CPA Act adds a new chapter to the Copyright Act (Section 1401) that provides that the unauthorized use of a sound recording fixed before February 15, 1972 shall be subject to the same remedies as any other form of copyright infringement. Section 1401 of

the Act puts pre- and post-1972 sound recordings on an equal footing, but it does not extend a general performance right to sound recordings.

Finally, it is worth noting that business terms and legal rights under the Copyright Act are not always in sync. In fact, so-called "synchronization licenses" are great examples of this phenomenon. According to *Kohn On Music Licensing*, "synchronizing involves making a piece of music an integral part of the audiovisual work — by recording the music in 'timed-relation' with the moving pictures in an audiovisual work." In reality, a sync license is simply a license to reproduce the musical work limited to a particular factual context. Usually the terms of a sync license will include performance rights as well, but not always. There is nothing special from a legal standpoint about the fact that the music is combined with video—except that the statutory license in Section 115 of the Copyright Act is only available for fixing musical works in "phonorecords" and that term is defined to exclude music combined with video—but the terminology is a useful way of conveying the limits of the permission and the understanding that use of the same musical composition in a different context or in a different audiovisual work "would require a separate license, carrying an additional fee." See AL KOHN & BOB KOHN, KOHN ON MUSIC LICENSING 1086 (4th ed. 2010).

CHAPTER 2. COPYRIGHT SUBJECT MATTER AND QUESTIONS OF CREATIVITY, ORIGINALITY, AND INTELLECTUAL CREATION

Introduction

Creativity, originality, and authorship are the fundamental concepts that determine whether a work is entitled to copyright protection and which aspects of a work are protected by the exclusive rights of the copyright owner. The following readings concentrate on how these concepts influence whether a work is eligible for copyright protection in the first place and which aspects of the work are protectable.

Suppose a writer locks herself away in a cabin in the woods to produce a new screenplay that was not based on any pre-existing work. It seems obvious that the screenplay is original and creative and that the writer should be acknowledged as its author. However, copyright extends to a broad range of subject matter that is not always so self-evidently creative.

Should copyright protect the producer's investment of time and effort in collecting facts for a database or a telephone directory? Should copyright protect a skillfully taken photograph of a work of art that does nothing more than exactly reproduce the original? Should copyright protect a photograph that was taken by accident, or a photograph that was taken by a monkey? The answers to these questions should begin to emerge from consideration of the reading that follows.

Creativity, Originality and Copyright Subject Matter

The Development of the concept of originality before Feist v. Rural Telephone

The Trade-Mark Cases, 100 U.S. 82 (1879)

In 1879, in a consolidated set of cases known as "The Trade-Mark Cases," the Supreme Court held that the Copyright Clause of the Constitution did not give Congress the power to protect or regulate trademarks. The Trade-Mark Cases, 100 U.S. 82 (1879). The individual cases, *U.S. v. Steffens, U.S. v. Wittemann*, and *U.S. v. Johnson*, dealt with the criminal counterfeiting of Champagne and Whisky under an 1870 amendment to the Copyright Act. The Court held, unanimously, that the Congressional power in Article 1, Section 8, Clause 8 of the Constitution "to promote the progress of science and useful arts, by securing for limited times, to authors and inventors, the exclusive right to their respective writings and discoveries" was not a solid foundation for the broad trademark statute Congress had drafted.

As Justice Miller explained:

> Any attempt, however, to identify the essential characteristics of a trade-mark with inventions and discoveries in the arts and sciences, or with the writings of authors, will show that the effort is surrounded with insurmountable difficulties.
>
> The ordinary trade-mark has no necessary relation to invention or discovery. The trade-mark recognized by the common law is generally the growth of a

> considerable period of use, rather than a sudden invention. It is often the result of accident rather than design, and when under the act of Congress it is sought to establish it by registration, neither originality, invention, discovery, science, nor art is in any way essential to the right conferred by that act. If we should endeavor to classify it under the head of writings of authors, the objections are equally strong. In this, as in regard to inventions, originality is required. And while the word writings may be liberally construed, as it has been, to include original designs for engravings, prints, &c., it is only such as are original, and are founded in the creative powers of the mind. The writings which are to be protected are the fruits of intellectual labor, embodied in the form of books, prints, engravings, and the like. The trade-mark may be, and generally is, the adoption of something already in existence as the distinctive symbol of the party using it. At common law the exclusive right to it grows out of its use, and not its mere adoption. By the act of Congress this exclusive right attaches upon registration. But in neither case does it depend upon novelty, invention, discovery, or any work of the brain. It requires no fancy or imagination, no genius, no laborious thought. It is simply founded on priority of appropriation. We look in vain in the statute for any other qualification or condition. If the symbol, however plain, simple, old, or well-known, has been first appropriated by the claimant as his distinctive trade-mark, he may by registration secure the right to its exclusive use. While such legislation may be a judicious aid to the common law on the subject of trade-marks, and may be within the competency of legislatures whose general powers embrace that class of subjects, we are unable to see any such power in the constitutional provision concerning authors and inventors, and their writings and discoveries

Congress responded to the Court's ruling by passing a new Trade Mark Act of 1881, carefully designed to fall within the scope of the Commerce Clause power. Nonetheless, the Trade-Mark Cases have left an important legacy in copyright law: tying the word "writings" in the Constitution's IP Clause to the concept of "originality" and those things that "are founded in the creative powers of the mind" or are "the fruits of intellectual labor, embodied in the form of books, prints, engravings, and the like."

The originality of photography

The invention of the daguerreotype process for capturing images with light sensitive materials in 1839 is generally accepted as the birth of photography. Photography was included in copyright subject matter in the English Fine Arts Copyright Act of 1862 and by a similar provision in the United States in 1865. However, it was not until 1884 that the Supreme Court had the opportunity to consider whether a mechanical process like photography truly belonged under the rubric of copyright law.

Burrow-Giles Lithographic Co. v. Sarony (Photo and Lithograph)

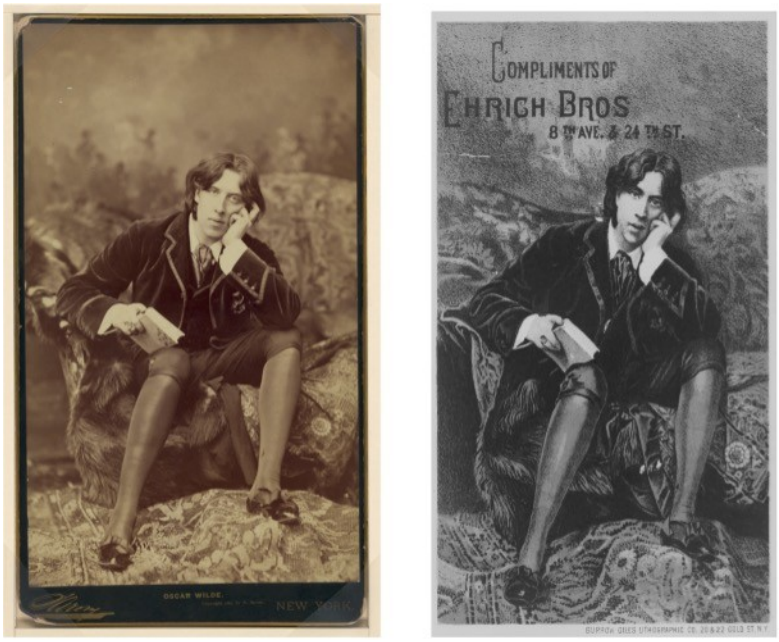


Image description: Left, a sepia-toned portrait of Oscar Wilde seated on an ornate chair, head resting on one hand, a book in the other. He wears a dark velvet jacket, knee-length breeches, stockings, and slippers, posed pensively against a patterned backdrop. Right, a black-and-white reproduction of the same. The patterned background and Wilde's thoughtful expression are clearly visible.

Burrow-Giles Lithographic Co. v. Sarony, 111 U.S. 53 (1884)

Mr. Justice Miller delivered the opinion of the court

The constitutional question is not free from difficulty.

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

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

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

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

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

Section 4952 of the Revised Statutes places photographs in the same class as things which may be copyrighted with "books, maps, charts, dramatic or musical compositions, engravings, cuts, prints, paintings, drawings, statues, statuary, and

models or designs intended to be perfected as works of the fine arts." "According to the practice of legislation in England and America," says Judge Bouvier, 2 Law Dictionary, 363, "the copyright is confined to the exclusive right secured to the author or proprietor of a writing or drawing which may be multiplied by the arts of printing in any of its branches."

The first Congress of the United States, sitting immediately after the formation of the Constitution, enacted that the "author or authors of any map, chart, book or books, being a citizen or resident of the United States, shall have the sole right and liberty of printing, reprinting, publishing and vending the same for the period of fourteen years from the recording of the title thereof in the clerk's office, as afterwards directed." 1 Stat. 124, 1.

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

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

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

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

These statutes certainly answer the objection that books only, or writing in the limited sense of a book and its author, are within the constitutional provision. Both these words are susceptible of a more enlarged definition than this. An author in that sense is "he to whom anything owes its origin; originator; maker; one who completes a work of science or literature." *Worcester*. So, also, no one would now claim that the word writing in this clause of the Constitution, though the only word used as to subjects in regard to which authors are to be secured, is limited to the actual script of the author, and excludes books and all other printed matter. By writings in that clause is meant the literary productions of those authors, and Congress very properly has declared these to include all forms of writing, printing, engraving, etching, &c., by which the ideas in the mind of the author are given visible expression. The only reason why photographs were not included in the

extended list in the act of 1802 is probably that they did not exist, as photography as an art was then unknown, and the scientific principle on which it rests, and the chemicals and machinery by which it is operated, have all been discovered long since that statute was enacted.

Nor is it to be supposed that the framers of the Constitution did not understand the nature of copyright and the objects to which it was commonly applied, for copyright, as the exclusive right of a man to the production of his own genius or intellect, existed in England at that time, and the contest in the English courts, finally decided by a very close vote in the House of Lords, whether the statute of 8 Anne, chap. 19, which authorized copyright for a limited time, was a restraint to that extent on the common law or not, was then recent. It had attracted much attention, as the judgment of the King's Bench, delivered by Lord Mansfield, holding it was not such a restraint, in *Millar v. Taylor*, 4 Burrows, 2303, decided in 1769, was overruled on appeal in the House of Lords in 1774. *Ibid*. 2408. In this and other cases the whole question of the exclusive right to literary and intellectual productions had been freely discussed.

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

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

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

In regard, however, to the kindred subject of patents for invention, they cannot by law be issued to the inventor until the novelty, the utility, and the actual discovery or invention by the claimant have been established by proof before the Commissioner of Patents; and when he has secured such a patent, and undertakes to obtain redress for a violation of his right in a court of law, the question of invention, of novelty, of originality, is always open to examination. Our copyright

system has no such provision for previous examination by a proper tribunal as to the originality of the book, map, or other matter offered for copyright. A deposit of two copies of the article or work with the Librarian of Congress, with the name of the author and its title page, is all that is necessary to secure a copyright. It is, therefore, much more important that when the supposed author sues for a violation of his copyright, the existence of those facts of originality, of intellectual production, of thought, and conception on the part of the author should be proved, than in the case of a patent right.

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

The third finding of facts says, in regard to the photograph in question, that it is a "useful, new, harmonious, characteristic, and graceful picture, and that plaintiff made the same ... entirely from his own original mental conception, to which he gave visible form by posing the said Oscar Wilde in front of the camera, selecting and arranging the costume, draperies, and other various accessories in said photograph, arranging the subject so as to present graceful outlines, arranging and disposing the light and shade, suggesting and evoking the desired expression, and from such disposition, arrangement, or representation, made entirely by plaintiff, he produced the picture in suit."

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

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

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

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

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

Lord Justice Cotton said: "In my opinion, 'author' involves originating, making, producing, as the inventive or master mind, the thing which is to be protected,

whether it be a drawing, or a painting, or a photograph;" and Lord Justice Bowen says that photography is to be treated for the purposes of the act as an art, and the author is the man who really represents, creates, or gives effect to the idea, fancy, or imagination.

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

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

The judgment of the Circuit Court is accordingly affirmed.

Notes and questions

(1) In *Burrow-Giles Lithographic Co. v. Sarony*, 111 U.S. 53 (1884) the Supreme Court held:

> By writings in that clause is meant the literary productions of those authors, and Congress very properly has declared these to include all forms of writing, printing, engraving, etching, &c., by which the ideas in the mind of the author are given visible expression.

The Court thus concluded that the term "writing" in the Copyright Clause of the U.S. Constitution was broad enough to include photographs "*so far as they are representatives of original intellectual conceptions of the author*." The Court also noted that:

> The only reason why photographs were not included in the extended list in the act of 1802 is probably that they did not exist, as photography as an art was then unknown, and the scientific principle on which it rests, and the chemicals and machinery by which it is operated, have all been discovered long since that statute was enacted.

(2) What made the photo in dispute in this case the representation of "original intellectual conceptions of the author"? Do the references to the English cases help you answer this question? How does this apply to a photo you might take on your smartphone? Are there any circumstances where a photo would not be copyrightable?

Other Significant Pre-Feist Cases

Bleistein v. Donaldson Lithographing Co., 188 U.S. 239 (1903)

Justice Holmes delivered the opinion of the court

This case comes here from the United States Circuit Court of Appeals for the Sixth Circuit by writ of error. It is an action brought by the plaintiffs in error to recover the penalties prescribed for infringements of copyrights. The alleged infringements consisted in the copying in reduced form of three chromolithographs prepared by employees of the plaintiffs for advertisements of a circus owned by one Wallace. Each of the three contained a portrait of Wallace in the corner and lettering bearing some slight relation to the scheme of decoration, indicating the subject of the design and the fact that the reality was to be seen at the circus. One of the designs was of

an ordinary ballet, one of a number of men and women, described as the Stirk family, performing on bicycles, and one of groups of men and women whitened to represent statues. The Circuit Court directed a verdict for the defendant on the ground that the chromolithographs were not within the protection of the copyright law, and this ruling was sustained by the Circuit Court of Appeals.

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

If there is a restriction it is not to be found in the limited pretensions of these particular works. The least pretentious picture has more originality in it than directories and the like, which may be copyrighted. The amount of training required for humbler efforts than those before us is well indicated by Ruskin. "If any young person, after being taught what is, in polite circles, called 'drawing,' will try to copy the commonest piece of real work, — suppose a lithograph on the title page of a new opera air, or a woodcut in the cheapest illustrated newspaper of the day — they will find themselves entirely beaten." *Elements of Drawing*, 1st ed. 3.

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

These chromolithographs are "pictorial illustrations." The word "illustrations" does not mean that they must illustrate the text of a book, and that the etchings of Rembrandt or Steinla's engraving of the Madonna di San Sisto could not be protected to-day if any man were able to produce them. Again, the act however construed, does not mean that ordinary posters are not good enough to be considered within its scope. The antithesis to "illustrations or works connected with the fine arts" is not works of little merit or of humble degree, or illustrations addressed to the less educated classes; it is "prints or labels designed to be used for

any other articles of manufacture." Certainly works are not the less connected with the fine arts because their pictorial quality attracts the crowd and therefore gives them a real use — if use means to increase trade and to help to make money. A picture is none the less a picture and none the less a subject of copyright that it is used for an advertisement. And if pictures may be used to advertise soap, or the theatre, or monthly magazines, as they are, they may be used to advertise a circus. Of course, the ballet is as legitimate a subject for illustration as any other. A rule cannot be laid down that would excommunicate the paintings of Degas.

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

It would be a dangerous undertaking for persons trained only to the law to constitute themselves final judges of the worth of pictorial illustrations, outside of the narrowest and most obvious limits. At the one extreme some works of genius would be sure to miss appreciation. Their very novelty would make them repulsive until the public had learned the new language in which their author spoke. It may be more than doubted, for instance, whether the etchings of Goya or the paintings of Manet would have been sure of protection when seen for the first time. At the other end, copyright would be denied to pictures which appealed to a public less educated than the judge. Yet if they command the interest of any public, they have a commercial value — it would be bold to say that they have not an aesthetic and educational value — and the taste of any public is not to be treated with contempt. It is an ultimate fact for the moment, whatever may be our hopes for a change. That these pictures had their worth and their success is sufficiently shown by the desire to reproduce them without regard to the plaintiffs' rights. We are of opinion that there was evidence that the plaintiffs have rights entitled to the protection of the law.

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

Justice Harlan, with whom concurred Justice McKenna, dissenting.

Judges Lurton, Day and Severens, of the Circuit Court of Appeals, concurred in affirming the judgment of the District Court. Their views were thus expressed in an opinion delivered by Judge Lurton: "What we hold is this: That if a chromo, lithograph, or other print, engraving, or picture has no other use than that of a mere advertisement, and no value aside from this function, it would not be promotive of the useful arts, within the meaning of the constitutional provision, to protect the 'author' in the exclusive use thereof, and the copyright statute should not be construed as including such a publication, if any other construction is admissible. If a mere label simply designating or describing an article to which it is attached, and which has no value separated from the article, does not come within the constitutional clause upon the subject of copyright, it must follow that a pictorial

illustration designed and useful only as an advertisement, and having no intrinsic value other than its function as an advertisement, must be equally without the obvious meaning of the Constitution. It must have some connection with the fine arts to give it intrinsic value, and that it shall have is the meaning which we attach to the act of June 18, 1874, amending the provisions of the copyright law. We are unable to discover anything useful or meritorious in the design copyrighted by the plaintiffs in error other than as an advertisement of acts to be done or exhibited to the public in Wallace's show. No evidence, aside from the deductions which are to be drawn from the prints themselves, was offered to show that these designs had any original artistic qualities."

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

Notes and questions

(1) *Bleistein v. Donaldson Lithographing Co.*, 188 U.S. 239 (1903) is an important case to come to terms with when addressing the concept of originality and understanding the Constitutional limits on copyright subject matter more generally. The case concerned the unauthorized reproduction of a circus poster, pictured below.

Bleistein v. Donaldson Circus Poster



Image description: Colorful vintage circus poster for "The Great Wallace Shows," featuring the Stirk Family performing elaborate balancing acts on unicycles. Acrobats in bright costumes form human pyramids, wave flags, and jump through hoops.

The defendant's primary argument was that the kind of low art represented in the poster and its use in advertising meant that it was not the kind of fine art to which the Copyright Act was directed. In the course of rejecting this argument Justice Holmes articulated the now famous *Bleistein* "anti-discrimination" principle. Justice Holmes warned that copyright should not be reserved for works deemed to have a particular importance or quality, or indeed social value, because these artistic judgments are beyond the institutional competence of the courts.

> It would be a dangerous undertaking for persons trained only to the law to constitute themselves final judges of the worth of pictorial illustrations, outside of the narrowest and most obvious limits. At the one extreme some works of genius would be sure to miss appreciation. Their very novelty would make them repulsive until the public had learned the new language in which their author spoke. It may be more than doubted, for instance, whether the etchings of Goya or the paintings of Manet would have been sure of protection when seen for the first time. At the other end, copyright would be denied to pictures which appealed to a public less educated than the judge.

(2) In a 2017 article in the Columbia Law Review, *Bleistein, The Problem Of Aesthetic Progress, And The Making Of American Copyright Law*, Barton Beebe argues that when Holmes declared that judges should refrain from judging aesthetic merit he was not speaking to the standard of originality, but rather to the dissent's view that a work that has "no other use than that of a mere advertisement" did not qualify for copyright protection because it did not "promote the progress of" knowledge as required by the Constitution. What are the implications of this argument?

(3) The majority opinion argues that "the least pretentious picture has more originality in it than directories and the like, which may be copyrighted." It cites a leading copyright treatise of the day and caselaw for that proposition, but as discussed further below, most directories and the like are not in fact copyrightable. See *Feist Publications, Inc. v. Rural Telephone Service Co.*, 499 U.S. 340 (1991).

Alfred Bell & Co., Ltd. v. Catalda Fine Arts, Inc., 191 F.2d 99 (2d Cir. 1951)

Circuit Judge Frank

[Alfred Bell & Co was a British print producer and dealer that had secured United States copyrights in eight mezzotint engravings of certain paintings in the public domain. The plaintiff brought an action against a dealer in lithographs that produced and sold color lithographs of the eight mezzotints.

Although patents and copyrights stem from the same constitutional clause, the Constitution expressly distinguishes "authors" and their "writings" from "inventors" and their "discoveries." Consequently, the strict novelty and inventiveness requirements applied to patents do not apply to copyrights. Historical practice—both pre-constitutional state laws and early federal statutes—shows that works like books, maps, and charts were protected without demanding patent-level originality. Reflecting this distinction, the first Congress enacted separate 1790 statutes: patents required demonstrated novelty, usefulness, and detailed specification, while copyrights simply covered maps, charts, and books with

registration and deposit formalities. Congress broadened this copyright category in 1802 to include engravings, etchings, and prints.]

Thus legislators peculiarly familiar with the purpose of the Constitutional grant, by statute, imposed far less exacting standards in the case of copyrights. They authorized the copyrighting of a mere map which, patently, calls for no considerable uniqueness. They exacted far more from an inventor. And, while they demanded that an official should be satisfied as to the character of an invention before a patent issued, they made no such demand in respect of a copyright. … Accordingly, the Constitution, as so interpreted, recognizes that the standards for patents and copyrights are basically different.

"Original" in reference to a copyrighted work means that the particular work "owes its origin" to the "author."(*Burrow-Giles Lithographic Co. v. Sarony*, 111 U.S. 53, 57-58) No large measure of novelty is necessary.

It is clear, then, that nothing in the Constitution commands that copyrighted matter be strikingly unique or novel. Accordingly, we were not ignoring the Constitution when we stated that a "copy of something in the public domain" will support a copyright if it is a "distinguishable variation"; or when we rejected the contention that "like a patent, a copyrighted work must be not only original, but new", adding, "That is not the law as is obvious in the case of maps or compendia, where later works will necessarily be anticipated."(*Sheldon v. Metro-Goldwyn Pictures Corp.*, 2 Cir., 81 F.2d 49, 53.) All that is needed to satisfy both the Constitution and the statute is that the "author" contributed something more than a "merely trivial" variation, something recognizably "his own." Originality in this context "means little more than a prohibition of actual copying." No matter how poor artistically the "author's" addition, it is enough if it be his own. *Bleistein v. Donaldson Lithographing Co.*, 188 U.S. 239, 250.

On that account, we have often distinguished between the limited protection accorded a copyright owner and the extensive protection granted a patent owner. So we have held that "independent reproduction of a copyrighted work is not infringement", (*Arnstein v. Edward B. Marks Music Corp.*, 2 Cir., 82 F.2d 275) whereas it is vis a vis a patent. Correlative with the greater immunity of a patentee is the doctrine of anticipation which does not apply to copyrights: The alleged inventor is chargeable with full knowledge of all the prior art, although in fact he may be utterly ignorant of it. The "author" is entitled to a copyright if he independently contrived a work completely identical with what went before; similarly, although he obtains a valid copyright, he has no right to prevent another from publishing a work identical with his, if not copied from his. A patentee, unlike a copyrightee, must not merely produce something "original"; he must also be "the first inventor or discoverer." "Hence it is possible to have a plurality of valid copyrights directed to closely identical or even identical works. Moreover, none of them, if independently arrived at without copying, will constitute an infringement of the copyright of the others."

We consider untenable defendants' suggestion that plaintiff's mezzotints could not validly be copyrighted because they are reproductions of works in the public

domain. Not only does the Act include "Reproductions of a work of art", but — while prohibiting a copyright of "the original text of any work … in the public domain" — it explicitly provides for the copyrighting of "translations, or other versions of works in the public domain".

The mezzotints were such "versions." They "originated" with those who made them, and — on the trial judge's findings well supported by the evidence — amply met the standards imposed by the Constitution and the statute. There is evidence that they were not intended to, and did not, imitate the paintings they reproduced. But even if their substantial departures from the paintings were inadvertent, the copyrights would be valid. A copyist's bad eyesight or defective musculature, or a shock caused by a clap of thunder, may yield sufficiently distinguishable variations. Having hit upon such a variation unintentionally, the "author" may adopt it as his and copyright it.

Accordingly, defendants' arguments about the public domain become irrelevant. They could be relevant only in their bearing on the issue of infringement, i.e., whether the defendants copied the mezzotints. But on the findings, again well grounded in the evidence, we see no possible doubt that defendants, who did deliberately copy the mezzotints, are infringers. For a copyright confers the exclusive right to copy the copyrighted work — a right not to have others copy it.

Notes and questions

(1) A mezzotint is a printmaking process involving roughening a metal plate with thousands of small dots pressed into a metal plate. The dots retain the ink when the face of the plate is wiped clean. The mezzotint process can be combined with other similar techniques, such as etching and engraving. The process was widely used in England from the eighteenth century to reproduce portraits and other paintings, but is not common today.

Thomas Gainsborough's painting The Blue Boy (left) Mezzotint (right)



Image description: Classic portrait of a young boy standing outdoors, dressed in an elaborate blue satin outfit with lace trim. He holds a black hat in one hand and gazes directly at the viewer. The background features a dark, moody landscape with clouds and muted foliage. The second version has deeper, more saturated colors, especially in the blues and background, giving it a higher-contrast, more vivid appearance.

(2) According to the Second Circuit in *Alfred Bell & Co. v. Catalda Fine Arts*, what features of the mezzotints made them sufficiently "original" to qualify for copyright protection, and why did the court consider even inadvertent variations to be legally significant?

(3) The distinction between originality and novelty was not new to this case. In *Sheldon v. Metro-Goldwyn Pictures Corp.*, 81 F.2d 49 (2d Cir. 1936) Judge Learned Hand invoked a vivid, if implausible hypothetical to illustrate the distinction. He said:

> … if by some magic a man who had never known it were to compose anew Keats's Ode on a Grecian Urn, he would be an 'author,' and, if he copyrighted it, others might not copy that poem, though they might of course copy Keats's.

See also *Fred Fisher, Inc. v. Dillingham, D.C.*, 298 F. 145 (S.D.N.Y. 1924).

Authorship and Originality in Feist v. Rural Telephone

The cases addressed so far indicate a fairly relaxed standard of originality or creativity. In *Burrow-Giles*, a photograph was held to be sufficiently creative because, although the image was reduced to material form by a mechanical process, the photographer executing that process had made important creative and artistic choices with respect to lighting, shade and composition. In *Bleistein v. Donaldson Lithographing*, Justice Holmes forcefully stated that copyrightability is not a judgment of aesthetic or social value. Low art deployed for commercial purposes merits the same degree of copyright protection as artistic works of genius. In *Alfred Bell*, the Second Circuit held that even a mezzotint reproduction of a work in the public domain was entitled to copyright protection because, in the course of translating the work to a new medium, the artist could not help but create a distinguishable variation.

In light of these cases, is there anything that would not be sufficiently creative to merit copyright protection? The Supreme Court answered this question in the case that follows.

Rural Telephone Service Phone Books in Feist

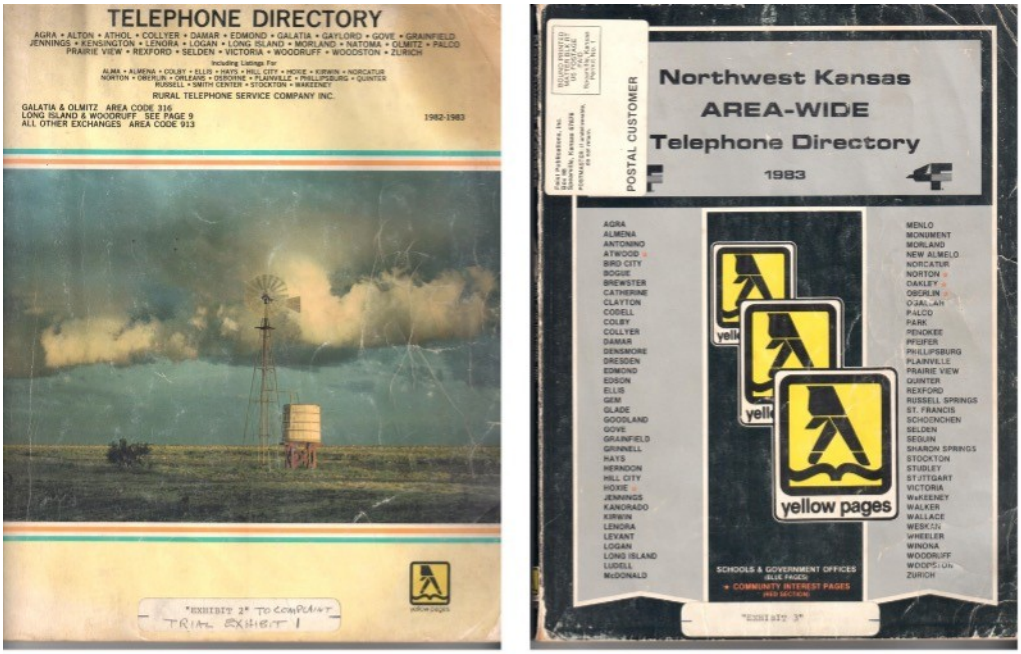


Image description: Side-by-side covers of vintage telephone directories.

Feist Publications, Inc. v. Rural Telephone Service Co., 499 U.S. 340 (1991)

Justice O'Connor delivered the opinion of the Court.

This case requires us to clarify the extent of copyright protection available to telephone directory white pages.

I

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

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

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

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

Unable to license Rural's white pages listings, Feist used them without Rural's consent. Feist began by removing several thousand listings that fell outside the geographic range of its area-wide directory, then hired personnel to investigate the 4,935 that remained. These employees verified the data reported by Rural and sought to obtain additional information. As a result, a typical Feist listing includes the individual's street address; most of Rural's listings do not. Notwithstanding these additions, however, 1,309 of the 46,878 listings in Feist's 1983 directory were identical to listings in Rural's 1982-1983 white pages. Four of these were fictitious listings that Rural had inserted into its directory to detect copying.

Rural sued for copyright infringement in the District Court for the District of Kansas taking the position that Feist, in compiling its own directory, could not use the information contained in Rural's white pages. Rural asserted that Feist's employees were obliged to travel door-to-door or conduct a telephone survey to discover the same information for themselves. Feist responded that such efforts were economically impractical and, in any event, unnecessary because the information copied was beyond the scope of copyright protection. The District Court granted summary judgment to Rural, explaining that "courts have consistently held that telephone directories are copyrightable" and citing a string of lower court decisions. In an unpublished opinion, the Court of Appeals for the Tenth Circuit affirmed "for substantially the reasons given by the district court." We granted certiorari, to determine whether the copyright in Rural's directory protects the names, towns, and telephone numbers copied by Feist.

II

A

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

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

The key to resolving the tension lies in understanding why facts are not copyrightable. The sine qua non of copyright is originality. To qualify for copyright

protection, a work must be original to the author. Original, as the term is used in copyright, means only that the work was independently created by the author (as opposed to copied from other works), and that it possesses at least some minimal degree of creativity. To be sure, the requisite level of creativity is extremely low; even a slight amount will suffice. The vast majority of works make the grade quite easily, as they possess some creative spark, "no matter how crude, humble or obvious" it might be. Originality does not signify novelty; a work may be original even though it closely resembles other works so long as the similarity is fortuitous, not the result of copying. To illustrate, assume that two poets, each ignorant of the other, compose identical poems. Neither work is novel, yet both are original and, hence, copyrightable. See *Sheldon v. Metro-Goldwyn Pictures Corp.*, 81 F. 2d 49, 54 (CA2 1936).

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

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

In *Burrow-Giles*, the Court distilled the same requirement from the Constitution's use of the word "authors." The Court defined "author," in a constitutional sense, to mean "he to whom anything owes its origin; originator; maker." As in *The Trade-Mark Cases*, the Court emphasized the creative component of originality. It described copyright as being limited to "original intellectual conceptions of the author,", and stressed the importance of requiring an author who accuses another of infringement to prove "the existence of those facts of originality, of intellectual production, of thought, and conception."

The originality requirement articulated in *The Trade-Mark Cases* and *Burrow-Giles* remains the touchstone of copyright protection today. It is the very "premise of copyright law." *Miller v. Universal City Studios, Inc.*, 650 F. 2d 1365, 1368 (CA5 1981). Leading scholars agree on this point. As one pair of commentators succinctly puts it: "The originality requirement is *constitutionally mandated* for all works." Patterson & Joyce, *Monopolizing the Law: The Scope of Copyright Protection for Law Reports and Statutory Compilations*, 36 UCLA LAW REVIEW 719, 763, n. 155 (1989) (emphasis in original). Accord, Nimmer ("originality is a statutory as well

as a constitutional requirement"); ("a modicum of intellectual labor . . . clearly constitutes an essential constitutional element").

It is this bedrock principle of copyright that mandates the law's seemingly disparate treatment of facts and factual compilations. "No one may claim originality as to facts." This is because facts do not owe their origin to an act of authorship. The distinction is one between creation and discovery: The first person to find and report a particular fact has not created the fact; he or she has merely discovered its existence. To borrow from *Burrow-Giles*, one who discovers a fact is not its "maker" or "originator." The discoverer merely finds and records. Census takers, for example, do not "create" the population figures that emerge from their efforts; in a sense, they copy these figures from the world around them. Census data therefore do not trigger copyright because these data are not "original" in the constitutional sense. The same is true of all facts—scientific, historical, biographical, and news of the day. "[T]hey may not be copyrighted and are part of the public domain available to every person." *Miller*, supra, at 1369.

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

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

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

As one commentator explains it: "No matter how much original authorship the work displays, the facts and ideas it exposes are free for the taking. … The very same facts and ideas may be divorced from the context imposed by the author, and restated or reshuffled by second comers, even if the author was the first to discover the facts or to propose the ideas." Ginsburg 1868.

It may seem unfair that much of the fruit of the compiler's labor may be used by others without compensation. As Justice Brennan has correctly observed, however, this is not "some unforeseen byproduct of a statutory scheme." *Harper & Row*, 471 U.S., at 589 (dissenting opinion). It is, rather, "the essence of copyright," and a constitutional requirement. The primary objective of copyright is not to reward the labor of authors, but "[t]o promote the Progress of Science and useful Arts." Art. I, § 8, cl. 8. Accord, *Twentieth Century Music Corp. v. Aiken*, 422 U.S. 151, 156 (1975). To this end, copyright assures authors the right to their original expression, but encourages others to build freely upon the ideas and information conveyed by a work. This principle, known as the idea/expression or fact/expression dichotomy, applies to all works of authorship. As applied to a factual compilation, assuming the absence of original written expression, only the compiler's selection and arrangement may be protected; the raw facts may be copied at will. This result is neither unfair nor unfortunate. It is the means by which copyright advances the progress of science and art.

This Court has long recognized that the fact/expression dichotomy limits severely the scope of protection in fact-based works. More than a century ago, the Court observed: "The very object of publishing a book on science or the useful arts is to communicate to the world the useful knowledge which it contains. But this object would be frustrated if the knowledge could not be used without incurring the guilt of piracy of the book." *Baker v. Selden*, 101 U.S. 99, 103 (1880). We reiterated this point in *Harper & Row*:

> "No author may copyright facts or ideas. The copyright is limited to those aspects of the work—termed 'expression'—that display the stamp of the author's originality.
>
> "Copyright does not prevent subsequent users from copying from a prior author's work those constituent elements that are not original—for example . . . facts, or materials in the public domain—as long as such use does not unfairly appropriate the author's original contributions." 471 U.S., at 547-548 (citation omitted).

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

B

As we have explained, originality is a constitutionally mandated prerequisite for copyright protection. The Court's decisions announcing this rule predate the

Copyright Act of 1909, but ambiguous language in the 1909 Act caused some lower courts temporarily to lose sight of this requirement.

The 1909 Act embodied the originality requirement, but not as clearly as it might have. The subject matter of copyright was set out in §§ 3 and 4 of the Act. Section 4 stated that copyright was available to "all the writings of an author." By using the words "writings" and "author"—the same words used in Article I, § 8, of the Constitution and defined by the Court in *The Trade-Mark Cases* and *Burrow-Giles*—the statute necessarily incorporated the originality requirement articulated in the Court's decisions. It did so implicitly, however, thereby leaving room for error.

Section 3 was similarly ambiguous. It stated that the copyright in a work protected only "the copyrightable component parts of the work." It thus stated an important copyright principle, but failed to identify the specific characteristic—originality—that determined which component parts of a work were copyrightable and which were not.

Most courts construed the 1909 Act correctly, notwithstanding the less-than-perfect statutory language. They understood from this Court's decisions that there could be no copyright without originality. As explained in the Nimmer treatise:

> "The 1909 Act neither defined originality, nor even expressly required that a work be 'original' in order to command protection. However, the courts uniformly inferred the requirement from the fact that copyright protection may only be claimed by 'authors'. . . . It was reasoned that since an author is 'the … creator, originator' it follows that a work is not the product of an author unless the work is original." Nimmer § 2.01.

But some courts misunderstood the statute. See, e.g., *Leon v. Pacific Telephone & Telegraph Co.*, 91 F. 2d 484 (CA9 1937); *Jeweler's Circular Publishing Co. v. Keystone Publishing Co.*, 281 F. 83 (CA2 1922). These courts ignored §§ 3 and 4, focusing their attention instead on § 5 of the Act. Section 5, however, was purely technical in nature: It provided that a person seeking to register a work should indicate on the application the type of work, and it listed 14 categories under which the work might fall. One of these categories was "books, including composite and cyclopædic works, directories, gazetteers, and other compilations." § 5(a). Section 5 did not purport to say that all compilations were automatically copyrightable. Indeed, it expressly disclaimed any such function, pointing out that "the subject-matter of copyright is defined in section four." Nevertheless, the fact that factual compilations were mentioned specifically in § 5 led some courts to infer erroneously that directories and the like were copyrightable per se, without any further or precise showing of original—personal—authorship.

Making matters worse, these courts developed a new theory to justify the protection of factual compilations. Known alternatively as "sweat of the brow" or "industrious collection," the underlying notion was that copyright was a reward for the hard work that went into compiling facts. The classic formulation of the doctrine appeared in *Jeweler's Circular Publishing Co.*, 281 F., at 88:

> "The right to copyright a book upon which one has expended labor in its preparation does not depend upon whether the materials which he has collected

> consist or not of matters which are publici juris, or whether such materials show literary skill *or originality*, either in thought or in language, or anything more than industrious collection. The man who goes through the streets of a town and puts down the names of each of the inhabitants, with their occupations and their street number, acquires material of which he is the author" (emphasis added).

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

…

Decisions of this Court applying the 1909 Act make clear that the statute did not permit the "sweat of the brow" approach. The best example is *International News Service v. Associated Press*, 248 U.S. 215 (1918). In that decision, the Court stated unambiguously that the 1909 Act conferred copyright protection only on those elements of a work that were original to the author. International News Service had conceded taking news reported by Associated Press and publishing it in its own newspapers. Recognizing that § 5 of the Act specifically mentioned "'periodicals, including newspapers,'" § 5(b), the Court acknowledged that news articles were copyrightable. It flatly rejected, however, the notion that the copyright in an article extended to the factual information it contained: "The news element— the information respecting current events contained in the literary production—is not the creation of the writer, but is a report of matters that ordinarily are publici juris; it is the history of the day."

Without a doubt, the "sweat of the brow" doctrine flouted basic copyright principles. Throughout history, copyright law has "recognized a greater need to disseminate factual works than works of fiction or fantasy." *Harper & Row*, 471 U.S., at 563. But "sweat of the brow" courts took a contrary view; they handed out proprietary interests in facts and declared that authors are absolutely precluded from saving time and effort by relying upon the facts contained in prior works. In truth, "it is just such wasted effort that the proscription against the copyright of ideas and facts . . . [is] designed to prevent." *Rosemont Enterprises, Inc. v. Random House, Inc.*, 366 F. 2d 303, 310 (CA2 1966), cert. denied, 385 U.S. 1009 (1967). "Protection for the fruits of such research may in certain circumstances be available under a theory of unfair competition. But to accord copyright protection on this basis alone distorts basic copyright principles in that it creates a monopoly in public domain materials without the necessary justification of protecting and encouraging the creation of 'writings' by 'authors.'" Nimmer § 3.04.

C

"Sweat of the brow" decisions did not escape the attention of the Copyright Office. When Congress decided to over-haul the copyright statute and asked the Copyright Office to study existing problems, see *Mills Music, Inc. v. Snyder*, 469 U.S. 153, 159 (1985), the Copyright Office promptly recommended that Congress clear up the confusion in the lower courts as to the basic standards of copyrightability. The Register of Copyrights explained in his first report to Congress that "originality" was a "basic requisite" of copyright under the 1909 Act, but that "the absence of any reference to [originality] in the statute seems to have led to misconceptions as to what is copyrightable matter." Report of the Register of Copyrights on the General Revision of the U.S. Copyright Law, 87th Cong., 1st Sess., p. 9 (H. Judiciary Comm. Print 1961). The Register suggested making the originality requirement explicit. Ibid.

Congress took the Register's advice. In enacting the Copyright Act of 1976, Congress dropped the reference to "all the writings of an author" and replaced it with the phrase "original works of authorship." 17 U.S.C. § 102(a). In making explicit the originality requirement, Congress announced that it was merely clarifying existing law: "The two fundamental criteria of copyright protection [are] originality and fixation in tangible form . . . . The phrase 'original works of authorship,' which is purposely left undefined, is intended to incorporate without change *the standard of originality established by the courts under the present [1909] copyright statute*." House Report p. 51 (1976) (emphasis added); Senate Report p. 50 (1975) (emphasis added). This sentiment was echoed by the Copyright Office: "Our intention here is to maintain the *established standards* of originality. . . ." Supplementary Report of the Register of Copyrights on the General Revision of U.S. Copyright Law, 89th Cong., 1st Sess., pt. 6, p. 3 (H. Judiciary Comm. Print 1965) (emphasis added).

To ensure that the mistakes of the "sweat of the brow" courts would not be repeated, Congress took additional measures. For example, § 3 of the 1909 Act had stated that copyright protected only the "copyrightable component parts" of a work, but had not identified originality as the basis for distinguishing those component parts that were copyrightable from those that were not. The 1976 Act deleted this section and replaced it with § 102(b), which identifies specifically those elements of a work for which copyright is not available: "In no case does copyright protection for an original work of authorship extend to any idea, procedure, process, system, method of operation, concept, principle, or discovery, regardless of the form in which it is described, explained, illustrated, or embodied in such work." Section 102(b) is universally understood to prohibit any copyright in facts. As with § 102(a), Congress emphasized that § 102(b) did not change the law, but merely clarified it: "Section 102(b) in no way enlarges or contracts the scope of copyright protection under the present law. Its purpose is to restate . . . that the basic dichotomy between expression and idea remains unchanged." House Report at 57; Senate Report at 54.

Congress took another step to minimize confusion by deleting the specific mention of "directories . . . and other compilations" in § 5 of the 1909 Act. As mentioned, this section had led some courts to conclude that directories were copyrightable per se and that every element of a directory was protected. In its place, Congress

enacted two new provisions. First, to make clear that compilations were not copyrightable per se, Congress provided a definition of the term "compilation." Second, to make clear that the copyright in a compilation did not extend to the facts themselves, Congress enacted § 103.

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

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

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

The third requirement is also illuminating. It emphasizes that a compilation, like any other work, is copyrightable only if it satisfies the originality requirement ("an original work of authorship"). Although § 102 states plainly that the originality requirement applies to all works, the point was emphasized with regard to compilations to ensure that courts would not repeat the mistake of the "sweat of the brow" courts by concluding that fact-based works are treated differently and measured by some other standard. As Congress explained it, the goal was to "make plain that the criteria of copyrightable subject matter stated in section 102 apply with full force to works . . . containing preexisting material." House Report at 57; Senate Report at 55.

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

Not every selection, coordination, or arrangement will pass muster. This is plain from the statute. It states that, to merit protection, the facts must be selected, coordinated, or arranged "in such a way" as to render the work as a whole original. This implies that some "ways" will trigger copyright, but that others will not. Otherwise, the phrase "in such a way" is meaningless and Congress should have defined "compilation" simply as "a work formed by the collection and assembly of preexisting materials or data that are selected, coordinated, or arranged." That Congress did not do so is dispositive. In accordance with the established principle that a court should give effect, if possible, to every clause and word of a statute, we conclude that the statute envisions that there will be some fact-based works in which the selection, coordination, and arrangement are not sufficiently original to trigger copyright protection.

As discussed earlier, however, the originality requirement is not particularly stringent. A compiler may settle upon a selection or arrangement that others have used; novelty is not required. Originality requires only that the author make the selection or arrangement independently (i.e., without copying that selection or arrangement from another work), and that it display some minimal level of creativity. Presumably, the vast majority of compilations will pass this test, but not all will. There remains a narrow category of works in which the creative spark is utterly lacking or so trivial as to be virtually nonexistent. See generally *Bleistein v. Donaldson Lithographing Co.*, 188 U.S. 239, 251 (1903) (referring to "the narrowest and most obvious limits"). Such works are incapable of sustaining a valid copyright.

…

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

> "The copyright in a compilation . . . extends only to the material contributed by the author of such work, as distinguished from the preexisting material employed in the work, and does not imply any exclusive right in the preexisting material." § 103(b).

As § 103 makes clear, copyright is not a tool by which a compilation author may keep others from using the facts or data he or she has collected. "The most important point here is one that is commonly misunderstood today: copyright. . . has no effect one way or the other on the copyright or public domain status of the preexisting material." H. R. Rep., at 57; S. Rep., at 55. The 1909 Act did not require, as "sweat of the brow" courts mistakenly assumed, that each subsequent compiler must start from scratch and is precluded from relying on research undertaken by another. See, e.g., *Jeweler's Circular Publishing Co.*, 281 F., at 88-89. Rather, the facts contained in existing works may be freely copied because copyright protects only the elements that owe their origin to the compiler—the selection, coordination, and arrangement of facts.

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

The 1976 revisions have proven largely successful in steering courts in the right direction. A good example is *Miller v. Universal City Studios, Inc.,* 650 F. 2d, at 1369-1370: "A copyright in a directory . . . is properly viewed as resting on the originality of the selection and arrangement of the factual material, rather than on the industriousness of the efforts to develop the information. Copyright protection does not extend to the facts themselves, and the mere use of information contained in a directory without a substantial copying of the format does not constitute infringement" (citation omitted). Additionally, the Second Circuit, which almost 70 years ago issued the classic formulation of the "sweat of the brow" doctrine in *Jeweler's Circular Publishing Co.*, has now fully repudiated the reasoning of that decision. See, e.g., *Financial Information, Inc. v. Moody's Investors Service, Inc.*, 808 F. 2d 204, 207 (CA2 1986), cert. denied, 484 U.S. 820 (1987); *Financial Information, Inc. v. Moody's Investors Service, Inc.*, 751 F. 2d 501, 510 (CA2 1984) (Newman, J., concurring); *Hoehling v. Universal City Studios, Inc.*, 618 F. 2d 972, 979 (CA2 1980). Even those scholars who believe that "industrious collection" should be rewarded seem to recognize that this is beyond the scope of existing copyright law.

III

There is no doubt that Feist took from the white pages of Rural's directory a substantial amount of factual information. At a minimum, Feist copied the names, towns, and telephone numbers of 1,309 of Rural's subscribers. Not all copying, however, is copyright infringement. To establish infringement, two elements must be proven: (1) ownership of a valid copyright, and (2) copying of constituent elements of the work that are original. See *Harper & Row*, 471 U.S., at 548. The first element is not at issue here; Feist appears to concede that Rural's directory, considered as a whole, is subject to a valid copyright because it contains some foreword text, as well as original material in its yellow pages advertisements.

The question is whether Rural has proved the second element. In other words, did Feist, by taking 1,309 names, towns, and telephone numbers from Rural's white pages, copy anything that was "original" to Rural? Certainly, the raw data does not satisfy the originality requirement. Rural may have been the first to discover and report the names, towns, and telephone numbers of its subscribers, but this data does not owe its origin to Rural. Rather, these bits of information are uncopyrightable facts; they existed before Rural reported them and would have

continued to exist if Rural had never published a telephone directory. The originality requirement rules out protecting names, addresses, and telephone numbers of which the plaintiff by no stretch of the imagination could be called the author.

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

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

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

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

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

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

practically inevitable. This time-honored tradition does not possess the minimal creative spark required by the Copyright Act and the Constitution.

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

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

The judgment of the Court of Appeals is Reversed.

Justice Blackmun concurs in the judgment.

Notes and questions

(1) In *Feist Publications, Inc. v. Rural Telephone Service Co.*, 499 U.S. 340 (1991), a unanimous Supreme Court held that originality is a Constitutional and statutory prerequisite for copyright protection: indeed, "the *sine qua non* of copyright is originality." Originality, as the term is used in copyright law, means that the work was independently created by the author and possesses "at least some minimal degree of creativity."

(2) Why does the Court reject the labor theory of copyright reflected in "sweat of the brow decisions" or "industrious collection," seen in cases such as the Second Circuit's 1922 decision in *Jeweler's Circular v. Keystone Publishing*?

(3) What is creativity? What degree of creativity is required to make a work original?

(4) What does *Feist* tell us about the copyrightability of facts and collections of facts?

(5) Was the alphabetical listing of names and addresses unprotectable because it was not creative, because it was functional, or both?

(6) How broadly should the courts understand the Constitutional term "writings"? Should we treat writings as simply limiting copyright protection to anything fixed in material form, or does it mean something more than that? Arguably, writing means not just fixed, but also something that has the ability to express. If so, then where do we draw the line between writing that humans can read and instructions to a machine that produce an effect, like the

instructions a computer gives to a processor or the instructions that a piano roll gives to a player piano?

The implications of thin copyright after Feist

Even if Rural Telephone's white pages had somehow demonstrated the necessary level of creativity to obtain copyright protection, it may have still been possible to copy all of the relevant information in that directory without infringing the copyright.

Justice O'Connor explained that any resulting copyright in a factual compilation was inevitably thin. The facts in a compilation can be recycled and organized with a different selection and arrangement with no resulting copyright liability. Justice O'Connor explained:

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

This is also made clear in the Copyright Act of 1976 itself. The subject matter of copyright includes compilations, but copyright protects only the author's original contributions—not the facts or information conveyed.

> **17 U.S. Code § 103(b)**.
>
> The copyright in a compilation . . . extends only to the material contributed by the author of such work, as distinguished from the preexisting material employed in the work, and does not imply any exclusive right in the preexisting material.

As Section 103 makes clear, copyright is not a tool by which a compilation author may keep others from using the facts or data he or she has collected.

Originality in legal headnotes

The most significant recent application of *Feist* to a compilation of legal material is *Thomson Reuters Enterprise Centre GmbH v. ROSS Intelligence Inc.*, No. 1:20-cv-613-SB (D. Del. Feb. 11, 2025) (Bibas, J., sitting by designation). This case arose because Ross Intelligence had used Westlaw headnotes to compile a series of question-and-answer memos about law and then, in turn, used the memos to train a machine learning model that would take questions about law as the input and output primary legal sources. Revising his own earlier summary judgment opinion, 694 F. Supp. 3d 467 (D. Del. 2023), Judge Bibas held that there was no genuine dispute that Westlaw's headnotes and its Key Number System clear the minimal originality threshold. Headnotes were original in two ways, he reasoned: as a compilation, through the selection and arrangement of material, and individually. On the second point he offered an analogy: "A block of raw marble, like a judicial opinion, is not copyrightable. Yet a sculptor creates a sculpture by choosing what to cut away." On that reasoning even a headnote that quotes an opinion verbatim has "original value as individual works."

This is a dubious analogy. A sculptor who removes marble produces a shape that did not exist before, and the shape is the expression. An editor who selects a sentence from a judicial opinion and reproduces it verbatim has produced nothing that was not already

there; what the editor contributed was the judgment that this sentence, rather than some other, was important. That is an act of skill, and it may well be valuable, but *Feist* holds that effort and value are not what copyright rewards. If the selection is the original contribution, then the originality lies in the compilation, and § 103(b) confines the resulting copyright to the selection rather than to the material selected. It is hard to see what is left over to make the verbatim headnote original "as an individual work." The alternative reading, that choosing which of another author's sentences to quote generates a fresh copyright in the sentence, would give an editor rights in words the editor did not write. Whether that survives contact with *Feist* remains open. The Third Circuit affirmed the originality holding in September 2026, but only as to the 2,243 headnotes that did not copy the opinion's text; in a footnote it declined to reach the verbatim-headnote dictum. *Thomson Reuters Enterprise Centre GmbH v. ROSS Intelligence, Inc.*, No. 25-2153 (3d Cir. Sept. 29, 2026), extracted in Chapter 15.

Locating the Threshold of Copyrightability

The minimum requirements for copyrightability are copyrightable subject matter, originality (discussed above) and fixation.

Words, Titles, and Short Phrases Usually Lack Sufficient Originality

We have already addressed originality in general, but it is worth noting its implications for copyrightability of individual words and short phrases. In theory, every copyrightable work embodies the "*minimal degree of creativity*" set out by the Supreme Court in *Feist Publications, Inc. v. Rural Telephone Service Co.*, 499 U.S. 340 (1991), but courts rarely have cause to define what that quantum of creativity is, although they often observe its absence in particular contexts. Usually, we don't need to know much more than the fact that telephone books lack creativity entirely and that novels possess it in abundance.

Individual words, titles and phrases usually (almost always) will not. The implications of the originality requirement for the minimum size of copyrightable works can be seen in the Copyright Office's long-established practice of refusing registration to words and short phrases.

> **37 C.F.R. § 202.1(a) Material not subject to copyright.**
>
> The following are examples of works not subject to copyright and applications for registration of such works cannot be entertained:
>
> (a) Words and short phrases such as names, titles, and slogans; familiar symbols or designs; mere variations of typographic ornamentation, lettering or coloring; mere listing of ingredients or contents; …

The requirement of originality is a good enough reason to preclude copyright for most words and short phrases. For example, in *Perma Greetings, Inc. v. Russ Berrie & Co.*, 598 F. Supp. 445 (E.D. Mo. 1984) the court concluded that phrases such as "hang in there," "message," and "along the way take time to smell the flowers" were unprotected. See also *Matthews v. Freedman*, 157 F.3d 25, 26 (1st Cir. 1998).

But perhaps not all words and short phrases lack originality in the sense of owing their origin to a distinct author. Words and short phrases that are novel (in the patent law sense of being entirely new) arguably are original in that they owe their existence to the author, but they should probably be denied independent copyright status by virtue of the merger doctrine and the idea-expression distinction, rather than a lack of creativity as such. For example, the word "*Quidditch"* was new and creative when JK Rowling invented it. She apparently selected it from five notebook pages of words beginning with "Q". The word Quidditch could not be copyrighted without depriving the public of the only plausible way of referring to the popular contact sport played on flying broomsticks in the Harry Potter fantasy series. The word Quidditch is uncopyrightable because it is merged with the much more complicated set of ideas the word represents.

On the other hand, "*supercalifragilisticexpialidocious*" in Mary Poppins is also creative, and more importantly, because it is nonsense it is hard to see that merger and idea-expression distinction would bar it from copyright protection. But even if it could have been registered as a one-word literary work, the fact that it was not should mean something for copyright analysis. Once the nonsense word is made public in a larger literary work, the chance to claim that it is a standalone micro-work—presuming for the sake of argument that there was such a chance—is lost. We return to this issue in a later chapter on the boundaries of the copyrighted work.

Categories of work recognized by the Copyright Act.

It is important to understand the way the 1976 Act categorizes copyrightable subject matter.

> **17 U.S. Code § 102 - Subject matter of copyright: In general**
>
> (a) Copyright protection subsists, in accordance with this title, in original works of authorship fixed in any tangible medium of expression, now known or later developed, from which they can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device. Works of authorship include the following categories:
>
> (1) literary works;
>
> (2) musical works, including any accompanying words;
>
> (3) dramatic works, including any accompanying music;
>
> (4) pantomimes and choreographic works;
>
> (5) pictorial, graphic, and sculptural works;
>
> (6) motion pictures and other audiovisual works;
>
> (7) sound recordings; and
>
> (8) architectural works.

Section 102(a) lists eight categories of copyrightable subject matter. This list is not definitive; subject matter falling outside of any of the eight categories could potentially be copyrightable so long as it is "an original work of authorship fixed in a tangible medium of expression." This seems clear from the structure of the section and from the legislative history. As the House Report on the Copyright Act notes: "The use of the word "include," as defined in section 101, makes clear that the listing is "illustrative and not limitative,"

and that the seven categories do not necessarily exhaust the scope of "original works of authorship" that the bill is intended to protect." (The House Report refers to seven categories because architectural works were not added until the Architectural Works Copyright Protection Act of 1990, Pub. L. No. 101-650, tit. VII, effective December 1, 1990, enacted to bring the United States into compliance with Berne Article 2(1).) However, the Copyright Office takes the view that neither it, nor the federal courts, has the authority to establish new categories of copyright subject matter.

> Congress did not delegate authority to the courts to create new categories of authorship. Congress reserved this option to itself. If the federal courts do not have authority to establish new categories of subject matter, it necessarily follows that the Copyright Office also has no such authority… 77 Fed. Reg. 37,605 (2012).

Nonetheless, there is sufficient elasticity within categories such as "literary works" to allow notions of copyrightability to expand and adjust over time.

Examples from the caselaw of things that are not copyright works are few and far between but we can say with authority that athletic events are not "works of authorship" within copyright subject matter, *National Basketball Association v. Motorola, Inc.*, 105 F.3d 841, 846 (2d Cir. 1997); nor is a Christmas parade, *Production Contractors, Inc. v. WGN Continental Broadcasting Co.*, 622 F. Supp. 1500 (N.D. Ill. 1985) and nor, according to the Copyright Office is a genetically altered fish is GloFish, see registration denial re Red Zebra Danio Glowing in Artificial Sunlight, Correspondence ID 1-5J9TKJ (Sept. 5, 2013). The Copyright Office rejected the argument that a modified GloFish was a "living work of authorship."

> The Copyright Act unequivocally protects new ways of expressing currently copyrightable subject matter; but, does not protect entirely new subject matter. We find that for purposes of analysis under the Copyright Act "living works of authorship" and genetically modified living organisms are new subject matter. Accordingly the Work is ineligible for registration.

The Copyright Office also said that it would reject the application for lack of authorship because the appearance of the fish was "subject to the forces of nature." The Office rejected the idea that the work was similar to a painter using paint on a canvas with the paint being non-native DNA and the canvas being the fish.

Note that some material outside the Section 102 categories of copyright subject matter is protected under Title 17 of the U.S. Code, but these sui generis rights are different to copyright. Title 17 includes protection for semiconductor-chip mask works, functional designs of boat hulls and decks, and live musical performances (the anti-bootlegging provisions). It also includes protection for sound recordings made prior to February 15, 1972 that closely parallels the copyright rights of sound recordings made after that date.

Fixation in general

The Copyright Clause gives Congress the power to "promote the Progress of Science and the useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective *Writings* and Discoveries." The Supreme Court has given the word "writings" a broad interpretation—see e.g. *Burrow-Giles Lithographic Co. v. Sarony*, 111

U.S. 53 (1884) (photographs copyrightable as writings)—but always subject to the limitation of a fixed material form.

The fixation requirement for copyright protection is both Constitutional and statutory. Congress has enacted anti-bootlegging laws which prohibit the unauthorized recording of live performances. The right to prevent bootlegging may look like a copyright right, but it isn't because it protects unfixed performances. The Constitutional solution was to pass the anti-bootlegging laws under the authority of the commerce clause to circumvent the fixation requirement. See 17 U.S.C. § 1101, prohibiting the unauthorized fixation and trafficking in sound recordings and music videos, and 18 U.S.C. § 2319A, a criminal anti-bootlegging provision. The constitutionality of both of these provisions has been challenged as exceeding the scope of the Copyright Clause but upheld. See e.g. *United States v. Martignon*, 492 F.3d 140 (2d Cir. 2007).

As noted above, Section 102(a) provides that for something to be eligible for copyright protection it must be an original work of authorship and it must be "*fixed"* in some "tangible medium of expression".

> **17 U.S. Code § 102(a)**
>
> Copyright protection subsists, in accordance with this title, in original works of authorship *fixed in any tangible medium of expression*, now known or later developed, from which they can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device.
>
> **17 U.S. Code § 101**
>
> A work is "fixed" in a tangible medium of expression when its embodiment in a copy or phonorecord, by or under the authority of the author, is sufficiently permanent or stable to permit it to be perceived, reproduced, or otherwise communicated for a period of more than transitory duration. A work consisting of sounds, images, or both, that are being transmitted, is "fixed" for purposes of this title if a fixation of the work is being made simultaneously with its transmission.
>
> "Copies" are material objects, other than phonorecords, in which a work is fixed by any method now known or later developed, and from which the work can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device. The term "copies" includes the material object, other than a phonorecord, in which the work is first fixed.
>
> "Phonorecords" are material objects in which sounds, other than those accompanying a motion picture or other audiovisual work, are fixed by any method now known or later developed, and from which the sounds can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device. The term "phonorecords" includes the material object in which the sounds are first fixed.

The definition of when a work is "fixed in a tangible medium of expression" in Section 101 refers specifically to reduction to material form in a "copy" or a "phonorecord." The terms "copies" and "phonorecords" are also defined in Section 101. For most purposes we can think of phonorecords as a subset of copies, although technically each term is defined in exclusion to the other. A "copy" in this broader sense is the physical embodiment of the work and it includes the first or original copy. The term is meant to be technologically

neutral, so it does not matter if the work is fixed in computer memory or papyrus, the only limitation is that one must be able to "perceive," "reproduce", or "otherwise communicate" the work from the copy. There is no requirement that a copy is directly human readable (obviously anything digital is not), so long as it can be "perceived, reproduced, or otherwise communicated … with the aid of a machine or device."

Why do we have a fixation requirement at all? The fixation requirement establishes when federal copyright protection begins, as a work must be fixed in a tangible form to be eligible. It also helps differentiate between protected expressions and unprotected ideas, as having the work in a fixed medium makes it easier to identify its expressive elements. Furthermore, fixation provides critical evidence, offering proof that the work was indeed created and making it possible to precisely identify the "work of authorship" that qualifies for copyright protection.

Fixation, Authority and Permanence

Notice that to be "fixed in a tangible medium of expression" requires a bit more than identifying a copy/phonorecord, the work must be fixed "by or under the authority of the author" and it must be "sufficiently permanent or stable to permit it to be perceived, reproduced, or otherwise communicated for a period of more than transitory duration." The permanence requirement has some interesting implications when it comes to infringement and the cases on that issue are discussed elsewhere in these materials.

Kelley v. Chicago Park District, 635 F.3d 290, 303 (7th Cir. 2011)

SYKES, Circuit Judge.

[Chapman Kelley, a nationally recognized artist known for his landscape and floral paintings, created "Wildflower Works" in 1984 in Chicago's Grant Park. The installation featured two large elliptical wildflower beds, nearly the size of football fields, and was acclaimed as a form of "living art." For years, Kelley and volunteers maintained the garden, but by 2004 it had deteriorated, and the Chicago Park District altered it, reducing its size and changing the layout. Objecting to the modifications, Kelley sued the Park District for violating his "right of integrity" under the Visual Artists Rights Act of 1990 ("VARA"), 17 U.S.C. § 106A, and also for breach of contract. To qualify for protection under VARA, a work must be copyrightable.]

VARA's definition of "work of visual art" is limited to a narrow subset of this broader universe of "pictorial, graphic, and sculptural works" that are otherwise eligible for copyright; only a select few categories of art get the extra protection provided by the moral-rights concept. …

To merit copyright protection, Wildflower Works must be an "original work[] of authorship fixed in a[] tangible medium of expression ... from which [it] can be perceived, reproduced, or otherwise communicated." 17 U.S.C. § 102(a).

[The district court held that Wildflower Works was ineligible for copyright because it lacked originality because Kelley was not "the first person to ever conceive of and express an arrangement of growing wildflowers in ellipse-shaped enclosed

areas." The Court of Appeals disagreed, noting that in Feist the Supreme Court clearly differentiated originality from novelty and that Wildflower Works "plainly possesses more than a little creative spark" in the expressive combination or arrangement of otherwise noncopyrightable elements (the elliptical shapes).]

The real impediment to copyright here is not that Wildflower Works fails the test for originality (understood as "not copied" and "possessing some creativity") but that a living garden lacks the kind of authorship and stable fixation normally required to support copyright. Unlike originality, authorship and fixation are explicit constitutional requirements; the Copyright Clause empowers Congress to secure for "authors" exclusive rights in their "writings." The originality requirement is implicit in these express limitations on the congressional copyright power. See *Feist*, 499 U.S. at 346 (The constitutional reference to "authors" and "writings" "presuppose[s] a degree of originality."). The Supreme Court has "repeatedly construed all three terms in relation to one another or perhaps has collapsed them into a single concept"; therefore, "writings are what authors create, but for one to be an author, the writing has to be original." 2 PATRY § 3:20.

Without fixation, moreover, there cannot be a writing. The Nimmer treatise elaborates:

> Fixation in tangible form is not merely a statutory condition to copyright. It is also a constitutional necessity. That is, unless a work is reduced to tangible form it cannot be regarded as a "writing" within the meaning of the constitutional clause authorizing federal copyright legislation. Thus, certain works of conceptual art stand outside of copyright protection.

A work is "fixed" in a tangible medium of expression "when its embodiment in a copy or phonorecord ... is sufficiently permanent or stable to permit it to be perceived, reproduced, or otherwise communicated for a period of more than transitory duration." 17 U.S.C. § 101. As William Patry explains:

> Fixation serves two basic roles: (1) easing problems of proof of creation and infringement, and (2) providing the dividing line between state common law protection and protection under the federal Copyright Act, since works that are not fixed are ineligible for federal protection but may be protected under state law. The distinction between the intangible intellectual property (the work of authorship) and its fixation in a tangible medium of expression (the copy) is an old and fundamental and important one. The distinction may be understood by examples of multiple fixations of the same work: A musical composition may be embodied in sheet music, on an audio-tape, on a compact disc, on a computer hard drive or server, or as part of a motion picture soundtrack. In each of the fixations, the intangible property remains a musical composition.

2 PATRY § 3:22 (internal quotation marks omitted).

Finally, authorship is an entirely human endeavor. Authors of copyrightable works must be human; works owing their form to the forces of nature cannot be copyrighted.

Recognizing copyright in Wildflower Works presses too hard on these basic principles. We fully accept that the artistic community might classify Kelley's

garden as a work of postmodern conceptual art. We acknowledge as well that copyright's prerequisites of authorship and fixation are broadly defined. But the law must have some limits; not all conceptual art may be copyrighted. In the ordinary copyright case, authorship and fixation are not contested; most works presented for copyright are unambiguously authored and unambiguously fixed. But this is not an ordinary case. A living garden like Wildflower Works is neither "authored" nor "fixed" in the senses required for copyright. See *Toney v. L'Oreal USA, Inc.*, 406 F.3d 905, 910 (7th Cir. 2005) ("A person's likeness — her persona — is not authored and it is not fixed.")

Simply put, gardens are planted and cultivated, not authored. A garden's constituent elements are alive and inherently changeable, not fixed. Most of what we see and experience in a garden — the colors, shapes, textures, and scents of the plants — originates in nature, not in the mind of the gardener. At any given moment in time, a garden owes most of its form and appearance to natural forces, though the gardener who plants and tends it obviously assists. All this is true of Wildflower Works, even though it was designed and planted by an artist.

Of course, a human "author" — whether an artist, a professional landscape designer, or an amateur backyard gardener — determines the initial arrangement of the plants in a garden. This is not the kind of authorship required for copyright. To the extent that seeds or seedlings can be considered a "medium of expression," they originate in nature, and natural forces — not the intellect of the gardener — determine their form, growth, and appearance. Moreover, a garden is simply too changeable to satisfy the primary purpose of fixation; its appearance is too inherently variable to supply a baseline for determining questions of copyright creation and infringement. If a garden can qualify as a "work of authorship" sufficiently "embodied in a copy," at what point has fixation occurred? When the garden is newly planted? When its first blossoms appear? When it is in full bloom? How — and at what point in time — is a court to determine whether infringing copying has occurred?

In contrast, when a landscape designer conceives of a plan for a garden and puts it in writing — records it in text, diagrams, or drawings on paper or on a digital-storage device — we can say that his intangible intellectual property has been embodied in a fixed and tangible "copy." This writing is a sufficiently permanent and stable copy of the designer's intellectual expression and is vulnerable to infringing copying, giving rise to the designer's right to claim copyright. The same cannot be said of a garden, which is not a fixed copy of the gardener's intellectual property. Although the planting material is tangible and can be perceived for more than a transitory duration, it is not stable or permanent enough to be called "fixed." Seeds and plants in a garden are naturally in a state of perpetual change; they germinate, grow, bloom, become dormant, and eventually die. This life cycle moves gradually, over days, weeks, and season to season, but the real barrier to copyright here is not temporal but essential. The essence of a garden is its vitality, not its fixedness. It may endure from season to season, but its nature is one of dynamic change.

We are not suggesting that copyright attaches only to works that are static or fully permanent (no medium of expression lasts forever), or that artists who incorporate natural or living elements in their work can never claim copyright. Kelley compares Wildflower Works to the Crown Fountain, a sculpture by Spanish artist Jaume Plensa that sits nearby in Chicago's Millennium Park. The surfaces of Plensa's fountain are embedded with LED screens that replay recorded video images of the faces of 1,000 Chicagoans. But the Copyright Act specifically contemplates works that incorporate or consist of sounds or images that are broadcast or transmitted electronically, such as telecasts of sporting events or other live performances, video games, and the like. See 17 U.S.C. § 101 (defining "fixed" as including a "work consisting of sounds, images, or both, that are being transmitted... if a fixation of the work is being made simultaneously with its transmission"). Wildflower Works does not fit in this category; the Crown Fountain is not analogous.

Though not addressing the requirement of fixation directly, the district court compared Wildflower Works to the mobiles of Alexander Calder and Jeff Koons' "Puppy," a 43-foot flowering topiary. These analogies are also inapt. Although the aesthetic effect of a Calder mobile is attributable in part to its subtle movement in response to air currents, the mobile itself is obviously fixed and stable. In "Puppy" the artist assembled a huge metal frame in the shape of a puppy and covered it with thousands of blooming flowers sustained by an irrigation system within the frame. This may be sufficient fixation for copyright (we venture no opinion on the question), but Wildflower Works is quite different. It is quintessentially a garden; "Puppy" is not.

In short, Wildflower Works presents serious problems of authorship and fixation that these and other examples of conceptual or kinetic art do not. Because Kelley's garden is neither "authored" nor "fixed" in the senses required for basic copyright, it cannot qualify for moral rights protection under VARA.

Notes and questions

(1) The fixation requirement does not require works etched in stone that will last until the end of time, it usually simply requires minimal persistence in a stable form. In *Kelley v. Chicago Park District*, however, the Seventh Circuit held that "a living garden lacks the kind of authorship and stable fixation normally required to support copyright." Why so? Because the garden owed "most of its form and appearance to natural forces" and was "not stable or permanent enough" to be a work of fixed authorship. For a similar case, see *Kim Seng Co. v. J & A Importers*, 810 F. Supp. 2d 1046, 1054 (C.D. Cal. 2011) (a bowl of food "which, once it spoils is gone forever, cannot be considered 'fixed' for the purposes of § 101.")

(2) Was the court saying that the garden, "Wildflower Works" was not art?

(3) Does *Kelley* imply that a garden could never be copyrightable? What if the garden is designed and/or maintained in a way that constrains the natural changes and stabilizes the garden for long enough to communicate a short original poem, an original picture, or an original geometric pattern. The Copyright Restatement cautions that although the garden in *Kelley* was not fixed, "that should not bar the protectability of otherwise protectable

works merely because they are made of living or perishable materials." The Restatement also casts doubt on the conclusion in *Kim Seng*. See RESTATEMENT OF THE LAW, COPYRIGHT § 8.

(4) You might think of the garden as a derivative work based on a copyrightable plan for a garden. But that only brings into sharper focus why the garden itself is not a copyrightable work. To plant the garden according to the plan is merely to follow instructions. To deviate from those instructions is to add an arguably expressive element (although perhaps not), but not one attributable to Kelley. The form that the garden takes, having been planted according to the plan, obviously owes something to the plan, but nothing beyond the plan to the creative energies of Mr. Kelley.

(5) How does the fixation requirement apply to video games? In *Williams Electronics, Inc. v. Arctic International, Inc.*, 685 F.2d 870 (3d Cir. 1982), the court ruled that video game images were fixed in computer code, stored in the console's memory. However, the court also incorrectly claimed the images were fixed on the screen because they repeated continuously. A flickering cathode ray is not fixed. The Copyright Act's legislative history explains that purely transient reproductions, like those briefly shown on a screen or captured momentarily in computer memory, are excluded from fixation. Each screen image in 1980s video games lasted only a fraction of a second before being replaced, meaning no image persisted long enough to be fixed. The Third Circuit's ruling conflicts with Congress' clear stance that cathode-ray images are not fixed.

(6) What kind of authority is required for fixation? The Copyright Act requires that for a work to be fixed for purposes of copyright protection, fixation must be undertaken "by or under the authority of the author." 17 U.S.C. § 101. The Act does not say how that authority should be manifested, thus leaving open written authorization, or authority expressed in words or implied in action or inaction. A surreptitious recording of a live unscripted performance would not be fixed by or under the authority of the author, but what if a member of the audience held up a video camera so that the members of the theater group could see it, and received no sign of disapproval? Would that be enough for the performance to be fixed under the implied authority of the theater group? Would additional facts be required to the effect that the theater group was known to encourage and approve of audience recording of the group' performances? See RESTATEMENT OF THE LAW, COPYRIGHT § 8(c) Illustration 5. TD No 2 (2021).

Originality and Derivative Works

The Copyright Act instructs that copyright protection extends to "original works of authorship fixed in any tangible medium of expression," see Section 102(a), and we have already considered the implications of the originality requirement in general terms in the text above. Here we consider how the originality requirement—apparently the *sine qua non* of copyright—relates to derivative works. Derivative works are part of the subject matter of copyright, they are defined (somewhat imprecisely) as "A work based upon one or more preexisting works."

It seems obvious that a derivative work is more than an exact copy of the original, but the harder question is how much more is required for an inexact copy to be a copyrightable work itself?

L. Batlin & Son, Inc. v. Snyder, 536 F.2d 486 (2d Cir. 1976)

Oakes, Circuit Judge

Uncle Sam mechanical banks have been on the American scene at least since June 8, 1886, when Design Patent No. 16,728, issued on a toy savings bank of its type. The basic delightful design has long since been in the public domain. The banks are well documented in collectors' books and known to the average person interested in Americana. A description of the bank is that Uncle Sam, dressed in his usual stove pipe hat, blue full dress coat, starred vest and red and white striped trousers, and leaning on his umbrella, stands on a four- or five-inch wide base, on which sits his carpetbag. A coin may be placed in Uncle Sam's extended hand. When a lever is pressed, the arm lowers, and the coin falls into the bag, while Uncle Sam's whiskers move up and down. The base has an embossed American eagle on it with the words "Uncle Sam" on streamers above it, as well as the word "Bank" on each side. Such a bank is listed in a number of collectors' books, the most recent of which may be F. H. Griffith, *Mechanical Banks* (1972 ed.) where it was listed as No. 280, and is said to be not particularly rare.

Appellant Jeffrey Snyder doing business as "J.S.N.Y." obtained a registration of copyright on a plastic "Uncle Sam bank" in Class G ("Works of Art") as "sculpture" on January 23, 1975. According to Snyder's affidavit, in January, 1974, he had seen a cast metal antique Uncle Sam bank with an overall height of the figure and base of 11 inches.[1]

Footnote 1: No cast iron *antique* bank was introduced in evidence below. A cast metal *replica* bank was, and the court below, the parties, the witnesses, and this court have treated the case as if the appellants' plastic bank were to be compared to the cast metal replica.

In April, 1974, he flew to Hong Kong to arrange for the design and eventual manufacture of replicas of the bank as Bicentennial items, taking the cast metal Uncle Sam bank with him. His Hong Kong buying agent selected a firm, "Unitoy," to make the plastic "prototype" because of its price and the quality of its work. Snyder wanted his bank to be made of plastic and to be shorter than the cast metal sample "in order to fit into the required price range and quality and quantity of material to be used." The figure of Uncle Sam was thus shortened from 11 to nine inches, and the base shortened and narrowed. It was also decided, Snyder averred, to change the shape of the carpetbag and to include the umbrella in a one-piece mold for the Uncle Sam figure, "so as not to have a problem with a loose umbrella or a separate molding process." The Unitoy representative made his sketches while looking at the cast metal bank. After a "clay model" was made, a plastic "prototype" was approved by Snyder and his order placed in May, 1974. The plastic bank carried the legend "© Copyright J.S.N.Y." and was assertedly first "published" on October 15, 1974, before being filed with the Register of Copyrights in January, 1975.

Appellee Batlin is also in the novelty business and as early as August 9, 1974, ordered 30 cartons of cast iron Uncle Sam mechanical banks from Taiwan where its president had seen the bank made. When he became aware of the existence of a plastic bank, which he considered "an almost identical copy" of the cast iron bank, Batlin's trading company in Hong Kong procured a manufacturer and the president of Batlin ordered plastic copies also. Beginning in April, 1975, Batlin was notified by the United States Customs Service that the plastic banks it was receiving were covered by appellants' copyright. In addition the Customs Service was also refusing entry to cast iron banks previously ordered, according to the Batlin affidavit. Thus Batlin instituted suit for a judgment declaring appellants' copyright void and for damages for unfair competition and restraint of trade. The sole question on this appeal is whether Judge Metzner abused his discretion in granting Batlin a preliminary injunction. We find that he did not.

This court has examined both the appellants' plastic Uncle Sam bank made under Snyder's copyright and the uncopyrighted model cast iron mechanical bank which is itself a reproduction of the original public domain Uncle Sam bank. Appellant Snyder claims differences not only of size but also in a number of other very minute details: the carpetbag shape of the plastic bank is smooth, the iron bank rough; the metal bank bag is fatter at its base; the eagle on the front of the platform in the metal bank is holding arrows in his talons while in the plastic bank he clutches leaves, this change concededly having been made, however, because "the arrows did not reproduce well in plastic on a smaller size." The shape of Uncle Sam's face is supposedly different, as is the shape and texture of the hats, according to the Snyder affidavit. In the metal version the umbrella is hanging loose while in the plastic item it is included in the single mold. The texture of the clothing, the hairline, shape of the bow ties and of the shirt collar and left arm as well as the flag carrying the name on the base of the statue are all claimed to be different, along with the shape and texture of the eagles on the side. Many of these differences are not perceptible to the casual observer. Appellants make no claim for any difference based on the plastic mold lines in the Uncle Sam figure which are perceptible.

Our examination of the banks results in the same conclusion as that of Judge Metzner in *Etna Products*, the earlier case enjoining Snyder's copyright, that the Snyder bank is "extremely similar to the cast iron bank, save in size and material" with the only other differences, such as the shape of the satchel and the leaves in the eagle's talons being "by all appearances, minor." Similarities include, more importantly, the appearance and number of stripes on the trousers, buttons on the coat, and stars on the vest and hat, the attire and pose of Uncle Sam, the decor on his base and bag, the overall color scheme, the method of carpetbag opening, to name but a few. After seeing the banks and hearing conflicting testimony from opposing expert witnesses as to the substantiality or triviality of the variations and as to the skill necessary to make the plastic model, the court below stated:

> I am making a finding of fact that as far as I'm concerned, it is practically an exact copy and whatever you point to in this [sic] differences are so infinitesimal they make no difference. All you have proved here by the testimony today is that if you give a man a seven-inch model and you say I want this to come out in a five-inch model, and he copies it, the fact that he has to have some artistic ability to make a

model by reducing the seven to the five adds something to it. That is the only issue in this case.

… [Copyright treatise author Melville Nimmer] has called "the one pervading element prerequisite to copyright protection regardless of the form of the work" is the requirement of originality — that the work be the original product of the claimant. This derives from the fact that, constitutionally, copyright protection may be claimed only by "authors." U.S. Constitution, article I, § 8; *Burrow-Giles Lithographic Co. v. Sarony*, 111 U.S. 53, 58 (1884). Thus, one who has slavishly or mechanically copied from others may not claim to be an author. Since the constitutional requirement must be read into the Copyright Act, 17 U.S.C. § 1 et seq., the requirement of originality is also a statutory one. ...

Originality is, however, distinguished from novelty; there must be independent creation, but it need not be invention in the sense of striking uniqueness, ingeniousness, or novelty, since the Constitution differentiates "authors" and their "writings" from "inventors" and their "discoveries." *Alfred Bell & Co. v. Catalda Fine Arts, Inc.*, supra, 191 F.2d at 100. Originality means that the work owes its creation to the author and this in turn means that the work must not consist of actual copying. *Alfred Bell & Co. v. Catalda Fine Arts, Inc.*, supra, 191 F.2d at 102-03; *Sheldon v. Metro-Goldwyn Pictures Corp.*, 81 F.2d 49, 54 (2d Cir. 1936), aff'd, 309 U.S. 390 (1940).[3]

Footnote 3: The only case that appears to be an exception to this rule is the "Hand of God" case. *Alva Studios, Inc. v. Winninger*, 177 F.Supp. 265 (S.D.N.Y.1959) (exact scale artistic reproduction of highly complicated statue made with great precision was "original" as requiring "great skill and originality"). This case is discussed in the text infra.

The test of originality is concededly one with a low threshold in that "all that is needed . . . is that the author contributed something more than a merely trivial variation, something recognizably his own." *Alfred Bell & Co. v. Catalda Fine Arts*, Inc., 191 F.2d at 103. But as this court said many years ago, "while a copy of something in the public domain will not, if it be merely a copy, support a copyright, a distinguishable variation will. . . ." *Gerlach-Barklow Co. v. Morris & Bendien, Inc.*, 23 F.2d 159, 161 (2d Cir. 1927).

Necessarily, none of these underlying principles is different in the case of "reproductions of a work of art," 17 U.S.C. § 5(h), from the case of "works of art . . .," 17 U.S.C. § 5(g). The requirement of substantial as opposed to trivial variation and the prohibition of mechanical copying, both of which are inherent in and subsumed by the concept of originality, apply to both statutory categories. There is implicit in that concept a minimal element of creativity over and above the requirement of independent effort. While the quantum of originality that is required may be modest indeed, *Herbert Rosenthal Jewelry Corp. v. Grossbardt*, 436 F.2d 315, 316 (2d Cir. 1970), we are not inclined to abandon that requirement, even if in the light of the constitutional and statutory bases therefor and our precedents we could do so.

A reproduction of a work of art obviously presupposes an underlying work of art. Since *Mazer v. Stein*, 347 U.S. 201, 218 (1954) (statuette of Balinese dancer

copyrightable despite intended use as lamp base), it has been established that mass-produced commercial objects with a minimal element of artistic craftsmanship may satisfy the statutory requirement of such a work. … The underlying work of art may as here be in the public domain. But even to claim the more limited protection given to a reproduction of a work of art (that to the distinctive features contributed by the reproducer), the reproduction must contain an original contribution not present in the underlying work of art and be more than a mere copy.

According to Professor Nimmer, moreover, "the mere reproduction of a work of art in a different medium should not constitute the required originality for the reason that no one can claim to have independently evolved any particular medium." See *Millworth Converting Corp. v. Slifka*, 276 F.2d 443, 444-45 (2d Cir. 1960). Cf. *Gardenia Flowers, Inc. v. Joseph Markovitz, Inc.*, 280 F.Supp. 776, 781 (S.D.N.Y.1968). Professor Nimmer refers to *Doran v. Sunset House Distributing Corp.*, 197 F.Supp. 940 (S.D.Cal.1961), aff'd, 304 F.2d 251 (9th Cir. 1962), as suggesting "the ludicrous result that the first person to execute a public domain work of art in a different medium thereafter obtains a monopoly on such work in such medium, at least as to those persons aware of the first such effort." We do not follow the *Doran* case. We do follow the school of cases in this circuit and elsewhere supporting the proposition that to support a copyright there must be at least some substantial variation, not merely a trivial variation such as might occur in the translation to a different medium.

Nor can the requirement of originality be satisfied simply by the demonstration of "physical skill" or "special training" which, to be sure, Judge Metzner found was required for the production of the plastic molds that furnished the basis for appellants' plastic bank. A considerably higher degree of skill is required, true artistic skill, to make the reproduction copyrightable. Thus in *Alfred Bell* Judge Frank pointed out that the mezzotint engraver's art there concerned required "great labour and talent" to effectuate the "management of light and shade . . . produced by different lines and dots," means "very different from those employed by the painter or draughtsman from whom he copies. . . ." See also *Millworth Converting Corp. v. Slifka*, supra (fabric designer required one month of work to give three-dimensional color effect to flat surface). Here on the basis of appellants' own expert's testimony it took the Unitoy representative "about a day and a half, two days work" to produce the plastic mold sculpture from the metal Uncle Sam bank. If there be a point in the copyright law pertaining to reproductions at which sheer artistic skill and effort can act as a substitute for the requirement of substantial variation, it was not reached here.

Appellants rely heavily upon *Alva Studios, Inc. v. Winninger*, the "Hand of God" case, where the court held that "great skill and originality [were required] to produce a scale reduction of a great work with exactitude." 177 F.Supp. at 267. There, the original sculpture was, "one of the most intricate pieces of sculpture ever created" with "innumerable planes, lines and geometric patterns . . . interdependent in [a] multi-dimensional work." Id. Originality was found by the district court to consist primarily in the fact that "it takes 'an extremely skilled sculptor' many hours working directly in front of the original" to effectuate a scale reduction. Id. at 266.

The court, indeed, found the exact replica to be so original, distinct, and creative as to constitute a work of art in itself. The complexity and exactitude there involved distinguishes that case amply from the one at bar. As appellants themselves have pointed out, there are a number of trivial differences or deviations from the original public domain cast iron bank in their plastic reproduction. Thus concededly the plastic version is not, and was scarcely meticulously produced to be, an exactly faithful reproduction. Nor is the creativity in the underlying work of art of the same order of magnitude as in the case of the "Hand of God." Rodin's sculpture is, furthermore, so unique and rare, and adequate public access to it such a problem that a significant public benefit accrues from its precise, artistic reproduction. No such benefit can be imagined to accrue here from the "knock-off" reproduction of the cast iron Uncle Sam bank. Thus appellants' plastic bank is neither in the category of exactitude required by *Alva Studios* nor in a category of substantial originality; it falls within what has been suggested by the amicus curiae is a copyright no-man's land.

Absent a genuine difference between the underlying work of art and the copy of it for which protection is sought, the public interest in promoting progress in the arts — indeed, the constitutional demand — could hardly be served. To extend copyrightability to minuscule variations would simply put a weapon for harassment in the hands of mischievous copiers intent on appropriating and monopolizing public domain work. Even in *Mazer v. Stein*, supra, which held that the statutory terms "works of art" and "reproduction of works of art" (terms which are clearly broader than the earlier term "works of the fine arts") permit copyright of quite ordinary mass-produced items, the Court expressly held that the objects to be copyrightable, "must be original, that is, the author's tangible expression of his ideas." 347 U.S. at 214. No such originality, no such expression, no such ideas here appear.

To be sure, the test of "originality" may leave a lot to be desired, although it is the only one we have, in that as one scholar has said, the originality requirement does not perform the function of excluding commonplace matters in the public domain from copyright status very effectively. In any event, however, the articles should be judged on their own merits, and on these merits appellants' claim must fail. Here as elsewhere in the copyright law there are lines that must be drawn even though reasonable men may differ where.

Judgment affirmed.

Notes and questions

(1) Compare the original and the copy as pictured below.

Uncle Sam Banks in L. Batlin & Son v. Snyder

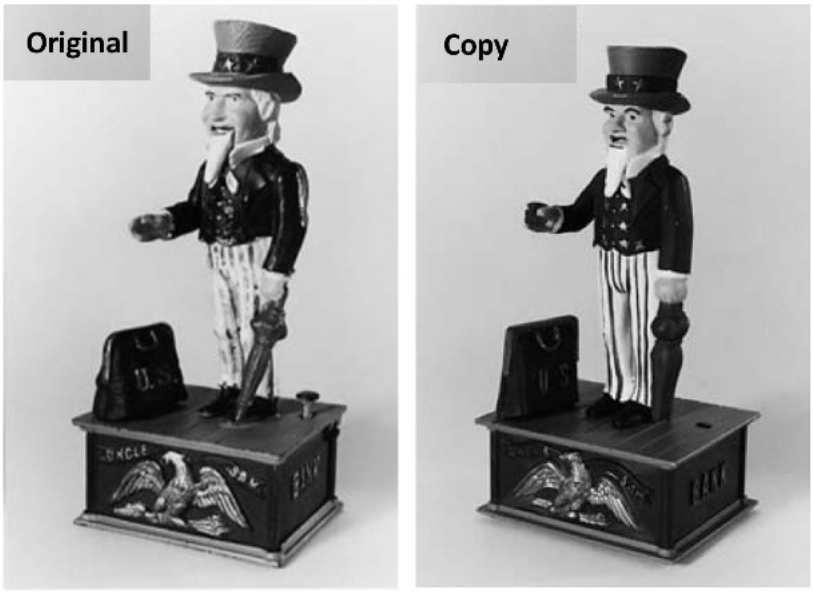


Image description: Side-by-side black-and-white photos of a vintage mechanical bank shaped like Uncle Sam. The "Original" version (left) has sharper details and slightly different facial features, while the "Copy" version (right) appears less detailed and with subtle design variations in the hat, face, and clothing.

(2) *Batlin & Son* suggests that for a copy of a work in the public domain to merit an independent copyright as a new derivative work it must satisfy (1) the originality standard in *Feist* in general terms—i.e., it must demonstrate a modicum of creativity—and (2) that it must also constitute a "distinguishable variation" from the original. At 491 the court says:

> to support a copyright there must be at least some substantial variation, not merely a trivial variation such as might occur in the translation to a different medium.

Is this right? Is there really a different standard for derivative works? Probably not. The weight of authority now seems to be that there is no heightened originality standard for derivative works. To be sure, courts need to be careful not to find originality in trivial or obligatory differences, but it is hard to justify a separate standard that applies to derivative works alone. In *Schrock v. Learning Curve Int'l, Inc.*, 586 F.3d 513, 521 (7th Cir. 2009), the Seventh Circuit rejected the dual standard approach and noted that "the key inquiry is whether there is sufficient nontrivial expressive variation in the derivative work to make it distinguishable from the underlying work in some meaningful way." See also, *Meshwerks, Inc. v. Toyota Motor Sales U.S.A., Inc.*, 528 F.3d 1258, 1266 n.7 (10th Cir. 2008) ("[T]he originality analysis ought to be the same.")

(3) In *Entertainment Research Group, Inc. v. Genesis Creative Group, Inc.*, 122 F.3d 1211 (9th Cir. 1997) the Ninth Circuit found that three-dimensional inflatable costumes based on copyrighted characters were not copyrightable as derivative works. The inflatable costumes were not exact replicas of the original works, but the changes that had been made were required by the new medium and did not meet the distinguishable variation standard. See also, *Durham Industries, Inc. v. Tomy Corp.*, 630 F.2d 905, 910 (2d Cir. 1980) ("[M]ere reproduction of the Disney characters in plastic, even though the adaptation of the preexisting works to this medium undoubtedly involved some degree of manufacturing skill, does not constitute originality as this Court has defined the term.") See also,

Compendium of the U.S. Copyright Office Practices § 311.2 ("Merely recasting a work from one medium to another alone does not support a claim in derivative authorship.")

(4) In *We Shall Overcome Foundation v. Richmond Organization, Inc.*, 2017 WL 3981311 (S.D.N.Y. Sept. 9, 2017) the Southern District of New York found that changes made to the classic folk/protest song "We Shall Overcome" were insufficient to support a derivative copyright. The defendant copyright owners relied primarily on a single word change: they argued that changing the word "will" to "shall" was transformative because the two words have different meanings. They argued that "In the context of the first person ('I' and 'we'), 'shall' is used to form the simple future tense, while 'will' is used to express a strong determination to do something." The word "shall", they contended, carries a sense of solemnity that is absent from the word "will" and is better fitted to the peaceful, non-violent Civil Rights Movement that adopted the Song. The district court was unmoved:

> This single word substitution is quintessentially trivial and does not raise a question of fact requiring a trial to assess whether it is more than trivial. The words will and shall are both common words. Neither is unusual. Grammatically, both words perform similar functions in a phrase or sentence, as they were here. They can be readily substituted in a sentence.

(5) In *ABS Entertainment, Inc. v. CBS Corporation*, 908 F.3d 405 (9th Cir. 2018) the Ninth Circuit concluded that "a remastered sound recording is not eligible for independent copyright protection as a derivative work unless its essential character and identity reflect a level of independent sound recording authorship that makes it a variation distinguishable from the underlying work."

(6) In sum, the current view appears to be that for a work to qualify as a copyrightable, derivative work, someone must contribute new copyrightable authorship to a preexisting work. Trivial modifications are not sufficient, but there is no standard separate from the Supreme Court's general elucidation of the concept of originality in *Feist*.

(7) The problem in *Batlin* and *Alfred Bell* is the problem of originality in a work built from material the second author did not create. Compare the note on legal headnotes following "The implications of thin copyright after *Feist*," above. A headnote chiseled out of a public domain judicial opinion is a close analogue: the source material is unprotectable rather than merely preexisting, and the question is again what the second author must add before the result is an original work. Does it help or hinder the analysis that the underlying material in the headnote case is in the public domain as a matter of law rather than because its copyright has expired?

Comparative: The Originality/Creativity Requirement in International Copyright Law

One of the bedrock principles of copyright law in the United States is the concept of originality: to qualify for copyright protection a work must be a work of authorship in the sense that it displays some minimal degree of human creativity in its expression. Given that the requirement is said to spring from the U.S. Constitution, we should consider whether the obsession with originality is just a quirk of United States jurisprudence, or whether it is a more general and fundamental principle of copyright law.

Neither the TRIPs Agreement nor the Berne Convention clearly express a universal requirement of authorship or originality, however both agreements refer to works being a product of "intellectual creation" in the contexts of compilations and collections. This requirement of "intellectual creation" is arguably implicit in the Berne Convention's focus on "literary and artistic works"; after all, if a work does not display any creativity or intellectual creation, how can we call it a literary or artistic work?

The next few paragraphs highlight some of the key provisions of Berne and TRIPs defining the subject matter of copyright. The Berne Convention calls for the protection of "literary and artistic works" and it does so in broad terms.

> **Berne Convention Article 2.**
>
> (1) The expression "literary and artistic works" shall include every production in the literary, scientific and artistic domain, whatever may be the mode or form of its expression, such as books, pamphlets and other writings; lectures, addresses, sermons and other works of the same nature; dramatic or dramatico-musical works; choreographic works and entertainments in dumb show; musical compositions with or without words; cinematographic works to which are assimilated works expressed by a process analogous to cinematography; works of drawing, painting, architecture, sculpture, engraving and lithography; photographic works to which are assimilated works expressed by a process analogous to photography; works of applied art; illustrations, maps, plans, sketches and three-dimensional works relative to geography, topography, architecture or science.
>
> (3) Translations, adaptations, arrangements of music and other alterations of a literary or artistic work shall be protected as original works without prejudice to the copyright in the original work.
>
> (5) Collections of literary or artistic works such as encyclopedias and anthologies which, by reason of the selection and arrangement of their contents, constitute intellectual creations shall be protected as such, without prejudice to the copyright in each of the works forming part of such collections.

Under Article 2(1), the broad category of "literary and artistic works" includes "every production in the literary, scientific and artistic domain, whatever may be the mode or form of expression," and the Article then continues with a number of examples to illustrate this broad definition.

The Berne Convention also treats translations, adaptations, and arrangements as original works in the sense that they are entitled to copyright protection, even though they are derived from previous works which may already have their own independent copyright protection. This is what Article 2(3) means by the phrase: *"shall be protected as original works without prejudice to the copyright in the original work"*. Berne Article 2(5) also treats collections of literary or artistic works as "original works", but only if they "*constitute intellectual creations*" "*by reason of the selection and arrangement of their contents"*.

The TRIPs Agreement deals with copyright subject matter more succinctly. TRIPs Article 9(2) states simply that "copyright shall extend to expressions and not to ideas, procedures, methods of operations or mathematical concepts as such."

> **TRIPs Article 9(2)**

> Copyright protection shall extend to expressions and not to ideas, procedures, methods of operation or mathematical concepts as such.

Article 10(1) of TRIPs represents an important development in the history of copyright law, the extension of copyright subject matter to include computer programs. There is no parallel provision in the Berne Convention. TRIPs Article 10(2) covers the same ground as Berne Article 2(5) discussed above. This provision provides that compilations of data or other material, "which by reason of the selection or arrangement of the contents constitute intellectual creations" should be protected as literary works.

> **TRIPs Article 10. Computer Programs and Compilations of Data**
>
> 1. Computer programs, whether in source or object code, shall be protected as literary works under the Berne Convention (1971).
>
> 2. Compilations of data or other material, whether in machine readable or other form, which by reason of the selection or arrangement of their contents constitute intellectual creations shall be protected as such. Such protection, which shall not extend to the data or material itself, shall be without prejudice to any copyright subsisting in the data or material itself.

Neither Berne nor TRIPs provide any definition of the concept of "intellectual creation".

The European Union has supplied one. The CJEU has harmonized EU copyright originality around a single test: the subject matter must be the author's own intellectual creation (*Infopaq International A/S v Danske Dagblades Forening*, Case C-5/08, EU:C:2009:465, paras 35–37), reflecting the author's personality through free and creative choices (*Painer v Standard VerlagsGmbH and Others*, Case C-145/10, EU:C:2011:798, paras 87–94). *Cofemel* confirms that this originality test is both necessary and sufficient—Member States may not require artistic or aesthetic merit—and that the protected subject matter must be expressed in a sufficiently precise and objectively identifiable form (*Cofemel v G-Star Raw*, Case C-683/17, EU:C:2019:721, paras 29–35, 48–56). The Court's most recent authoritative gloss on what "intellectual creation" means is its judgment in the joined cases of *Mio* (C-580/23) and *konektra* (C-795/23) of 4 December 2025, which confirms that works of applied art are subject to the same originality standard as any other work and are entitled to no lesser and no greater scrutiny on that account.

The originality requirement is expressly included in the majority of copyright statutes world-wide. Section 102 of the United States Copyright Act provides that *"Copyright protection subsists, in accordance with this title, in original works of authorship fixed in any tangible medium of expression …";* Section 1(1) of the U.K. Copyright, Designs and Patents Act, 1988 provides that *"Copyright is a property right which subsists in … (a) original literary, dramatic, musical or artistic works, (b) sound recordings, films or broadcasts, and (c) the typographical arrangement of published editions."* The Indian Copyright Act uses almost identical terms. Section 32 of the Australian Copyright Act also states that "*copyright subsists in an original literary …*"

Jurisdictions tend to agree that originality requires some identifiable quantum of contribution by the person claiming authorship, but they may diverge on the nature of the contribution.

CHAPTER 3. COPYRIGHT IN AI-GENERATED AND AI-ASSISTED WORKS

The Human Authorship Requirement

The monkey selfie

In 2011 wildlife photographer, David Slater, was working to capture a closeup photo of a crested black macaque monkey in Indonesia's Sulawesi jungle. Rather than approaching the monkey with his camera in hand—an approach that would scare off the animal—Slater positioned the camera, adjusted the settings, and waited in the hopes that a curious monkey would grab the camera and take its own photo. Slater was quite involved with the taking of the photo: according to his own account, "I put my camera on a tripod with a very wide angle lens, settings configured such as predictive autofocus, motorwind, even a flashgun, to give me a chance of a facial close up if they were to approach again for a play ... I had one hand on the tripod when this was going on, …" On his account, Slater also did some important preparatory work by befriending monkeys to make them receptive to playing with the camera. Eventually, a crested black macaque took a series of apparent selfies using Slater's camera.

One of the "monkey selfie" photos



Image description: A close-up of a crested black macaque against a backdrop of green foliage. The monkey appears to be smiling, showing its teeth, and looks directly at the camera with bright eyes.

Naturally, a copyright dispute soon followed.

Slater claimed copyright in the photo and sent a takedown request to Wikipedia, who had posted a copy to the online encyclopedia. Wikipedia argued that the photo was in the public domain because there was no author. In December 2014, the United States Copyright Office stated that works created by a non-human, such as a photograph taken by a monkey, are not copyrightable.

Slater, sensibly, decided to let the matter go, but PETA (People for the Ethical Treatment of Animals) sued Slater on behalf of the monkey, who PETA named as Naruto. The Ninth Circuit held that the monkey lacked statutory standing under the Copyright Act. *Naruto v. Slater*, 888 F.3d 418 (9th Cir. 2018).

The Copyright Office's position is reflected in U.S. Copyright Office, Compendium of U.S. Copyright Office Practices § 306 (3d ed. 2021).

> The Human Authorship Requirement
>
> The U.S. Copyright Office will register an original work of authorship, provided that the work was created by a human being. The copyright law only protects "the fruits of intellectual labor" that "are founded in the creative powers of the mind." *Trade-Mark Cases*, 100 U.S. 82, 94 (1879). Because copyright law is limited to "original intellectual conceptions of the author," the Office will refuse to register a claim if it determines that a human being did not create the work. *Burrow-Giles Lithographic Co. v. Sarony*, 111 U.S. 53, 58 (1884). …

In § 313.2 of the Compendium, the Copyright Office specifically notes that a photograph taken by a monkey is an example of works that lack human authorship.

> Works That Lack Human Authorship
>
> … The U.S. Copyright Office will not register works produced by nature, animals, or plants. Likewise, the Office cannot register a work purportedly created by divine or supernatural beings, although the Office may register a work where the application or the deposit copy(ies) state that the work was inspired by a divine spirit.
>
> Examples:
>
> • A photograph taken by a monkey
>
> • A mural painted by an elephant.
>
> • A claim based on the appearance of actual animal skin.
>
> • A claim based on driftwood that has been shaped and smoothed by the ocean.
>
> • A claim based on cut marks, defects, and other qualities found in natural stone.
>
> • An application for a song naming the Holy Spirit as the author of the work.
>
> Similarly, the Office will not register works produced by a machine or mere mechanical process that operates randomly or automatically without any creative input or intervention from a human author. The crucial question is "whether the 'work' is basically one of human authorship, with the computer [or other device] merely being an assisting instrument, or whether the traditional elements of authorship in the work (literary, artistic, or musical expression or elements of selection, arrangement, etc.) were actually conceived and executed not by man but by a machine."

In *Naruto v. Slater*, No. 16-15469 (9th Cir. 2018) the Ninth Circuit affirmed the district court's dismissal of copyright infringement claims brought by a monkey over selfies he took on a wildlife photographer's unattended camera. The court held that a monkey lacked standing as a copyright plaintiff because the Copyright Act does not envision animals (non-humans) as authors or owners of copyright.

Oddly enough, the case of the "monkey selfie" raises the same questions as generative AI. Can an AI system like ChatGPT be an author? If not, how much does a human need to contribute to be an author?

AI has no claim of authorship

Thaler v. Perlmutter, 130 F. 4th 1039 (D.C. Cir. 2025)

Millett, Circuit Judge:

This case presents a question made salient by recent advances in artificial intelligence: Can a non-human machine be an author under the Copyright Act of 1976? … Dr. Thaler is a computer scientist who creates and works with artificial intelligence systems, and who invented the Creativity Machine. On May 19, 2019, Dr. Thaler submitted a copyright registration application to the Copyright Office for an artwork titled "A Recent Entrance to Paradise." On the application, Dr. Thaler listed the "Author" of that work as the "Creativity Machine." Under "Copyright Claimant," Dr. Thaler provided his own name. In the section labeled "Author Created," Dr. Thaler wrote "2-D artwork, Created autonomously by machine."

[The Copyright Office denied Dr. Thaler's application because "a human being did not create the work," and the district court affirmed the Copyright Office's denial of registration.] Based on the caselaw and the Copyright Act's text, the district court concluded that "human authorship is a bedrock requirement of copyright." The court also held that Dr. Thaler could not rely on the work-made-for-hire provision because that provision "presupposes that an interest exists to be claimed." The "image autonomously generated" by the Creativity Machine was not such an interest because it "was never eligible for copyright," so the Machine had no copyright to transfer to Dr. Thaler even if he were the Creativity Machine's employer. Finally, the court found that Dr. Thaler waived his argument that he should own the copyright because he created and used the Creativity Machine. The court stressed that, "on the record designed by plaintiff from the outset of his application for copyright registration," the case had presented "only the question of whether a work generated autonomously by a computer system is eligible for copyright." …

III

As a matter of statutory law, the Copyright Act requires all work to be authored in the first instance by a human being. Dr. Thaler's copyright registration application listed the Creativity Machine as the work's sole author, even though the Creativity Machine is not a human being. As a result, the Copyright Office appropriately denied Dr. Thaler's application.

A

Authors are at the center of the Copyright Act. A copyright "vests initially in the author or authors of the work." 17 U.S.C. § 201(a). And copyright protection only "subsists * * * in original works of authorship[.]" Id. § 102(a).

The Copyright Act does not define the word "author." But traditional tools of statutory interpretation show that, within the meaning of the Copyright Act, "author" refers only to human beings. To start, the text of multiple provisions of the statute indicates that authors must be humans, not machines. In addition, the Copyright Office consistently interpreted the word author to mean a human prior to the Copyright Act's passage, and we infer that Congress adopted the agency's longstanding interpretation of the word "author" when it reenacted that term in the 1976 Copyright Act.

Numerous Copyright Act provisions both identify authors as human beings and define "machines" as tools used by humans in the creative process rather than as creators themselves. Because many of the Copyright Act's provisions make sense only if an author is a human being, the best reading of the Copyright Act is that human authorship is required for registration.

First, the Copyright Act's ownership provision is premised on the author's legal capacity to hold property. A copyright "vests initially in the author." 17 U.S.C. § 201(a). This means an author gains 'exclusive rights' in her work immediately upon the work's creation. Because a copyright is fundamentally a property right created by Congress, and Congress specified that authors immediately own their copyrights, an entity that cannot own property cannot be an author under the statute.

Second, the Copyright Act limits the duration of a copyright to the author's lifespan or to a period that approximates how long a human might live. A copyright generally "endures for a term consisting of the life of the author and 70 years after the author's death." 17 U.S.C. § 302(a). The Copyright Office maintains "current records of information relating to the death of authors of copyrighted works" so that it can determine when copyrights expire. Id. § 302(d). If the author's death is unknown, the Copyright Act presumes death after "a period of 95 years from the year of first publication of a work, or a period of 120 years from the year of its creation." Id. § 302(e). And even when a corporation owns a copyright under the work-made-for-hire provision, the copyright endures for the same amount of time —"95 years from the year of first publication" or "120 years from the year of its creation." Id. § 302(c). Of course, machines do not have "lives" nor is the length of their operability generally measured in the same terms as a human life.

Third, the Copyright Act's inheritance provision states that, when an author dies, that person's "termination interest is owned, and may be exercised" by their "widow or widower," or their "surviving children or grandchildren," 17 U.S.C. § 203(a)(2), (A). Machines, needless to say, have no surviving spouses or heirs.

Fourth, copyright transfers require a signature. To transfer copyright ownership, there must be "an instrument of conveyance" that is "signed by the owner[.]" 17

U.S.C. § 204(a). Machines lack signatures, as well as the legal capacity to provide an authenticating signature.

Fifth, authors of unpublished works are protected regardless of the author's "nationality or domicile." 17 U.S.C. § 104(a). Machines do not have domiciles, nor do they have a national identity.

Sixth, authors have intentions. A joint work is one "prepared by two or more authors with the intention that their contributions be merged into inseparable or interdependent parts of a unitary whole." 17 U.S.C. § 101. Machines lack minds and do not intend anything.

Seventh, and by comparison, every time the Copyright Act discusses machines, the context indicates that machines are tools, not authors. For example, the Copyright Act defines a "computer program" as "a set of statements or instructions to be used directly or indirectly" to "bring about a certain result." 17 U.S.C. § 101. The word "machine" is given the same definition as the words "device" and "process," id., and those terms are consistently used in the statute as mechanisms that assist authors, rather than as authors themselves, id. §§ 102(a); 108(c)(2); 109(b)(1)(B)(i); 116(d)(1); 117(a)(1), (c); 401(a); 1001(2), (3). In addition, when computer programs and machines are referenced in the statute, the statute presumes they have an "owner," id. § 117(a), (c), who can perform "maintenance," "service," or "repair" on them, id. § 117(d)(1), (2).

All of these statutory provisions collectively identify an "author" as a human being. Machines do not have property, traditional human lifespans, family members, domiciles, nationalities, mentes reae, or signatures. By contrast, reading the Copyright Act to require human authorship comports with the statute's text, structure, and design because humans have all the attributes the Copyright Act treats authors as possessing. The human-authorship requirement, in short, eliminates the need to pound a square peg into a textual round hole by attributing unprecedented and mismatched meanings to common words in the Copyright Act.

To be clear, we do not hold that any one of those statutory provisions states a necessary condition for someone to be the author of a copyrightable work. An author need not have children, nor a domicile, nor a conventional signature. Even the ability to own property has not always been required for copyright authorship. Married women in the nineteenth century authored work that was eligible for copyright protection even though coverture laws forbade them from owning copyrights. See Melissa Homestead, AMERICAN WOMEN AUTHORS AND LITERARY PROPERTY, 1822-1869, at 21-62 (2005); *Belford, Clarke & Co. v. Scribner*, 144 U.S. 488, 504 (1892) (recognizing Mrs. Terhune's authorship when her book's copyright was infringed, even though, as a married woman, she could not own property).

The point, instead, is that the current Copyright Act's text, taken as a whole, is best read as making humanity a necessary condition for authorship under the Copyright Act. That is the reading to which "the provisions of the whole law" point.

*

The Copyright Office's longstanding rule requiring a human author reinforces the natural meaning of those statutory terms.

The Copyright Office first addressed whether machines could be authors in 1966—ten years before the Copyright Act of 1976 was passed. That year, the Register of Copyrights wrote in the Copyright Office's annual report to Congress that, as "computer technology develops and becomes more sophisticated, difficult questions of authorship are emerging. * * * The crucial question appears to be whether the 'work' is basically one of human authorship, with the computer merely being an assisting instrument[.]" Copyright Office, Sixty-Eighth Annual Report of the Register of Copyrights at 5 (1966).

The Copyright Office formally adopted the human authorship requirement in 1973. That year, the Copyright Office updated its regulations to state explicitly that works must "owe their origin to a human agent[.]" Compendium First Edition § 2.8.3(I)(a)(1)(b).

In 1974, Congress created the National Commission on New Technological Uses of Copyrighted Works ("CONTU") to study how copyright law should accommodate "the creation of new works by the application or intervention of such automatic systems or machine reproduction." CONTU assembled copyright experts from the government, academia, and the private sector to make recommendations to Congress. Prior to the Copyright Act's passage, the Library of Congress published summaries of CONTU's meetings, several of which focused on copyright law and computer technology. In none of these meetings did members of CONTU suggest that computers were authors rather than tools used by authors to create original work.

This understanding of authorship and computer technology is reflected in CONTU's final report:

> On the basis of its investigations and society's experience with the computer, the Commission believes that there is no reasonable basis for considering that a computer in any way contributes authorship to a work produced through its use. The computer, like a camera or a typewriter, is an inert instrument, capable of functioning only when activated either directly or indirectly by a human. When so activated it is capable of doing only what it is directed to do in the way it is directed to perform.

Although CONTU's final report was not published until 1978, its conclusion that machines cannot be authors reflects the state of play at the time Congress enacted the Copyright Act in 1976. And when Congress amended the Copyright Act's provision governing computer programs shortly following CONTU's final report, Congress preserved the Act's provisions governing authorship and the language describing machines as devices used by authors. Pub. L. No. 96-517, 94 Stat. 3015, 3028 (1980) (stating it is not infringement to copy a computer program if the copy "is created as an essential step in the utilization of the computer program in conjunction with a machine.").

In short, at the time the Copyright Act was passed and for at least a decade before, computers were not considered to be capable of acting as authors, but instead served

as "inert instruments" controlled "directly or indirectly by a human" who could be an author. CONTU, Final Report at 44 (1978). We infer Congress adopts an agency's interpretation of a term "when a term's meaning was well-settled." Sackett v. Environmental Prot. Agency, 598 U.S. 651, 683 (2023). And that rule applies with double force here where the commission Congress designated to study the issue, CONTU, came to the same conclusion. Given all that, the interpretation of "author" as requiring human authorship was well-settled at the time the 1976 Copyright Act was enacted.

*

Dr. Thaler's contrary reading of the statutory text fails. Dr. Thaler argues first that the natural meaning of "author" is not confined to human beings. Dr. Thaler points to a 2023 dictionary definition defining "author" as "one that originates or creates something."

But statutory construction requires more than just finding a sympathetic dictionary definition. We "do not read statutes in little bites," or words in isolation from their statutory context. The judicial task when interpreting statutory language, instead, is to discern how Congress used a word in the law.

That process includes a natural presumption that identical words used in different parts of the same act are intended to have the same meaning. Here, the Copyright Act makes no sense if an "author" is not a human being. If "machine" is substituted for "author," the Copyright Act would refer to a machine's "children," 17 U.S.C. § 203(a)(2), a machine's "widow," id., a machine's "domicile," id. § 104(a), a machine's mens rea, id. § 101, and a machine's "nationality," id. Problematic questions would arise about a machine's "life" and "death[.]" Id. § 302(a). And "machine" would inconsistently mean both an author and a tool used by authors. Id. § 117(d)(1); see id. §§ 102(a); 108(c)(2); 116(d)(1); 117(c); 1001(2), (3).

Dr. Thaler points out that the Copyright Act's work-made-for-hire provision allows those who hire creators to be "considered the author" under the Act. 17 U.S.C. § 201(b). That is why corporations, and governments, can be legally recognized as authors.

But the word "considered" in the work-made-for-hire provision does the critical work here. It allows the copyright and authorship protections attaching to a work originally created by a human author to transfer instantaneously, as a matter of law, to the person who hired the creator. Congress, in other words, was careful to avoid using the word "author" by itself to cover non-human entities. For if Congress had intended otherwise, the work-made-for-hire provision would say straightforwardly that those who hire creators "are the author for purposes of this title," not that they are "considered the author for purposes of this title."

Dr. Thaler also argues that the human-authorship requirement wrongly prevents copyright law from protecting works made with artificial intelligence.

But the Supreme Court has long held that copyright law is intended to benefit the public, not authors. Copyright law "makes reward to the owner a secondary consideration. The primary object in conferring the monopoly lies in the general

benefits derived by the public from the labors of authors." United States v. Loew's, Inc., 371 U.S. 38, 46-47 (1962) (quoting Fox Film Co. v. Doyal, 286 U.S. 123 (1932)).

To that public-benefit end, the law of copyright has developed in response to significant changes in technology. Photography, sound recordings, video recordings, and computer programs are all technologies that were once novel, but which copyright law now protects. Importantly, that evolution in copyright protection has been at Congress's direction, not through courts giving new meaning to settled statutory terms.

Contrary to Dr. Thaler's assumption, adhering to the human-authorship requirement does not impede the protection of works made with artificial intelligence.

First, the human authorship requirement does not prohibit copyrighting work that was made by or with the assistance of artificial intelligence. The rule requires only that the author of that work be a human being—the person who created, operated, or used artificial intelligence— and not the machine itself. The Copyright Office, in fact, has allowed the registration of works made by human authors who use artificial intelligence. See Copyright Registration Guidance: Works Containing Material Generated by Artificial Intelligence, 88 Fed. Reg. 16,190, 16,192 (March 16, 2023) (Whether a work made with artificial intelligence is registerable depends "on the circumstances, particularly how the AI tool operates and how it was used to create the final work.").

To be sure, the Copyright Office has rejected some copyright applications based on the human-authorship requirement even when a human being is listed as the author. See Copyright Office, Re: Zarya of the Dawn (Registration # VAu001480196) (Feb. 21, 2023) (denying copyright registration for a comic book's images made with generative artificial intelligence). Some have disagreed with these decisions. See Motion Picture Association, Comment Letter on Artificial Intelligence and Copyright at 5 (Oct. 30, 2023), (This "very broad definition of 'generative AI' has the potential to sweep in technologies that are not new and that members use to assist creators in making motion pictures."); 2 W. PATRY, COPYRIGHT § 3:60.52 (2024); Legal Professors Amicus Br. 36-37 ("The U.S. Copyright Office guidelines are somewhat paradoxical: human contributions must be demonstrated within the creative works generated by AI.").

Those line-drawing disagreements over how much artificial intelligence contributed to a particular human author's work are neither here nor there in this case. That is because Dr. Thaler listed the Creativity Machine as the sole author of the work before us, and it is undeniably a machine, not a human being. Dr. Thaler, in other words, argues only for the copyrightability of a work authored exclusively by artificial intelligence. Contrast Rearden LLC v. Walt Disney Co., 293 F. Supp. 3d 963 (N.D. Cal. 2018) (holding that companies may copyright work made with motion capture software).

Second, Dr. Thaler has not explained how a ban on machines being authors would result in less original work because machines, including the Creativity Machine, do not respond to economic incentives.

Dr. Thaler worries that the human-authorship requirement will disincentivize creativity by the creators and operators of artificial intelligence. That argument overlooks that the requirement still incentivizes humans like Dr. Thaler to create and to pursue exclusive rights to works that they make with the assistance of artificial intelligence.

Of course, the Creativity Machine does not represent the limits of human technical ingenuity when it comes to artificial intelligence. Humans at some point might produce creative non-humans capable of responding to economic incentives. Science fiction is replete with examples of creative machines that far exceed the capacities of current generative artificial intelligence. For example, Star Trek's Data might be worse than ChatGPT at writing poetry, but Data's intelligence is comparable to that of a human being. See *Star Trek: The Next Generation: Schism* (Paramount television broadcast Oct. 19, 1992) ("Felis catus is your taxonomic nomenclature, an endothermic quadruped, carnivorous by nature"). There will be time enough for Congress and the Copyright Office to tackle those issues when they arise.

Third, Congress's choice not to amend the law since 1976 to allow artificial-intelligence authorship might well be taken to be an acquiescence in the judicial construction given to the copyright laws. The human-authorship requirement is not new and has been the subject of multiple judicial decisions. The Seventh Circuit has squarely held that authors "of copyrightable works must be human." *Kelley v. Chicago Park Dist.*, 635 F.3d 290, 304 (7th Cir. 2011). And the Ninth Circuit has strongly implied the same when deciding that an author must be a "worldly entity," *Urantia Foundation v. Maaherra*, 114 F.3d 955, 958 (9th Cir. 1997), and cannot be an animal, *Naruto v. Slater*, 888 F.3d 418, 426 (9th Cir. 2018).

Finally, even if the human authorship requirement were at some point to stymy the creation of original work, that would be a policy argument for Congress to address.

This court's job, by contrast, is to apply the statute as it is written, not to wade into technologically uncharted copyright waters and try to decide what might accord with good policy. Accommodating new technology is for Congress. Congress and the Copyright Office are the proper audiences for Dr. Thaler's policy and practical arguments.

*

Because the Copyright Act itself requires human authorship, we need not and do not address the Copyright Office's argument that the Constitution's Intellectual Property Clause requires human authorship.

IV

Dr. Thaler raises two alternative arguments in support of his copyright application. Neither succeeds.

> First, Dr. Thaler argues that the Copyright Act's work-made-for-hire provision allows him to be "considered the author" of the work at issue because the Creativity Machine is his employee. 17 U.S.C. § 201(b).
>
> That argument misunderstands the human authorship requirement. The Copyright Act only protects "original works of authorship." 17 U.S.C. § 102(a). The authorship requirement applies to all copyrightable work, including work-made-for-hire. The word "authorship," like the word "author," refers to a human being. As a result, the human-authorship requirement necessitates that all "original works of authorship" be created in the first instance by a human being, including those who make work for hire.
>
> Second, Dr. Thaler argues that he is the work's author because he made and used the Creativity Machine. We cannot reach that argument. The district court held that Dr. Thaler forwent any such argument before the Copyright Office. And in his opening brief, Dr. Thaler did not challenge the district court's finding of waiver. Dr. Thaler offered only a single sentence in his opening brief, in which he describes the district court's conclusion as "based on a misunderstanding of the record below." That "bare and conclusory assertion" is insufficient to preserve an argument for resolution on the merits.
>
> V
>
> For the foregoing reasons, the district court's denial of Dr. Thaler's copyright application is affirmed.

The Supreme Court denied certiorari in March 2026.

Notes and questions

(1) Do you agree with the court that the term "author" is best understood to refer only to humans in light of the statute's structure and context? Why or why not? If aliens visited us from another planet and were recognized as legal persons, would they also be recognized as authors?

(2) If the goal of copyright is to "promote the progress of science and the useful arts," how does recognizing/not recognizing AI authorship help advance that goal?

(3) The Copyright Office strongly defends what it describes as the traditional requirement that copyright protects only human-generated works. The majority of copyright scholars agree, arguing that the Copyright Act reserves copyright for "original works of authorship." See Section 102(a). As one copyright expert told the U.S. Senate Judiciary Committee in testimony in 2023:

> As the Supreme Court explained in *Burrow-Giles Lithographic Co. v. Sarony* 111 U.S. 53, 57–59 (1884) authorship entails "original intellectual conception[]." An AI can't produce a work that reflects its own "original intellectual conception" because it has none.

Very few people seriously argue that when AI models produce content with little or no human intervention, there should be copyright in those outputs. However, humans using AI as a tool of expression may try to claim authorship on the theory that the final form of

the work reflects their "original intellectual conception" in sufficient detail. How much human involvement with an AI process is enough to make the work copyrightable is a difficult question. *Thaler* was an easy case where the human contribution had been disclaimed, but it does not really answer the question of what it takes for a human using AI to be recognized as the author of the work that results.

The U.S. Copyright Office Position: Prompts Alone Are Not Enough

U.S. Copyright Office Copyright and Artificial Intelligence, Part 2: Copyrightability (2025)

> … The Office concludes that, given current generally available technology, prompts alone do not provide sufficient human control to make users of an AI system the authors of the output. Prompts essentially function as instructions that convey unprotectible ideas. While highly detailed prompts could contain the user's desired expressive elements, at present they do not control how the AI system processes them in generating the output.
>
> Cases regarding joint authorship support this conclusion. These cases address the amount of control that is necessary to claim authorship. The provision of detailed directions, without influence over how those directions are executed, is insufficient. [As the Supreme Court noted in *Community for Creative Non-Violence v. Reid,* 490 U.S. 730, 737 (1989) "As a general rule, the author is the party who actually creates the work, that is, the person who translates an idea into a fixed, tangible expression entitled to copyright protection."] As the Third Circuit explained, when a person hires someone to execute their expression, "that process must be rote or mechanical transcription that does not require intellectual modification or highly technical enhancement" for the delegating party to claim copyright authorship in the final work. [See, *Andrien v. Southern Ocean County Chamber of Commerce*, 927 F.2d 132 (3d Cir. 1991)] Although entering prompts into a generative AI system can be seen as similar to providing instructions to an artist commissioned to create a work, there are key differences. In a human-to-human collaboration, the hiring party is able to oversee, direct, and understand the contributions of a commissioned human artist. Depending on the nature of each party's contributions, the artist may be the sole author, or the outcome may be a joint work or work made for hire. In theory, AI systems could someday allow users to exert so much control over how their expression is reflected in an output that the system's contribution would become rote or mechanical. The evidence as to the operation of today's AI systems indicates that this is not currently the case. Prompts do not appear to adequately determine the expressive elements produced, or control how the system translates them into an output.
>
> The gaps between prompts and resulting outputs demonstrate that the user lacks control over the conversion of their ideas into fixed expression, and the system is largely responsible for determining the expressive elements in the output. In other words, prompts may reflect a user's mental conception or idea, but they do not control the way that idea is expressed. This is even clearer in the case of generative

AI systems that modify or rewrite prompts internally. That process recasts the human contribution—however detailed it may be—into a different form.

The following image, which the Office generated by entering a prompt into a popular commercially available AI system, illustrates this point:

Prompt

> professional photo, bespectacled cat in a robe reading the Sunday newspaper and smoking a pipe, foggy, wet, stormy, 70mm, cinematic, highly detailed wood, cinematic lighting, intricate, sharp focus, medium shot, (centered image composition), (professionally color graded), ((bright soft diffused light)), volumetric fog, hdr 4k, 8k, realistic

Output



Image description: A digitally created anthropomorphic tabby cat wearing round glasses, a scarf, and a coat, smoking a pipe. The cat is seated indoors, holding a newspaper, with soft light streaming through a window in the background.

This prompt describes the subject matter of the desired output, the setting for the scene, the style of the image, and placement of the main subject. The resulting image reflects some of these instructions (e.g., a bespectacled cat smoking a pipe), but not others (e.g., a highly detailed wood environment). Where no instructions were provided, the AI system filled in the gaps.

For instance, the prompt does not specify the cat's breed or coloring, size, pose, any attributes of its facial features or expression, or what clothes, if any, it should wear beneath the robe. Nothing in the prompt indicates that the newspaper should be held by an incongruous human hand.

The fact that identical prompts can generate multiple different outputs further indicates a lack of human control. As one popular system explains on its website, "no matter how detailed . . . the same text describes an infinite number of possible" outputs. In these circumstances, the black box of the AI system is providing varying interpretations of the user's directions.

Repeatedly revising prompts does not change this analysis or provide a sufficient basis for claiming copyright in the output. First, the time, expense, or effort involved in creating a work by revising prompts is irrelevant, as copyright protects original authorship, not hard work or "sweat of the brow." Second, inputting a revised prompt does not appear to be materially different in operation from

inputting a single prompt. By revising and submitting prompts multiple times, the user is "re-rolling" the dice, causing the system to generate more outputs from which to select, but not altering the degree of control over the process. No matter how many times a prompt is revised and resubmitted, the final output reflects the user's acceptance of the AI system's interpretation, rather than authorship of the expression it contains.

Some commenters drew analogies to a Jackson Pollock painting or to nature photography taken with a stationary camera, which may be eligible for copyright protection even if the author does not control where paint may hit the canvas or when a wild animal may step into the frame. However, these works differ from AI-generated materials in that the human author is principally responsible for the execution of the idea and the determination of the expressive elements in the resulting work. Jackson Pollock's process of creation did not end with his vision of a work. He controlled the choice of colors, number of layers, depth of texture, placement of each addition to the overall composition—and used his own body movements to execute each of these choices. In the case of a nature photograph, any copyright protection is based primarily on the angle, location, speed, and exposure chosen by the photographer in setting up the camera, and possibly post-production editing of the footage. As one commenter explained, "some element of randomness does not eliminate authorship," but "the putative author must be able to constrain or channel the program's processing of the source material." The issue is the degree of human control, rather than the predictability of the outcome.

The Office also agrees that authorship by adoption does not in itself provide a basis for claiming copyright in AI-generated outputs. As commenters noted, providing instructions to a machine and selecting an output does not equate to authorship. Selecting an AI-generated output among uncontrolled options is more analogous to curating a "living garden," than applying splattered paint. As the Kernochan Center observed, "selection among the offered options" produced by such a system cannot be considered copyrightable authorship, because the "selection of a single output is not itself a creative act."

There may come a time when prompts can sufficiently control expressive elements in AI-generated outputs to reflect human authorship. If further advances in technology provide users with increased control over those expressive elements, a different conclusion may be called for. On the other hand, technological advancements that facilitate increased automation and optimization may bolster our current conclusions. For example, if generative AI systems integrate or further improve automated prompt optimization, users' control may be diminished.

Notes and questions

(1) The Copyright Office report extracted above takes the position that most prompt-engineering fails the originality test because users don't control the expressive elements. See also LIBRARY OF CONGRESS, COPYRIGHT OFFICE, COPYRIGHT REGISTRATION GUIDANCE: WORKS CONTAINING MATERIAL GENERATED BY ARTIFICIAL INTELLIGENCE, 88 Fed. Reg. 16190 (March 16, 2023). Simple prompts like "draw a sunset in Van Gogh's

style" don't amount to authorship, that much seems obvious. But many argue that iterative prompting and curation can reflect sufficient human creativity, akin to using a camera or editing software. Do you agree? How does the Copyright Office report extracted above address that argument? Consider this question in light of the following case studies.

Registration Case Study: Zarya of the Dawn

In February 2023, the Copyright Office revoked Kristina Kashtanova's registration of an 18-page comic book, *Zarya of the Dawn,* when it learned that the illustrations in *Zarya* had been created using the text-to-image platform Midjourney.

Zarya of the Dawn, pages 1-2



Image description: A digital comic book cover and first page titled Zarya of the Dawn. The cover shows a young woman with braided hair and glowing blue streaks against a dark, misty background. Inside, panels depict a post-apocalyptic cityscape with tall, crumbling skyscrapers, a close-up of a postcard, and the woman reading it. Captions narrate her thoughts about remembering her own name and finding "Rusty."

The Office initially issued a copyright registration, then upon review clarified it would limit the registration to the portions of the work that were human-authored (the text and the selection, coordination, and arrangement of text and images), excluding the AI-generated images themselves.

The Copyright Office conceded that Kashtanova was entitled to copyright protection for the text she had written, the overall story she had created and the selection and arrangement of images in the comic. However, the Copyright Office concluded that there was no copyright in the individual images produced by the Midjourney AI because those images were "produced by a machine or mere mechanical process that operates randomly or automatically *without any creative input or intervention from a human author*." The Copyright Office saw no evidence that Kashtanova controlled or directed the final form of the images, rather she merely chose which ones to adopt and which to refine with further instructions.

The decision analogized the use of Midjourney to a photographer using a camera – but with an important distinction: a photographer exercises concrete control over a photo's

composition (lighting, pose, framing, etc.), whereas a prompt-based AI user does not predictably control the final image. Because "Midjourney users...cannot truly control what the AI creates," the Office found the images lacked the required human creative control and originality. By contrast, Kashtanova's overall arrangement of panels was deemed a creative compilation and remained protected. See Copyright Office correspondence Re: Zarya of the Dawn (Registration # VAu001480196), dated February 21, 2023.

Registration Case Study: Théâtre D'opéra Spatial

In September 2023, the Copyright Office Review Board affirmed the refusal of Jason M. Allen's AI-assisted digital artwork "Théâtre D'opéra Spatial," despite Allen's description of his extensive prompt engineering and edits.

The decision stated that under U.S. copyright law, only works with "traditional elements of authorship" created by a human are eligible for copyright protection. The Board concluded that the core image generated by Midjourney did not meet this criterion, despite Allen's arguments that his detailed text prompts and subsequent edits using software like Adobe Photoshop constituted sufficient human authorship. The Board acknowledged that some of Allen's edits might contain original authorship but stated that they lacked enough information to determine if those edits were independently copyrightable. The decision emphasized that AI-generated material, when it constitutes more than a minor portion of a work, must be explicitly disclaimed in any copyright application.

Allen was invited to disclaim the AI-generated portions and claim any human modifications, but he declined that compromise and was ultimately denied registration. Allen has since sued the Copyright Office in the District of Colorado seeking review of the Review Board's refusal, *Allen v. Perlmutter*, No. 1:24-cv-2665 (D. Colo.). Summary judgment briefing closed in February 2026, but as of September 2026 no decision had issued.

Théâtre D'opéra Spatial by Jason Allen/Midjourney



Image description: A grand, ornate hall opens to a massive circular window revealing a sunlit mountainous city beyond. Figures in flowing robes, some in white and others in deep orange, stand facing the view, their posture reverent. The scene is bathed in warm, golden light.

Registration Case Study: Suryast

In December 2023, the Copyright Office Review Board refused to register a work titled "Suryast" created by Ankit Sahni using an AI tool called RAGHAV.

Original Photo, Starry Night, and Suryast



Image description: Three side-by-side images. Left: A photograph of an orange sunset behind a modern rooftop with railings. Center: Vincent van Gogh's The Starry Night, showing swirling blue skies and a moon over a village. Right: The sunset photograph rendered in the swirling, textured style of The Starry Night, with blue tones and bright yellow orbs in the sky.

Sahni's work involved taking an original photograph he had taken and applying the style of Vincent Van Gogh's The Starry Night to it through RAGHAV. Sahni argued that his creative input—choosing the base image, selecting the style, and setting the degree of style transfer—qualified him as the author of the final work. The Review Board disagreed in reasoning that parallels the Jason Allen refusal discussed above.

Registration Case Study: Rose Enigma

In March 2023, the U.S. Copyright Office granted a limited registration for Rose Enigma, a digital artwork by Kris Kashtanova that combined a hand-drawn illustration with generative AI techniques. See *Rose Enigma*, VAu001528922 (Mar. 21, 2023).

Kashtanova, author of *Zarya of the Dawn*, submitted a registration application disclosing that they had created the initial illustration by hand, input it into an AI system along with a detailed prompt, and used the resulting output as the final image. The Office determined that the hand-drawn illustration qualified as a human-authored work and was clearly perceptible in the output, including specific visual elements like the mask's outline and the arrangement of facial features and floral motifs.

Rose Enigma Prompt, Input and Output

Prompt	Input	Output
"a young cyborg woman (((roses))) flowers coming out of her head, photorealism, cinematic lighting, hyper realism, 8k, hyper detailed."		

Image description: Three labeled panels. Left, "Prompt": text describing "a young cyborg woman" with roses growing from her head, rendered in photorealistic cinematic style. Center, "Input": a simple black-line drawing of a face outline with flowers sprouting upward. Right, "Output": a hyper-realistic digital image of a young woman's partial face, with red roses and green stems emerging from the top, against a softly lit background.

Although the AI system had added photorealistic lighting, shadows, and dimensionality, Kashtanova expressly disclaimed those non-human elements. The Copyright Office granted a registration with an annotation stating: "Registration limited to unaltered human pictorial authorship that is clearly perceptible in the deposit and separable from the non-human expression that is excluded from the claim."

Case Study: A Single Piece of American Cheese

As seen above, the Copyright Office had consistently denied registration to works created via AI prompt-based generation alone on the theory that they lacked meaningful human authorship. In August 2024, Invoke, an Atlanta-based AI creation platform, submitted an artwork titled "A Single Piece of American Cheese" for registration. The Office initially refused the application, but granted registration on reconsideration after receiving a video documenting the process by which the artwork had been made. See *A Single Piece of American Cheese*, Reg. No. VAu 1-543-942 (effective date of registration August 5, 2024; registration decision date January 30, 2025).

A Single Piece of American Cheese (2024)



Image description: A colorful stained-glass style artwork of a human face with closed eyes and long yellow hair. The face is made of geometric shards in blue, red, yellow, and green tones. A third eye, with a bright iris, is set in the forehead. The background radiates blue and purple streaks, enhancing the spiritual and surreal atmosphere.

A Single Piece of American Cheese was created through a multi-step, human-guided process. The artist, Kent Keirsey (who is also the CEO of Invoke), first generated three 1024×1024 images with a fine-tuned diffusion model from a detailed prompt. From these, he selected the most compelling output and then reworked it using a technique called inpainting: he marked out particular regions of the image and prompted the model to regenerate them, leaving the rest intact. He repeated this about 35 times, over about 10 minutes, choosing each time which results to keep. Every element of the final image was generated by the model; Keirsey's contribution lay in deciding where the changes would go, what they should be, and which to keep. The result was a unified composition as seen above.

Mr. Keirsey has described the piece as deliberately minimalistic and somewhat absurd and as a deliberate attempt to probe the "floor" of human creativity necessary for copyright protection.

The Copyright Office found that this selection, coordination, and arrangement of AI-generated fragments into an expressive whole was sufficient human authorship to support a registration. As recorded in the registration, the copyright is limited to:

> New material included in claim: Selection, coordination, and arrangement of material generated by artificial intelligence.
>
> Material excluded from this claim: 2-D artwork, AI generated image components.

The key difference between this registration and *Zarya of the Dawn*, is that the selection, coordination, and arrangement registration, although it is thin, is still thick enough to cover the final image.

Notes and questions

(1) In the cases discussed above, who had the better claim to copyright, Slater, Thaler, Kashtanova in Zarya of the Dawn, Allen, Sahni, Kashtanova in Rose Enigma, or the monkey (or Thaler's computer)? How are these cases like, or unlike, A Single Piece of American Cheese?

(2) The Copyright Office noted in its 2025 report that it has registered hundreds of works containing AI material where applicants properly identified the AI-generated parts and claimed only the human-authored aspects. How is that possible in light of the above?

(3) Not every jurisdiction is as withholding as the U.S. In November 2023, the Beijing Internet Court held in *Li v. Liu*, (2023) Jing 0491 Min Chu No. 11279, that prompting a Generative AI tool such as Stable Diffusion can indeed result in authorship, so long as the image "reflect[ed] the original intellectual input of [that] person." The practical reach of that holding is narrower than it first appears. In September 2025 the same court publicized an upheld ruling requiring a claimant who asserts rights in AI-generated output to explain the creative thinking behind the work, the content of the input commands, and the process of selecting and modifying the output, and to submit evidence supporting each. See *Beijing Internet Court Requires Evidence of Creative Effort to Claim Copyright Protection*, National Law Review, https://natlawreview.com/article/beijing-internet-court-requires-evidence-creative-effort-claim-copyright-protection. Protection is available, in other words, but the evidentiary burden is real. Nor is the direction of travel uniformly away from the U.S. position: in February 2026 a German local court refused protection to three AI-generated logos on the ground that the prompts were too generic to imprint the claimant's personality on the output, holding that the model was "closer to a mere tool than to an independent instrument of creation," and that selecting among generated options or making minor technical adjustments was not enough. AG München, Case No. 142 C 9786/25 (13 February 2026). Note that an Amtsgericht is the lowest tier of the German court system, so the decision is illustrative rather than authoritative.

Where does the creativity in generative AI come from?

The puzzle of generative AI is that a soulless mechanical process can lead to the creation of new expression, seemingly out of nothing, or if not nothing, very little. Understanding

where the apparent creativity in generative AI outputs comes from will shed some light on how copyright applies to AI-generated works.

The image below was created by one LLM (Google Gemini) using a long prompt written by another LLM (Anthropic's Claude) following the instruction "draft a prompt for an arresting image of a beagle on skateboard."

AI generated "arresting image of a beagle on skateboard"



Image description: From a low angle, a joyful beagle with ears flying expertly rides a skateboard down a steep urban hill during a cinematic, "golden hour" sunset. A city skyline is backlit by the setting sun.

If you took this photo, you would be recognized as the author and be entitled to copyright protection for your entire life, plus an additional 70 years. Likewise, if you painted it as a picture. But because the image was created by a software process with very little human contribution, it is uncopyrightable. For many people, this creates a puzzle.

How can an image that looks creative not be recognized as copyrightable simply because it was created with AI rather than an iPhone camera or a set of water-based paints? Surely, if the AI itself is not creative because it lacks any desire or intention to express, then the person who writes the prompts should be credited with the resulting expression. After all, skater-beagle exhibits all the tell-tale signs of subjective creative authorship and that creativity must come from somewhere? The problem with this line of thinking is that it fails to understand that generative AI does not create something from nothing. If you want to think of all of the details of the skater-beagle picture as expression, that expression does not magically appear from the ether, it comes from the collective efforts of all of the authors of all of the works in the training data. But not in the sense of a simple remix or cut-and-paste job.

Generative AI systems come in different kinds, GANs, diffusion models, multimodal large language models, and more. The common feature of all these systems is that they are trained on a large volume of prior works, and that through what is at its core a mathematical process, they are able to produce new works with no or limited additional human input.

One of the most common misconceptions about generative AI is that the digital artifacts produced are just a remix of the training data. Although generative AI models are data dependent, they don't just remix the training data, they produce genuinely new outputs. Perhaps the best way to think about this is that generative AI models learn an abstract model of the training data. But that model is much more than the sum of its parts. When

you prompt a model, you are not querying a database, you are navigating a latent space implied by the training data.

What do I mean by "navigating a latent space implied by the training data"? Let's start with a simple analogy. When you fit a linear regression to a handful of data points you generate a line of best fit implied by the data as seen in the figure below.

Illustration of fitting a line to scattered data

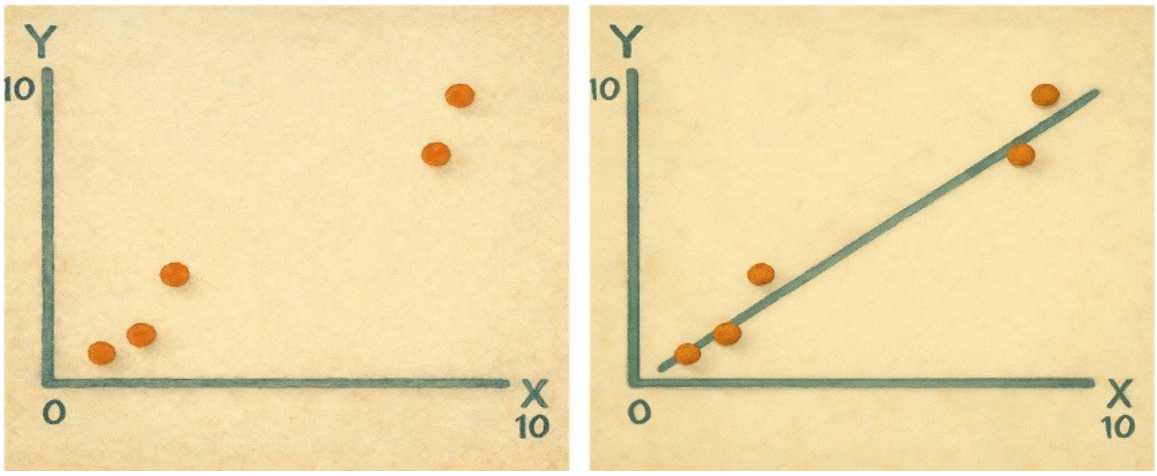


Image description: Two side-by-side scatter plots on a beige background. Left: Five orange data points scattered in an upward trend without a line. Right: The same points with a straight diagonal line drawn from bottom left to top right, representing a best-fit line. Both axes are labeled X and Y, ranging from 0 to 10.

That yields an equation that you can use to answer the question, "if y is 6, what is x?" The point 6,6 is not in the data, but it is implied by the data and the model we used to fit the data. When you plug y=6 into the model you are navigating to a point implied by the data that tells you x=6, as seen in the figure below. That is what I mean by navigating the latent space.

Illustration of navigating to point implied by linear regression

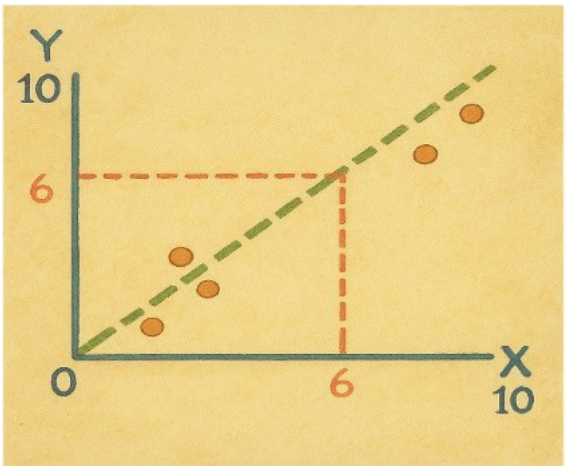


Image description: A scatter plot with five orange data points, a green dashed diagonal line representing a trend, and red dashed lines intersecting at the point (6,6). Axes are labeled X and Y, ranging from 0 to 10, on a beige background.

But of course, if we used a different model, the data would imply a slightly different latent space, as illustrated in the figure below.

Illustration of fitting a different model to the data

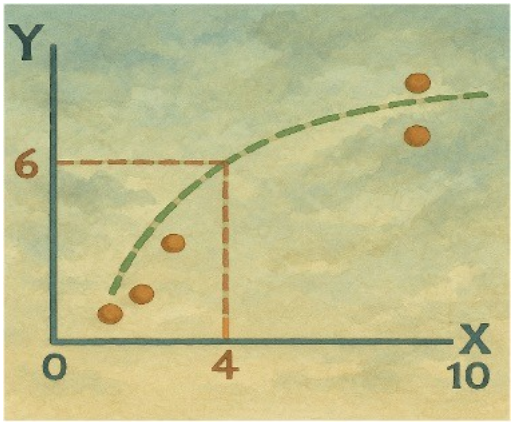


Image description: A scatter plot with five orange data points on a textured blue-and-beige background. A green dashed curve rises steeply before leveling off, intersecting red dashed lines at the point (4,6). Axes are labeled X and Y, ranging from 0 to 10.

Generative AI models are much more complicated than a two-dimensional regression model because they have more dimensions, thousands of dimensions (which is very hard to conceptualize), and they construct a much richer latent space, but the analogy holds.

Now that you understand that generative AI models don't just plagiarize the works they are trained on, but that they don't create something from nothing either, it is easier to see how Gemini can produce a seemingly creative image like skater beagle without anyone being able to claim authorship (or infringement for that matter).

*

But wait, if I can get copyright for just pointing my iPhone at a beagle on skateboard and pressing a button, why can't I get copyright in an image of a beagle on skateboard that I created using generative AI?

This seems inconsistent at first blush, but only because the question overlooks the difference between the thin copyright that attaches to photos based in reality and the thick copyright that typically attaches to illustrations drawn from imagination.

The Supreme Court in *Burrow-Giles Lithographic Co. v. Sarony* (1884) recognized that a photograph could be copyrighted, but only because the photographer's creative choices made the image an "original intellectual conception[] of the author" rather than a mere mechanical capture. But in practice, it seems like almost any photo will pass muster when it comes to copyright registration.

When you take a photo, you are making a copyrightable selection and arrangement from reality. You get no rights in the underlying reality, just a specific photographic representation therein. In most copyrightable photos there is only a small jump between idea and expression and so the resulting copyright is limited to that jump. Taking a photo does not give you exclusive rights on the underlying ideas, subjects, locations, etc. *Rentmeester v. Nike, Inc.*, 883 F.3d 1111 (9th Cir. 2018) illustrates this point nicely. In that case, the Ninth Circuit held that Nike did not infringe photographer Jacobus Rentmeester's copyright when it created a similar photo of Michael Jordan. Both photos featured Michael Jordan in a mid-air, ballet-like leap, legs spread, ball overhead, against a clean sky background. Nike did not infringe Rentmeester's copyright because the ideas and basic

elements it copied were not protectable and the more specific details that would have been copyrightable were not the same.

There are two critical differences between the typical iPhone snap and an image generated with AI. The first difference is that there is a much more significant jump between idea and expression in the transition from text prompt to final image than there is from scene to photo capturing the scene. The second difference is that in photography, a human still makes some minimal creative decisions (framing, timing, composition) that manifest in the look of the resulting image. In AI generation, the algorithm fills in the details that transform the prompt into a specific visual expression.

There is no copyright in the skater-beagle image Gemini made for me because all the work to bridge the gap from abstract concept into a concrete image was done by an algorithm trained on millions of photos. The details that we might think of as expression here didn't come from nothing, but they don't reflect the free and creative choices of any human mind either. They are details implied by a model trained on millions of photos, but those details don't really come from those photos so much as the universe of possibilities those photos imply.

The Impact of AI Creativity

Software: Vibe Coding

Writing computer software has long been synonymous with precision. But with AI tools, a person with little or no coding experience can describe a program in plain English and have the system produce functional code. No deep understanding of the underlying logic required. Former OpenAI researcher Andrej Karpathy dubbed this approach "vibe coding." Andrej Karpathy's post on X has 4 million views and reads as follows:

> There's a new kind of coding I call "vibe coding", where you fully give in to the vibes, embrace exponentials, and forget that the code even exists. It's possible because the LLMs (e.g. Cursor Composer w Sonnet) are getting too good. Also I just talk to Composer with SuperWhisper so I barely even touch the keyboard. I ask for the dumbest things like "decrease the padding on the sidebar by half" because I'm too lazy to find it. I "Accept All" always, I don't read the diffs anymore. When I get error messages I just copy paste them in with no comment, usually that fixes it. The code grows beyond my usual comprehension, I'd have to really read through it for a while. Sometimes the LLMs can't fix a bug so I just work around it or ask for random changes until it goes away. It's not too bad for throwaway weekend projects, but still quite amusing. I'm building a project or webapp, but it's not really coding – I just see stuff, say stuff, run stuff, and copy paste stuff, and it mostly works.

See Benj Edwards, *Will the Future of Software Development Run on Vibes?*, Ars Technica (Mar. 5, 2025), https://arstechnica.com/ai/2025/03/is-vibe-coding-with-ai-gnarly-or-reckless-maybe-some-of-both/.

Vibe coding refers to an AI-assisted software development style in which a programmer uses a conversational large language model (LLM) to generate code based on high-level descriptions or "vibes" rather than writing everything manually.

In a typical vibe coding workflow, the developer describes a project or task in natural language to an AI chatbot, which then produces candidate source code. The developer evaluates the AI's output, provides feedback or refinements in plain English, and iterates, often accepting the AI's suggestions verbatim. Vibe coding isn't just a way of reducing typing. Often the user can accept the code because it works without understanding what was done or how it was done.

U.S. copyright law only protects works of human authorship. This leaves AI-produced code in the same position as AI-produced images: it is uncopyrightable. You might argue that by testing snippets of code to see if they work or more generally by choosing between different solutions to a problem, the human developer is doing enough to establish themselves as the author. But as we have already seen, the Copyright Office does not accept that selection of a single AI output is a creative act. In addition, simply providing high level project descriptions or functional requirements will not be enough to satisfy the authorship requirement because of the idea-expression distinction.

If a programmer is working interactively with a coding agent, editing its output, integrating the output into a larger whole, the human's modifications and the overall structure may reflect original expressive choices that would be enough to establish copyright protection. To register such a work the applicant would need to disclaim the AI written parts of the work.

Competition from AI music

As of October 2025, Suno and Udio are two text-to-music AI platforms that let users create full songs—including lyrics, vocals, and artwork—simply by entering text prompts. Some of this music is unappealing, even to its protagonists, but music scene insiders have assured your author that some of the music emanating from these platforms is good enough to provoke a wistful, "I wish I had written that." It is also becoming popular. A 2025 article in The Economist (of all places) recounts the viral success of "Country Girls Make Do," a raunchy parody country song generated by artificial intelligence under the pseudonym *Beats By AI*. The song apparently features on TikTok where users prank the unsuspecting by playing it under false pretenses.

This is more than a one off. Acts such as *Aventhis* and *The Velvet Sundown*, also AI-based, have attracted hundreds of thousands of monthly listeners on Spotify. These tools allow for rapid and prolific production: Beats By AI reportedly releases a new song every day. This is not simply a case of streaming fraud where AI slop steals music plays from real artists by adopting confusing names—Spotify recently removed 75 million such tracks, citing "bad actors" flooding the platform with low-quality content. Some people at least, like *some* AI music. The Economist reports a Luminate survey finding that one-third of Americans accept AI-written instrumentals, nearly 30% are fine with AI lyrics, and over a quarter do not mind AI vocals.

No music stands alone, but AI music arguably even less so. The appeal of these tracks lies partly in their mimicry of established genres and tropes, with a dash of irony and experimentation thrown in. Whether this portends a consumer-driven revolution in content creation where listeners generate their own entertainment rather than relying on record

labels, remains to be seen. For more, see The Economist, *X-rated, AI-generated country songs are taking over the internet*, Oct. 9, 2025.

What does this mean for copyright law? Although the Copyright Office would not regard works of *The Velvet Sundown* or *Beats By AI* as copyrightable, Spotify has continued to pay royalties for AI music, provided the works themselves (as opposed to the copying that fed the AI process that created the works) don't infringe on other artists' songs. It has, however, begun to label profiles it identifies as "AI Personas," and from September 2026 it leaves their music out of its editorial and algorithmic recommendations by default. AI music may destabilize entrenched business models at the fringes, but it might also foster broader participation and new forms of cultural expression. Does AI pose the same threat to the economic and cultural standing of musicians as it does to stock photography and digital art? Or will AI-generated music remain a hybrid layer within popular culture that feeds off and refers back to mainstream music without replacing the central role of human creation?

Note that in late 2025 Universal Music Group and Warner Music Group both settled with Udio, and Warner also settled with Suno. Each settlement came with a licensing agreement meant to integrate the platform's generative-AI system into the music industry under "artist-controlled," "rights-respecting" frameworks. As of September 2026 Universal was still suing Suno, and Sony Music, which has settled with neither platform, was pursuing claims against both.

CHAPTER 4. IDEA-EXPRESSION, FUNCTIONALITY AND OTHER EXCLUSIONS —PART I

Introduction

Copyright law draws a distinction between original expression, which is protectable, and everything else, which is unprotectable. There are subtle differences of opinion as to what exactly belongs in the "everything else" bucket, but there is near universal consensus that copyright does not protect ideas, facts, functions, or processes. The distinction between copyrightable expression and uncopyrightable ideas, facts, functions, or processes is often shorthanded to the "idea-expression dichotomy" or the "idea-expression distinction." At its simplest, the idea-expression distinction ensures that a copyright owner cannot prevent the ordinary reader from extracting and reproducing the facts or ideas embodied in the work. The uncopyrightability of ideas, facts, functions, and processes and the parallel exclusion of those elements from the scope of copyright protection in expressive works are core principles of copyright law.

The Idea-Expression Distinction and Levels of Generality

One important aspect of the idea-expression distinction to be aware of is the level of generality at which allegations of unauthorized copying should be assessed.

Copyright protection does not extend to general themes, basic plot devices, conventions of the genre etc. So, for example, the copyright in the *James Bond* novels and movies does not preempt the entire genre of a spy thriller. Other movie studios are perfectly entitled to recount the exploits of a thrill-seeking, womanizing spy with expensive tastes who rarely follows orders. However, you don't need to copy every line of the *James Bond* screenplay to infringe the copyright in that work. A lot of copyright litigation boils down to the question of exactly where on the continuum between ideas and expression the line should be drawn. The classic statement on the idea expression distinction and the difficulty of focusing on the correct level of generality appears in *Nichols v. Universal Pictures*, a decision by the influential American jurist, Judge Learned Hand in 1930.

Nichols v. Universal Pictures, 45 F.2d 119 (2d Cir. 1930)

Circuit Judge Learned Hand.

The plaintiff is the author of a play, "Abie's Irish Rose," which it may be assumed was properly copyrighted under section five, subdivision (d), of the Copyright Act. The defendant produced publicly a motion picture play, "The Cohens and The Kellys," which the plaintiff alleges was taken from it. As we think the defendant's play too unlike the plaintiff's to be an infringement, we may assume, arguendo, that in some details the defendant used the plaintiff's play, as will subsequently appear, though we do not so decide. It therefore becomes necessary to give an outline of the two plays.

"Abie's Irish Rose" presents a Jewish family living in prosperous circumstances in New York. The father, a widower, is in business as a merchant, in which his son and only child helps him. The boy has philandered with young women, who to his father's great disgust have always been Gentiles, for he is obsessed with a passion that his daughter-in-law shall be an orthodox Jewess. When the play opens the son, who has been courting a young Irish Catholic girl, has already married her secretly before a Protestant minister, and is concerned to soften the blow for his father, by securing a favorable impression of his bride, while concealing her faith and race. To accomplish this he introduces her to his father at his home as a Jewess, and lets it appear that he is interested in her, though he conceals the marriage. The girl somewhat reluctantly falls in with the plan; the father takes the bait, becomes infatuated with the girl, concludes that they must marry, and assumes that of course they will, if he so decides. He calls in a rabbi, and prepares for the wedding according to the Jewish rite.

Meanwhile the girl's father, also a widower, who lives in California, and is as intense in his own religious antagonism as the Jew, has been called to New York, supposing that his daughter is to marry an Irishman and a Catholic. Accompanied by a priest, he arrives at the house at the moment when the marriage is being celebrated, but too late to prevent it, and the two fathers, each infuriated by the proposed union of his child to a heretic, fall into unseemly and grotesque antics. The priest and the rabbi become friendly, exchange trite sentiments about religion, and agree that the match is good. Apparently out of abundant caution, the priest celebrates the marriage for a third time, while the girl's father is inveigled away. The second act closes with each father, still outraged, seeking to find some way by which the union, thus trebly insured, may be dissolved.

The last act takes place about a year later, the young couple having meanwhile been abjured by each father, and left to their own resources. They have had twins, a boy and a girl, but their fathers know no more than that a child has been born. At Christmas each, led by his craving to see his grandchild, goes separately to the young folks' home, where they encounter each other, each laden with gifts, one for a boy, the other for a girl. After some slapstick comedy, depending upon the insistence of each that he is right about the sex of the grandchild, they become reconciled when they learn the truth, and that each child is to bear the given name of a grandparent. The curtain falls as the fathers are exchanging amenities, and the Jew giving evidence of an abatement in the strictness of his orthodoxy.

"The Cohens and The Kellys" presents two families, Jewish and Irish, living side by side in the poorer quarters of New York in a state of perpetual enmity. The wives in both cases are still living, and share in the mutual animosity, as do two small sons, and even the respective dogs. The Jews have a daughter, the Irish a son; the Jewish father is in the clothing business; the Irishman is a policeman. The children are in love with each other, and secretly marry, apparently after the play opens. The Jew, being in great financial straits, learns from a lawyer that he has fallen heir to a large fortune from a great-aunt, and moves into a great house, fitted luxuriously. Here he and his family live in vulgar ostentation, and here the Irish boy seeks out his Jewish bride, and is chased away by the angry father. The Jew then abuses the Irishman over the telephone, and both become hysterically excited. The extremity of his feelings makes the Jew sick, so that he must go to Florida for a rest, just before which the daughter discloses her marriage to her mother.

On his return the Jew finds that his daughter has borne a child; at first he suspects the lawyer, but eventually learns the truth and is overcome with anger at such a low alliance. Meanwhile, the Irish family who have been forbidden to see the grandchild, go to the Jew's house, and after a violent scene between the two fathers in which the Jew disowns his daughter, who decides to go back with her husband, the Irishman takes her back with her baby to his own poor lodgings. The lawyer, who had hoped to marry the Jew's daughter, seeing his plan foiled, tells the Jew that his fortune really belongs to the Irishman, who was also related to the dead woman, but offers to conceal his knowledge, if the Jew will share the loot. This the Jew repudiates, and, leaving the astonished lawyer, walks through the rain to his enemy's house to surrender the property. He arrives in great dejection, tells the truth, and abjectly turns to leave. A reconciliation ensues, the Irishman agreeing to share with him equally. The Jew shows some interest in his grandchild, though this is at most a minor motive in the reconciliation, and the curtain falls while the two are in their cups, the Jew insisting that in the firm name for the business, which they are to carry on jointly, his name shall stand first.

It is of course essential to any protection of literary property, whether at common-law or under the statute, that the right cannot be limited literally to the text, else a plagiarist would escape by immaterial variations. That has never been the law, but, as soon as literal appropriation ceases to be the test, the whole matter is necessarily at large, so that, as was recently well said by a distinguished judge, the decisions cannot help much in a new case. When plays are concerned, the plagiarist may excise a separate scene; or he may appropriate part of the dialogue. Then the question is whether the part so taken is "substantial," and therefore not a "fair use" of the copyrighted work; it is the same question as arises in the case of any other copyrighted work. But when the plagiarist does not take out a block in situ, but an abstract of the whole, decision is more troublesome. Upon any work, and especially upon a play, a great number of patterns of increasing generality will fit equally well, as more and more of the incident is left out. The last may perhaps be no more than the most general statement of what the play is about, and at times might consist only of its title; but there is a point in this series of abstractions where they are no longer protected, since otherwise the playwright could prevent the use of his "ideas," to which, apart from their expression, his property is never extended. Nobody has ever been able to fix that boundary, and nobody ever can. In some cases the question has been treated as though it were analogous to lifting a portion out of the copyrighted work; but the analogy is not a good one, because, though the skeleton is a part of the body, it pervades and supports the whole. In such cases we are rather concerned with the line between expression and what is expressed. As respects plays, the controversy chiefly centers upon the characters and sequence of incident, these being the substance.

We did not in *Dymow v. Bolton*, 11 F. (2d) 690, hold that a plagiarist was never liable for stealing a plot; that would have been flatly against our rulings in *Dam v. Kirk La Shelle Co.*, 175 F. 902, and *Stodart v. Mutual Film Co.*, 249 F. 513, affirming my decision in (D.C.) 249 F. 507; neither of which we meant to overrule. We found the plot of the second play was too different to infringe, because the most detailed pattern, common to both, eliminated so much from each that its content went into the public domain; and for this reason we said, "this mere subsection of a plot was not susceptible of copyright." But we do not doubt that two plays may correspond in plot closely enough for infringement. How far that correspondence must go is another matter. Nor need we hold that the same may

not be true as to the characters, quite independently of the "plot" proper, though, as far as we know, such a case has never arisen. If *Twelfth Night* were copyrighted, it is quite possible that a second comer might so closely imitate Sir Toby Belch or Malvolio as to infringe, but it would not be enough that for one of his characters he cast a riotous knight who kept wassail to the discomfort of the household, or a vain and foppish steward who became amorous of his mistress. These would be no more than Shakespeare's "ideas" in the play, as little capable of monopoly as Einstein's *Doctrine of Relativity*, or Darwin's theory of the *Origin of Species*. It follows that the less developed the characters, the less they can be copyrighted; that is the penalty an author must bear for marking them too indistinctly.

In the two plays at bar we think both as to incident and character, the defendant took no more — assuming that it took anything at all — than the law allowed. The stories are quite different. One is of a religious zealot who insists upon his child's marrying no one outside his faith; opposed by another who is in this respect just like him, and is his foil. Their difference in race is merely an obbligato to the main theme, religion. They sink their differences through grandparental pride and affection. In the other, zealotry is wholly absent; religion does not even appear. It is true that the parents are hostile to each other in part because they differ in race; but the marriage of their son to a Jew does not apparently offend the Irish family at all, and it exacerbates the existing animosity of the Jew, principally because he has become rich, when he learns it. They are reconciled through the honesty of the Jew and the generosity of the Irishman; the grandchild has nothing whatever to do with it. The only matter common to the two is a quarrel between a Jewish and an Irish father, the marriage of their children, the birth of grandchildren and a reconciliation.

If the defendant took so much from the plaintiff, it may well have been because her amazing success seemed to prove that this was a subject of enduring popularity. Even so, granting that the plaintiff's play was wholly original, and assuming that novelty is not essential to a copyright, there is no monopoly in such a background. Though the plaintiff discovered the vein, she could not keep it to herself; so defined, the theme was too generalized an abstraction from what she wrote. It was only a part of her "ideas."

Nor does she fare better as to her characters. It is indeed scarcely credible that she should not have been aware of those stock figures, the low comedy Jew and Irishman. The defendant has not taken from her more than their prototypes have contained for many decades. If so, obviously so to generalize her copyright, would allow her to cover what was not original with her. But we need not hold this as matter of fact, much as we might be justified. Even though we take it that she devised her figures out of her brain de novo, still the defendant was within its rights.

There are but four characters common to both plays, the lovers and the fathers. The lovers are so faintly indicated as to be no more than stage properties. They are loving and fertile; that is really all that can be said of them, and anyone else is quite within his rights if he puts loving and fertile lovers in a play of his own, wherever he gets the cue. The plaintiff's Jew is quite unlike the defendant's. His obsession is his religion, on which depends such racial animosity as he has. He is affectionate, warm and patriarchal. None of these fit the defendant's Jew, who shows affection for his daughter only once, and who has none but the most superficial interest in his grandchild. He is tricky, ostentatious and vulgar, only by misfortune redeemed

into honesty. Both are grotesque, extravagant and quarrelsome; both are fond of display; but these common qualities make up only a small part of their simple pictures, no more than any one might lift if he chose. The Irish fathers are even more unlike; the plaintiff's a mere symbol for religious fanaticism and patriarchal pride, scarcely a character at all. Neither quality appears in the defendant's, for while he goes to get his grandchild, it is rather out of a truculent determination not to be forbidden, than from pride in his progeny. For the rest he is only a grotesque hobbledehoy, used for low comedy of the most conventional sort, which any one might borrow, if he chanced not to know the exemplar.

The defendant argues that the case is controlled by my decision in *Fisher v. Dillingham* (D.C.) 298 F. 145. Neither my brothers nor I wish to throw doubt upon the doctrine of that case, but it is not applicable here. We assume that the plaintiff's play is altogether original, even to an extent that in fact it is hard to believe. We assume further that, so far as it has been anticipated by earlier plays of which she knew nothing, that fact is immaterial. Still, as we have already said, her copyright did not cover everything that might be drawn from her play; its content went to some extent into the public domain. We have to decide how much, and while we are as aware as any one that the line, whereever it is drawn, will seem arbitrary, that is no excuse for not drawing it; it is a question such as courts must answer in nearly all cases. Whatever may be the difficulties a priori, we have no question on which side of the line this case falls. A comedy based upon conflicts between Irish and Jews, into which the marriage of their children enters, is no more susceptible of copyright than the outline of *Romeo and Juliet*.

The plaintiff has prepared an elaborate analysis of the two plays, showing a "quadrangle" of the common characters, in which each is represented by the emotions which he discovers. She presents the resulting parallelism as proof of infringement, but the adjectives employed are so general as to be quite useless. Take for example the attribute of "love" ascribed to both Jews. The plaintiff has depicted her father as deeply attached to his son, who is his hope and joy; not so, the defendant, whose father's conduct is throughout not actuated by any affection for his daughter, and who is merely once overcome for the moment by her distress when he has violently dismissed her lover. "Anger" covers emotions aroused by quite different occasions in each case; so do "anxiety," "despondency" and "disgust." It is unnecessary to go through the catalogue for emotions are too much colored by their causes to be a test when used so broadly. This is not the proper approach to a solution; it must be more ingenuous, more like that of a spectator, who would rely upon the complex of his impressions of each character.

We cannot approve the length of the record, which was due chiefly to the use of expert witnesses. Argument is argument whether in the box or at the bar, and its proper place is the last. The testimony of an expert upon such issues, especially his cross-examination, greatly extends the trial and contributes nothing which cannot be better heard after the evidence is all submitted. It ought not to be allowed at all; and while its admission is not a ground for reversal, it cumbers the case and tends to confusion, for the more the court is led into the intricacies of dramatic craftsmanship, the less likely it is to stand upon the firmer, if more naïve, ground of its considered impressions upon its own perusal. We hope that in this class of cases such evidence may in the future be entirely excluded, and the case confined to the actual issues; that is, whether the copyrighted work was original, and whether the defendant copied it, so far as the supposed infringement is identical.

Decree affirmed.

Notes and questions

(1) In a perceptive article about copyright cases from the silent film era, *Silent Similarity* (2014), Jessica Litman recounts some of the background to the *Nichols* case. Anne Nichols was the author of a hit Broadway play, *Abie's Irish Rose*. In 1925, Universal Pictures offered to buy the film rights to *Abie's Irish Rose*, but Nichols refused. Two years later she sold the film rights to the company that would become Paramount Pictures in a deal that could have been worth as much as $1 million (in 1927 dollars!). The resulting film was a commercial success. Not to be dissuaded, Universal acquired the rights to another play and purported to use it as the basis for "*The Cohens and Kellys*." Perhaps tellingly, Universal advertised *The Cohens and Kellys* as an "Abie's Irish Rose for the screen."

Litman points out that it is easy to miss the fact that *The Cohens and Kellys* was a silent movie. The judgment does not mention it, presumably because all films were silent in the 1920s, but the fact is important because silent films are mostly comprised of pictures and stage plays are entirely comprised of words. Thus, the only way a silent film could ever infringe the copyrighted script for a stage play is by virtue of similarities at a certain level of abstraction. Litman explains why this made the plaintiff's case so difficult: "By casting Nichols's case as one proved by similarities in the distilled essence of the two works, rather than in particular expressive details, Nichols's lawyers invited the conclusion that the works were similar only at too high a level of abstraction." For more, see Jessica Litman, *Silent Similarity*, 14 CHICAGO KENT JOURNAL OF INTELLECTUAL PROPERTY 11 (2014); Mark Rose, *Criticism in the Courtroom: Nichols v Universal (1930) and the Determination of Infringement*, 5 W.I.P.O JOURNAL 65 (2013).

(2) In *Nichols v. Universal Pictures*, Judge Hand explains why copyright protection must extend beyond literal copying. According to Hand, what fundamental problem would arise if copyright were limited only to "literal appropriation"? What challenge does this create for courts in determining infringement, and why does Hand suggest that precedent provides limited guidance for future cases?

(3) Judge Hand's opinion in *Nichols* contains what many consider the classic articulation of the "abstraction problem" in copyright law. Can you explain Hand's concept of "patterns of increasing generality" and how they relate to the idea-expression distinction?

(4) Is Hand really suggesting that drawing a line between ideas and their expression is a pointless endeavor when he says: "Nobody has ever been able to fix that boundary [between idea and expression], and nobody ever can"?

Illustrations of the Idea-Expression Distinction at Work

The Copyright Office routinely denies registration for very simple works consisting of common or standard design elements. Such building blocks are too far along the idea end of the continuum between idea and expression to be protectable. The juxtaposition or arrangement of a few common or standard design elements may contain sufficient creativity to support a copyright, but not always. Although *Feist* (extracted in Chapter 2)

indicates that the threshold of copyrightability is low, it also states the Copyright Act "implies that some 'ways' [of selecting, coordinating, or arranging uncopyrightable material] will trigger copyright, but that *others will not.*" (emphasis added).

Courts are far from consistent in their approach to originality, but in general they have taken heed of the Supreme Court's directive in *Feist*. For example, in *Coach, Inc. v. Peters*, 386 F. Supp. 2d 495 (S.D.N.Y. 2005), the district court upheld the Copyright Office's refusal to register simple designs consisting of two linked letter "C" shapes "facing each other in a mirrored relationship" and two unlinked letter "C" shapes "in a mirrored relationship and positioned perpendicular to the linked elements." Similarly, in *Satava v. Lowry*, 323 F.3d 805 (9th Cir. 2003), the Ninth Circuit held that a glass sculpture of a jellyfish consisting of clear glass, an oblong shroud, bright colors, vertical orientation, and the stereotypical jellyfish form did not merit copyright protection. The court said:

> It is true, of course, that a combination of unprotectable elements may qualify for copyright protection. But it is not true that any combination of unprotectable elements automatically qualifies for copyright protection. Our case law suggests, and we hold today, that a combination of unprotectable elements is eligible for copyright protection only if those elements are *numerous enough and their selection and arrangement original enough that their combination constitutes an original work of authorship*. (emphasis added)

Plaintiff's and Defendant's Jellyfish



Image description: Two glass sculptures of jellyfish. Left, labeled "Satava," features a domed blue-and-purple jellyfish with long, thin, wavy tentacles suspended in clear glass. Right, labeled "Lowry," shows a blue-and-white jellyfish with more numerous, flowing tentacles in clear glass. Both pieces appear illuminated against a dark background.

Prompts as unprotectible ideas

The idea-expression distinction is now doing work in one of the most contested areas of contemporary copyright practice. In *Copyright and Artificial Intelligence, Part 2: Copyrightability* (January 2025), the Copyright Office concluded that a user who supplies a prompt to a generative AI system is not, on that basis alone, the author of the output. What is notable for present purposes is the reasoning. The Office did not rest solely on the human authorship requirement; it reached for the idea-expression line:

> The Office concludes that, given current generally available technology, prompts alone do not provide sufficient human control to make users of an AI system the authors of the output. Prompts essentially function as instructions that convey unprotectible ideas. While highly detailed prompts could contain the user's desired

> expressive elements, at present they do not control how the AI system processes them in generating the output.

The move is a familiar one. A prompt describes what the user wants; it does not fix the expression in which that want is realized, and the gap between the two is the gap between idea and expression. Note the temporal hedging, though. The Office ties its conclusion to "current generally available technology" and to what prompts do "at present," which leaves open the possibility that a system offering finer control over output would change the analysis. Whether the idea-expression distinction can bear that weight, and whether a sufficiently precise prompt ever stops being an instruction and starts being expression, is a question the reader should carry back to Chapter 3, where the report and the human authorship requirement are considered at length.

Bear in mind that this is an agency report and a statement of registration practice, not a judicial holding. It binds the Office; it does not bind a court.

The legend of John Cage's silence

4'33" by John Cage is a 1952 modernist composition. The score instructs performers not to play during its three movements, which total four minutes and 33 seconds. According to a widely reported story, in 2002, British composer Mike Batt paid an undisclosed six-figure sum to the estate of American composer John Cage after being sued for plagiarism. The lawsuit was over Batt's inclusion of a one-minute silence track, titled "A One Minute Silence", on his album Classical Graffiti. The track was credited to "Batt/Cage", with the "Cage" being a reference to Batt's own pseudonym, Clint Cage. How can we reconcile this copyright suit with the idea-expression distinction? Obviously, we can't. The entire story was a hoax and a publicity stunt by Batt who pretended a 1000 GBP donation to the John Cage Foundation he delivered on the steps of the High Court was a "six figure settlement."

The Exclusion of Facts, Ideas, Functions, and Processes

Baker v. Selden, 101 U.S. 99 (1879)

> **Mr. Justice Bradley delivered the opinion of the court.**
>
> Charles Selden, the testator of the complainant in this case, in the year 1859 took the requisite steps for obtaining the copyright of a book, entitled "Selden's Condensed Ledger, or Book-keeping Simplified," the object of which was to exhibit and explain a peculiar system of book-keeping. In 1860 and 1861, he took the copyright of several other books, containing additions to and improvements upon the said system. The bill of complaint was filed against the defendant, Baker, for an alleged infringement of these copyrights. The latter, in his answer, denied that Selden was the author or designer of the books, and denied the infringement charged, and contends on the argument that the matter alleged to be infringed is not a lawful subject of copyright.
>
> The parties went into proofs, and the various books of the complainant, as well as those sold and used by the defendant, were exhibited before the examiner, and witnesses were examined on both sides. A decree was rendered for the complainant, and the defendant appealed.

The book or series of books of which the complainant claims the copyright consists of an introductory essay explaining the system of book-keeping referred to, to which are annexed certain forms or blanks, consisting of ruled lines, and headings, illustrating the system and showing how it is to be used and carried out in practice. This system effects the same results as book-keeping by double entry; but, by a peculiar arrangement of columns and headings, presents the entire operation, of a day, a week, or a month, on a single page, or on two pages facing each other, in an account-book.

Baker's Form

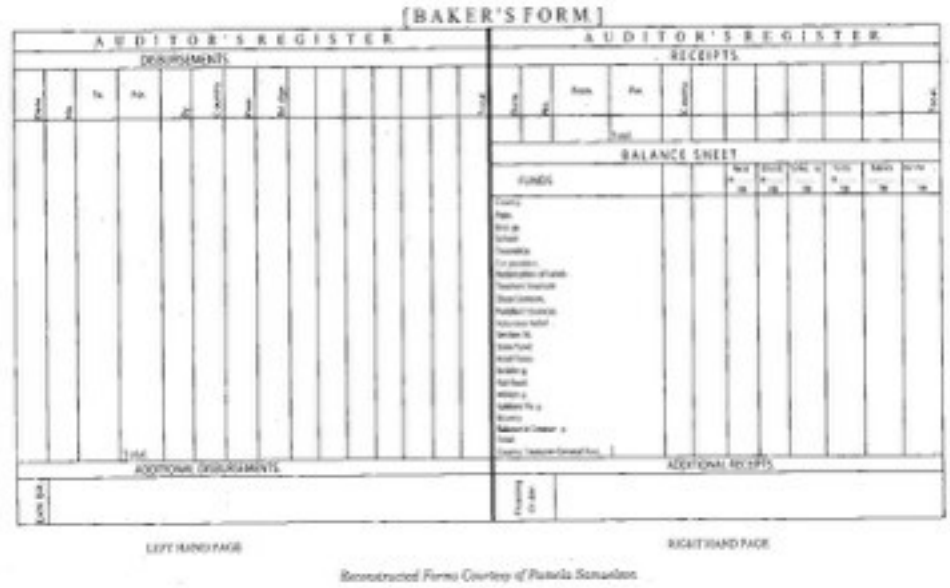


Image description: A black-and-white scanned ledger template titled "Baker's Form," divided into two main sections: "Auditor's Register – Disbursements" on the left and "Auditor's Register – Receipts" on the right. Each section has columns for dates, descriptions, amounts, and totals. The receipts side includes a "Balance Sheet" listing various funds such as County, School, Road, and Building.

Selden's Form



Image description: A black-and-white scanned ledger template titled "Selden's Form." The left page, labeled "Auditor's Record," tracks disbursements and receipts for the County Fund, with columns for date, number, amount, recipient, and authority. The right page, labeled "Condensed Ledger," includes columns for debits, credits, totals, and balances, as well as a list of specific funds such as County Fund, Building Fund, School Fund, and Road Fund.

The defendant uses a similar plan so far as results are concerned; but makes a different arrangement of the columns, and uses different headings. If the complainant's testator had the exclusive right to the use of the system explained in his book, it would be difficult to contend that the defendant does not infringe it, notwithstanding the difference in his form of arrangement; but if it be assumed that the system is open to public use, it seems to be equally difficult to contend that the books made and sold by the defendant are a violation of the copyright of the complainant's book considered merely as a book explanatory of the system. Where the truths of a science or the methods of an art are the common property of the whole world, any author has the right to express the one, or explain and use the other, in his own way. As an author, Selden explained the system in a particular way. It may be conceded that Baker makes and uses account-books arranged on substantially the same system; but the proof fails to show that he has violated the copyright of Selden's book, regarding the latter merely as an explanatory work; or that he has infringed Selden's right in any way, unless the latter became entitled to an exclusive right in the system.

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

It cannot be pretended, and indeed it is not seriously urged, that the ruled lines of the complainant's account-book can be claimed under any special class of objects, other than books, named in the law of copyright existing in 1859. The law then in force was that of 1831, and specified only books, maps, charts, musical compositions, prints, and engravings. An account-book, consisting of ruled lines and blank columns, cannot be called by any of these names unless by that of a book.

There is no doubt that a work on the subject of book-keeping, though only explanatory of well-known systems, may be the subject of a copyright; but, then, it is claimed only as a book. Such a book may be explanatory either of old systems, or of an entirely new system; and, considered as a book, as the work of an author, conveying information on the subject of book-keeping, and containing detailed explanations of the art, it may be a very valuable acquisition to the practical knowledge of the community. But there is a clear distinction between the book, as such, and the art which it is intended to illustrate. The mere statement of the proposition is so evident, that it requires hardly any argument to support it. The

same distinction may be predicated of every other art as well as that of book-keeping. A treatise on the composition and use of medicines, be they old or new; on the construction and use of ploughs, or watches, or churns; or on the mixture and application of colors for painting or dyeing; or on the mode of drawing lines to produce the effect of perspective, — would be the subject of copyright; but no one would contend that the copyright of the treatise would give the exclusive right to the art or manufacture described therein. The copyright of the book, if not pirated from other works, would be valid without regard to the novelty, or want of novelty, of its subject-matter. The novelty of the art or thing described or explained has nothing to do with the validity of the copyright. To give to the author of the book an exclusive property in the art described therein, when no examination of its novelty has ever been officially made, would be a surprise and a fraud upon the public. That is the province of letters-patent, not of copyright. The claim to an invention or discovery of an art or manufacture must be subjected to the examination of the Patent Office before an exclusive right therein can be obtained; and it can only be secured by a patent from the government.

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

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

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

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

Recurring to the case before us, we observe that Charles Selden, by his books, explained and described a peculiar system of book-keeping, and illustrated his method by means of ruled lines and blank columns, with proper headings on a page, or on successive pages. Now, whilst no one has a right to print or publish his book, or any material part thereof, as a book intended to convey instruction in the art, any person may practise and use the art itself which he has described and illustrated therein. The use of the art is a totally different thing from a publication of the book explaining it. The copyright of a book on book-keeping cannot secure the exclusive right to make, sell, and use account-books prepared upon the plan set forth in such book. Whether the art might or might not have been patented, is a question which is not before us. It was not patented, and is open and free to the use of the public. And, of course, in using the art, the ruled lines and headings of accounts must necessarily be used as incident to it.

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

The case of *Cobbett v. Woodward* (Law Rep. 14 Eq. 407) was a claim to copyright in a catalogue of furniture which the publisher had on sale in his establishment, illustrated with many drawings of furniture and decorations. The defendants, being dealers in the same business, published a similar book, and copied many of the plaintiff's drawings, though it was shown that they had for sale the articles represented thereby. The court held that these drawings were not subjects of copyright. Lord Romilly, M.R., said:

"This is a mere advertisement for the sale of particular articles which any one might imitate, and any one might advertise for sale. If a man not being a vendor of any of the articles in question were to publish a work for the purpose of informing the public of what was the most convenient species of articles for household furniture, or the most graceful species of decorations for articles of home furniture, what they ought to cost, and where they might be bought, and were to illustrate his work with designs of each article he described, — such a work as this could not be pirated with impunity, and the attempt to do so would be stopped by the injunction of the Court of Chancery; yet if it were done with no such object, but solely for the purpose of advertising particular articles for sale, and promoting the private trade of the publisher by the sale of articles which any other person might sell as well as the first advertiser, and if in fact it contained little more than an illustrated inventory of the contents of a warehouse, I know of no law which, while it would not prevent the second advertiser from selling the same articles, would prevent him from using the same advertisement; provided he did not in such advertisement by any device suggest that he was selling the works and designs of the first advertiser."

Another case, that of *Page v. Wisden* (20 L.T.N.S. 435), which came before Vice-Chancellor Malins in 1869, has some resemblance to the present. There a copyright was claimed in a cricket scoring-sheet, and the Vice-Chancellor held that it was not a fit subject for copyright, partly because it was not new, but also because "to say that a particular mode of ruling a book constituted an object for a copyright is absurd."

These cases, if not precisely in point, come near to the matter in hand, and, in our view, corroborate the general proposition which we have laid down.

In *Drury v. Ewing* (1 Bond, 540), which is much relied on by the complainant, a copyright was claimed in a chart of patterns for cutting dresses and basques for ladies, and coats, jackets, &c., for boys. It is obvious that such designs could only be printed and published for information, and not for use in themselves. Their practical use could only be exemplified in cloth on the tailor's board and under his shears; in other words, by the application of a mechanical operation to the cutting of cloth in certain patterns and forms. Surely the exclusive right to this practical use was not reserved to the publisher by his copyright of the chart. Without undertaking to say whether we should or should not concur in the decision in that case, we think it cannot control the present.

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

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

So ordered.

Notes and questions

(1) *Baker v. Selden* is often thought of as an illustration of the line between idea and expression, but the forms at the back of Selden's book were not uncopyrightable because they were too abstract or generic, were they?

(2) The principle that copyright in an expressive work does not give the author any rights in the facts, ideas, or methods of operation communicated in that work is longstanding at common law and was expressly incorporated into the 1976 revision of the Copyright Act.

> **17 U.S. Code § 102(b)**
>
> In no case does copyright protection for an original work of authorship extend to any idea, procedure, process, system, method of operation, concept, principle, or discovery, regardless of the form in which it is described, explained, illustrated, or embodied in such a work.

How much of Section 102(b) can be traced directly back to *Baker v. Selden*?

(3) Copyright law clearly distinguishes between facts and the expression of facts, providing no protection for the former and only limited protection for the latter. Recall that in *Feist v. Rural Telephone*, the Supreme Court ruled that copying listings from a telephone directory did not infringe the copyright in that directory because the information itself was not copyrightable. In *Feist*, the Court described the uncopyrightability of facts as "universally understood" and the "most fundamental axiom of copyright law." It explained this feature of copyright law in terms of the requirement of originality:

> The *sine qua non* of copyright is originality. To qualify for copyright protection, a work must be original to the author. …
>
> It is this bedrock principle of copyright that mandates the law's seemingly disparate treatment of facts and factual compilations. No one may claim originality as to facts. This is because facts do not owe their origin to an act of authorship. The distinction is one between creation and discovery: The first person to find and report a particular fact has not created the fact; he or she has merely discovered its existence.

Does the idea-expression distinction apply the same way to facts as it does to ideas? How should we treat false facts? Is the fact that someone's opinion is X the same as fact X for copyright law purposes?

Rationales for the idea-expression distinction

Why does copyright law draw a distinction between protectable expression and unprotectable ideas, facts, functions, and processes? The longstanding distinction between protectable expression and unprotectable facts and ideas is an essential part of the balance of copyright law. The distinction ensures that protection of the expressive elements of the author's work does not deny subsequent authors the ability to make their own contributions by adding to, reusing, or reinterpreting the facts and ideas embodied in the original work. The essential idea behind copyright is that subsequent authors may not compete with the copyright owner by offering her original expression to the public as a substitute for the copyright owner's work, but they are free to compete with their own expression of the same facts, concepts, and ideas.

The idea-expression distinction is essential for any copyright system that aims to foster a vibrant and creative intellectual ecosystem. In the United States, it is also constitutionally required. As the Supreme Court explained in *Harper & Row,* "copyright's idea/expression dichotomy strikes a definitional balance between the First Amendment and the Copyright Act by permitting free communication of facts while still protecting an author's

expression." *Harper & Row, Publishers, Inc. v. Nation Enterprises*, 471 U.S. 539, 556 (1985). The Court later added, in *Eldred v. Ashcroft*, that the idea-expression distinction is one of copyright's "built-in First Amendment accommodations" and that as a result of the idea-expression distinction "every idea, theory, and fact in a copyrighted work becomes instantly available for public exploitation at the moment of publication." *Eldred v. Ashcroft*, 537 U.S. 186, 219 (2003).

Rationales for the Exclusion of Functionality from Copyright Protection

There are different fields of intellectual property law, each of which is directed to protecting particular interests and addressing particular problems. Briefly, copyright protects original expression, utility patents grant rights in relation to useful inventions, design patents protect the ornamental features of useful objects or articles of manufacture, and trademark law protects marks or signs that convey the source of goods or services.

To illustrate more concretely, consider a new bottle designed to pour specific liquids more evenly and also to look more attractive. The pouring function of the bottle design could conceivably be a new and useful invention (utility patent), the graceful shape of the bottle could be aesthetically appealing (design patent, copyright sculpture), and the shape could be distinctive, such that consumers understand that bottles of this shape are associated with a particular beverage seller (trademark). In addition, the way the bottle is made could be a valuable trade secret.

The most problematic area of overlap relates to functionality. Utility patents confer the broadest possible set of exclusive rights (the exclusive right to make, use, and sell the claimed invention), but they are difficult to obtain, short in duration, and usually narrow in scope. Patents must be novel and non-obvious compared to the prior art. Utility patents last for 20 years from the date of application and they are only infringed if the "accused device" features every single element of the relevant patent claim. In contrast to utility patents, copyright protects a work of authorship from the moment of its creation.

Moreover, patents are subject to examination to ensure they meet demanding standards with respect to novelty, inventiveness, utility, written description, and enablement. In contrast, although certain additional rights come with registration, trademark law protects distinctive signs from the moment of adoption and it protects trade dress (and descriptive signs) from the moment it comes to be understood by the public as a sign of origin. Trademark rights continue as long as the trademark is being used to signify a source of origin. Copyright lasts for the life of the author plus 70 years.

Design patents are a peculiar hybrid of copyright, trademark, and patent law. Design patents require examination, but the examination threshold is so low in practice as to resemble a registration system. In theory, design patents only protect the ornamental features of a product and not its functional attributes. This is similar to the way trademark law protects trade dress—the design of a product can amount to protectable trade dress, but that protection covers only those aspects of a design that signal source to consumers, and the law refuses protection for functional design features even if they signal source.

Should the law allow overlapping protection?

It would be going too far to suggest that the law should never allow any overlaps between the different regimes of IP but we should begin with the assumption that the different fields of IP are different for a reason—each reflects a different set of policies and trade-offs. In general, patent-like protection of function should come from patent law; trademark-like protection of brand, reputation, and signaling to consumers should come from trademark law; etc. Even if occasionally different aspects of a single object cross boundaries from one field to the next, that does not mean that trademark law should give copyright-like protection of expression, that design patents should be used to police consumer confusion, or that copyright law should be used to confer patent-like rights of exclusion with respect to function and utility.

Utility patents are a significant exception to the norm of free competition. Although IP regimes can and do sometimes overlap, it is vital that regimes in which rights are easier to obtain and/or longer lasting are not used to achieve a kind of backdoor patent protection. See generally, Viva R. Moffat, *Mutant Copyrights and Backdoor Patents: The Problem of Overlapping Intellectual Property Protection*, 19 BERKELEY TECHNOLOGY LAW JOURNAL 1473 (2004). To this end, every other regime has doctrines designed to deny protection of functionality. See for example, *TrafFix Devices, Inc. v. Marketing Displays, Inc.*, 532 U.S. 23 (2001) (elaborating on trademark law's statutory prohibition on protecting functional matter, and the existence of a utility patent on that matter being strong evidence of such functionality).

The barriers between utility patents and other regimes need to be carefully maintained, whereas overlaps between non-utility regimes present less fundamental concerns.

The Supreme Court made a particularly strong statement in this regard in *Baker v. Selden*, 101 U.S. 99 (1879):

> The novelty of the art or thing described or explained has nothing to do with the validity of the copyright. To give to the author of the book an exclusive property in the art described therein, when no examination of its novelty has ever been officially made, would be a surprise and a fraud upon the public. *That is the province of letters-patent, not of copyright.* The claim to an invention or discovery of an art or manufacture must be subjected to the examination of the Patent Office before an exclusive right therein can be obtained; and it can only be secured by a patent from the government. (emphasis added)

Section 102(b) of the Copyright Act

> **17 U.S. Code § 102**
>
> (a) Copyright protection subsists, in accordance with this title, in original works of authorship fixed in any tangible medium of expression, now known or later developed, from which they can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device. Works of authorship include the following categories:
>
> (1) literary works;
>
> (2) musical works, including any accompanying words;
>
> (3) dramatic works, including any accompanying music;

(4) pantomimes and choreographic works;

(5) pictorial, graphic, and sculptural works;

(6) motion pictures and other audiovisual works;

(7) sound recordings; and

(8) architectural works.

(b) In no case does copyright protection for an original work of authorship extend to any idea, procedure, process, system, method of operation, concept, principle, or discovery, regardless of the form in which it is described, explained, illustrated, or embodied in such work.

Section 102(a) of the U.S. Copyright Act provides that copyright subsists in original works of authorship fixed in any tangible medium of expression, and then proceeds to list eight categories of works of authorship. Section 102(b) of the Copyright Act of 1976 embodies the approach that the Supreme Court took in *Baker v. Selden*. Section 102(b) provides that *in no case* does copyright protection "extend to any idea, procedure, process, system, method of operation, concept, principle, or discovery."

How to Read Section 102(b)

Some commentators treat *Baker v. Selden* as confined to the idea-expression distinction, but a more careful reading shows that the case was as much to do with the exclusion of functionality from copyright subject matter and copyright protection as it was the distinction between ideas and their expression. Likewise, some courts and commentators have treated Section 102(b) as synonymous with the idea-expression distinction, and no more. A fair reading of *Baker v. Selden*, and even a cursory reading of Section 102(b) show these courts and commentators to be in error. See, Pamela Samuelson, *The Story of* Baker v. Selden: *Sharpening the Distinction Between Authorship and Invention* at 180-92 in INTELLECTUAL PROPERTY STORIES (Jane C. Ginsburg & Rochelle Cooper Dreyfuss, eds. 2006).

Baker v. Selden is obviously not just about the exclusion of ideas from copyright subject matter and Section 102(b) contains many words that are not easily equated with ideas. Section 102(b) applies to ideas as a general category, as well as the more specific subcategories of concepts and principles. The reference in 102(b) to "discovery" includes facts, but it could also be a subset of ideas in the sense of the discovery of principles or philosophical and scientific concepts. But there are key words in the statute that don't have much to do with facts or ideas. Section 102(b) also excludes *procedures*, *processes*, *systems,* and *methods of operation*—these words must mean something.

Section 102(b) is not merely a restatement of the common law distinction between ideas and their expression; it is also a restatement of the common law or exclusion of procedures and methods of operation from the scope of copyright protection. For more, see Pamela Samuelson, *Why Copyright Law Excludes Systems and Processes from the Scope of Its Protection*, 85 TEXAS LAW REVIEW 1921 (2007).

How to Apply Section 102(b)

Applying Section 102(b) faithfully while preserving meaningful copyright protection can be quite challenging in certain contexts.

For literary works, the non-protection of ideas is mostly just a feature of the level of similarity required to establish infringement. If *B* is similar to *A* in terms of ideas, but not in the expression or manifestation of those ideas, then we say that *B* is not an infringing copy of *A*. In other words, *B* might be similar to *A* on one level, but it is not *substantially similar* to *A* in any relevant sense.

However, sometimes idea and expression are closely intertwined. In rare cases in which there is virtually complete overlap between original expression and unprotectable facts, ideas, or methods, courts must choose between protecting original expression and constraining important freedoms. The *merger doctrine* holds that the freedom of facts, ideas, functions, and methods wins out.

Also, copyright extends far beyond classic literary works. The first United States Copyright Act, in 1790, protected only "maps, charts, and books." But even then, maps were clearly both ornamental and functional. Copyright today protects computer software, architecture, sculptures, and certain compilations of data; many of these works raise difficult issues about separating idea and function from expression. Many of these works do something, as well as say something.

Bikram's Yoga College of India, L.P. v. Evolation Yoga, LLC, 803 F.3d 1032 (9th Cir. 2015)

Circuit Judge Wardlaw

We must decide whether a sequence of twenty-six yoga poses and two breathing exercises developed by Bikram Choudhury and described in his 1979 book, Bikram's Beginning Yoga Class, is entitled to copyright protection. This question implicates a fundamental principle underlying constitutional and statutory copyright protection — the idea/expression dichotomy. Because copyright protection is limited to the expression of ideas, and does not extend to the ideas themselves, the Bikram Yoga Sequence is not a proper subject of copyright protection.

I. Factual and Procedural History

The Indian practice and philosophy of yoga date back thousands of years. See Linda Sparrowe, Yoga 9 (2002). Derived from ancient Hindu scriptures, including the Bhagavad Gita, the practice of yoga teaches students to attain spiritual fulfillment through control of the mind and body. See Stefanie Syman, The Subtle Body: The Story of Yoga in America 4 (2010). Yoga has evolved into a diverse set of spiritual, philosophical, and physical disciplines. Some students practice yoga to transcend the physical body and unite with divine powers; others focus on improving strength, flexibility, and overall physical fitness.

The history of yoga in the United States reflects its wide-ranging appeal. Some of yoga's first American adherents included nineteenth-century transcendentalists, such as Henry David Thoreau and Ralph Waldo Emerson, who were fascinated by yoga's approach to achieving enlightenment. In the early twentieth century, yoga

grew more popular as scientists and physicians began to study the physical benefits of the practice.

In 1971, Bikram Choudhury, the self-proclaimed "Yogi to the stars," arrived in Beverly Hills, California. He soon became a central figure in the growing popularity of yoga in the United States. Born and raised in Calcutta, India, Choudhury began studying yoga at age four and learned hundreds of traditional Hatha yoga "asanas," or individual poses. Hatha yoga places particular emphasis on the physical components of yoga. Choudhury developed a sequence of twenty-six asanas and two breathing exercises, arranged in a particular order, which he calls the "Sequence." See Bikram Choudhury, Bikram's Beginning Yoga Class (1979). Choudhury opened his own studio, where he began offering "Bikram Yoga" classes. In a Bikram Yoga class, the Sequence is practiced over the course of ninety minutes, to a series of instructions (the "Dialogue"), in a room heated to 105 degrees Fahrenheit to simulate Choudhury's native Indian climate.

Choudhury popularized the Sequence by marketing the many health and fitness benefits it provides. Choudhury informs prospective students that his "system of Hatha Yoga is capable of helping you avoid, correct, cure, heal, or at least alleviate the symptoms of almost any illness or injury." He claims that he developed the Sequence after "many of years of research and verification ... using modern medical measurement techniques." He tells reporters that he extended the careers of professional athletes, including Kareem Abdul-Jabbar and John McEnroe. This message has resonated with an American audience: as the complaint in this action explains, "public demand for Bikram Yoga classes grew steadily once Bikram Yoga participants realized that Bikram's unique yoga style and method offered them tremendous physical, mental and other benefits."

In 1979, Choudhury published the book Bikram's Beginning Yoga Class, which includes descriptions, photographs, and drawings of the Sequence's twenty-six poses and two breathing exercises. Choudhury registered the book with the U.S. Copyright Office in 1979. In 2002, he also registered the "compilation of exercises" contained in the book, using a supplementary registration form that referenced back to the 1979 book.

In 1994, Choudhury introduced the "Bikram Yoga Teacher Training Course." In 2002 and 2005, respectively, Mark Drost and Zefea Samson enrolled in and successfully completed the three-month Bikram Yoga Teacher Training course. In 2009, Drost and Samson founded Evolation Yoga, LLC. Evolation Yoga offers several types and styles of yoga, including "hot yoga," which is similar to "Bikram's Basic Yoga System." Evolation acknowledges that hot yoga "includes 26 postures and two breathing exercises and is done for 90 minutes, accompanied by a series of oral instructions, in a room heated to approximately 105 degrees Fahrenheit."

On July 1, 2011, Choudhury and Bikram's Yoga College of India, L.P. ("Choudhury") filed a complaint in the Central District of California alleging, inter alia, that defendants Evolation Yoga, LLC, Mark Drost, and Zefea Samson ("Evolation") infringed "Bikram's Copyrighted Works through substantial use of Bikram's Copyrighted Works in and as part of Defendants' offering of yoga classes." On November 12, 2012, Evolation moved for partial summary judgment as to Choudhury's claim of copyright infringement of the "Sequence." The district court granted Evolation's motion, ruling that the "Sequence is a collection of facts

and ideas" that is not entitled to copyright protection. The parties settled all remaining claims against each other, and Choudhury timely appealed as to the "Sequence."

III. Discussion

Though Choudhury emphasizes the aesthetic attributes of the Sequence's "graceful flow," at bottom, the Sequence is an idea, process, or system designed to improve health. Copyright protects only the expression of this idea — the words and pictures used to describe the Sequence — and not the idea of the Sequence itself. Because the Sequence is an unprotectable idea, it is also ineligible for copyright protection as a "compilation" or "choreographic work." The district court properly granted partial summary judgment in favor of Evolation because the Sequence is not a proper subject of copyright.

A. The Sequence Is an Unprotectable Idea.

Section 102(a) of the Copyright Act of 1976 sets forth the proper subjects of copyright protection. Section 102(b) expressly excludes protection for "any idea, procedure, process, system, method of operation, concept, principle, or discovery, regardless of the form in which it is described, explained, illustrated, or embodied in such work." Section 102(b) codifies the "idea/expression dichotomy," under which "every idea, theory, and fact in a copyrighted work becomes instantly available for public exploitation at the moment of publication." *Golan v. Holder*, 132 S.Ct. 873, 890 (2012).

The idea/expression dichotomy has two constitutional foundations: the Copyright Clause and the First Amendment. Under the Copyright Clause, "the primary objective of copyright is not to reward the labor of authors, but to promote the Progress of Science and useful Arts." *Feist Publications, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 349 (1991) (quoting U.S. Const. art. I, § 8, cl. 8). "To this end, copyright assures authors the right to their original expression, but encourages others to build freely upon the ideas and information conveyed by a work." *Feist*, 499 U.S. at 349-50. At the same time, the idea/expression dichotomy "strikes a definitional balance between the First Amendment and the Copyright Act by permitting free communication of facts while still protecting an author's expression." *Harper & Row Publishers v. Nation Enters.*, 471 U.S. 539, 556 (1985); see also *Eldred*, 537 U.S. at 219 (describing the idea/expression dichotomy as a "built-in First Amendment accommodation"); *L.A. News Serv. v. Tullo*, 973 F.2d 791, 795 (9th Cir.1992) ("Copyright law incorporates First Amendment goals by ensuring that copyright protection extends only to the forms in which ideas and information are expressed and not to the ideas and information themselves.").

In *Baker v. Selden*, 101 U.S. 99 (1879), the Supreme Court addressed the protection copyright law provided to a book, a classic subject of copyright protection, explaining a system of book-keeping. The Court held that the book's expression of the book-keeping system was protected, but the system of book-keeping itself was not entitled to copyright protection. The Court explained:

The description of the art in a book, though entitled to the benefit of copyright, lays no foundation for an exclusive claim to the art itself. The object of the one is explanation; the object of the other is use. The former may be secured by copyright. The latter can only be secured, if it can be secured at all, by letters-patent.

Id. at 105.

Following Baker, and recognizing this vital distinction between ideas and expression, courts have routinely held that the copyright for a work describing how to perform a process does not extend to the process itself. In *Palmer v. Braun*, 287 F.3d 1325 (11th Cir.2002), for example, the Eleventh Circuit held that meditation exercises described in a copyrighted manual on exploring the consciousness were "a process" unentitled to copyright protection. The court explained that the "exercises, while undoubtedly the product of much time and effort, are, at bottom, simply a process for achieving increased consciousness. Such processes, even if original, cannot be protected by copyright." Similarly, in *Publications International, Ltd. v. Meredith Corp.*, 88 F.3d 473 (7th Cir.1996), the Seventh Circuit held that recipes contained in a copyrighted cookbook are not entitled to copyright protection, for they merely "describe a procedure by which the reader may produce many dishes," and "there can be no monopoly in the copyright sense in the ideas for producing certain foodstuffs." Finally, in *Seltzer v. Sunbrock*, 22 F.Supp. 621 (S.D.Cal.1938), which predates the Copyright Act of 1976 but applies *Baker*, the court held that the copyright in a manual describing how to organize roller-skating races does not extend to the rules for the races themselves. The court explained, "[w]hat [the author] really composed was a description of a system for conducting races on roller skates. A system, as such, can never be copyrighted. If it finds any protection, it must come from the patent laws."

Here, we must similarly determine not the validity of a copyright but rather its scope.

Footnote 5: As noted above, Choudhury obtained a copyright for a "compilation of exercises" through his 2002 supplementary registration to Bikram's Beginning Yoga Class, which was first published in 1979. Choudhury claims that the 2002 supplementary registration relates back to the 1979 registration. In Choudhury's view, the supplementary registration thus issued within five years of first publication and therefore serves as "prima facie evidence of the validity of the copyright." 17 U.S.C. § 410(c). Here, however, we need not decide whether Choudhury's supplementary registration is prima facie evidence of the validity of the copyright, for even if it were, the undisputed facts are sufficient to overcome any presumption of validity.

Does Choudhury's copyright protection for his 1979 book extend to the Sequence itself? Under the fundamental tenets of copyright law and consistent with the precedents discussed above, the answer is no.

As Choudhury describes it, the Sequence is a "system" or a "method" designed to "systematically work every part of the body, to give all internal organs, all the veins, all the ligaments, and all the muscles everything they need to maintain optimum health and maximum function." In Bikram's Beginning Yoga Class, Choudhury explains that he "arrived at the sequence of postures" after "[researching] the diseases and the postures and after many years of research and verification... using modern medical measurement techniques." The book tells readers that "Bikram's twenty-six exercises systematically move fresh, oxygenated blood to one hundred percent of your body, to each organ and fiber, restoring all systems to healthy working order, just as Nature intended." Bonnie Jones Reynolds, *Introduction to Bikram's Beginning Yoga Class*, at xi (1979). This text promises readers that Choudhury's "system of Hatha Yoga is capable of helping you avoid, correct, cure, heal, or at least alleviate the symptoms of almost any illness or injury."

Also illuminating is Choudhury's spoken Dialogue, which accompanies the Sequence. Before the Sequence's first breathing exercise, for example, the

instructor tells students, "[The exercise] is good for the lungs and respiratory system. This exercise expands your lungs to their maximum expansion capacity. And it improves the elasticity of your lungs." Before the twelfth pose, the instructor explains:

Every exercise in the world you do, you burn energy/calories like driving a car burns gas. The tank is empty, you need to fill it up again. Hatha Yoga class is a gas station, it is the only place in the world where you gain energy instead of burning energy. Asana is the only natural physical activity in the world because it is scientific [and] with the help of science, we can explain nature.

An essential element of this "system" is the order in which the yoga poses and breathing exercises are arranged. Bikram's Beginning Yoga Class instructs readers, "Do the poses in the strict order given in this book. Nothing about Bikram's Beginning Yoga Class is haphazard. It is designed to scientifically warm and stretch muscles, ligaments, and tendons in the order in which they should be stretched." *Bikram's Beginning Yoga Class*, supra, at xi. For instance, Choudhury explains, "Camel Pose (Ustrasana) stretches the abdomen and compresses the spine; so for the next posture, I chose the Rabbit Pose (Sasangasana), which does the converse: stretches the back and compresses the abdomen." One Yoga Journal article explains that "according to Bikram, each posture in his series forms the perfect basis for the next, warming and stretching the appropriate muscles, ligaments and tendons."

Choudhury thus attempts to secure copyright protection for a healing art: a system designed to yield physical benefits and a sense of well-being. Simply put, this attempt is precluded by copyright's idea/expression dichotomy, codified by Section 102(b). As the Supreme Court explained in *Baker*, "Certain mixtures are found to be of great value in the healing art. If the discoverer writes and publishes a book on the subject (as regular physicians generally do), he gains no exclusive right to the manufacture and sale of the medicine; he gives that to the public." 101 U.S. at 102-03. Thus, for example, the copyright for a book describing how to perform a complicated surgery does not give the holder the exclusive right to perform the surgery. Like the series of movements a surgeon makes, the Sequence is, as Choudhury tells readers, a method designed to "cure, heal, or at least alleviate" physical injuries and illness. Monopoly protection for such a method "can only be secured, if it can be secured at all, by letters-patent." Id. at 105; see also *Sega Enters. Ltd. v. Accolade, Inc.*, 977 F.2d 1510, 1526 (9th Cir.1992), as amended (Jan. 6, 1993) ("In order to enjoy a lawful monopoly over the idea or functional principle underlying a work, the creator of the work must satisfy the more stringent standards imposed by the patent laws."). In light of *Baker* and its progeny, Choudhury's healing methodology is not eligible for protection by copyright. Indeed, if it is entitled to protection at all, that protection is more properly sought through the patent process.[8]

Footnote 8: We do not opine on whether the Sequence is, in fact, patentable.

That the Sequence may produce spiritual and psychological benefits makes it no less an idea, system, or process and no more amenable to copyright protection. Choudhury's personal declaration explains that the Sequence offers "spiritual benefits" to his students and "leads to a general sense of peace and well-being that is undoubtedly of benefit to all of us." Like the meditation exercises designed to achieve greater consciousness in *Braun*, 287 F.3d at 1334, the Sequence sets forth

a method to attain identifiable, if spiritual and psychological, results: a "sense of well-being" and "boundless energy." *Bikram's Beginning Yoga Class*, supra, at xi. As such, it falls within the Copyright Act's definition of an idea, process, or system excluded from copyright protection. See 17 U.S.C. § 102(b).

Choudhury contends that the Sequence's arrangement of postures is "particularly beautiful and graceful." But beauty is not a basis for copyright protection. The performance of many ideas, systems, or processes may be beautiful: a surgeon's intricate movements, a book-keeper's careful notations, or a baker's kneading might each possess a certain grace for at least some viewers. Indeed, from Vermeer's milkmaid to Lewis Hine's power house mechanic, the individual engrossed in a process has long attracted artistic attention. But the beauty of the process does not permit one who describes it to gain, through copyright, the monopolistic power to exclude all others from practicing it. This is true even where, as here, the process was conceived with at least some aesthetic considerations in mind. Just as some steps in a recipe may reflect no more than the author's belief that a particular ingredient is beautiful or that a particular cooking technique is impressive to watch and empowering to practice, some elements in Choudhury's Sequence may reflect his aesthetic preferences. Yet just like the recipe, the Sequence remains unprotectable as a process the design of which primarily reflects function, not expression.

In drawing the "difficult" line between idea and expression in this case, we are mindful of the "guiding consideration" of the idea/expression dichotomy: "the preservation of the balance between competition and protection reflected in the patent and copyright laws." *CDN Inc. v. Kapes*, 197 F.3d 1256, 1262 (9th Cir.1999) (quoting *Herbert Rosenthal Jewelry Corp. v. Kalpakian*, 446 F.2d 738, 742 (9th Cir. 1971)). As in *Baker*, the "object" of the book Bikram's Beginning Yoga Class is "explanation": it tells readers how to perform the Sequence and encourages them to try it. *Baker*, 101 U.S. at 105. The introduction to *Bikram's Beginning Yoga Class*, for example, urges the audience to: (i) "turn to the Contents page," (ii) "read through the book," (iii) "build gradually," and (iv) "do the poses in the strict order given in this book." Like a book explaining "Book-keeping Simplified," 101 U.S. at 100, Bikram's Beginning Yoga Class sets out to "communicate to the world the useful knowledge which it contains." Id. at 103. It invites readers to practice the method it describes. "But this object would be frustrated if the knowledge could not be used without incurring the guilt of piracy of the book." Id. Consumers would have little reason to buy Choudhury's book if Choudhury held a monopoly on the practice of the very activity he sought to popularize. Rather than "stimulat[ing] artistic creativity for the general public good," copyright protection for the Sequence would prevent the public from engaging with Choudhury's idea and building upon it.

B. The Sequence Is Not a Copyrightable Compilation.

Choudhury contends that the Sequence is entitled to copyright protection as a "compilation." Specifically, Choudhury claims that the Sequence qualifies for copyright protection because his "selection, coordination, and arrangement" of twenty-six poses and two breathing exercises create a coherent and expressive composition. The district court correctly rejected this argument.

The Copyright Act identifies compilations as a proper subject of copyright. Section 103 of the Copyright Act provides that "[t]he subject matter of copyright as

specified in section 102 includes compilations." 17 U.S.C. § 103(a). A "compilation" is "a work formed by the collection and assembling of preexisting materials or of data that are selected, coordinated, or arranged in such a way that the resulting work as a whole constitutes an original work of authorship." Id. § 101. It essential to recognize, however, that Section 103 complements Section 102. Thus, while a compilation may be eligible for copyright protection, it must nevertheless satisfy the requirements of Section 102. A compilation must, in other words, represent an "original work[] of authorship," and "[i]n no case" may copyright protection "extend to any idea, procedure, process, [or] system." Id. § 102. The availability of copyright protection for compilations, therefore, does not eliminate Section 102's categorical bar on copyright protection for ideas.

The Supreme Court addressed the relationship between these "two well-established propositions" — that compilations are eligible for copyright but facts and ideas are not — in *Feist*, 499 U.S. 340. In *Feist*, the Court considered whether the collection of names, towns, and telephone numbers in a telephone directory is eligible for copyright protection as a compilation. The Court held that "[a] factual compilation is eligible for copyright if it features an original selection or arrangement of facts, but the copyright is limited to the particular selection or arrangement. In no event may copyright extend to the facts themselves." Id. at 350-51.

By claiming copyright protection for the Sequence as a compilation, Choudhury misconstrues the scope of copyright protection for compilations. As we have explained, the Sequence is an idea, process, or system; therefore, it is not eligible for copyright protection. That the Sequence may possess many constituent parts does not transform it into a proper subject of copyright protection. Virtually any process or system could be dissected in a similar fashion. *Baker's* examples of "how-to" treatises are instructive: "A treatise on the construction and use of ploughs, or watches, or churns, or on the mode of drawing lines to produce the effect of perspective" would likely list the steps necessary to perform the process it describes. 101 U.S. at 102. The watchmaking treatise's author could not claim a copyright in the process of making a watch, however, by breaking down the process into multiple steps and labeling it a "compilation." Recipes further illustrate the point: a cake recipe could be viewed as a "compilation" of carefully arranged and selected steps — which may, of course, reflect the personal preferences and tastes of the recipe's author — yet the recipe would remain, in most instances, a process that is not eligible for copyright protection. See *Meredith*, 88 F.3d at 480-81. Likewise, Choudhury cannot obtain copyright protection for the Sequence as a compilation by separately identifying the poses and breathing exercises it contains.

Moreover, according to Choudhury himself, the medical and functional considerations at the heart of the Sequence compel the very selection and arrangement of poses and breathing exercises for which he claims copyright protection. According to Bikram's Beginning Yoga Class, the "strict order" of the poses "is designed to scientifically warm and stretch muscles, ligaments, and tendons in the order in which they should be stretched." Bikram's Beginning Yoga Class, supra, at xi. Read in the light most favorable to Choudhury, the record demonstrates that the overarching reason for the organization of the poses and breathing exercises in the Sequence is to further the basic goals of the method: to attain "[p]roper weight, muscle tone, glowing complexion, boundless energy,

vibrant good health, and a sense of well-being." Id. The Sequence's composition renders it more effective as a process or system, but not any more suitable for copyright protection as an original work of authorship.

It makes no difference that similar results could be achieved through a different organization of yoga poses and breathing exercises. Choudhury argues that he could have chosen from "hundreds of postures" and "countless arrangements of these postures" in developing the Sequence. But the possibility of attaining a particular end through multiple different methods does not render the uncopyrightable a proper subject of copyright. See *BellSouth Advert. & Publ'g Corp. v. Donnelley Info. Publ'g, Inc.*, 999 F.2d 1436, 1443 (11th Cir.1993) ("The relevant inquiry [under *Feist*] is not whether there is some imaginable, although manifestly less useful, method of arranging business telephone listings."); see also *ATC Distrib. Grp., Inc. v. Whatever It Takes Transmissions & Parts, Inc.*, 402 F.3d 700, 711-12 (6th Cir.2005) ("To be sure, [the publisher of a catalog describing a transmission parts numbering system] could have arranged the parts information in other ways that were potentially less clear or useful, but this fact alone is insufficient to demonstrate the creativity necessary for copyright protection."). Though it may be one of many possible yoga sequences capable of attaining similar results, the Sequence is nevertheless a process and is therefore ineligible for copyright protection.

[The court also held that the Sequence was not a copyrightable choreographic work.]

IV. Conclusion

Although there is no cause to dispute the many health, fitness, spiritual, and aesthetic benefits of yoga, and Bikram Yoga in particular, they do not bring the Sequence into the realm of copyright protection. The Sequence falls squarely within Section 102(b)'s exclusions from copyright protection, no matter how it is labeled or how ably the label is argued. Therefore, the district court properly granted Evolation's motion for partial summary judgment.

AFFIRMED.

Notes and questions

(1) How did the court address Choudhury's argument about the aesthetic qualities of the sequence?

(2) How did the court respond to Choudhury's compilation argument?

(3) Why didn't the fact that there were alternatives available to Choudhury convince the court that his sequence was creative?

Review Question

Section 102(b) draws a distinction between the expression in an original work of authorship and ideas, procedures, processes, systems, methods of operation, concepts, principles, and discoveries.

Not Protected

Protected

Ideas

Concepts

Principles

Discoveries

Procedures

Processes

Systems

Methods of operation

Original expression

On which side of the line would you place the following?

- Plot
- Theme
- Setting
- Genre
- Mood
- Style
- A yoga sequence
- A choreographed dance
- Laws
- Rules of a game
- Historical discoveries
- Theories about history

Comparative: The Exclusion of Ideas, Facts, Functions, or Processes from Copyright Protection in Other Jurisdictions

Given that understanding the exclusion of ideas, facts, functions, or processes from the ambit of copyright protection is fundamental to understanding copyright law, it is somewhat surprising that the Berne Convention has *almost* nothing to say about it.

> Berne Convention Article 2
>
> (1) The expression "literary and artistic works" shall include every production in the literary, scientific and artistic domain, whatever may be the mode or form of its expression …

> (8) The protection of this Convention shall not apply to news of the day or to miscellaneous facts having the character of mere items of press information.

The Berne Convention makes no reference to the idea-expression distinction, nor to the concept of functionality. However it does define protectable copyright subject matter in Article 2(1) as "every production in the literary, scientific and artistic domain, whatever may be the mode or form of its *expression.*" Defining the scope of literary and artistic works by reference to expression certainly suggests that the object of copyright law is expression and not the information conveyed in that expression, but the implication could be clearer.

The argument in favor of an implied idea-expression distinction is further reinforced by Berne Article 2(8) which excludes the "news of the day" and "miscellaneous facts having the character of mere items of press information" from the scope of copyright protection. But more importantly, whatever ambiguity was left in the Berne Convention was resolved in 1994 with the adoption of the TRIPs Agreement.

> TRIPs Agreement Article 9(2)
>
> Copyright protection shall extend to expressions and not to ideas, procedures, methods of operation or mathematical concepts as such.

This succinct provision constitutes both a mandatory inclusion vis-à-vis expression and a mandatory exclusion vis-à-vis ideas, procedures, methods of operation and mathematical concepts. TRIPs Article 9(2) reflects the universal or near-universal acceptance of the idea-expression distinction, but it does not follow that every jurisdiction understands where the lines should be drawn between protectable and unprotectable subject matter in the same way.

CHAPTER 5. IDEA-EXPRESSION, FUNCTIONALITY AND OTHER EXCLUSIONS —PART II

Merger and Scènes à Faire

The Merger Doctrine

Very occasionally a literary work will fail to qualify for copyright protection because it lacks the modicum of creativity required by *Feist*. Telephone directories and works based on the public domain with no recognizable authorial changes are not eligible for copyright protection and may be copied at will. However, sometimes even works that display that modicum of creativity will also be ineligible for copyright protection because potentially copyrightable expression has merged with uncopyrightable facts, ideas, or functions. The uncopyrightability of the forms in *Baker v. Selden* is an early example of the merger doctrine at work, although the Court did not expressly invoke the doctrine by name.

Every copyrightable work contains unprotectable elements. In very rare cases, there is complete overlap between original expression and unprotectable facts, ideas, or methods. In such cases, the merger doctrine holds that the freedom of facts, ideas, and methods wins out. Under the merger doctrine, when "there is only one feasible way of expressing an idea, so that if the expression were copyrightable it would mean that the idea was copyrightable," the expression is not protected. See Bucklew v. Hawkins, Ash, Baptie & Co., LLP, 329 F.3d 923, 928 (7th Cir. 2003). Or to put in another way, the "merger doctrine" holds that, in certain circumstances, where authors have only one or very few ways of expressing an idea or function, the expression and the idea are merged, and the expression is treated as unprotectable. See Pamela Samuelson, *Reconceptualizing Copyright's Merger Doctrine*, 63 JOURNAL OF THE COPYRIGHT SOCIETY OF THE U.S.A. 417 (2016).

In *Morrissey v. Procter & Gamble Co.*, 379 F.2d 675 (1st Cir. 1967), for example, the plaintiff was the copyright owner of a set of rules for a sales promotional contest of the 'sweepstakes' type involving the social security numbers of the participants. Morrissey alleged that the defendant, Procter & Gamble, had copied and thus infringed Rule 1 of its rules.

> **Plaintiff's Rule**
>
> 1. Entrants should print name, address and social security number on a boxtop, or a plain paper. Entries must be accompanied by * * * boxtop or by plain paper on which the name * * * is copied from any source. Official rules are explained on * * * packages or leaflets obtained from dealer. If you do not have a social security number you may use the name and number of any member of your immediate family living with you. Only the person named on the entry will be deemed an entrant and may qualify for prize.
>
> 'Use the correct social security number belonging to the person named on entry * * * wrong number will be disqualified.'
>
> **Defendant's Rule**
>
> 1. Entrants should print name, address and Social Security number on a Tide boxtop, or on (a) plain paper. Entries must be accompanied by Tide boxtop (any

> size) or by plain paper on which the name 'Tide' is copied from any source. Official rules are available on Tide Sweepstakes packages, or on leaflets at Tide dealers, or you can send a stamped, self-addressed envelope to: Tide 'Shopping Fling' Sweepstakes, P.O. Box 4459, Chicago 77, Illinois.
>
> 'If you do not have a Social Security number, you may use the name and number of any member of your immediate family living with you. Only the person named on the entry will be deemed an entrant and may qualify for a prize.
>
> 'Use the correct Social Security number, belonging to the person named on the entry - wrong numbers will be disqualified.'

Holding for the defendant, the First Circuit said that:

> When the uncopyrightable subject matter is very narrow, so that 'the topic necessarily requires,' …, if not only one form of expression, at best only a limited number, to permit copyrighting would mean that a party or parties, by copyrighting a mere handful of forms, could exhaust all possibilities of future use of the substance.
>
> In such circumstances it does not seem accurate to say that any particular form of expression comes from the subject matter. However, it is necessary to say that the subject matter would be appropriated by permitting the copyrighting of its expression. We cannot recognize copyright as a game of chess in which the public can be checkmated.

Three points are worth keeping in mind in relation to merger. First, the merger is not a *sui generis* or *ad hoc* principle, it is one manifestation of the broader principle that copyright protection does not extend to the protection of facts, ideas, functions, or processes. Second, the merger doctrine operates to exclude what might have otherwise been protectable expression from the ambit of copyright protection. Third, the merger doctrine can deny copyright to a work in total, but merger analysis is also used by courts to identify unprotectable elements within protectable expression that must be filtered in any infringement analysis.

Scènes à Faire

Stock themes and conventions belong in the public domain.

Like the merger doctrine, the *scènes à faire* doctrine also polices the idea-expression distinction. Under the *scènes à faire* doctrine stock or standard literary devices are not considered protectable, even if they are expressive. The doctrine's name is borrowed from the French who "use a very expressive phrase in dramatic literature: '*scènes à faire*' that is, scenes which 'must' be done." Schwarz v. Universal Pictures Co., 85 F. Supp. 270, 275 (S.D. Cal. 1945).

As the Seventh Circuit explained in *Bucklew v. Hawkins, Ash, Baptie & Co.*, 329 F.3d 923, 929 (7th Cir. 2003):

> … copyright owner can't prove infringement by pointing to features of his work that are found in the defendant's work as well but that are so rudimentary, commonplace, standard, or unavoidable that they do not serve to distinguish one work within a class of works from another.

> … Every expressive work can be decomposed into elements not themselves copyrightable—the cars in a car chase, the kiss in a love scene, the dive bombers in a movie about Pearl Harbor, or for that matter the letters of the alphabet in any written work. The presence of such elements obviously does not forfeit copyright protection of the work as a whole, but infringement cannot be found on the basis of such elements alone; it is the combination of elements, or particular novel twists given to them, that supply the minimal originality required for copyright protection.

As the Second Circuit explained in *Hoehling v. Universal City Studios, Inc.*, 618 F.2d 972, 979 (2d Cir. 1980), the *scènes à faire* doctrine is justified on the basis that "it is virtually impossible to write about a particular historical era or fictional theme without employing certain 'stock' or standard literary devices."

How stock-standard does a stock character have to be to constitute *scènes à faire*? Some courts put this in terms of whether expression is "indispensable," but that is an overstatement. An element can be "standard" or "customary" without being indispensable. See, e.g., *Hoehling v. Universal*: "incidents, characters or settings which are as a practical matter *indispensable, or at least standard*, in the treatment of a given topic."

Scènes à faire will not usually make a work uncopyrightable, but it will make aspects of the work irrelevant for infringement analysis. Like an unprotectable idea, any aspect of the work that is *scènes à faire* is unprotectable as such. The fact that work A and work B both contain the same *scènes à faire* elements does not go very far to prove one was copied from the other in the usual case, and it certainly does not establish that any such copying was wrongful, even if proven or admitted.

Lexmark International, Inc. v. Static Control Components, Inc., 387 F.3d 522 (6th Cir. 2004)

At the time of this litigation, Lexmark made and sold printers and printer cartridges. Lexmark print cartridges contained a simple computer program (the Toner Loading Program) and an authentication code stored on an embedded microchip. For a Lexmark printer to accept a print cartridge, it would have to receive an authentication code from the chip inside the cartridge. The printers were designed this way so that Lexmark could sell toner cartridges as single-use items, or that could only be refurbished by Lexmark. Static Control supplied its own chips that would defeat the Lexmark authentication sequence and thus allow third parties to sell remanufactured Lexmark toner cartridges. Each of Static Control's SMARTEK chips also contained an exact copy of Lexmark's Toner Loading Program, which was necessary to make its product compatible with Lexmark's printers.

Lexmark alleged that Static Control violated its copyright in the Toner Loading Program and that it violated the DMCA by circumventing Lexmark's access controls. This extract focuses on the copyright issues in the case. DMCA anti-circumvention issues are addressed in a later chapter.

> **Circuit Judge Sutton**
>
> … As this case comes to the court, the parties agree that computer programs may be entitled to copyright protection as "literary works" under 17 U.S.C. § 101 and may be protected from infringement under 17 U.S.C. § 106. And that is true with respect to a computer program's object code (the binary code — a series of zeros and ones — that computers can read) and its source code (the spelled-out program commands that humans can read).

The parties also agree that Lexmark has registered the Toner Loading Program with the Copyright Office, which is an infringement suit prerequisite, see 17 U.S.C. § 411(a), and which constitutes prima facie evidence of the copyright's validity, see id. § 410(c). And the parties agree that SCC shoulders the burden of rebutting the presumptive validity of Lexmark's copyright.

The parties also share common ground when it comes to most of the general principles of copyright infringement applicable to this case. A plaintiff may establish a claim of copyright infringement by showing (1) ownership of a valid copyright in the computer program at issue (here, the Toner Loading Program) and (2) that the defendant copied protectable elements of the work. See *Feist Publications, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 361 (1991). The first prong tests the originality and non-functionality of the work, both of which are presumptively established by the copyright registration. The second prong tests whether any copying occurred (a factual matter) and whether the portions of the work copied were entitled to copyright protection (a legal matter). If no direct evidence of copying is available, a claimant may establish this element by showing that the defendant had access to the copyrighted work and that the copyrighted work and the allegedly copied work are substantially similar.

As to the first prong, the Supreme Court has instructed that "original ... means only that the work was independently created by the author (as opposed to copied from other works), and that it possesses at least some minimal degree of creativity," even if the work is not a "novel" one. *Feist*, 499 U.S. at 345-46 (originality requires both "independent creation plus a modicum of creativity"). And although constitutionally mandated, the threshold showing of originality is not a demanding one. Id. at 345 ("To be sure, the requisite level of creativity is extremely low; even a slight amount will suffice.").

But even if a work is in some sense "original" under § 102(a), it still may not be copyrightable because § 102(b) provides that "[i]n no case does copyright protection for an original work of authorship extend to any idea, procedure, process, system, method of operation, concept, principle, or discovery, regardless of [its] form." This provision embodies the common-law idea-expression dichotomy that distinguishes the spheres of copyright and patent law. "Unlike a patent, a copyright gives no exclusive right to the art disclosed; protection is given only to the expression of the idea — not the idea itself." *Mazer v. Stein*, 347 U.S. 201, 217 (1954); see also *Baker v. Selden*, 101 U.S. 99, 101-02 (1879) (explaining that while a book describing a bookkeeping system is worthy of copyright protection, the underlying method described is not); *Computer Assocs. Int'l, Inc. v. Altai, Inc.*, 982 F.2d 693, 703 (2d Cir.1992) ("It is a fundamental principle of copyright law that a copyright does not protect an idea, but only the expression of the idea."). While this general principle applies equally to computer programs, *id.*; see also House Report at 5667 (extending copyright protection to computer programs only "to the extent that they incorporate authorship in programmer's expression of original ideas, as distinguished from ideas themselves"), the task of separating expression from idea in this setting is a vexing one, see *Altai*, 982 F.2d at 704 ("The essentially utilitarian nature of a computer program further complicates the task of distilling its idea from its expression."); *Sega Enters., Ltd. v. Accolade, Inc.*, 977 F.2d 1510, 1524 (9th Cir.1992); see also *Lotus Dev. Corp. v. Borland Int'l, Inc.*, 49 F.3d 807, 819-20 (1st Cir.1995) (Boudin, J.,

concurring). "Compared to aesthetic works, computer programs hover even more closely to the elusive boundary line described in § 102(b)." *Altai*, 982 F.2d at 704.

In ascertaining this "elusive boundary line" between idea and expression, between process and non-functional expression, courts have looked to two other staples of copyright law — the doctrines of merger and *scènes à faire*. Where the "expression is essential to the statement of the idea," *CCC Info. Servs., Inc. v. Maclean Hunter Mkt. Reports, Inc.*, 44 F.3d 61, 68 (2d Cir.1994); see also *Lotus Dev.*, 49 F.3d at 816 ("If specific words are essential to operating something, then they are part of a 'method of operation' and, as such, are unprotectable."), or where there is only one way or very few ways of expressing the idea, *Warren Publ'g, Inc. v. Microdos Data Corp.*, 115 F.3d 1509, 1519 n. 27 (11th Cir.1997), the idea and expression are said to have "merged." In these instances, copyright protection does not exist because granting protection to the expressive component of the work necessarily would extend protection to the work's uncopyrightable ideas as well. See *Gates Rubber Co. v. Bando Chem. Indus., Ltd.*, 9 F.3d 823, 838 (10th Cir.1993); see also *Murray Hill Publ'ns, Inc. v. Twentieth Century Fox Film Corp.*, 361 F.3d 312, 319 n. 2 (6th Cir.2004) (noting that where idea and expression are intertwined and where non-protectable ideas predominate, expression is not protected). For computer programs, "if the patentable process is embodied inextricably in the line-by-line instructions of the computer program, [] then the process merges with the expression and precludes copyright protection." *Atari I*, 975 F.2d at 839-40.

For similar reasons, when external factors constrain the choice of expressive vehicle, the doctrine of "*scènes à faire*" — "scenes," in other words, "that must be done" — precludes copyright protection. See *Twentieth Century Fox Film*, 361 F.3d at 319-20. In the literary context, the doctrine means that certain phrases that are "standard, stock, ... or that necessarily follow from a common theme or setting" may not obtain copyright protection. *Gates Rubber*, 9 F.3d at 838. In the computer-software context, the doctrine means that the elements of a program dictated by practical realities — e.g., by hardware standards and mechanical specifications, software standards and compatibility requirements, computer manufacturer design standards, target industry practices, and standard computer programming practices — may not obtain protection. *Id.* (citing case examples); see *Sega Enters.*, 977 F.2d at 1524 ("To the extent that a work is functional or factual, it may be copied."); *Brown Bag Software v. Symantec Corp.*, 960 F.2d 1465, 1473 (9th Cir.1992) (affirming district court's finding that "plaintiffs may not claim copyright protection of an expression that is, if not standard, then commonplace in the computer software industry"). As "an industry-wide goal," programming "efficiency" represents an external constraint that figures prominently in the copyrightability of computer programs. *Altai*, 982 F.2d at 708.

Generally speaking, "lock-out" codes fall on the functional-idea rather than the original-expression side of the copyright line. Manufacturers of interoperable devices such as computers and software, game consoles and video games, printers and toner cartridges, or automobiles and replacement parts may employ a security system to bar the use of unauthorized components. To "unlock" and permit operation of the primary device (i.e., the computer, the game console, the printer, the car), the component must contain either a certain code sequence or be able to respond appropriately to an authentication process. To the extent compatibility requires that a particular code sequence be included in the component device to permit its use, the merger and *scènes à faire* doctrines generally preclude the code

sequence from obtaining copyright protection. See *Sega Enters.*, 977 F.2d at 1524 ("When specific instructions, even though previously copyrighted, are the *only and essential means of accomplishing a given task*, their later use by another will not amount to infringement.") (quoting National Commission on New Technological Uses of Copyrighted Works, Final Report 20 (1979)) (emphasis added).

In trying to discern whether these doctrines apply, courts tend to "focus on whether the idea is capable of various modes of expression." *Mason v. Montgomery Data, Inc.*, 967 F.2d 135, 138 (5th Cir.1992) (quoting *Franklin Computer*, 714 F.2d at 1253); *Atari* I, 975 F.2d at 840 ("The unique arrangement of computer program expression which generates the data stream does not merge with the process so long as alternate expressions are available."). The question, however, is not whether any alternatives theoretically exist; it is whether other options practically exist under the circumstances. See *Altai*, 982 F.2d at 708 ("While, hypothetically, there might be a myriad of ways in which a programmer may effectuate certain functions within a program ... efficiency concerns may so narrow the practical range of choice as to make only one or two forms of expression workable options."); *Atari* I, 975 F.2d at 840 (noting that "no external factor dictated the bulk of the program" and finding the program copyrightable). In order to characterize a choice between alleged programming alternatives as expressive, in short, the alternatives must be feasible within real-world constraints.

The Supreme Court's decision in *Feist* helps to illustrate the point. In *Feist*, the alleged infringer had included 1,309 of the plaintiff's alphabetically-organized telephone book listings in its own telephone directory. The facts comprising these listings, it was clear, theoretically could have been organized in other ways — for instance, by street address or phone number, or by the age or height of the individual. But by virtue of tradition and settled expectations, the familiar alphabetical structure copied by the defendant amounted to the only organizational option available to the defendant. For these reasons, the Supreme Court determined that alphabetical phone listings did not satisfy the low threshold of originality for copyright protection.

* * *

In applying these requirements to this case, it helps to clarify the terms of debate between the parties. Lexmark claims copyright protection in, and infringement of, the code that composes its Toner Loading Program. It has not alleged that SCC copied any other portion of its chip, including any of the data on which the SHA-1 algorithm — the authentication sequence or "secret handshake" — appear. Presumably that is because SCC replaced Lexmark's SHA-1 function with a different publicly available encryption program to enable interoperability of its chip with Lexmark's printers. When it comes to the merits of the infringement claim, the parties primarily debate whether the Toner Loading Program satisfies the originality requirement (prong one), as distinct from whether any copying by SCC is substantially similar to the Lexmark chip (prong two). That is because the parties agree that SCC's SMARTEK chip copied all aspects of the Toner Loading Program.

In our view, the district court committed three related legal errors in determining that Lexmark had a likelihood of prevailing on its copyright claim with respect to the Toner Loading Program. First, the district court concluded that, because the

Toner Loading Program "could be written in a number of different ways," it was entitled to copyright protection. In refusing to consider whether "external factors such as compatibility requirements, industry standards, and efficiency" circumscribed the number of forms that the Toner Loading Program could take, the district court believed that the idea-expression divide and accompanying principles of merger and *scènes à faire* play a role only in the "substantial similarity" analysis and do not apply when the first prong of the infringement test (copyrightability) is primarily at issue. In taking this path, the district court relied on cases invoking the pronouncement [in *Nimmer on Copyright*] that the idea-expression divide "constitutes not so much a limitation on the copyrightability of works, as it is a measure of the degree of similarity that must exist between a copyrightable work and an unauthorized copy." And in concluding more generally that the copyrightability of a computer program turns solely on the availability of other options for writing the program, the court relied on several cases from other circuits.

This reasoning, to start with, conflicts with *Feist*. As the Supreme Court's recent decision suggests, one does not satisfy the originality requirement for copyright protection merely by showing that the work could have been put together in different ways. Just as it failed to suffice in *Feist* that the author of the competing telephone book could have organized the listings in some manner other than the individual's last name, so it does not suffice here that SCC could have written the Toner Loading Program in some other way. As in *Feist*, the court must ask whether the alternative ways of putting together the competing work are feasible in that setting.

Nor does Nimmer support the district court's "a number of different ways" reasoning. As a matter of practice, Nimmer is correct that courts most commonly discuss the idea-expression dichotomy in considering whether an original work and a partial copy of that work are "substantially similar" (as part of prong two of the infringement test), since the copyrightability of a work as a whole (prong one) is less frequently contested. But the idea-expression divide figures into the substantial similarity test not as a measure of "similarity"; it distinguishes the original work's protectable elements from its unprotectable ones, a distinction that allows courts to determine whether any of the former have been copied in substantial enough part to constitute infringement. Both prongs of the infringement test, in other words, consider "copyrightability," which at its heart turns on the principle that copyright protection extends to expression, not to ideas. See *Brown Bag Software*, 960 F.2d at 1475-76 (noting that copyrightability is an aspect of both parts of the infringement test); see also *Bateman v. Mnemonics, Inc.*, 79 F.3d 1532, 1545 (11th Cir.1996) (deciding that district court erred by not permitting consideration of merger, *scènes à faire* doctrines in instance of literal copying); *Lotus Dev.*, 49 F.3d at 815 (assessing whether the literally copied menu command structure is copyrightable in light of § 102(b)'s limitation). When a work itself constitutes merely an idea, process or method of operation, or when any discernible expression is inseparable from the idea itself, or when external factors dictate the form of expression, copyright protection does not extend to the work. See *Bateman*, 79 F.3d at 1546 n. 28 ("Compatibility and other functionality challenges to originality ... are applied so as to deny copyright protection to a *particular work* or portion of a work.") (emphasis added); *Mason*, 967 F.2d at 138 n. 5 (rejecting argument that merger doctrine applies only to question of infringement and noting

that "this court has applied the merger doctrine to the question of copyrightability").

Neither do the cited cases support the district court's initial frame of reference. *Franklin Computer*, 714 F.2d 1240, and *Formula International*, 725 F.2d 521, involved copies of Apple's operating system program — a program whose size and complexity is to the Toner Loading Program what the Sears Tower is to a lamppost. Given the nature of the Apple program, it would have been exceedingly difficult to say that practical alternative means of expression did not exist and indeed no defendant in the cases advanced that argument. [The court distinguished *Franklin Computer*, *Whelan Associates* and *E.F. Johnson*.]

Second, given the district court's mistaken view of the legal standard for distinguishing protectable expression from unprotectable ideas, the constraints on the Toner Loading Program established by the evidence need to be reconsidered. To discern whether "originality" exists in the work, the court should ask whether the ideas, methods of operation and facts of the program could have been expressed in any form other than that chosen by the programmer, taking into consideration the functionality, compatibility and efficiency demanded of the program.

In presenting evidence in support of its motion for a preliminary injunction, Lexmark focused on establishing that the Toner Loading Program could have been written in other ways. Dr. Maggs, Lexmark's expert, described several possible alternatives in his declaration: (1) different constants and equations could be used; (2) a lookup table could be used in lieu of equations; (3) some measure other than torque could be used to approximate toner level (e.g., the number of pages printed); or (4) the same equations could be used in a different sequence. He concluded that over 50 different programs could be written to substitute for the Toner Loading Program.

Dr. Goldberg, SCC's expert, acknowledged that certain changes could be made to the program, for example, by changing the sequence of elements in the program, or by writing the Toner Loading Program in a different programming language altogether. But Dr. Goldberg conceded this point only as a theoretical matter, as he concluded that functionality and efficiency considerations precluded any material changes to the Toner Loading Program.

Dr. Goldberg concluded that several external constraints limit the options available in designing the Toner Loading Program. For one, the Printer Engine Program that downloads and executes the program understands only a single programming language composed of eight simple commands. For another, the program must consist of only 55 bytes because the printer downloads only these particular bytes. Efficiency considerations and the physical realities of the printer and toner cartridge also restrict the forms that the Toner Loading Program could take. As a result, Dr. Goldberg concluded, these external factors together "dictate the way that the simple toner loading program looks," and the resulting program is a "no-thought translation of the formulas to the language that the internal loading program must be written in, and the programmer doesn't have much choice." Dr. Goldberg responded to Dr. Maggs' testimony that the Toner Loading Program could take alternative forms by noting that Dr. Maggs' proposed changes were trivial — that they did not make any "substantial difference to the nature of the program" — or that they were so inefficient and repetitive as to be "ridiculous." Instead, Dr. Goldberg concluded, the Toner Loading Program as it is written is the

most "straightforward, efficient, natural way to express the program." By contrast, Dr. Maggs' testimony did not reference any of these functional considerations discussed by Goldberg, meaning that the record fails to establish any affirmative support for the contention that Dr. Maggs' proposed alternatives satisfy the memory restrictions of the program.

Even aside from Dr. Goldberg's testimony that the Toner Loading Program is the most efficient means of calculating toner levels, the alternatives suggested by Dr. Maggs do not appear to support the district court's initial conclusion that the program is expressive. Dr. Maggs' first and third suggestions — that different equations and values or a different means of measuring toner level altogether could have been used — do not appear to represent alternative means of expressing the ideas or methods of operations embodied in the Toner Loading Program; they appear to be different ideas or methods of operation altogether. Selection from among competing ideas or methods of operation generally does not result in copyright-protectable expression. See *Bateman*, 79 F.3d at 1546 n.29 ("Generally there is more than one method of operation or process that can be used to perform a particular computer program function. However, methods of operation and processes are not copyrightable.") Nor would the use of a "lookup table" appear to differ meaningfully from the use of other equations directly. Instead of executing a mathematical formula on a given input, this program merely "looks up" in a data table the output of that same formula for the given input value. Finally, Dr. Maggs' fourth suggestion — that the same equations could be reordered — does not appear to show originality because such alterations may be too trivial to support a finding of creative expression. See *M.M. Bus. Forms*, 472 F.2d at 1140 (holding that paraphrasing of words on legal forms does not contain the requisite originality for copyright protection).

To the extent these alternatives suggest any originality in the Toner Loading Program, at any rate, the quantum of originality may well be de minimis and accordingly insufficient to support the validity of Lexmark's copyright in the work. See *Mitel, Inc. v. Iqtel, Inc.*, 124 F.3d 1366, 1373-74 (10th Cir.1997) (determining that plaintiff's "arbitrary selection" of several numbers required only "de minimis creative effort" and did not "evince enough originality to distinguish authorship"); cf. *Sega Enters.*, 977 F.2d at 1524 n. 7 (noting that 20-byte code is of de minimis length and therefore likely a "word" or "short phrase" that is not protected by copyright law); *Murray Hill Publ'ns, Inc. v. ABC Comm'ns, Inc.*, 264 F.3d 622, 633 (6th Cir.2001) (noting that short movie line was "a phrase or slogan not worthy of copyright protection in its own right"). Because the district court initially looked at these issues and this evidence through the wrong frame of reference, its conclusion that the Toner Loading Program had sufficient originality to obtain copyright protection does not support the preliminary injunction. At the permanent injunction stage of this dispute, we leave it to the district court in the first instance to decide whether the Toner Loading Program has sufficient originality to warrant copyright protection.

Third, and perhaps most significantly, the district court erred in assessing whether the Toner Loading Program functions as a lock-out code. Even if the constraints described by Dr. Goldberg — the programming language, the program size, efficiency concerns — did not dictate the content of the Toner Loading Program, the fact that it also functions as a lock-out code undermines the conclusion that Lexmark had a probability of success on its infringement claim.

The Toner Loading Program, recall, serves as input to the checksum operation that is performed each time the printer is powered on or the printer door is opened and closed (i.e., for toner cartridge replacement). After downloading a copy of the Toner Loading Program to calculate toner levels, the Printer Engine Program runs a calculation — the checksum — using every data byte of the Toner Loading Program as input. The program then compares the result of that calculation with a "checksum value" that is located elsewhere on Lexmark's toner cartridge chip. If any single byte of the Toner Loading Program is altered, the checksum value will not match the checksum calculation result. Only if the checksum value is correspondingly changed to accommodate any alterations in the data bytes will the printer function.

In addition to its general conclusion that external constraints on the program were not relevant, the district court concluded that the checksum operation did not operate as a strict constraint on the content of the Toner Loading Program because "SCC's identical copying of Lexmark's Toner Loading Programs went beyond that which was necessary for compatibility." According to the district court, the program could be altered rather simply, even in view of the checksum operation, because reasonable trial and error of no more than 256 different data combinations would have enabled SCC to discover and encode the correct checksum value on its chip. In reaching this conclusion, the court downplayed the significance of Dr. Goldberg's testimony regarding the importance of contextual information to the ease or difficulty of guessing the correct checksum value, saying that Dr. Goldberg called the task "extraordinarily difficult," then dismissing his testimony without further explanation. Dr. Goldberg, however, did not describe this endeavor as "extraordinarily difficult" but as "*computationally impossible*," (emphasis added) — a point that Lexmark did not then, and does not now, refute. Contrary to Judge Feikens' suggestion, moreover, Lexmark offered no evidence to show that the task of "turning off" the checksum operation altogether (without contextual information) would be any different from, or any less arduous than, the task of altering the checksum value to accommodate another program.

The difficulty of deriving the proper checksum value and the corresponding degree to which the checksum operation acts as a constraint on the content of the bytes comprising the Toner Loading Program may be an open question at the permanent injunction phase. But for purposes of the preliminary injunction, Dr. Goldberg's unchallenged testimony that it would be "computationally impossible" to modify the checksum value without contextual information suffices to establish that the checksum operation imposes a compatibility constraint in the most literal sense possible: if any single byte of the Toner Loading Program is altered, the printer will not function. On this record, pure compatibility requirements justified SCC's copying of the Toner Loading Program.

* * *

In defense of the district court's decision, Lexmark raises several other arguments, all unavailing. First, Lexmark notes that it "creatively inserted" in the Toner Loading Program a computer code representation of its stock ticker symbol, "LXK." Lexmark describes this segment as "non-functional" because it does not translate into source code contributing to the toner-calculating program. It is not clear whether these three letters would support a finding of creative expression in the work as a whole. See *Sega Enters.*, 977 F.2d at 1524 n. 7 (noting that Sega's 20-byte initialization code is of de minimis length and therefore likely a "word" or

"short phrase" that is not protected by copyright law as described in 37 C.F.R. § 202.1(a)); see also *Feist*, 499 U.S. at 344 (concluding that phone book listings are not copyrightable even though the listings contained four fictitious listings that the plaintiff included for infringement detection purposes). What is clear is that the bytes containing the "LXK" reference are functional in the sense that they, like the rest of the Toner Loading Program, also serve as input to the checksum operation and as a result amount to a lock-out code that the merger and *scènes à faire* doctrines preclude from obtaining protection.

Second, Lexmark argues that if the Toner Loading Program is not copyrightable, then "most computer programs would not be copyrightable." But the slope of this decision is neither as slippery nor as steep as Lexmark suggests. Most computer programs do not simultaneously operate as a lock-out code that is "computationally impossible" to alter without input from the programmer; and most programs are not as brief as this one.

In reaching this conclusion, we do not mean to say that brief computer programs are ineligible for copyright protection. Short programs may reveal high levels of creativity and may present simple, yet unique, solutions to programming quandaries. Just as a mathematician may develop an elegant proof, or an author may express ideas in a spare, simple, but creative manner, see, e.g., e.e. cummings, Selected Poems (Richard S. Kennedy ed., 1994), so a computer programmer may develop a program that is brief and eligible for protection. But unless a creative flair is shown, a very brief program is less likely to be copyrightable because it affords fewer opportunities for original expression.

Third, invoking the Federal Circuit's decision in *Atari I*, 975 F.2d at 840, Lexmark argues that even if the Toner Loading Program amounts to a lock-out code, it still may be eligible for protection. In *Atari I*, Nintendo developed a program (known as "10NES") that blocked its game console from accepting unauthorized game cartridges. Relying on this program, Nintendo sold game cartridges that generated a data stream that "unlocked" the game console, allowing it to load and run the game. The Federal Circuit determined that the 10NES program was copyrightable despite arguments that the program constituted unprotectable ideas rather than expression and that the merger doctrine precluded copyright protection.

The Federal Circuit's rationale for accepting copyright protection for the 10NES program does not undermine our conclusion because the 10NES program was not a "lock out" code in the same sense that the Toner Loading Program is. In *Atari*, the data bytes of the 10NES program did not themselves do the "unlocking" of the game console; the program, when executed, generated an arbitrary stream of data that in turn enabled the console to function. That same data stream, the court concluded, could have been produced by a number of alternative programs; for this reason, the expression contained in the computer program did not "merge" with the process. *Id.* ("The unique arrangement of computer program expression which generates that data stream does not merge with the process so long as alternate expressions are available. In this case, Nintendo has produced expert testimony showing a multitude of different ways to generate a data stream which unlocks the NES console.") *id*. ("[N]o external factor dictated the bulk of the [10NES] program."). Here, by contrast, the data bytes comprising the Toner Loading Program themselves act as the input to the checksum operation that must be successfully completed for the printer to operate. None of these bytes of the program can be altered without impeding printer functionality given the

> compatibility requirements created by the checksum operation. See *Atari III*, 1993 WL 207548, at *1 (distinguishing current compatibility requirements from future ones, and excluding program code "that is strictly necessary" to comply with the former from copyright protection under the merger concept). Compatibility requirements in Atari, in short, did not preclude the possibility of substituting other programs for the 10NES, while they do here.
>
> For like reasons, Judge Feikens is correct that a poem in the abstract could be copyrightable. But that does not mean that the poem receives copyright protection when it is used in the context of a lock-out code. Similarly, a computer program may be protectable in the abstract but not generally entitled to protection when used necessarily as a lock-out device.

Notes and questions

(1) In *Lexmark Int'l, Inc. v. Static Control Components, Inc.*, 387 F.3d 522 (6th Cir. 2004), the Sixth Circuit held that a simple computer program used as a lock-out device was not copyrightable because of the merger and *scènes à faire* doctrines. In a part of the decision not extracted here, the court also indicated that even if it were copyrightable the defendant's use to enable compatible printer cartridges to work in Lexmark printers would have been fair use. Do you agree with the court's application of the merger doctrine in this case? Could the court have applied this doctrine differently?

(2) How does the merger doctrine balance the need to protect creative works with the need to keep ideas freely available? What are the broader policy implications of denying copyright protection to functional elements like lock-out codes? How might this impact innovation and competition in the technology sector?

(3) The Sixth Circuit treated merger and *scènes à faire* as a matter of whether feasible alternatives exist within "real-world constraints" and not simply whether alternatives exist in theory. The court of appeals faulted the district court for "refusing to consider whether external factors such as compatibility requirements, industry standards, and efficiency circumscribed the number of forms that the Toner Loading Program could take."

(4) Notice that the Sixth Circuit treats merger and *scènes à faire* as limitations on copyright scope that can arise after the work has been created. The court says that the question is not simply "whether *any* alternatives theoretically exist" but rather "whether other options practically exist under the circumstances" and of course, circumstances change over time. Can you frame an argument based on *Baker v. Selden* that this must be the correct view? For a different view, see *Oracle America, Inc. v. Google Inc.*, 750 F.3d at 1363-1364.

(5) The *Lexmark* court rejected the position of the Nimmer treatise [at that time, it may have changed] that merger and *scènes à faire* are only applicable to assessing substantial similarity. The court held that an analysis of copyrightability informed by the doctrines of merger and *scènes à faire* is required to establish the existence of a valid copyright and to determine whether a particular act of reproduction amounts to infringement.

(6) Does the court's conclusion in *Lexmark* that "when external factors dictate the form of expression, copyright protection does not extend to the work" make sense in absolute terms? What if Lexmark had a poem that functioned as a lock-out code, would the poem

be uncopyrightable for all purposes, or simply when used in that one functionally constrained manner?

The Law Itself is Not Copyrightable

Georgia v. Public.Resource.Org, Inc. 140 S.Ct. 1498 (2020)

Chief Justice Roberts delivered the opinion of the Court.

The Copyright Act grants potent, decades-long monopoly protection for "original works of authorship." 17 U.S.C. § 102(a). The question in this case is whether that protection extends to the annotations contained in Georgia's official annotated code.

We hold that it does not. Over a century ago, we recognized a limitation on copyright protection for certain government work product, rooted in the Copyright Act's "authorship" requirement. Under what has been dubbed the government edicts doctrine, officials empowered to speak with the force of law cannot be the authors of—and therefore cannot copyright—the works they create in the course of their official duties.

We have previously applied that doctrine to hold that non-binding, explanatory legal materials are not copyrightable when created by judges who possess the authority to make and interpret the law. See *Banks v. Manchester*, 128 U.S. 244 (1888). We now recognize that the same logic applies to non-binding, explanatory legal materials created by a legislative body vested with the authority to make law. Because Georgia's annotations are authored by an arm of the legislature in the course of its legislative duties, the government edicts doctrine puts them outside the reach of copyright protection.

I

A

The State of Georgia has one official code—the "Official Code of Georgia Annotated," or OCGA. The first page of each volume of the OCGA boasts the State's official seal and announces to readers that it is "Published Under Authority of the State."

The OCGA includes the text of every Georgia statute currently in force, as well as various non-binding supplementary materials. At issue in this case is a set of annotations that appear beneath each statutory provision. The annotations generally include summaries of judicial decisions applying a given provision, summaries of any pertinent opinions of the state attorney general, and a list of related law review articles and similar reference materials. In addition, the annotations often include editor's notes that provide information about the origins of the statutory text, such as whether it derives from a particular judicial decision or resembles an older provision that has been construed by Georgia courts.

The OCGA is assembled by a state entity called the Code Revision Commission. In 1977, the Georgia Legislature established the Commission to recodify Georgia law for the first time in decades. The Commission was (and remains) tasked with consolidating disparate bills into a single Code for reenactment by the legislature and contracting with a third party to produce the annotations. A majority of the Commission's 15 members must be members of the Georgia Senate or House of Representatives. The Commission receives funding through appropriations "provided for the legislative branch of state government." OCGA § 28-9-2(c) (2018). And it is staffed by the Office of Legislative Counsel, which is obligated by statute to provide services "for the legislative branch of government." §§ 28-4-3(c)(4), 28-9-4. Under the Georgia Constitution, the Commission's role in compiling the statutory text and accompanying annotations falls "within the sphere of legislative authority." *Harrison Co. v. Code Revision Commission*, 244 Ga. 325, 330 (1979).

Each year, the Commission submits its proposed statutory text and accompanying annotations to the legislature for approval. The legislature then votes to do three things: (1) "enact[]" the "statutory portion of the codification of Georgia laws"; (2) "merge[]" the statutory portion "with [the] annotations"; and (3) "publish[]" the final merged product "by authority of the state" as "the 'Official Code of Georgia Annotated.'" OCGA § 1-1-1 (2019).

The annotations in the current OCGA were prepared in the first instance by Matthew Bender & Co., Inc., a division of the LexisNexis Group, pursuant to a work-for-hire agreement with the Commission. The agreement between Lexis and the Commission states that any copyright in the OCGA vests exclusively in "the State of Georgia, acting through the Commission." Lexis and its army of researchers perform the lion's share of the work in drafting the annotations, but the Commission supervises that work and specifies what the annotations must include in exacting detail. Under the agreement, Lexis enjoys the exclusive right to publish, distribute, and sell the OCGA. In exchange, Lexis has agreed to limit the price it may charge for the OCGA and to make an unannotated version of the statutory text available to the public online for free. A hard copy of the complete OCGA currently retails for $412.00.

B

Public.Resource.Org (PRO) is a nonprofit organization that aims to facilitate public access to government records and legal materials. Without permission, PRO posted a digital version of the OCGA on various websites, where it could be downloaded by the public without charge. PRO also distributed copies of the OCGA to various organizations and Georgia officials.

In response, the Commission sent PRO several cease-and-desist letters asserting that PRO's actions constituted unlawful copyright infringement. When PRO refused to halt its distribution activities, the Commission sued PRO on behalf of the Georgia Legislature and the State of Georgia for copyright infringement. The Commission limited its assertion of copyright to the annotations described above; it did not claim copyright in the statutory text or numbering. PRO counterclaimed,

seeking a declaratory judgment that the entire OCGA, including the annotations, fell in the public domain. …

II

We hold that the annotations in Georgia's Official Code are ineligible for copyright protection, though for reasons distinct from those relied on by the Court of Appeals. A careful examination of our government edicts precedents reveals a straightforward rule based on the identity of the author. Under the government edicts doctrine, judges—and, we now confirm, legislators—may not be considered the "authors" of the works they produce in the course of their official duties as judges and legislators. That rule applies regardless of whether a given material carries the force of law. And it applies to the annotations here because they are authored by an arm of the legislature in the course of its official duties.

A

We begin with precedent. The government edicts doctrine traces back to a trio of cases decided in the 19th century. In this Court's first copyright case, *Wheaton v. Peters*, 8 Pet. 591 (1834), the Court's third Reporter of Decisions, Wheaton, sued the fourth, Peters, unsuccessfully asserting a copyright interest in the Justices' opinions. In Wheaton's view, the opinions "must have belonged to someone" because "they were new, original," and much more "elaborate" than law or custom required. Id., at 615 (argument). Wheaton argued that the Justices were the authors and had assigned their ownership interests to him through a tacit "gift." Id., at 614. The Court unanimously rejected that argument, concluding that "no reporter has or can have any copyright in the written opinions delivered by this court" and that "the judges thereof cannot confer on any reporter any such right." Id., at 668 (opinion).

That conclusion apparently seemed too obvious to adorn with further explanation, but the Court provided one a half century later in *Banks v. Manchester*, 128 U.S. 244 (1888). That case concerned whether Wheaton's state-court counterpart, the official reporter of the Ohio Supreme Court, held a copyright in the judges' opinions and several non-binding explanatory materials prepared by the judges. Id., at 249-251. The Court concluded that he did not, explaining that "the judge who, in his judicial capacity, prepares the opinion or decision, the statement of the case and the syllabus or head note" cannot "be regarded as their author or their proprietor, in the sense of [the Copyright Act]." Id., at 253. Pursuant to "a judicial *consensus*" dating back to *Wheaton*, judges could not assert copyright in "whatever work they perform in their capacity as judges." *Banks*, 128 U.S. at 253 (emphasis in original). Rather, "the whole work done by the judges constitutes the authentic exposition and interpretation of the law, which, binding every citizen, is free for publication to all." Ibid. (citing *Nash v. Lathrop*, 142 Mass. 29 (1886)).

In a companion case decided later that Term, *Callaghan v. Myers*, 128 U.S. 617 (1888), the Court identified an important limiting principle. As in *Wheaton* and *Banks*, the Court rejected the claim that an official reporter held a copyright interest in the judges' opinions. But, resolving an issue not addressed in *Wheaton* and *Banks*, the Court upheld the reporter's copyright interest in several explanatory materials that the reporter had created himself: headnotes, syllabi, tables of

contents, and the like. *Callaghan*, 128 U.S. at 645. Although these works mirrored the judge-made materials rejected in *Banks*, they came from an author who had no authority to speak with the force of law. Because the reporter was not a judge, he was free to "obtain[] a copyright" for the materials that were "the result of his [own] intellectual labor." 128 U.S. at 647.

These cases establish a straightforward rule: Because judges are vested with the authority to make and interpret the law, they cannot be the "author" of the works they prepare "in the discharge of their judicial duties." *Banks*, 128 U.S. at 253. This rule applies both to binding works (such as opinions) and to non-binding works (such as headnotes and syllabi). It does not apply, however, to works created by government officials (or private parties) who lack the authority to make or interpret the law, such as court reporters.

The animating principle behind this rule is that no one can own the law. "Every citizen is presumed to know the law," and "it needs no argument to show... that all should have free access" to its contents. *Nash*, 142 Mass. at 35 (cited by *Banks*, 128 U.S. at 253-254). Our cases give effect to that principle in the copyright context through construction of the statutory term "author." Id., at 253. Rather than attempting to catalog the materials that constitute "the law," the doctrine bars the officials responsible for creating the law from being considered the "author[s]" of "*whatever work* they perform in their capacity" as lawmakers. Ibid. (emphasis added). Because these officials are generally empowered to make and interpret law, their "whole work" is deemed part of the "authentic exposition and interpretation of the law" and must be "free for publication to all." Ibid.

If judges, acting as judges, cannot be "authors" because of their authority to make and interpret the law, it follows that legislators, acting as legislators, cannot be either. Courts have thus long understood the government edicts doctrine to apply to legislative materials. See, e.g., *Nash*, 142 Mass. at 35, 6 N.E. at 560 (judicial opinions and statutes stand "on substantially the same footing" for purposes of the government edicts doctrine); *Howell v. Miller*, 91 F. 129, 130-131, 137-138 (CA6 1898) (Harlan, J., Circuit Justice, joined by then-Circuit Judge Taft) (analyzing statutes and supplementary materials under Banks and Callaghan and concluding that the materials were copyrightable because they were prepared by a private compiler).

Moreover, just as the doctrine applies to "whatever work [judges] perform in their capacity as judges," *Banks*, 128 U.S., at 253, it applies to whatever work legislators perform in their capacity as legislators. That of course includes final legislation, but it also includes explanatory and procedural materials legislators create in the discharge of their legislative duties. In the same way that judges cannot be the authors of their headnotes and syllabi, legislators cannot be the authors of (for example) their floor statements, committee reports, and proposed bills. These materials are part of the "whole work done by [legislators]," so they must be "free for publication to all." Ibid.

Under our precedents, therefore, copyright does not vest in works that are (1) created by judges and legislators (2) in the course of their judicial and legislative duties.

B

1

Applying that framework, Georgia's annotations are not copyrightable. The first step is to examine whether their purported author qualifies as a legislator.

As we have explained, the annotations were prepared in the first instance by a private company (Lexis) pursuant to a work-for-hire agreement with Georgia's Code Revision Commission. The Copyright Act therefore deems the Commission the sole "author" of the work. 17 U.S.C. § 201(b). Although Lexis expends considerable effort preparing the annotations, for purposes of copyright that labor redounds to the Commission as the statutory author. Georgia agrees that the author is the Commission.

The Commission is not identical to the Georgia Legislature, but functions as an arm of it for the purpose of producing the annotations. The Commission is created by the legislature, for the legislature, and consists largely of legislators. The Commission receives funding and staff designated by law for the legislative branch. Significantly, the annotations the Commission creates are approved by the legislature before being "merged" with the statutory text and published in the official code alongside that text at the legislature's direction. …

2

The second step is to determine whether the Commission creates the annotations in the "discharge" of its legislative "duties." *Banks*, 128 U.S. at 253. It does. Although the annotations are not enacted into law through bicameralism and presentment, the Commission's preparation of the annotations is under Georgia law an act of legislative authority, and the annotations provide commentary and resources that the legislature has deemed relevant to understanding its laws. Georgia and Justice GINSBURG emphasize that the annotations do not purport to provide authoritative explanations of the law and largely summarize other materials, such as judicial decisions and law review articles. But that does not take them outside the exercise of legislative duty by the Commission and legislature. Just as we have held that the "statement of the case and the syllabus or head note" prepared by judges fall within the "work they perform in their capacity as judges," *Banks*, 128 U.S. at 253, so too annotations published by legislators alongside the statutory text fall within the work legislators perform in their capacity as legislators.

In light of the Commission's role as an adjunct to the legislature and the fact that the Commission authors the annotations in the course of its legislative responsibilities, the annotations in Georgia's Official Code fall within the government edicts doctrine and are not copyrightable.

III

Georgia resists this conclusion on several grounds. … Georgia suggests that we should resist applying our government edicts precedents to the OCGA annotations because our 19th-century forebears interpreted the statutory term author by reference to "public policy"—an approach that Georgia believes is incongruous with the "modern era" of statutory interpretation. But we are particularly reluctant to disrupt precedents interpreting language that Congress has since reenacted. As we explained last Term in *Helsinn Healthcare S. A. v. Teva Pharmaceuticals USA, Inc.*, 139 S.Ct. 628 (2019), when Congress adopts the language used in an earlier act, we presume that Congress adopted also the construction given by this Court to such language, and made it a part of the enactment. A century of cases have rooted the government edicts doctrine in the word "author," and Congress has repeatedly reused that term without abrogating the doctrine. The term now carries this settled meaning, and "critics of our ruling can take their objections across the street, [where] Congress can correct any mistake it sees." *Kimble v. Marvel Entertainment, LLC*, 576 U.S. 446, 456 (2015).

…

Turning to our government edicts precedents, Georgia insists that they can and should be read to focus exclusively on whether a particular work has "the force of law." Justice Thomas appears to endorse the same view. But that framing has multiple flaws.

Most obviously, it cannot be squared with the reasoning or results of our cases—especially *Banks*. *Banks*, following *Wheaton* and the "judicial consensus" it inspired, denied copyright protection to judicial opinions without excepting concurrences and dissents that carry no legal force. 128 U.S. at 253 (emphasis deleted). As every judge learns the hard way, "comments in [a] dissenting opinion" about legal principles and precedents "are just that: comments in a dissenting opinion." *Railroad Retirement Bd. v. Fritz*, 449 U.S. 166, 177, n. 10 (1980). Yet such comments are covered by the government edicts doctrine because they come from an official with authority to make and interpret the law.

Indeed, *Banks* went even further and withheld copyright protection from headnotes and syllabi produced by judges. 128 U.S. at 253. Surely these supplementary materials do not have the force of law, yet they are covered by the doctrine. The simplest explanation is the one Banks provided: These non-binding works are not copyrightable because of who creates them—judges acting in their judicial capacity. See ibid.

The same goes for non-binding legislative materials produced by legislative bodies acting in a legislative capacity. There is a broad array of such works ranging from floor statements to proposed bills to committee reports. Under the logic of Georgia's "force of law" test, States would own such materials and could charge the public for access to them. …

Georgia minimizes the OCGA annotations as non-binding and non-authoritative, but that description undersells their practical significance. Imagine a Georgia citizen interested in learning his legal rights and duties. If he reads the economy-class version of the Georgia Code available online, he will see laws requiring

political candidates to pay hefty qualification fees (with no indigency exception), criminalizing broad categories of consensual sexual conduct, and exempting certain key evidence in criminal trials from standard evidentiary limitations—with no hint that important aspects of those laws have been held unconstitutional by the Georgia Supreme Court. Meanwhile, first-class readers with access to the annotations will be assured that these laws are, in crucial respects, unenforceable relics that the legislature has not bothered to narrow or repeal.

If everything short of statutes and opinions were copyrightable, then States would be free to offer a whole range of premium legal works for those who can afford the extra benefit. A State could monetize its entire suite of legislative history. With today's digital tools, States might even launch a subscription or pay-per-law service.

There is no need to assume inventive or nefarious behavior for these concerns to become a reality. Unlike other forms of intellectual property, copyright protection is both instant and automatic. It vests as soon as a work is captured in a tangible form, triggering a panoply of exclusive rights that can last over a century. 17 U.S.C. §§ 102, 106, 302. If Georgia were correct, then unless a State took the affirmative step of transferring its copyrights to the public domain, all of its judges' and legislators' non-binding legal works would be copyrighted. And citizens, attorneys, nonprofits, and private research companies would have to cease all copying, distribution, and display of those works or risk severe and potentially criminal penalties. §§ 501-506. Some affected parties might be willing to roll the dice with a potential fair use defense. But that defense, designed to accommodate First Amendment concerns, is notoriously fact sensitive and often cannot be resolved without a trial. Cf. *Harper & Row, Publishers, Inc. v. Nation Enterprises*, 471 U.S. 539, 552 (1985). The less bold among us would have to think twice before using official legal works that illuminate the law we are all presumed to know and understand.

Thankfully, there is a clear path forward that avoids these concerns—the one we are already on. Instead of examining whether given material carries "the force of law," we ask only whether the author of the work is a judge or a legislator. If so, then whatever work that judge or legislator produces in the course of his judicial or legislative duties is not copyrightable. That is the framework our precedents long ago established, and we adhere to those precedents today.

*

Justice GINSBURG, with whom Justice BREYER joins, dissenting.

Beyond doubt, state laws are not copyrightable. Nor are other materials created by state legislators in the course of performing their lawmaking responsibilities, e.g., legislative committee reports, floor statements, unenacted bills. Not all that legislators do, however, is ineligible for copyright protection; the government edicts doctrine shields only "works that are (1) created by judges and legislators (2) *in the course of their judicial and legislative duties*." Ante, at 1508 (emphasis added). The core question this case presents, as I see it: Are the annotations in the

Official Code of Georgia Annotated (OCGA) done in a legislative capacity? The answer, I am persuaded, should be no.

To explain why, I proceed from common ground. All agree that headnotes and syllabi for judicial opinions—both a kind of annotation—are copyrightable when created by a reporter of decisions, *Callaghan v. Myers*, 128 U.S. 617 (1888), but are not copyrightable when created by judges, *Banks v. Manchester*, 128 U.S. 244, 253 (1888). That is so because "[t]he whole work done by ... judges," ibid., including dissenting and concurring opinions, ranks as work performed in their judicial capacity. Judges do not outsource their writings to arms or adjuncts, to be composed in their stead. Accordingly, the judicial opinion-drafting process in its entirety—including the drafting of headnotes and syllabi, in jurisdictions where that is done by judges—falls outside the reach of copyright protection.

One might ask: If a judge's annotations are not copyrightable, why are those created by legislators? The answer lies in the difference between the role of a judge and the role of a legislator. "[T]o the judiciary" we assign "the duty of interpreting and applying" the law, *Massachusetts v. Mellon*, 262 U.S. 447, 488 (1923), and sometimes making the applicable law, see Friendly, *In Praise of Erie—and of the New Federal Common Law*, 39 N.Y.U. L. Rev. 383 (1964). See also *Marbury v. Madison*, 1 Cranch 137, 177 (1803) ("It is emphatically the province and duty of the judicial department to say what the law is."). In contrast, the role of the legislature encompasses the process of "making laws"—not construing statutes after their enactment. *Mellon*, 262 U.S. at 488; see *Patchak v. Zinke*, 138 S.Ct. 897, 905 (2018) (plurality opinion) ("The legislative power is the power to make law."). The OCGA annotations, in my appraisal, do not rank as part of the Georgia Legislature's lawmaking process for three reasons.

First, the annotations are not created contemporaneously with the statutes to which they pertain; instead, the annotations comment on statutes already enacted. … In short, annotating begins only after lawmaking ends. This sets the OCGA annotations apart from uncopyrightable legislative materials like committee reports, generated before a law's enactment, and tied tightly to the task of law-formulation.

Second, the OCGA annotations are descriptive rather than prescriptive. Instead of stating the legislature's perception of what a law conveys, the annotations summarize writings in which others express their views on a given statute. For example, the OCGA contains "case annotations" for "all decisions of the Supreme Court of Georgia and the Court of Appeals of Georgia and all decisions of the federal courts in cases which arose in Georgia construing any portion of the general statutory law of the state." Id., at 403. Per the Code Revision Commission's instructions, each annotation should "accurately reflect the facts, holding, and statutory construction" adopted by the court. Id., at 404. The annotations are neutrally cast; they do not opine on whether the summarized case was correctly decided. See, e.g., OCGA § 17-7-50 (2013) (case annotation summarizing facts and holdings of nine cases construing right to grand jury hearing). This characteristic of the annotations distinguishes them from preenactment legislative materials that touch or concern the correct interpretation of the legislature's work.

Third, and of prime importance, the OCGA annotations are "given for the purpose of convenient reference" by the public, § 1-1-7 (2019); they aim to inform the citizenry at large, they do not address, particularly, those seated in legislative chambers.[2]

Footnote 2: Suppose a committee of Georgia's legislature, to inform the public, instructs a staffer to write a guide titled "The Workways of the Georgia Legislature." The final text describing how the legislature operates is circulated to members of the legislature and approved by a majority. Contrary to the Court's decision, I take it that such a work, which entails no lawmaking, would be copyrightable.

Annotations are thus unlike, for example, surveys, work commissioned by a legislature to aid in determining whether existing law should be amended.

The requirement that the statutory portions of the OCGA "shall be merged with annotations," § 1-1-1, does not render the annotations anything other than explanatory, referential, or commentarial material. Annotations aid the legal researcher, and that aid is enhanced when annotations are printed beneath or alongside the relevant statutory text. But the placement of annotations in the OCGA does not alter their auxiliary, nonlegislative character.

* * *

Because summarizing judicial decisions and commentary bearing on enacted statutes, in contrast to, for example, drafting a committee report to accompany proposed legislation, is not done in a legislator's law-shaping capacity, I would hold the OCGA annotations copyrightable and therefore reverse the judgment of the Court of Appeals for the Eleventh Circuit.

[Justice THOMAS, with whom Justice ALITO joined, and with whom Justice BREYER joined in part, also dissented.]

Notes and questions

(1) In *Wheaton v. Peters*, 33 U.S. (8 Pet.) 591 (1834) the Supreme Court held that "no reporter has or can have any copyright in the written opinions delivered by this Court; and that the judges thereof cannot confer on any reporter any such right." In *Banks v. Manchester*, 128 U.S. 244 (1888) the Court addressed the same issue with respect to the opinions of state court judges and held that "no copyright could under the statutes passed by Congress, be secured in the products of the labor done by judicial officers in the discharge of their judicial duties." But in *Callaghan v. Myers*, 128 U.S. 617 (1888) the Court held that although "there can be no copyright in the opinions of the judges, or in the work done by them in their official capacity as judges," the additional intellectual contribution of the court reporter—things such as organizing the cases; writing annotations such as headnotes and syllabi to appear alongside the opinions in the reports—may be entitled to copyright protection in the hands of the reporter as a private individual. What does *Georgia v. Public.Resource.Org* add to these cases?

In *Georgia v. Public.Resource.Org, Inc.* 140 S.Ct. 1498 (2020) the Supreme Court held that the Official Code of Georgia Annotated, a document that was published under the authority of the state and yet contained non-binding annotations on and summaries of

Georgia law, was ineligible for copyright protection under the "government edicts doctrine." Writing for the majority, Chief Justice Roberts explained that "officials empowered to speak with the force of law cannot be the authors of—and therefore cannot copyright—the works they create in the course of their official duties."

(2) Section 8 of the Copyright Act of 1909 provided that "no copyright shall subsist in the original text of any work which is in the public domain ... or in any publication of the United States Government, or any reprint, in whole or in part, thereof." A similar provision persists in section 105 of the current Act.

> **17 U.S. Code § 105. Subject matter of copyright: United States Government works**
>
> Copyright protection under this title is not available for any work of the United States Government, but the United States Government is not precluded from receiving and holding copyrights transferred to it by assignment, bequest, or otherwise.

Why wasn't *Georgia v. Public.Resource.Org* decided on the basis of Section 105?

(3) In *Veeck v. Southern Building Code Congress International, Inc.*, 293 F.3d 791 (5th Cir. 2002) (en banc), the Fifth Circuit held that privately authored building codes lost their copyright status once they were incorporated into law. However, various other courts have declined to extend the rule in other similar contexts. See, e.g., CCC Info. Servs., Inc. v. Maclean Hunter Mkt. Reports, Inc., 44 F.3d 61 (2d Cir. 1994); Practice Mgmt. Info. Corp. v. Am. Med. Ass'n, 121 F.3d 516 (9th Cir. 1997), amended, 133 F.3d 1140 (9th Cir. 1998).

(4) A recent Fifth Circuit opinion extends the logic of *Veeck* to codes incorporated into foreign law. In *Canadian Standards Association v. P.S. Knight Company*, 112 F.4th 298 (5th Cir. 2024), cert. denied, No. 24-537 (U.S. Jan. 21, 2025), a majority held that copying Canadian Standards Association's codes was not actionable under the United States' Copyright Act, because those codes had become "the law" of Canada, being fully incorporated by reference into at least one Canadian statute or regulation.

Fair use as an alternative to copyrightability for codes that become law?

Should issues relating to copyright in privately authored building codes and the like be addressed in terms of copyrightability or fair use? The court of appeals for the DC Circuit turned to this issue in *American Society For Testing And Materials v. Public.Resource.Org, Inc.* 896 F.3d 437 (D.C. Cir. 2018). The case involved our old friend Public.Resource.Org, again. As part of its self-proclaimed mission "to make the law and other government materials more widely available," Public.Resource.Org ("PRO") posted copies of a number of incorporated standards to its public website. Between 2012 and 2014, PRO uploaded hundreds of technical standards, which, collectively, were downloaded tens of thousands of times. In mid-2013, several standards organizations, including the American Society for Testing & Materials sued PRO, asserting claims of copyright infringement, among other things.

Tens of thousands of technical standards developed by private organizations are incorporated into or referenced by law in different ways and with varying consequences. As the court explained:

> When agencies or legislatures incorporate private standards into law, they often do so by reference—that is, instead of spelling out the requirements of a standard within legislative or regulatory text, they reference the standard being incorporated and direct interested parties to consult that standard in order to understand their obligations. … Just as the incorporation process varies, so too—and this is central to the issues before us—do the legal consequences of any given incorporation. This is hardly surprising, given that federal, state, and local legislatures and agencies have incorporated by reference thousands of technical standards. Indeed, by ASTM's own count, the Code of Federal Regulations alone has incorporated by reference over 1,200 of its standards. This appeal, which concerns ten standards incorporated by reference into law, reflects just a sliver of that diversity.
>
> One way in which the incorporated standards vary is how readily they resemble ordinary, binding law. At one end of this spectrum lie incorporated standards that define one's legal obligations just as much as, say, a local building code—except that the specific legal requirements are found outside the two covers of the codebook. The NFPA 70 tank-barge plug specification discussed above, which the relevant regulation mentions by name in making compliance mandatory, is one such example. Another is the incorporation of ASTM D975-07, the "Standard Specification for Diesel Fuel Oils," into the U.S. Code. It provides that a retailer of certain biofuels need not affix any special labels to its fuel so long as the fuel "meets ASTM D975 diesel specifications." 42 U.S.C. § 17021(b)(1). These laws impose legally binding requirements indistinguishable from, for example, a cigarette-labeling obligation, see 15 U.S.C. § 1333(a), except that the federal law imposing that obligation expressly specifies, without reference to an external standard, exactly what qualifies as a cigarette, see id. § 1332(1).
>
> At the other end of the spectrum lie standards that serve as mere references but have no direct legal effect on any private party's conduct. One example is the incorporation of ASTM D86-07, the "Standard Test Method for Distillation of Petroleum Products and Liquid Fuels at Atmospheric Pressure," which a federal regulation describes as a "reference procedure" used by the Environmental Protection Agency and regulated motor-vehicle manufacturers to determine whether the boiling point for certain gasoline used for "exhaust and evaporative emission testing" falls within a permissible range. 40 C.F.R. § 86.113-04(a)(1). The regulation creates only one relevant legal obligation: the regulated entity, in testing vehicular emissions, must use gasoline that meets specifications expressly laid out within the regulation itself. The incorporation of an external standard merely tells the regulated entity how it can ensure that the gasoline it uses in fact satisfies the codified requirements.

Judge Tatel's majority opinion in the *ASTM* case acknowledged that PRO had raised "a serious constitutional concern with permitting private ownership of standards essential to understanding legal obligations." However, the court thought "it best at this juncture to address only the statutory fair use issue—which may provide a full defense to some, if not all, of the [Standards Developing Organizations'] infringement claims in this case—and leave for another day the question of whether the Constitution permits copyright to persist in works incorporated by reference into law."

In terms of fair use, the majority noted that PRO had distributed the standards for the purpose of educating the public about the specifics of governing law and it generally credited the argument that paraphrases, summaries, and descriptions, would not adequately

"capture the precision that is necessary to understand the legal obligations that governments impose and enforce." But the court regarded this as a highly fact specific inquiry. Citing *Banks*, the court reiterated that "the express text of the law falls plainly outside the realm of copyright protection" and held further that "standards incorporated by reference into law are, at best, at the outer edge of copyright's protective purposes." Judge Tatel further explained that:

> Where the consequence of the incorporation by reference is virtually indistinguishable from a situation in which the standard had been expressly copied into law, this factor weighs heavily in favor of fair use. But where the incorporation does not lend to such easy substitution, fair use is harder to justify.

The court of appeals instructed the district court to take these principles into account on remand and also to conduct a more nuanced analysis of the potential market effect of PRO's activities. On remand the district court entered summary judgment for Public Resource as to the 184 standards that had been directly incorporated by reference, 597 F. Supp. 3d 213 (D.D.C. 2022), and the D.C. Circuit affirmed, holding that the non-commercial dissemination of standards incorporated into law is a fair use. *American Society for Testing & Materials v. Public.Resource.Org, Inc.*, 82 F.4th 1262 (D.C. Cir. 2023). Notably, the 2023 decision qualified the suggestion in the 2018 opinion that what weighs most heavily in favor of fair use is the copying of material of "legal import." The most important question, the court said, is what material counts as law, and even explanatory or background material within an incorporated standard may aid in understanding the legal duties it imposes. Copying portions of a standard that are not themselves mandatory is therefore not fatal to a fair use defense. Judge Katsas' concurring opinion in the 2018 decision is extracted below.

American Society for Testing & Materials v. Pub.Resource.Org, 896 F.3d 437 (D.C. Cir. 2018)

> **Circuit Judge Katsas concurring:**
>
> The plaintiffs here claim a copyright over binding legal texts, which would enable them to prevent anyone from gaining access to that law or copying it for the public. See 17 U.S.C. § 106. Moreover, saying what that law is, without plaintiffs' permission, would expose an individual to injunctive relief, impoundment, damages, attorneys' fees, and potentially even criminal liability. See id. §§ 502-506. As a matter of common-sense, this cannot be right: access to the law cannot be conditioned on the consent of a private party, just as it cannot be conditioned on the ability to read fine print posted on high walls. See Suetonius, Gaius Caligula ¶ XLI, in *The Lives of the Caesars* (J.C. Rolfe trans., Macmillan Co. 1914) ("he . . . had the law posted up, but in a very narrow place and in excessively small letters, to prevent the making of a copy").
>
> Not surprisingly, precedent confirms this instinct. In *Banks v. Manchester*, 128 U.S. 244 (1888), the Supreme Court held that judges cannot copyright their opinions, in part because their work "constitutes the authentic expression and interpretation of the law, which, binding every citizen, is free for publication to all." Id. at 253. Moreover, two courts of appeals have confirmed that Banks remains good law under the modern Copyright Act of 1976. In *Building Officials & Code Administrators v. Code Technology, Inc*., 628 F.2d 730 (1st Cir. 1980),

the First Circuit vacated a preliminary injunction that would have enforced the copyright of a model building code as enacted into Massachusetts law. While not definitively deciding the question, the court reasoned that enforcement of the copyright could not be "squared with the right of the public to know the law to which it is subject." Id. at 735. Similarly, in *Veeck v. Southern Building Code Congress International*, 293 F.3d 791 (5th Cir. 2002) (en banc), the Fifth Circuit held that "as law," model rules adopted by a legislative body "enter the public domain and are not subject to the copyright holder's exclusive prerogatives." Id. at 793.

Today, the *Banks* rule might rest on at least four possible grounds: the First Amendment; the Due Process Clause of the Fifth Amendment; Section 102(b) of the Copyright Act, which denies copyright protection to "any idea, procedure, process, system, method of operation, concept, principle, or discovery," 17 U.S.C. § 102(b); or Section 107 of the Act, which sets forth the fair-use doctrine, id. § 107. The Court today reasonably avoids what it correctly regards as "a serious constitutional concern" under the First and Fifth Amendments. And it expressly reserves, in substance though not by name, the question whether Section 102(b) extends protection to private standards as enacted into law.

The Court's fair-use analysis faithfully recites the governing four-factor balancing test, yet, in conducting the balancing, it puts a heavy thumb on the scale in favor of an unrestrained ability to say what the law is. Thus, when an incorporated standard sets forth binding legal obligations, and when the defendant does no more and no less than disseminate an exact copy of it, three of the four relevant factors —purpose and character of the use, nature of the copyrighted work, and amount and substantiality of the copying—are said to weigh "heavily" or "strongly" in favor of fair use. This analysis closely parallels *Banks*, which the Court explicitly invokes in its discussion of factor two. The Court acknowledges the thinness of the record in this case, and it appropriately flags potentially complicating questions about how particular standards may be incorporated into law, and whether such standards, as so incorporated, actually constitute "the law." But, where a particular standard is incorporated as a binding legal obligation, and where the defendant has done nothing more than disseminate it, the Court leaves little doubt that the dissemination amounts to fair use.

With that understanding, and recognizing that the Section 102(b) and constitutional issues remain open in the unlikely event that disseminating "the law" might be held not to be fair use, I join the Court's opinion.

Notes and questions

(1) In his concurring opinion in *ASTM,* Judge Katsas seems intent on leaving us in no doubt that publishing copyrighted works incorporated as binding legal obligations will be fair use. For another recent case on this issue, see *International Code Council, Inc. v. UpCodes, Inc.*, 2020 WL 2750636 (S.D.N.Y. May 26, 2020).

(2) Judge Katsas' instinct now looks like the mainstream. In *American Society for Testing & Materials v. UpCodes, Inc.*, No. 24-2965 (3d Cir. Apr. 7, 2026), the Third Circuit affirmed the denial of a preliminary injunction against a **for-profit** platform that reproduced ASTM standards incorporated into the building codes of Philadelphia and other jurisdictions. Following the D.C. Circuit, the court held UpCodes likely to succeed on fair

use because its use "achieves the distinct objective of making the law freely accessible." Two things about that holding are worth noticing. It is a preliminary posture, so the court held only that UpCodes was likely to succeed, not that it had won. And it is a fair use holding and nothing more: the court did not decide whether the standards are copyrightable, and it did not decide the government edicts question.

That reticence is the pattern rather than the exception. Courts confronted with privately drafted standards that have been absorbed into law appear increasingly willing to resolve the dispute through fair use rather than by holding that the material has ceased to be copyrightable at all. There is a reason for the caution. *Georgia v. Public.Resource.Org* is in some respects a sweeping decision, but follow the logic of the government edicts doctrine and it arguably does not reach this situation: the doctrine rests on the proposition that the people are the constructive authors of the law, and the material at issue here was not written by the government in the first place. Fair use lets a court reach a sensible result without having to say that a standards body's work stops being its own the moment a legislature points at it.

(3) Is transformative use the right frame for these cases? The Third Circuit reasoned that making the law freely accessible is a distinct purpose from the one ASTM had in publishing the standard. That is a recognizable transformative use argument, but it may be doing work that a more direct argument would do better. What is really carrying these decisions is not that the second use communicates a different message; it is that the public has a powerful interest in reading the rules it is bound by. Is it clarifying or obscuring to route that interest through the first fair use factor? Would the analysis be more honest if courts said plainly that the public interest in access to law justifies the copying, whether or not the use is transformative in the sense *Campbell* and *Warhol* contemplate?

(4) Congress has been asked to reverse the trend. In March 2026 Senators Coons, Cornyn, Hirono and Tillis reintroduced the Pro Codes Act, which would preserve copyright in standards incorporated by reference into law so long as the standard is made available to read free of charge on a publicly accessible website. It is a direct legislative response to *Veeck*, *P.S. Knight* and the *ASTM* line, and it has not been enacted. Should it pass, it would raise a question the courts have so far avoided: whether Congress may confer copyright in the text of binding legal obligations at all. If the government edicts doctrine is merely a rule of statutory construction, Congress can displace it. If it reflects something in the constitutional grant, or in due process notions of what it means for law to be knowable, a statute that keeps the law under copyright would be vulnerable.

Other Exclusions from Copyright Protection

We already addressed the non-copyrightability of words, titles, and short phrases in an earlier chapter under the heading of "Locating the Threshold of Copyrightability."

Taxonomies

There is some case law to the contrary, but the better view is that taxonomies of arbitrary naming conventions are not copyrightable. For example in *Southco, Inc. v. Kanebridge*

Corp., 390 F.3d 276 (3d Cir. 2004) (en banc), the Third Circuit held that a list of serial numbers used to identify hardware parts was not copyrightable.

After discussing the originality requirement and the implications of the *Feist* decision, the court held:

> In this case, the Southco product numbers are not "original" because each number is rigidly dictated by the rules of the Southco system. Because ideas may not be copyrighted, Southco does not assert any claim of copyright in its numbering *system,* but instead focuses on *the part numbers themselves.* The numbers, however, do not reflect any creativity.

The court also held that the part numbers were uncopyrightable on a separate ground, the uncopyrightability of short phrases and titles. The court explained that "since at least 1899, it has been the practice of the Copyright Office to deny registration to 'words and phrases.'" It summarized and accepted the policy rationale for the doctrine put forward by the government in an amicus brief as follows:

> The government suggests that this practice serves at least two purposes. First, the government notes that a short phrase such as a part number typically lacks any creativity whatsoever. Second, the government suggests that extending copyright protection to part numbers would unduly interfere with the legitimate use of the numbers in question. Because the owner of a copyright has the exclusive rights to reproduce the copyrighted work, if a part number (say, XXXXXXXXX, to take the example discussed above) were copyrighted, *any* use of the number would potentially infringe the copyright. Moreover, if Southco's nine-digit numbers are protected, would there be a principled basis for denying protection to a number with, say, seven or five digits? Could a company or person thereby obtain the exclusive right to use the number 4,710,202 or 47,102? In light of the huge number of part and product numbers (and other analogous numbers) that now exist, this prospect gives reason for concern. Although the fair use defense would presumably protect the use of such numbers in most situations, fair use is an affirmative defense and may impose an undue burden.

The law in the Sixth Circuit is the same. In *ATC Distribution Group v. Whatever It Takes Transmissions & Parts, Inc.*, 402 F.3d 700, 706 (6th Cir. 2005), the court of appeals held that a taxonomy for assigning unique identifiers to auto transmission parts by sorting them into categories and sub-categories was not copyrightable. Just as in *Southco,* the court recognized the system that generated the unique identifiers as an uncopyrightable idea and the numbers so generated as either unoriginal products of that system or as excluded by merger. The court also invoked the short works doctrine following a similar reasoning to *Southco.*

For a contrary view, see *American Dental Association v. Delta Dental Plans Association*, 126 F.3d 977, 979 (7th Cir. 1997), arguing that:

> Facts do not supply their own principles of organization. Classification is a creative endeavor. Butterflies may be grouped by their color, or the shape of their wings, or their feeding or breeding habits, or their habitats, or the attributes of their caterpillars, or the sequence of their DNA; each scheme of classification could be expressed in multiple ways. Dental procedures could be classified by complexity, or by the tools necessary to perform them, or by the parts of the mouth involved, or by the anesthesia employed, or in any of a dozen different ways. The Code's

> descriptions don't "merge with the facts" any more than a scientific description of butterfly attributes is part of a butterfly.

The Seventh Circuit's opinion in *American Dental* appears to confuse originality in the system with originality in the codes that are the product of that system.

CHAPTER 6. HOW THE MEANING OF REPRODUCTION HAS CHANGED OVER TIME

Copyright is usually thought of as the right to control the reproduction of literary and creative works. Of course, today, copyright law does far more than this, but it is useful to begin with the reproduction right as the conceptual archetype of copyright law. What does it mean to "reproduce" or "copy" a work? Do partial copies count? What if a new work incorporates substantial parts of an existing work, but also extends that work in significant ways? What about temporary instantiations that exist for less than a second or two? What about versions of the work that are only intelligible by machines, or only useful as the part of a machine?

This short chapter will canvass some of the ways our concept of copying in copyright law has changed over time.

The Scope of Copyright in the Premodern Era

Even in the very early days of copyright law, the rights of the author were not strictly limited to verbatim copies of particular texts, but they were much narrower than our current conception of copyright. In the early days of copyright under the Statute of Anne, 1710, 8 Ann., c. 19, §1 (Eng.) "the author of any book or books" or his assignees, was entitled to "the sole right and liberty of printing such book and books." Construed literally, the Act regulated only exact and entire reprinting and had nothing to say about making adaptations and derivative works based on other people's books. Indeed, making a shortened version or abstract of a longer text called an abridgement was common in the premodern era (by which we mean from 1710 to roughly 1850). However, the lawful scope of abridgement was contested throughout this period.

Consider *Gyles v. Wilcox*, one of the earliest reported decisions on the doctrine of fair abridgement, a doctrine that eventually evolved into the modern law of fair use in the United States and "fair dealing" in many other jurisdictions.

Gyles v. Wilcox (1740) 26 ER 489

> **Lord Hardwicke (the Lord Chancellor)**
>
> … As to what has been said by Mr. Attorney General of the acts being a monopoly, and therefore ought to receive strict construction, I am quite of a different opinion, and that it ought to receive a liberal construction, for it is very far from being a monopoly, as it is intended to secure the property of books in the authors themselves, or the purchasers of the copy, as some recompence for their pains and labour in such works as may be of use to the learned world.
>
> The question is, Whether this book of the New Crown Law, which the defendant has published, is the same with Sir Matthew Hale's *Historia Placitorum Coronae*, the copy of which is now the property of the plaintiff.
>
> Where books are colourably shortened only, they are undoubtedly within the meaning of the act of Parliament, and are a mere evasion of the statute, and cannot be called an abridgment.

> But this must not be carried so far as to restrain persons from making a real and fair abridgment, for abridgments may with great propriety be called a new book, because not only the paper and print, but the invention, learning, and judgment of the author is shewn in them, and in many cases are extremely useful, though in some instances prejudicial, by mistaking and curtailing the sense of an author.
>
> If I should extend the rule so far as to restrain all abridgments, it would be of mischievous consequence, for the books of the learned, *les Journels des Scavans*, and several others that might be mentioned, would be brought within the meaning of this act of parliament.
>
> In the present case it is merely colourable, some words out of the *Historia Placitorum Coronae* are left out only, and translations given instead of the Latin and French quotations that are dispersed through Sir Matthew Hale's works; yet not so flagrant as the case of *Read v. Hodges*, for there they left out whole pages at a time; but I shall not be able to determine this properly, unless both books were read over, and the case fairly stated between the parties.
>
> [Rather than send it to a jury,] I think is one of those cases where it would be much better for the parties to fix upon two persons of learning and abilities in the profession of the law, who would accurately and carefully compare them, and report their opinion to the court.

Notes and questions

(1) What happened to the case? Lord Hardwicke continued the injunction, pending a master of the court's report on the similarities between the two works. The result is not contained in the report of the case, but it is discussed in *Tonson v. Walker*, (1752) 36 Eng. Rep. 1017 (Ch.). Apparently, the court-assisted arbitration proceeding led to an agreement that the defendant's work was a fair abridgment outside the Statute of Anne's scope. Accordingly, the injunction was dissolved.

(2) Notice how Lord Hardwicke rejects the argument that the Statute of Anne should be narrowly construed as a monopoly. Lord Hardwicke goes beyond the literal words of the Statute of Anne to the purposes it entailed and rejects any "mere evasion of the statute." So it is worth asking whether the decision in *Gyles* expands or contracts the scope of copyright? In *The Prehistory of Fair Use*, Matthew Sag argues:

> Although *Gyles* is often cited as the origin of the fair use doctrine in England and has generally been received as a pro-abridgment decision, Lord Hardwicke's reasoning gave as much to copyright owners as it took away. On the one hand, *Gyles* confirmed the legality of some abridgments (those described as fair). Yet it also entrenched a broad purposive reading of the Statute of Anne and condemned another set of abridgments (those deemed unfair) as infringing copyright.

(3) As *Gyles* illustrates, the premodern copyright cases tended to set the dividing line between infringing and noninfringing abridgements with a view to two factors. First, the degree of *intellectual labor* contributed by the defendant. This was not simply an assessment of the amount of work added by the defendant, usually the question was presented as whether the defendant's work should fairly be seen as a *new work*. The second factor was whether the defendant's work was likely to *substitute* for the plaintiff's original work.

The modern doctrine of fair use has retained some of the decisional structure of the premodern English abridgment cases. An assessment of fair use is significantly influenced by the degree of newness of the defendant's work in the sense of the question of whether the defendant's use was *transformative* (this is part of the first fair use factor). Modern fair use cases are also highly sensitive to concerns of market substitution (this is part of the fourth fair use factor).

***

Over time the scope of what was considered an infringing copy expanded. One particularly important case to note in this expansion was *Folsom v. Marsh*, 9 F. Cas. 342, 349 (C.C.D. Mass. 1841). *Folsom v. Marsh* is often cited as the beginning of the modern United States doctrine of fair use, but the term does not actually appear in the decision. The earliest American report that actually uses the expression "fair use" is *Lawrence v. Dana*, 15 F. Cas. 26, 60 (C.C.D. Mass. 1869) (No. 8136). And as we have just seen, the fair use doctrine in the United States was in many ways a continuation of earlier English authorities on fair abridgment.

The dispute in *Folsom v. Marsh* was over two different books about George Washington. The plaintiffs, Folsom, Wells & Thurston, owned the rights to Jared Sparks' extensive 12-volume collection of Washington's writings. The defendant, Reverend Charles Upham, created a shorter book, *The Life of Washington*, mainly using extracts from Washington's writings, with about a third of the content coming from Sparks' collection. Upham's publisher argued that their book was a fair abridgment and didn't violate copyright because once Washington's writings were published, anyone could use them to create a new work. However, despite similar abridgments having been allowed by numerous English authorities, the court did not accept the argument.

Justice Story framed the issue in terms of the need to find a line between thinly disguised piracy and acceptable quotation and stressed the need to consider "the comparative use made in one of the materials of the other; the nature, extent, and value of the materials thus used; the objects of each work; and the degree to which each writer may be fairly presumed to have resorted to the same common sources of information, or to have exercised the same common diligence in the selection and arrangement of the materials."

The court noted that 353 out of 866 pages in Upham's work were identical to passages in Sparks' work, with 319 of those pages consisting of Washington's letters that had not been published before Sparks' edition. Justice Story held that the letters of Washington were proper subjects of copyright and that the rights to those letters had been acquired by the plaintiffs. Thus, the central question was whether this extensive use of Washington's letters in Upham's work constituted copyright infringement. Justice Story recognized that Upham's work could not be classified as a mere abridgment or simple compilation of Sparks' work. Nonetheless, while Upham's narrative was either original or derived from common sources, his verbatim use of entire letters from Sparks' collection, chosen for their significance, raised the issue of whether this constituted an infringement.

Folsom v. Marsh, 9 F. Cas. 342, 349 (C.C.D. Mass. 1841) (No. 4901)

Circuit Justice Story

… The question, then, is, whether this is a justifiable use of the original materials, such as the law recognizes as no infringement of the copyright of the plaintiffs. It is said, that the defendant has selected only such materials, as suited his own limited purpose as a biographer. That is, doubtless, true; and he has produced an exceedingly valuable book. But that is no answer to the difficulty. It is certainly not necessary, to constitute an invasion of copyright, that the whole of a work should be copied, or even a large portion of it, in form or in substance. If so much is taken, that the value of the original is sensibly diminished, or the labors of the original author are substantially to an injurious extent appropriated by another, that is sufficient, in point of law, to constitute a piracy *pro tanto*. The entirety of the copyright is the property of the author; and it is no defence, that another person has appropriated a part, and not the whole, of any property. Neither does it necessarily depend upon the quantity taken, whether it is an infringement of the copyright or not. It is often affected by other considerations, the value of the materials taken, and the importance of it to the sale of the original work.

In short, we must often, in deciding questions of this sort, look to the nature and objects of the selections made, the quantity and value of the materials used, and the degree in which the use may prejudice the sale, or diminish the profits, or supersede the objects, of the original work. Many mixed ingredients enter into the discussion of such questions. In some cases, a considerable portion of the materials of the original work may be fused, if I may use such an expression, into another work, so as to be undistinguishable in the mass of the latter, which has other professed and obvious objects, and cannot fairly be treated as a piracy; or they may be inserted as a sort of distinct and mosaic work, into the general texture of the second work, and constitute the peculiar excellence thereof, and then it may be a clear piracy. If a person should, under color of publishing "Elegant Extracts" of poetry, include all the best pieces at large of a favorite poet, whose volume was secured by a copyright, it would be difficult to say why it was not an invasion of that right, since it might constitute the entire value of the volume. …

In the present case, I have no doubt whatever, that there is an invasion of the plaintiffs' copyright; I do not say designedly, or from bad intentions; on the contrary, I entertain no doubt, that it was deemed a perfectly lawful and justifiable use of the plaintiffs' work. But if the defendants may take three hundred and nineteen letters, included in the plaintiffs' copyright, and exclusively belonging to them, there is no reason why another bookseller may not take other five hundred letters, and a third, one thousand letters, and so on, and thereby the plaintiffs' copyright be totally destroyed. Besides; every one must see, that the work of the defendants is mainly founded upon these letters, constituting more than one third of their work, and imparting to it its greatest, nay, its essential value. Without those letters, in its present form the work must fall to the ground. It is not a case, where abbreviated or select passages are taken from particular letters; but the entire letters are taken, and those of most interest and value to the public, as illustrating the life, the acts, and the character of Washington. It seems to me, therefore, that it is a clear invasion of the right of property of the plaintiffs, if the copying of parts of a work, not constituting a major part, can ever be a violation thereof; as upon principle and authority, I have no doubt it may be. If it had been the case of a fair and bona fide abridgment of the work of the plaintiffs, it might have admitted of a very different consideration.

> I have come to this conclusion, not without some regret, that it may interfere, in some measure, with the very meritorious labors of the defendants, in their great undertaking of a series of works adapted to school libraries. But a judge is entitled in this case, as in others, only to know and to act upon his duty. I hope, however, that some means may be found, to produce an amicable settlement of this unhappy controversy. The report of the master must stand confirmed, and a perpetual injunction be awarded, restraining the defendants, their agents, servants and salesmen, from farther printing, publishing, selling, or disposing of any copy or copies of the work complained of; the "*Life of Washington*," by the Rev. Charles W. Upham, containing any of the three hundred and nineteen letters of Washington, stated in the report of the master, and never before published; and that it be referred to a master, to take an account of the profits made by the defendants, in the premises; with leave for either party to apply to the court for farther directions.

Notes and questions

(1) In a 2008 article in the Yale Law Journal, *The Ideology of Authorship Revisited: Authors, Markets, and Liberal Values in Early American Copyright*, Oren Bracha argues that *Folsom v. Marsh* was a pivotal component of American copyright law's transformation in the nineteenth century. Over the course of the nineteenth century, Bracha contends copyright changed from an exclusive right to make verbatim copies of particular texts to an abstract right of general control in which the only boundaries of a work were identified vis-à-vis its market value. Bracha argues that the concept of fair use announced in *Folsom v. Marsh* was a fundamental change in copyright's baseline.

(2) In *The Prehistory of Fair Use*, Matthew Sag argues that Bracha's characterization is correct in broad strokes, but possibly over-states the abruptness of the shift. He points out that fair abridgement was lawful in the United States prior to *Folsom v. Marsh* and abridgement did not become suddenly unlawful after *Folsom v. Marsh*. Nonetheless, the line between fair and unfair did seem to have shifted around this time as evidenced by the 1870 amendment to the U.S. Copyright Act that gave authors the right to control translations and dramatizations of their works.

(3) Why did the scope of fair abridgment reduce over time? In *The Prehistory of Fair Use* Matthew Sag argues that premodern cases illustrate a half-formed notion of the derivative work right: unauthorized derivatives could be enjoined to defend the market of the original work, but they did not constitute a separate market unto themselves. *Folsom* departs from the earlier English cases in that it recognizes derivatives as inherently valuable —not just something to be enjoined to defend the original work against substitution. This subtle shift is important because while the boundaries of a defensive derivative right can be ascertained vis-à-vis the defendant's work on the plaintiff's original market, the boundaries of an offensive derivative right can only be determined in the context of some other limiting principle. The expansion of the derivative right may reflect broader shifts in 19th century thinking and a desire to protect value as an abstract concept as opposed to merely protecting title. It might also be due to an anchoring effect: as more and more derivatives were enjoined defensively, courts and copyright owners began to see these derivatives as part of the authors' inherent rights in their creations.

***

The scope of the reproduction right did not change overnight. Consider the famous case of *Kalem Co. v. Harper Brothers*, 222 U.S. 55 (1911). Harper Brothers owned the copyright in *Ben-Hur: A Tale of the Christ*, a very popular novel written by Lew Wallace. Kalem made a silent film based on *Ben Hur* without Harper Brothers's authorization. The Supreme Court's decision focused on whether the right to "dramatize" the work was infringed when Kalem gave copies of the film to movie theatres on the understanding that they would display the film. The Supreme Court said that it was:

> In some cases where an ordinary article of commerce is sold nice questions may arise as to the point at which the seller becomes an accomplice in a subsequent illegal use by the buyer. It has been held that mere indifferent supposition or knowledge on the part of the seller that the buyer of spirituous liquor is contemplating such unlawful use is not enough to connect him with the possible unlawful consequences, but that if the sale was made with a view to the illegal resale the price could not be recovered. But no such niceties are involved here. The defendant not only expected but invoked by advertisement the use of its films for dramatic reproduction of the story. That was the most conspicuous purpose for which they could be used, and the one for which especially they were made. If the defendant did not contribute to the infringement it is impossible to do so except by taking part in the final act. It is liable on principles recognized in every part of the law.

This decision is an early example of secondary liability in copyright law, but arguably, the most interesting thing about it is what is missing. It seems remarkable now, but the court of appeals in *Harper & Bros. v. Kalem Co.,* 169 F. 61 (2d Cir. 1909) held in essence that a film based on a book was not a copy of the book and the Supreme Court did not disagree with this conclusion. The court of appeals said:

> The series of photographs taken by the defendant constitutes a single picture, capable of copyright as such; and as pictures only represent the artist's idea of what the author has expressed in words, they do not infringe a copyrighted book or drama, and should not as a photograph be enjoined.

The notion that "pictures only represent the artist's idea of what the author has expressed in words" and thus fall on the idea side of the idea-expression dichotomy fails to grasp that the pictures in sequence tell a story and that story was the *Ben Hur* story. The case illustrates how limited the scope of copyright was compared to what it is now.

The express statutory right to "prepare a derivative work based upon the copyrighted work" is a recent addition to American copyright law. Section 1 of the Copyright Act of 1790 gave domestic authors who complied with certain formalities the "sole right and liberty" to print, reprint, publish, and to vend (sell or offer for sale) qualifying maps, charts, and books, for a term of fourteen years. Section 2 added an importation right, but the Act did not expressly recognize any rights with respect to adaptations or derivative works.

In 1909, Congress provided a more expansive, but still specific, list of derivatives that authors were entitled to control. The Copyright Act of 1909, Section 1(b) conferred an exclusive right (among other things) to *translate* literary works, to *dramatize* nondramatic literary works, and to *novelize* a dramatic work. It is important to note the structure of the 1909 Act. The Act not only identified specific types of derivatives that authors were entitled to control—translations, dramatizations and novelizations; it also tied each type of

derivative to the type of work being adapted. It was not until the Copyright Act of 1976 that United States copyright law conferred an express general right to control the preparation of derivative works based upon copyrighted works.

Must a Copy be Human-Readable?

If a tree falls in the forest, does it really make a sound? Is something a copy for the purposes of copyright law if it can't be read or understood by human beings? You might think this question is about digital technology, but it was actually first raised over a century ago in relation to player pianos.

Emile Berliner invented the gramophone in 1887. Unlike earlier sound recording devices, such as Thomas Edison's phonograph which used cylindrical recordings, the gramophone used flat discs to record and play sound. This eventually became the dominant format for recorded music for the analog era. Player pianos were not quite as significant as the gramophone, but they hold an important place in copyright law history. Player pianos also allowed for the mechanical reproduction of music, but in a slightly different way using perforated rolls of paper (piano rolls). For the authors of musical works, the significance of these inventions was that they could reproduce performances of compositions without the need for a live musician, and thus without the need for printed sheet music.

The question of whether mechanical encodings of music that were not human-readable should be thought of as "copies" came to the Supreme Court in *White-Smith Music Publishing Co. v. Apollo Co.*, 209 U.S. 1 (1908).

White-Smith Music Publishing Co., a music publisher, held the copyright for various musical compositions. White-Smith argued that Apollo's use of their compositions in the production of piano rolls was a form of unauthorized reproduction. The Copyright Act in force at the time primarily addressed written or printed materials such as books, maps, and sheet music.

The Supreme Court's opinion explained the process of creating perforated music rolls used in mechanical piano attachments like the pianola. The rolls consisted of perforated sheets that controlled air pressure, which operated the mechanism to sound the notes as the roll moved over the tracker board. The Court outlined three main methods of producing these rolls: first, an arranger marked and cut perforations on paper based on the musical score, creating an original stencil used to produce multiple rolls; second, a new roll could be made by reproducing an existing perforated roll; and third, an automatic recording device attached to a piano could create a perforated matrix that generated the music roll. Skilled workers used these methods to convert sheet music into perforations that, with the aid of the mechanical system, reproduced the recorded music.

White-Smith Music Publishing Co. v. Apollo Co., 209 U.S. 1 (1908)

> **Mr. Justice Day delivered the opinion of the court.**
>
> In the last analysis this case turns upon the construction of a statute, for it is perfectly well settled that the protection given to copyrights in this country is wholly statutory. When we turn to the consideration of the act it seems evident that

Congress has dealt with the tangible thing, a copy of which is required to be filed with the Librarian of Congress, and wherever the words are used (copy or copies) they seem to refer to the term in its ordinary sense of indicating reproduction or duplication of the original. …

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

Various definitions have been given by the experts called in the case. The one which most commends itself to our judgment is perhaps as clear as can be made, and defines a copy of a musical composition to be "a written or printed record of it in intelligible notation." It may be true that in a broad sense a mechanical instrument which reproduces a tune copies it; but this is a strained and artificial meaning. When the combination of musical sounds is reproduced to the ear it is the original tune as conceived by the author which is heard. These musical tones are not a copy which appeals to the eye. In no sense can musical sounds which reach us through the sense of hearing be said to be copies as that term is generally understood, and as we believe it was intended to be understood in the statutes under consideration. A musical composition is an intellectual creation which first exists in the mind of the composer; he may play it for the first time upon an instrument. It is not susceptible of being copied until it has been put in a form which others can see and read. The statute has not provided for the protection of the intellectual conception apart from the thing produced, however meritorious such conception may be, but has provided for the making and filing of a tangible thing, against the publication and duplication of which it is the purpose of the statute to protect the composer.

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

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

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

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

Notes and questions

(1) According to the Court, what is the difference between sheet music and a piano roll? Why does the Court take the narrow view that piano rolls were not copies?

(2) Congress responded to the *White-Smith* decision in the 1909 Act by giving composers a right of mechanical reproduction subject to a compulsory license. The modern Copyright Act goes further and makes it clear that actual human readership or direct human readability is not required: instructions encoded in machine-readable form that can reproduce the sound but are unintelligible to humans qualify as "copies." It gives copyright owners the exclusive right "to reproduce the copyrighted work in copies" and defines copies in Section 101 as "material objects . . . in which a work is fixed . . . and from which the work *can* be perceived, reproduced, or otherwise communicated." Why do you think it is important to treat mechanical copies that humans can't read directly as copies?

(3) The question *White-Smith* raised has returned in an unfamiliar shape. Is a generative AI model trained on copyrighted works itself a copy of those works? The difficulty is that we are used to thinking of a copy as something that exists in a reasonably well-defined state. A piano roll is an object; so is a hard drive sector. A trained model is a messy statistical artifact, billions of parameters that encode no particular work in any particular place, but which, given the right provocation, can sometimes reproduce one.

The question has now been litigated. In *GEMA v. OpenAI*, Case No. 42 O 14139/24 (Landgericht München I, 11 November 2025), a German court held that the memorization of song lyrics in a language model's parameters is itself an act of reproduction, and that regurgitation in an output is a further reproduction; the text and data mining exception, in the court's view, covers only the analytical phase of training. The court treated it as beside the point that the content exists "only in the language models in the form of probability values and distributed across various parameters," asking instead whether the model could reproduce the work in recognizable form. The judgment is not final, since OpenAI has appealed, and it is of course a decision under German and EU law rather than United States law.

A. Feder Cooper and James Grimmelmann argue that the mere fact that there is no identifiable copy residing in the dispersed weights that comprise a language model is not enough to deny the charge of memorization. The fact of retrieval shows that the model contains a copy, even if the existence of that copy can only be proven inferentially. On this view, even highly contingent or prompt-dependent regurgitation demonstrates that the model internally encodes expressive content that meets the statutory threshold for a "copy." For more, see A. Feder Cooper & James Grimmelmann, *The Files Are in the Computer: On Copyright, Memorization, and Generative AI*, 100 CHICAGO-KENT LAW REVIEW 141 (2025).

Subconscious Copying

Bright Tunes Music v. Harrisongs Music, 420 F.Supp. 177 (S.D.N.Y. 1976)

In 1970 George Harrison, famed guitarist of The Beatles, released a solo album including a track entitled, "My Sweet Lord". The copyright owner of the 1962 hit "He's So Fine"—who had acquired the rights from the original authors—sued Harrison alleging that My Sweet Lord was copied from He's So Fine.

The songs are mostly different, but they have some features in common. As the court described it:

> He's So Fine, recorded in 1962, is a catchy tune consisting essentially of four repetitions of a very short basic musical phrase, "sol-mi-re," (hereinafter motif A), altered as necessary to fit the words, followed by four repetitions of another short basic musical phrase, "sol-la-do-la-do," (hereinafter motif B). While neither motif is novel, the four repetitions of A, followed by four repetitions of B, is a highly unique pattern.[3] In addition, in the second use of the motif B series, there is a grace note inserted making the phrase go "sol-la-do-la-re-do."
>
> My Sweet Lord, recorded first in 1970, also uses the same motif A (modified to suit the words) four times, followed by motif B, repeated three times, not four. In place of He's So Fine's fourth repetition of motif B, My Sweet Lord has a transitional passage of musical attractiveness of the same approximate length, with the identical grace note in the identical second repetition. The harmonies of both songs are identical.

The case is notable for its exploration of "subconscious copying" as copyright infringement. The judge did not contend that Harrison had set out to copy He's So Fine, but he concluded that he had nonetheless done so subconsciously.

> Seeking the wellsprings of musical composition —why a composer chooses the succession of notes and the harmonies he does—whether it be George Harrison or Richard Wagner—is a fascinating inquiry. It is apparent from the extensive colloquy between the Court and Harrison covering forty pages in the transcript that neither Harrison nor Preston were conscious of the fact that they were utilizing the He's So Fine theme. However, they in fact were, for it is perfectly obvious to the listener that in musical terms, the two songs are virtually identical except for one phrase. There is motif A used four times, followed by motif B, four times in one case, and three times in the other, with the same grace note in the second repetition of motif B.
>
> What happened? I conclude that the composer, in seeking musical materials to clothe his thoughts, was working with various possibilities. As he tried this possibility and that, there came to the surface of his mind a particular combination that pleased him as being one he felt would be appealing to a prospective listener; in other words, that this combination of sounds would work. Why? Because his subconscious knew it already had worked in a song his conscious mind did not remember. Having arrived at this pleasing combination of sounds, the recording was made, the lead sheet prepared for copyright and the song became an enormous

> success. Did Harrison deliberately use the music of He's So Fine? I do not believe he did so deliberately. Nevertheless, it is clear that My Sweet Lord is the very same song as He's So Fine with different words, and Harrison had access to He's So Fine. This is, under the law, infringement of copyright, and is no less so even though subconsciously accomplished.

Notes and questions

(1) Is it fair to hold someone liable for unintentionally replicating aspects of another's work, given that common chord progressions, rhythms, and melodies are shared across many songs?

(2) Why is the judge so sure that the author of He's So Fine came up with that sequence of notes from his own imagination, but that George Harrison could not have done the same?

Is a Temporary Reproduction a Copy Under the Copyright Act?

If Amy sends Bob an email attaching a copyrighted book as a PDF file, it seems clear that when Bob clicks the download button, he has created a copy of the book. But did the phone company that provided Bob's internet access also make a copy when it allowed the file to pass along its network as a series of packets of information? What if a copy of those files was stored temporarily part way along the transfer process?

If Amy sets up a buffer that takes broadcast television signals, holds them for 1.2 seconds, and then bounces them onto Bob in a new format, has she made "a copy" of the TV program? Or is that just a performance?

If Amy buys an eBook from Bob under a license that allows for her to make a single copy, does she need a new license every time her book reader calls a piece of the file up from long-term memory into short-term memory so it can be displayed?

These questions all raise the issue of how copyright law deals with temporary or transitory copies.

The RAM Copy Doctrine

The short-term memory in a computer is typically comprised of RAM (random access memory). Beginning with *MAI Systems Corporation v. Peak Computer, Inc.,* 991 F.2d 511 (9th Cir. 1993), courts have consistently held that the creation of such "RAM copies" is an act of reproduction under the Copyright Act.

MAI sold computer hardware that required proprietary software to operate. MAI licensed the software to its customers under strict terms, allowing them to use the software only with MAI's permission. MAI sold services relating to its hardware but faced competition from Peak Computer. Rather than competing on quality or price of service, MAI argued that Peak's technicians were violating copyright law because in the course of repairing MAI systems, Peak technicians would load MAI's operating software into the computer's RAM to test and troubleshoot the system. This step was necessary to diagnose problems and fix the computers.

MAI argued that when Peak technicians loaded the MAI software into RAM, it constituted a "copy" under copyright law and the Ninth Circuit agreed.

MAI Systems Corporation v. Peak Computer, Inc., 991 F.2d 511 (9th Cir. 1993)

> The Copyright Act defines "copies" as: material objects, other than phonorecords, in which a work is fixed by any method now known or later developed, and from which the work can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device. 17 U.S.C. § 101.
>
> The Copyright Act then explains: A work is "fixed" in a tangible medium of expression when its embodiment in a copy or phonorecord, by or under the authority of the author, is sufficiently permanent or stable to permit it to be perceived, reproduced, or otherwise communicated for a period of more than transitory duration. 17 U.S.C. § 101.
>
> Peak concedes that in maintaining its customer's computers, it uses MAI operating software "to the extent that the repair and maintenance process necessarily involves turning on the computer to make sure it is functional and thereby running the operating system." It is also uncontroverted that when the computer is turned on the operating system is loaded into the computer's RAM. As part of diagnosing a computer problem at the customer site, the Peak technician runs the computer's operating system software, allowing the technician to view the systems error log, which is part of the operating system, thereby enabling the technician to diagnose the problem.
>
> Peak argues that this loading of copyrighted software does not constitute a copyright violation because the "copy" created in RAM is not "fixed." However, by showing that Peak loads the software into the RAM and is then able to view the system error log and diagnose the problem with the computer, MAI has adequately shown that the representation created in the RAM is "sufficiently permanent or stable to permit it to be perceived, reproduced, or otherwise communicated for a period of more than transitory duration."
>
> After reviewing the record, we find no specific facts (and Peak points to none) which indicate that the copy created in the RAM is not fixed.
>
> We have found no case which specifically holds that the copying of software into RAM creates a "copy" under the Copyright Act. However, it is generally accepted that the loading of software into a computer constitutes the creation of a copy under the Copyright Act. We recognize that these authorities are somewhat troubling since they do not specify that a copy is created regardless of whether the software is loaded into the RAM, the hard disk or the read only memory ("ROM"). However, since we find that the copy created in the RAM can be "perceived, reproduced, or otherwise communicated," we hold that the loading of software into the RAM creates a copy under the Copyright Act. 17 U.S.C. § 101.

RAM copy doctrine revised

The RAM copy doctrine announced in *MAI v. Peak* had far-reaching effects, but because the copies made by Peak clearly lasted for some appreciable period of time, the decision left some ambiguity as to whether all temporary copies counted as "copies" under the Copyright Act. The Second Circuit addressed that question in *Cartoon Network LP, LLLP v. CSC Holdings, Inc.* (also known as the Cablevision case). Cablevision operated a remote storage digital video recording (RS-DVR) system which allowed customers to record television programs without needing a physical DVR in their homes. Instead of storing the recorded content on a local device (like a set-top DVR box or an old-fashioned VCR), the recorded shows were stored on Cablevision's central servers. One of the plaintiff's arguments in this case was that when Cablevision ran television programs through a temporary buffer (basically a holding pattern inside the computer) it made an unauthorized copy.

Cablevision had a statutory license that allowed it to take live broadcast signals and send them to its subscribers. To provide the additional service of recording programs on the customer's behalf, Cablevision split the incoming signal into two streams. One stream was sent directly to subscribers' televisions, while the other stream was sent to a buffer where it was processed (i.e., encoded and routed) for storage on the remote server if a subscriber had requested that recording. This buffering process lasted less than 1.2 seconds.

Cartoon Network v. CSC Holdings, 536 F.3d 121 (2d Cir. 2008)

> … The question is whether, by buffering the data that make up a given work, Cablevision "reproduce[s]" that work "in copies," 17 U.S.C. § 106(1), and thereby infringes the copyright holder's reproduction right.
>
> "Copies," as defined in the Copyright Act, "are material objects ... in which a work is fixed by any method ... and from which the work can be ... reproduced." Id. § 101. The Act also provides that a work is "'fixed' in a tangible medium of expression when its embodiment ... is sufficiently permanent or stable to permit it to be ... reproduced ... *for a period of more than transitory duration.*" Id. (emphasis added). We believe that this language plainly imposes two distinct but related requirements: the work must be embodied in a medium, i.e., placed in a medium such that it can be perceived, reproduced, etc., from that medium (the "embodiment requirement"), and it must remain thus embodied "for a period of more than transitory duration" (the "duration requirement"). Unless both requirements are met, the work is not "fixed" in the buffer, and, as a result, the buffer data is not a "copy" of the original work whose data is buffered.
>
> The district court mistakenly limited its analysis primarily to the embodiment requirement. As a result of this error, once it determined that the buffer data was "clearly ... capable of being reproduced," i.e., that the work was embodied in the buffer, the district court concluded that the work was therefore "fixed" in the buffer, and that a copy had thus been made. In doing so, it relied on a line of cases beginning with *MAI Systems Corp. v. Peak Computer Inc*., 991 F.2d 511 (9th Cir.1993).

[The court noted that although the Ninth Circuit in *MAI Systems* referenced the "transitory duration" language from Section 101, it did not discuss or analyze it, presumably because the parties did not litigate the significance of the "transitory duration" language. The Second Circuit found this "unsurprising, because it seems fair to assume that in these cases the program was embodied in the RAM for at least several minutes."]

Accordingly, we construe MAI Systems and its progeny as holding that loading a program into a computer's RAM can result in copying that program. We do not read MAI Systems as holding that, as a matter of law, loading a program into a form of RAM always results in copying. Such a holding would read the "transitory duration" language out of the definition, and we do not believe our sister circuit would dismiss this statutory language without even discussing it. It appears the parties in MAI Systems simply did not dispute that the duration requirement was satisfied; this line of cases simply concludes that when a program is loaded into RAM, the embodiment requirement is satisfied — an important holding in itself, and one we see no reason to quibble with here.

We now turn to whether, in this case, those requirements are met by the buffer data.

Cablevision does not seriously dispute that copyrighted works are "embodied" in the buffer. Data in the BMR buffer can be reformatted and transmitted to the other components of the RS-DVR system. Data in the primary ingest buffer can be copied onto the Arroyo hard disks if a user has requested a recording of that data. Thus, a work's "embodiment" in either buffer "is sufficiently permanent or stable to permit it to be perceived, reproduced," (as in the case of the ingest buffer) "or otherwise communicated" (as in the BMR buffer). 17 U.S.C. § 101. The result might be different if only a single second of a much longer work was placed in the buffer in isolation. In such a situation, it might be reasonable to conclude that only a minuscule portion of a work, rather than "a work" was embodied in the buffer. Here, however, where every second of an entire work is placed, one second at a time, in the buffer, we conclude that the work is embodied in the buffer.

Does any such embodiment last "for a period of more than transitory duration"? Id. No bit of data remains in any buffer for more than a fleeting 1.2 seconds. And unlike the data in cases like *MAI Systems*, which remained embodied in the computer's RAM memory until the user turned the computer off, each bit of data here is rapidly and automatically overwritten as soon as it is processed. While our inquiry is necessarily fact-specific, and other factors not present here may alter the duration analysis significantly, these facts strongly suggest that the works in this case are embodied in the buffer for only a "transitory" period, thus failing the duration requirement.

Against this evidence, plaintiffs argue only that the duration is not transitory because the data persist "long enough for Cablevision to make reproductions from them." As we have explained above, however, this reasoning impermissibly reads the duration language out of the statute, and we reject it. Given that the data reside in no buffer for more than 1.2 seconds before being automatically overwritten, and in the absence of compelling arguments to the contrary, we believe that the

> copyrighted works here are not "embodied" in the buffers for a period of more than transitory duration, and are therefore not "fixed" in the buffers. Accordingly, the acts of buffering in the operation of the RS-DVR do not create copies, as the Copyright Act defines that term. Our resolution of this issue renders it unnecessary for us to determine whether any copies produced by buffering data would be de minimis, and we express no opinion on that question.

Notes and questions

(1) The Second Circuit was not alone in seeking to limit the broad sweep of the RAM copy doctrine. *CoStar Group Inc. v. LoopNet, Inc.*, 373 F.3d 544 (4th Cir. 2004) held that while temporary reproductions "may be made in this transmission process, they would appear not to be 'fixed' in the sense that they are 'of more than transitory duration.'"

CHAPTER 7. THE REPRODUCTION RIGHT—PART I

Introduction

Section 106(1) of the Copyright Act of 1976 gives copyright owners the exclusive right "to reproduce the copyrighted work in copies or phonorecords," but nothing in the Copyright Act actually tells us what standard to apply in determining whether one work amounts to a reproduction of another.

This lack of guidance is no problem in easy cases where the defendant has copied the plaintiff's work in its entirety, or nearly so. These cases of "simple piracy" are common enough, but they do not lead to many interesting judgments and so they are underrepresented in published opinions and copyright law casebooks. But of course, as already discussed in a previous chapter, the rights of the copyright owner are not limited to literal word-for-word reproductions or close facsimiles of the original work. As Judge Learned Hand explained in *Nichols v. Universal Pictures* 45 F.2d 119 (2d Cir. 1930) (extracted in a previous chapter):

> It is of course essential to any protection of literary property, whether at common-law or under the statute, that the right cannot be limited literally to the text, else a plagiarist would escape by immaterial variations. That has never been the law, *but, as soon as literal appropriation ceases to be the test, the whole matter is necessarily at large*, so that, as was recently well said by a distinguished judge, the decisions cannot help much in a new case.

If the exclusive right to reproduce the work in copies goes well beyond complete literal copies—i.e., well beyond simple piracy—how far should it go? What test should courts use to determine when that right has been infringed? Adding to the silence of the Copyright Act on this question, the Supreme Court has never indicated that it favors any particular approach. In *Feist Publications, Inc. v. Rural Telephone Service Co.,* 499 U.S. 340, 361 (1991), the Court said: "To establish infringement, two elements must be proven: (1) ownership of a valid copyright, and (2) copying of constituent elements of the work that are original." Although it was not an issue before the Court, Justice Gorsuch elaborated on the *Feist* formulation in his concurrence in *Andy Warhol Foundation for the Visual Arts, Inc. v. Goldsmith*, 598 U.S. 508 (2023):

> 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.

That is much more than the Court had said previously.

The caselaw on how to determine the scope of the reproduction right, beyond exact copying, is a hot mess. In *An Empirical Study of Copyright's Substantial Similarity Test,* 13 UC IRVINE LAW REVIEW 35 (2022), Professor Clark Asay and his team of research assistants reviewed a random sample of about 1000 written opinions addressing substantial

similarity in copyright between 1978 and 2020. What they found was confusion and a "law in action" that departed significantly from the "law on the books."

> Copyright law's predominant means for determining copyright infringement is the so-called "substantial similarity" test. In the absence of clear direction from either the Supreme Court or Congress, lower courts have developed this test to assess whether an alleged infringer has taken so much of a copyright holder's protectible material as to constitute copyright infringement. Every circuit uses some version of this test, and courts employ it to assess whether any of a copyright owner's rights—not just the right of reproduction—have been violated. The test is frequently in the news at the heart of highly publicized copyright disputes. And for obvious reasons, scholars have devoted significant attention to analyzing and critiquing it.
>
> Each circuit has its own way of applying the test, with different circuits employing a multitude of subtests within the larger substantial similarity inquiry. In fact, the substantial similarity inquiry is notorious for its lack of uniformity, both within circuits and across them, despite commentators' attempts to provide sanitized versions of what different circuits do. … The substantial similarity test's second prong, where courts determine whether the defendant has taken so much protectable material as to constitute copyright infringement, is characterized by significant heterogeneity. Our data suggest that no dominant approach to answering this question exists, even within many circuits. Instead, courts normally use multiple subtests and copyright limitations to shape their decisions. They also use expert evidence more frequently under prong two than prong one, regardless of medium, another result that defies conventional wisdom.

This chapter will try to bring some order to this chaos by segmenting the relevant caselaw into temporal-conceptual eras.

The Era of Judicial Analysis

In the early to mid-20th Century copyright cases were largely decided by judges in equity courts, not juries. As such, judges had flexibility to determine nonliteral infringement without formal structures or rigid tests. This explains why judges in cases from the 1930s onwards frequently stated that it was impossible to create a clear, universal test for copyright infringement due to the inherently subjective nature of the issue. Judge Hand's opinion in *Nichols v. Universal Pictures* (1930) (extracted in a previous chapter) is a classic example of the flexible, case-by-case approach to substantial similarity. In that case, Judge Hand relied a great deal on his own analysis of the works in dispute and his familiarity with genres to determine the appropriate level of generality at which to compare the works, and to decide what elements to exclude from that comparison. Consider two additional examples.

Sheldon v. Metro-Goldwyn Pictures Corp. 81 F.2d 49 (2d Cir. 1936)

Plaintiffs claimed that the MGM motion picture *Letty Lynton* infringed their copyright in a play, *Dishonored Lady*. Plaintiffs argued that defendants had used their play to create the movie, pointing to similarities between the two works and prior negotiations for the sale of

the rights to the play. The defendants denied using the play and claimed that the movie was based on a public domain story about a historical figure and an English novel inspired by the same story.

As Judge Hand explored over many pages of the Federal Reports, the plaintiffs' play was based on the trial and story of Madeleine Smith, a young woman accused of poisoning her lover in 1857. Smith was acquitted, but the sensational trial was a well-known case. In the play, the character Madeleine Cary is a corrupt New York socialite who poisons her lover, an Argentinian dancer named Moreno, to escape from their affair and marry a respectable man. The plot centers on her conflict with Moreno and her eventual decision to poison him with strychnine.

Defendants' movie also features a young woman, Letty Lynton, who has a troubled love affair with a man named Emile Renaul. When he threatens to expose their relationship, Letty poisons him with strychnine to protect her reputation and future marriage. The plot of the movie, although different in some details, shares key similarities with the plaintiffs' play, particularly the themes of a young woman poisoning her lover to escape a damaging relationship.

For Judge Hand, the issues boiled down to two things. First, whether the movie had used the play as its source rather than the public domain story or the novel by the same name. Second, if there was copying, whether it was copying of expression versus copying of the "'theme,' or 'ideas,' or the like." Somewhat confusingly from our modern perspective, Hand called copying of non-expression "fair use."

Judge Hand then spent several more pages reviewing the similarities in the main characters of each story and several parallels in the events that take place that were not traceable to the original public domain story. Hand noted that the dialogue from the play was not part of the movie. He then concluded

> The play is the sequence of the confluents of all these means, bound together in an inseparable unity; it may often be most effectively pirated by leaving out the speech, for which a substitute can be found, which keeps the whole dramatic meaning. That as it appears to us is exactly what the defendants have done here; the dramatic significance of the scenes we have recited is the same, almost to the letter. True, much of the picture owes nothing to the play; some of it is plainly drawn from the novel; but that is entirely immaterial; it is enough that substantial parts were lifted; no plagiarist can excuse the wrong by showing how much of his work he did not pirate. We cannot avoid the conviction that, if the picture was not an infringement of the play, there can be none short of taking the dialogue.

Accordingly, the Second Circuit reversed the trial court's finding of no infringement and entered an injunction.

Notes and questions

(1) Once again, notice how judges in this era were comfortable deciding what was protectable expression and what wasn't and then determining whether the overlaps in protectable expression were significant. Why does the plaintiff in *Nichols* fail where the plaintiff in *Sheldon* succeeds?

(2) What does it mean to say that "the dramatic significance of the scenes we have recited is the same, almost to the letter"? Where does "dramatic significance" fit along a continuum between ideas and expression?

(3) When judges find substantial similarity in spite of some clear differences between the plaintiff's work and the defendant's they almost always quote *Sheldon* for the proposition that "no plagiarist can excuse the wrong by showing how much of his work he did not pirate."

Peter Pan Fabrics, Inc. v. Martin Weiner Corp. 274 F.2d 487 (2d Cir. 1960)

HAND, Circuit Judge.

This is an appeal from a preliminary injunction, granted by Judge Herlands, forbidding the defendant to copy an ornamental design, printed upon cloth. The plaintiffs — which for the purposes of this appeal are to be regarded as one — and the defendant are both "converters" of textiles, used in the manufacture of women's dresses. A "converter" buys uncolored cloth upon which he prints ornamental designs, and which he then sells to dressmakers. The plaintiffs bought from a Parisian designer a design, known as "Byzantium," which it registered as a "reproduction of a work of art," and for which the Copyright Office issued [a] certificate. …

The test for infringement of a copyright is of necessity vague. In the case of verbal "works" it is well settled that although the "proprietor's" monopoly extends beyond an exact reproduction of the words, there can be no copyright in the "ideas" disclosed but only in their "expression." Obviously, no principle can be stated as to when an imitator has gone beyond copying the "idea," and has borrowed its "expression." Decisions must therefore inevitably be *ad hoc.* In the case of designs, which are addressed to the aesthetic sensibilities of an observer, the test is, if possible, even more intangible. No one disputes that the copyright extends beyond a photographic reproduction of the design, but one cannot say how far an imitator must depart from an undeviating reproduction to escape infringement. In deciding that question one should consider the uses for which the design is intended, especially the scrutiny that observers will give to it as used. In the case at bar we must try to estimate how far its overall appearance will determine its aesthetic appeal when the cloth is made into a garment.

Both designs have the same general color, and the arches, scrolls, rows of symbols, etc. on one resemble those on the other though they are not identical. Moreover, the patterns in which these figures are distributed to make up the design as a whole are not identical. However, the ordinary observer, unless he set out to detect the disparities, would be disposed to overlook them, and regard their aesthetic appeal as the same. That is enough; and indeed, it is all that can be said, unless protection against infringement is to be denied because of variants irrelevant to the purpose for which the design is intended.

Notes and questions

(1) Who is the ordinary observer in this case, what are they observing?

(2) The test that is often quoted from Peter Pan Fabrics is whether "the ordinary observer, unless he set out to detect the disparities, would be disposed to overlook them, and regard their aesthetic appeal as the same." Where does sameness in "aesthetic appeal" fit along a continuum from ideas to expression?

***

This flexible, case-by-case approach worked well enough when judges were familiar with the subject matter and could draw on experience from similar cases, but the resulting rulings were at least as intuitive as they were analytical. The flexibility of the equity era came under strain in the post-World War II period, as legal realism gave way to legal process theory, which emphasized structured reasoning over holistic judicial discretion. As Bruce Boyden summarizes in *The Grapes of Roth,* a 2024 article in the Washington Law Review:

> The Legal Process School, which rose to prominence in the 1950s and whose methods still dominate legal education and practice today, argued that judicial opinions required "reasoned elaboration." Judging was only a democratically legitimate exercise of power, the process theorists maintained, if a judge explained in detail the steps that led to the result from a neutral starting principles. After the 1950s, opinions became far more elaborate in identifying multi-step tests, each step of which was analyzed separately by applying facts to law.

Compounding this strain, the intuitive approach of the equity era also seemed less and less plausible as the scope of works copyright protected expanded in the aftermath of *Mazer v. Stein* 347 U.S. 201 (1954) which had the effect of expanding the copyrightability of works of applied art and industrial design. Judges who were well versed in music, film, and literature, were not as comfortable addressing lampshades and children's toys.

The Recognition Test

In the 1960s American courts shifted to treating substantial similarity as a factual question to be resolved under a recognition test, but this shift was prefigured by one of the most important cases in the modern copyright law canon, *Arnstein v. Porter*.

In *Arnstein v. Porter*, Ira B. Arnstein, a composer, accused the renowned songwriter Cole Porter of stealing portions of his compositions to use in several of Porter's famous songs. Arnstein claimed that Porter's agents had obtained copies of his unpublished and published works, including possibly by breaking into his home! Arnstein pointed to melodic similarities between his and Porter's compositions, which he believed were evidence of copying. Porter denied having ever seen or heard Arnstein's compositions and argued that any similarities were coincidental, stemming from common musical expressions.

Arnstein v. Porter, 154 F.2d 464 (2d Cir. 1946)

Circuit Judge Frank

The principal question on this appeal is whether the lower court, under Rule 56, properly deprived plaintiff of a trial of his copyright infringement action. The answer depends on whether "there is the slightest doubt as to the facts." In applying that standard here, it is important to avoid confusing two separate elements essential to a plaintiff's case in such a suit: (a) that defendant copied from plaintiff's copyrighted work and (b) that the copying (assuming it to be proved) went so far as to constitute improper appropriation.

As to the first — copying — the evidence may consist (a) of defendant's admission that he copied or (b) of circumstantial evidence — usually evidence of access — from which the trier of the facts may reasonably infer copying. Of course, if there are no similarities, no amount of evidence of access will suffice to prove copying. If there is evidence of access and similarities exist, then the trier of the facts must determine whether the similarities are sufficient to prove copying. On this issue, analysis ("dissection") is relevant, and the testimony of experts may be received to aid the trier of the facts. If evidence of access is absent, the similarities must be so striking as to preclude the possibility that plaintiff and defendant independently arrived at the same result.

If copying is established, then only does there arise the second issue, that of illicit copying (unlawful appropriation). On that issue (as noted more in detail below) the test is the response of the ordinary lay hearer; accordingly, on that issue, "dissection" and expert testimony are irrelevant.

In some cases, the similarities between the plaintiff's and defendant's work are so extensive and striking as, without more, both to justify an inference of copying and to prove improper appropriation. But such double-purpose evidence is not required; that is, if copying is otherwise shown, proof of improper appropriation need not consist of similarities which, standing alone, would support an inference of copying.

Each of these two issues — copying and improper appropriation — is an issue of fact. If there is a trial, the conclusions on those issues of the trier, of the facts — of the judge if he sat without a jury, or of the jury if there was a jury trial — bind this court on appeal, provided the evidence supports those findings, regardless of whether we would ourselves have reached the same conclusions. But a case could occur in which the similarities were so striking that we would reverse a finding of no access, despite weak evidence of access (or no evidence thereof other than the similarities); and similarly as to a finding of no illicit appropriation.

We turn first to the issue of copying. After listening to the compositions as played in the phonograph recordings submitted by defendant, we find similarities; but we hold that unquestionably, standing alone, they do not compel the conclusion, or permit the inference, that defendant copied. The similarities, however, are sufficient so that, if there is enough evidence of access to permit the case to go to the jury, the jury may properly infer that the similarities did not result from coincidence.

Summary judgment was, then, proper if indubitably defendant did not have access to plaintiff's compositions. Plainly that presents an issue of fact. On that issue, the district judge, who heard no oral testimony, had before him the depositions of plaintiff and defendant. The judge characterized plaintiff's story as "fantastic"; and, in the light of the references in his opinion to defendant's deposition, the judge obviously accepted defendant's denial of access and copying. Although part of

plaintiff's testimony on deposition (as to "stooges" and the like) does seem "fantastic," yet plaintiff's credibility, even as to those improbabilities, should be left to the jury. If evidence is "of a kind that greatly taxes the credulity of the judge, he can say so, or, if he totally disbelieves it, he may announce that fact, leaving the jury free to believe it or not."

But even if we were to disregard the improbable aspects of plaintiff's story, there remain parts by no means "fantastic." On the record now before us, more than a million copies of one of his compositions were sold; copies of others were sold in smaller quantities or distributed to radio stations or band leaders or publishers, or the pieces were publicly performed. If, after hearing both parties testify, the jury disbelieves defendant's denials, it can, from such facts, reasonably infer access. It follows that, as credibility is unavoidably involved, a genuine issue of material fact presents itself. With credibility a vital factor, plaintiff is entitled to a trial where the jury can observe the witnesses while testifying. Plaintiff must not be deprived of the invaluable privilege of cross-examining the defendant — the "crucial test of credibility" — in the presence of the jury. Plaintiff, or a lawyer on his behalf, on such examination may elicit damaging admissions from defendant; more important, plaintiff may persuade the jury, observing defendant's manner when testifying, that defendant is unworthy of belief.

We cannot now say — as we think we must say to sustain a summary judgment — that at the close of a trial the judge could properly direct a verdict.

We agree that there are cases in which a trial would be farcical. But where, as here, credibility, including that of the defendant, is crucial, summary judgment becomes improper and a trial indispensable. We think that Rule 56 was not designed thus to foreclose plaintiff's privilege of examining defendant at a trial, especially as to matters peculiarly within defendant's knowledge.

Assuming that adequate proof is made of copying, that is not enough; for there can be "permissible copying," copying which is not illicit. Whether (if he copied) defendant unlawfully appropriated presents, too, an issue of fact. The proper criterion on that issue is not an analytic or other comparison of the respective musical compositions as they appear on paper or in the judgment of trained musicians. The plaintiff's legally protected interest is not, as such, his reputation as a musician but his interest in the potential financial returns from his compositions which derive from the lay public's approbation of his efforts. The question, therefore, is whether defendant took from plaintiff's works so much of what is pleasing to the ears of lay listeners, who comprise the audience for whom such popular music is composed, that defendant wrongfully appropriated something which belongs to the plaintiff.

Surely, then, we have an issue of fact which a jury is peculiarly fitted to determine.[22]

Footnote 22: It would, accordingly, be proper to exclude tone-deaf persons from the jury.

Indeed, even if there were to be a trial before a judge, it would be desirable (although not necessary) for him to summon an advisory jury on this question.

We should not be taken as saying that a plagiarism case can never arise in which absence of similarities is so patent that a summary judgment for defendant would be correct. Thus suppose that Ravel's "Bolero" or Shostakovitch's "Fifth Symphony" were alleged to infringe "When Irish Eyes Are Smiling."[23]

Footnote 23: In such a case, the complete absence of similarity would negate both copying and improper appropriation.

> But this is not such a case. For, after listening to the playing of the respective compositions, we are, at this time, unable to conclude that the likenesses are so trifling that, on the issue of misappropriation, a trial judge could legitimately direct a verdict for defendant.
>
> At the trial, plaintiff may play, or cause to be played, the pieces in such manner that they may seem to a jury to be inexcusably alike, in terms of the way in which lay listeners of such music would be likely to react. The plaintiff may call witnesses whose testimony may aid the jury in reaching its conclusion as to the responses of such audiences. Expert testimony of musicians may also be received, but it will in no way be controlling on the issue of illicit copying, and should be utilized only to assist in determining the reactions of lay auditors. The impression made on the refined ears of musical experts or their views as to the musical excellence of plaintiff's or defendant's works are utterly immaterial on the issue of misappropriation; for the views of such persons are caviar to the general — and plaintiff's and defendant's compositions are not caviar.

Notes and questions

(1) *Arnstein v. Porter* is a copyright case, but arguably copyright issues took a backseat to the intellectual contest between Judge Jerome Frank, an opponent of summary judgment, and Judge Charles Clark, one of its most recognizable proponents. The district court judge in *Arnstein v. Porter* was understandably skeptical when the litigious Ira Arnstein accused the famous Cole Porter of infringing copyrights in a collection of songs, some of which had never been published. That skepticism doubtlessly increased when Arnstein explained this theory that Porter had hired "stooges" to follow him and ransack his home in order to obtain his compositions. The eventual success of Arnstein's appeal owed a lot to the trial judge's overly blunt and candid dismissal of Arnstein as, in effect, a vexatious and frivolous litigant. See Shyamkrishna Balganesh, *The Questionable Origins of the Copyright Infringement Analysis*, 68 STANFORD LAW REVIEW 791 (2016).

(2) *Arnstein* treats both copying in fact and wrongful copying as pure questions of fact that must be determined by a jury except in the most extreme circumstances. But as we will see, the role of judges in determining infringement has waxed and waned repeatedly over the years since *Arnstein.* The standard for summary judgment set out in *Arnstein* was that the plaintiff was entitled to a trial of his copyright infringement action if there were "the slightest doubt as to the facts." This exacting standard has long since been overruled and yet *Arnstein* continues to influence the allocation of responsibilities between judge and jury in copyright litigation.

(3) *Arnstein* set forth a logical two-part test for copyright infringement: the copyright owner must show: first, that defendant's work was actually copied from hers, in the sense that there was a causal connection running from the work of the copyright owner to that of the defendant; and second, that the defendant's work is too similar to the plaintiff's to be permissible. In short, *copying in fact* and *wrongful copying*. This two-part, copying in fact plus wrongful copying approach is now central to establishing infringement under the reproduction right in modern U.S. copyright law.

(4) How is a plaintiff supposed to prove copying in fact? Judge Frank explained that actual copying could be established by "defendant's admission that he copied" or by circumstantial evidence, by establishing some combination of access to the work and similarity. What makes copying wrongful (or "illicit" or "unlawful")?, Judge Frank said "the test is the response of the ordinary lay hearer." Notice here that *Arnstein* treats both copying in fact and wrongful copying as questions of fact. Copying in fact seems like a more objective determination, whereas the "wrongfulness" of the copying is subjective. Under the *Arnstein* framework, the kinds of similarity that might support a finding of actual copying are objective and thus analytical dissection of the works aided by the testimony of experts might be appropriate. On the other hand, because wrongful copying "is the response of the ordinary lay hearer" Judge Frank said that "accordingly, on that issue, "dissection" and expert testimony are irrelevant." Whether this is really so is an issue taken up later in this chapter.

Bradbury v. Columbia Broad Sys., Inc., 287 F.2d 478 (9th Cir. 1961)

Ray Bradbury sued Columbia Broadcasting System (CBS), writer Robert Alan Aurthur, and producer Martin Manulis for copyright infringement, alleging that the 1957 television play A Sound of Different Drummers unlawfully copied protectible expression from his works The Fireman and Fahrenheit 451. The district court ruled for the defendants, finding no access, no copying, and no substantial similarity in expression.

The court of appeals found the claim that the show's writer and producer's work was developed independently of Fahrenheit hard to credit given their awareness of the book and prior dealings between Bradbury and CBS. The court of appeals concluded that: "Here we have not only direct evidence of access but we find similarities from which access and copying may be inferred."

The court of appeals reviewed a long list of 21 similarities between Fahrenheit and A Sound Of Different Drummers involving key plot elements, character relationships, and thematic motifs such as book-burning by government employees, the influence of an unorthodox girl on the protagonist, secret book-reading, societal control through technology and media, and underground efforts to preserve literature, all leading to personal betrayals and confrontations with authority figures. For example, in Fahrenheit 451, the Fireman, "in ignorance of where he is going, is taken to burn his own house" and in Drummers "the Bookman, in ignorance of where he is going, is taken to kill his own friends."

After reciting the list, the court continued:

> No contention is made by defendants that the above recited similarities do not exist and it is apparent that an ordinary person or observer, after reading The Fireman, Fahrenheit 451, and seeing the picture A Sound of Different Drummers, would note similarities as we did which would bring about a belief that A Sound Of Different Drummers is a dramatization or adaptation of Fahrenheit 451. … The incidents and their sequence that make up the action and develop the story in each of the works are too similar to be coincidental.

Turning to whether this copying amounted to infringement the court said:

> To constitute an invasion of copyright it is not necessary that the whole of a work should be copied, nor even a large portion of it in form or substance, but that, if so much is taken that the value of the original is sensibly diminished, or the labors of the original author are substantially, to an injurious extent, appropriated by another, that is sufficient to constitute an infringement. The test of infringement is whether the work is recognizable by an ordinary observer as having been taken from the copyrighted source. Slight differences and variations will not serve as a defense. The means of expressing an idea is subject to copyright protection and where one uses his own method or way of expressing his idea, as Bradbury has done, such adornment constitutes a protectible work.

The court concluded that defendants had copied not merely the general theme of a future anti-book society, but Bradbury's particular expression of that theme, which is protected by copyright. The court affirmed the judgment in favor of producer Martin Manulis, finding no evidence that he had access to or participated in copying Bradbury's works. As to CBS and Aurthur, however, the court held them jointly liable for willful infringement and remanded for determination of damages, injunctive relief, costs, and attorneys' fees.

Notes and questions

(1) Notice how the court identifies where to draw the line between infringement and noninfringement; it uses terms like "value of the original" and "the labors of the original author." But then the court goes on to say: "the test of infringement is whether the work is recognizable by an ordinary observer as having been taken from the copyrighted source." Does the court mean for the ordinary observer to focus on value and labor? In the wake of *Feist v. Rural Telephone*, that doesn't sound right. But perhaps all the court meant was that "the means of expressing an idea" is where we see the author's labor and thus that is the true value of the work?

(2) Another way of seeing the *Bradbury* case is that the court of appeals thought the similarities listed by the plaintiff were specific enough to fall on the expression side of the idea-expression distinction, whereas the district court for the most part did not. The decision in *Bradbury* made it hard for trial courts to discount such lists of similarities. However, in some cases, courts would focus on a list of differences and apply a recognition test in favor of the defendant. In *Ideal Toy Corp. v. Fab-Lu Ltd.* 360 F.2d 1021 (2d Cir. 1966), for example, the Second Circuit took a recognition approach similar to the Ninth Circuit in *Bradbury*, saying:

> It is well established, however, that in order to sustain a claim of copyright infringement the claimant is required to demonstrate a substantial similarity between the copyrighted work and the alleged copy. This is a factual question and the appropriate test for determining whether substantial similarity is present is whether an average lay observer would recognize the alleged copy as having been appropriated from the copyrighted work.

In *Ideal Toy*, the plaintiff claimed that two of the defendant's dolls were too similar to its "Tammy" and "Pepper" dolls. The trial court denied a preliminary copyright injunction, stating that while the dolls shared similarities in "size and shape, and indeed some features (such as hands and arms) are virtually identical," the overall impression to an ordinary

observer was "quite distinct." In contrast to *Bradbury v. CBS,* the court of appeals did not think that the dolls had enough in common such that "an average lay observer would recognize the alleged copy as having been appropriated from the copyrighted work." Note that the procedural posture in *Ideal Toy* may have been significant as the Second Circuit was reviewing the district court's denial of a preliminary injunction.

(3) The problem with the test of recognition as framed in *Bradbury v. CBS* and *Ideal Toy* (and others), was that it did not seem to provide much opportunity for a trial judge to filter out unprotectable elements before handing the question over to a jury; nor did it provide a way to take account of fundamental differences between the works that transcended lists of similarities and dissimilarities. These problems with the recognition test were exemplified by the *Roth Greeting Cards* case.

Roth Greeting Cards v. United Card Co. 429 F.2d 1106 (9th Cir. 1970)

Plaintiff Roth sued United for copying its greeting card designs, alleging that United had copied its jokes and artwork. The evidence was fairly clear that United had modeled its cards on Roth's, but the jokes Roth used were not original and United used different artwork in its cards. This sounds like it should have been an easy case for the court to find no infringement, and indeed the trial court found that the artwork in plaintiff's greeting cards had not been infringed and there was no infringement in copying the text of Roth's cards because it was merely "common and ordinary English words and phrases which are not original with Roth and were in the public domain prior to first use by plaintiff." The Ninth Circuit found that all elements of each card considered as a whole made the cards in total both original and copyrightable.

Similar Greeting Cards in Roth



Image description: Two pairs of greeting card designs. Top left: A black-and-white sketch of a sad child with messy hair, seated with arms around knees, and the text "I miss you already." Bottom left: The punchline "...and you haven't even left" in small print. Top right: A colored cartoon of a person in a blue coat and hat holding a yellow flower, with the text "I miss you already" in playful font. Bottom right: The same punchline in stylized lettering.

The following extract contains the court's infringement analysis.

> To constitute an infringement under the Act there must be substantial similarity between the infringing work and the work copyrighted; and that similarity must have been caused by the defendant's having copied the copyright holder's creation.
>
> It appears to us that in total concept and feel the cards of United are the same as the copyrighted cards of Roth. With the possible exception of one United card, the characters depicted in the artwork, the mood they portrayed, the combination of artwork conveying a particular mood with a particular message, and the arrangement of the words on the greeting card are substantially the same as in Roth's cards. In several instances the lettering is also very similar.
>
> It is true, as the trial court found, that each of United's cards employed artwork somewhat different from that used in the corresponding Roth cards. However, the test of infringement is whether the work is recognizable by an ordinary observer as having been taken from the copyrighted source.

> The remarkable similarity between the Roth and United cards in issue is apparent to even a casual observer. For example, one Roth card has, on its front, a colored drawing of a cute moppet suppressing a smile and, on the inside, the words "i wuv you." With the exception of minor variations in color and style, defendant's card is identical. Likewise, Roth's card entitled "I miss you already," depicts a forlorn boy sitting on a curb weeping, with an inside message reading "… and You Haven't even Left", is closely paralleled by United's card with the same caption, showing a forlorn and weeping man, and with the identical inside message.

Notes and questions

(1) The court in *Roth* focused on the "remarkable similarity" in the "total concept and feel" of the cards produced by Roth and United. It looked to the combination of elements such as character, mood, and message in addition to the arrangement of the words on the card. The court did not seem bothered by the fact that the characters on United's cards were drawn differently, that the words used were not original to Roth, or that the placement on the card, although not inevitable, was fairly conventional.

(2) Academics love to hate "total concept and feel." As used in *Roth*, the "total concept and feel" test seems to misunderstand what copyright law is meant to protect. Concepts, whether broad or narrow, are explicitly excluded from protection under Section 102(b) of the Copyright Act. Additionally, the term "feel" is largely meaningless for most works, as it refers to an abstract sense rather than the actual expression. Using "total concept and feel" as the test for infringement seems to invite judges and juries to make infringement determinations based on subjective impressions and forgo rigorous legal analysis. And of course, equating protected elements of a work with vague notions of "concepts" or "feel," blurs the crucial distinction between protectable expressions and unprotectable ideas.

Beyond Recognition, the Unfortunate case of Sid & Marty Krofft

In 1977 the Ninth Circuit developed its own distinctive approach to adjudicating copyright infringement cases in *Sid & Marty Krofft Television v. McDonald's Corp*. *Krofft* is a landmark decision in many respects. To be fair, the court made a commendable effort to add sophistication to the simple recognition test for infringement, but the test they formulated leaves a lot to be desired.

Sid & Marty Krofft Television v. McDonald's Corp 562 F.2d 1157 (1977)

> **JAMES M. CARTER, Circuit Judge:**
>
> [Sid & Marty Krofft were puppeteers who had developed a children's television program in the late 1960s. The H.R. Pufnstuf program included an assortment of puppet characters and a boy named Jimmy who lived on a fantasy island with walking trees and talking books. The show was a great success and generated spin-off products including toys, games, comic books, lunch boxes and Kellogg's cereal commercials. In 1970, Needham, an advertising company working for the McDonald's fast-food restaurant chain approached the puppeteers with the idea of

adapting the H.R. Pufnstuf characters for an advertising campaign. Needham committed to working with Sid & Marty Krofft but cancelled the contract and hired former Krofft employees to make sets and costumes for the McDonaldland commercials. Needham even used the same voice actor as the H.R. Pufnstuf series. Most galling, after the McDonaldland campaign had been launched, the Kroffts were unable to license or renew several of the H.R. Pufnstuf spin-off products and the Ice Capades, which had used their characters, switched to the McDonaldland characters instead.]

… Proof of Infringement

It has often been said that in order to establish copyright infringement a plaintiff must prove ownership of the copyright and "copying" by the defendant. "Copying," in turn, is said to be shown by circumstantial evidence of access to the copyrighted work and substantial similarity between the copyrighted work and defendant's work. But an analysis of the cases suggests that these statements frequently serve merely as boilerplate to copyright opinions.

Under such statements, infringement would be established upon proof of ownership, access, and substantial similarity. Application of this rule, however, would produce some untenable results. For example, a copyright could be obtained over a cheaply manufactured plaster statue of a nude. Since ownership of a copyright is established, subsequent manufacturers of statues of nudes would face the grave risk of being found to be infringers if their statues were substantially similar and access were shown. The burden of proof on the plaintiff would be minimal, since most statues of nudes would in all probability be substantially similar to the cheaply manufactured plaster one.

Clearly the scope of copyright protection does not go this far. A limiting principle is needed. This is provided by the classic distinction between an "idea" and the "expression" of that idea. It is an axiom of copyright law that the protection granted to a copyrighted work extends only to the particular expression of the idea and never to the idea itself. *Mazer v. Stein*, 347 U.S. 201, 217-18 (1954); *Baker v. Selden*, 101 U.S. 99, 102-03 (1879). This principle attempts to reconcile two competing social interests: rewarding an individual's creativity and effort while at the same time permitting the nation to enjoy the benefits and progress from use of the same subject matter.

The real task in a copyright infringement action, then, is to determine whether there has been copying of the expression of an idea rather than just the idea itself. Only this expression may be protected and only it may be infringed.

The difficulty comes in attempting to distill the unprotected idea from the protected expression. No court or commentator in making this search has been able to improve upon Judge Learned Hand's famous "abstractions test" articulated in *Nichols v. Universal Pictures Corporation.*

… The test for infringement therefore has been given a new dimension. There must be ownership of the copyright and access to the copyrighted work. But there also must be substantial similarity not only of the general ideas but of the expressions

of those ideas as well. Thus two steps in the analytic process are implied by the requirement of substantial similarity.

The determination of whether there is substantial similarity in ideas may often be a simple one. Returning to the example of the nude statue, the idea there embodied is a simple one — a plaster recreation of a nude human figure. A statue of a horse or a painting of a nude would not embody this idea and therefore could not infringe. The test for similarity of ideas is still a factual one, to be decided by the trier of fact.

We shall call this the "extrinsic test." It is extrinsic because it depends not on the responses of the trier of fact, but on specific criteria which can be listed and analyzed. Such criteria include the type of artwork involved, the materials used, the subject matter, and the setting for the subject. Since it is an extrinsic test, analytic dissection and expert testimony are appropriate. Moreover, this question may often be decided as a matter of law.

The determination of when there is substantial similarity between the forms of expression is necessarily more subtle and complex. As Judge Hand candidly observed, "Obviously, no principle can be stated as to when an imitator has gone beyond copying the 'idea,' and has borrowed its 'expression.' Decisions must therefore inevitably be ad hoc." *Peter Pan Fabrics, Inc. v. Martin Weiner Corp.*, 274 F.2d 487, 489 (2d Cir. 1960). If there is substantial similarity in ideas, then the trier of fact must decide whether there is substantial similarity in the expressions of the ideas so as to constitute infringement.

The test to be applied in determining whether there is substantial similarity in expressions shall be labeled an intrinsic one — depending on the response of the ordinary reasonable person. It is intrinsic because it does not depend on the type of external criteria and analysis which marks the extrinsic test. As this court stated in *Twentieth Century-Fox Film Corp. v. Stonesifer*, 140 F.2d 579, 582 (9th Cir. 1944):

> The two works involved in this appeal should be considered and tested, not hypercritically or with meticulous scrutiny, but by the observations and impressions of the average reasonable reader and spectator.

Because this is an intrinsic test, analytic dissection and expert testimony are not appropriate.

This same type of bifurcated test was announced in *Arnstein v. Porter*, 154 F.2d 464, 468-69 (2d Cir. 1946). The court there identified two separate elements essential to a plaintiff's suit for infringement: copying and unlawful appropriation. Under the *Arnstein* doctrine, the distinction is significant because of the different tests involved.

> [T]he trier of fact must determine whether the similarities are sufficient to prove copying. On this issue, analysis ('dissection') is relevant, and the testimony of experts may be received to aid the trier of facts. … If copying is established, then only does there arise the second issue, that of illicit copying (unlawful appropriation). On that issue . . . the test is the response of the ordinary lay hearer; accordingly, on that issue, 'dissection' and expert testimony are irrelevant.

We believe that the court in *Arnstein* was alluding to the idea-expression dichotomy which we make explicit today. When the court in Arnstein refers to "copying" which is not itself an infringement, it must be suggesting copying merely of the work's idea, which is not protected by the copyright. To constitute an infringement, the copying must reach the point of "unlawful appropriation," or the copying of the protected expression itself. We analyze this distinction in terms both of the elements involved — idea and expression — and of the tests to be used — extrinsic and intrinsic — in an effort to clarify the issues involved.

The Tests Applied

In the context of this case, the distinction between these tests is important. Defendants do not dispute the fact that they copied the idea of plaintiffs' Pufnstuf television series — basically a fantasyland filled with diverse and fanciful characters in action. They argue, however, that the expressions of this idea are too dissimilar for there to be an infringement. They come to this conclusion by dissecting the constituent parts of the Pufnstuf series — characters, setting, and plot — and pointing out the dissimilarities between these parts and those of the McDonaldland commercials.

This approach ignores the idea-expression dichotomy alluded to in *Arnstein* and analyzed today. Defendants attempt to apply an extrinsic test by the listing of dissimilarities in determining whether the expression they used was substantially similar to the expression used by plaintiffs. That extrinsic test is inappropriate; an intrinsic test must here be used. As the court in Arnstein stated:

> Whether (if he copied) defendant unlawfully appropriated presents, too, an issue of fact. The proper criterion on that issue is not an analytic or other comparison of the respective . . . compositions . . . . The plaintiff's legally protected interest in the potential financial return from his compositions which derive from the lay public's approbation of his efforts. The question, therefore, is whether defendant took from plaintiff's works so much of what is pleasing to the [eyes and] ears of lay [persons], who comprise the audience for whom such popular [works are] composed, that defendant wrongfully appropriated something which belongs to the plaintiff. Surely, then, we have an issue of fact which a jury is peculiarly fitted to determine.

Analytic dissection, as defendants have done, is therefore improper.

Defendants contest the continued viability of *Arnstein*. It is true that *Arnstein's* alternative holding that summary judgment may not be granted when there is the slightest doubt as to the facts has been disapproved. But the case's tests for infringement have consistently been approved by this court. They have also been accepted by other courts. We believe *Arnstein* is still good law.

Since the intrinsic test for expression is uniquely suited for determination by the trier of fact, this court must be reluctant to reverse it. As a finding of fact, a conclusion as to the question of copying is subject to the "clearly erroneous" standard. But it follows that this court will be less likely to find clear error when the subjective test for copying of expression has been applied.

The present case demands an even more intrinsic determination because both plaintiffs' and defendants' works are directed to an audience of children. This raises

the particular factual issue of the impact of the respective works upon the minds and imaginations of young people. As the court said in *Ideal Toy Corp. v. Fab-Lu Ltd.*, 261 F.Supp. 238, 241-42 (S.D.N.Y.1966), aff'd, 360 F.2d 1021 (2 Cir. 1966):

> In applying the test of the average lay observer, [children] are not to be excluded — indeed they are the 'far-flung faithful . . . audience.' The television advertising campaign of plaintiff was directed toward acquainting these youngsters with . . . its new teenage and pre-teen dolls. The impression of the faces and general appearance of the dolls was upon them. . . . The dolls create the same impression, both with respect to their appearances and the play — uses for which they are suited. It is the youngsters who, on the basis of this impression, go to the stores with their parents or at home make their wishes known for the dolls they desire after television has made its impact upon them. In their enthusiasm to acquire . . . [the dolls] they certainly are not bent upon 'detecting disparities' or even readily observing upon inspection such fine details as the point at which the necks are molded.

The H.R. Pufnstuf series became the most popular children's show on Saturday morning television. This success led several manufacturers of children's goods to use the Pufnstuf characters. It is not surprising, then, that McDonald's hoped to duplicate this peculiar appeal to children in its commercials. It was in recognition of the subjective and unpredictable nature of children's responses that defendants opted to recreate the H.R. Pufnstuf format rather than use an original and unproven approach.

Defendants would have this court ignore that intrinsic quality which they recognized to embark on an extrinsic analysis of the two works. For example, in discussing the principal characters — Pufnstuf and Mayor McCheese — defendants point out:

> "'Pufnstuf' wears what can only be described as a yellow and green dragon suit with a blue cummerband from which hangs a medal which says 'mayor'. 'McCheese' wears a version of pink formal dress — 'tails' — with knicker trousers. He has a typical diplomat's sash on which is written 'mayor', the 'M' consisting of the McDonald's trademark of an 'M' made of golden arches."

So not only do defendants remove the characters from the setting, but dissect further to analyze the clothing, colors, features, and mannerisms of each character. We do not believe that the ordinary reasonable person, let alone a child, viewing these works will even notice that Pufnstuf is wearing a cummerbund while Mayor McCheese is wearing a diplomat's sash.

Duplication or near identity is not necessary to establish infringement. As Judge Learned Hand put it, copyright "cannot be limited literally to the text, else a plagiarist would escape by immaterial variations." *Nichols v. Universal Pictures Corp.*, 45 F.2d 119, 121 (2d Cir. 1930).

We have viewed representative samples of both the H.R. Pufnstuf show and McDonaldland commercials. It is clear to us that defendants' works are substantially similar to plaintiffs'.[9] They have captured the "total concept and feel" of the Pufnstuf show. *Roth Greeting Cards v. United Card Co.*, 429 F.2d 1106, 1110 (9th Cir. 1970). We would so conclude even if we were sitting as the triers of

fact. There is no doubt that the findings of the jury in this case are not clearly erroneous.

Footnote 9: Even a dissection of the two works reveals their similarities. The "Living Island" locale of Pufnstuf and "McDonaldland" are both imaginary worlds inhabited by anthromorphic plants and animals and other fanciful creatures. The dominant topographical features of the locales are the same: trees, caves, a pond, a road, and a castle. Both works feature a forest with talking trees that have human faces and characteristics.

The characters are also similar. Both lands are governed by mayors who have disproportionately large round heads dominated by long wide mouths. They are assisted by "Keystone cop" characters. Both lands feature strikingly similar crazy scientists and a multi-armed evil creature.

It seems clear that such similarities go beyond merely that of the idea into the area of expression. The use of the basic idea of the works does not inevitably result in such similarities. Certainly a jury applying an intrinsic test could find such similarities of expression substantial.

… Access

In addition to substantial similarity, a plaintiff must show access in order to prove infringement. Access is proven when the plaintiff shows that the defendant had an opportunity to view or to copy plaintiff's work. In this case, there is no dispute as to defendants' access to plaintiffs' work. Indeed, defendants were engaged in negotiations with plaintiffs for licensing of the works even while preparing the McDonaldland commercials.

No amount of proof of access will suffice to show copying if there are no similarities. This is not to say, however, that where clear and convincing evidence of access is presented, the quantum of proof required to show substantial similarity may not be lower than when access is shown merely by a preponderance of the evidence. As Professor Nimmer has observed:

> Clear and convincing evidence of access will not avoid the necessity of also proving substantial similarity since access without similarity cannot create an inference of copying. However, this so-called 'Inverse Ratio Rule' . . . would seem to have some limited validity. That is, since a very high degree of similarity is required in order to dispense with proof of access, it must logically follow that where proof of access is offered, the required degree of similarity may be somewhat less than would be necessary in the absence of such proof.

We agree.

In this case, representatives of Needham actually visited the Kroffts' headquarters in Los Angeles to discuss the engineering and design work necessary to produce the McDonaldland commercials. They did this after they had been awarded the contract by McDonald's and apparently with no intention to work with the Kroffts. We believe that this degree of access justifies a lower standard of proof to show substantial similarity. Since the subjective test applies, it is impossible to quantify this standard. But there is no question it is met here.

… Conclusion

The judgment of the district court finding infringement is affirmed. The McDonald commercials are based on the same ideas as the H.R. PufnStuf series. The expression of that idea is sufficiently similar so that a jury applying an intrinsic test

could find infringement. This is especially true here since there was strong evidence of access.

Notes and questions

(1) **The mess that Krofft made.** There are some important differences in the extrinsic-intrinsic test as set forth in *Krofft* and how the test works today. Although cited with reverence in the Ninth Circuit, the reality is that *Krofft* was a terrible decision: it made a mess of copyright adjudication which it has taken the Ninth Circuit decades to dig itself out of.

(2) **Similarity in ideas?** According to *Krofft*, copyright infringement is proven by showing ownership, access and then substantial similarity under an extrinsic-intrinsic test. Confusingly, although the court said that under the extrinsic part of the test some dissection and analysis was appropriate, it also said that the point of that analysis was to determine if there was "substantial similarity in *ideas*." Ideas? Not expression?

The court waived away the defendant's lists of differences in expression as essentially irrelevant and held that such differences would mean nothing to "the ordinary reasonable person, let alone a child [the intended audience], viewing these works." In other words, once similarity of ideas has been established "extrinsically" the only thing left to do is assess "intrinsic" similarities from the point of view of the ordinary observer. In addition to basing infringement on similarity of ideas, this approach does not leave much room for the defendant to point out more detailed similarities that should nonetheless be unprotectable for various reasons.

As should be obvious, *Krofft*'s extrinsic test made no sense because ideas are not protected by copyright. The Ninth Circuit has since "clarified" its position on this point. As the court explained in *Shaw v. Lindheim*, 919 F.2d 1353 (9th Cir. 1990):

> ... panels applying *Krofft* to literary works have included a lengthy list of concrete elements under the extrinsic test. Whereas Krofft listed "the type of artwork involved, the materials used, the subject matter, and the setting for the subject" as criteria for consideration under the extrinsic test, id., a series of opinions [courts in the Ninth circuit] have listed "plot, themes, dialogue, mood, setting, pace, and sequence" as extrinsic test criteria. [Later cases added] "characters" to the list and transforming "sequence" into "sequence of events".
>
> Now that it includes virtually every element that may be considered concrete in a literary work, the extrinsic test as applied to books, scripts, plays, and motion pictures can no longer be seen as a test for mere similarity of ideas. Because the criteria incorporated into the extrinsic test encompass all objective manifestations of creativity, the two tests are more sensibly described as objective and subjective analyses of expression, having strayed from *Krofft's* division between expression and ideas. Indeed, a judicial determination under the intrinsic test is now virtually devoid of analysis, for the intrinsic test has become a mere subjective judgment as to whether two literary works are or are not similar.

Following cases like *Shaw,* the extrinsic test is no longer a "test for similarity of ideas" it is the objective and analytical half of the test for similarity of expression. Retrofitted in this way the extrinsic-intrinsic test actually makes a lot of sense because it gives courts a

structure for combining analytical/objective aspects of the similarity inquiry with the more intuitive/holistic aspects.

(3) **What ever happened to copying in fact?** In *Krofft*, the Ninth Circuit said that it was applying the bifurcated test for copyright infringement developed by the Second Circuit in *Arnstein*—(1) copying in fact and (2) wrongful copying or improper appropriation—but in reality, the extrinsic-intrinsic test only speaks to the second prong and presumes that proving access is enough to establish copying in fact.

Consider what the court said after announcing that it had given the test for infringement "a new dimension:"

> There must be ownership of the copyright and access to the copyrighted work. But there also must be substantial similarity not only of the general ideas but of the expressions of those ideas as well. Thus two steps in the analytic process are implied by the requirement of substantial similarity.

The court then set out the extrinsic test: "whether there is substantial similarity in ideas;" and the "intrinsic" test: "whether there is substantial similarity in expressions … depending on the response of the ordinary reasonable person."

Look back at the quote above, the *Krofft* test requires ownership, access, and substantial similarity, but nowhere does it explicitly require the plaintiff to establish copying in fact. A bit later on the court confirmed this saying: "In addition to substantial similarity, a plaintiff must show access in order to prove infringement."

Of course, this may not have been what the Ninth Circuit meant, but the syllogism that "copyright infringement = ownership + access + extrinsic similarity + intrinsic similarity" did a lot of harm in cases where those similarities were not probative of actual copying. It was not until *Rentmeester v. Nike, Inc.*, 883 F.3d 1111 (9th Cir. 2018) (extracted below) that the Ninth Circuit began clearly requiring proof of copying in fact and not just proof of access.

(4) **Total concept and feel.** In the *Krofft* court's intrinsic analysis it explained that it had viewed representative samples of the works at issue and that it was clear that defendants' works were substantially similar to plaintiffs' because they had "captured the 'total concept and feel' of the Pufnstuf show." The court cited *Roth* on this point.

Bruce Boyden argues in *The Grapes of Roth* that the impact of this elevation of 'total concept and feel' had far more nuanced consequences than one might think. He argues that "the reference to 'total concept and feel' allowed the court to express a conclusion as to whether the defendants had taken too much copyrightable expression without specifically identifying what in the plaintiff's work was expression, what in the defendant's work was similar or dissimilar, and where the threshold level of similarity lay."

Boyden's argument is that "total concept and feel" gave judges an easy way to reject infringement claims where plaintiffs presented long list of similarities by simply pointing to their own assessment that the works in question had a different overall vibe or gestalt. Moreover, judges could do so without sounding quite as normative or subjective as they otherwise might. Boyden points to several cases where "rather than openly weed out uncopyrightable similarities, courts would instead describe the two works in detail, and then at the end simply express the conclusion that the 'total concept and feel' of the two

works was different." In the hands of expert judges 'total concept and feel' is sometimes simply "a reminder that, while the infringement analysis must *begin* by dissecting the copyrighted work into its component parts in order to clarify precisely what is not original, infringement analysis is not *simply* a matter of ascertaining similarity between components viewed in isolation." See *Tufenkian Import/Export Ventures, Inc. v. Einstein Moomjy, Inc.*, 338 F.3d 127 (2d Cir. 2003).

Reyher v. Children's Television Workshop. 533 F.2d 87 (2d Cir. 1976)

In *Reyher*, the plaintiffs alleged infringement of their illustrated children's book which told the story of a lost child searching for her mother. The child's search is delayed because her description of her mother as "the most beautiful woman in the world" does not align with conventional beauty standards. The defendants published a two-page story in *Sesame Street Magazine* that followed the same basic plot but featured different dialogue, illustrations, and a different setting. After discussing the need to locate in copyright in the reproduction of expression and not ideas, the court of appeals said:

> The question which remains is whether defendants in the instant case utilized the idea in Reyher's book or instead descended so far into the concrete as to invade her expression. We must first note that both stories, intended for children, are necessarily less complex than some other works submitted to pattern analysis. Therefore, in addition to the essential sequence of events, we might properly consider the "total concept and feel" of the works in question. *Roth Greeting Cards v. United Card Company*, 429 F.2d 1106, 1110 (9 Cir. 1970).
>
> Reyher's thirty-five page book focuses on a Russian family living in the Ukraine; the setting of the story is an important component of the work. The main protagonists are the mother, father and six year old daughter. The first few pages describe the duties of each family member in harvesting the wheat crop. There is also narrative about the customary feast days during harvesting as Reyher describes, through the literary device of the little girl helping her mother, the preparation of distinctive Russian foods. The feast day itself is depicted with vivid details of costume and entertainment. We have now progressed through fifteen pages of appellant's book. On the last day of field work prior to the feast, the little girl is separated from her parents. Meeting a group of villagers unfamiliar to her, she describes her mother as the most beautiful woman in the world. The village leader sends boys to bring back all the likely candidates; none, of course, is the mother. Finally, a homely woman, in fact the girl's mother, approaches the crowd and is joyfully reunited with her child. The village leader presents the moral of the story: "We do not love people because they are beautiful, but they seem beautiful to us because we love them." At the feast day, the little girl tells her mother that, although other children have teased her about her feelings, she thinks her mother is the most beautiful woman in the world. The mother expresses her happiness that her child sees with her heart as well as with her eyes.
>
> The *Sesame Street Magazine* version of the story, two pages long, presumably is set in Africa. There is no textual detail about African life; any information comes from the five illustrations, which show African dress on the characters, a woman

carrying a basket on her head, and thatched huts. The story opens with a little boy crying in the fields because he has become separated from his mother. He describes her as the most beautiful woman in the world. The village leader gathers all the beautiful women from surrounding villages to no avail. An old unattractive woman, the missing mother, is reunited with her son. The village leader states that although he doesn't find her beautiful, the important thing is what the little boy thinks. The lesson to be learned is "what's not so beautiful to some can be very, very beautiful to others."

Based on the special relationship between parent and child, both works present the thematic concept that to a lost child, the familiar face of the mother is the most beautiful face, even though the mother is not, in fact, beautiful to most. The overlapping sequences of events concern the lost child finding his or her mother, albeit with some difficulty because of the description given. This similarity of events, however, may be considered *scenes a faire,* scenes which necessarily result from identical situations. Thus, where a lost child is the protagonist, there is likely to be a reunion with parents. Furthermore, the morals stated by the two stories differ in emphasis. Reyher's book focuses on how love makes people appear beautiful, while the CTW story stresses that what is beautiful to some may not be beautiful to others. More importantly, however, the two works differ in "total feel." Reyher's book presents a picture of family life in the Russian Ukraine and develops the characters of the little girl and her mother. The CTW story is barren of meaningful setting or character development in its attempt to present its theme. The two stories are not similar in mood, details or characterization. Since both present only the same idea, no infringement as to protected expression occurred. The district court's finding that the two illustrations of the reunion scene have such substantial differences as not to warrant a finding of infringement is one we will not disturb.

Notes and questions

(1) What work is "total concept and feel" doing in this opinion? How does the court decide what is unprotectable as *scenes a faire,* and what differences in "total concept and feel" matter as opposed to being "immaterial variations" as Judge Hand said in *Sheldon*?

(2) As Bruce Boyden argues, the impact of "total concept and feel" became intertwined with broader trends in civil procedure. In the 1980s summary judgment in copyright cases was quite common. As *Reyher v. Children's Television Workshop* illustrates, in motions for summary judgment as well as in bench trials, courts tended to use 'total concept and feel' to reject claims of infringement. However, if the case ever got to a jury, as it did in *Sid & Marty Krofft*, "total concept and feel" tended to favor plaintiffs.

The Era of Jury Empowerment

In the late 1980s, in response to the Supreme Court's *Celotex* trilogy, courts began to hesitate in granting summary judgment. The *Celotex* trilogy rulings made it easier for courts in other areas of law to grant summary judgment but in copyright it became harder for judges to speculate without objective evidence what a reasonable juror would and

would not find dissimilar. The problem was twofold: first, the renewed attention to summary judgment standards made it hard for district courts to reject dubious claims of infringement in the face of conflicting expert evidence; second, when juries returned questionable verdicts based on their assessment that the plaintiff had passed the extrinsic test and that the total concept and feel of the works was the same, judges had very few options. *Three Boys Music Corp. v. Bolton*, 212 F.3d 477 (9th Cir. 2000) illustrates the latter problem and *Swirsky v. Carey* illustrates the former.

Three Boys Music Corp. v. Bolton 212 F.3d 477 (9th Cir. 2000)

In 1964, rhythm and blues pioneers, the Isley Brothers wrote and recorded "Love is a Wonderful Thing." The song was released by United Artists but did not achieve major chart success. In 1991, the adult contemporary singer Michael Bolton released a song with the same title and in 1992, the Isley Brothers' music publishing company sued for copyright infringement. The jury agreed and awarded $5.4 million in damages.

The conclusion that the Isley Brothers' 1964 song and Michael Bolton's 1991 song are substantially similar is hard to understand beyond the fact that both songs exuberantly celebrate the cliché that "love is a wonderful thing." The melodies and harmonies are different, the lyrics and phrasing differ. Furthermore, the idea that Bolton had subconsciously copied the song seemed tenuous given that the Isley Brothers does not seem to have made much of an impression on the world, unlike the number one hit He's So Fine, in the George Harrison, *My Sweet Lord* case (discussed in a previous chapter). The Isley Brothers argued that Bolton had access to their song "Love is a Wonderful Thing" through widespread dissemination and had engaged in subconscious copying. They presented evidence that Bolton grew up listening to rhythm and blues, was a fan of the Isley Brothers, and could have heard their song on radio and television where he lived. Additionally, Bolton himself questioned whether his song resembled a classic Marvin Gaye song during the recording process.

The weakness of the plaintiff's access theory and the differences in melody, harmony, lyrics, and style probably should have led the court to rule that Bolton's song did not infringe on the Isley Brothers' track, but the court of appeals deferred to the jury, noting:

> Given the difficulty of proving access and substantial similarity, appellate courts have been reluctant to reverse jury verdicts in music cases. … Our decision is predicated on judicial deference—finding that the law has been properly applied in this case, viewing the facts most favorably to the appellees, and not substituting our judgment for that of the jury.

Specifically in relation to access the court noted "despite the weaknesses of the Isley Brothers' theory of reasonable access, the appellants had a full opportunity to present their case to the jury." Turning to substantial similarity it proclaimed:

> We will not second-guess the jury's application of the intrinsic test. "Since the intrinsic test for expression is uniquely suited for determination by the trier of fact, this court must be reluctant to reverse it." (citing *Krofft*) Furthermore, we will not reverse factual determinations regarding the extrinsic test absent a clearly erroneous application of the law. It is well settled that a jury may find a combination of

unprotectible elements to be protectible under the extrinsic test because the overall impact and effect indicate substantial appropriation.

Swirsky v. Carey, 376 F.3d 841 (9th Cir. 2004)

[Kevin Swirsky sued Mariah Carey and her collaborators for copyright infringement, claiming that Carey's song "Thank God I Found You" was substantially similar to Swirsky's earlier song "One of Those Love Songs." In general, the two songs are quite dissimilar in terms of lyrics and the melodies of the verses, but Swirsky argued that they share a similar chorus and that Carey's song thus infringed. The district court granted summary judgment to Carey on the basis of lack of substantial similarity and Swirsky appealed.]

Substantial Similarity

The expert testimony on which Swirsky relied was that of Dr. Robert Walser, chair of the Musicology Department at the University of California at Los Angeles. On the basis of his aural assessment of One and Thank God, Dr. Walser opined that the two songs had substantially similar choruses.

Dr. Walser admitted that the lyrics and verse melodies of the two songs differed "clearly and significantly," but stated that the two songs' choruses shared a "basic shape and pitch emphasis" in their melodies, which were played over "highly similar basslines and chord changes, at very nearly the same tempo and in the same generic style." Dr. Walser also noted that it was a "suspicious coincidence" that the two songs' choruses were both sung in B-flat. Dr. Walser further testified that the choruses in both One and Thank God shared a similar structure in that measures five through seven of each chorus were "almost exactly" the same as the first three measures of each chorus.

Dr. Walser also noted a number of differences between the two songs' choruses. Dr. Walser found that the fourth measures of the choruses were "dramatically different" from each other and noted that while the "basic, emphasized pitches and rhythms" of the basslines were alike, the basslines to both choruses were "ornamented and played slightly differently from chorus to chorus." Dr. Walser also found that certain "text-setting choices" created differences between the two songs' choruses. For example, he noted that in Thank God, Carey sings "D, scale degree three, for a full beat on the first beat of the first measure" while Xscape in One sings the same pitch "divided into two eight-note pulses." Dr. Walser ultimately concluded, however, that these differences were not enough to differentiate the songs because the overall emphasis on musical notes was the same, which "contributed to the impression of similarity one hears when comparing the two songs."

Dr. Walser transcribed his aural impressions into a series of visual "transcriptions." Dr. Walser created a transcription of each chorus' pitch sequence, melody, and bassline. Dr. Walser labeled his transcription of the basslines a "reduction" because he transcribed only the "basic, emphasized pitches and rhythms." Dr. Walser thus did not include any bassline notes or pitches he found to be "ornamented" in his transcriptions.

The district court found this evidence insufficient to survive a motion for summary judgment. First, the district court found that Dr. Walser's expert methodology was flawed. Second, the district court, using its own analysis, found that no triable issue was raised as to the substantial similarity of measures two, three, six, seven, and eight of the two choruses. We disagree with much of the district court's reasoning and conclude that Swirsky has satisfied the extrinsic test because he has provided indicia of a sufficient disagreement concerning the substantial similarity of the two works.

A. Dr. Walser's Methodology

There is nothing inherently unsound about Dr. Walser's musicological methodology in this case. The district court is correct that Dr. Walser's methodology is "selective," in as much as it discounts notes that he characterizes as "ornamental." Dr. Walser, however, explained that the melody (pitch and rhythm) and bassline of a song cannot be divorced from the harmonic rhythm of a song. According to Dr. Walser, notes falling on the beat will be more prominent to the ear than notes falling off the beat. Thus, Dr. Walser opined that, even though measure three of both choruses were not identical in numerical pitch sequence or note selection, they both "emphasized the second scale degree, C, over an A in the bass, resolving to the third scale degree, D, over a D in the bass in the last half of the measure." Dr. Walser provided a comparable analysis for measures one, three, and eight.

Similarly, Dr. Walser explained that some artists will ornament their notes in ways that others do not. Dr. Walser testified at deposition that both Carey and Xscape ornament their notes with "melismas" and "appoggiaturas," both of which are technical terms for moving up to the next note and then back again. Dr. Walser testified that he did not notate these ornaments in his transcriptions, or take them into account in his opinion, because he "took that to be a matter of the singer customizing the song and regarded those notes as not structural; they are ornamental." As we said in *Newton v. Diamond*, 349 F.3d 591 (2003), we can "consider only the defendant's appropriation of the song's compositional elements and must remove from consideration all the elements unique to Plaintiff's performance." Dr. Walser's methodology sought to remove notes he perceived as performance-related.

To a certain extent, Dr. Walser's methodology does concentrate on how the two choruses sound to his expert ears, which led the district court to conclude that his testimony related to intrinsic and not extrinsic similarity. We do not agree, however, that Dr. Walser's testimony was an intrinsic rather than extrinsic analysis. He was not testifying, as the intrinsic test would require, as to whether subjectively the ordinary, reasonable person would find the total concept and feel of the two choruses to be substantially similar. Instead, he was stating that, although the two choruses are not exactly identical on paper, when examined in the structural context of harmony, rhythm, and meter, they are remarkably similar. We, therefore, cannot accept the district court's conclusion that Dr. Walser did not "adequately explain, based on objective criteria, why [his] particular subset of notes is more important,

or more appropriately analyzed, than the other notes present in the songs." The district court erred in completely discounting Dr. Walser's expert opinion.

B. The District Court's Measure-by-Measure Analysis

The district court also erred by basing its comparison of the two choruses almost entirely on a measure-by-measure comparison of melodic note sequences from the full transcriptions of the choruses. Objective analysis of music under the extrinsic test cannot mean that a court may simply compare the numerical representations of pitch sequences and the visual representations of notes to determine that two choruses are not substantially similar, without regard to other elements of the compositions. Under that approach, expert testimony would not be required at all, for any person untrained in music could conclude that "2-2-2-2-2-2-1-2-1-3" did not match "2-2-4-3-2-3" or that a half-note is not identical to an eighth-note. Certainly, musicological experts can disagree as to whether an approach that highlights stressed notes, as Dr. Walser's does, is the most appropriate way to break down music for substantial-similarity comparison, but no approach can completely divorce pitch sequence and rhythm from harmonic chord progression, tempo, and key, and thereby support a conclusion that compositions are dissimilar as a matter of law. It is these elements that determine what notes and pitches are heard in a song and at what point in the song they are found. To pull these elements out of a song individually, without also looking at them in combination, is to perform an incomplete and distorted musicological analysis.

Furthermore, to disregard chord progression, key, tempo, rhythm, and genre is to ignore the fact that a substantial similarity can be found in a combination of elements, even if those elements are individually unprotected. Thus, although chord progressions may not be individually protected, if in combination with rhythm and pitch sequence, they show the chorus of Thank God to be substantially similar to the chorus of One, infringement can be found.

We recognize the difficulties faced by the district court in this case. … In analyzing musical compositions under the extrinsic test, we have never announced a uniform set of factors to be used. We will not do so now. [The court explained that music consists of many elements and that prior cases had found similarity based on the combination of unprotectable elements. Courts generally consider elements like melody, harmony, rhythm, lyrics, and experts have suggested other elements like timbre, and tone may be relevant.]

There is no one magical combination of these factors that will automatically substantiate a musical infringement suit; each allegation of infringement will be unique. So long as the plaintiff can demonstrate, through expert testimony that addresses some or all of these elements and supports its employment of them, that the similarity was "substantial" and to "protected elements" of the copyrighted work, the extrinsic test is satisfied. Swirsky has met that standard here.

Notes and questions

(1) In his expert report, Dr. Walser disregarded bassline notes and pitches he classified as ornamental or performance-related; he also set aside certain "text-setting choices." Instead,

Dr. Walser focused on what he considered to be the "overall emphasis on musical notes." These seem like subjective decisions about what matters in music, how does such a report assist with the objective analysis required by the extrinsic test? For further discussion, see Miah Rosenberg, *Do You Hear What I Hear? Expert Testimony in Music Infringement Cases in the Ninth Circuit*, 39 UC DAVIS LAW REVIEW 1669 (2006).

(2) Consider the plight of a trial judge faced with a claim of musical copyright infringement centering on supposedly overlapping choruses. If the plaintiff's claim seems implausible based on the judge's own comparison of the works, what can or should she do? If *Swirsky v. Carey* is any guide, a judge will be chided for conducting her own musical analysis and she is apparently obliged to accept an expert's comparison that is transparently impressionistic and selective.

A Resurgence of Judicial Analysis

The era of heightened pleading standards ushered in by *Bell Atlantic Corp. v. Twombly* 550 U.S. 544 (2007) and *Ashcroft v. Iqbal* 556 U.S. 662 (2009) empowered courts to reject copyright claims due to implausibility on a motion to dismiss.

Peter F. Gaito Architecture, LLC v. Simone Development Corp. 602 F.3d 57 (2d Cir. 2010)

> [Peter F. Gaito Architecture, LLC and Joseph Simone (President of Simone Development Corp.) agreed to jointly submit a proposal for a real estate development project in New Rochelle, NY. Gaito Architecture was responsible for the architectural design, while Simone was to secure financing. Gaito Architecture drafted plans, which were submitted in the name of Simone Development Corp. The City of New Rochelle awarded the project to the group. However, after a dispute over compensation, Simone terminated the relationship and found a new architectural firm to continue the project. Gaito Architecture sued for copyright infringement, alleging that defendants' redesigns were substantially similar to their original designs. However, the district court granted defendants' motion to dismiss holding that no substantial similarity existed and dismissed the copyright claim.]
>
> … We must first consider whether it was proper for the district court to make a determination as to substantial similarity on a Rule 12(b)(6) motion to dismiss, a question that this Circuit has not directly addressed.
>
> At the outset, we acknowledge that "the test for infringement of a copyright is of necessity vague." For that reason, and because the question of substantial similarity typically presents an extremely close question of fact, questions of non-infringement have traditionally been reserved for the trier of fact.
>
> The question of substantial similarity is by no means exclusively reserved for resolution by a jury, however, and we have repeatedly recognized that, in certain circumstances, it is entirely appropriate for a district court to resolve that question as a matter of law, "either because the similarity between two works concerns only noncopyrightable elements of the plaintiff's work, or because no reasonable jury,

properly instructed, could find that the two works are substantially similar." *Warner Bros. Inc. v. Am. Broad. Cos.,* 720 F.2d 231, 240 (2d Cir.1983). See *Walker v. Time Life Films, Inc.*, 784 F.2d 44, 48 (2d Cir.1986) ("A district court may determine noninfringement as a matter of law on a motion for summary judgment either when the similarity concerns only noncopyrightable elements of [plaintiff's] work, or when no reasonable trier of fact could find the works substantially similar."); *Durham Indus., Inc. v. Tomy Corp.,* 630 F.2d 905, 918 (2d Cir.1980) ("Although the issue of substantial similarity is clearly a factual one, it was entirely proper for [the district court] to hold that [defendant-counterclaimant] is not entitled to go to trial on the issue of infringement.")

These same principles hold true when a defendant raises the question of substantial similarity at the pleadings stage on a motion to dismiss. It is well settled that in ruling on such a motion, a district court may consider the facts as asserted within the four corners of the complaint together with the documents attached to the complaint as exhibits, and any documents incorporated in the complaint by reference. In copyright infringement actions, "the works themselves supersede and control contrary descriptions of them," *Walker*, 784 F.2d at 52, including any contrary allegations, conclusions or descriptions of the works contained in the pleadings. When a court is called upon to consider whether the works are substantially similar, no discovery or fact-finding is typically necessary, because what is required is only a visual comparison of the works.

Thus, where, as here, the works in question are attached to a plaintiff's complaint, it is entirely appropriate for the district court to consider the similarity between those works in connection with a motion to dismiss, because the court has before it all that is necessary in order to make such an evaluation. If, in making that evaluation, the district court determines that the two works are not substantially similar as a matter of law, the district court can properly conclude that the plaintiff's complaint, together with the works incorporated therein, do not "plausibly give rise to an entitlement to relief." *Ashcroft v. Iqbal*, 129 S.Ct. at 1950 (2009).

We are mindful that a motion to dismiss does not involve consideration of whether a plaintiff will ultimately prevail on the merits, but instead solely whether the claimant is entitled to offer evidence in support of his claims. We also acknowledge that there can be certain instances of alleged copyright infringement where the question of substantial similarity cannot be addressed without the aid of discovery or expert testimony. See, e.g., *Computer Assocs. Int'l, Inc. v. Altai, Inc.,* 982 F.2d 693, 713 (2d Cir.1992). Nothing in this opinion should be read to upset these settled principles, or to indicate that the question of non-infringement is always properly considered at the pleadings stage without the aid of discovery. But where, as here, the district court has before it all that is necessary to make a comparison of the works in question, we see no error in the district court's decision to resolve the question of substantial similarity as a matter of law on a Rule 12(b)(6) motion to dismiss.

Having concluded that the district court did not err in considering the question of substantial similarity on defendants' motion to dismiss, we now turn to whether the district court erred in resolving that question in defendants' favor. We review that

determination de novo, because credibility is not at stake and all that is required is a visual comparison of the works — a task we may perform as well as the district court.

The standard test for substantial similarity between two items is whether an ordinary observer, unless he set out to detect the disparities, would be disposed to overlook them, and regard the aesthetic appeal as the same. In applying the so-called "ordinary observer test," we ask whether "an average lay observer would recognize the alleged copy as having been appropriated from the copyrighted work." *Knitwaves, Inc. v. Lollytogs Ltd. (Inc.)*, 71 F.3d 996, 1002 (2d Cir.1995). On occasion, though, we have noted that when faced with works "that have both protectible and unprotectible elements," our analysis must be "more discerning," *Fisher-Price, Inc. v. Well-Made Toy Mfg. Corp.,* 25 F.3d 119, 123 (2d Cir.1994), and that we instead "must attempt to extract the unprotectible elements from our consideration and ask whether the protectible elements, standing alone, are substantially similar," *Knitwaves*, Inc., 71 F.3d at 1002.

No matter which test we apply, however, we have disavowed any notion that "we are required to dissect the works into their separate components, and compare only those elements which are in themselves copyrightable." Id. at 1003. Instead, we are principally guided "by comparing the contested design's total concept and overall feel with that of the allegedly infringed work," *Tufenkian Import/Export Ventures, Inc. v. Einstein Moomjy, Inc.,* 338 F.3d 127, 133 (2d Cir. 2003); see *Boisson*, 273 F.3d at 272; *Knitwaves Inc.,* 71 F.3d at 1003, as instructed by our "good eyes and common sense," *Hamil Am.*, 193 F.3d at 102. This is so because "the defendant may infringe on the plaintiff's work not only through literal copying of a portion of it, but also by parroting properties that are apparent only when numerous aesthetic decisions embodied in the plaintiff's work of art — the excerpting, modifying, and arranging of [unprotectible components]... — are considered in relation to one another." *Tufenkian Import/Export Ventures, Inc.*, 338 F.3d at 134. Thus, in the end, our inquiry necessarily focuses on whether the alleged infringer has misappropriated "the original way in which the author has selected, coordinated, and arranged the elements of his or her work." *Knitwaves Inc.,* 71 F.3d at 1004 (quoting *Feist*).

A de novo application of these principles to the works in question here unequivocally demonstrates the utter lack of similarity between the two designs.

Plaintiffs' overall design for the Church Street Project, for instance, consists of not one, but three prominent structures: a 34-story residential tower, a structure containing "proposed retail with residential duplex units above," and an "8-story mixed-use building," all oriented along Church and Division Streets in downtown New Rochelle. Defendants' re-design, by contrast, consists of a single structure comprised of a 42-story residential tower, two-story retail spaces facing Main Street, retail space adjacent to the tower to be occupied by two large retail tenants, and retail or commercial space adjacent to the southeastern end of the project site. While plaintiffs' design includes a series of townhouses, the re-design contains none.

The buildings in both designs are connected by pedestrian plazas, but in different ways. Plaintiffs' design contains a prominent plaza that connected Church and Division Streets, and that leads to the indoor parking facility and a proposed park. Defendants' re-design instead contains a plaza that runs "along the east side of Division Street to the center of the Church/Division Lot with a through connection to Main Street." The new park included in plaintiffs' design sits at the corner of Leroy Place and Division Street, and features two prominent circular designs with a diagonal walkway. By contrast, the one in defendants' redesign is a U-shaped park that wraps around the new parking garage and faces Church Street, Leroy Place, and Division Street.

Finally, and critically, it is patent that the overall visual impressions of the two designs are entirely different. Indeed, nothing in the various schematics and plans indicates any similarities between the specific aesthetic choices embodied in the respective designs.

To be sure, both designs set forth similar ideas and concepts relating to the design of a mixed-use development in downtown New Rochelle centered around a prominent residential tower. Upon examining the "total concept and feel" of the designs with "good eyes and common sense," *Hamil Am.*, 193 F.3d at 102, however, we confidently conclude that no "average lay observer would recognize the alleged copy as having been appropriated from the copyrighted work." *Knitwaves Inc.,* 71 F.3d at 1001.

In urging us to conclude that the works in question here are substantially similar, plaintiffs rely on the numerous alleged similarities between the two designs that are set forth in the Amended Complaint. As noted above, these similarities range from the inclusion and placement of certain features in the Church Street Project to the specific parameters and specifications for the project.

In a copyright action, however, the similarity between two works must concern the expression of ideas, not the ideas themselves. This principle, known as the "idea/expression dichotomy," "assures authors the right to their original expression, but encourages others to build freely upon the ideas and information conveyed by a work." *Feist*, 499 U.S. at 349-50. Where, as here, plaintiffs point to a variety of alleged similarities between two works, we are required to determine whether any alleged "similarities are due to protected aesthetic expressions original to the allegedly infringed work, or whether the similarity is to something in the original that is free for the taking." *Tufenkian Import/Export Ventures, Inc.*, 338 F.3d at 134-35.

Here, after carefully considering the various alleged similarities between plaintiffs' design and defendants' redesign, it is clear that no more was taken than ideas and concepts. As the district court correctly observed, the various components and features that defendants allegedly misappropriated are generalized concepts and ideas that are "common to countless other urban high-rise residential developments." Indeed, were we to permit plaintiffs to seek recovery for the alleged infringement of, for instance, "architecture that was light, airy, transparent, made of glass with hints of traditional materials," we would directly contravene the

underlying goal of copyright to "encourage[] others to build freely upon the ideas and information conveyed by a work." *Feist*, 499 U.S. at 350. With respect to the placement of those various elements and features, the allegedly copied matter solely consists of "generalized notions of where to place functional elements," notions that we explicitly found to be unprotectible in *Attia v. Society of the New York Hospital,* 201 F.3d 50, 55 (2d Cir.1999) [another architecture case]. Finally, to the extent that plaintiffs seek to recover for the alleged infringement of certain design parameters set forth in their designs, such parameters, even when viewed in the aggregate, do not represent plaintiffs' personal expression, but instead mere ideas that may be taken and utilized by a successor without violating the copyright of the original author or designer. Nor does the inclusion of these parameters in a Memorandum of Understanding somehow transform them into protectible expression under the copyright laws.

Notes and questions

(1) The *Peter F. Gaito Architecture* case illustrates the courts' turn toward a more searching analytical approach to determining copyright liability and the influence of *Twombly* and *Iqbal*. *Twombly* and *Iqbal* not only led courts to be more critical of plaintiffs' claims on a motion to dismiss it also became more common to see courts taking the two parts of the *Arnstein* test seriously and filtering out non-protectable elements on either a motion for summary judgment that would bypass a jury trial, or a motion for judgment as a matter of law that would overturn a jury verdict on largely the same grounds. This approach is exemplified by the Ninth Circuit in *Rentmeester v. Nike*.

(2) Combining the ordinary observer test for copyright infringement with the summary judgment standard leads to some interesting mental gymnastics. For a district court judge to grant the defendant's motion for summary judgment on the basis that there was no wrongful copying, the court must conclude that *no reasonable jury would conclude* that the *ordinary observer would think* that the works were sufficiently alike to warrant a finding of infringement. Notice that this is A speculating about what B would conclude about what C would think (where A is the judge, B is the hypothetical reasonable jury and C is the ordinary observer). This sounds a bit complicated, but it makes more sense when you keep in mind that the ordinary observer is a legal construct, not a real person.

Rentmeester v. Nike, Inc., 883 F.3d 1111 (9th Cir. 2018)

WATFORD, Circuit Judge:

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

I

The allegations in Rentmeester's complaint, which we accept as true at this stage of the proceedings, establish the following. Rentmeester's photograph of Jordan, reproduced in the Appendix, is highly original.

Rentmeester's 1984 photograph of Michael Jordan



Image description: A basketball player is captured midair against a clear sky, legs spread wide in a split, holding an orange basketball high above his head as he approaches the hoop. The sun glows brightly to the right, casting dramatic light across the scene.

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

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

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

In late 1984 or early 1985, Nike hired a photographer to produce its own photograph of Jordan, one obviously inspired by Rentmeester's. In the Nike photo, Jordan is

again shown leaping toward a basketball hoop with a basketball held in his left hand above his head, as though he is about to dunk the ball. See Appendix.

Michael Jordan Photo Commissioned By Nike



Image description: A basketball player in a red and black uniform leaps high in the air against a sunset sky, legs spread in a split, holding a basketball overhead toward the hoop. The city skyline, including the Sears Tower, is silhouetted in the background.

The photo was taken outdoors and from a similar angle as in Rentmeester's photo, so that the viewer looks up at Jordan's figure silhouetted against the sky. In the Nike photo, though, it is the city of Chicago's skyline that appears in the background, a nod to the fact that by then Jordan was playing professionally for the Chicago Bulls. Jordan wears apparel reflecting the colors of his new team, and he is of course wearing a pair of Nike shoes. Nike used this photo on posters and billboards as part of its marketing campaign for the new Air Jordan brand.

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

In 1987, Nike created its iconic "Jumpman" logo, a solid black silhouette that tracks the outline of Jordan's figure as it appears in the Nike photo. See Appendix.

The Iconic Nike "Jumpman" logo



Image description: The black silhouette of a basketball player in mid-leap, legs spread wide and one arm extended upward holding a ball.

Over the past three decades, Nike has used the Jumpman logo in connection with the sale and marketing of billions of dollars of merchandise. It has become one of Nike's most recognizable trademarks.

Rentmeester filed this action in January 2015. He alleges that both the Nike photo and the Jumpman logo infringe the copyright in his 1984 photo of Jordan. His complaint asserts claims for direct, vicarious, and contributory infringement, as well as a claim for violation of the Digital Millennium Copyright Act, 17 U.S.C. § 1202. Rentmeester seeks damages only for acts of infringement occurring within the Copyright Act's three-year limitations period (January 2012 to the present). Doing so avoids the defense of laches that would otherwise arise from his 30-year delay in bringing suit. See *Petrella v. Metro-Goldwyn-Mayer, Inc.*, 134 S.Ct. 1962, 1970 (2014).

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

II

To state a claim for copyright infringement, Rentmeester must plausibly allege two things: (1) that he owns a valid copyright in his photograph of Jordan, and (2) that Nike copied protected aspects of the photo's expression. See *Feist Publications, Inc. v. Rural Telephone Service Co.*, 499 U.S. 340, 361 (1991); *Shaw v. Lindheim*, 919 F.2d 1353, 1356 (9th Cir. 1990).

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

When the plaintiff lacks direct evidence of copying, he can attempt to prove it circumstantially by showing that the defendant had access to the plaintiff's work and that the two works share similarities probative of copying. See *Baxter v. MCA,*

Inc., 812 F.2d 421, 423 (9th Cir. 1987). Such proof creates a presumption of copying, which the defendant can then attempt to rebut by proving independent creation. *Three Boys Music Corp. v. Bolton*, 212 F.3d 477, 486 (9th Cir. 2000).

Unfortunately, we have used the same term—"substantial similarity"—to describe both the degree of similarity relevant to proof of copying and the degree of similarity necessary to establish unlawful appropriation. The term means different things in those two contexts. To prove copying, the similarities between the two works need not be extensive, and they need not involve protected elements of the plaintiff's work. They just need to be similarities one would not expect to arise if the two works had been created independently. *Laureyssens v. Idea Group, Inc.*, 964 F.2d 131, 140 (2d Cir. 1992). To prove unlawful appropriation, on the other hand, the similarities between the two works must be "substantial" and they must involve protected elements of the plaintiff's work. *Laureyssens*, 964 F.2d at 140.[1]

Footnote 1: To avoid the confusion that arises from using the same term to describe two different concepts, some courts now use the term "probative similarity" to describe the similarities relevant to proof of copying.

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

Rentmeester has also plausibly alleged the "copying" component of the second element. He alleges that he provided color transparencies of his photo to Nike's creative director shortly before production of the Nike photo. That allegation establishes that Nike had access to Rentmeester's photo, which in this context means a reasonable opportunity to view it. Nike's access to Rentmeester's photo, combined with the obvious conceptual similarities between the two photos, is sufficient to create a presumption that the Nike photo was the product of copying rather than independent creation.

The remaining question is whether Rentmeester has plausibly alleged that Nike copied enough of the protected expression from Rentmeester's photo to establish unlawful appropriation. To prove this component of his claim, Rentmeester does not have to show that Nike produced an exact duplicate of his photo. But, as mentioned, he does have to show that Nike copied enough of the photo's protected expression to render their works "substantially similar." See *Mattel*, 616 F.3d at 913-14.

In our circuit, determining whether works are substantially similar involves a two-part analysis consisting of the "extrinsic test" and the "intrinsic test." The extrinsic test assesses the objective similarities of the two works, focusing only on the protectable elements of the plaintiff's expression. *Cavalier v. Random House, Inc.*, 297 F.3d 815, 822 (9th Cir. 2002). Before that comparison can be made, the court

must "filter out" the unprotectable elements of the plaintiff's work—primarily ideas and concepts, material in the public domain, and scènes à faire (stock or standard features that are commonly associated with the treatment of a given subject). *Id.* at 822-23. The protectable elements that remain are then compared to corresponding elements of the defendant's work to assess similarities in the objective details of the works. The intrinsic test requires a more holistic, subjective comparison of the works to determine whether they are substantially similar in "total concept and feel." Id. at 822 (internal quotation marks omitted). To prevail, a plaintiff must prove substantial similarity under both tests. *Funky Films, Inc. v. Time Warner Entertainment Co.*, 462 F.3d 1072, 1077 (9th Cir. 2006).

Only the extrinsic test's application may be decided by the court as a matter of law, *McCulloch v. Albert E. Price, Inc.*, 823 F.2d 316, 319 (9th Cir. 1987), so that is the only test relevant in reviewing the district court's ruling on a motion to dismiss. Before applying the extrinsic test ourselves, a few words are in order about the filtering process that the test demands.

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

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

That remains true even if, as here, a photographer creates wholly original subject matter by having someone pose in an unusual or distinctive way. Without question, one of the highly original elements of Rentmeester's photo is the fanciful (non-natural) pose he asked Jordan to assume. That pose was a product of Rentmeester's own "intellectual invention," *Burrow-Giles*, 111 U.S. at 60; it would not have been captured on film but for Rentmeester's creativity in conceiving it. The pose Rentmeester conceived is thus quite unlike the pose at issue in *Harney v. Sony Pictures Television, Inc.*, 704 F.3d 173 (1st Cir. 2013), which consisted of nothing more than a daughter riding piggyback on her father's shoulders. The photographer

there did not orchestrate the pose and, even if he had, the pose is so commonplace as to be part of the public domain. *Id.* at 187; see also *Leibovitz v. Paramount Pictures Corp.*, 137 F.3d 109, 116 (2d Cir. 1998) (pose of a nude, pregnant woman in profile is part of the public domain).

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

What is protected by copyright is the photographer's selection and arrangement of the photo's otherwise unprotected elements. If sufficiently original, the combination of subject matter, pose, camera angle, etc., receives protection, not any of the individual elements standing alone. In that respect (although not in others), photographs can be likened to factual compilations. Justin Hughes, *The Photographer's Copyright—Photograph as Art, Photograph as Database*, 25 Harv. J. L. & Tech. 339, 350-51 (2012). An author of a factual compilation cannot claim copyright protection for the underlying factual material—facts are always free for all to use. *Feist*, 499 U.S. at 347-48. If sufficiently original, though, an author's selection and arrangement of the material are entitled to protection. *Id.* at 348-49. The individual elements that comprise a photograph can be viewed in the same way, as the equivalent of unprotectable "facts" that anyone may use to create new works. A second photographer is free to borrow any of the individual elements featured in a copyrighted photograph, "so long as the competing work does not feature the same selection and arrangement" of those elements. Id. at 349. In other words, a photographer's copyright is limited to "the particular selection and arrangement" of the elements as expressed in the copyrighted image. Id. at 350-5.[2]

Footnote 2: We deal here with photographs of recognizable subject matter, rather than more abstract photographic works. We need not decide whether the same principles would apply with equal force to that latter category of works.

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

Some photographs are entitled to only thin protection because the range of creative choices available in selecting and arranging the photo's elements is quite limited. That was the case in *Ets-Hokin v. Skyy Spirits, Inc.*, 323 F.3d 763 (9th Cir. 2003),

where we held that the plaintiff's commercial product shots of a vodka bottle were entitled to only thin protection. Given the constraints imposed by the subject matter and conventions of commercial product shots, there were relatively few creative choices a photographer could make in producing acceptable images of the bottle. As a result, subtle differences in lighting, camera angle, and background were sufficient to render the defendant's otherwise similar-looking photos of the same bottle non-infringing. Id. at 766.

With other photographs, however, the range of creative choices available to the photographer will be far broader, and very few of those choices will be dictated by subject matter or convention. On the spectrum we set out in *Mattel*—the relatively small number of ways "to paint a red bouncy ball on blank canvas" on one end, and the "gazillions of ways to make an aliens-attack movie" on the other—many photos will land more on the "aliens-attack movie" end of the range. 616 F.3d at 913-14. As with any other work, the greater the range of creative choices that may be made, the broader the level of protection that will be afforded to the resulting image. See id. at 916; *McCulloch*, 823 F.2d at 321.

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

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

elements must be similar enough that "the ordinary observer, unless he set out to detect the disparities, would be disposed to overlook them." Id.

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

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

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

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

The other major conceptual similarity shared by the two photos is that both are taken from a similar angle so that the viewer looks up at Jordan's soaring figure silhouetted against a clear sky. This is a far less original element of Rentmeester's photo, as photographers have long used similar camera angles to capture subjects silhouetted against the sky. But even here, the two photos differ as to expressive details in material respects. In Rentmeester's photo, the background is a cloudless blue sky; in the Nike photo, it is the Chicago skyline silhouetted against the orange and purple hues of late dusk or early dawn. In Rentmeester's photo, the sun looms large in the lower right-hand corner of the image; in the Nike photo the sun does not appear at all. And in Rentmeester's photo, parts of Jordan's figure are cast in shadow, while in the Nike photo every inch of Jordan's figure is brightly lit.

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

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

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

III

Rentmeester makes three additional arguments in support of reversal, none of which we find persuasive.

A

First, Rentmeester contends that dismissal at the pleading stage is rarely appropriate in copyright infringement cases and that he should have been allowed to take discovery before the district court assessed substantial similarity. It is true that dismissal of copyright infringement claims occurs more commonly at the summary judgment stage, but dismissal at the pleading stage is by no means unprecedented. Dismissal is appropriate here because the two photos and the Jumpman logo are properly before us and thus capable of examination and comparison. Nothing disclosed during discovery could alter the fact that the allegedly infringing works are as a matter of law not substantially similar to Rentmeester's photo.

This is not a case in which discovery could shed light on any issues that actually matter to the outcome. In some cases, the defendant claims independent creation as a defense and thus denies having had access to the plaintiff's work. In that scenario, disputed factual issues will often require discovery to flesh out. Here, Nike does not contest that it had access to Rentmeester's photo, so that issue is not in dispute.

In other cases, more may need to be known about the range of creative choices available to the plaintiff photographer in order to determine the breadth of protection available to his work. Here, we have accepted as true all of Rentmeester's allegations concerning the creative choices he made in producing his photograph. But even granting his photo the broad protection it deserves, a comparison of the works at issue makes clear that Nike's photographer made creative choices of his own, which resulted in an image and derivative logo not substantially similar to Rentmeester's photo. Nothing disclosed during discovery could strengthen Rentmeester's arguments on this score.

OWENS, Circuit Judge, concurring in part and dissenting in part:

I agree with most of the majority's analysis, and with its holding that Rentmeester cannot prevail on his Jumpman logo copyright infringement claim. However, I respectfully disagree with the majority's conclusion as to the Nike photo.

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

Where no discovery has taken place, we should not say that, as a matter of law, the Nike photo could never be substantially similar to the Rentmeester photo. This is an inherently factual question which is often reserved for the jury, and rarely for a court to decide at the motion to dismiss stage.

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

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

While I disagree with the majority's ruling as to the Nike photo, I agree with its holding as to the Jumpman logo. The only element of the Rentmeester photo which Nike possibly could have copied to create the Jumpman logo is the outline of Jordan doing a grand-jeté pose while holding a basketball. As the cases that the majority cites make clear, the outline of a pose isolated from a photograph enjoys, at best, "thin" copyright protection. A grand-jeté dunking pose cannot receive the broad protection that Rentmeester claims, even if Rentmeester encouraged Jordan to strike it. The pose is ultimately no different from the Vulcan salute of Spock, the double thumbs up of Arthur Fonzarelli, or John Travolta's iconic Saturday Night Fever dance pose.

All of these poses can exist independently of the photographer taking them. It does not matter that Rentmeester told Jordan to pose that way-standing alone, a photograph of a mannequin or marionette in that same pose would receive the same thin protection. Cf. *Folkens v. Wyland Worldwide, LLC*, 882 F.3d 768, 774-76 (9th Cir. 2018) (holding that two dolphins crossing each other was an unprotected element because that pose can be found in nature and it was irrelevant that the dolphins were posed by animal trainers). Indeed, Rentmeester cannot cite any cases to suggest that Jordan's pose, in isolation, enjoys anything more than the thinnest of copyright protection. To hold otherwise would mean that a photographer would own a broad copyright over photos of human movements, including facial expressions. I cannot find any authority in our cases or the relevant copyright statutes that would permit such a radical change in our intellectual property laws. Cf. id. at 775 (reaffirming that "ideas, 'first expressed in nature, are the common heritage of humankind, and no artist may use copyright law to prevent others from depicting them'") (quoting *Satava v. Lowry*, 323 F.3d 805, 813 (9th Cir. 2003)).

At this stage of the litigation, we assume that (1) Nike traced the Jumpman logo directly from the Nike photo, and (2) that Nike based its photo on the Rentmeester photo. Even assuming all of this to be true, the Jumpman logo is not "virtually identical" to the image of Jordan in the Rentmeester photo. *Mattel, Inc. v. MGA Entm't, Inc.*, 616 F.3d 904, 914 (9th Cir. 2010). For example, there are differences in the angles of Jordan's arms and legs, and the Jumpman logo is a black silhouette.

> And without being virtually identical, the Jumpman logo—the outline of a pose by Jordan in the Nike photo-cannot infringe upon any thin copyright protection enjoyed by the few elements of the Rentmeester photo allegedly copied. See id.
>
> Accordingly, while I agree with the majority regarding the Jumpman logo, I think that whether the Nike photo is substantially similar is not an uncontested breakaway layup, and therefore dismissal of that copyright infringement claim is premature.

Notes and questions

(1) Why did Rentmeester wait so long to bring this case? In the cert petition following the Ninth Circuit's decision, the photographer's lawyers explained:

> After Rentmeester's difficult experience with Nike in first complaining about the infringing Nike photo, he concluded that he would not be able to alter Nike's behavior further without litigation. But Rentmeester's livelihood was commercial photography, and he did not want to put that at risk by filing a copyright lawsuit against one of the world's most important advertisers. Rentmeester felt he had no choice but to wait until after retiring from commercial photography to file this case.

(2) The two-stage extrinsic/intrinsic test discussed in *Rentmeester* breaks the substantial similarity inquiry down into an *objective* analytical assessment of the works (so-called extrinsic) and a *subjective* one that focuses on the gestalt reaction of the ordinary observer (so-called intrinsic). Even once we get past the confusing terminology of extrinsic and intrinsic, how clear is the objective/subjective distinction, really?

In *Rentmeester* the court carefully filtered out "unprotectable elements of the plaintiff's work—primarily ideas and concepts, material in the public domain, and scènes à faire" but also acknowledged that what "is protected by copyright is the photographer's selection and arrangement of the photo's otherwise unprotected elements." A few paragraphs later, the court admitted that it did "not have a well-defined standard for assessing when similarity in selection and arrangement becomes 'substantial,' and in truth no hard-and-fast rule could be devised to guide determinations that will necessarily turn on the unique facts of each case." Borrowing from *Peter Pan Fabrics,* the court posited that: "The two photos' selection and arrangement of elements must be similar enough that 'the ordinary observer, unless he set out to detect the disparities, would be disposed to overlook them.'" Thus, in what is supposed to be the hardnosed, dissection driven, objective "extrinsic" test, the court fell back on mushy gestalt impressions that would seem to belong in the so-called intrinsic part of the test.

Indeed, it is quite common for courts in the Ninth Circuit to offer counterbalancing dissection and anti-dissection rules on both sides of the extrinsic/intrinsic divide. Just as extrinsic analysis can't be too *dissective,* the gestalt reaction of the ordinary observer in the intrinsic part of the test can't be too *gestalty.* Even in the subjective intrinsic analysis, the finder of fact must distinguish between the protected and unprotected material in a plaintiff's work.

(3) It is worth contrasting the Ninth Circuit's decision in Rentmeester with the "Blurred Lines" case, *Williams v. Gaye*, 895 F.3d 1106 (9th Cir. 2018), decided not long before by a different panel of the same court.

When Robin Thicke and Pharrell Williams recorded their 2013 summer hit, "Blurred Lines," the evidence suggests that they self-consciously emulated aspects of Marvin Gaye's 1977 hit song "Got To Give It Up."

The *Blurred Lines* case is polarizing because in spite of what should have been clear differences in the music, Blurred Lines certainly evokes *Got To Give It Up*, by employing similar percussion, production effects, instrumentation, use of silence, and standard musical techniques like melisma (singing a single word over several notes). But despite those similarities the songs are lyrically and melodically distinct. Much like the experts in *Swirsky v Carey*, the Gaye Family's expert witnesses portrayed aspects of the works as melodically similar but relied on "non-corresponding portions of the melodies of the two works and distorted the duration and placement of notes in their presentation." However, as noted in the Amicus Musicologists Brief in that case, if you align the supposedly similar sections of music as they are actually notated, their melodies and harmonies are demonstrably unrelated. The Amicus Musicologists conclude that "a straightforward comparison … of any protected expression in the two musical compositions should have demonstrated that they are thoroughly dissimilar."

The litigation did not go well for Robin Thicke and Pharrell Williams. Marvin Gaye's family prevailed in a 2015 jury trial and were awarded $7 million in damages as well as a significant stake in future licensing revenue. On appeal, a majority of the Ninth Circuit court of appeals upheld the jury verdict, partly out of deference to the jury (as in the *Three Boys Music* case) and the evidentiary foundation established by the experts (as in *Swirsky v Carey*), and partly due the failure of the lawyers for Robin Thicke and Pharrell Williams to move for judgment as a matter of law at the end of the trial. Doing so was necessary to preserve the arguments they had made on summary judgment. Judge Nguyen, dissenting, reviewed the evidence, explained why the selective approach taken by the Gaye's experts was untenable, took care to filter out uncopyrightable elements and concluded that the jury's verdict could not stand. Although it is relatively clear that Robin Thicke and Pharrell Williams should not have lost at trial, it is far less clear whether the Ninth Circuit would have been right to reverse the jury.

(4) *Yonay* is the Ninth Circuit's most recent statement of how the extrinsic test operates on a literary work. What does it add to *Rentmeester*?

Yonay v. Paramount Pictures Corp., 163 F.4th 685 (9th Cir. 2026)

> MILLER, Circuit Judge:
>
> Shosh and Yuval Yonay own the copyright in "Top Guns," a 1983 magazine article by Ehud Yonay about the United States Navy Fighter Weapons School, popularly known as "Top Gun." They sued Paramount Pictures Corporation, alleging that its 2022 movie *Top Gun: Maverick* infringed that copyright. "Top Guns" and *Maverick* do share some similarities because they both depict the Navy's real fighter-pilot training program. But copyright plaintiffs must show more than an allegedly infringing work's general similarity to their own. They must show that what is similar is their original expression. Because *Maverick* does not share substantial amounts of the original expression of "Top Guns," we affirm the district court's grant of summary judgment for Paramount.

I

In 1983, *California Magazine* published "Top Guns," an 11-page article by Ehud Yonay about the Fighter Weapons School, later renamed the Strike Fighter Tactics Instructor Program, a Navy program that teaches advanced air-combat tactics. (We refer to Ehud Yonay as "Yonay" and to Shosh and Yuval Yonay, Yonay's heirs and the plaintiffs here, as "the Yonays.") The article discusses the history, culture, and setting of the Top Gun program and vividly describes the experience of flying F-14 aircraft. It focuses on two lieutenants, callsigns "Yogi" and "Possum," describing their decisions to become fighter pilots and their experiences in naval aviation and the Top Gun program. The article is written in a style that the Yonays refer to as "'New Journalism,' where writers use extensive imagery and subjective expression to present facts with the colorful voice of fiction." A representative passage is one of the article's first descriptions of Yogi and Possum flying:

> From where they sit, however, it's not their silver rocket that's rocking but the entire vast blue dome of sea and sky. There are no ups or downs up here, no rights or lefts, just a barely perceptible line separating one blue from another, and that line is spinning and racing like mad in the distance. Yogi was still in junior high school when he realized that flying straight and level might be okay for some people, but if you like yanking and banking—the feeling of riding inside one of those storm-in-a-bottle souvenirs—then there's just one place for you, and that's the cockpit of a fighter plane.

Shortly after "Top Guns" was published, Yonay granted Paramount all rights to the article. In return, Paramount paid Yonay a fixed sum of money and agreed to credit him in any movies "produced by [Paramount] hereunder and substantially based upon or adapted from" the article.

In 1986, Paramount released the feature-length movie *Top Gun,* whose credits state that it was "suggested by" Yonay's article. *Top Gun* enjoyed great commercial success and was the top-grossing movie of 1986. [The court summarized the plot of the 1986 film Top Gun.]

After Yonay died in 2012, his widow Shosh and his son Yuval became the owners of the copyright in "Top Guns." In 2020, they terminated Yonay's agreement with Paramount by invoking 17 U.S.C. § 203(a)(3), which allows an author's heirs to terminate certain copyright grants made during his lifetime. [The court then summarized the plot of Top Gun: Maverick in detail.]

Like its predecessor, *Maverick* was a major commercial success. Paramount did not compensate the Yonays or credit Yonay in the film.

After *Maverick*'s release, the Yonays sued Paramount in the Central District of California, asserting claims for copyright infringement and breach of contract. The district court denied a motion to dismiss but later granted Paramount's motion for summary judgment. The court concluded that "Top Guns" and *Maverick* are not "substantially similar," as required to establish copyright infringement. While the works have "some similarities," the court explained, those similarities are "based

on unprotected elements" like facts about the Top Gun program, "general plot ideas, and familiar stock scenes and themes."

The Yonays appeal. We review the district court's grant of summary judgment de novo.

II

To establish copyright infringement, plaintiffs must show that (1) they own a valid copyright in a work and (2) the defendant copied original aspects of the work. *Feist Publ'ns, Inc. v. Rural Tel. Serv. Co.,* 499 U.S. 340, 361 (1991). Only the second element is at issue in this case, and really only part of it: Paramount argues that the Yonays have not shown that anything copied from the article was original—in other words, that they have not shown "unlawful appropriation." *Skidmore as Tr. for Randy Craig Wolfe Tr. v. Led Zeppelin,* 952 F.3d 1051, 1064 (9th Cir. 2020) (en banc).

Copyright protection does not "extend to any idea, procedure, process, system, method of operation, concept, principle, or discovery, regardless of the form in which it is described, explained, illustrated, or embodied in such work." 17 U.S.C. § 102(b). "Thus, a defendant incurs no liability if he copies only the 'ideas' or 'concepts' used in the plaintiff's work." *Rentmeester v. Nike, Inc.,* 883 F.3d 1111, 1117 (9th Cir. 2018), *overruled in part on other grounds by Skidmore,* 952 F.3d at 1068-69. And, of particular relevance here, copyright law also does not protect the facts set forth in a work, so a defendant is not liable for copying them. *Feist,* 499 U.S. at 346-48; *accord Harper & Row Publishers, Inc. v. Nation Enters.,* 471 U.S. 539, 556 (1985) ("No author may copyright his ideas or the facts he narrates."). "Copyright assures authors the right to their original expression, but encourages others to build freely upon the ideas and information conveyed by a work." *Feist,* 499 U.S. at 349-50.

To show unlawful appropriation, plaintiffs must therefore demonstrate that the works in question share "substantial similarity in *protectable* expression," not merely in facts, ideas, or concepts. *Skidmore,* 952 F.3d at 1064 (emphasis added). To do so, they must satisfy both an extrinsic test and an intrinsic test. *Williams v. Gaye,* 895 F.3d 1106, 1119 (9th Cir. 2018). The extrinsic test "assesses the objective similarities of the two works." *Rentmeester,* 883 F.3d at 1118. The intrinsic test is subjective and tests "for similarity of expression from the standpoint of the ordinary reasonable observer, with no expert assistance." *Jada Toys, Inc. v. Mattel, Inc.,* 518 F.3d 628, 637 (9th Cir. 2008) (quoting *Apple Comput., Inc. v. Microsoft Corp.,* 35 F.3d 1435, 1442 (9th Cir. 1994)). Because "the intrinsic test is reserved exclusively for the trier of fact," only the extrinsic test is relevant at the summary-judgment stage. *Williams,* 895 F.3d at 1119.

"When applying the extrinsic test, a court must filter out and disregard the non-protectible elements." *Cavalier v. Random House, Inc.,* 297 F.3d 815, 822 (9th Cir. 2002). For literary works, "the test focuses on articulable similarities between the plot, themes, dialogue, mood, setting, pace, characters, and sequence of events in two works." *Id.*.

But even if none of the artistic elements in those categories reveals substantial similarity, works can be substantially similar if they share the "selection and arrangement" of those elements—or, in other words, "the *particular* way in which the artistic elements form a coherent pattern, synthesis, or design." *Skidmore,* 952 F.3d at 1074; *see Hanagami v. Epic Games, Inc.,* 85 F.4th 931, 943 (9th Cir. 2023). For a "selection-and-arrangement" claim to succeed, the elements themselves need not be protectable. Rather, "a copyright plaintiff may argue 'infringement... based on original selection and arrangement of unprotected elements.'" *Skidmore,* 952 F.3d at 1074 (omission in original) (quoting *Metcalf v. Bochco,* 294 F.3d 1069, 1074 (9th Cir. 2002)); *see also Metcalf,* 294 F.3d at 1074 ("The particular sequence in which an author strings a significant number of unprotectable elements can itself be a protectable element.").

We first evaluate the Yonays' arguments about individual elements of the works and then consider their argument based on selection and arrangement.

A

The Yonays contend that there are similarities in each of the categories of elements described in our cases: plot, sequence of events, characters, dialogue, themes, mood, setting, and pace. We agree with the district court that the Yonays cannot show meaningful similarities in any of those categories.

Before considering the individual categories, however, we observe a problem that pervades the Yonays' arguments: Although "Top Guns" contains much original, protected expression—most notably, its vivid phrasing and innovative structure—none of that expression appears in *Maverick.* The Yonays identify similarities between the article and the film only by describing both works at such a high level of abstraction that the similarities do not involve protected expression. Their claim of substantial similarity fails because what is protected is not similar, and what is similar is not protected.

Plot and Sequence of Events: We are not sure it is accurate to characterize "Top Guns" as having a "plot" in the conventional sense—it is a nonfiction work, and the portions of the article that describe specific events do so in a nonlinear way that is repeatedly interrupted by historical and descriptive digressions. The article describes the various planes used by Navy fighter pilots, recounts how pilots learn to fly, explains the origin of the Top Gun program, and includes detailed descriptions of a flight simulator and Yonay's own experience in a fighter plane. To the extent there is a plot, it is Yogi and Possum's journey: They complete flight school and meet while going through fighter-pilot training; they are deployed on an aircraft carrier; they are sent to Top Gun as students and proceed through the school's curriculum; and they graduate and are deployed again.

[The court contrasted Maverick's conventional three-act plot with the article's nonlinear, digressive structure.]

The Yonays argue that those differences are irrelevant to the analysis of substantial similarity. We agree with the general 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, 56 (2d Cir. 1936) (L. Hand, J.). But a plot is simply "the 'sequence of events' by which the author expresses his 'theme' or 'idea.'" *Shaw v. Lindheim,* 919 F.2d 1353, 1363 (9th Cir. 1990) (quoting 3 Melville B. Nimmer, *Nimmer on Copyright* § 13.03[A] (1989)), *overruled in part on other grounds by Skidmore,* 952 F.3d at 1068-69. The more that events are added to or subtracted from that sequence, the less that the plots can reasonably be described as similar, even if there is some overlap. *Cf. Woodland v. Hill,* 136 F.4th 1199, 1211 n.4 (9th Cir. 2025) (noting that "courts may identify differences in the works to explain why there is no substantial similarity").

At oral argument, the Yonays emphasized that *Maverick* "lifts certain things" from "Top Guns," including the fact that the F-14 "swings back its wings so that it can ... do a short takeoff"—a feature that becomes relevant to the plot when Maverick and Rooster take off in a stolen F-14 to escape enemy territory. But the F-14 is a real plane with variable-sweep wings. *See Jane's All the World's Aircraft 1983-84,* at 392 (John W.R. Taylor ed., 1983) (noting that "the configuration of the F-14 includes variable geometry wings" with "20° of leading-edge sweep in the fully forward position and 68° when fully swept"). The evocative language that "Top Guns" uses to describe the aircraft's design—that its "wings can sweep back for fast flying or open to the sides like an eagle's for landing or just for cruising around"—does not appear in *Maverick.* And the basic facts of the design do not enjoy copyright protection. *See Feist,* 499 U.S. at 349 ("No matter how original the format, however, the facts themselves do not become original through association."). [The court rejected further asserted plot similarities as unprotectable facts and ideas.]

Characters: No character described in "Top Guns" appears in *Maverick.* In both works, of course, many of the characters are Top Gun instructors and trainees. But in a work about Top Gun, using instructors and trainees as characters is hardly original. In any event, the characters in the article are real people, and "a character based on a historical figure is not protected for copyright purposes." *Corbello v. Valli,* 974 F.3d 965, 976 (9th Cir. 2020).

The Yonays point to the article's "expressive characterizations" of the real Top Gun trainees. They highlight, for example, its description of the trainees in a bar: "These supremely healthy young males are standing around in twos and threes and talking about" a training flight while ignoring the dancing women "waving right in front of their eyes." Those descriptive phrases are entitled to copyright protection: Although ideas and facts themselves are not protectable, "the specific details of an author's rendering of ideas" and facts are. *Corbello,* 974 F.3d at 975 (quoting *Funky Films, Inc. v. Time Warner Ent. Co.,* 462 F.3d 1072, 1077 (9th Cir. 2006)). But none of the quoted phrases appears in *Maverick.* The Yonays instead argue that *Maverick* copied general traits from the article's characters—for example, that the film depicts pilots as "men's men" who are "jocular, confident, competitive..., good-humored and deeply committed." Like the Yonays' asserted plot similarities, those traits are too general to be protectable. *See Biani v. Showtime Networks, Inc.,* 153 F.4th 957, 965 (9th Cir. 2025).

Dialogue: It is unclear that any of the dialogue in "Top Guns" is protectable, given that the article presents all of that dialogue as real statements of real Top Gun instructors and trainees. *See Corbello,* 974 F.3d at 978 ("Elements of a work presented as fact are treated as fact."). Regardless, none of the dialogue in "Top Guns" appears in *Maverick*—with the exception of the two-word phrase "fight's on," something that real fighter pilots say before beginning training exercises.

Faced with the lack of similarity in dialogue, the Yonays again resort to abstraction, arguing that "the characters in both Works speak in a way that is at once droll, idiomatic, techy, and charmingly unguarded." Assuming that description to be accurate, it is too general to be protectable. [The court found no protectable similarity in theme, mood, setting, or pace.]

B

Given the lack of similarity in protectable elements, the Yonays understandably focus on a selection-and-arrangement argument. "A selection and arrangement copyright protects ... the *particular* way in which the artistic elements form a coherent pattern, synthesis, or design." *Skidmore,* 952 F.3d at 1074. We consider selection-and-arrangement arguments because of the possibility that the original expression a defendant has copied from a plaintiff cannot be categorized as one, or even a combination, of plot, themes, dialogue, mood, setting, pace, characters, or sequence of events. But although "the particular sequence in which an author strings a significant number of unprotectable elements can itself be a protectable element," *Metcalf,* 294 F.3d at 1074, that particular sequence must be original, *see Feist,* 499 U.S. at 349. To assert a selection-and-arrangement argument, a copyright plaintiff must identify "a combination of ... elements... numerous enough" and with a "selection and arrangement original enough that their combination constitutes an original work of authorship." *Skidmore,* 952 F.3d at 1074 (quoting *Satava v. Lowry,* 323 F.3d 805, 811 (9th Cir. 2003)). Then, the plaintiff must show that the defendant's selection and arrangement is substantially similar to the plaintiff's. *Id.* at 1075.

The Yonays assert that the district court erred by "comparing the Works' selection and arrangement of *only* 'unprotected elements,'" because "selection and arrangement analysis must consider *all* elements, protected and unprotected." We agree that an original selection and arrangement could include both protectable and unprotectable elements, and in such cases, a court should compare the selection and arrangement of all the elements. But to the extent the Yonays are arguing that a plaintiff can prevail under a selection-and-arrangement theory simply by showing that the two works share many similar elements, whether unprotectable or protectable, their argument reveals a misunderstanding of the extrinsic test.

As we have explained, a court applying the extrinsic test must filter out the unprotected elements. "'Filtering' and 'selection and arrangement' are not truly distinct tests." *Hanagami,* 85 F.4th at 942 n.11. Both ask whether the defendant has copied something other than unprotectable elements. Filtering means that in addition to identifying the "articulable similarities" in the specific objective elements of the works in question, *Cavalier,* 297 F.3d at 822 (quoting *Kouf,* 16 F.3d

at 1045), a court must also "determine whether the similar elements are protectable or unprotectable," *Mattel, Inc. v. MGA Ent., Inc.,* 616 F.3d 904, 913 (9th Cir. 2010). Only then can it be assured that "the *protectable elements, standing alone,* are" what is "substantially similar." *Corbello,* 974 F.3d at 975 (quoting *Funky Films,* 462 F.3d at 1077).

To be sure, protectable expression can be, and often is, composed of smaller, unprotectable elements. A plot, for instance, is simply a combination of events. *See Shaw,* 919 F.2d at 1363. Although no discrete event that makes up a plot is itself protectable, a court cannot simply ignore all the unprotectable events, or it would be unable to identify the plot. In other words, even after a court filters out unprotectable elements, it may still consider those elements to the extent that they are constituent parts of protectable categories of expression.

Selection-and-arrangement analysis works the same way. A selection and arrangement of elements can be original and protectable, whether or not the elements themselves are protectable. When comparing two works' selection and arrangement of elements, a court cannot blind itself to the elements, but similarities in those elements alone—no matter their quantity or importance to the work—cannot demonstrate unlawful appropriation. Instead, to be substantially similar, the works must share a "pattern, synthesis, or design" that is both "particular" and "coherent." *Skidmore,* 952 F.3d at 1074.

The Yonays identify no such shared pattern of expression here. As with their argument about individual elements, the Yonays identify multiple factual similarities between the works when discussing selection and arrangement: for example, that "only the best of the best get invited back to Top Gun as instructors," that "pilots live in a communal world," that the program involves "grueling training," and that lieutenants "carouse at the bar, which has a big brass bell and where those who break 'house rules' must buy a round for everyone." But those are unprotectable facts about the Top Gun program, and a copyright plaintiff "cannot establish substantial similarity by reconstituting the copyrighted work as a combination of unprotectable elements and then claiming that those same elements also appear in the defendant's work, in a different aesthetic context." *Skidmore,* 952 F.3d at 1075; *see also Corbello,* 974 F.3d at 974 n.2 (rejecting a selection-and-arrangement theory where the works depicted shared factual elements "from different perspectives, with different characterizations of the people involved, in different media, and communicating a different overall message").

The Yonays attempt to articulate patterns that the works share, but the patterns they describe are not the original expression in Yonay's copyrighted article. For example, they point out that "rather than offer an encyclopedic narration of the naval base's operations, Yonay focused on the personal backgrounds and idiosyncrasies of ambitious fighter pilots to engage his audience and humanize" the characters in "Top Guns." They assert that Yonay "patterned contradictory character elements to engage his audience and enhance his Story: e.g., pilots are fierce, but playful; regimented, but irreverent; macho, but sensitive." And they say that, in both works, "passages of idyllic flying over the beach in Southern California

are juxtaposed suddenly and violently with gut-wrenching climbs, dives, and dogfights," causing "beauty and terror" to "spring from each other."

Those abstract ideas are not the article's original expression. Showing characters' backgrounds and personalities, giving them contradictory traits, and displaying action in aesthetically pleasing places have all been done before. And even if they had not, the Yonays "cannot claim an exclusive right to ideas or concepts at that level of generality, even in combination. Permitting them to claim such a right would withdraw those ideas or concepts from the 'stock of materials' available to other artists, thereby thwarting copyright's 'fundamental objective' of 'fostering creativity.'" *Rentmeester,* 883 F.3d at 1123 (quoting *Warner Bros. Inc. v. American Broad. Cos.,* 720 F.2d 231, 240 (2d Cir. 1983)); *see also Nichols v. Universal Pictures Corp.,* 45 F.2d 119, 121 (2d Cir. 1930) (L. Hand, J.) ("Upon any work, and especially upon a play, a great number of patterns of increasing generality will fit equally well, as more and more of the incident is left out.... But there is a point in this series of abstractions where they are no longer protected, since otherwise the playwright could prevent the use of his 'ideas,' to which, apart from their expression, his property is never extended.").

In the face of a lack of substantial similarity, the Yonays emphasize that "Top Guns" contains significant amounts of original expression. But the expressive nature of the article shows merely that the work receives full copyright protection and that the substantial-similarity standard applies—in contrast, for example, to "painting a red bouncy ball on blank canvas," where "there's only a narrow range of" possible expression, so "a work must be 'virtually identical' to infringe." *Mattel,* 616 F.3d at 914 (quoting *Apple Comput., Inc. v. Microsoft Corp.,* 35 F.3d 1435, 1446-47 (9th Cir. 1994)). The question under the extrinsic test is whether the expression in *Maverick* is substantially similar to the original expression in "Top Guns," and it is not.

AFFIRMED.

Notes and questions

(1) What does *Yonay* tell us about how filtration works in the Ninth Circuit? What does it suggest about the limits of similarity arguments based on selection-and-arrangement?

(2) *The Ninth Circuit Reconsiders the Intrinsic Test.* Having only fairly recently sorted out the mess it created in *Sid & Marty Krofft*, the Ninth Circuit now appears uneasy with the implications of the intrinsic half of the extrinsic/intrinsic test. Jeffrey Sedlik is a photographer; his 1989 portrait of Miles Davis, with a finger raised to his lips, is among the best-known images of the musician. Katherine Von Drachenberg, the tattoo artist better known as Kat Von D, used the photograph as a reference for a tattoo she gave a friend without charge, and posted images of the work in progress and of the finished tattoo on social media. Sedlik sued. At trial the jury found that the tattoo was not substantially similar to the photograph, and that other images used as intermediate copies in the process of creating the tattoo were fair use. A panel of the Ninth Circuit affirmed. Two members of the panel wrote separately to argue that the circuit's intrinsic test should be abandoned,

describing it as standardless and as inviting juries to reach copyright verdicts unconstrained by copyright law.

On 9 June 2026 the court granted rehearing en banc and vacated the panel opinion. See *Sedlik v. Von Drachenberg*, No. 24-3367. Argument was set for the week of 28 September 2026. The question for the en banc court is whether the intrinsic prong, as a subjective, expert-free, essentially unreviewable inquiry, has any continuing place in copyright infringement analysis, or whether the objective work of filtration ought to be the whole of it.

Was the jury so wrong? The verdict has been described as jury nullification, but that might be unfair to the jurors and it is certainly unfair to the defense. Counsel for Von Drachenberg succeeded in getting the jury to understand how a tattoo differs from a conventional two-dimensional image: it is applied to a living, curved, moving surface, its execution is constrained by the medium in ways a print is not, and it exists as an object on a person rather than as a picture. Those same differences largely disappear when the comparison presented on appeal, or in a casebook, is between the original photograph and a photograph of the tattoo. Flattened onto the page, the two images look far more alike than the tattoo and the photograph did to the jury.

Perhaps the gap between what the jury saw and what a reviewing court sees is a good reason to be skeptical of the need for appellate courts to police a verdict for the defense based on the ordinary observer's reaction?

The Inevitable Tension Between Dissection and Gestalt

The extrinsic/intrinsic test from *Sid & Marty Krofft* has come a long way. Thanks to *Rentmeester* and other cases, it should now be clear that proving copyright infringement in the Ninth Circuit requires establishing copying in fact and wrongful copying, not merely access + substantial similarity. It should also be clear now that the two-part extrinsic/intrinsic test is nested within wrongful copying, on the assumption that copying in fact has already been established. In other words, *Rentmeester* brings Ninth Circuit copyright back into alignment with the copying in fact versus wrongful copying framework of the Second Circuit.

In both circuits, copying in fact can be proven directly by admission or eyewitness accounts, or indirectly by evidence of access and similarities that are probative of copying (whether or not these similarities are the kind that would make such copying wrongful). We address potential trade-offs between access and probative similarity in the next chapter.

On the issue of wrongful copying, courts in both circuits still face the difficult question of how to avoid finding of infringement to be based on similarities in unprotectable elements while steering clear of the opposite trap of disaggregating works into nothingness. After all, even the greatest works of literature are simply new towers made by the combination of old bricks and in many fields of artistic endeavor copyrightability rests on how uncopyrightable elements are combined.

Courts almost always say that the test for infringement is based on the reaction of the ordinary observer, but that is only ever true in the sense that the ordinary observer is an

extraordinary legal fiction (like the "reasonable man" in negligence and the "person having ordinary skill in the art" in patent law). In most contexts, courts will attempt to parse out ideas from their expression, identify literary tropes, conventions, *scènes à faire*, and the constraints of the relevant medium, chosen materials, genre and public expectation. Such unprotectable elements are not always shielded from the observation of the ordinary observer, but the jury asked to evaluate what an ordinary observer would say is inevitably instructed to restrict their assessment to copyrightable features or combinations.

In the Second Circuit, the standard test for substantial similarity to establish wrongful copying is whether an ordinary observer would find the works the same in terms of "aesthetic appeal" or "total concept and feel" or whether they would "recognize the alleged copy as having been *appropriated* from the copyrighted work." Sometimes courts in the Second Circuit expressly require the ordinary observer to be "more discerning" and filter out the unprotectible elements. Sometimes they allow those unprotectible elements to be considered in combination. Always the fact finder is cautioned that similarity between two works must concern the expression of ideas, not the ideas themselves. There is, in short, a confusing mishmash of dissective and holistic approaches.

The Ninth Circuit is no longer that different to the Second, except that the extrinsic-intrinsic test gives more structure to the analysis. In the Ninth Circuit after copying in fact has been conceded or established, the court then shifts to determining whether works are substantially similar both extrinsically and intrinsically. The extrinsic test focuses on objective similarities between the protectable elements of the plaintiff's expression and the defendant's work. To enable this focus the court must "filter out" the unprotectable elements of the plaintiff's work—primarily ideas and concepts, material in the public domain, and scènes à faire. The protectable elements that remain are then compared to corresponding elements of the defendant's work to assess similarities in the objective details of the works. Sometimes after this filtering there is nothing left to compare, and summary judgment should be awarded to the defendant. If the plaintiff shows that there is some "extrinsic" similarity in protectable expression, it must also show that there is an "intrinsic" similarity. The intrinsic test requires a more holistic, subjective comparison of the works to determine whether they are substantially similar in "total concept and feel."

CHAPTER 8. THE REPRODUCTION RIGHT—PART II

This chapter addresses some advanced topics in relation to establishing a violation of the reproduction right.

Copying in Fact

Access is not an element of the plaintiff's prima facie case

In *Feist* the Supreme Court said: "to establish infringement, two elements must be proven: (1) ownership of a valid copyright, and (2) copying of constituent elements of the work that are original." This second element entails both copying in fact (or factual copying) and wrongful copying (or improper appropriation). As mentioned in the previous chapter, copying in fact means that there is a causal connection running from work A to work B and this can be established by admission, stipulation, direct observation, or indirect evidence.

The plaintiff in an action for copyright infringement must show that B was actually copied from A in the sense that there is a causal connection running from A to B. Courts refer to this requirement as either "copying in fact," "factual copying," or "actual copying." Such actual copying can be deliberate, unintended, or even subconscious. If two works are similar, but were in fact independently created, there is no copyright infringement. The classic statement to this effect comes, again, from Judge Learned Hand, this time in *Sheldon v. Metro-Goldwyn Pictures Corporation*, 81 F.2d 49 (1936):

> … but if by some magic a man who had never known it were to compose anew Keats's Ode on a Grecian Urn, he would be an "author," and, if he copyrighted it, others might not copy that poem, though they might of course copy Keats's.

Of course, most of us don't believe in magic and so we are usually prepared to draw an inference from very high levels of similarity that B probably was copied from A. We will return to this topic below.

Sometimes, quite often in fact, a defendant will simply admit that the plaintiff's work influenced their work and fight the case on lack of wrongful copying or a defense of fair use. Sometimes, but rarely, some third party will be in a position to say, "I saw the defendant composing his novel with a detailed summary of the plaintiff's novel in hand." If that testimony is believed, it should establish factual copying. However, in a large number of cases, the plaintiff cannot rely on an admission or direct evidence and must establish copying in fact by indirect evidence: that is, the plaintiff must persuade the judge or jury of the ultimate fact of copying it can't prove directly by drawing inferences from the facts it can prove. In such cases, plaintiffs invariably rely on some theory of how the defendant could have had *access* to the work and on *similarities* between the works that make copying from the plaintiff—as opposed to copying from a common source or just plain coincidence—seem the most likely explanation. Hopefully, this strikes the reader as mundane common sense, but courts have struggled with it over the years.

As discussed in the previous chapter, in *Sid & Marty Krofft* the Ninth Circuit framed the test for infringement in terms of ownership, access, and substantial similarity despite the fact that it said it was applying the two-part test in *Arnstein*. Many cases following *Krofft*

treat access and substantial similarity as elements that establish infringement rather than components of copying in fact. This approach is mistaken. Access is a way to prove copying in fact, not something that must be proved for its own sake, and certainly not something that dispenses with the need to prove the ultimate question of copying in fact.

Probative similarity is different to substantial similarity

Another problem that *Sid & Marty Krofft* contributed to is the perennial confusion between similarities that make copying in fact more likely and similarities that make copying wrongful, assuming it occurred. One reason why courts get confused between copying in fact and wrongful copying is that a factual determination of similarity can play some role in both issues in many cases. Similarities between *A* and *B* may be evidence that there was copying in fact because all other things being equal, the closer *A* is to *B*, the greater the chances that *B* was copied from *A*. But a certain threshold of similarity (as to protectable expression) is also required to show that if there was copying, it was wrongful. As a result, courts sometimes lose sight of the distinction between copying in fact and wrongful copying and apply a singular threshold of substantial similarity to determine both.

In fact, courts regularly lump the entire inquiry, *copying in fact* and *wrongful copying* under the single term "substantial similarity." This not only makes it confusing to read the cases, but it also leads courts themselves to conflate the two distinct elements. Courts should try to keep the question of whether *B* really did copy from *A* and the question of whether such copying went too far, quite separate. The extent of similarities between A and B will be important in answering both questions, but we are actually dealing with two very different concepts of similarity here. The two kinds of similarity are different and they deserve different names: the most logical nomenclature differentiates between *probative similarity* that supports an inference of copying in fact and *substantial similarity* which addresses wrongful copying.

As Alan Latman observed in his definitive article published several years after his death:

> "Substantial similarity," while said to be required for indirect proof of copying, is actually required only after copying has been established to show that enough copying has taken place. A similarity, *which may or may not be substantial*, is probative of copying if, by definition, it is one that under all the circumstances justifies an inference of copying. In order to emphasize the function of such similarity and avoid the confusion of double usage, this Article suggests use of the term "probative similarity" in place of "substantial similarity" in this context.

For more, see Alan Latman, *"Probative Similarity" as Proof of Copying: Toward Dispelling Some Myths in Copyright Infringement*, 90 COLUMBIA LAW REVIEW 1187 (1990).

There is no fixed relationship between probative similarity and substantial similarity

The following examples will demonstrate that there is no simple relationship between the level of similarity that supports an inference of copying in fact and that which sustains a conclusion of wrongful copying.

Example 1

Consider two photos with more than a passing similarity as depicted below. Photo *A* was taken by Sarah Scurr, a British student living in Santiago, Chile; photo *B* by Marisol Ortiz Elfeldt, a Chilean reporter and amateur photographer. See Oliver Smith, *How an Incredible Coincidence Sparked a Facebook Plagiarism Row*, THE TELEGRAPH (Feb. 2, 2015). Photographs *A* and *B* are similar in subject, composition, lighting, and almost any other dimension one cares to think about. The only real difference between them appears to be in the photographer's choice of color filters and the level of contrast, both of which could be changed in post-production.

Photographs A and B



Image description: Left, a large, bright blue iceberg floats in calm, reflective water under a cloudy gray sky. The ice has jagged ridges and varying shades of blue, with a more intense hue near the waterline. Right, the same iceberg as in the previous image, but with altered color saturation. The blues in the ice and water are much more intense, while the sky and clouds have been desaturated to near black-and-white, creating a striking contrast.

Suppose that Photo 'A' was taken in 2006 and made available on the photographer's website. In 2009, photo 'B' is entered in a newspaper photography competition and now the author of A alleges that B infringed her copyright. There is no doubt that if B had been copied from A and simply modified in some subtle way, B would be an infringing copy of A. But as it turns out two women standing beside one another on a cruise to the San Rafael Glacier in the Northern Patagonian Ice Field took both photos independently at almost the exact same time. Here we have similarity that would be enough in some circumstances to reach a threshold of wrongful copying, but not enough to prove copying in fact.

Given the subject matter, the possibility that both photos were taken at the same place and time seems only too apparent. As the Seventh Circuit noted in *Ty Inc. v. GMA Accessories, Inc.*, 132 F.3d 1167, 1170 (7th Cir. 1997):

> … two works may be strikingly similar—may in fact be identical—not because one is copied from the other but because both are copies of the same thing in the public domain. In such a case—imagine two people photographing Niagara Falls from the same place at the same time of the day and year and in identical weather —there is no inference of access to anything but the public domain, and, equally, no inference of copying from a copyrighted work.

Example 2

But it is easy to imagine the opposite. Suppose *A* is a well-known and widely appreciated work of literature. Author *B*, takes the essential story of *A*, changes the setting in both time and culture, adopts a different narrative style and perspective to obtain a different point of view but retains the same essential conflict. To put a little more distance between the works, *B* changes names and combines characters. *B* also extends the timeline of the original story, so that her account captures events she imagines might have taken place before and after the sequence of events in *A*. From this process of deliberate mutation, *B* may produce a work that is thoroughly original but still discernably influenced by *A*. Here we have a causal connection between the works, and we have similarity that is sufficient to establish copying in fact, but this is still insufficient to establish wrongful copying.

Example 3

A produces a telephone directory of the best restaurants in the Atlanta Metro area. To catch plagiarists in the act, *A* includes four fictional listings for restaurants that do not exist. *A* can use evidence that *B*'s telephone directory also contains the exact same fake listings to prove beyond any real doubt that *B* copied from *A*, but that won't go very far in establishing that *B* has infringed *A*'s copyright. As we saw in the notes on *Feist* in a previous chapter, even if *A* can show that her directory contained enough creative spark to merit copyright protection, her copyright will still be "thin", and she will also have to show that B copied her almost exactly to prevail.

***

As seen in each of the examples, there is no simple relationship between probative and substantial similarity. In application, the similarities that establish wrongful copying are often the same as those that tend to prove that there was copying in the first place, but the kinds of similarity are fundamentally different. Substantial similarity and probative similarity intersect, but they are not the same, nor is one necessarily a subset of the other.

Probative similarity is any similarity at all between the works that makes it more likely that the accused work was copied from the plaintiff's original work. Similarities in subject matter, genre, perspective, general idea, and concept are unlikely to meet this test, and they should also be filtered out from any assessment of substantial similarity for reasons to be explained shortly. However, probative similarity can be established by identical features that are inconsequential and unlikely to be noted by the ordinary observer but for which copying seems the more likely explanation than sheer coincidence. As noted, the fact that

two works contain identical deliberate mistakes is great evidence of copying in fact, but it will usually mean nothing in terms of wrongful copying. If two maps feature the same nonexistent town, it stands to reason that either one was copied from the other or both were copied from the same source. The duplication of a single errant entry would not cross the threshold of improper appropriation, but it can be strong evidence of copying in fact.

Nonetheless, there is also a significant overlap between probative similarity and substantial similarity—if two works are sufficiently similar in terms of protectable expression that the ordinary observer would regard them as the same in their aesthetic appeal, that one conclusion may establish that one was indeed copied from the other and that such copying went too far.

Independent creation

Evidence of independent creation is evidence that there was in fact no copying. While in general it is hard to prove a negative, evidence in the form of logs, drafts, and eyewitness accounts can go some way to proving independent creation. However, courts and juries can always discount such evidence, on the view that the defendant's belief in independent creation is perfectly consistent with subconscious copying. As discussed in a previous chapter, in *Bright Tunes Music v. Harrisongs Music* the court ruled that George Harrison had subconsciously copied the earlier song, the Chiffons' song "He's So Fine" given he had likely been exposed to it in the many weeks it spent in the top-100 chart and the similarity of the melodies. A similar theory prevailed in *Three Boys Music v. Bolton*, although with much weaker evidence of access.

The death (and likely rebirth) of the inverse ratio rule

In the absence of an admission of copying or direct evidence, the plaintiff must rely on circumstantial evidence to establish that her work was in fact copied. Two vital such circumstances are that the defendant had *access* to the work and that there are *similarities* between the works suggestive of copying.

Imagine that in one case the defendant actually possessed a copy of the plaintiff's work and in another, there was no evidence that she had ever seen it, much less had convenient access to a copy. Assuming some moderate level of similarity between the plaintiff's and the defendant's works, it seems reasonable to say that there is better evidence of actual copying in the former case. If the defendant possessed a copy of the plaintiff's work, it is easy to see how she could have copied it. Given that degree of access, a certain level of similarity we can call X% might be enough to persuade the finder of fact that she did actually copy the work. Now imagine in the second case that there are a great many more unexplained similarities between the works, so the level of similarity is Y% (where Y is greater than X). The stronger the evidence of similarity (especially as Y approaches 100%), the more likely the work was copied, even if there is no specific evidence of access. This makes sense as long as there is a bare possibility of access and the similarities don't have some other explanation.

Based on the foregoing, there is something to the intuition that there is some kind of tradeoff between evidence of access and evidence of similarity, but the status of the "inverse ratio rule" is now in doubt.

Skidmore v. Led Zeppelin, 952 F.3d 1051 (9th Cir. 2020) (En Banc)

McKeown, Circuit Judge:

… THE INVERSE RATIO RULE

Copyright infringement cases often boil down to the crucial question of substantial similarity. We have stated that "substantial similarity is inextricably linked to the issue of access," and have adhered to "what is known as the 'inverse ratio rule,'" which requires "a lower standard of proof of substantial similarity when a high degree of access is shown." *Three Boys Music*, 212 F.3d at 485. That is, "the stronger the evidence of access, the less compelling the similarities between the two works need be in order to give rise to an inference of copying." *Rentmeester*, 883 F.3d at 1124.

Skidmore proposed an inverse ratio rule instruction, but the court chose not to give the instruction. The court reaffirmed this decision when Skidmore raised the question again after the close of testimony: "We're not going to give that instruction." Because the inverse ratio rule, which is not part of the copyright statute, defies logic, and creates uncertainty for the courts and the parties, we take this opportunity to abrogate the rule in the Ninth Circuit and overrule our prior cases to the contrary.

The circuits are split over the inverse ratio rule, but the majority of those that have considered the rule declined to adopt it. The Second, Fifth, Seventh, and Eleventh Circuits have rejected the rule. *Peters v. West*, 692 F.3d 629, 634-35 (7th Cir. 2012) (noting that the circuit has never endorsed the idea that "a 'high degree of access' justifies a 'lower standard of proof' for similarity"); *Positive Black Talk, Inc. v. Cash Money Records, Inc.*, 394 F.3d 357, 371 (5th Cir. 2004) (acknowledging the rule but explicitly not adopting it); *Beal v. Paramount Pictures Corp.*, 20 F.3d 454, 460 (11th Cir. 1994); *Arc Music Corp. v. Lee*, 296 F.2d 186, 187-88 (2d Cir. 1961). Only our circuit and the Sixth Circuit have endorsed it. See *Stromback v. New Line Cinema*, 384 F.3d 283, 293 (6th Cir. 2004).

But even within our circuit, our embrace and application of the rule have had a checkered application. [The court discussed *Sid & Marty Krofft Television Prods., Inc. v. McDonald's Corp.*, 562 F.2d 1157 (9th Cir. 1977) and *Aliotti v. R. Dakin & Co.*, 831 F.2d 898, 902 (9th Cir. 1987), embracing and rejecting the inverse ratio rule, respectively.] Revitalizing *Krofft*, we several times affirmed that the rule guided our analysis of similarity. Even so, we did not explain how to apply the rule.

The lack of clear guidance is likely due in no small part to our use of the term "substantial similarity," both in the context of copying and unlawful appropriation, muddying the waters as to what part of the infringement analysis the rule applies. See 3 William F. Patry, Patry on Copyright ("Patry") § 9.91 (2017) ("The inverse ratio theory confuses fundamental principles of infringement analysis: access is relevant only in establishing the act of copying, not in establishing the degree thereof. Once copying is established, access is irrelevant and the inquiry shifts to the final stage of the infringement analysis, material appropriation."). In

Rentmeester, we pointed out the term's dual use and ultimately stated that the inverse ratio rule "assists only in proving copying, not in proving unlawful appropriation." 883 F.3d at 1124.

Capping off this period of expansion, we even pushed past the rule's outer limits set forth in *Krofft*, i.e., that "no amount of proof of access will suffice to show copying if there are no similarities." 562 F.2d at 1172. In *Metcalf v. Bochco*, though we did not explicitly name the rule, we held that because access was not disputed, we "could easily infer that the many [generic] similarities between [the works] were the result of copying, not mere coincidence." 294 F.3d 1069, 1074-75 (9th Cir. 2002).

Confusion followed in *Metcalf's* wake. In one case, we tried to cabin *Metcalf* to cases where there was a clear "concession of access." *Rice v. Fox Broad. Co.*, 330 F.3d 1170, 1178-79 (9th Cir. 2003). In other cases, where access was assumed (though not conceded), we side-stepped *Metcalf* and held that the similarities between works were insufficient to support a conclusion of copying. The result?—confusion about when to apply the rule and the amount of access and similarity needed to invoke it.

Our jurisprudence in recent years brought additional uncertainty. In 2000, we circumscribed the rule by explaining that it is not a two-way street: while the rule "requires a lesser showing of substantial similarity if there is a strong showing of access," it does not mean that "a weak showing of access requires a stronger showing of substantial similarity." *Three Boys Music*, 212 F.3d at 486. In 2018, it seems, the rule goes both ways: it also provides that the "more compelling the similarities supporting an inference of copying, the less compelling the evidence of access need be." *Rentmeester*, 883 F.3d at 1124. In the face of tangled precedent, the *Rentmeester* panel tried to carefully thread the needle, but ended up adding another indecipherable stitch.

Just two years ago, we again sowed doubt whether the rule ought to apply at all. In *Williams v. Gaye*, which dealt with the song Blurred Lines, the majority initially defended use of the rule against the dissent's criticism because the rule is "binding precedent" that "we are bound to apply." But in an amended opinion, the court deleted all references to the rule. *Williams v. Gaye*, 895 F.3d 1106 (9th Cir. 2018).

As we struggled with the inverse ratio rule over the years, the Second Circuit rejected it as early as 1961, describing the idea as a "superficially attractive apophthegm which upon examination confuses more than it clarifies." *Arc Music*, 296 F.2d at 187. The court reasoned that "access will not supply [similarity's] lack, and an undue stress upon that one feature can only confuse and even conceal this basic requirement." *Id.* at 187-88. Importantly, the Second Circuit noted that there is "no such principle" in "the federal law of copyright." *Id.* at 187.

The Second Circuit also identified the problematic implications of this principle where access is very high and similarity very low: "[t]he logical outcome of the claimed principle is obviously that proof of actual access will render a showing of similarities entirely unnecessary." Id. However, "it does not follow that 'more' access increases the likelihood of copying." *Aronoff*, supra, at 126. Yet that is what

the rule compels. Complete access without any similarity should never result in infringement liability because there is no infringement. Even so, the rule suggests that liability may be imposed in such a case. "There is," however, "simply no logic in presupposing that the mid-points of [the rule] give rise to a 'ratio' of access to similarity constituting proof of" infringement. *Id.* at 141. Indeed, even "when the inverse ratio rule is applied, we still don't know how much similarity is required." Patry § 9.91.

The flaws in the rule can be seen in the inconsistent ways in which we have applied the rule within our circuit, the logic of the circuits that have rejected the rule, and analysis by academics and commentators. See id. ("There is nothing positive that can be said about a rule that lacks any clarity at all: trying to get a jury to both understand the rule and apply it properly is totally impossible.").

As a practical matter, the concept of "access" is increasingly diluted in our digitally interconnected world. Access is often proved by the wide dissemination of the copyrighted work. See *Loomis v. Cornish*, 836 F.3d 991, 995 (9th Cir. 2016). Given the ubiquity of ways to access media online, from YouTube to subscription services like Netflix and Spotify, access may be established by a trivial showing that the work is available on demand.

To the extent "access" still has meaning, the inverse ratio rule unfairly advantages those whose work is most accessible by lowering the standard of proof for similarity. Thus the rule benefits those with highly popular works, like The Office, which are also highly accessible. But nothing in copyright law suggests that a work deserves stronger legal protection simply because it is more popular or owned by better-funded rights holders.

Finally, the inverse ratio rule improperly dictates how the jury should reach its decision. The burden of proof in a civil case is preponderance of the evidence. Yet this judge-made rule could fittingly be called the "inverse burden rule."

Although we are cautious in overruling precedent—as we should be—the constellation of problems and inconsistencies in the application of the inverse ratio rule prompts us to abrogate the rule. Access does not obviate the requirement that the plaintiff must demonstrate that the defendant actually copied the work. By rejecting the inverse ratio rule, we are not suggesting that access cannot serve as circumstantial evidence of actual copying in all cases; access, however, in no way can prove substantial similarity. We join the majority of our sister circuits that have considered the inverse ratio rule and have correctly chosen to excise it from copyright analysis. In light of this holding, the district court did not err in failing to instruct the jury on the inverse ratio rule. …

We take the opportunity to reject the inverse ratio rule, under which we have permitted a lower standard of proof of substantial similarity where there is a high degree of access. This formulation is at odds with the copyright statute and we overrule our cases to the contrary.

Notes and questions

(1) One way to think of the supposed "inverse ratio rule" is that it simply reflects a proposition about what kind of circumstantial evidence will support a finding of copying in fact by the defendant. Once copying in fact has been established, the plaintiff must still show that such copying was wrongful and the "rule" is irrelevant. However, in the Ninth Circuit, the rule was often applied to reduce the plaintiff's burden of proof in terms of wrongful copying. This makes no sense at all, but that is how the court seemed to apply it in *Sid & Marty Krofft.* In that case, the court said: "We believe that this degree of access justifies a lower standard of proof to show substantial similarity." There was no question in *Sid & Marty Krofft* that copying had in fact taken place. That should have made the inverse ratio rule irrelevant, but instead the court seemed to apply the rule to reduce the burden of proof for establishing wrongful copying. This is daft and adds to the list of problems with *Sid & Marty Krofft* discussed in the prior chapter.

In *Rentmeester* in 2018, the Ninth Circuit tried to salvage the inverse ratio rule by confining it to the question of copying in fact where it belongs. This addressed the most glaring problem with the inverse ratio rule, but only two years later, the Ninth Circuit convened en banc in *Skidmore v. Led Zeppelin*, to "reject[] the inverse ratio rule" and said it was joining the majority of circuits that had already done likewise.

(2) A major problem with the "inverse ratio rule" is its name—describing the observation in terms of an "inverse ratio" or indeed as a "rule" invites misapplication. Placing the terms access and similarity into a "rule" or even worse, a "sliding-scale," as some courts have done, invites courts to view the concepts in their broadest terms. This leads to error because access and similarity in their most general senses are far from the only things to consider when trying to determine whether it is more likely than not that the defendant copied the plaintiff's work. If the question is whether, in all the circumstances, is it likely that B copied from A, then courts must consider all sorts of explanations for similarities between B and A, including external motivation/stimulus; constraints of the environment; common third-party sources of inspiration. Invoking the "inverse ratio rule" may distract from this broader inquiry. Moreover, it is problematic to talk in terms of an "inverse ratio" between two concepts that can't be measured on a continuous scale, are obviously non-linear, and are not reducible to a common scale.

(3) Perhaps given all the baggage of the inverse ratio rule the Ninth Circuit was right to disavow it entirely. But the court did not disavow the notion that there could be tradeoffs in particular cases, and it would not be surprising to see the underlying logic of the inverse ratio rule reappear under different terms in the future.

How much access is enough

Access to the plaintiff's work can be established in many different ways. A plaintiff may satisfy the requirement by showing that the copyrighted work was sent directly to the defendant or a close associate of the defendant. In *Peters v. West*, 692 F.3d 629 (7th Cir. 2012), for example, the defendant closely collaborated with a music producer who had a copy of the plaintiff's recording. Even though the music had never made it to the radio, that was enough to establish access. This is why many people and organizations working in creative industries return submissions unopened. In other cases, plaintiffs have

established access by showing that the copyrighted work was so widely disseminated that the defendant can be presumed to have seen or heard it. In the Internet age, it is usually not that hard to establish the bare possibility of access, but that may not be enough.

Art Attacks Ink, LLC v. MGA Entertainment Inc., 581 F.3d 1138 (9th Cir. 2009)

PREGERSON, Circuit Judge:

Background

Art Attacks Ink, LLC ("Art Attacks") brought suit against MGA Entertainment Inc. ("MGA"), alleging copyright, trademark, and trade dress infringement. Art Attacks is a small airbrush art business that has sold custom-made T-shirts and other items since 1993. Art Attacks designs include animals, celebrities, cars, and a "Spoiled Brats" collection. The Spoiled Brats collection features cartoonish, predominantly female characters with oversized eyes, disproportionately large heads and feet, makeup, and bare midriffs.

Art Attacks sold its wares primarily from a booth at several county fairs. Because Art Attacks is a small family business, it did business at only one location at a time. Art Attacks traveled to fairs in Orange County, San Diego County, Ventura County, Riverside County, San Bernardino County, and, after 1998, Los Angeles County. Art Attacks also did business at the Camp Pendleton Exchange, a convention in the Navajo Nation, and several malls, amusement centers, and Wal-Mart stores in Arizona. Art Attacks also sold its wares at Wal-Mart stores in California, including the Santee, Chula Vista, and Poway Stores.

At county fairs and other locations, Art Attacks airbrushed designs onto a shirt or other garment, along with the customer's name and a small caption, while the customer waited. Spoiled Brats designs could be tailored to resemble individual customers. Art Attacks sold about 2,000 Spoiled Brats T-shirts per year. Art Attacks copyrighted the Spoiled Brats characters in 1996.

Art Attacks also maintained an internet website as of 1996, during the early years of widespread internet use. The website displayed images of various Art Attacks airbrush designs, including animals, celebrities, cars, animals, and the Spoiled Brats. The website took two minutes to load. Users could click through the main Art Attacks website to a linked Spoiled Brats-specific page to obtain a mail-in order form. The website also lacked Spoiled Brats "meta tags," invisible pieces of data that are embedded in websites and act as flags to internet search engines. Because the Art Attacks website lacked such flags, an internet search for "Spoiled Brats" might not lead to the Art Attacks site.

Art Attacks never advertised in broadcast or print media. It did, however, display images of the Spoiled Brats on the Art Attacks booth. Millions of fair attendees have walked past the booth over the years. The Del Amo Fair, for example, has over one million yearly attendees, seventy-five percent of whom pass by the Art Attacks booth near the main entrance.

In 2001, MGA began selling "Bratz" dolls, which, like Art Attacks' designs, feature large eyes, heavy makeup, oversized eyes, heads, and feet, and bare midriffs. Art

Attacks filed suit against MGA in 2004, alleging causes of action including trademark, trade dress, and copyright infringement. [MGA prevailed in a jury trial on the trademark, trade dress claims and the district court granted its motion for judgement as a matter on law on the copyright claim.] This appeal followed.

Copyright Infringement

Absent direct evidence of copying, proof of infringement involves fact-based showings that the defendant had access to the plaintiff's work. To prove 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. Where there is no direct evidence of access, circumstantial evidence can be used to prove access either by (1) establishing a chain of events linking the plaintiff's work and the defendant's access, or (2) showing that the plaintiff's work has been widely disseminated.

1. Chain of Events

Art Attacks does not explicitly raise a chain of events argument, but implicitly does so by referring to evidence that an MGA decision-maker may have attended a county fair at which Art Attacks displayed the Spoiled Brats designs. MGA employee Aileen Storer ("Storer") designed the text of the Bratz mark displayed on doll packaging. Storer testified that she attended the Los Angeles County Fair sometime between 1995 and 2005. Art Attacks did not attend the Los Angeles County Fair until 1998. MGA began marketing Bratz dolls in 2001. The only relevant time period, therefore, is 1998-2001, within which Art Attacks displayed the Spoiled Brats designs at the Los Angeles County but before MGA began marketing the Bratz dolls.

There is no direct evidence that Storer ever saw an Art Attacks booth. Furthermore, Art Attacks has failed to show that Storer visited the Los Angeles County Fair during the relevant period. Though there may be some slight chance that Storer did visit the fair sometime during the relevant period, that chance does not create more than a "bare possibility" of a chain of events linking Art Attacks designs to MGA. Thus, Art Attacks has not shown a chain of events sufficient to demonstrate that MGA had access to copyrighted material.

2. Wide Dissemination

Art Attacks can also prove access by demonstrating wide dissemination of its protected work. Art Attacks argues that it widely disseminated the Spoiled Brats designs in three ways: (1) on the Art Attacks booth itself, (2) on Spoiled Brats T-shirts, which serve as "walking billboards," and (3) via the internet.

In *Rice v. Fox Broadcasting Co.,* we held that a video that sold 19,000 copies over a thirteen-year period could not be considered widely disseminated. 330 F.3d 1170, 1178 (9th Cir.2003). In *Jason v. Fonda*, book sales of no more than 2,000 copies nationwide and no more than 700 copies in Southern California did not create more than a bare possibility of access. 526 F.Supp. 774, 776 (C.D.Cal.1981) (adopted and aff'd by *Jason v. Fonda*, 698 F.2d 966 (9th Cir.1982)). Art Attacks attempts to distinguish *Rice* and Jason by arguing that books and videos require far more attention to view than T-shirts, which require only an instant. Art Attacks also

argues that we should look beyond Spoiled Brats sales figures and instead consider the number of people potentially exposed to Spoiled Brats merchandise. We do not find that either of these arguments demonstrate wide dissemination of the Spoiled Brats designs.

Art Attacks displayed Spoiled Brats images on its fair booths and store kiosks. The Spoiled Brats designs were not the only displays, but did appear in a binder on the booth's counter, as well as on the walls of the 20 × 10 booth. Although Art Attacks did not present any evidence of how many people saw or noticed the booth, Art Attacks showed that millions of people attend the relevant county fairs. Even so, there is no evidence that significant numbers of passersby would notice the Art Attacks booth among the many other similar booths at the fair or be able to view the Spoiled Brats displays.

Nor are we convinced by Art Attacks' "walking billboard" argument. Art Attacks sold only 2,000 Spoiled Brats T-shirts per year. The only evidence Art Attacks presented that supports the "walking billboard" argument was testimony from Jo Ann Mauck, the owner of Art Attacks and designer of the Spoiled Brats, that she once saw a person wearing a Spoiled Brats shirt in public. Even allowing for differences in attentional requirements needed to view T-shirts and the books and videos at issue in Rice and Jason, Art Attacks cannot demonstrate that its Spoiled Brats designs were widely disseminated to the extent necessary to create more than a "bare possibility" that MGA had access to the designs.

Art Attacks also contends that its website widely disseminated the Spoiled Brats designs. Although we recognize the power of the internet to reach a wide and diverse audience, the evidence here is not sufficient to demonstrate wide dissemination. Art Attacks launched its website in 1996, during the early years of common internet use. The image-heavy website took two full minutes to fully load. Even then, the Spoiled Brats design was only one of several images on the page. Viewers would not see the Spoiled Brats design without scrolling down on the page. Furthermore, the webpage did not include "meta tags" that would identify the Art Attacks site to internet search engines. As a result, a potential viewer who typed "Spoiled Brats" into a search field would likely not encounter the Art Attacks page. A website with such limitations could not have widely disseminated the copyrighted Spoiled Brats material.

A reasonable jury could not have concluded that there was more than a "bare possibility" that MGA had access to Art Attacks' Spoiled Brats designs. Accordingly, we affirm the district court's grant of summary judgment to MGA on the copyright infringement claim.

Art Attacks' Brats and MGA Bratz (Images from the Internet)



Image description: Left: A colorful cartoon of a blonde girl labeled "Spoiled Brat Courtney," wearing sunglasses, a crop top, and blue jeans, holding cash in one hand and a pink shopping bag in the other, with a neon circle background. Right: Four Bratz dolls dressed in fashionable, edgy outfits with hats, skirts, boots, and high heels, each with distinct hairstyles and poses.

Notes and questions

(1) In *Gaste v. Kaiserman* 863 F.2d 1061 (2d 1988), the plaintiff, Gaste, alleged that the defendant, Kaiserman, copied his song "Pour Toi" to create the hit song "Feelings," claiming that Kaiserman gained access to the song through a third-party music publisher, despite the defendant's denial of ever hearing the song prior to the litigation. Although the court emphasized that a "reasonable opportunity" to access the work is required, rather than just a bare or speculative possibility, it held that the jury could reasonably conclude that the defendant, Kaiserman, had access to Gaste's song "Pour Toi" through Lebendiger, who had a connection to both parties. Moreover, the court was not troubled by long span of time and geography separating the works. The court concluded that "although Gaste's theory of access relies on a somewhat attenuated chain of events extending over a long period of time and distance, we cannot say as a matter of law that the jury could not reasonably conclude that Kaiserman had access to the song through Lebendiger."

Why was the plaintiff's argument in *Gaste* stronger than in *Art Attacks*? What does this tell you about the difference between a reasonable opportunity of access and bare or speculative possibility?

(2) Does posting to social media give the whole world a reasonable opportunity of access? The Ninth Circuit said no in *Woodland v. Hill*, 136 F.4th 1199 (9th Cir. 2025). A photographer alleged that the recording artist Montero Lamar Hill, who performs as Lil Nas X, had imitated twelve of his photographs. His theory of access was that both men posted to Instagram, that their work fell within the same narrow sub-genre, and that Instagram's recommendation algorithm would therefore have put his photographs in front of Hill. The court accepted that digital platforms could in principle make access easier to establish, but only where a plaintiff can show a reasonable chance that the defendant would actually have encountered the work given the platform's algorithm or content-sharing policy. That was a large qualification, and the plaintiff could not satisfy it. Instagram has more than a billion users and far more posts; the fact that the defendant used the platform

and the photographs were on it established no more than a bare possibility. The algorithmic theory was speculation, because nothing in the material offered showed that similarity of profile content alone would cause Instagram to promote one user's posts to another, and there was no allegation that Hill had followed, liked, or otherwise interacted with the plaintiff's account or anything like it. The court expressly declined to say what a plaintiff would need to plead about a platform's algorithm to get over the line.

The plaintiff also argued that the sheer number of allegedly imitated photographs — twelve, not one — itself suggested access. The court disagreed, and the answer is worth remembering: the existence of multiple similar works does not prove access. That is a similarity argument wearing an access costume, and it belongs, if anywhere, in the striking similarity analysis considered below.

Striking similarity

What if the plaintiff does not have evidence that the defendant had a reasonable opportunity to view the work but there was a very high degree of similarity between the works? In such cases of "striking similarity" some courts take the view that the similarity between the works becomes its own evidence of access. Courts accept in effect that the similarities between A and B are such that the only plausible explanation is copying in fact. These cases are unusual. As the Seventh Circuit observed in *Selle v. Gibb*, 741 F.2d 896 (7th Cir. 1984), an inference of access may arise from "proof of similarity which is so striking that the possibilities of independent creation, coincidence and prior common source are, as a practical matter, precluded." But note that in that case the court was careful to point out that a prior common source for both plaintiff's and defendant's work could undermine an inference of copying. In a later Seventh Circuit case, *Design Basics, LLC v. Lexington Homes, Inc.*, 858 F.3d 1093 (7th Cir. 2017), the court summarized:

> So in the *rare case involving an uncanny resemblance* for which copying the plaintiff's work is the only plausible explanation, further proof of access may not be required. But in general, to prove a circumstantial case of copyright infringement, the plaintiff must separately prove both access and similarity. (emphasis added).

Note that *Design Basics* indicates the threshold for striking similarity is high, it applies to "rare case involving an uncanny resemblance."

Unicolors, Inc. v. Urban Outfitters, Inc., 853 F.3d 980 (9th Cir. 2017) illustrates striking similarity at work. In that case, Unicolors, a Los Angeles-based fabric design company, held a copyright in a fabric design called PE1130. Between 2008 and 2011, Unicolors sold about 14,000 yards of fabric with this design. In 2010, Urban Outfitters developed a dress using a fabric design that Unicolors alleged was similar to its PE1130 design. The district court determined that there was insufficient evidence to conclude on summary judgment that the Subject Design had been widely disseminated. But it concluded that such evidence was unnecessary because on its analysis, the works were strikingly similar. The court of appeals agreed:

> We conclude that a district court may grant summary judgment for plaintiffs on the issue of copying when the works are so overwhelmingly similar that the possibility of independent creation is precluded. The works at issue in this case meet this standard. The objective similarities between the works are stark: the

> shapes, motifs, arrangements, spacing, and colors of the images in each design are nearly identical. Because of the decisive objective overlap between the works, no reasonable juror could conclude under the intrinsic test that the works are not substantially similar in total concept and feel. Therefore, the district court properly granted summary judgment.

Wrongful Copying (a.k.a Improper Appropriation)

The role of experts in wrongful copying

The ordinary observer test for substantial similarity is applied by conducting a side-by-side comparison of the two works, but that does not always make sense. Consider a novel written in English and an alleged copy written in French. These works don't lend themselves to side-by-side comparison and statistically, a person who is fluent in both English and French is extraordinary, not ordinary. A simple side-by-side comparison also doesn't make sense if there are important similarities that relate to unprotectable elements within the works. Thus, even when courts determine substantial similarity with respect to the ordinary observer, they usually supercharge that hypothetical observer with enormous powers of discernment.

The ordinary observer standard has led to undue rigidity on the use of experts in copyright litigation. Using experts to determine the reaction of the ordinary observer strikes many courts as a non sequitur. Most famously, in *Arnstein v. Porter*, 154 F.2d 464 (2d Cir. 1946), the Second Circuit said that analytical dissection of the two works in issue was relevant to establish copying in fact and thus "the testimony of experts may be received to aid the trier of the facts." But, on the issue of wrongful copying—the court used the terms "illicit copying" and "unlawful appropriation"—the court said:

> On that issue [wrongful copying] the test is the response of the ordinary lay hearer; accordingly, on that issue, 'dissection' and expert testimony are irrelevant.

This seems wrong. The simple fact is that there is nothing ordinary about the ordinary observer. The ordinary observer is not a person to be found and interviewed by the court; it is a legal construct, a lens to be applied when comparing A to B to determine substantial similarity. There are very few cases where the finder of fact would not be assisted by some expert instruction as to what to look for and what to listen for in the comparison of A to B. Moreover, in cases where the subject matter is complex, technical, or simply foreign to the average juror, expert dissection and analysis will be the only relevant criteria.

As the Northern District of Illinois explained in *Francescatti v. Germanotta*, No. 11 CV 5270, 2014 WL 2767231, at *8 (N.D. Ill. June 17, 2014):

> Although dissection and expert testimony is not favored, the judicially created ordinary observer test should not deprive authors of this significant statutory grant merely because the technical requirements of a different medium dictate certain differences in expression. Without deciding the question, we note that in some cases it may be important to educate the trier of fact as to such considerations in order to preserve the author's rights under the Copyright Act.

Why are courts so hostile to the use of experts in assisting with the analysis of wrongful copying? Partly this is a mistrust born of experience. On the plaintiff's side, experts will

note every conceivable similarity and explain why those similarities are what is really important about the works and why the objective dissimilarities are of no consequence.

In the Ninth Circuit, the extrinsic-intrinsic test allows for expert evidence on the issue of substantial similarity in the objective "extrinsic" part of the analysis. That seems preferable to the more doctrinaire position in the Second Circuit.

The Abstraction, Filtration, and Comparison Test

In *Computer Associates Intern., Inc. v. Altai, Inc.*, 982 F.2d 693 (2d Cir. 1992), the Second Circuit recognized that the ordinary observer test generally applied to determine substantial similarity was unlikely to be of much use in the context of computer software. At 713, the court said:

> … in deciding the limits to which expert opinion may be employed in ascertaining the substantial similarity of computer programs, we cannot disregard the highly complicated and technical subject matter at the heart of these claims. Rather, we recognize the reality that computer programs are likely to be somewhat impenetrable by lay observers — whether they be judges or juries — and, thus, seem to fall outside the category of works contemplated by those who engineered the *Arnstein* test.

In place of an ordinary observer test, the court announced an approach that has become known as the *"abstraction, filtration, and comparison"* test. The AFC test is widely used in computer software cases and occasionally in other contexts.

As its name suggests, the AFC test has three steps. As the court explained in *Computer Associates*:

> … we think that district courts would be well-advised to undertake a three-step procedure, based on the abstractions test utilized by the district court, in order to determine whether the non-literal elements of two or more computer programs are substantially similar. This approach breaks no new ground; rather, it draws on such familiar copyright doctrines as merger, *scènes à faire,* and public domain. …
>
> In ascertaining substantial similarity under this approach, a court would first break down the allegedly infringed program into its constituent structural parts. Then, by examining each of these parts for such things as incorporated ideas, expression that is necessarily incidental to those ideas, and elements that are taken from the public domain, a court would then be able to sift out all non-protectable material. Left with a kernel, or possible kernels, of creative expression after following this process of elimination, the court's last step would be to compare this material with the structure of an allegedly infringing program. The result of this comparison will determine whether the protectable elements of the programs at issue are substantially similar so as to warrant a finding of infringement.

Using this AFC approach, the court was able to set aside similarities based on high-level abstractions, standard programming techniques, and any aspects of the software that would have been dictated by external factors. Without this kind of systematic dissection, courts would be far too quick to conclude that two programs performing the same function in the same environment were substantially similar.

Special Considerations Relating to Music

Dual protection for musical works and sound recordings

Copyright law draws a distinction between *musical works*—which we can broadly think of as composition—and *sound recordings*, the work that results from fixing a performance of a musical work into a material object such as magnetic tape or some kind of digital storage device. Musical works and sound recordings are both now protected by copyright law, although that has not always been the case. Musical works have been part of copyright since 1831, sound recordings did not become subject to copyright protection in the United States until 1972.

In lay terms you might think of an LP or a CD as a sound recording, but in copyright law the physical medium is a "phonorecord" and the abstract work encoded in that medium is the sound recording. In other words, the phonorecord is the vessel and the sound recording is the content. What makes this terminology even more confusing is that the phonorecord contains both a copy of the sound recording and of the underlying musical work or composition. The Copyright Act defines sound recordings and phonorecords, but not "musical works."

> **17 U.S. Code § 101 - Definitions**
>
> "Sound recordings" are works that result from the fixation of a series of musical, spoken, or other sounds, but not including the sounds accompanying a motion picture or other audiovisual work, regardless of the nature of the material objects, such as disks, tapes, or other phonorecords, in which they are embodied.
>
> "Phonorecords" are material objects in which sounds, other than those accompanying a motion picture or other audiovisual work, are fixed by any method now known or later developed, and from which the sounds can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device. The term "phonorecords" includes the material object in which the sounds are first fixed.

Commentators often point to the dual protection of music as something of an oddity, after all, novels and motion pictures are each protected by only a single copyright. The oddity is partly historical, but it also reflects an important distinction between different kinds of creative contributions. A musical composition is literally an instruction on how to perform a piece of music. Those instructions can be quite detailed, or somewhat bare bones. Either way, the composition defines the essence of the song and provides more than enough detail to justify copyright protection, but it still leaves room for each performer to express the song their own particular way. Copyright in the musical work accrues to the author of the original song, having a separate copyright in the sound recording provides a narrow exclusive right with respect to a particular recorded performance of the music work.

For example, Jimi Hendrix's recording of *All Along the Watchtower* is widely considered to be the definitive version of that song. *All Along the Watchtower* was originally written and recorded by Bob Dylan. Dylan and Hendrix have distinctive voices and musical styles, but the difference in the recordings goes deeper than this: the Hendrix recording is dominated by a powerful electric guitar sound and multilayered production that gives it a different, arguably more urgent, feel. So perhaps the dual nature of musical copyright is

not so odd after all: by providing a separate copyright for sound recordings, copyright law recognizes those contributions and gives musical performers and producers who create a distinctive sound a separate copyright in that production.

Differences between the rights that accrue to musical works and to sound recordings

Sound recording copyright is quite different to musical work copyright. For reasons discussed in a later chapter, there is no general public performance right for sound recordings, only a more limited right for public performance by a "digital audio transmission" which is primarily relevant to the Internet radio and satellite radio. Compare Section 106(4) to section 106(6) of the Copyright Act.

As a result, when the Hendrix version of *All Along the Watchtower* is played on terrestrial AM/FM radio, only Bob Dylan gets paid. However, when the Hendrix version is played via Internet radio, such as Pandora or Spotify, the copyright owner of the sound recording also gets paid.

Unfortunately, it gets even more complicated. Although sound recordings have existed since the 19th century, they were only made the subject of federal copyright in the United States in 1972. The 1972 law was forward looking and did not grant retrospective protection to recordings prior to February 15, 1972. However, Congress extended copyright protection to pre-1972 sound recordings in the "Classics Protection and Access Act" which was passed as part of the Music Modernization Act of 2018. The method Congress chose to achieve this objective adds some additional complexity to the structure of the Copyright Act. The CPA Act adds a new chapter to the Copyright Act (Section 1401) that provides that the unauthorized use of a sound recording fixed before February 15, 1972 shall be subject to the same remedies as any other form of copyright infringement. Section 1401 of the Act puts pre- and post-1972 sound recordings on an equal footing, but it does not extend a general performance right to sound recordings.

In addition to having a separate and more limited public performance right, sound recordings are also different to musical works in terms of the reproduction right. Section 114(b) limits the scope of the reproduction right in sound recordings to the reproduction of "the actual sounds fixed in the sound recording." Accordingly, even a "sound alike" recording that was intended to exactly mimic the original sound recording will not infringe the rights of the sound recording. Samples and literal copies in various media still count as copies of the sound recording, but even deliberate imitation in a new recording or performance is considered fair game.

The Seventh Circuit put that limitation to work in *Richardson v. Kharbouch*, Nos. 24-1119 & 24-2378 (7th Cir. Oct. 16, 2025). Eddie Richardson created a hip-hop beat, "Hood Pushin Weight," at sixteen, and registered it as a sound recording. He later heard what he believed to be his beat in "Ain't Worried About Nothin," recorded by Karim Kharbouch, who performs as French Montana. The difficulty was that Richardson had registered a sound recording and not the underlying musical composition. Affirming summary judgment for the defendants, the court held that a sound recording plaintiff must produce evidence of actual duplication of the recorded sounds themselves; imitation of the composition, however close, will not do. As the court put it, § 114(b) leaves "the world at large … free to imitate or simulate the creative work fixed in the recording so long as an

actual copy of the sound recording itself is not made." Because Richardson had no evidence that anyone had sampled his recording, his claim failed. The case is a reminder that the choice of what to register is not a formality: it determines what the plaintiff must later prove.

What is more, section 115 of the Copyright Act contains a compulsory license which allows any performer to record a new version of a musical work, provided that the song has already been commercially recorded. The compulsory cover license provision has enabled a great deal of creativity over the years, but it also has a troubling racial history. It was common practice in the early 20th century for white producers and record labels to use white musicians to record more or less exact copies of performances by black artists. At the time, White Americans would eagerly consume White "Pop" music but not "Race records." For more, see Robert Brauneis, *Copyright, Music, and Race: The Case of Mirror Cover Recordings* (https://ssrn.com/abstract=3591113); Kevin J. Greene, *Thieves in the Temple: The Scandal of Copyright Registration and African-American Artists*, 49 PEPPERDINE LAW REVIEW 615 (2022).

Section 115 now has two limbs. The original compulsory cover license still works song by song: a would-be recording artist serves a notice, records the work, and pays a statutory rate. But most music is now streamed rather than sold, and serving separate notices for tens of millions of works was never going to be practical. The Music Modernization Act of 2018 therefore added a **blanket license** for digital music providers, covering all musical works available for mechanical licensing at once.

Administering it required a new institution. The Act directed the Register of Copyrights to designate a **Mechanical Licensing Collective** to run the blanket license: to build and maintain the database matching sound recordings to the musical works embodied in them, to collect royalties from the streaming services and distribute them to songwriters and publishers, and to hold unmatched royalties until their owners are identified. The rates themselves are not negotiated but set by the Copyright Royalty Board in periodic proceedings, which is why arguments about mechanical royalties tend to be arguments about regulatory definitions rather than about contracts.

Mechanical Licensing Collective v. Spotify USA Inc., 763 F. Supp. 3d 608 (S.D.N.Y. 2025), shows what that looks like in practice. Spotify Premium had offered unlimited music streaming; in November 2023 Spotify added fifteen hours of audiobook listening a month, without changing the price. In March 2024 it launched a separate audiobooks-only plan, and began reporting Premium as a "Bundled Subscription Offering" rather than a standalone "Subscription Offering" — a reclassification that carries a materially lower royalty, and which the Collective said would cost the music industry some $150 million in the first year alone.

The Collective argued that Spotify had manufactured a bundle for royalty purposes: that audiobook access was not really an "other product or service" within the regulatory definition, and that in any event it had no more than "token value", since Spotify had originally added it without raising the price. Judge Torres rejected both arguments and dismissed the complaint. The regulation says "other products or services", not other *preexisting or separately sold* products or services, and the court declined to read words into it that Congress and the Copyright Royalty Board had not used. Fifteen hours of

audiobooks a month was more than token. On the Collective's own pleaded facts, Premium was a bundle. The Collective moved for reconsideration and lost on that point: the court had not overlooked its allegation that Spotify had previously certified Premium as a standalone offering, but had rejected it as irrelevant. It did reopen the case, to let the Collective seek leave to replead two different claims — that Spotify underpaid on the audiobooks-only plan, and that it miscalculated Premium's royalties by treating that plan's price as the standalone value of the non-music component. Both assume the classification holding rather than challenge it. The court allowed the amendment in September 2025, and the case is now in discovery on those claims. In September 2026 the court refused to let the Collective appeal the original dismissal immediately, so the Premium classification ruling cannot reach the Second Circuit until the case ends.

The case is a useful corrective to the intuition that a compulsory license removes bargaining from the picture. It does remove price negotiation. What it puts in its place is a contest over how a service describes itself, decided by reference to regulatory definitions — and, on these facts, decided against the collective that Congress created to protect songwriters.

The scope of rights in musical works

The preceding discussion is premised on the notion that there is a clear distinction between musical composition and musical performance. This distinction has been challenged by some academic commentators.

Copyright law has generally assumed that musical works should be primarily defined in terms of melody, rhythm, and harmony, but with a central emphasis on melody. This history is extensively reviewed by Professor Joseph Fishman who summarizes: "Throughout much of its history, copyright law has seemingly adopted a fragmented version of pure sonicism. The musical work as legal object amounts not even to a combination of melody, rhythm, and harmony, but more narrowly to melody in particular." See Joseph Fishman, *Music as a Matter of Law*, 131 HARVARD LAW REVIEW 1861 (2018).

Copyright's traditional focus on melody, and to a lesser extent rhythm and harmony, reflects traditional Western views about music, and it fits comfortably with the archetype of song creation beginning with a single instrument (usually a piano or a guitar). Several commentators have noted the racial and cultural implications of a conception of music that privileges some types of music over others, and some types of musicians over others.

The traditional view, reflected in all but a few cases, means that copyright in a musical work is limited to aspects of melody, rhythm, and tempo and the like that would ordinarily be found in sheet music. See e.g. *D'Almaine v. Boosey*, (1835) 160 Eng. Rep. 117 (Ex.) (holding that merely rearranging an opera score did not excuse copying because "it is the air or melody which is the invention of the author, and which may in such case be the subject of piracy"); *Northern Music Corp. v. King Record Distributing Co.,* 105 F. Supp. 393, 400 (S.D.N.Y. 1952) ("It is in the melody of the composition — or the arrangement of notes or tones that originality must be found. It is the arrangement or succession of musical notes, which are the finger prints of the composition, and establish its identity.")

But note that the musical work is not just the primary melody, in *Fred Fisher, Inc. v. Dillingham* 298 F. 145 (S.D.N.Y. 1924), Judge Hand explained that infringement could occur from copying "any substantial component part, either in melody or accompaniment"

and held the defendant liable for copying an accompaniment motif known as an ostinato, rather than the main melodic line. An ostinato is a bit like a bassline, but not the same thing. An ostinato is a repeated musical pattern or phrase, which can occur in any part of the music, in any voice or instrument. A bassline is a sequence of notes played in the lower register (bass), usually outlining the harmonic structure of a piece of music. While a bassline can be repetitive, it doesn't have to be, so not all basslines are ostinatos. Sheet music contains tempo, key, and key signature, as well, but focusing on these elements would usually be unduly limiting on the scope of the right.

Copyright in Musical Style?

The composition-focused view of the scope of musical works leaves out a great deal that one hears in a typical sound recording. On this view, instrumentation, production techniques, distinctive vocal qualities and timbres (timbre is the character or quality of a musical sound or voice as distinct from its pitch and intensity) are not part of the musical work copyright, although they are entitled to the copyright protection against mechanical reproduction as part of the sound recording right.

The importance of the distinction between musical composition and performance is highlighted by the "Blurred Lines" case. As mentioned in a previous chapter, *Blurred Lines* is a polarizing case study because many key stylistic features of *Got To Give It Up* were so blatantly copied by Robin Thicke and Pharrell Williams, and yet, no specific melody, harmony, rhythm or lyrics were actually copied at all. The two songs have similar basslines, a similarly sparse arrangement, a syncopated cowbell rhythm, very similar instrumentation, handclaps and similar vocal style. These similarities seem to have been intentional, but they should not have been enough to sustain a finding of infringement. The vocal qualities, instrumentation and syncopated cowbell and other similarities which make the songs sound so similar are aspects of performance and should not be thought of as part of the copyright in the underlying musical work.

The division between sound recording rights and the rights in the underlying musical composition is not an unfortunate accident. It provides an important source of protection for performers—if their performances are recorded, they cannot be mechanically reproduced without permission—but it also ensures that other performers are free to adopt the same styles, techniques and grooves in new musical works without fear of liability. Without this distinction, the idea-expression distinction would be seriously compromised in the realm of popular music.

Professor Sean O'Connor argues for a broader conception of the musical work that would secure exclusive rights in many stylistic aspects of performance, such as the sounds and impressions created by new devices and performing techniques. O'Connor argues that AI music generators are based on distinct musical styles and thus these styles are sufficiently valuable and specific to merit copyright protection. See, Sean M. O'Connor, *AI Replication of Musical Styles Points the Way to an Exclusive Rights Regime*, in Research Handbook on Intellectual Property and Artificial Intelligence 65 (Ryan Abbott ed., 2022).

O'Connor actually makes two distinct arguments about musical style. His more modest claim is that stylistic elements within a specific work, such as the vocal style and instrumentation in a particular song, could be annotated in a complete orchestral score and

are thus legitimately within the scope of musical work copyright. He calls this "compositional performative style" and argues that by failing to protect "compositional performative style" modern copyright law is merely "privilege the creative contributions of only some kinds of composers—those working well within the Western classical music derived mode of composition abstracted from performative aspects and style—and not others." O'Connor also argues protecting compositional performative style would bring the law into harmony with market realities and modern production techniques. He points out that pop music today is composed with the groove, sound, and beat first with lyrics and melody often added as an afterthought and that it is often the techniques used to produce a unique sound that are the true innovation. O'Connor's even bolder claim is that the law should recognize a proprietary style that emerges not just from a single work, but across a collection of works, perhaps even a collection of works spanning a long timescale and different producers and collaborators.

In *Music as a Matter of Law*, Joe Fishman also notes that the traditional melody focused view of musical works in copyright law is out of step with modern production techniques and modern views about music. But Fishman argues that despite this, for pragmatic reasons, copyright in musical works should be limited to melody and should not include musical style and performance elements. Fishman both concedes and claims too much. A more reasonable position, the position that the caselaw seems to adopt by and large, is that we should understand the musical work as being comprised of those musical elements that would be reproduced in a standard form of composition. That certainly places melody front and center, but it does not suggest an exclusive focus on melody. Fishman concedes too much because the reasons to continue to understand the musical work as elements that would be reproduced in a standard form of composition go beyond simple pragmatism. It relates back to the most fundamental axiom of copyright, the distinction between ideas and expression. Protecting musical style would grant protection at an unhealthy level of generality. The law should not preempt other artists from using a given combination of stylistic elements to create an entirely new work of music.

The traditional distinction between musical composition and performance in copyright leaves the ineffable qualities of personality captured in performance to the right of publicity. In Midler v. Ford Motor Co., 849 F.2d 460, 463 (9th Cir.1988), the Ninth Circuit held that "when a distinctive voice of a professional singer is widely known and is deliberately imitated in order to sell a product, the sellers have appropriated what is not theirs and have committed a tort in California." See also, Waits v. Frito-Lay, Inc., 978 F.2d 1093 (9th Cir. 1992). Copyright's traditional distinction between musical composition and performance places innovations in style and technique in the public domain where they belong by virtue of the idea-expression distinction. O'Connor's proposal for protecting compositional performative style separate from melody flies in the face of the idea-expression distinction. Popular musical styles and techniques *should be copied*, that is how new genres of music emerge.

The idea-expression distinction is also key to understanding why giving exclusive rights to a broader concept of musical style that emerges across a series of works is untenable. Personality and reputation are emergent properties that develop across an artist's career, and these are protected by laws in relation to the right of publicity and defamation. However, copyright protects the author's interests in relation to singular works. Any

concept of musical style that can only be identified by considering several works collectively seems far too abstract to merit copyright protection.

Registration and the scope of copyright in musical works

Another reason why no infringement should have been found in *Williams v. Gaye* is that even if one could mount a theoretical argument that Marvin Gaye's specific choices regarding instrumentation could have been brought within the scope of the musical work copyright by registering a more elaborate musical notation, this did not in fact transpire. The version of *Got To Give It Up* registered with the Copyright Office was not a fully realized orchestral score, or even a standard piece of sheet music, it was merely a lead sheet identifying the very basics of the composition. This is significant because when Marvin Gaye first recorded *Got To Give It Up*, copyright still required registration in advance of publication, registration in turn required deposit, and deposit had to be in the form of written notation, i.e., some form of sheet music. Registration with the Copyright Office was a prerequisite to obtaining federal copyright protection under the Copyright Act of 1909 and previous U.S. copyright acts. Voluntary publication of a work without noticeable registration would make you ineligible for copyright protection and thus permanently consign it to the public domain. The registration requirement had a special significance for musical works because, until 1978, the only form of the work that the Copyright Office would accept for registration was written notation, i.e., sheet music.

Once upon a time it was common practice for music publishers to submit only a stripped-down lead sheet for registration and deposit thus leaving out chord voicings, voice leading, bass line or other aspects of accompaniment. This practice combined with the registration requirement meant that any aspect of a song that was not recorded in the written notation was not part of the song's copyright. This has proved to be particularly problematic for composers who did not read or write sheet music and thus relied on others to correctly record the full scope of their works. In 2020, the Ninth Circuit took up this issue (among others) in *Skidmore v. Led Zeppelin*. The extract that follows addresses the deposit issue and also the portion of the court's reasoning relating to the originality instructions given to the jury.

Skidmore v. Led Zeppelin, 952 F.3d 1051 (9th Cir. 2020) (En Banc)

Sheet Music for Taurus by Randy Wolfe

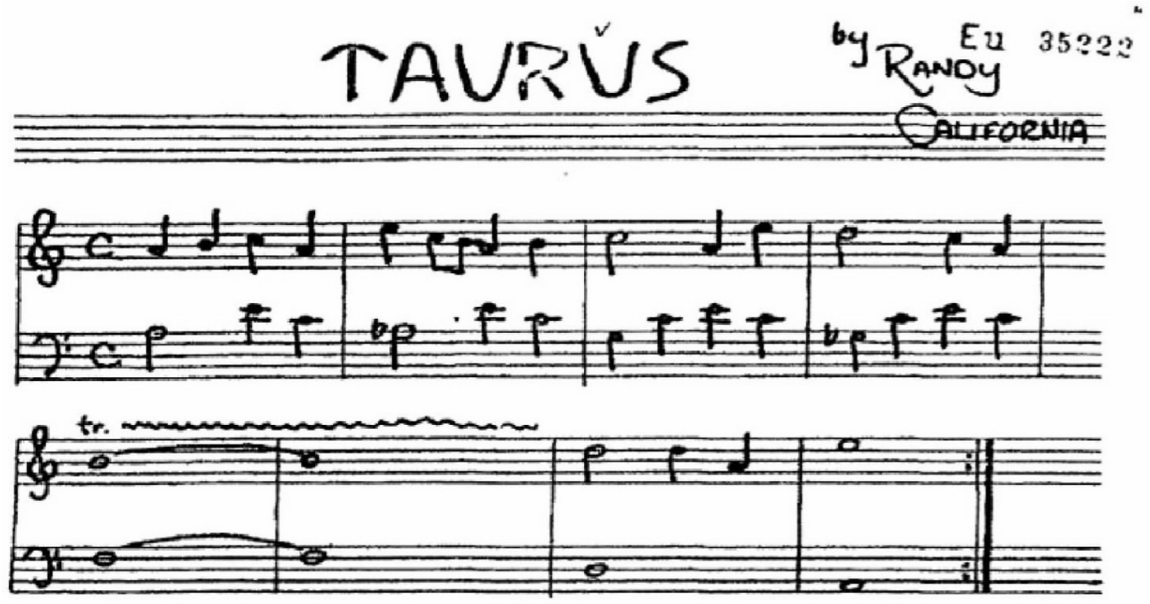


Image description: A handwritten sheet of music titled "Taurus" by Randy California. The score shows treble and bass clefs with musical notes and symbols, including a trill marking. The manuscript is in black ink on white paper, with the title written in large letters at the top center and the composer's name in the upper right corner.

McKeown, Circuit Judge:

Stairway to Heaven has been called the greatest rock song of all time. Yet, hyperbole aside, nearly 40 years after the English rock band Led Zeppelin released its hit recording, the song is not impervious to copyright challenges. The estate of guitarist Randy Wolfe claims that Led Zeppelin and its guitarist Jimmy Page and vocalist Robert Plant copied portions of Taurus, a song written by Wolfe and performed by his band Spirit.

BACKGROUND

Randy Wolfe, professionally known as Randy California, wrote the instrumental song Taurus in 1966 or 1967. He was a guitarist in the band Spirit. Spirit signed a recording contract in August 1967 and released its first eponymous album—which included Taurus—a few months later. Wolfe also entered into an Exclusive Songwriter's and Composer's Agreement with Hollenbeck Music Co. ("Hollenbeck"). In December 1967, Hollenbeck registered the copyright in the unpublished musical composition of Taurus, listing Wolfe as the author. As required for registration of an unpublished work under the 1909 Copyright Act, which was in effect at the time, Hollenbeck transcribed Taurus and deposited one page of sheet music (the "Taurus deposit copy"), with the United States Copyright Office.

Around the same time, across the Atlantic, another rock band, Led Zeppelin, was formed by Jimmy Page, Robert Plant, John Paul Jones, and John Bonham. Led Zeppelin released its fourth album in late 1971. The untitled album, which became

known as "Led Zeppelin IV," contained the now iconic song Stairway to Heaven. Stairway to Heaven was written by Jimmy Page and Robert Plant.

It is undisputed that Spirit and Led Zeppelin crossed paths in the late 1960s and the early 1970s. The bands performed at the same venue at least three times between 1968 and 1970. Led Zeppelin also performed a cover of a Spirit song, Fresh Garbage. But there is no direct evidence that the two bands toured together, or that Led Zeppelin band members heard Spirit perform Taurus.

Wolfe passed away in 1997. After his death, Wolfe's mother established the Randy Craig Wolfe Trust (the "Trust") and served as the trustee until she passed away. Neither Wolfe nor his mother filed a suit regarding Stairway to Heaven. Michael Skidmore became a co-trustee of the Trust in 2006.

Fast forward forty-three years from the release of Stairway to Heaven to May 2014. Skidmore filed a suit alleging that Stairway to Heaven infringed the copyright in Taurus, naming as defendants Led Zeppelin, James Patrick Page, Robert Anthony Plant, John Paul Jones, Super Hype Publishing, and the Warner Music Group Corporation as parent of Warner/Chappell Music, Inc. ("Warner/Chappell"), Atlantic Recording Corporation, and Rhino Entertainment Co. (collectively "Led Zeppelin"). One may wonder how a suit so long in the making could survive a laches defense. The Supreme Court answered this question in *Petrella v. Metro-Goldwyn-Mayer, Inc.*, which clarified that laches is not a defense where copyright infringement is ongoing. 572 U.S. 663, 668 (2014).

Skidmore alleged direct, contributory, and vicarious copyright infringement. He also sought equitable relief for a claim that he titled "Right of Attribution—Equitable Relief—Falsification of Rock n' Roll History." Skidmore's claims are not based on the entire Taurus composition. Rather, Skidmore claims that the opening notes of Stairway to Heaven are substantially similar to the eight-measure passage at the beginning of the Taurus deposit copy:

> The claimed portion includes five descending notes of a chromatic musical scale. These notes are represented on the piano as a set of adjacent black and white keys, from right to left. The beginning of Stairway to Heaven also incorporates a descending chromatic minor chord progression in A minor. However, the composition of Stairway to Heaven has a different ascending line that is played concurrently with the descending chromatic line, and a distinct sequence of pitches in the arpeggios, which are not present in Taurus.

Led Zeppelin disputed ownership, access, and substantial similarity. Led Zeppelin also alleged affirmative defenses, including independent creation, unclean hands, and laches.

At the close of discovery, Led Zeppelin moved for summary judgment. The district court granted the motion in part and denied it in part [and] ruled that under the 1909 Act, the scope of the copyright was circumscribed by the musical composition transcribed in the Taurus deposit copy. Thus, only the one-page Taurus deposit copy, and not a sound recording, could be used to prove substantial similarity between Taurus and Stairway to Heaven.

The district court granted Led Zeppelin's motion in limine to exclude Taurus sound recordings and expert testimony based on those recordings. The district court again concluded that the Taurus deposit copy, rather than any recordings of Spirit's performance of Taurus, formed the sole benchmark for determining substantial similarity. The district court found that there were triable issues of fact relating to ownership, access, substantial similarity, and damages.

Against the backdrop of these rulings, the trial lasted five days. Two key issues predominated: access to Taurus by Led Zeppelin band members and substantial similarity.

On the access question, the district court allowed Skidmore to play various sound recordings of Taurus for Page outside of the presence of the jury. Skidmore then examined Page on access in front of the jury. Page testified that he owned "a copy of the album that contains 'Taurus,' ... in [his] collection," while denying "any knowledge of 'Taurus.'"

The substantial similarity question pitted two expert musicologists against each other. Skidmore's expert, Dr. Alexander Stewart, analyzed, one by one, five categories of similarities. Dr. Stewart acknowledged that a chromatic scale and arpeggios are common musical elements. But he found Taurus and Stairway to Heaven to be similar because the descending chromatic scales in the two compositions skip the note E and return to the tonic pitch, A, and the notes in the scale have the same durations. Then he pointed to three two-note sequences—AB, BC, and CF#—that appear in both compositions. In his view, the presence of successive eighth-note rhythms in both compositions also made them similar. Finally, he testified that the two compositions have the same "pitch collection," explaining that certain notes appear in the same proportions in the beginning sequence of both works.

In sum, Dr. Stewart claimed that five musical elements in combination were copied because these elements make Taurus unique and memorable, and these elements also appear in Stairway to Heaven. Skidmore's closing argument reinforced these points. Neither Dr. Stewart nor Skidmore's counsel argued that the categories of similarities were selected and arranged to form protectable expression in the design, pattern, or synthesis of the copyrighted work. Nor did they make a case that a particular selection and arrangement of musical elements were copied in Stairway to Heaven.

Led Zeppelin's expert, Dr. Lawrence Ferrara, testified that the two compositions are completely distinct. To highlight the marked differences in the compositions, he presented the following exhibit, which juxtaposed the claimed portion of Taurus against Stairway to Heaven:

> Dr. Ferrara testified that the similarities claimed by Skidmore either involve unprotectable common musical elements or are random. For example, Dr. Ferrara explained that the similarity in the three two-note sequences is not musically significant because in each song the sequences were preceded and followed by different notes to form distinct melodies. He described the purported similarity based on these note sequences as akin to arguing that "crab" and "absent" are

> similar words because they both have the letter pair "ab." He also testified that the similarity in the "pitch collection" is not musically meaningful because it is akin to arguing that the presence of the same letters in "senator" and "treason" renders the words similar in meaning.

At the close of trial, the district court discussed with counsel the intended jury instructions. The district court did not give the proposed instructions on the inverse ratio rule and the selection and arrangement of unprotectable elements. Skidmore objected to the district court's decision to omit an inverse ratio instruction but did not do so as to the omitted selection and arrangement instruction.

The jury returned a verdict for Led Zeppelin. In special interrogatories, the jury found that Skidmore owned the copyright to Taurus and that Led Zeppelin had access to Taurus, but that the two songs were not substantially similar under the extrinsic test. Following the verdict, the district court entered a judgment and an amended judgment. Skidmore did not file any post-judgment motions challenging the verdict, but timely appealed from the amended judgment.

Significantly, Skidmore does not make a substantial evidence claim. Instead, he focuses on a handful of legal issues, challenging: (1) the ruling that substantial similarity must be proven using the copyright deposit copy; (2) the ruling that sound recordings could not be played to prove access; [and others].

A panel of our court vacated the amended judgment in part and remanded for a new trial. We granted rehearing en banc.

ANALYSIS

I. THE 1909 COPYRIGHT ACT

The world of copyright protection for music changed dramatically during the twentieth century and those changes dictate our analysis here. The baseline issue we address is the scope of Wolfe's copyright in the unpublished composition Taurus, which was registered in 1967, between the passage of the Copyright Act of 1909 ("1909 Act") and the sweeping copyright reform adopted in the Copyright Act of 1976 ("1976 Act").

[The court went into some detail on the evolution of copyright's treatment of music and noted that although musical compositions have been part of copyright since 1831, sound recordings did not become subject to copyright protection until 1972. The court also explained that due to the formalities requirements of the 1909 Copyright Act, the rights of the author of a musical composition were limited to the musical composition as it was transcribed in the deposit copy. This changed significantly under the 1976 Copyright Act—the new Act allowed composers to submit a recording rather than sheet music as the deposit copy for a musical composition—but those changes were not retrospective.]

… B. THE TAURUS DEPOSIT COPY

The 1967 deposit copy of Taurus is a single page of sheet music. Skidmore suggests that the copyright extends beyond the sheet music; that is, the deposit copy is

somehow archival in nature and more of a reference point than a definitive filing. This approach ignores the text of the statute and the purpose of the deposit.

We have outlined copyright protection under the 1909 Act as follows: "[A]n unpublished work was protected by state common law copyright from the moment of its creation until it was either published or until it received protection under the federal copyright scheme." *ABKCO*, 217 F.3d at 688. The referenced federal copyright protection for unpublished works is found in the text of the statute: "copyright may also be had of the works of an author of which copies are not reproduced for sale, by the deposit, with claim of copyright, of one complete copy of such work if it be a . . . musical composition. . . ." 1909 Act § 11.

The text is clear—for unpublished works, the author must deposit one complete copy of such work. The purpose of the deposit is to make a record of the claimed copyright, provide notice to third parties, and prevent confusion about the scope of the copyright. See *Data Gen. Corp. v. Grumman Sys. Support Corp.*, 36 F.3d 1147, 1161-62 (1st Cir. 1994) (the deposit requirement provides the "Copyright Office with sufficient material to identify the work in which the registrant claims a copyright . . . [and] prevent[s] confusion about which work the author is attempting to register"); Report of the Register of Copyrights on the General Revision of the U.S. Copyright Law 71 (1961) (one of the purposes of the deposit is "to identify the work" being registered).

Even before the 1909 Act, the Supreme Court stated that one objective of the deposit was to permit inspection by other authors "to ascertain precisely what was the subject of copyright." *Merrell v. Tice*, 104 U.S. 557, 561 (1881). At the time that Taurus was registered, the Copyright Office's practice regarding applications to register unpublished musical compositions was to consider "writing to the applicant, *pointing out that protection extends only to the material actually deposited*, and suggesting that in his own interest he develop his manuscript to supply the missing element." Compendium of Copyright Office Practices ("Copyright Office Compendium") § 2.6.1.II.a (1st ed. 1967) (emphasis added). The inescapable conclusion is that the scope of the copyright is limited by the deposit copy.

The practical treatment of deposit copies underscores their importance. The 1909 Act prohibits destruction of copies of unpublished works without notice to the copyright owner. 1909 Act §§ 59-60. Buttressing this protection, the Register of Copyright's policy is to retain access to the deposit copies of unpublished works for the full copyright term.

The cases Skidmore cites to suggest that the content of the deposit copy may be supplemented are not instructive. See, e.g., *Washingtonian Publ'g Co. v. Pearson*, 306 U.S. 30, 41-42 (1939) (addressing the failure to promptly submit a deposit copy for a published work); *Three Boys Music Corp. v. Bolton*, 212 F.3d 477, 486-87 (9th Cir. 2000) (addressing whether an incomplete deposit copy contained the "essential elements" of the musical composition such that subject matter jurisdiction was proper). Nor do the cases analyzing the 1976 Act illuminate the copyright scope question under the 1909 Act. See *Bridgeport Music, Inc. v. UMG*

Recordings, Inc., 585 F.3d 267, 276 (6th Cir. 2009); *Nat'l Conference of Bar Exam'rs v. Multistate Legal Studies, Inc.,* 692 F.2d 478, 482-83 (7th Cir. 1982).

Although Skidmore offers a host of reasons why adherence to the statute complicates proof in copyright cases, these arguments cannot overcome the statutory requirements. For example, Skidmore claims that it is impractical to compare a sound recording of the infringing work to a deposit copy of the infringed work, even though that is precisely what happened here, and experts for both sides were confident in their analysis. Indeed, during the trial, Skidmore's master guitarist, Kevin Hanson, performed the Taurus deposit copy as he interpreted it.

Skidmore also complains that restricting protection to the deposit copy disadvantages musicians who do not read music because it can be time consuming and expensive to make an accurate deposit copy. Apparently, that was not a problem here, as Wolfe's work was transcribed for the sheet music deposit. Digital transcription and other technological advances undercut this argument, not to mention that for decades now, sound recordings have been accepted as the deposit copy. Finally, Skidmore offers conjecture about what might happen if a deposit copy were lost or destroyed. We need not play this "what if" guessing game because the statute is clear and unambiguous.

The district court correctly concluded that under the 1909 Act, which controls the copyright registration in this case, the Taurus deposit copy circumscribes the scope of the copyright. Because the deposit copy defines the four corners of the Taurus copyright, it was not error for the district court to decline Skidmore's request to play the sound recordings of the Taurus performance that contain further embellishments or to admit the recordings on the issue of substantial similarity. …

IV. THE JURY INSTRUCTION CHALLENGES … B. THE ORIGINALITY INSTRUCTIONS

Although copyright protects only original expression, it is not difficult to meet the famously low bar for originality. *Feist*, 499 U.S. at 345 ("The sine qua non of copyright is originality"; "[t]he vast majority of works make the grade quite easily ...."); see also 17 U.S.C. § 102(a) ("Copyright protection subsists... in original works of authorship ....").

Even in the face of this low threshold, copyright does require at least a modicum of creativity and does not protect every aspect of a work; ideas, concepts, and common elements are excluded. See 17 U.S.C. § 102(b); *Feist*, 499 U.S. at 345-46. Nor does copyright extend to "common or trite" musical elements, *Smith*, 84 F.3d at 1216 n.3, or "commonplace elements that are firmly rooted in the genre's tradition," *Williams*, 895 F.3d at 1140-41 (Nguyen, J., dissenting). These building blocks belong in the public domain and cannot be exclusively appropriated by any particular author. See *Satava v. Lowry*, 323 F.3d 805, 810 (9th Cir. 2003) ("Expressions that are standard, stock, or common to a particular subject matter or medium are not protectable under copyright law"). Authors borrow from predecessors' works to create new ones, so giving exclusive rights to the first author who incorporated an idea, concept, or common element would frustrate the purpose of the copyright law and curtail the creation of new works. See id. at 813 ("we must

be careful in copyright cases not to cheat the public domain"); *Berkic v. Crichton*, 761 F.2d 1289, 1293 (9th Cir. 1985) ("General ideas ... remain forever the common property of artistic mankind."); 1 Nimmer § 2.05[B] ("In the field of popular songs, many, if not most, compositions bear some similarity to prior songs."). With these background principles in mind, we review the district court's instructions on originality, Nos. 16 and 20.

Jury Instruction No. 16 explained "what a copyright is, what it protects, and what it does not protect." Relevant to this appeal, the instruction provided that "copyright only protects the author's original expression in a work." This statement comes straight from the Supreme Court's opinion in *Feist*. The instruction went on to state that copyright "does not protect ideas, themes or common musical elements, such as descending chromatic scales, arpeggios or short sequences of three notes." Although this statement is derived from *Smith v. Jackson*, 84 F.3d 1213 (9th Cir. 1996), Skidmore objects to the list of unprotectable elements. In particular, he argues that characterizing the "descending chromatic scales, arpeggios or short sequence of three notes" as examples of "common musical elements" was prejudicial to him.

To put this instruction in context, it is useful to outline the essence of the "common musical elements" or building blocks. The chromatic scale is one of two principal scales in Western music. It consists of twelve pitches separated by a half-step. On a piano, this means playing the white and black keys in order from left to right. Three or more notes or pitches sounded simultaneously are called chords, and an arpeggio, sometimes called a broken chord, is "a chord whose pitches are sounded successively, ... rather than simultaneously." Arpeggio, Chromatic, and Chord, Harvard Dictionary of Music (Don Michael Randel ed., 4th ed. 2003).

To conduct a copyright infringement analysis, the factfinders ask "whether 'the protectible elements, standing alone, are substantially similar'" and "disregard the non-protectible elements." *Cavalier*, 297 F.3d at 822 (quoting *Williams v. Crichton*, 84 F.3d 581, 588 (2d Cir. 1996)); see *Apple Computer, Inc. v. Microsoft Corp.*, 35 F.3d 1435, 1446 (9th Cir. 1994) (same). Jury Instruction No. 16 correctly listed non-protectable musical building blocks that no individual may own, and did not, as Skidmore claims, exclude the particular use of musical elements in an original expression.

For example, despite Skidmore's challenge to the characterization of descending chromatic scales as unprotectable, even his own expert musicologist, Dr. Stewart, agreed musical concepts like the minor chromatic line and the associated chords have been "used in music for quite a long time" as "building blocks." This candid acknowledgement was echoed by Led Zeppelin's expert. Dr. Ferrara described the "chromatic scale, descending or ascending," as "a musical building block. This is something that no one can possibly own." The commonality of descending scales and arpeggios has been reinforced by the Copyright Office, which lists "diatonic or chromatic scales" and "arpeggios" as common property musical material. Copyright Office Compendium § 802.5(A) (3d ed. 2017). Emphasizing the importance of original creation, the Copyright Office notes that "a musical work consisting entirely of common property material would not constitute original

authorship." Id. Just as we do not give an author "a monopoly over the note of B-flat," descending chromatic scales and arpeggios cannot be copyrighted by any particular composer. *Swirsky*, 376 F.3d at 851.

We have never extended copyright protection to just a few notes. Instead we have held that "a four-note sequence common in the music field" is not the copyrightable expression in a song. *Granite Music Corp. v. United Artists Corp.*, 532 F.2d 718, 721 (9th Cir. 1976). In the context of a sound recording copyright, we have also concluded that taking six seconds of the plaintiff's four-and-a-half-minute sound recording—spanning three notes—is de minimis, inactionable copying. See *Newton*, 388 F.3d at 1195-96. One of our colleagues also expressed skepticism that three notes used in a song can be copyrightable by observing that of the "only 123 or 1,728 unique combinations of three notes," not many would be useful in a musical composition. See *Williams*, 895 F.3d at 1144 n.6 (Nguyen, J., dissenting). The Copyright Office is in accord, classifying a "musical phrase consisting of three notes" as de minimis and thus not meeting the "quantum of creativity" required under Feist. Copyright Office Compendium, § 313.4(B) (3d ed. 2017). At the same time, we have not foreclosed the possibility that "seven notes" could constitute an original expression. *Swirsky*, 376 F.3d at 852. To the contrary, our sister circuit observed decades ago that "the seven notes available do not admit of so many agreeable permutations that we need be amazed at the re-appearance of old themes." *Arnstein v. Edward B. Marks Music Corp.*, 82 F.2d 275, 277 (2d Cir. 1936).

> In view of our precedent and accepted copyright principles, the district court did not commit a reversible error by instructing the jury that a limited set of a useful three-note sequence and other common musical elements were not protectable.

The district court also instructed the jury on copyright originality in Jury Instruction No. 20, which states:

> An original work may include or incorporate elements taken from prior works or works from the public domain. However, any elements from prior works or the public domain are not considered original parts and not protected by copyright. Instead, the original part of the plaintiff's work is limited to the part created:
>
> 1. independently by the work's author, that is, the author did not copy it from another work; and
>
> 2. by use of at least some minimal creativity.

Despite Skidmore's claim that the following language has no support in the law and was prejudicial—"any element from prior works or the public domain are not considered original parts and not protected by copyright"—this is black-letter law. See 17 U.S.C. §§ 102(b), 103. Reading this sentence with the preceding one—an "original work may include or incorporate elements taken from prior works or works from the public domain"—we conclude that Jury Instruction No. 20 correctly instructed the jury that original expression can be the result of borrowing from previous works or the public domain.

Skidmore appears to want less than the law demands. In his closing and on appeal, he argued that a work is original as long as it was independently created. Not quite.

> Though not demanding, originality requires at least "minimal" or "slight" creativity —a "modicum" of "creative spark"—in addition to independent creation. *Feist*, 499 U.S. at 345-46, 362. Jury Instruction No. 20 correctly articulated both requirements for originality, that the work be created "independently by the work's author," and contain "at least some minimal creativity." The court's omission of the optional, bracketed language from the Ninth Circuit Model Jury Instruction 17.14 (2017)—which reads, "In copyright law, the 'original' part of a work need not be new or novel"—was not a reversible error. The reference to "minimal creativity" in Jury Instruction No. 20 embraces this concept. Reviewing the jury instructions as a whole, we conclude that the originality instructions were sound and were not prejudicial to Skidmore. …
>
> CONCLUSION
>
> This copyright case was carefully considered by the district court and the jury. Because the 1909 Copyright Act did not offer protection for sound recordings, Skidmore's one-page deposit copy defined the scope of the copyright at issue. In line with this holding, the district court did not err in limiting the substantial similarity analysis to the deposit copy or the scope of the testimony on access to Taurus. We affirm the district court's challenged jury instructions. Nor did the district court err in its formulation of the originality instructions, or in excluding a selection and arrangement instruction. Viewing the jury instructions as a whole, there was no error with respect to the instructions. Finally, we affirm the district court with respect to the remaining trial issues and its denial of attorneys' fees and costs to Warner/Chappell.
>
> The trial and appeal process has been a long climb up the Stairway to Heaven. The parties and their counsel have acquitted themselves well in presenting complicated questions of copyright law. We affirm the judgment that Led Zeppelin's Stairway to Heaven did not infringe Spirit's Taurus.

Notes and questions

(1) It is worth listening to the comparison for yourself. See e.g., https://www.youtube.com/watch?v=ye7hCIWwhGE&ab_channel=RainsonZeppelin.

(2) In *Skidmore v. Led Zeppelin*, the Ninth Circuit rejected the argument that "the deposit copy is somehow archival in nature and more of a reference point than a definitive filing" and thus that copyright in a musical work extends beyond the sheet music. This had important implications for how the trial was conducted: "Because the deposit copy defines the four corners of the Taurus copyright, it was not error for the district court to decline Skidmore's request to play the sound recordings of the Taurus performance that contain further embellishments or to admit the recordings on the issue of substantial similarity." Was this decision correct? Was it fair to the plaintiff?

(3) How did the deposit copy ruling impact the court's originality analysis?

(4) The deposit copy rule is not a Ninth Circuit peculiarity. In *Structured Asset Sales, LLC v. Sheeran*, 120 F.4th 1066 (2d Cir. 2024), the Second Circuit took the same view. Structured Asset Sales owns a one-ninth interest in the royalties from "Let's Get It On,"

the 1973 Marvin Gaye song written with Ed Townsend, and alleged that Ed Sheeran's "Thinking Out Loud" infringed it. Because "Let's Get It On" was registered under the 1909 Act, the court held that the scope of the copyright is fixed by the sheet music deposited with the Copyright Office in 1973, and not by the commercial sound recording, which contains a good deal that the deposit copy does not. That mattered because the plaintiff's theory depended on a selection-and-arrangement claim built from a common four-chord progression combined with a syncopated harmonic rhythm. Confined to the deposit copy and after filtering out what was unprotectable, the court held that the combination was too commonplace to support a finding of infringement as a matter of law. Read alongside *Skidmore*, the case shows how much can turn on a decision made at the registration stage decades before any litigation, and on the once-common practice of depositing a stripped-down lead sheet rather than a full transcription.

De Minimis Copying

Not all literal reproduction constitutes copyright infringement. *De minimis non curat lex* is a Latin phrase that means: the law does not concern itself with trifles. Under the doctrine of *de minimis non curat lex*, a court may reject an infringement claim based on literal copying that is insignificant as falling below the standard of a prima facie infringement. In other words, some technical copies are so minor that they do not trigger the reproduction right and thus the court does not need to address the closely related question of the defense of fair use.

For example, in *Sandoval v. New Line Cinema Corp.*, 47 U.S.P.Q.2d (BNA) 1215 (2d Cir. 1998), the court of appeals held that the use of certain photographs in the movie "Seven" was de minimis because the photographs only appeared briefly in 11 shots and when they did appear they were either obstructed, out of focus, or seen from a distance and in poor lighting. However, in *Ringgold v. Black Entertainment Television, Inc.*, 126 F.3d 70 (2d Cir. 1997), the same court held that the use of artwork as set decoration on a television show was not de minimis. Although the artwork appeared for only a few seconds in less than perfect focus, it was nonetheless clearly discernable and in some detail.

Consider the following illustrative case:

Solid Oak Sketches, LLC v. 2K Games, Inc., 449 F. Supp. 3d 333 (SDNY 2020)

> Laura Taylor Swain, United States District Judge.
>
> [Plaintiff Solid Oak was the exclusive licensee of certain tattoo artists. Solid Oak sued defendant video game companies for their lifelike depictions of various NBA players in their "NBA 2K" video games. Plaintiff did not object to the use of the players' names and likenesses as such, but it argued that whenever the game depicted tattooed stars such as Eric Bledsoe, LeBron James, and Kenyon Martin, it infringed the copyright on those players' tattoos. Defendants moved for summary judgment, arguing, in part, that their use of the tattoos was de minimis.]
>
> … Tattoos

According to Defendants' expert, Nina Jablonski, "tattoos have been a part of human expression for thousands of years." In modern day, tattoos like the Tattoos at issue in this litigation "reflect the personal expression of the person bearing the tattoo and are created for that purpose." The Tattoos reflect the Players' personal expression.

Solid Oak holds an exclusive license to each of the Tattoos. However, Solid Oak is not licensed to apply the tattoos to a person's skin, and Solid Oak does not hold any publicity or trademark rights to the Players' likenesses. The Players "have given the NBA the right to license [their] likeness to third-parties," and the NBA has granted such a license to Take-Two. The Players also granted Take-Two permission to use their likenesses. [The court reviewed each of the tattoos at issue in detail.]

Two of LeBron James' Tattoos

Kenyon Martin's Wizard tattoo

LeBron James' Script with a Scroll, Clouds and Doves tattoo



Image description: Two close-up images of a person's arm tattoos. Left: The tattoo covers the outer forearm and elbow area, featuring dark, dense patterns that are hard to distinguish. Right: A similar arm tattoo showing more defined shapes, including what appears to be a small figure and other abstract or organic patterns along the forearm.

NBA 2K Video Game

The NBA 2K game, which is much shorter in duration than an actual NBA game, has "many components, including graphics, characters, a fictitious plot, gameplay, [and] music." These components, which include auditory elements such as "the

sound of shoes against the court's surface; the noise of the crowd, the horns and other audible warnings signaling elapsing shot clocks, ending timeouts, ... television announcers performing play-by-play," and visual elements such as "the basketball; the hoop, ... the court, ... the players, including multiple individuals on the court and on the sidelines, each of whom wears jerseys with different accessories and other features (such as tattoos); coaches; referees; cheerleaders; spectators; the stadium; and the game clock and scoring system," are designed to most accurately simulate the look and feel of an actual NBA game.

To further the goal of simulating an actual NBA game, Take-Two included the Tattoos in NBA 2K "to accurately depict the physical likenesses of the real-world basketball players as realistically as possible." However, for a number of reasons, NBA 2K users do not see the Tattoos clearly, if at all, during gameplay. NBA 2K does not depict the Tattoos separately from the Players. Therefore, the Tattoos only appear when a user selects Mr. James, Mr. Martin, or Mr. Bledsoe from over 400 available players. The Tattoos comprise only a miniscule proportion of the video game data: only 0.000286% to 0.000431% of the NBA 2K game data is devoted to the Tattoos.

When a Tattooed player is selected, the Tattoos are depicted on a computer or television screen at about 4.4% to 10.96% of the size that they appear in real life "due to the great distance from the camera that the players usually are depicted" and the resulting relatively small size of the player figures. The Tattoos appear merely as "visual noise," "no more noticeable than a simulated player's nose shape or hairstyle." The Tattoos "are subordinated to the display of the court and the players in competition." The Tattoos also cannot be observed clearly because they are often "blocked from view by other players," are "obstructed by other game elements," "often appear out-of-focus," and "players on whom the Tattoos appear move quickly in the game."

Defendants provided video clips showing how each of the Players appears during NBA 2K gameplay. At no point during the video clips are the Tattoos discernible to the viewer. These videos demonstrate that the Players' tattoos, including the Tattoos at issue, appear entirely out-of-focus. The Tattoos are further obscured by the Players' quick and erratic movements up and down the basketball court.

The Tattoos did not play a significant role in marketing NBA 2K. The NBA 2K game covers do not depict the Players or their tattoos, and the advertising materials neither depicted nor discussed the Tattoos. According to Defendants' expert, Dr. Jay, while "consumers buy NBA 2K video games for numerous reasons ... consumers do not buy NBA 2K video games for the tattoos on LeBron James, Eric Bledsoe or Kenyon Martin."

Market for Licensing Tattoos

Solid Oak has not profited from licensing the Tattoos. Solid Oak has never created a video game that depicts the Tattoos, nor has Solid Oak licensed the Tattoos for use in a video game. Defendants' expert, Dr. Bogost, stated that he is "not familiar with any video game developer licensing the rights to tattoos for inclusion in a video game." Solid Oak has not identified an instance in which a tattoo image has

been licensed for use in a video game. Defendants' expert, James Malackowski, opined that a market for licensing basketball players' tattoos for use in video games is "unlikely to develop." As noted above, Defendants' expert, Dr. Jay, relied on consumer survey data to conclude that "consumers do not buy NBA 2K video games for the tattoos on LeBron James, Eric Bledsoe or Kenyon Martin." Thus, there is no demand for licensing the Tattoos for use in a video game.

Solid Oak has neither licensed the Tattoo designs nor sold merchandise depicting the Tattoos. Solid Oak's owner, Matthew Siegler, testified that he would "need permission from the players ... to not infringe on their right of publicity," in order to move forward with a business selling "dry wick apparel" bearing the Players' tattoos. Solid Oak does not have a license to use the Players' publicity or trademark rights. Solid Oak has not proffered any evidence indicating that it has a prospect of obtaining such rights.

Plaintiff's Copyright Infringement Claim

Defendants move to dismiss Plaintiff's complaint for copyright infringement, arguing that Plaintiff cannot prove its claim because Defendants' use of the Tattoos is de minimis and Plaintiff is thus unable to prove the key substantial similarity element of its cause of action. Defendants further argue that the copyright claim must fail because their use of the images was pursuant to implied authorization granted prior to Plaintiff's acquisition of any rights in the Tattoos.

De Minimis Use

"In order to establish a claim of copyright infringement, a plaintiff with a valid copyright must demonstrate that: (1) the defendant has actually copied the plaintiff's work; and (2) the copying is illegal because a substantial similarity exists between the defendant's work and the protectible elements of plaintiff's." *Peter F. Gaito Architecture, LLC v. Simone Dev. Corp.*, 602 F.3d 57, 63 (2d Cir. 2010). To be substantially similar, the amount copied must be more than de minimis. *Castle Rock Entm't, Inc. v. Carol Publ'g Grp., Inc.*, 150 F.3d 132, 138 (2d Cir. 1998) (citing *Ringgold v. Black Entertainment Television, Inc.*, 126 F.3d 70, 75 (2d Cir. 1997)). "To establish that the infringement of a copyright is de minimis, and therefore not actionable, the alleged infringer must demonstrate that the copying of the protected material is so trivial 'as to fall below the quantitative threshold of substantial similarity, which is always a required element of actionable copying.'" *Sandoval v. New Line Cinema Corp.*, 147 F.3d 215, 217 (2d Cir. 1998) (quoting *Ringgold*, 126 F.3d at 74).

The quantitative component of a de minimis analysis concerns (i) "the amount of the copyrighted work that is copied," (ii) "the observability of the copied work — the length of time the copied work is observable in the allegedly infringing work," and (iii) factors such as "focus, lighting, camera angles, and prominence." *Ringgold*, 126 F.3d at 75. "Observability of the copyrighted work in the allegedly infringing work" is fundamental to a determination of whether the "quantitative threshold" of substantial similarity has been crossed. *Sandoval*, 147 F.3d at 217.

Substantial similarity must be determined through application of the "ordinary observer test," which considers "whether an average lay observer would recognize the alleged copy as having been appropriated from the copyrighted work." *Rogers v. Koons*, 960 F.2d 301, 307 (2d Cir. 1992). In other words, the Court considers "whether the ordinary observer, unless he set out to detect the disparities, would be disposed to overlook them, and regard their aesthetic appeal as the same." Id. at 307-08. Summary judgment may be granted on a de minimis use claim when "no reasonable trier of fact could find the works substantially similar." *Estate of Smith v. Cash Money Records, Inc.*, 253 F. Supp. 3d 737, 746 (S.D.N.Y. 2017).

As noted above, Defendants assert that Plaintiff cannot establish substantial similarity because their use of the Tattoos is de minimis. Plaintiff protests that "Defendants have provided no material extrinsic evidence that answers the material questions surrounding de minimis use."

In resisting Defendants' earlier motion for judgment on the pleadings, Plaintiff had argued that, "if an NBA2K player selects Messrs. James, Martin and Bledsoe in a given game or series of games, or 'employs the broad range of the video game's features to focus, angle the camera on, or make the subject tattoos more prominent,' 'the overall observability of the subject tattoos can be fairly significant.'" The Court denied the motion, holding, inter alia, that, at the pleading stage,

> there [was] no objective perspective as to how the Defendants' video game is generally played, or to what extent certain game features can be or are actually utilized, that would allow this Court to make determinations about the choices and subsequent observations of the 'average lay observer,' or about the observability and prominence of the Tattoos. The Court [was] thus unable to conclude without the aid of extrinsic evidence that 'no reasonable jury, properly instructed, could find that the two works are substantially similar.'

Here, Defendants are entitled as a matter of law to summary judgment dismissing Plaintiff's copyright infringement claim because no reasonable trier of fact could find the Tattoos as they appear in NBA 2K to be substantially similar to the Tattoo designs licensed to Solid Oak. The Tattoos only appear on the players upon whom they are inked, which is just three out of over 400 available players. The undisputed factual record shows that average game play is unlikely to include the players with the Tattoos and that, even when such players are included, the display of the Tattoos is small and indistinct, appearing as rapidly moving visual features of rapidly moving figures in groups of player figures. Furthermore, the Tattoos are not featured on any of the game's marketing materials.

When the Tattoos do appear during gameplay (because one of the Players has been selected), the Tattoos cannot be identified or observed. The Tattoos are significantly reduced in size: they are a mere 4.4% to 10.96% of the size that they appear in real life. The video clips proffered by Defendants show that the Tattoos "are not displayed [in NBA 2K] with sufficient detail for the average lay observer to identify even the subject matter of the [Tattoos], much less the style used in creating them." *Sandoval*, 147 F.3d at 218. The videos demonstrate that the Tattoos appear out of focus and are observable only as undefined dark shading on the Players' arms. Further, the Players' quick and erratic movements up and down the basketball court

make it difficult to discern even the undefined dark shading. The uncontroverted evidence proffered by Defendants demonstrates that the Tattoos often do not appear during the NBA 2K video game and, when they do, they are so small and distorted by the camera angles and other game elements that they are indiscernible to the average game users. While Plaintiff previously asserted that NBA 2K "employs the broad range of the video game's features to focus, angle the camera on, or make the subject tattoos more prominent", Plaintiff has not proffered any evidence to support that proposition. The undisputed evidence of record shows that Defendants' use of the Tattoos in NBA 2K falls below the quantitative threshold of substantial similarity. No reasonable fact finder could conclude that Plaintiff has carried its burden of proving that Defendants' use of the copyrighted material was substantially similar to Plaintiff's copyrighted work. Thus, Defendants are entitled as a matter of law to judgment dismissing Plaintiff's [complaint], which asserts only a copyright infringement claim, and a declaration that Defendants' use of the Tattoos is de minimis.

[The court also concluded that the defendants held an implied license to feature the Tattoos as part of the Players' likenesses, noting that "the tattooists necessarily granted the Players nonexclusive licenses to use the Tattoos as part of their likenesses" and that the players in turn had given the NBA the right to license their likeness to third-parties. In addition, the court found that Defendants' use of the Tattoos in the challenged video game versions constituted fair use.]

Notes and questions

(1) In the case above, the court held that the copying was de minimis, but note that in *Catherine Alexander v. Take Two Interactive*, 489 F. Supp. 3d 812, 823 (S.D. Ill. 2020) the court held that the de minimis use doctrine did not apply to a video game that copied and displayed WWE wrestler Randy Orton and his tattoos. The court said de minimis was inapplicable because "[the] defense has been successfully invoked to allow copying of a small and usually insignificant portion of the copyrighted works, not the wholesale copying of works in their entirety as occurred here." Is that correct?

(2) In *Gottlieb Development LLC v. Paramount Pictures Corp.*, 590 F. Supp. 2d 625 (2008) the plaintiff alleged that Paramount Pictures' use of its copyrighted "Silver Slugger" pinball machine in the background of a single scene in the movie *What Women Want* infringed its copyrights. The court disagreed. Applying the de minimis doctrine, it found that the Silver Slugger pinball machine appeared only briefly, always in the background, partially obscured, and without any focus or relevance to the plot. Its copyrighted elements, including distinctive designs, were neither clearly visible nor discernible to an average viewer. The use was deemed quantitatively and qualitatively trivial, satisfying the de minimis threshold.

(3) For a similar case, see *Lmnopi v. XYZ Films, LLC*, 449 F. Supp. 3d 86 (E.D. N.Y. 2020) in which plaintiffs alleged that a mural created by Lmnopi— an American artist dedicated to utilizing her artistic skills as a way to amplify messages emanating from within movements for social, economic, racial and climate justice—was prominently featured without permission for 3.5 seconds in the opening scene of the film *Bushwick*, released by

XYZ Films and distributed by Netflix, Amazon, and Google. The use was de minimis because the mural appeared for approximately 3.5 seconds in a 93-minute film, consistently in the background, partially obscured by a red pickup truck and an actress in the foreground, alongside other murals, with no focus, reference, or relevance to the film's plot.

(4) For a recent case on the de minimis doctrine, see *Kelley v. Morning Bee Inc.*, 2023 BL 337537, S.D.N.Y., No. 21-8420, 9/26/23. In 2021, Apple and Morning Bee released a documentary about Grammy-winning artist Billie Eilish. In a scene lasting forty-three seconds, Eilish arrives at Auckland Airport where the plaintiff's photos, a series called "Airportraits," were displayed. These photos were briefly visible for fifteen seconds, albeit unfocused and overshadowed, in the background while a Māori group performed for Eilish. The images represented only 0.18% of the film's total duration. The court ruled for the defendants on a motion to dismiss on the basis of the de minimis doctrine and, in the alternative, fair use.

(5) Come back to this issue when you have read the material on fair use and query whether and how the doctrine of de minimis use plays a different role to the fair use doctrine. Do we need both? How are they different?

(6) Is music sampling ever a de minimis use? In *Bridgeport Music, Inc. v. Dimension Films*, 410 F.3d 792 (6th Cir. 2005) the court held that sampling any portion of a sound recording —even a short unrecognizable snippet—is infringing without any room for consideration of the quantity or quality of what was copied. The court said, "Get a license or do not sample." The ruling has been widely criticized. In *VMG Salsoul, LLC v. Ciccone*, 824 F.3d 871 (9th Cir. 2016), the Ninth Circuit rejected Bridgeport, holding that very short, unrecognizable samples may qualify as de minimis and do not require a license. Madonna's song "Vogue" used a 0.23-second horn sample from "Love Break" by the Salsoul Orchestra. The court found the sample was not recognizable to the average listener, and thus too trivial to support a claim.

Richardson v. Townsquare Media, Inc., 174 F.4th 299 (2d 2026)

> Plaintiff Delray Richardson appeals a judgment dismissing his copyright infringement claims on the pleadings. Richardson sued Townsquare Media, Inc. ("Townsquare") after it reproduced videos he created on a hip-hop news website it operates. First, Townsquare reproduced a video Richardson had recorded of basketball legend Michael Jordan breaking up a fight (the "Jordan Video") in an article that speculated about the identity of an individual who may have been involved in the incident. Second, Townsquare, in two separate articles, embedded from YouTube an interview Richardson had conducted with the rapper Melle Mel in which Melle Mel criticized rapper Eminem (the "Melle Mel Video"). And in each of those three articles, Townsquare included a screenshot from the relevant video in the article's headline.
>
> The district court granted Townsquare judgment on the pleadings. We disagree in part and agree in part.
>
> [The court of appeals concluded that the district court incorrectly determined, at the pleading stage, that Townsquare's use of the Jordan Video was fair. It then turned

to the question of whether the district court had erroneously applied the de minimis doctrine to Townsquare's use of the screenshots from the Jordan and Melle Mel Videos.]

… Once again, we disagree with the district court's conclusion. The de minimis doctrine has no application here, as Townsquare prominently displayed the screenshots as the backdrop to the headline in each article.

While the district court and the parties refer to the de minimis doctrine at various points as a defense, we have noted that the doctrine is not a special case of "fair use" or some other defense, but is more accurately treated as an example of a plaintiff's failure to present a prima facie case of infringement. *Ringgold v. Black Entertainment Television, Inc.*, 126 F.3d 70, 75-76 (2d Cir. 1997). "To establish infringement, the copyright owner must demonstrate that (1) the defendant has actually copied the plaintiff's work; and (2) the copying is illegal because a substantial similarity exists between the defendant's work and the protectible elements of plaintiff's." *Yurman Design, Inc. v. PAJ, Inc.*, 262 F.3d 101, 110 (2d Cir. 2001) (internal quotation marks omitted and emphasis in original). Here, the first element is clearly alleged. By taking screenshots, Townsquare made literal copies of video "frames" and incorporated those copies into its articles.

As for the second element, substantial similarity has both a qualitative and a quantitative component. "The qualitative component concerns the copying of expression, rather than ideas," while "[t]he quantitative component generally concerns the amount of the copyrighted work that is copied." *Ringgold*, 126 F.3d at 75. While the term "de minimis" might ostensibly suggest a quantitative focus, and thus imply, as the district court appears to have believed, that copying a single frame capturing a split-second image from a longer video would inherently qualify for such a doctrine, the doctrine in reality is more complex. In evaluating whether use is de minimis, we have instructed courts to look at "the amount of the copyrighted work that was copied, as well as[] (in cases involving visual works)[] the observability of the copyrighted work in the allegedly infringing work." *Sandoval v. New Line Cinema Corp.*, 147 F.3d 215, 217 (2d Cir. 1998). "Observability, in turn, includes review of the 'focus' and 'prominence' of copyrighted material in the allegedly infringing work." *Eliahu v. Mediaite, LLC*, No. 23-cv-11015, 2024 WL 4266323, at *3 (S.D.N.Y. Sept. 23, 2024), quoting *Ringgold*, 126 F.3d at 75.

Applying that standard, we have typically found de minimis use where the defendant's inclusion of the copyrighted work was incidental or unidentifiable in the secondary work. In *Sandoval*, for example, we considered the use of the plaintiff's photographs in David Fincher's crime thriller *Seven*. The photographs appear in one scene as "transparencies affixed to [a] light box" in an apartment belonging to the murder suspect. 147 F.3d at 216. The photographs "never appear in focus," and are primarily "seen in the distant background." Id. In the two shots in which the photographs are in the foreground, the "figures in [them] are barely discernable." Id. Based on those facts, we concluded that Fincher's use was de minimis, because the photographs were "not displayed with sufficient detail for the average lay observer to identify even the subject matter of the photographs, much

less the style used in creating them." Id. at 218; see also, e.g., *Gottlieb Development LLC v. Paramount Pictures Corp.*, 590 F. Supp. 2d 625, 632-33 (S.D.N.Y. 2008) (finding de minimis use of plaintiff's pinball machine in film where it was "always in the background" and was "never mentioned and play[ed] no role in the plot"); *Gayle v. Home Box Office, Inc.*, No. 17-cv-5867, 2018 WL 2059657, at *2-*3 (S.D.N.Y. May 1, 2018) (finding HBO's use of plaintiff's graffiti in background of scene was de minimis where it was barely visible, never in focus, had "no role in the plot," and appeared "on screen for no more than two to three seconds" (internal quotation marks omitted)).

Consider, in contrast, our decision in *Ringgold*, which rejected a de minimis argument. There, BET and HBO included in a television show a poster featuring a painting by artist Faith Ringgold. 126 F.3d at 72. The poster was displayed "as a wall-hanging in [a] church hall" during a music recital, where it appeared in nine sequences totaling 26.75 seconds. Id. at 72-73. In one "four-to-five-second segment[,]… almost all of the poster [was] clearly visible." Id. at 77. Although at no point did "the dialogue, action, or camera work" call particular attention to the poster, we concluded that the use of the poster was not de minimis, as "[t]he painting component of the poster [was] recognizable as a painting, and with sufficient observable detail for the 'average lay observer' to discern [the depiction of] African-Americans in Ringgold's colorful, virtually two-dimensional style." Id. at 73, 77, quoting *Rogers v. Koons*, 960 F.2d 301, 307 (2d Cir. 1992); see also, e.g., *Hirsch v. CBS Broadcasting Inc.*, No. 17-cv-1860, 2017 WL 3393845, at *4-*5 (S.D.N.Y. Aug. 4, 2017) (use of plaintiff's photograph of Ivanka Trump's stalker in television program about stalkers was actionable even though it appeared on screen only for two seconds, as "[t]he observability factors … all disfavor[ed] a finding of de minimis infringement").

Here, the district court concluded that Townsquare's publication of the screenshots from the Jordan and Melle Mel Videos as background images for its articles' headlines constituted de minimis use because a "[s]ingle-still frame … make[s] up a very small fraction of the original video." App'x 130. That reasoning overlooks the de minimis doctrine's emphasis on observability. As the cases above illustrate, the doctrine applies where the copyrighted work plays a negligible or incidental role in the secondary work. But here, the copyrighted work is the very subject of the secondary work. Townsquare included the screenshots to signal to readers the topics of its articles. Thus, not only would a reader be able to readily identify the "subject matter" of the screenshots, easy identification was indeed Townsquare's intention in reproducing them. *Sandoval*, 147 F.3d at 218.

Moreover, as Richardson argues, the district court's reasoning is hard to square with 17 U.S.C. § 106(5), which grants exclusive copyrights to "the individual images of a motion picture or other audiovisual work." Thus, one could understand the copyrighted work here to be the individual screenshots and not just the videos they are part of. Viewed through that lens, Townsquare reproduced in each article not "a very small fraction" of a copyrighted work but the entire work. App'x 130. The reproduction of a single frame of a larger video may constitute in certain circumstances de minimis use, but it cannot be the sole basis for that finding.

Lastly, Townsquare argues that the observability analysis employed in cases like *Ringgold* and *Sandoval* has no place here, because those cases involved "visual works" and not "video works." Appellee's Br. 47-49. That argument is meritless. While *Ringgold* specifically addressed its observability analysis to the copying of a "visual work," 126 F.3d at 74, there is no "principled reason why *Ringgold* can be disregarded" wholesale based on the medium of the copyrighted and secondary works, *Eliahu*, 2024 WL 4266323, at *4. A video such as the ones at issue in this case is, after all, an audiovisual work, and the analysis in *Ringgold* would seem fully applicable if the work seen in the background of the accused film were a TV screen showing, even for just a few seconds, a clearly recognizable clip from a famous film (say, the farewell scene in *Casablanca*), rather than a poster. Whether a secondary use of a copyrighted work is de minimis depends on whether the secondary use would be recognizable to an "average lay observer," an inquiry that necessarily turns not just on how much of the copyrighted work a potential infringer uses but also on how the work is presented. *Ringgold*, 126 F.3d at 77. To be sure, the observability factors may vary across media. For example *Ringgold*'s references to "lighting" and "camera angles" are irrelevant in discussing Townsquare's reproduction of still images on its website. But the fact that particular observability factors may be medium-specific does not alter the nature of the general inquiry.

Accordingly, the district court erred in finding Townsquare's use of the screenshots to be, as a matter of law at the pleading stage, de minimis. Townsquare prominently displayed the screenshots, which are clearly recognizable as taken from the embedded videos (as Townsquare intended them to be), to communicate the subject matter of its articles. As a fallback, Townsquare argues that the qualitative component of substantial similarity is not satisfied, because its use of the screenshots "capture[d] none of the most important qualitative components of the Videos." Appellee's Br. 50. But that too is not determinable at this stage of the case; the screenshots arguably capture some important qualitative components from the videos, even if those components are of a factual nature. The screenshot from the Jordan Video documents the basketball star in action, towering over one of the fight's participants. And the screenshots from the Melle Mel Videos, while they do not communicate Melle Mel's statements regarding Eminem, arguably evince the confident, matter-of-fact demeanor with which he spoke.

Notes and questions

(1) *Richardson* treats the de minimis question as part of the plaintiff's prima facie case on substantial similarity rather than as a defense. What does that reallocation do to the dynamics of a motion to dismiss? Who now bears the burden, and at what stage can the question realistically be resolved?

(2) The court weighs both the quantitative amount taken and the qualitative "observability" of what was taken — its focus, prominence and detail. If a publisher deliberately selects the single most iconic and recognizable frame of a two-hour film to use as a thumbnail, can that use ever be de minimis on the court's reasoning, even though the frame is a vanishingly small fraction of the film?

(3) What is the proper denominator? *Richardson* suggests that § 106(5) may make each individual image of an audiovisual work a copyrighted work in its own right, in which case the screenshot is not a fraction of anything but a whole work reproduced entire. Is that a persuasive reading of § 106(5), and what would follow from it?

(4) In the older cases — *Sandoval*, *Gottlieb*, *Gayle* — the copyrighted work turns up incidentally in the background of someone else's narrative. In digital journalism a single frame is pulled out and made the focal point of the article. Is the real distinction the medium, as Townsquare argued, or the editorial function: set dressing on the one hand, headline illustration on the other? After *Richardson*, what is left for online publishers who use screenshots from viral videos without a license, and which doctrines must they now rely on instead?

Statutory Limits on the Reproduction Right

As we have seen, the copyright owner's exclusive reproduction right in Section 106(1) is defined with reference to the thresholds of substantial similarity and the de minimis doctrine. In addition, the scope of the reproduction right is also limited in specific situations by Section 113, Section 120(a) and Section 114 of the Copyright Act.

Useful articles

Section 113 adds some nuance to the concept of reproduction in the context of articles of manufacture. Section 113(c) provides some latitude for pictures or photographs of useful articles in the context of advertising, commentary, or news reporting. Note that the section only applies "where work has been lawfully reproduced in a useful article that is being offered for sale or distribution to the public ..."

Subsection (d) limits the author's moral rights in relation to mutilation or destruction to allow for the removal of works of visual art from buildings if the work was installed prior to the effective date of the Visual Artists Rights Act of 1990, or the author expressly consented to such removal, etc.

> **17 U.S. Code § 113 - Scope of exclusive rights in pictorial, graphic, and sculptural works**
>
> (a) Subject to the provisions of subsections (b) and (c) of this section, the exclusive right to reproduce a copyrighted pictorial, graphic, or sculptural work in copies under section 106 includes the right to reproduce the work in or on any kind of article, whether useful or otherwise.
>
> (b) This title does not afford, to the owner of copyright in a work that portrays a useful article as such, any greater or lesser rights with respect to the making, distribution, or display of the useful article so portrayed than those afforded to such works under the law, whether title 17 or the common law or statutes of a State, in effect on December 31, 1977, as held applicable and construed by a court in an action brought under this title.
>
> (c) In the case of a work lawfully reproduced in useful articles that have been offered for sale or other distribution to the public, copyright does not include any right to prevent the making, distribution, or display of pictures or photographs of

such articles in connection with advertisements or commentaries related to the distribution or display of such articles, or in connection with news reports.

(d)

(1) In a case in which—

(A) a work of visual art has been incorporated in or made part of a building in such a way that removing the work from the building will cause the destruction, distortion, mutilation, or other modification of the work as described in section 106A(a)(3), and

(B) the author consented to the installation of the work in the building either before the effective date set forth in section 610(a) of the Visual Artists Rights Act of 1990, or in a written instrument executed on or after such effective date that is signed by the owner of the building and the author and that specifies that installation of the work may subject the work to destruction, distortion, mutilation, or other modification, by reason of its removal,

then the rights conferred by paragraphs (2) and (3) of section 106A(a) shall not apply.

(2) If the owner of a building wishes to remove a work of visual art which is a part of such building and which can be removed from the building without the destruction, distortion, mutilation, or other modification of the work as described in section 106A(a)(3), the author's rights under paragraphs (2) and (3) of section 106A(a) shall apply unless—

(A) the owner has made a diligent, good faith attempt without success to notify the author of the owner's intended action affecting the work of visual art, or

(B) the owner did provide such notice in writing and the person so notified failed, within 90 days after receiving such notice, either to remove the work or to pay for its removal.

For purposes of subparagraph (A), an owner shall be presumed to have made a diligent, good faith attempt to send notice if the owner sent such notice by registered mail to the author at the most recent address of the author that was recorded with the Register of Copyrights pursuant to paragraph (3). If the work is removed at the expense of the author, title to that copy of the work shall be deemed to be in the author.

(3) The Register of Copyrights shall establish a system of records whereby any author of a work of visual art that has been incorporated in or made part of a building, may record his or her identity and address with the Copyright Office. The Register shall also establish procedures under which any such author may update the information so recorded, and procedures under which owners of buildings may record with the Copyright Office evidence of their efforts to comply with this subsection.

Architectural works

Section 120(a) limits the scope of copyright in architectural works to ensure that photographs and other representations of buildings ordinarily visible by the public do not infringe any copyright in the underlying architectural work. The same section also allows the owners of the building embodying an architectural work to make changes to the

building without infringing the right to make a derivative work based on the copyrighted work in section 106(2).

> **17 U.S. Code § 120(a) - Scope of exclusive rights in architectural works**
>
> (a) Pictorial Representations Permitted. —
>
> The copyright in an architectural work that has been constructed does not include the right to prevent the making, distributing, or public display of pictures, paintings, photographs, or other pictorial representations of the work, if the building in which the work is embodied is located in or ordinarily visible from a public place.
>
> (b) Alterations to and Destruction of Buildings.—
>
> Notwithstanding the provisions of section 106(2), the owners of a building embodying an architectural work may, without the consent of the author or copyright owner of the architectural work, make or authorize the making of alterations to such building, and destroy or authorize the destruction of such building.

Note that § 120(a) is narrower than it first appears. It permits pictorial representations of a constructed building; it does not permit every two-dimensional depiction of the design. In *Designworks Homes, Inc. v. Columbia House of Brokers Realty, Inc.*, 126 F.4th 589 (8th Cir. 2025), real estate agents drew simplified floorplans of houses in order to market them for resale. The Eighth Circuit reversed a grant of summary judgment resting on § 120(a), holding that a floorplan is not a "pictorial representation" within the meaning of the section. The agents won all the same, but on fair use: the floorplans served an informational purpose the designs themselves lacked, and any substitution in the resale market was, as the court put it, "substitution blessed by copyright's first sale doctrine."

Limited Protection for Sound Recordings

Section 114(b) limits the scope of the reproduction right in sound recordings to the reproduction of "the actual sounds fixed in the sound recording." Accordingly, even a sound-alike recording that was intended to exactly mimic the original sound recording will not infringe the rights of the sound recording, as such. This limitation does not apply to musical works, so the sound-alike recording may still infringe the reproduction right with respect to the underlying composition.

> **17 U.S. Code § 114 - Scope of exclusive rights in sound recordings**
>
> (b) The exclusive right of the owner of copyright in a sound recording under clause (1) of section 106 is limited to the right to duplicate the sound recording in the form of phonorecords or copies that directly or indirectly recapture the actual sounds fixed in the recording. The exclusive right of the owner of copyright in a sound recording under clause (2) of section 106 is limited to the right to prepare a derivative work in which the actual sounds fixed in the sound recording are rearranged, remixed, or otherwise altered in sequence or quality. The exclusive rights of the owner of copyright in a sound recording under clauses (1) and (2) of section 106 do not extend to the making or duplication of another sound recording that consists entirely of an independent fixation of other sounds, even though such sounds imitate or simulate those in the copyrighted sound recording. The exclusive

rights of the owner of copyright in a sound recording under clauses (1), (2), and (3) of section 106 do not apply to sound recordings included in educational television and radio programs (as defined in section 397 of title 47) distributed or transmitted by or through public broadcasting entities (as defined by section 118(f)): Provided, That copies or phonorecords of said programs are not commercially distributed by or through public broadcasting entities to the general public.

CHAPTER 9. MAKING DERIVATIVE WORKS

In copyright law, a "derivative work" (also referred to as an adaptation in some jurisdictions) is an expressive work that includes significant copyright material from a pre-existing work, but also includes enough new material to be a separate copyrightable work. A new arrangement of a song and a movie script based on a play are both derivative works. By contrast, neither copying recorded music from a compact disc to an mp3 file, nor transcoding video from one format to another, creates a derivative work. These are just new copies because there is nothing creative or original added to the existing work.

Legislative History

Earlier Copyright Acts

The express statutory right to "prepare a derivative work based upon the copyrighted work" is a recent addition to American copyright law. Section 1 of the Copyright Act of 1790 gave domestic authors who complied with certain formalities the "sole right and liberty" to print, reprint, publish, and to vend (sell or offer for sale) qualifying maps, charts, and books, for a term of fourteen years. Section 2 added an importation right, but the Act did not expressly recognize any rights with respect to adaptations or derivative works.

In 1909, Congress provided a more expansive, but still specific, list of derivatives that authors were entitled to control. The Copyright Act of 1909, Section 1(b) conferred an exclusive right (among other things) to *translate* literary works, to *dramatize* nondramatic literary works, and to *novelize* a dramatic work. It is important to note the structure of the 1909 Act. The Act not only identified specific types of derivatives that authors were entitled to control—translations, dramatizations and novelizations—it also tied each type of derivative to the type of work being adapted. It was not until the Copyright Act of 1976 that United States copyright law conferred an express general right to control the preparation of derivative works based upon copyrighted works.

The Copyright Act of 1976

Section 106(2) of the Copyright Act of 1976 grants copyright owners the exclusive right "to prepare derivative works based upon the copyrighted work." But what does this mean? Before delving into the caselaw it is important to take stock of the other provisions of the Copyright Act that illuminate the meaning of Section 106(2).

> **17 U.S. Code §101**
>
> A "derivative work" is a work based upon one or more preexisting works, such as a translation, musical arrangement, dramatization, fictionalization, motion picture version, sound recording, art reproduction, abridgment, condensation, or any other form in which a work may be recast, transformed, or adapted. A work consisting of editorial revisions, annotations, elaborations, or other modifications, which, as a whole, represent an original work of authorship, is a "derivative work".

Section 101 of the Copyright Act of 1976 defines a "derivative work" as "a work based upon one or more preexisting works" and then lists several examples followed by a catchall "or any other form in which a work may be recast, transformed, or adapted."

What does it mean for one work to be "based upon one or more preexisting works"? Assuming that there are two conceptually distinguishable works, what is the nature and extent of connection between required to assert that one is a derivative work (or, "a work based upon") the other? Speaking loosely, one could say that a musical composition inspired by a painting is a work 'based upon' a preexisting copyrighted work, but that is obviously not what Congress intended.

> **House Report on the Copyright Act of 1976 (p. 62)**
>
> To be an infringement the "derivative work" must be "based upon the copyrighted work." … Thus, to constitute a violation of section 106(2), *the infringing work must incorporate a portion of the copyrighted work in some form*; for example, a detailed commentary on a work or programmatic musical composition inspired by a novel would not normally constitute infringements under this clause. (emphasis added)

Even without this clarification, we would not ordinarily interpret the words "based upon" so loosely as to merely require some "but for" causal connection between the original work and the accused derivative. Under the principle of *ejusdem generis,* the statutory examples, "translation, musical arrangement, dramatization, fictionalization, motion picture version, [etc.]" indicate the universe of things regarded as "based upon the copyrighted work" that Congress intended to capture. If your Latin is a bit rusty, ejusdem generis is a Latin phrase that means "of the same kind."

Not all transformations, recastings, or adaptations will create a derivative work as that term is used in the Copyright Act because many such activities do not produce a work that includes a sufficient amount of the original copyrighted expression. Explanations, commentaries, indexes, and bibliographies and similar supplementary works are not derivative works. These works would not exist but for the copyrighted work which they supplement, however, "but for" causation is not enough.

When is the Right to Make a Derivative Work Based Upon the Copyrighted Work Infringed?

The role of originality

As discussed in a previous chapter, for a work to qualify as a copyrightable, derivative work, someone must contribute new copyrightable authorship to a preexisting work. Trivial modifications are not sufficient, but there is no standard separate from the Supreme Court's general elucidation of the concept of originality in *Feist*. Does this mean that *to infringe* the copyright owner's right to make derivative works, the accused work must also be original?

Lee v. A.R.T. Co., 125 F.3d 580, 582 (7th Cir. 1997)

> [The defendant had removed an individual artwork from a book (technically a compilation) and mounted the work onto ceramic tile. The district court noted that the plaintiff, Lee, had been denied a copyright for such a trivial variation and suggested therefore that it was impossible that the derivative work right had been infringed.]

… Pointing to the word "original" in the second sentence of the statutory definition, the district judge held that "originality" is essential to a derivative work. This understanding has the support of both cases and respected commentators. E.g., *L. Batlin & Son, Inc. v. Snyder*, 536 F.2d 486 (2d Cir. 1976); Melville B. Nimmer & David Nimmer, 1 Nimmer on Copyrights § 3.03 (1997). Pointing to the fact that the first sentence in the statutory definition omits any reference to originality, Lee insists that a work may be derivative despite the mechanical nature of the transformation. This view, too, has the support of both cases and respected commentators. E.g., *Lone Ranger Television, Inc. v. Program Radio Corp.*, 740 F.2d 718, 722 (9th Cir. 1984); Paul Goldstein, Copyright: Principles, Law and Practice § 5.3.1 (2d ed. 1996) (suggesting that a transformation is covered by § 106(2) whenever it creates a "new work for a different market").

[The Seventh Circuit held that it did not "to choose sides" in that debate because Lee could not show that the defendant had altered her work as required by the statute's definition of a derivative work as "a work based upon one or more preexisting works, such as a translation, … abridgment, condensation, *or any other form in which a work may be recast, transformed, or adapted.*"]

The tile is not an "art reproduction"; A.R.T. purchased and mounted Lee's original works. That leaves the residual clause: "any other form in which a work may be recast, transformed, or adapted." None of these words fits what A.R.T. did. Lee's works were not "recast" or "adapted". "Transformed" comes closer and gives the ninth circuit some purchase for its view that the permanence of the bond between art and base matters. Yet the copyrighted note cards and lithographs were not "transformed" in the slightest. The art was bonded to a slab of ceramic, but it was not changed in the process. It still depicts exactly what it depicted when it left Lee's studio. … If mounting works a "transformation," then changing a painting's frame or a photograph's mat equally produces a derivative work. Indeed, if Lee is right about the meaning of the definition's first sentence, then any alteration of a work, however slight, requires the author's permission. We asked at oral argument what would happen if a purchaser jotted a note on one of the note cards, or used it as a coaster for a drink, or cut it in half, or if a collector applied his seal (as is common in Japan); Lee's counsel replied that such changes prepare derivative works, but that as a practical matter artists would not file suit. A definition of derivative work that makes criminals out of art collectors and tourists is jarring despite Lee's gracious offer not to commence civil litigation.

Notes and questions

(1) Note that the Seventh Circuit's decision in *Lee v. A.R.T. Co.* explicitly rejected an earlier Ninth Circuit opinion in *Mirage Editions, Inc. v. Albuquerque A.R.T. Co.*, 856 F.2d 1341 (9th Cir. 1988). The academic consensus is that, in this instance, the Seventh Circuit is correct and the Ninth Circuit is simply in error.

***

Returning to the original question, can one infringe the copyright owner's right to make derivative works without adding some non-trivial element of authorship that would satisfy the originality standard in *Feist*?

Why would we even need to answer this question? To infringe upon the derivative work right requires recasting a qualitatively and quantitatively significant amount of the primary work's original expression into a new form or a new version of the work. It requires, in short, something that would otherwise constitute an infringing reproduction. As a result, you might think that there are not many situations where the derivative work right could be infringed without infringing the reproduction right.

First suppose that a magazine publisher has a license to reproduce a 2000-word article by Alice, but no right to make derivative works. The publisher could prompt a large language model to produce a new shorter version of the article. Assuming no great degree of human intervention was used, the result would be a new version of the work. If these actions had been undertaken by a human the originality standard in *Feist* would most likely be satisfied, but in this scenario, there is no additional originality or creativity supplied by the machine learning process. It seems unthinkable that the lack of originality could thwart Alice's exclusive right to make derivative works based upon the copyrighted work. For more, see Daniel J. Gervais, *AI Derivatives: The Application to the Derivative Work Right to Literary and Artistic Productions of AI Machines* 52 SETON HALL LAW REVIEW 1111 (2022).

Is the derivative work right entirely duplicative of the reproduction right?

Litchfield v. Spielberg, 736 F.2d 1352 (9th Cir. 1984)

EUGENE A. WRIGHT, Circuit Judge:

> [Plaintiff Lisa Litchfield wrote the one-act play "Lokey from Maldemar" in 1978 and submitted it to Universal Studios for film adaptation in 1979. Universal rejected it. Undeterred, Litchfield adapted Lokey into a screenplay in 1980 and continued trying to sell it, ultimately without success.] As originally developed in 1978, "Lokey" was a musical play about the adventures of two aliens, Fudinkle and Lokey, who are temporarily stranded on Earth when their spacecraft is immobilized by gravity. After landing near the North Pole, the aliens meet Lisa Marie, her younger brother Michael, and their father, a scientist stationed at the Sorenson Research Center at the North Pole. After temporarily detaining the children with an energy field, the aliens quickly learn English and are invited home by Lisa Marie to meet her father. At the cabin, Lokey demonstrates his extraordinary extra-terrestrial powers by psychokinetically taking a gun away from her father; reviving the father from a heart attack; projecting a map of the Earth on the cabin wall through mind power; and revealing his own destiny as a future ruler of his planet. Lisa Marie demonstrates her own terrestrial charms, teaching Lokey to kiss and inducing him to promise to send "mind pictures" to her after the aliens' departure. Fudinkle and Lokey then travel to a beach in Japan, where they capsize a fishing boat filled with porpoise hunters. Next, the aliens travel to the Andes Mountains, where they meet Tollie Marx, a prophetic witch. Finally, all of the characters appear on the edge of the Pacific Ocean, where the aliens bid the humans farewell as they return to their ship.

On June 11, 1982, the defendants' film "E.T. — The Extraterrestrial" opened at commercial movie theaters. "E.T." is the story of a small alien accidentally left behind when his fellow explorers are forced to hastily leave Earth. E.T. is lured, by hunger and curiosity, into the California suburban home of 10-year-old Elliot, his brother and sister, and their mother. During the following days, E.T. learns a few words of English; discovers television, beer, and other appurtenances of contemporary American life; and constructs a transmitter to "phone home." The children, in turn, learn that E.T. possesses unearthly powers: E.T. levitates objects through psychokinesis; heals a small cut with his glowing finger; revives a wilted flower; and establishes a psycho-physical empathy with Elliot. Yet E.T.'s powers are not total; as time passes, E.T. gradually deteriorates. After an apparently unsuccessful attempt to contact his people, E.T. is captured by the scientific investigators who have stalked his existence since he was left behind by his spaceship. Following his capture E.T. appears to have expired, but he revives when he senses that his people are returning for him. A chase ensues, and the film concludes with E.T. bidding farewell to earthling friends and returning home.

Litchfield sued for copyright infringement (among other theories).

Substantial Similarity

Before considering a motion for summary judgment on the issue of substantial similarity, the court must make a detailed comparison of the allegedly infringing and infringed works. To this end, the district judge read the 1978 and 1980 versions of Lokey, read the "continuity" script of E.T., and viewed E.T. at defendants' screening room. Our own, independent review of the works is based on reading of the two versions of Lokey, and the continuity script of E.T. We may uphold summary judgment if no reasonable jury could find substantial similarity between E.T. and Lokey.

To prove infringement, a plaintiff must show that the works are substantially similar in both ideas and expression. Similarity of ideas may be shown by an extrinsic test which focuses on alleged similarities in the objective details of the works. The extrinsic test requires a comparison of plot, theme, dialogue, mood, setting, pace and sequence. Similarity of expression depends on a subjective, intrinsic test. This test focuses on the response of the "ordinary reasonable person" to the works.

Litchfield relies on a list of similarities between Lokey and E.T. to show the extrinsic similarity of the works. She argues that there are too many similarities, especially in the sequence of events and incidents leading to the climax, for the court to determine that there is no material issue of fact. While we have relied on such lists of similarities in the past for illustrative purposes, they are inherently subjective and unreliable. We are particularly cautious where, as here, the list emphasizes random similarities scattered throughout the works.

Viewed in the light most favorable to the plaintiffs, some similarities in the opening scenes of Lokey and the movie E.T. may be more than stock scenes. There is no substantial similarity, however, between the sequences of events, mood, dialogue and characters of the two works. Any similarities in plot exist only at the general level for which plaintiff cannot claim copyright protection. There is even less

similarity of expression. To constitute infringement of expression, the total concept and feel of the works must be substantially similar. The concept and feel of the works here are completely different. Whereas E.T. concentrates on the development of the characters and the relationship between a boy and an extra-terrestrial, Lokey uses caricatures to develop its theme of mankind divided by fear and hate. No lay observer would recognize E.T. as a dramatization or picturization of Lokey.

Production of a Derivative Work

Litchfield argues that defendants violated section 106(2) of the Copyright Act, 17 U.S.C. § 106(2) (1982), by preparing a derivative work based on Lokey. The district court did not address this issue.

Section 106(2) grants the exclusive rights to prepare a derivative work to the holder of the copyright. 17 U.S.C. § 106(2). To constitute a violation of section 106(2) the infringing work must incorporate in some form a portion of the copyrighted work. Notes of the Committee on the Judiciary, House Report No. 94-1476, reprinted in 17 U.S.C. § 106(2) (1982).

Litchfield argues that section 106(2) was intended to expand the definition of derivative works to include any work based on a copyrighted work. She argues that the similarities between her play and the movie constitute the required "incorporation" and show that E.T. was based on Lokey for purposes of the statute. Litchfield apparently believes that she does not have to show substantial similarity to show that E.T. is a derivative work.

Litchfield cites no authority to support this novel proposition. The little available authority suggests that a work is not derivative unless it has been substantially copied from the prior work. We have stated that "[a] work will be considered a derivative work *only if it would be considered an infringing work if* the material which it has derived from a prior work had been taken without the consent of a copyright proprietor of such prior work." *United States v. Taxe*, 540 F.2d 961, 965 n. 2 (9th Cir.1976) (emphasis added).

To prove infringement, one must show substantial similarity. Litchfield's arguments that section 106(2) radically altered the protection afforded by the law of copyright are frivolous.

CONCLUSION

The summary judgment was proper because no reasonable jury could conclude that Lokey and E.T. were substantially similar in their ideas and expression. The district court properly dismissed the other claims.

As is too often the case, Litchfield's action was premised "partly upon a wholly erroneous understanding of the extent of copyright protection; and partly upon that obsessive conviction, so common among authors and composers, that all similarities between their works and any others which appear later must inevitably be ascribed to plagiarism." *Dellar v. Samuel Goldwyn, Inc.,* 150 F.2d 612 (2d Cir.1945).

Notes and questions

(1) Does the court's holding effectively collapse the derivative work right into the reproduction right? If both require substantial similarity, what independent function does § 106(2) serve?

(2) How should courts handle cases where a work incorporates minimal but qualitatively significant portions of a copyrighted work? Does the *Litchfield* standard adequately address such scenarios?

(3) The court was highly critical of the plaintiff's "obsessive conviction" regarding similarities. Should courts consider the psychological motivations of plaintiffs in copyright cases, or does this risk prejudicing legitimate claims? How many cases in this book are the result of such "obsessive conviction"?

(4) The conventional view is that the threshold of substantial similarity required to infringe the reproduction right is the same for the derivative right. In a 2013 law review article, *The Derivative Right, or Why Copyright Law Protects Foxes Better than Hedgehogs*, Professor Daniel Gervais posits that there is a subtle difference between the reproduction right and the right to make derivative works based upon the copyrighted work. He argues that whereas infringement of the reproduction right requires the copying of protected expression; for derivative works "the test is whether creative choices that gave the plaintiff's work its originality were copied." This seems like a distinction without a difference. The only way the copyright owner's creative choices can be copied is by copying, at some level of generality, their original expression that embodies those creative choices.

Nonetheless, there might be instances where the reproduction right is not infringed but the derivative work right would be. Notably, if the defendant has a license to reproduce the work, but not to alter it. The Nimmer treatise suggests that this theory of the case would "undoubtedly meet resistance, particularly in those courts oriented against moral rights," but it is hard to see why it should not apply where the right to make changes to the work has been deliberately withheld. 2 Nimmer on Copyright § 8.09 (2022).

Another possibility is that the right to make derivative works based upon the copyrighted work could be infringed by an unfixed work. In *Lewis Galoob Toys, Inc. v. Nintendo of Am., Inc.*, 964 F.2d 965, 968 (9th Cir. 1992) the Ninth Circuit noted that the Copyright Act's definition of "derivative work," in contrast to its definition of "copies," lacks any reference to fixation. This would be an odd result. It would mean that private performances of songs or poetry without alteration were non-infringing, but that performances that changed the original work by injecting new authorship and creativity would be infringing.

Limiting principles

There are at least three key limiting principles that apply to the exclusive right "to prepare derivative works based upon the copyrighted work" under United States copyright law.

First, making a derivative work necessitates recasting a qualitatively and quantitatively significant amount of the primary work's original expression into a new form or a new version.

Assessing whether this threshold has been met requires some understanding of what made the primary work copyrightable in the first place. Suppose we reduced a novel such as *Fifty Shades of Gray* down to a table of individual words and the frequency with which they appeared in the text. We could program a computer to randomly construct an alternative novel, *Gray Fifty Shades Of*, which followed traditional rules of English grammar and used the same individual words. A few things should be obvious about, *Gray Fifty Shades Of*: (i) it would be terrible; (ii) it would not exist, but for *Fifty Shades Of Gray*; (iii) but it would not convey any of the original expression of the primary work. Without some nontrivial overlap in original expression *Gray Fifty Shades Of* would not be a derivative work. On the other hand, a sequel to the primary work that uses the same characters and settings would be very likely to be a derivative work.

The Ninth Circuit made the point sharply in *Oracle International Corp. v. Rimini Street, Inc.*, 123 F.4th 986 (9th Cir. 2024), extracted below. There is no "interoperability test" in the Copyright Act or in the case law: to be a derivative work, the second work must actually incorporate the first, either literally or nonliterally. That a program is designed to work with another program says nothing about whether it contains any of that program's expression. The distinction matters well beyond software, because it isolates what the derivative work right is actually about — not functional dependence, not being made for use with something else, but the recasting of protected expression.

Second, not all reproductions are derivative works, but all infringing derivatives must meet the same threshold of similarity that is required to infringe the reproduction right. This means that the right to "prepare derivative works based upon the copyrighted work" is in some sense superfluous to the reproduction right. But Section 106(2) is not entirely pointless. As noted above, it makes it easier for a copyright owner to license reproduction but still object to unauthorized changes to her work. Also, the existence of the right to "prepare derivative works based upon the copyrighted work" gives courts some guidance as to the extent of similarity required to make one work a reproduction of some prior work. Without the derivative work right, it may not be obvious that translations, abridgments, fictionalizations, and dramatizations are presumptively within the scope of the copyright owner's rights.

Third, the relationship between fair use and derivative works can be confusing. Transformative use and derivative works are not mutually exclusive categories, although once a work has been determined to be fair use there is not much clarity to be gained by continuing to refer to it as a derivative work as well. This issue is addressed in more detail in a later chapter on fair use.

Illustrative Cases

The Nintendo Game Genie

The Ninth Circuit grappled with the limits of the right to make derivative works based on the copyrighted work in Section 106(2) in *Lewis Galoob Toys, Inc. v. Nintendo of Am., Inc.,* 964 F.2d 965 (9th Cir. 1992). Galoob sold a "Game Genie" that allowed players using the popular Nintendo platform to modify aspects of how the games were played, such as

increasing character lives or abilities. Nintendo argued that the altered audiovisual displays created by the Game Genie were infringing derivative works.

As already mentioned, the court ruled that because the Copyright Act's definition of "derivative work" does not refer to fixation, the ephemeral nature of the changed game play did not prevent the Game Genie from infringing the right to make derivative works. Nonetheless the derivative work issue did not go Nintendo's way.

Lewis Galoob Toys, Inc. v. Nintendo of Am., Inc., 964 F.2d 965 (9th Cir. 1992)

> The Game Genie merely enhances the audiovisual displays (or underlying data bytes) that originate in Nintendo game cartridges. The altered displays do not incorporate a portion of a copyrighted work in some concrete or permanent form. Nintendo argues that the Game Genie's displays are as fixed in the hardware and software used to create them as Nintendo's original displays. Nintendo's argument ignores the fact that the Game Genie cannot produce an audiovisual display; the underlying display must be produced by a Nintendo Entertainment System and game cartridge. Even if we were to rely on the Copyright Act's definition of "fixed," we would similarly conclude that the resulting display is not "embodied," see 17 U.S.C. § 101, in the Game Genie. It cannot be a derivative work.
>
> Nintendo asserted at oral argument that the existence of a $150 million market for the Game Genie indicates that its audiovisual display must be fixed. We understand Nintendo's argument; consumers clearly would not purchase the Game Genie if its display was not "sufficiently permanent or stable to permit it to be perceived ... for a period of more than transitory duration." 17 U.S.C. § 101. But, Nintendo's reliance on the Act's definition of "fixed" is misplaced. Nintendo's argument also proves too much; the existence of a market does not, and cannot, determine conclusively whether a work is an infringing derivative work. For example, although there is a market for kaleidoscopes, it does not necessarily follow that kaleidoscopes create unlawful derivative works when pointed at protected artwork. The same can be said of countless other products that enhance, but do not replace, copyrighted works.
>
> A derivative work must incorporate a protected work in some concrete or permanent form. We cannot ignore the actual source of the Game Genie's display.
>
> In holding that the audiovisual displays created by the Game Genie are not derivative works, we recognize that technology often advances by improvement rather than replacement. Some time ago, for example, computer companies began marketing spell-checkers that operate within existing word processors by signaling the writer when a word is misspelled. These applications, as well as countless others, could not be produced and marketed if courts were to conclude that the word processor and spell-checker combination is a derivative work based on the word processor alone. The Game Genie is useless by itself, it can only enhance, and cannot duplicate or recast, a Nintendo game's output. It does not contain or produce a Nintendo game's output in some concrete or permanent form, nor does it supplant demand for Nintendo game cartridges. Such innovations rarely will constitute infringing derivative works under the Copyright Act.

Notes and questions

(1) Not every videogame case deals with game modifications the same way. In *Micro Star v. FormGen Inc.,* 154 F.3d 1107 (9th Cir. 1998) the court addressed modifications to a video game called *Duke Nukem*. It ruled that the modified levels created by a third party did constitute infringing derivative works because unlike the *Galoob* case, the modifications in *Micro Star* were fixed in a tangible medium—on a CD-ROM—and were distributed to the public.

Interoperability is not enough

Galoob asked whether the Game Genie incorporated any of Nintendo's expression. The Ninth Circuit returned to that question thirty years later, in a dispute over third-party support for enterprise software, and had to decide whether a program that works only with another program is for that reason a derivative work of it.

Oracle International Corp. v. Rimini Street, Inc., 123 F.4th 986 (9th Cir. 2024)

BUMATAY, Circuit Judge:

For over a decade, Oracle International Corporation and Rimini Street, Inc., have waged a pitched copyright war. This dispute has been fought up and down all levels of the federal judiciary. This appeal is the latest battle.

At issue is Rimini's ability to service its clients who use Oracle's software programs. Past rulings have determined that Rimini's processes infringe on Oracle's copyrights—at least in part. Those rulings ordered Rimini to halt this infringement. In response, Rimini developed new processes for servicing its Oracle-using clients. After a bench trial, the district court ruled that many of these new processes still infringe Oracle's copyrights and issued a permanent injunction against Rimini's infringement.

Background

Oracle develops software programs for businesses and other organizations. These programs help manage day-to-day business functions—things like financials, human resources, procurement, project and risk management, and supply chain operations. One of Oracle's products is PeopleSoft. PeopleSoft is a flexible tool; it can be customized to manage all sorts of business processes. Some use it to manage HR processes, like timekeeping, benefits administration, and recruitment. Others use it to manage financial processes, like expense tracking and payroll. Some use it for both and more. Oracle also provides optional software support for PeopleSoft. For those using its support services, Oracle provides PeopleSoft updates to reflect changes to tax laws and other regulations. But customers need not use Oracle's support program to stay up-to-date; customers can also modify and customize the software themselves or through third-party providers.

Rimini Street is a third-party provider and direct competitor with Oracle in the support-services market. It offers various products, including troubleshooting support and software updates. When troubleshooting Oracle programs or creating

updates for its clients, Rimini uses Oracle's products and creates files that only work with Oracle's products.

Oracle first sued Rimini for copyright infringement in 2010. Rimini was found to have infringed Oracle's copyrights in its PeopleSoft, Database, and other programs by engaging in "cross-use" and creating copies of Oracle's materials on Rimini's computer systems. The district court entered a permanent injunction against Rimini, which we largely affirmed. See Oracle USA, Inc. v. Rimini St., Inc., 879 F.3d 948 (9th Cir. 2018); Oracle USA, Inc. v. Rimini St., Inc., 783 F. App'x 707 (9th Cir. 2019). The district court later found that Rimini violated the injunction and held it in contempt on five issues, four of which we upheld on appeal. Oracle USA, Inc. v. Rimini St., Inc., 81 F.4th 843 (9th Cir. 2023).

After the finding of infringement, Rimini changed aspects of its business model and sought declaratory judgment that its revised process, called "Process 2.0," did not infringe Oracle's copyrights. Oracle counterclaimed for copyright infringement and violations of the Lanham Act, seeking more than one billion dollars in damages.

At the pleadings stage, the district court struck Rimini's affirmative defense to copyright infringement under § 117(a). At summary judgment, the district court held that Rimini had infringed Oracle's PeopleSoft copyrights by engaging in cross-use prohibited by PeopleSoft license agreements. Rimini St., Inc. v. Oracle Int'l Corp., 473 F. Supp. 3d 1158, 1181–213 (D. Nev. 2020). The district court also held that the update created for the City of Eugene's PeopleSoft software environment was a "derivative work." Id. at 1209–12.

After Oracle abandoned its claims for monetary relief on the eve of trial, the case proceeded to a bench trial solely on declaratory and equitable relief. The district court ruled that Rimini (1) created infringing derivative works, (2) violated Oracle's PeopleSoft and Database licensing agreements, and (3) made several statements violating the Lanham Act. See Oracle Int'l Corp. v. Rimini St., Inc., No. 2:14-cv-1699, 2023 WL 4706127, at *1 (D. Nev. July 24, 2023). The district court then entered a permanent injunction against Rimini, ordering it to delete various software files. The district court also ordered Rimini to issue a press release correcting the alleged misstatements and prohibited Rimini from making similar statements about its services again.

Rimini moved to stay the enforcement of the permanent injunction pending appeal. The district court denied that motion. It granted, however, a temporary administrative stay to allow this court to consider the stay factors. Rimini also moved to stay the permanent injunction in this court. That motion remains pending.

Derivative Works

A copyright owner has the exclusive right to prohibit or authorize the preparation of derivative works. 17 U.S.C. § 106(2). The district court held Rimini-written files and updates developed during the "Process 2.0" period were infringing derivative works because they "only interact[ ] and [are] useable with" Oracle software. In effect, the district court adopted an "interoperability" test for derivative works—if a product can only interoperate with a preexisting copyrighted work, then it must

be derivative. But neither the text of the Copyright Act nor our precedent supports this interoperability test for derivative works.

The Copyright Act defines a "derivative work" as:

a work based upon one or more preexisting works, such as a translation, musical arrangement, dramatization, fictionalization, motion picture version, sound recording, art reproduction, abridgment, condensation, or any other form in which a work may be recast, transformed, or adapted.

17 U.S.C. § 101.

While the Copyright Act uses broad language to describe derivative works, there are limits to its scope. After all, almost every work "borrows and must necessarily borrow" from other works and uses what was "well known and used before." Micro Star v. Formgen Inc., 154 F.3d 1107, 1110 (9th Cir. 1998); see also 1 Nimmer on Copyright § 3.01 (2024) ("In a broad sense, almost all works are derivative works in that in some degree they are derived from pre-existing works."). So focusing only on whether a work is "based upon" a preexisting work would make the derivative-works definition "hopelessly overbroad." Micro Star, 154 F.3d at 1110.

Luckily, Congress provided several textual clues limiting its definition. First, Congress gave examples of work "based upon" preexisting work—things "such as" translations, movie adaptations, and reproductions. 17 U.S.C. § 101. And so "derivative work" must have a meaning related to those examples. While the term "such as" means the list of examples isn't exhaustive, Congress provides the kind of works that fall into the derivative-work category. See Easom v. US Well Servs., Inc., 37 F.4th 238, 243 (5th Cir. 2022) (holding that a statute listing examples "such as" "floods, earthquakes, and droughts" limited the term "natural disaster" to disasters of the "same kind"). So to be "based upon" another work requires copying of the kind exhibited in translations, movie adaptations, and reproductions. Mere interoperability isn't enough.

Next, we have the canon of noscitur a sociis, which means we define a term by "the company it keeps." Yates v. United States, 574 U.S. 528, 543 (2015). We use this canon when "a word is capable of many meanings in order to avoid the giving of unintended breadth to the Acts of Congress." Dubin v. United States, 599 U.S. 110, 124–25 (2023). The effect of the canon is to "limit a general term to a subset of all the things or actions that it covers." Antonin Scalia & Bryan A. Garner, Reading Law: The Interpretation of Legal Texts 196 (2012). So when "several items in a list share an attribute," it favors "interpreting the other items as possessing that attribute as well." Beecham v. United States, 511 U.S. 368, 371 (1994).

Here, "[t]he examples of derivative works provided by the Act all physically incorporate the underlying work or works." Lewis Galoob Toys, Inc. v. Nintendo of Am., Inc., 964 F.2d 965, 967 (9th Cir. 1992). Take a "translation." Translating a novel from English incorporates the original expression of the novel in a new language. A motion picture takes elements of the novel's original expression and incorporates them into an audio-visual experience. The same goes for an abridgment—it incorporates the novel's original expression into a condensed

version. Thus, Congress's list of examples suggests that a "derivative work" must be in the subset of works substantially incorporating the preexisting work. Once again, whether a work is interoperable with another work doesn't tell us if it substantially incorporates the other work.

Based on this textual analysis, we've said that "a work is not derivative unless it has been substantially copied from the prior work." Litchfield v. Spielberg, 736 F.2d 1352, 1357 (9th Cir. 1984); see also 1 Nimmer on Copyright § 3.01 (2024) ("A work is not derivative unless it has substantially copied from a prior work."). And we have held that "[a] derivative work must incorporate a protected work in some concrete or permanent 'form.' " Lewis Galoob Toys, Inc., 964 F.2d at 967.

To be sure, the incorporation of a preexisting work can take several forms. First, the incorporation can be "literal." So copying substantial portions of PeopleSoft's copyrighted code outright would be an example of literal incorporation.

Second, the incorporation can be nonliteral, such as copying the "total concept and feel" of a preexisting work. Litchfield, 736 F.2d at 1357; see also SAS Inst., Inc. v. World Programming Ltd., 64 F.4th 1319, 1326 (Fed. Cir. 2023) (stating that the nonliteral elements of a computer program "include the program architecture, structure, sequence and organization, operational modules, and user interface"). Take the case of Duke Nukem 3D, a popular video game. A third-party distributor sold software that continued the video game's story by creating extra levels of gameplay. Micro Star, 154 F.3d at 1109. The third-party distributor argued its product was not a copyright infringement because it didn't incorporate any of Duke Nukem's protected expression. Id. at 1112. As a technical matter, the distributor explained that its product "reference[d]" Duke Nukem's "source art library" but did "not actually contain any art files." Id. We held that these new Duke Nukem levels were derivative works because they copied the video game's "story itself," including the "plot, theme, dialogue, mood, setting, characters, etc." Id. We likened the extra game levels to a book version of the game that recasts the central character even though it doesn't copy pictures or code of the game. Id.

Here, we're mostly concerned with nonliteral copying. Although the district court found several examples of Rimini literally copying Oracle's source code, Rimini doesn't challenge that ruling on appeal. Instead, we focus on the district court's ruling that Rimini's software programs are derivative works "even if the work[s] do[ ] not contain any of [Oracle's] copyrighted code." It determined that Rimini created "infringing derivative works because they interact only with PeopleSoft." The district court relied on the fact that "Rimini's PeopleSoft updates are extensions to and modifications of Oracle's copyrighted software" and they "cannot be used with any software programs other than PeopleSoft." Rimini claims that thousands of its files fall into this category—programs that are interoperative with Oracle's PeopleSoft but do not contain Oracle's copyrighted code.

Without more, mere interoperability isn't enough to make a work derivative. Both the text of the Copyright Act and our case law teach that derivative status does not turn on interoperability, even exclusive interoperability, if the work doesn't substantially incorporate the preexisting work's copyrighted material. Another

video-game case makes the point. Nintendo made a well-known gaming console. Lewis Galoob Toys, Inc., 964 F.2d at 967. Another company then developed the Game Genie, which allowed players to alter several features of Nintendo games. Id. The Game Genie worked by being inserted in between a Nintendo game cartridge and a Nintendo gaming console. Id. It then blocked the value for a single data byte sent from the game cartridge to the gaming console, thereby altering parts of the game. Id. The Game Genie was "useless by itself" and it "c[ould] only enhance... a Nintendo game's output." Id. at 969. Despite this exclusive interoperability with the Nintendo system, the Game Genie was not a derivative work. Instead, a "derivative work must incorporate a protected work in some concrete or permanent form" and the "Game Genie does not physically incorporate a portion of a copyrighted work." Id. Because it didn't "duplicate or recast[ ]" any of Nintendo's copyrighted material, it couldn't be a derivative work. See id.

In sum, the district court erred by concluding that Rimini created infringing "derivative works" just because its programs "only interact[ ] and [are] useable with" Oracle software. Something more is needed under the Copyright Act. Instead, a derivative work must actually incorporate Oracle's copyrighted work, either literally or nonliterally. And as Galoob Toys shows, simply being an extension or modification of a copyrighted work without any incorporation is not enough to create a derivative work. Aside from concluding that a limited number of Rimini files copied Oracle's code, the district court made no finding that Rimini incorporated nonliteral copyrighted material in its PeopleSoft updates or programs.

We thus vacate the district court's holding that Rimini created infringing derivative works based solely on Rimini's programs' interoperability with Oracle's programs. As the issue was not briefed by the parties, we do not decide which specific parts of Oracle's programs are protectable nonliteral elements or how to determine whether Rimini's programs incorporate any of those elements. See SAS Inst., Inc., 64 F.4th at 1326 ("Court decisions vary in the methods used to identify and analyze copyrightability for nonliteral elements of computer programs.").

Finally, because the district court applied the wrong legal standard in determining whether Rimini created derivative works, we do not reach Rimini's alternative argument that Oracle's licensing agreements nonetheless authorize any derivative work. If the district court concludes that Rimini created an infringing derivative work, the district court should then consider whether any of Oracle's licensing agreements authorized the creation of the specific work.

For the above reasons, we vacate the district court's holding that Rimini created infringing derivative works.

The Harry Potter Lexicon Case

The Harry Potter Lexicon Case illustrates the relationship between the concepts of reproduction, adaptation, and fair use.

At the time of the litigation, J.K. Rowling was the author of seven highly acclaimed *Harry Potter* books and two short companion books to the *Harry Potter* series. Steven Vander Ark began work on The Harry Potter Lexicon website in 1999 and opened it to the public

in 2000. The *Harry Potter Lexicon* was a crowd-sourced fan website that collected and organized information from the Harry Potter books in encyclopedic form. The lexicon website was well received, and received positive feedback from Rowling herself. At the trial Rowling said: "this is such a great site that I have been known to sneak into an internet cafe while out writing and check a fact rather than go into a bookshop and buy a copy of *Harry Potter* (which is embarrassing)."

In 2007, RDR Books contacted Vander Ark about the possibility of publishing a Harry Potter encyclopedia based on some of the materials from the Lexicon website. RDR overcame Vander Ark's initial reluctance to publish by agreeing to defend and indemnify Vander Ark in the event of any lawsuit. The *Harry Potter Lexicon* was published as an encyclopedia of Harry Potter information.

Warner Brothers Entertainment, Inc. v. RDR Books, 575 F. Supp. 2d 513 (S.D.N.Y. 2008)

> The Lexicon is an A-to-Z guide to the creatures, characters, objects, events, and places that exist in the world of Harry Potter. As received by the Court in evidence, the Lexicon manuscript is more than 400 type-written pages long and contains 2,437 entries organized alphabetically. The first few pages contain a list of abbreviations used throughout the Lexicon to cite to the original sources of the material.
>
> > The Lexicon itself makes clear that the only source of its content is the work of J.K. Rowling. The first page of the Lexicon manuscript states: "All the information in the Harry Potter Lexicon comes from J.K. Rowling, either in the novels, the 'schoolbooks,' from her interviews, or from material which she developed or wrote herself." Aside from four dictionary citations, no other citations to third-party works appear in the Lexicon.
> >
> > The Lexicon entries cull every item and character that appears in the Harry Potter works, no matter if it plays a significant or insignificant role in the story. The entries cover every spell (e.g., Expecto Patronum, Expelliarmus, and Incendio), potion (e.g., Love Potion, Felix Felicis, and Draught of Living Death), magical item or device (e.g., Deathly Hallows, Horcrux, Cloak of Invisibility), form of magic (e.g., Legilimency, Occlumency, and the Dark Arts), creature (e.g., Blast-Ended Skrewt, Dementors, and Blood-Sucking Bugbears), character (e.g., Harry Potter, Hagrid, and Lord Voldemort), group or force (e.g., Aurors, Dumbledore's Army, Death Eaters), invented game (e.g., Quidditch), and imaginary place (e.g., Hogwarts School of Witchcraft and Wizardry, Diagon Alley, and the Ministry of Magic) that appear in the Harry Potter works. The Lexicon also contains entries for items that are not explicitly named in the Harry Potter works but which Vander Ark has identified, such as medical magic, candle magic, wizard space, wizard clothing, and remorse. Some of the entries describe places or things that exist in the real world but also have a place in the Harry Potter works, such as moors, Greece, and Cornwall.
> >
> > Each entry, with the exception of the shortest ones, gathers and synthesizes pieces of information relating to its subject that appear scattered across the Harry Potter novels, the companion books, The Daily Prophet newsletters, Famous Wizard Cards, and published interviews of Rowling. The types of information contained

in the entries include descriptions of the subject's attributes, role in the story, relationship to other characters or things, and events involving the subject. Repositories of such information, the entries seek to give as complete a picture as possible of each item or character in the Harry Potter world, many of which appear only sporadically throughout the series or in various sources of Harry Potter material.

The snippets of information in the entries are generally followed by citations in parentheses that indicate where they were found within the corpus of the Harry Potter works. The thoroughness of the Lexicon's citation, however, is not consistent; some entries contain very few citations in relation to the amount material provided. When the Lexicon cites to one of the seven Harry Potter novels, the citation provides only the book and chapter number.

While not its primary purpose, the Lexicon includes commentary and background information from outside knowledge on occasion. For example, the Lexicon contains sporadic etymological references, (e.g., entries for "Colloportus," "Lupin, Remus," "Alohamora," "Fidelius Charm"), analogies to characters outside the Harry Potter world such as Merlin, and observations of Rowling's allusions to other works of literature such as "the weird sisters" from Shakespeare's Macbeth. The Lexicon also points to the very few "flints," or errors in the continuity of the story, that appear in the Harry Potter series.

While there was considerable opining at trial as to the type of reference work the Lexicon purports to be and whether it qualifies as such (no doubt in part due to its title), the Lexicon fits in the narrow genre of non-fiction reference guides to fictional works. As Defendant's expert testified, the Harry Potter series is a multi-volume work of fantasy literature, similar to the works of J.R.R. Tolkien and C.S. Lewis. Such works lend themselves to companion guides or reference works because they reveal an elaborate imaginary world over thousands of pages, involving many characters, creatures, and magical objects that appear and reappear across thousands of pages. The Lexicon, an A-to-Z guide which synthesizes information from the series and generally provides citations for location of that information rather than offering commentary, is most comparable to the comprehensive work of Paul F. Ford, Companion to Narnia: A Complete Guide to the Magical World of C.S. Lewis's The Chronicles of Narnia, or the unauthorized A-to-Z guide by George W. Beahm, Fact, Fiction, and Folklore in Harry Potter's World: An Unofficial Guide.

At trial, Rowling testified that the Lexicon took all the highlights of her work, in other words her characters' secret history, the jokes certainly, certain exciting narrative twists, all the things that are the highlights of her stories. She compared this taking of her work to plundering all of the "plums in [her] cake." At trial, the testimony of Rowling and the expert opinion of Johnson focused at length on the Lexicon's verbatim copying of language from the Harry Potter works. Johnson testified that in particular, entries that deal with invented terms, creatures, places and things from the Harry Potter books use "again and again the specific, very colorful, idiosyncratic ... nouns and phrases of Ms. Rowling."

For example, in the entry for "armor, goblin made," the Lexicon uses Rowling's poetic language nearly verbatim without quotation marks. The original language from Harry Potter and the Deathly Hallows reads:

“Muggle-borns,” he said. “Goblinmade armour does not require cleaning, simple girl. Goblins’ silver repels mundane dirt, imbibing only that which strengthens it.”

The Lexicon entry for “armor, goblin made” reads in its entirety:

Some armor in the wizarding world is made by goblins, and it is quite valuable. (e.g., HBP20) According to Phineas Nigellus, goblin-made armor does not require cleaning, because goblins’ silver repels mundane dirt, imbibing only that which strengthens it, such as basilisk venom. In this context, “armor” also includes blades such as swords.

Although the Lexicon entry introduces Rowling’s language with the phrase, “According to Phineas Nigellus,” it does not use quotation marks.

The Lexicon entry for “Dementors” reproduces Rowling’s vivid description of this creature sometimes using quotation marks and sometimes quoting or closely paraphrasing without indicating which language is original expression. The original language appears in Chapters 5 and 10 of Harry Potter and the Prisoner of Azkaban as follows:

Its face was completely hidden beneath its hood. … There was a hand protruding from the cloak and it was glistening, grayish, slimy-looking, and scabbed, like something dead that had decayed in water. … And then the thing beneath the hood, whatever it was, drew a long, slow, rattling breath, as though it were trying to suck something more than air from its surroundings.

* * *

“Dementors are among the foulest creatures to walk this earth. They infest the darkest, filthiest places, they glory in decay and despair, they drain peace, hope, and happiness out of the air around them. Even Muggles feel their presence, though they can’t see them. Get too near a dementor and every good feeling, every happy memory will be sucked out of you. If it can, the dementor will feed on you long enough to reduce you to something like itself . . . soulless and evil. . . .”

The Lexicon entry for “Dementors” reads in its entirety:

Dementors are some of the most terrible creatures on earth, flying tall black spectral humanoid things with flowing robes. They “infest the darkest, filthiest places, they glory in decay and despair, they drain peace, hope, and happiness out of the air around them,” according to Lupin (PA10). Dementors affect even Muggles, although Muggles can’t see the foul, black creatures. Dementors feed on positive human emotions; a large crowd is like a feast to them. They drain a wizard of his power if left with them too long. They were the guards at Azkaban and made that place horrible indeed. The Ministry used Dementors as guards in its courtrooms as well (GF30, DH13). There are certain defenses one can use against Dementors, specifically the Patronus Charm. A Dementor’s breath sounds rattling and like it’s trying to suck more than air out of a room. Its hands are “glistening, grayish, slimy-looking, and scabbed”. It exudes a biting, soulfreezing cold (PA5).

[Discussion of additional examples omitted]

The entries for the hero and the villain of the Harry Potter series (Harry Potter and Lord Voldemort) present the closest thing to “plot summaries,” but are more aptly characterized as synopses or outlines of the narrative revolving around those characters. Because Harry Potter and Lord Voldemort drive the narrative and because they appear in nearly every chapter of the series, an encapsulation of the

events surrounding them ultimately yields a synopsis of the primary narrative thread in the Harry Potter series.

Copying

[The trial court found that the Lexicon was substantially similar to Rowling's original works, not so much in terms of the overall plot—the court's analysis not entirely consistent on this point—, character and story of the works, but in terms of excessive literal quotation.]

Although it is difficult to quantify how much of the language in the Lexicon is directly lifted from the Harry Potter novels and companion books, the Lexicon indeed contains at least a troubling amount of direct quotation or close paraphrasing of Rowling's original language. The Lexicon occasionally uses quotation marks to indicate Rowling's language, but more often the original language is copied without quotation marks, often making it difficult to know which words are Rowling's and which are Vander Ark's.

[The court reviewed several examples.] … Although in these instances, the Lexicon often changes a few words from the original or rewrites original dialogue in the third person, the language is nonetheless substantially similar.

Derivative Work

Plaintiffs allege that the Lexicon not only violates their right of reproduction, but also their right to control the production of derivative works. The Copyright Act defines a "derivative work" as "a work based upon one or more preexisting works, such as a translation, musical arrangement, dramatization, fictionalization, motion picture version, sound recording, art reproduction, abridgment, condensation, or any other form in which a work may be *recast, transformed, or adapted*" 17 U.S.C. § 101 (emphasis added). A work "consisting of editorial revisions, annotations, elaborations, or other modifications which, as a whole, represents an original work of authorship" is also a derivative work.

A work is not derivative, however, simply because it is "based upon" the preexisting works. If that were the standard, then parodies and book reviews would fall under the definition, and certainly "ownership of copyright does not confer a legal right to control public evaluation of the copyrighted work." *Ty, Inc. v. Publ'ns Int'l Ltd.*, 292 F.3d 512, 521 (7th Cir.2002). The statutory language seeks to protect works that are "recast, transformed, or adapted" into another medium, mode, language, or revised version, while still representing the "original work of authorship." Thus in *Ty, Inc.*, Judge Posner concluded, as the parties had stipulated, that a collectors' guide to Beanie Babies was not a derivative work because "guides don't *recast, transform, or adapt* the things to which they are guides." 292 F.3d at 520 (emphasis added).

Plaintiffs argue that based on the *Twin Peaks* decision "companion guides constitute derivative works where, as is the case here, they 'contain a substantial amount of material from the underlying work.'" This argument inaccurately states the holding of *Twin Peaks* and overlooks two important distinctions between the Lexicon and the guidebook in *Twin Peaks*. First, as mentioned earlier, the portions of the Lexicon that encapsulate plot elements or sketch plotlines bear no comparison with the guidebook in *Twin Peaks*, whose plot summaries giving "elaborate recounting of plot details" were found to constitute an "abridgement" of the original work. See *Twin Peaks*, 996 F.2d at 1373 n. 2 (reproducing an excerpt

of the infringing book containing a high degree of detail). Given that the Lexicon's use of plot elements is far from an "elaborate recounting" and does not follow the same plot structure as the Harry Potter novels, Plaintiffs' suggestion that these portions of the Lexicon are "unauthorized abridgements" is unpersuasive. Second, and more importantly, although the Lexicon contains a substantial amount of material from the Harry Potter works, the material is not merely "transformed from one medium to another," as was the case in *Twin Peaks*. *Id.* at 1373. By condensing, synthesizing, and reorganizing the preexisting material in an A-to-Z reference guide, the Lexicon does not recast the material in another medium to retell the story of Harry Potter, but instead gives the copyrighted material another purpose. That purpose is to give the reader a ready understanding of individual elements in the elaborate world of Harry Potter that appear in voluminous and diverse sources. As a result, the Lexicon no longer "represents [the] original work[s] of authorship." 17 U.S.C. § 101. Under these circumstances, and because the Lexicon does not fall under any example of derivative works listed in the statute, Plaintiffs have failed to show that the Lexicon is a derivative work.

Fair use

[The court found that the overall purpose of the Lexicon was transformative because the purpose of the original works was to tell an entertaining and thought-provoking story, whereas the purpose of the Lexicon was to make information about the intricate world of Harry Potter readily accessible to readers through a reference guide. However, the claim to fair use ultimately failed for two reasons. First, the Lexicon was not transformative in relation to the Harry Potter companion books, and so copying from those books into the Lexicon was harder to justify as fair use. Second, in spite of its transformative purpose, the Lexicon's use of the underlying Harry Potter books was not reasonable in light of that purpose. The Lexicon contained too much slapdash cut-and-paste and thus it impermissibly blurred the line between transformative reference guide and expressive substitute.]

Castle Rock Entertainment v. Carol Publishing Group, Inc., 150 F.3d 132 (2d Cir. 1998)

In *Castle Rock*, the Second Circuit held that a quiz book based on the characters and events of the popular television series, *Seinfeld*, violated the show's copyright. The differences between the Seinfeld quiz and the *Harry Potter Lexicon* are subtle, but important. Like the Seinfeld quiz, the *Lexicon* related "fictional facts" the author, J.K. Rowling, had created.

The *Castle Rock* court acknowledged that the substantially similar standard depends on "the copying of expression, rather than ideas" and that the quiz reproduced none of the plot, sequence, pace, or setting of the show. The defendant's quiz focused on "facts" internal to the Seinfeld universe, such as the reason that Kramer enjoys going to the airport (because he is hypnotized by the baggage carousels) or what it was that Jerry placed on Elaine's leg during a piano recital (a Pez dispenser), and not facts about the show.

The court of appeals took the view that "[b]ecause these characters and events spring from the imagination of Seinfeld's authors, the [quiz] plainly copies copyrightable, creative expression." Of course, the court can't really mean that any work that refers to the characters and events in a creative work would be infringing, otherwise ownership of copyright would confer a legal right to control public evaluation of the copyrighted work,

an idea anathema to copyright law. See Ty, Inc. v. Publ'ns Int'l Ltd., 292 F.3d 512, 521 (7th Cir. 2002).

The real problem with the defendant's quiz in *Castle Rock Entertainment* was that it sought to "repackage *Seinfeld* to entertain *Seinfeld* viewers" and that the quiz itself was in no way analytical. If the Seinfeld quiz infringed the copyright owner's rights at all, it was because it essentially recast the series' copyrightable characters into a new format, much the same as if the defendant had made miniature dolls of the show's characters. See, e.g., Hasbro Bradley, Inc. v. Sparkle Toys, Inc., 780 F.2d 189 (2d Cir. 1985) (upholding copyrightability of "Transformer" changeable robotic action figures as sculptural works).

Penguin Random House LLC v. Colting, 270 F. Supp. 3d 736 (S.D.N.Y. 2017)

District Judge Jed S. Rakoff

At all times here relevant, plaintiffs owned valid copyrights to Breakfast at Tiffany's, The Old Man and the Sea, On the Road, and 2001: A Space Odyssey. Defendants' "colorfully illustrated story summaries," called "KinderGuides," are designed to "introduce" these works to children.

On or about September 22, 2016, defendants published their four Guides (part of a planned 50-book series). On their front covers, the Guides very prominently display the titles of plaintiffs' Novels and the names of the authors of plaintiffs' Novels, along with the words "KinderGuides," in large print and, in much smaller print, the words "Early Learning Guides to Culture Classics." The only other words are "Illustrations by ____," in very small print at the bottom.

All four Guides share the same layout. The first four pages feature illustrations and one-line quotations taken from and attributed to the authors of the Novels (Capote, Hemingway, Kerouac, and Clarke). The fifth page contains publication information, and the sixth is a title page, stating, to take one example, "KinderGuides: Early Learning Guides to Culture Classics," "On the Road," "by Jack Kerouac," and, in smaller font, "Illustrations by Rose Forshall," "a division of Moppet Books/Los Angeles, CA." The seventh and eighth pages contain a "Table of Contents." The ninth displays an illustration of the original author of the Novel, and the tenth is a page "About the Author." Following these front-pages are "Story Summaries," which comprise a few dozen pages. Appended after these "Story Summaries" are a series of back-pages, two each devoted to "Main Characters," "Key Words," "Quiz Questions," and "Analysis."

Defendants admit that they had access to plaintiffs' Novels in preparing their Guides and that they relied on them. Indeed, a side-by-side comparison of plaintiffs' and defendants' works reveals as much. Not only do the plots, settings, and characters of the Guides mirror the Novels, but the Guides also include many specific details from the Novels. For example, in both versions of Breakfast at Tiffany's, Holly Golightly's business card reads "Holly Golightly, Traveling," and in both versions Holly describes an experience she calls "the mean reds," or feeling afraid "but you don't know what you're afraid of." See, Truman Capote, Breakfast at Tiffany's (2012 edition) at 32 ("the mean reds are horrible. You're afraid ... but you don't know what you're afraid of"), Kinder-Guides, Breakfast at Tiffany's (2016) at 11, ("... the mean reds. That means she is afraid but doesn't know what she is afraid of."). Similarly, in both versions of On the Road, Sal drives across the United States with $50 in his pocket and goes to see a blind jazz pianist named

George Shearing; in both versions of 2001: A Space Odyssey, Dr. Heywood Floyd travels to Clavius Base, a space station on the moon, where there is a large monolith named "TMA-1" and a crater named "Tyco"; and, in both versions of The Old Man and the Sea, Santiago has gone 84 days without catching a fish and roots for the New York Yankees. While, of course, many aspects of plaintiffs' Novels do not appear in defendants' shorter Guides, all of the plots, characters, and settings in defendants' Guides appear in plaintiffs' Novels.

It is also undisputed that there is an established market for children's books based on adult novels, and that it is not unusual for copyright holders to publish, or license publication of, children's versions of works originally intended for adults. Defendants, however, never sought permission to prepare children's guides for plaintiffs' Novels.

It is further undisputed that plaintiffs have never authorized anyone to publish children's versions of their Novels. The managers of Hemingway's literary estate altogether rejected requests to create children's versions of The Old Man and the Sea. Penguin Random House considered authorizing a children's version of 2001: A Space Odyssey, but decided against it. The Capote estate did authorize the creation of an illustrated, stand-alone children's version of A Christmas Memory — a short story originally included in the same volume as Breakfast at Tiffany's — but did not authorize a children's version of Breakfast at Tiffany's. Finally, Penguin Random House and the Clarke Estate have authorized the creation of an ESL ("English as a Second Language") version of 2001: A Space Odyssey — "a simplified version," which includes "inserted pages of exercises and notes," but no children's versions.

Infringement

The Copyright Act of 1976 grants copyright owners a bundle of exclusive rights, including the exclusive right to "reproduce the copyrighted work" and the exclusive right "to prepare derivative works based upon the copyrighted work." Id. § 106. Here, plaintiffs allege that defendants' Guides infringe both those rights.

To prevail on either ground, plaintiffs must prove that: (1) they hold a valid ownership interest in the relevant copyrights, (2) defendants have "actually copied" their works, and (3) defendants' "copying is illegal" because of a "substantial similarity" between defendants' works and the "protectable elements" of their copyrighted works. *Castle Rock*, 150 F.3d at 137. To prevail on the second ground, plaintiffs must further prove that (4) defendants' works are unauthorized derivatives under 17 U.S.C. § 106(2).[2]

Footnote 2: With respect to the first ground, the question of whether defendants' Guides are derivative works is "completely superfluous," as "infringement of the adaptation right necessarily infringes the reproduction right." Twin Peaks Prods., Inc, v. Publications Int'l, Ltd., 996 F.2d 1366, 1373 (2d Cir. 1993).

[The court found that the undisputed evidence established ownership and actual copying. After reviewing different tests for substantial similarity the court continued:]

In the instant case, however, none of these special tests is even needed to establish substantial similarity, as defendants' Guides are not even superficially distinct from the respective Novels. Instead, they are explicitly based on plaintiffs' Novels,

and seek in defendant's words, to "introduce" them to children "through colorfully illustrated story summaries and kid-friendly analyses."

To avoid, therefore, this obvious similarity, defendants would have the Court, in effect, subtract from defendants' Guides the characters, plots, and settings that were directly lifted from plaintiffs' Novels, on the ground that these elements do not constitute protectable expression. See *Knitwaves, Inc. v. Lollytogs Ltd.*, 71 F.3d 996, 1002 (2d Cir. 1995) (noting that a court must limit its infringement inquiry to whether "the protectable elements, standing alone, are substantially similar").

Defendants claim that the characters, plots, and settings in plaintiffs' Novels are merely "a collection of made-up facts" or "fictional facts," and, since (historical or independently-existing) facts are not protected, these elements are not aspects of "an author's original expression" subject to copyright. As defendants put it, their Guide to 2001: A Space Odyssey "merely summarized some of the facts of the book and the characters, not the creative expression that makes Dr. David Bowman and HAL [the characters] memorable." In other words, the aspects of plaintiffs' Novels that appear in defendants' Guides, such as the character of Holly Golightly, her place of residence, her trips to the prison, her relationship to Sally Tomato, are not protected expression but, according to defendants, "fictional facts."

This exercise in sophistry, however, which confuses the difference between historical or independently-existing facts and fictional details created by a novelist, finds no support in applicable law. As the Second Circuit has clearly stated, "characters and events" that "spring from the imagination" of authors are copyrightable, creative expression. See *Castle Rock*, 150 F.3d at 139. Thus, the Copyright Act protects both the literal text describing, for example, Dr. Bowman and HAL, and the "made-up facts" about Dr. Bowman and HAL. "Unlike the facts in a phone book, which do not owe their origin to an act of authorship," each "fact" in defendants' Guides is really "fictitious expression" created by plaintiffs' authors. *Castle Rock*, 150 F.3d at 139. Because the "characters and events" in defendants' Guides "spring from the imagination of" Capote, Hemingway, Kerouac, and Clarke, each Guide "plainly copies copyrightable, creative expression." *Id.*

By any reasonable comparison, defendants' Guides copy substantial aspects of the themes, characters, plots, sequencing, pace, and settings of plaintiffs' Novels. Indeed, that is their stated purpose. The defendants admit that "they wanted to be true to the author's original conception" at least "as far as possible given the nature of the Kinder-Guides as children's books" and that defendants' works seek to convey to children "the stories and characters" in plaintiffs' Novels. Defendants thus effectively admit to copyright infringement as a matter of law.

Derivative Works

Plaintiffs also allege that defendants' Guides violate their right to control the preparation of derivative works. See 17 U.S.C. § 106(2). The Copyright Act defines a "derivative work" as: "a work based upon one or more preexisting works, such as a translation, musical arrangement, dramatization, fictionalization, motion picture version, sound recording, art reproduction, abridgment, condensation, or any other form in which a work may be recast, transformed, or adapted." 17 U.S.C. § 101. "A work is not derivative, however, simply because it is 'based upon' the preexisting works." *Harry Potter*, 575 F.Supp.2d at 538. Only works that are "recast, transformed, or adapted" into another medium, mode, or language while

still representing the "original work of authorship" are derivative. Id.; *Castle Rock*, 150 F.3d at 143 n. 9. For example, book reviews and parodies of copyrighted works are not derivative works, despite being based on, and potentially reproducing, substantial amounts of protected expression. See *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 592 (1994) (stating the general rule that the "market for potential derivative uses includes only those that creators of original works would in general develop or license others to develop").

Depending on its nature, a "guide" may or may not qualify as a derivative work. The issue turns on whether the guide changes the copyrighted material in such a way that the guide no longer represents the original "work of authorship." 17 U.S.C. § 101; *Warner Bros. Entm't Inc. v. RDR Books*, 575 F.Supp.2d 513, 539 (S.D.N.Y. 2008). For example, the Second Circuit found that a guide to the TV show Twin Peaks, which "merely transformed" the original work "from one medium to another," was a derivative work. But an encyclopedia based on the Harry Potter world, which did not tell the same story as the original copyrighted books and movies, was not a derivative work. Id. ("by condensing, synthesizing, and reorganizing the preexisting material in an A-to-Z reference guide, the Lexicon does not recast the material in another medium to retell the story of Harry Potter, but instead gives the copyrighted material another purpose. That purpose is to give the reader a ready understanding of individual elements in the elaborate world of Harry Potter that appear in voluminous and diverse sources.").

Here, though defendants' Guides add additional material at the end, specifically a few brief pages of "Analysis," "Quiz Questions," and information about the author, they are primarily dedicated to retelling plaintiffs' stories. Two pages of analysis do not convert the Guides overall — which are largely composed of "Story Summaries" — into something that no longer "represents the original work of authorship." Like a translation, dramatization, or motion picture adaptation (three categories explicitly delineated by Congress as derivative works, see 17 U.S.C. § 101), and like the guide in *Twin Peaks*, defendants' works basically retell the story of plaintiffs' works in another medium (in this case illustrated children's books). Thus, because defendants never received permission from plaintiffs to produce their Guides, the Guides are unauthorized derivatives as a matter of law.

For the aforementioned reasons, defendants' Guides are infringing; they infringe upon plaintiffs' exclusive right to reproduce their Novels, including the character of Holly Golightly (a separate count), and they infringe upon plaintiffs' exclusive right to exploit the market for derivative works based on their Novels.

Fair Use

… U.S. law no longer protects abridgements as fair use, even in cases where the shortening involves, as Justice Story put it, "real, substantial condensation of the materials, and intellectual labor and judgment bestowed thereon; and not merely the facile use of the scissors." *Folsom v. Marsh*, 9 F.Cas. 342, 344-45 (C.C.D. Mass. 1841). Instead, under the Copyright Act, abridgements are generally considered to be derivative works, and the right to prepare them is reserved exclusively to the copyright holder. See *Twin Peaks*, 996 F.2d at 1376.

With respect to modifying the Novels for a younger audience, the mere removal of adult themes does not meaningfully "recast" the work any more than an airline's editing of R-rated films so that they can be shown to children on a flight absolve the airline from paying a royalty. As Judge Leval puts it, the question is whether

the work produces new insights and understandings. Here, defendants' expurgated Guides are a vehicle for conveying to children the Novels' original stories and insights. Indeed, it is quite clear that defendants' Guides seek to fairly represent the original work of authorship — defendants admit as much.

Finally, there is the question of whether defendants' Guides qualify as educational criticism or commentary. Works of criticism and commentary provide the sort of new insights and understandings that are the sine qua non of transformative use. Defendants suggest that their Guides should be considered commentary, arguing that their works serve educational purposes. As evidence, defendants point to the few pages of analysis, quiz questions, and background information at the back of each Guide.

But tacking on these few pages does not provide safe harbor for an otherwise infringing work. Here, defendants' story summaries do not recount plaintiffs' Novels in the service of literary analysis, they provide literary analysis in the service of trying to make the Guides qualify for the fair use exception. Indeed, defendants admitted this in open court, when their counsel explained that Colting and Medina "went to great lengths" to achieve fair use protection. See Transcript at 17 ("the very fact that we have these sections in the book [e.g. the "Main Characters" and "Keywords" and "Analysis" sections] these are all things that were done to make these books fair use, at least in the minds of the defendants"). Fair use, however, is not a jacket to be worn over an otherwise infringing outfit. One cannot add a bit of commentary to convert an unauthorized derivative work into a protectable publication.

[Having rejected the defendant's arguments that their use was transformative, the court applied the statutory fair use factors and concluded that their use was not fair.]

Notes and questions

(1) The district court in *Penguin Random House LLC v. Colting* repeated the Second Circuit's suggestion in *Castle Rock* that fictional facts are copyrightable, i.e., because the characters and events in a novel "spring from the imagination" of authors they must be copyrightable, creative expression. The court can't really mean that any work that refers to the characters and events in a creative work is infringing, can it?

(2) Obviously the KinderGuides were quite different from the original literary works that inspired them. How significantly would the Guides have to change in order not to be seen as an infringing reproduction, derivative work, or to qualify as fair use? Why were the KinderGuides in *Penguin Random House LLC v. Colting* held to be a derivative work based upon the copyrighted work while the *Harry Potter Lexicon* in *Warner Brothers Entertainment, Inc. v. RDR Books* was not?

(3) Does the Wikipedia page describing the plot and main characters of a novel infringe on the copyright in that book? If not, how would you distinguish the Wikipedia entry for The *Old Man and the Sea* from *The Old Man and the Sea, by Ernest Hemingway: A KinderGuides Illustrated Learning Guide?*

The Scope of Copyright in Derivative Works

Section 103(a) of the Act contains a provision clarifying that compilations and derivative works are eligible copyright subject matter, meaning that a derivative work can also be a new copyrighted work, possibly with a different owner from the original and entitled to a new term of protection.

> **17 U.S. Code § 103(a)**
>
> The subject matter of copyright as specified by section 102 includes compilations and derivative works, …
>
> … but protection for a work employing preexisting material in which copyright subsists does not extend to any part of the work in which such material has been used unlawfully.

The Act also clarifies that copyrights in compilations and derivative works extend only to the original material contributed by their authors and are independent of and have no effect on the scope, duration, ownership, or subsistence of copyright in preexisting material.

> **17 U.S. Code §103(b)**
>
> The copyright in a compilation or derivative work extends only to the material contributed by the author of such work, as distinguished from the preexisting material employed in the work, and does not imply any exclusive right in the preexisting material. The copyright in such work is independent of, and does not affect or enlarge the scope, duration, ownership, or subsistence of, any copyright protection in the preexisting material.

Keeling v. Hars, 809 F.3d 43 (2d Cir. 2015)

> **Circuit Judge José A. Cabranes**
>
> The primary question presented is whether an unauthorized work that makes "fair use" of its source material may itself be protected by copyright.
>
> We hold, for substantially the reasons stated by the United States District Court for the Southern District of New York (Thomas P. Griesa, Judge), that, if the creator of an unauthorized work stays within the bounds of fair use and adds sufficient originality, she may claim protection under the Copyright Act, 17 U.S.C. § 103, for her original contributions. We also reject defendant's challenges to the District Court's jury charge. The District Court's January 11, 2013 judgment is therefore AFFIRMED.
>
> BACKGROUND
>
> Plaintiff-Appellee Jaime Keeling is the author of Point Break Live! ("PBL"), a parody stage adaptation of the 1991 Hollywood action movie Point Break, starring Keanu Reeves and Patrick Swayze. In the film, Reeves plays a rookie FBI agent who goes undercover to infiltrate a gang of bank-robbing surfers led by Swayze's character. The Keeling-authored PBL parody parallels the characters and plot elements from Point Break and relies almost exclusively on selected dialogue from the screenplay. To this raw material, Keeling added jokes, props, exaggerated

staging, and humorous theatrical devices to transform the dramatic plot and dialogue of the film into an irreverent, interactive theatrical experience. For example, in Keeling's PBL parody, Point Break's death-defying scene in which Reeves's character must pick up bricks, blindfolded, in a swimming pool takes place, instead, in a kiddie pool. Massive waves in the film are replaced by squirt guns in the PBL parody. A central conceit of the PBL parody is that the Keanu Reeves character is selected at random from the audience and reads his lines from cue cards, thereby lampooning Reeves's reputedly stilted performance in the movie. Keeling added to the effect that the audience was watching the making of the film by creating a set of film-production characters in the PBL parody, including a director, cinematographer, and production assistants. Keeling possesses no copyright or license with regard to the Point Break motion picture.

Defendant-Appellant Eve Hars, proceeding pro se on appeal, owns production company New Rock Theater Productions, LLC ("New Rock"). In 2007, Keeling executed a production agreement with Hars, pursuant to which New Rock would stage a two-month production run of PBL from October through December 2007. During that time period, Hars conferred with an entertainment attorney and the holder of the copyright to the Hollywood screenplay for Point Break, and eventually Hars came to believe that Keeling did not lawfully own any rights to the PBL parody play. Accordingly, after its initial two-month run, Hars sought to renegotiate the terms of the contract upon its expiration and, in effect, continue to produce PBL without further payment to Keeling. Keeling refused renegotiation, threatened suit, and registered a copyright in PBL, without first obtaining permission from the copyright holders of the original Point Break. Keeling's asserted copyright in PBL became effective on January 4, 2008. Hars and New Rock continued to stage performances of PBL for four years thereafter without payment to or authorization from Keeling.

In December 2010, Keeling brought suit against Hars, New Rock, and New Rock investor Ethan Garber, asserting claims for copyright infringement, breach of contract, and tortious interference with contract. In the District Court proceedings, all parties were represented by counsel. After the District Court denied defendants' motion to dismiss, defendants asserted counterclaims seeking, inter alia, a declaration that Keeling's PBL copyright registration was invalid. Upon completion of discovery, defendants moved for summary judgment, arguing primarily that PBL, an unauthorized derivative work, was not entitled to copyright protection as a matter of law. The District Court denied defendants' successive motions for summary judgment, ruling that a parody that makes "fair use" of another copyrighted work may contain sufficient originality to merit copyright protection itself. The District Court also rejected defendants' argument that a script heavily reliant on theatrical devices, as was PBL's, could not lawfully constitute original creative expression deserving of copyright protection. Finally, the Court found that multiple outstanding issues of material fact remained — including whether PBL constituted a "fair use" parody of Point Break and whether PBL contained sufficient originality to merit copyright protection.

In December 2012, the case proceeded to a five-day trial by jury. At the close of the evidence, the parties delivered summations focused largely on whether PBL was a parody at all, and if so, whether that parody constituted non-infringing "fair use." The District Court then charged the jury, beginning with the first question the jury would be asked to answer: "whether [PBL] was a fair use by way of a parody of the original movie Point Break." The District Court declined to enumerate each of the four statutory factors pertaining to "fair use," opting instead to attempt to "put a little more content on the discussion," which the District Court believed that the "list of factors" alone lacked. The pertinent instructions on fair use were as follows:

> Now, the person who creates the derivative work has a copyright in that derivative work. Now, if the derivative work is simply somehow really a copy of the original then it may be somehow called a derivative work but it infringes on the owner of the original. But if it is what we call "fair use" then it is not an infringement on the original and it is a new work and it has its own copyright and the author or the creator of the new work owns that copyright as well as owns the new work....
>
> The plaintiff contends that [PBL] is a fair use of sections of the script of the original movie. The plaintiff contends that this is fair use as a parody and a parody, certainly, can be fair use....
>
> A proper parody is something which generally ridicules to some extent, makes fun of, makes light of the original. Suppose the original is the very serious drama of some kind and if someone comes along and makes a parody, it is generally turning it into something different, humorous, ridiculous. And if that is done it is fair use to use even substantial amounts of the script of the original movie. It is fair use to even use the high points or the high point as long as it is not simply conveying again the original movie. If it takes the script of the original movie and creates something which uses that script to ridicule to make fun of, to make light of to produce humor instead of the original seriousness, then that is a legitimate parody.
>
> Now, the amount of script taken from the original cannot completely go beyond the needs of the parody. In other words, if the parody is for, if we could imagine, a third it is not legitimate to copy the other two thirds and put them out again. But if the amount of script used is reasonably related to the production of the humor, the ridicule, the lightheartedness and so forth that is a legitimate parody and that is fair use.
>
> Now, it is sometimes said that the judge in instructing a jury on fair use is supposed to refer to a list of factors. The list of factors is a list of factors without much content or meaning. And what I am trying do with you now is to refer to the necessary factors but I hope put a little more content on the discussion. And really that's all I have to say to define fair use by way of parody.

No party objected to the District Court's jury instructions.

The jury returned a verdict in Keeling's favor in the amount of $250,000, finding (a) that Keeling's use of material from the film Point Break was "fair use in the way of a parody," (b) that Keeling was the sole owner of the copyright to PBL, and (c) that defendants infringed Keeling's copyright. The District Court entered judgment on January 11, 2013.

Defendant Hars, now proceeding pro se, appealed. She challenges the District Court's denial of her pretrial motion for summary judgment as well as the subsequent jury verdict in favor of Keeling.

DISCUSSION

Though not a model of clarity, Hars's appellate briefing primarily raises three issues: first, whether PBL, as an unauthorized "fair use," is entitled to copyright protection capable of supporting Keeling's claim of infringement by a third party; second, whether Keeling's contributions to the work — consisting of individually non-copyrightable elements — could be sufficient to support a copyright in PBL; and third, whether the District Court's jury instructions were erroneous. The first two issues relate to the same question: whether Keeling's work was copyrightable. We consider each issue in turn.

I. Challenges to Copyright Law

In general, where summary judgment is denied and the movant subsequently loses after a full trial on the merits, the denial of summary judgment may not be appealed. However, this rule does not apply where, as here, the district court's purported error was purely one of law. In such circumstances, we review de novo the legal issues underlying the district court's denial of summary judgment.

The Copyright Act principally offers copyright protection for "original works of authorship." 17 U.S.C. § 102(a). Pursuant to the statute's terms, authors may control the copying of their original works and also retain "the exclusive rights" to "prepare derivative works based upon the copyrighted work." 17 U.S.C. § 106. Thus, unauthorized derivative works are typically afforded no copyright protection because they unlawfully infringe the exclusive rights of the original author. Id.; see also id. § 103 ("Protection for a work employing preexisting material in which copyright subsists does not extend to any part of the work in which such material has been used unlawfully.").

The doctrine of "fair use" constitutes a critical and long-standing limitation on the exclusive rights of the original copyright owner. Though only made a part of statutory copyright law in 1976, "from the infancy of copyright protection, some opportunity for fair use of copyrighted materials has been thought necessary to fulfill copyright's very purpose, to promote the Progress of Science and useful Arts." *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 575 (1994). Under Section 107 of the Copyright Act, certain unauthorized "fair use of a copyrighted work," for purposes such as criticism, comment, news reporting, teaching, scholarship and research, "is not an infringement of copyright" and thus is lawful. 17 U.S.C. § 107. While parody is not expressly mentioned in the statute, the Supreme Court has instructed that "parody, like other comment or criticism, may claim fair use under § 107." Campbell, 510 U.S. at 579.

In this case, Hars does not dispute the jury's factual determination that Keeling's use of Point Break material in her creation of PBL was "fair use in the way of a parody." Indeed, she repeatedly disclaims any "fair use" challenge, explaining that she "is not concerned about whether Keeling's script is a fair use of Point Break

because it is completely irrelevant to any and all of Hars' arguments." [And also] "The issue of whether Keeling's script qualifies as fair use was astutely and consciously avoided by Hars in her brief.... Hars is not asking the Court to spend even one second of valuable time trying to determine whether Keeling's script qualifies for fair use."

Instead, Hars presents two legal arguments for why copyright protection should not extend to Keeling's work, both of which were first raised in defendants' summary judgment briefing and denied by the District Court.

A. Copyright Protection: Fair Use

First, Hars argues that an unauthorized derivative work like PBL categorically may not receive independent copyright protection, regardless of whether it makes fair use of its source material.[6]

Footnote 6: Both parties characterize PBL as a "derivative work." We note that, as a general matter, "derivative works" and "fair use" are discrete legal categories. Under the Copyright Act, a derivative work involves a transformation to the work's "form," 17 U.S.C. § 101, while fair use involves a transformation of the work's "purpose and character," 17 U.S.C. § 107. PBL is both — it involves the dramatization of a motion picture, making it a derivative work, and it involves a transformation of the motion picture's character from serious to parody, making it non-infringing fair use. The parties here seem to confuse the distinction between derivative works and fair use. Nonetheless, because neither party has raised this issue on appeal, and because our analysis applies equally to derivative and non-derivative works so long as the work constitutes lawful fair use, we need not further address questions raised by the parties' characterization. This argument flows from the admittedly unusual posture in which this case arises. Typically, fair use is invoked as a defense against a claim of copyright infringement brought by the source-material rightsholder. Here, however, Keeling invoked the fair-use principle to establish an affirmative claim against defendants for unauthorized use of her PBL parody. Hars concedes that Keeling could use the "fair use" doctrine as a "shield" against a claim of copyright infringement, but argues that she may not use the doctrine as a "sword" to vest a work with independent copyright protection against third-party infringement.

This argument is inconsistent with the operative statutory language. The Copyright Act provides that derivative works are entitled to "independent" copyright protection, separate from any copyright in the preexisting material. 17 U.S.C. § 103(b). Though copyright protection expressly may extend to derivative works "employing preexisting material in which copyright subsists," the statute cautions that protection "does *not* extend to any part of the work in which such material has been used *unlawfully*." 17 U.S.C. § 103(a) (emphases supplied). If, however, a work employs preexisting copyrighted material *lawfully* — as in the case of a "fair use" — nothing in the statute prohibits the extension of the "independent" copyright protection promised by Section 103.[7] Id. § 103(b).

Footnote 7: To be sure, the independent copyright protection in the new work is limited to that work's original content: "copyright in a compilation or derivative work extends only to the material contributed by the author of such work, as distinguished from the preexisting material employed in the work." 17 U.S.C. § 103(b).

A close reading of the statute therefore makes plain that an unauthorized but lawful fair use employing preexisting copyrighted material may itself merit copyright protection. It is not the invocation of fair use that provides the work copyright protection, and perhaps thinking so has created some confusion on the part of the

defendant. It is the originality of the derivative work that makes it protectable, and fair use serves only to render lawful the derivative work, such that it may acquire — as would other lawful derivative works — such protection.

Resisting this statutory principle, Hars argues that the case law does not permit the extension of independent copyright protection to an unauthorized fair use, and contends that the only court to have dealt with the issue found that "Congress did not contemplate such" a result. But in fact, Congress did expressly contemplate the extension of copyright protection where, as here, a work constituted non-infringing fair use. The relevant legislative report stated that,

> under this provision [(i.e., Section 103(a) of the Copyright Act)], copyright could be obtained as long as the use of the preexisting work was not "unlawful," even though the consent of the copyright owner had not been obtained. For instance, *the unauthorized reproduction of a work might be "lawful" under the doctrine of fair use* or an applicable foreign law, *and if so the work incorporating it could be copyrighted*.

House Report at 58 (1976) (emphases supplied). This language addresses precisely the issue raised in the instant appeal. Although "the consent of the copyright owner" — here, the rightsholder in the Hollywood screenplay Point Break — "had not been obtained" by Keeling, her resulting parody PBL was "'lawful' under the doctrine of fair use," and accordingly, it "could be copyrighted."

We have previously confirmed that, because "derivative works are explicitly included in the subject matter of copyright as defined by the Copyright Act," the mere fact that a litigant's unauthorized "creations are derivative works is in itself, of course, no bar to copyrightability." *Durham Indus., Inc. v. Tomy Corp*., 630 F.2d 905, 909 (2d Cir.1980) (citing 17 U.S.C. § 103). And this statutory interpretation is consistent with the animating policy behind the fair use doctrine — to fulfill copyright's core purpose of promoting development in arts and science. See *Campbell*, 510 U.S. at 575. Without any possibility of copyright protection against infringement for her original fair-use parody, playwrights like Keeling might be dissuaded from creating at all.

Accordingly, we agree with the District Court's holding that, when a derivative work's unauthorized use of preexisting material is fair use and the work contains sufficient originality, its author may claim copyright protection under § 103 for her original creative contributions.

B. Copyright Protection: Selection, Coordination, and Arrangement of Un-Protectable Elements

Hars's second legal argument fares no better. Hars contends that if an author's original contributions to a derivative work consist solely of non-copyrightable individual elements, those contributions cannot support a copyright. Specifically, she claims that Keeling's original contributions to the PBL script are insufficient to warrant copyright protection because they consist entirely of non-copyrightable stage directions and theatrical devices. See 17 U.S.C. § 102(b) (providing that copyright protection does not extend to "any idea, procedure, process, system,

method of operation, concept, principle, or discovery, regardless of the form in which it is described, explained, illustrated, or embodied in such work").

We disagree. As the District Court properly found, copyright law protects not only the individual elements themselves, but the creative choices made in selecting and arranging even uncopyrightable elements. Indeed, the Copyright Act itself explicitly protects "compilations," 17 U.S.C. § 103, and a long line of case law confirms that copyright covers compilations of raw data or facts, elements which are not themselves protectable, so long as the compilation itself (including the arrangement of those elements) possesses some "minimal degree" of creativity, "no matter how crude, humble or obvious." *Feist Publ'ns, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 345 (1991) (internal quotation marks omitted); see also *Harper & Row v. Nation Enters.*, 471 U.S. 539, 547 (1985) ("Creation of a nonfiction work, even a compilation of pure fact, entails originality."); *Silverstein v. Penguin Putnam, Inc.,* 368 F.3d 77, 80 (2d Cir.2004) ("It is well settled that compilations of fact may be copyrightable even though facts themselves are not protected"). The Supreme Court has made clear that even a telephone directory may be copyrighted if its non-copyrightable factual elements are arranged with the requisite "minimal degree" of originality. See *Feist*, 499 U.S. 340. Keeling's original contributions to PBL clearly exceed this creativity threshold.[8]

Footnote 8: We similarly reject Hars's related argument that Point Break material improperly "pervades" the PBL script in contravention of *Eden Toys, Inc. v. Florelee Undergarment Co.*, 697 F.2d 27 (2d Cir.1982). To the extent it even applies in this case, which is uncertain, *Eden Toys* requires merely "some substantial, not merely trivial, originality" to meet the standard for sufficient originality. 697 F.2d at 34 (internal quotation marks omitted). PBL's transformative parody fulfills this standard, and its use of a substantial portion of the underlying work presents no hindrance to findings of either fair use or originality.

To be sure, Hars is correct that Keeling could not copyright the commonly used individual stage directions and theatrical devices — e.g., the concept of drafting an audience member to play the lead, the reliance on cue cards, or the use of squirt guns — which together comprise PBL's jokes. But Keeling has never sought to do so. Rather, as the District Court correctly held, "Keeling's creative contribution, and thus her copyright, is in the original way in which [she] has selected, coordinated, and arranged the elements of ... her work" to create new parodic meaning.

Hars's legal challenges to the jury's infringement verdict thus fail. [The Court also held that the District Court did not err in delivering its jury instructions on originality and fair use.]

CONCLUSION

To summarize, we hold that:

(1) the author of an unauthorized fair use exhibiting sufficient originality may claim independent copyright protection under the Copyright Act, 17 U.S.C. § 103, against infringement for the original creative contributions therein;

(2) copyright protection may extend to a work that exhibits the sufficient minimal degree of originality in selecting, coordinating, and arranging otherwise unprotectable underlying elements; and

Having rejected each of defendant Hars's arguments, we AFFIRM the District Court's January 11, 2013 judgment in its entirety.

Notes and questions

(1) The defendant in *Keeling v. Hars* argued that she did not infringe copyright in the stage play parody Point Break Live! because that work was itself an infringing work based on the unintentionally absurd 1991 film, Point Break. The defendant relied on Section 103(a) that provides that copyright protection "does not extend to any part of the work in which such material has been used unlawfully." Why did the Second Circuit reject this argument?

(2) That fair use results in a new copyrightable work has been the law since at least the early 19th Century. As Robert Maugham explained in his *Treatise On The Laws Of Literary Property*, published in 1828, "An abridgment of a voluminous work, executed with skill and labor, in a bona fide manner, is not only lawful in itself . . . and exempt from the charge of piracy[,] *but is protected from invasion by subsequent writers*." (emphasis added). In the late 18th and early 19th Century, copyright law treated abridgments as noninfringing under principles that we would now identify as fair use, and it accorded copyright to those abridgments themselves and protected them against "invasion by subsequent writers." ROBERT MAUGHAM, TREATISE ON THE LAWS OF LITERARY PROPERTY 126 (1828).

(3) In footnote 6 the court notes "as a general matter, "derivative works" and "fair use" are discrete legal categories." This is confusing, it would be better to say that derivative works and fair use are functionally or effectively discrete legal categories. To elaborate: A secondary use that recasts, adds to, translates, or transforms an original copyrighted work creates a derivative work. So technically, some fair uses will create derivative works, just as some fair uses involve reproductions. If a use is fair, it does not infringe the exclusive right to "prepare derivative works based upon the copyrighted work," in Section 106(2) because that right is expressly subject to the fair use doctrine. By convention, we tend to use the labels "derivative work" and "fair use" in the alternative, but that only makes sense if we are using the term derivative work as shorthand for "derivative works that do not qualify as fair use."

(4) There are a few other significant cases on the application of Section 103(a) worth considering. *Anderson v. Stallone* centered on a film script. Timothy Burton Anderson, the plaintiff, wrote a script for "Rocky IV" after watching "Rocky III" and then tried to pitch that script to MGM and Sylvester Stallone. Stallone denied that he used Anderson's script, however there were some similarities between Anderson's Rocky IV and Stallone's Rocky IV. Rather than determining whether the latter was too similar to the former, the court held that Anderson's script was an infringing derivative work and thus not entitled to copyright protection. Thus, Stallone was free to borrow as much as he liked. In view of Section 103(a) of the Copyright Act, the court held that copyright does not protect any part of a derivative work that infringes the copyright in a preexisting work it copies. See *Anderson v. Stallone*, 11 U.S.P.Q.2d 1161 (C.D. Cal. 1989).

(5) In *Pickett v. Prince* a fan had made a guitar in the shape of the symbol that served as the name for the musical artist Prince, at a time when he went by the designation, "The Artist Formerly Known As Prince." The district court held that because Prince's copyrighted symbol had been used without authorization there could be no copyright in the guitar which incorporated the copyrighted symbol. The Seventh Circuit affirmed. *Pickett v. Prince*, 52 F. Supp. 2d 893 (N.D. Ill. 1999); 207 F.3d 402 (7th Cir. 2000). Note that the Seventh Circuit was also doubtful that Pickett's guitar was different enough to sustain a copyright in any event given that it was based on the Prince symbol and any differences in appearance may well have been due "to nothing more than the functional difference between a two-dimensional symbol and a guitar in the shape of that symbol."

(6) *Demetrious Polychron v. Jeff Bezos et al.*, 2023 WL 6192743 (C.D. Cal. Aug. 14, 2023) is similar to *Anderson*. Demetrious Polychron was a fan of Tolkien and had created a series he claimed was a sequel to Tolkien's "The Lord of the Rings" and "The Hobbit." Polychron's series, which included a book titled "The Fellowship of the King," borrowed heavily from Tolkien's universe, using similar themes and characters. Polychron offered to collaborate with the Tolkien estate, but this offer was rejected. Polychron argued that after this rejection, Amazon's series "Rings of Power" shifted its focus to align more closely with the themes of his unauthorized sequel, particularly in its depiction of the Elven rings set 6000 years before the original series. He claimed this change happened after the Tolkien estate and possibly Amazon became aware of his manuscript. The trial court concluded as follows:

> Plaintiff's work is an unauthorized derivative work that is not entitled to copyright protection. Though Defendants appear to be correct that there is some question in the case law as to whether the derivative work's original elements may be protected, where, as here, Plaintiff's work is intended to be a literal continuation of a copyrighted work, but was not authorized to use the Tolkien intellectual property, and Plaintiff has sued the original creators, section 106(2) of the Copyright Act forecloses such a claim.

(7) In *Hiller, LLC v. Success Grp. Int'l Learning All., LLC,* 976 F.3d 620 (6th Cir. 2020) the court of appeals took a narrower approach to Section 103(a) as recommended by the influential Nimmer treatise. In the Hiller case the district court had instructed the jury that Hiller's copyright in the Guide would be nullified only if it was "pervaded" by unauthorized material. The court of appeals agreed:

> That instruction correctly follows directly from two sections of the Copyright Act. First, section 106 gives the author of an original work the exclusive right to create new works that are derivative of (i.e. "based on") that work. Accordingly, when a person creates a derivative work without the original author's permission, that person has unlawfully used the original work. Second, section 103 provides that a work can be copyrighted even if it unlawfully incorporates preexisting material, but protection for such a work "does not extend to any part of the work in which such material has been used unlawfully." § 103(a). The district court's "pervades" instruction is a logical corollary of these two principles: Hiller would lose all copyright protection in the Guide only if content from Clockwork's Manuals ran throughout every "part" of the Guide, or in other words "pervaded" it.
>
> In most cases regarding derivative works, that instruction would be unnecessary because the determination that a work is derivative would necessarily imply that

> the preexisting work "pervades" the derivative. See *Pickett v. Prince*, 207 F.3d 402, 407 (7th Cir. 2000) (finding that an original work (the graphic symbol used by the artist Prince) "clearly 'pervade[d]' " two derivative works (guitars that were shaped like that symbol) and noting that "[i]f it did not, the guitars might not be derivative works"). That is, in most cases, a work that "adapts" or "recasts" another work without permission would contain no discrete "parts" that did not unlawfully use the original work.
>
> However, because the Guide contains discrete parts, some of which are clearly not based on protected elements the Manuals, the district court properly instructed the jury that it could find that Hiller maintained a copyright in some parts of the Guide even if other parts copied from the Manuals without authorization.

(8) In *Wozniak v. Warner Bros. Entertainment Inc.*, 726 F. Supp. 3d 213 (S.D.N.Y. 2024), Christopher Wozniak sued Warner Bros., alleging that its 2022 film *The Batman* copied elements of a story he had written in 1990 and registered with the Copyright Office in 2022. His story drew on Batman, Bruce Wayne, the Riddler, Commissioner Gordon and Gotham City, all of which DC Comics owned and none of which he had permission to use. DC intervened and brought its own infringement claim against him.

Judge Engelmayer held the story unprotectable under § 103(a). Copyright protection "does not extend to any part of a derivative work in which pre-existing material was used unlawfully," and where unauthorized preexisting material "tends to pervade the entire derivative work," protection "is denied to the derivative work entirely." That was this case. "By Wozniak's own account, the Story represents his 'reimagining of the Batman universe'"; its "entire premise and plot centers on Batman," and almost every character in it belonged to DC. The pre-existing material therefore "pervade[s] the entire [Story]," and the registration presumption was rebutted. Note that the court also held, independently, that Warner Bros. had not copied the story at all.

(9) *Gray v. Paramount Global*, 814 F. Supp. 3d 487 (S.D.N.Y. 2026), applies the same reasoning to a sequel. Shaun Gray, cousin of the credited screenwriter of *Top Gun: Maverick*, claimed to have written several of its scenes in 2017 and registered a copyright in them in 2024. Paramount owned the 1986 film and its screenplay, and Gray had no authorization to assert an independent copyright in derivative material built on that universe.

Judge Rakoff held Gray's copyright invalid. It was "self-evident that the Gray Scenes are materially based on the *Top Gun* universe, including characters, settings, and plot devices, as one would expect of such a sequel." Gray's argument that he had at least an implied right to claim copyright failed because "under their own contracts with Paramount, neither Singer nor Kosinski had any right to copyright what they produced for *Top Gun: Maverick*, let alone the authority to grant such an unusual right to Gray." Following *Wozniak*, the court concluded that "Gray is a writer who indisputably based his entire script on existing material," and that the Copyright Act "most certainly precludes the author of an unauthorized infringing derivative work from suing the author of the work which he has already infringed." Paramount's own counterclaims survived and remain live; Gray appealed to the Second Circuit in March 2026.

Two things are worth noticing about this pair. In *Gray* the court assumed the § 410(c) presumption of validity applied and placed the burden on Paramount, and it declined to

hold that the scenes lacked independent originality — so the claim failed on the narrow ground that the work was an unauthorized derivative, not because the writing was unoriginal. And compare the pervasion analysis in both cases with the more forgiving approach in *Hiller* at note (7) above, where the court was willing to sever the discrete parts of a work that were not based on the protected material.

(10) Pamela Samuelson and Jessica Silbey, *Preventing Unjust Enrichment and Copyright Opportunism: Equitable Interpretations of Section 103(a)*, 66 BOSTON COLLEGE LAW REVIEW 2585 (2025), note that:

> A stealth issue in many close copyright fair use cases is the potential invalidity of second comers' copyrights under 17 U.S.C. § 103(a) if the new use is ultimately held to infringe the derivative work right. In the Supreme Court's recent Warhol v. Goldsmith case, for instance, Lynn Goldsmith claimed that the Warhol Foundation owned no copyright in Andy Warhol's creations based on her photograph because these works infringed her derivative work right, notwithstanding the Foundation's plausible fair use defense and the significant value that Warhol contributed to these art works. Section 103(a) of the Copyright Act says, in effect, that no copyright exists in any part of a derivative work in which the first work's expression was "used unlawfully." Courts have largely ignored § 103(a).

Samuelson and Silbey trace the origins, history, and case law on Section 103(a) and argue that the statutory text and purpose of Section 103, as well as equitable considerations, support several limitations on the scope of that section. Come back to this issue when you have read *Andy Warhol Foundation for the Visual Arts, Inc. v. Goldsmith*, 598 U.S. 508 (2023) (a fair use case discussed later in this book).

Fair use compared to other copyright limitations and exceptions

In its modern context, fair use is a flexible standard that limits the scope of copyright protection and renders certain actions relating to copyrighted works noninfringing. Activities that courts have regarded as fair use that may have otherwise been infringing include: quoting a significant portion of a work for the purpose of criticism, illustration, comment, or clarification; parodying a work; and copying part of a work in the course of classroom activities.

Fair use is necessary, in part, because licensing and other private ordering mechanisms do not provide a solution for cases involving high transaction costs, strategic holdouts, and inadvertent copying. The fair use doctrine is particularly important in situations where the costs of obtaining permission outweigh the benefits of the use. The doctrine also plays a mediating role in situations where the copyright owner withholds permission for reasons that society finds unacceptable. For example, as illustrated by *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569 (1994), a copyright owner usually can't deny permission to copy in order to stifle parody, criticism, or social debate.

The fair use doctrine does a lot of work in the modern American copyright system. In many ways fair use functions as an inherent limitation on copyright, similar to the idea-expression dichotomy or the requirement of substantial similarity. However, in other respects the fair use doctrine produces a set of rules through case law that look more like true limitations and exceptions.

Different approaches to limitations and exceptions

Every copyright system creates space for certain limitations and exceptions. The field, scope, nature, and design of these exceptions vary widely. The processes by which limitations and exceptions are created are almost equally as varied.

In the United States, there are many specific limitations and exceptions directed at particular acts, particular actors, and particular circumstances; but there are also significant common law limitations and exceptions such as the fair use doctrine.

Copyright limitations and exceptions may be legislative in nature, the result of executive action, the outcome of delegated rule-making authority, or simply a matter of judicial determination. As the scope and duration of copyright has expanded over the years, the importance of limitations and exceptions has increased.

Copyright law contains a number of policy levers that determine the scope of the rights of copyright owners. These include:

- the threshold of substantial similarity,
- the definition of performance,
- the definition of public,
- the merger doctrine,

- the idea expression distinction, *scènes à faire*, the non-copyrightability of systems, processes and methods of operation;
- the volitional act requirement,
- the first sale doctrine (and copyright exhaustion more broadly),
- the scope of secondary liability,
- the scope and qualifications for notice and take-down safe harbor, and
- the doctrine of copyright misuse.

If you take the Blackstonian view of property (i.e. that property rights equate to the "sole and despotic dominion" of one's property) and apply it to copyright, copyright is a right to the absolute control over every use of every word of a copyrighted book and every pixel of a copyrighted picture.

No sane person thinks about copyright this way. Copyright consists of a broad set of rights given to authors for a particular purpose, so the fact that singing in the shower does not amount to copyright infringement is not a loophole or an exemption, it simply reflects the fundamentally limited nature of the performance right. Giving authors a veto right over shower singing would not serve the purposes for which the public performance right was created. As an exercise in taxonomy, it makes sense to think of some features of copyright law as inherent in the definition of the rights themselves and others as true exceptions. Such inherent limitations would certainly include the idea-expression distinction and would also extend to many applications of the fair use doctrine.

This chapter and the next few chapters are mostly about fair use, but it is important to remember that fair use is not the only game in town. Consider the following before reaching straight to fair use.

Statutory licenses

The Copyright Act of 1976 contains statutory licensing provisions relating to cable and satellite retransmission of broadcast television, the public performance of sound recordings over the Internet or via other forms of digital transmission, coin-operated jukeboxes, and the use of certain works by public broadcasters. Each of these provisions is the result of a complicated legislative process, and the resulting text is often dense and impenetrable.

- §111. Limitations on exclusive rights: Secondary transmissions of broadcast programming by cable
- §112. Limitations on exclusive rights: Ephemeral recordings
- §114. Scope of exclusive rights in sound recordings
- §115. Scope of exclusive rights in nondramatic musical works: Compulsory license for making and distributing phonorecords
- §116. Negotiated licenses for public performances by means of coin-operated phonorecord players

- §118. Scope of exclusive rights: Use of certain works in connection with noncommercial broadcasting
- §119. Limitations on exclusive rights: Secondary transmissions of distant television programming by satellite
- §122. Limitations on exclusive rights: Secondary transmissions of local television programming by satellite

Codified inherent limitations other than fair use

The Copyright Act of 1976 codified several features of copyright that may be thought of as inherent limitations. Most obviously, there is Section 102(b) which limits copyright to original expression and denies protection for "any idea, procedure, process, system, method of operation, concept, principle, or discovery, regardless of the form in which it is described, explained, illustrated, or embodied" in a work of authorship. The fair use doctrine in Section 107 can also be seen as an inherent limitation on the rights of the author, although it is probably better to think of it as a combination of inherent limitations and true exceptions, depending on the particular application.

Section 105 excludes United States Government works from copyright subject matter, subject to an exception that Congress has been quietly widening. Since 2019 a series of National Defense Authorization Acts has added subsections (b) through (d), which allow civilian faculty at a growing list of federal military and intelligence institutions to hold copyright in their own scholarly work, subject to a license back to the government. The National Defense Authorization Act for Fiscal Year 2026, Pub. L. 119-60, § 1702 (Dec. 18, 2025), added the Uniformed Services University of the Health Sciences. Section 109 codifies the common law first sale doctrine (a topic discussed in more detail in another chapter). Both of these provisions could be regarded as codifying inherent limitations in the scope of copyright rather than as true limitations and exceptions. The same could be said of Section 113 and Section 120, which address limits on copyright with respect to pictorial, graphic, and sculptural works and architectural works respectively.

True copyright exceptions

Copyright students often reach for fair use when there are other more targeted provisions in the Copyright Act that are more obviously relevant. Some of these are fairly niche, but others can be quite broad. Five sections of the Act stand out as true exceptions (as opposed to inherent limitations) in the terms set out above. These provisions overlap with the more general application of the fair use doctrine, but they are not subject to the fair use balancing test and are permissible regardless of the harm to the interests of the copyright owner.

Section 110

Section 110 of the Copyright Act contains a number of other exceptions to the performance and display rights. These exceptions relate to church services, veterans halls, non-profit public performances, incidental performances of broadcast radio in small shops and

restaurants, the performance of sound recordings in record stores, performance in the course of a transmission for the visually disabled, and more. The bulk of the Section 110 limitations are true limitations and exceptions, although the provision (sometimes referred to as the boom-box exception) could easily be seen as part of the definition of what truly constitutes a public performance.

Disney Enterprises, Inc. v. VidAngel Inc. 869 F.3d 848 (9th Cir. 2017)

Section 110(11) was introduced under the Family Movie Act of 2005. The law was intended to allow consumers to skip objectionable audio and video content in motion pictures without committing copyright infringement. The key provision reads as follows:

> Notwithstanding the provisions of section 106, the following are not infringements of copyright: [...] the making imperceptible, by or at the direction of a member of a private household, of limited portions of audio or video content of a motion picture, during a performance in or transmitted to that household for private home viewing, from an authorized copy of the motion picture, or the creation or provision of a computer program or other technology that enables such making imperceptible and that is designed and marketed to be used, at the direction of a member of a private household, for such making imperceptible, if no fixed copy of the altered version of the motion picture is created by such computer program or other technology.

The FMA allows individuals to make limited alterations to the content of a lawfully made copy of a motion picture for private viewing. The Ninth Circuit considered the scope of the FMA in *Disney Enterprises, Inc. v. VidAngel Inc.,* 869 F.3d 848 (9th Cir. 2017) and the case did not go well for VidAngel because its service involved making unauthorized copies of DVDs and Blu-rays and then streaming those altered versions to customers. The Ninth Circuit found that this went beyond what the FMA permits, as it involved creating and distributing new, unauthorized copies of the works.

Section 108

Section 108 was designed to address issues related to libraries and archives. Essentially, this section allows libraries and archives to make certain uses of copyrighted materials under specific circumstances, without requiring permission from the copyright holder. The provisions govern photocopying, preservation copies, interlibrary loans, and more.

Section 117

Section 117 authorizes the owner of computer software to make a copy or an adaptation of that software as an essential step in the utilization of the computer program or for maintenance or repair. Specifically, Section 117(a)(1) stipulates that it is not an infringement of copyright for the rightful owner of a copy of a computer program to make or authorize the making of another copy or adaptation of that computer program, provided that such a new copy or adaptation is created as an essential step in the utilization of the computer program in conjunction with a machine (i.e., a computer) and that it is used in no other manner. In addition, Section 117(a)(2) allows the owner of the software to make a backup copy for archival purposes or to modify the program as necessary for maintenance or repair. However, Section 117 also specifies that if ownership of the copy of the software

is transferred, any copy or adaptation of the software must either be destroyed or transferred along with the original copy. Section 117 recognizes the practical needs of software users to create backup copies or adapt software to work with their systems, while still maintaining the rights of the copyright holders. However, it does not provide exceptions for other uses of software, such as reverse engineering for interoperability purposes, those activities rely on the fair use doctrine.

Section 121

Section 121 (often referred to as the "Chafee Amendment") allows 'authorized entities' to reproduce and/or distribute certain works in specialized formats exclusively for use by blind or other persons with disabilities.

An authorized entity under Section 121 is a non-profit organization or a governmental agency. The specialized formats referred to are formats exclusively for use by blind or other persons with disabilities. These formats can include Braille, audio, or digital text which is compatible with assistive technology. Note that the Chafee Amendment is limited to non-commercial use. The reproduction or distribution of the work must be done on a non-profit basis. The copies or phonorecords cannot be used for any purpose other than being a free service for people who are visually impaired or have a print disability.

The Marrakesh Treaty to Facilitate Access to Published Works for Persons Who Are Blind, Visually Impaired or Otherwise Print Disabled, commonly known as the Marrakesh Treaty, is an international agreement that was adopted by the World Intellectual Property Organization (WIPO) in June 2013. The Marrakesh Treaty seeks to create a set of mandatory limitations and exceptions for the benefit of the blind, visually impaired, and otherwise print disabled. It essentially allows for the reproduction, distribution, and making available of published works in accessible formats through limitations and exceptions to the copyright law. The U.S. expanded the scope of Section 121 in response to the Marrakesh Treaty. See The Marrakesh Treaty Implementation Act (2018).

Section 1008

Section 1008 provides that "no action may be brought under this title alleging infringement of copyright based on the manufacture, importation, or distribution of a digital audio recording device, a digital audio recording medium, an analog recording device, or an analog recording medium, or based on the noncommercial use by a consumer of such a device or medium for making digital musical recordings or analog musical recordings." This section was added to the Act in 1992 by the Audio Home Recording Act ("AHRA"). The AHRA was a legislative response to the new technology of digital audio tape.

The Codification of Fair Use in the Copyright Act of 1976

Like several other key features of copyright law, the fair use doctrine began as judge-made law, however the doctrine was finally expressly recognized by Congress in the comprehensive revision of copyright law that led to the Copyright Act in 1976. Understanding this codification and its limits is key to understanding the modern fair use doctrine. The full text of section 107 as originally enacted is as follows:

> Section 107 Limitations on exclusive rights: Fair use
>
> Notwithstanding the provisions of section 106 [the exclusive rights of the copyright owner], the fair use of a copyrighted work, including such use by reproduction in copies or phonorecords or by any other means specified by that section, for purposes such as criticism, comment, news reporting, teaching (including multiple copies for classroom use), scholarship, or research, is not an infringement of copyright. In determining whether the use made of a work in any particular case is a fair use the factors to be considered shall include—
>
> (1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;
>
> (2) the nature of the copyrighted work;
>
> (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and
>
> (4) the effect of the use upon the potential market for or value of the copyrighted work.

Fair use did not begin in 1976. The modern law of fair use began with a series of Eighteenth-Century cases about the scope of "fair abridgment." Making a shortened version or an abstract of a longer published text was a common practice in the English publishing world of the 1700s. Both the practice and the resulting shortened text were known as "abridgement"—verb and noun, respectively. Although abridgment was common in the early days of copyright, whether and to what extent it was legal was a hotly contested topic throughout the Eighteenth century and into the Nineteenth century.

One of the most significant of these cases was the 1741 English Court of Chancery decision in *Gyles v. Wilcox* (extracted in a previous chapter). In that case, Lord Chancellor Hardwicke ruled that an abridgment of a famous legal text, Sir Matthew Hale's *Historia Placitorum Coronæ* (The History of the Pleas of the Crown) into a new volume to be called *Modern Crown Law* did not necessarily infringe the original publisher's rights under the Statute of Anne. Hardwicke agreed that some works termed abridgments may violate the copyright owner's rights, but he held that there was a distinction to be made between reprints with minor alterations and "true abridgments" or "real and fair abridgments" which "may with great propriety be called a new book [due to] the invention, learning, and judgment of the author is shown in them."

No one would suggest that fair use today is the same as it was in 1741, but it is important to recognize that, in one form or another, fair use has been part of Anglo-American copyright law virtually from the beginning. The dividing line between fair and unfair abridgements was initially adjudicated case by case, but over time a recognizable doctrine of fair dealing and fair use emerged with the two terms being used interchangeably for some time. In *Gyles v. Wilcox* and the cases that came after it, the dividing line between infringing and noninfringing abridgements was drawn with a view to two factors. First, the degree of intellectual labor contributed by the defendant. This was not simply an assessment of the amount of work added by the defendant; usually the question was presented as whether the defendant's work should fairly be seen as a new work. The second factor was whether the defendant's work was likely to substitute for the plaintiff's original work.

The same considerations were also paramount in Justice Story's 1841 decision in *Folsom v. Marsh* (extracted in a previous chapter), widely regarded as the first American fair use case. As copyright law evolved, the fair use doctrine played an increasingly important role. Even as the scope of the author's copyright expanded to include adaptations, abridgments, and translations, the fair use doctrine continued to provide courts with a framework to determine when technical acts of copying, such as quotation for the purpose of comment and review, were nonetheless non-infringing.

Although fair use and its predecessor doctrines of fair dealing and fair abridgment have been part of Anglo-American copyright law virtually from its inception, it was only in the Copyright Act of 1976 that Congress expressly recognized the fair use doctrine in statute.

The legislative history of section 107 declares Congress' intention that judges would continue to develop the law of fair use. According to both the House Report and the Senate Report on the Copyright Act of 1976, when Congress approved Section 107, it intended "to restate the present judicial doctrine of fair use, not to change, narrow, or enlarge it in any way." Congress intended that courts would continue their common-law tradition of fair use adjudication but it also provided a statutory framework under which this adjudication was to take place. As the House Report on the new Copyright Act explained (at 65-66):

> The bill endorses the purpose and general scope of the judicial doctrine of fair use, but there is no disposition to freeze the doctrine in the statute, especially during a period of rapid technological change. Beyond a very broad statutory explanation of what fair use is and some of the criteria applicable to it, the courts must be free to adapt the doctrine to particular situations on a case-by-case basis.

The text of section 107 also signals that the courts must continue to play a significant role in the development of the fair use doctrine. The first sentence of section 107 declares that:

> Notwithstanding the provisions of section 106, the fair use of a copyrighted work, … is not an infringement of copyright.

In the middle of that sentence, i.e., in the ellipsis in the above quotation, Congress listed six examples of fair use preceded by the words "for purposes such as". The exemplar purposes are: *criticism, comment, news reporting, teaching (including multiple copies for classroom use), scholarship, and research*. The words "for purposes such as" make it clear that this is by no means a closed or definitive list. In addition to the six examples, the second sentence of section 107 outlines four factors for courts to consider in determining whether a challenged use is fair use. While the language "the factors to be considered shall include" suggests that the four fair use factors are mandatory, it also leaves open the possibility that they are not exclusive of other considerations in appropriate cases.

The statutory examples and the four fair use factors obviously did change the law of fair use, it is almost impossible for a codification not to change the way judges apply the law, but the legislative history and the text of Section 107 still left a lot of work for judges to do. The examples and factors give judges an outline of how to apply fair use, but the generality of the factors in particular demands that judges engage in common law reasoned elaboration within that framework.

The Origins of Transformative Use

Codification is supposed to make things clearer, but following the codification of fair use in the 1976 Act, courts struggled with the four-factor structure of Section 107 and some particular phrases within those factors. Partly, the problem was one of forests and trees. Some courts found it hard to resist treating the four enumerated statutory factors as a scorecard or a self-executing checklist. As a result, they missed the interrelated nature of the factors and the underlying nature of fair use. Compounding this problem, more than a few courts had gravitated to the question of whether the use was "of a commercial nature" in factor one as a bright-line rule that would provide an analytical shortcut to resolving claims of fair use. This latter problem was particularly acute in two U.S. Supreme Court cases addressing questions of fair use in the mid-1980s, *Sony v. Universal City Studios* 464 U.S. 417 (1984) and *Harper & Row, Publishers, Inc. v. Nation Enterprises*, 471 U.S. 539 (1985). The fair use doctrine was in a state of confusion when the Supreme Court granted cert in *Campbell v. Acuff-Rose Music.* For an extended discussion of the background to this case, click here.

Campbell v. Acuff-Rose Music, Inc., 510 US 569 (1994)

Justice Souter delivered the opinion of the Court.

We are called upon to decide whether 2 Live Crew's commercial parody of Roy Orbison's song, "Oh, Pretty Woman," may be a fair use within the meaning of the Copyright Act of 1976, 17 U.S. C. § 107. Although the District Court granted summary judgment for 2 Live Crew, the Court of Appeals reversed, holding the defense of fair use barred by the song's commercial character and excessive borrowing. Because we hold that a parody's commercial character is only one element to be weighed in a fair use enquiry, and that insufficient consideration was given to the nature of parody in weighing the degree of copying, we reverse and remand.

I

In 1964, Roy Orbison and William Dees wrote a rock ballad called "Oh, Pretty Woman" and assigned their rights in it to respondent Acuff-Rose Music, Inc. See Appendix A, *infra*. Acuff-Rose registered the song for copyright protection.

Petitioners Luther R. Campbell, Christopher Wongwon, Mark Ross, and David Hobbs are collectively known as 2 Live Crew, a popular rap music group. In 1989, Campbell wrote a song entitled "Pretty Woman," which he later described in an affidavit as intended, "through comical lyrics, to satirize the original work. . . ." On July 5, 1989, 2 Live Crew's manager informed Acuff-Rose that 2 Live Crew had written a parody of "Oh, Pretty Woman," that they would afford all credit for ownership and authorship of the original song to Acuff-Rose, Dees, and Orbison, and that they were willing to pay a fee for the use they wished to make of it. Enclosed with the letter were a copy of the lyrics and a recording of 2 Live Crew's song. Acuff-Rose's agent refused permission, stating that "I am aware of the success enjoyed by 'The 2 Live Crews', but I must inform you that we cannot permit the use of a parody of 'Oh, Pretty Woman.'" Nonetheless, in June or July 1989, 2 Live Crew released records, cassette tapes, and compact discs of "Pretty Woman" in a collection of songs entitled "As Clean As They Wanna Be." The

albums and compact discs identify the authors of "Pretty Woman" as Orbison and Dees and its publisher as Acuff-Rose.

Almost a year later, after nearly a quarter of a million copies of the recording had been sold, Acuff-Rose sued 2 Live Crew and its record company, Luke Skyywalker Records, for copyright infringement. The District Court granted summary judgment for 2 Live Crew, reasoning that the commercial purpose of 2 Live Crew's song was no bar to fair use; that 2 Live Crew's version was a parody, which "quickly degenerates into a play on words, substituting predictable lyrics with shocking ones" to show "how bland and banal the Orbison song" is; that 2 Live Crew had taken no more than was necessary to "conjure up" the original in order to parody it; and that it was "extremely unlikely that 2 Live Crew's song could adversely affect the market for the original." The District Court weighed these factors and held that 2 Live Crew's song made fair use of Orbison's original.

The Court of Appeals for the Sixth Circuit reversed and remanded. 972 F. 2d 1429, 1439 (1992). Although it assumed for the purpose of its opinion that 2 Live Crew's song was a parody of the Orbison original, the Court of Appeals thought the District Court had put too little emphasis on the fact that "every commercial use . . . is presumptively . . . unfair," *Sony Corp. of America v. Universal City Studios, Inc.*, 464 U.S. 417, 451 (1984), and it held that "the admittedly commercial nature" of the parody "requires the conclusion" that the first of four factors relevant under the statute weighs against a finding of fair use. Next, the Court of Appeals determined that, by "taking the heart of the original and making it the heart of a new work," 2 Live Crew had, qualitatively, taken too much. Finally, after noting that the effect on the potential market for the original (and the market for derivative works) is "undoubtedly the single most important element of fair use," *Harper & Row, Publishers, Inc. v. Nation Enterprises*, 471 U.S. 539, 566 (1985), the Court of Appeals faulted the District Court for "refusing to indulge the presumption" that "harm for purposes of the fair use analysis has been established by the presumption attaching to commercial uses." In sum, the court concluded that its "blatantly commercial purpose . . . prevents this parody from being a fair use."

We granted certiorari to determine whether 2 Live Crew's commercial parody could be a fair use.

II

It is uncontested here that 2 Live Crew's song would be an infringement of Acuff-Rose's rights in "Oh, Pretty Woman," under the Copyright Act of 1976, 17 U.S. C. § 106, but for a finding of fair use through parody. From the infancy of copyright protection, some opportunity for fair use of copyrighted materials has been thought necessary to fulfill copyright's very purpose, "[t]o promote the Progress of Science and useful Arts. . . ." U.S. Const., Art. I, § 8, cl. 8.[5]

Footnote 5: The exclusion of facts and ideas from copyright protection serves that goal as well. See § 102(b) ("In no case does copyright protection for an original work of authorship extend to any idea, procedure, process, system, method of operation, concept, principle, or discovery..."); *Feist Publications, Inc. v. Rural Telephone Service Co.*, 499 U.S. 340, 359 (1991) ("Facts contained in existing works may be freely copied"); *Harper & Row, Publishers, Inc. v. Nation Enterprises*, 471 U.S. 539, 547 (1985) (copyright owner's rights exclude facts and ideas, and fair use).

For as Justice Story explained, "[i]n truth, in literature, in science and in art, there are, and can be, few, if any, things, which in an abstract sense, are strictly new and original throughout. Every book in literature, science and art, borrows, and must

necessarily borrow, and use much which was well known and used before." *Emerson v. Davies*, 8 F. Cas. 615, 619 (No. 4,436) (CCD Mass. 1845). Similarly, Lord Ellenborough expressed the inherent tension in the need simultaneously to protect copyrighted material and to allow others to build upon it when he wrote, "while I shall think myself bound to secure every man in the enjoyment of his copy-right, one must not put manacles upon science." *Carey v. Kearsley* 170 Eng. Rep. 679, 681 (K. B. 1803). In copyright cases brought under the Statute of Anne of 1710, English courts held that in some instances "fair abridgements" would not infringe an author's rights, and although the First Congress enacted our initial copyright statute, Act of May 31, 1790, 1 Stat. 124, without any explicit reference to "fair use," as it later came to be known, the doctrine was recognized by the American courts nonetheless.

In *Folsom v. Marsh*, 9 F. Cas. 342 (No. 4,901) (CCD Mass. 1841), Justice Story distilled the essence of law and methodology from the earlier cases: "look to the nature and objects of the selections made, the quantity and value of the materials used, and the degree in which the use may prejudice the sale, or diminish the profits, or supersede the objects, of the original work." Id., at 348. Thus expressed, fair use remained exclusively judge-made doctrine until the passage of the 1976 Copyright Act, in which Justice Story's summary is discernible:

§ 107. Limitations on exclusive rights: Fair use

Notwithstanding the provisions of sections 106 and 106A, the fair use of a copyrighted work, including such use by reproduction in copies or phonorecords or by any other means specified by that section, for purposes such as criticism, comment, news reporting, teaching (including multiple copies for classroom use), scholarship, or research, is not an infringement of copyright. In determining whether the use made of a work in any particular case is a fair use the factors to be considered shall include—

(1) the purpose and character of the use, including whether such use is of a commercial nature or is for non-profit educational purposes;

(2) the nature of the copyrighted work;

(3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and

(4) the effect of the use upon the potential market for or value of the copyrighted work.

The fact that a work is unpublished shall not itself bar a finding of fair use if such finding is made upon consideration of all the above factors.

Congress meant § 107 "to restate the present judicial doctrine of fair use, not to change, narrow, or enlarge it in any way" and intended that courts continue the common-law tradition of fair use adjudication. H.R. Rep. No. 94-1476, p. 66 (1976) (hereinafter House Report); S. Rep. No. 94-473, p. 62 (1975) (hereinafter Senate Report). The fair use doctrine thus "permits [and requires] courts to avoid rigid application of the copyright statute when, on occasion, it would stifle the very creativity which that law is designed to foster." *Stewart v. Abend*, 495 U.S. 207, 236 (1990) (internal quotation marks and citation omitted).

The task is not to be simplified with bright-line rules, for the statute, like the doctrine it recognizes, calls for case-by-case analysis. *Harper & Row*, 471 U. S.,

at 560; *Sony*, 464 U.S., at 448, and n. 31; *House Report*, pp. 65-66; *Senate Report*, p. 62. The text employs the terms "including" and "such as" in the preamble paragraph to indicate the "illustrative and not limitative" function of the examples given, § 101; see *Harper & Row*, supra, at 561, which thus provide only general guidance about the sorts of copying that courts and Congress most commonly had found to be fair uses. Nor may the four statutory factors be treated in isolation, one from another. All are to be explored, and the results weighed together, in light of the purposes of copyright.[10]

Footnote 10: Because the fair use enquiry often requires close questions of judgment as to the extent of permissible borrowing in cases involving parodies (or other critical works), courts may also wish to bear in mind that the goals of the copyright law, "to stimulate the creation and publication of edifying matter," Leval, *Toward a Fair Use Standard*, 103 Harvard Law Review 1105, 1134 (1990) (hereinafter Leval), are not always best served by automatically granting injunctive relief when parodists are found to have gone beyond the bounds of fair use. See 17 U.S. C. § 502(a) (court "*may* . . . grant . . . injunctions on such terms as it may deem reasonable to prevent or restrain infringement") (emphasis added); Leval 1132 (while in the "vast majority of cases, [an injunctive] remedy is justified because most infringements are simple piracy," such cases are "worlds apart from many of those raising reasonable contentions of fair use" where "there may be a strong public interest in the publication of the secondary work [and] the copyright owner's interest may be adequately protected by an award of damages for whatever infringement is found"); *Abend v. MCA, Inc.*, 863 F. 2d 1465, 1479 (CA9 1988) (finding "special circumstances" that would cause "great injustice" to defendants and "public injury" were injunction to issue), aff'd sub nom. *Stewart v. Abend*, 495 U.S. 207 (1990).

A

The first factor in a fair use enquiry is "the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes." § 107(1). This factor draws on Justice Story's formulation, "the nature and objects of the selections made." *Folsom v. Marsh*, supra, at 348. The enquiry here may be guided by the examples given in the preamble to § 107, looking to whether the use is for criticism, or comment, or news reporting, and the like, see § 107. The central purpose of this investigation is to see, in Justice Story's words, whether the new work merely "supersede[s] the objects" of the original creation, *Folsom v. Marsh*, supra, at 348; accord, *Harper & Row*, supra, at 562 ("supplanting" the original), or instead adds something new, with a further purpose or different character, altering the first with new expression, meaning, or message; it asks, in other words, whether and to what extent the new work is "transformative." Leval 1111. Although such transformative use is not absolutely necessary for a finding of fair use, *Sony*, supra, at 455, n. 40,[11] the goal of copyright, to promote science and the arts, is generally furthered by the creation of transformative works. Such works thus lie at the heart of the fair use doctrine's guarantee of breathing space within the confines of copyright, see, e.g., *Sony*, supra, at 478-480 (Blackmun, J., dissenting), and the more transformative the new work, the less will be the significance of other factors, like commercialism, that may weigh against a finding of fair use.

Footnote 11: The obvious statutory exception to this focus on transformative uses is the straight reproduction of multiple copies for classroom distribution.

This Court has only once before even considered whether parody may be fair use, and that time issued no opinion because of the Court's equal division. *Benny v. Loew's Inc.*, 239 F. 2d 532 (CA9 1956), aff'd sub nom. *Columbia Broadcasting System, Inc. v. Loew's Inc.*, 356 U.S. 43 (1958). Suffice it to say now that parody

has an obvious claim to transformative value, as Acuff-Rose itself does not deny. Like less ostensibly humorous forms of criticism, it can provide social benefit, by shedding light on an earlier work, and, in the process, creating a new one. We thus line up with the courts that have held that parody, like other comment or criticism, may claim fair use under § 107. See, e.g., *Fisher v. Dees*, 794 F. 2d 432 (CA9 1986) ("When Sonny Sniffs Glue," a parody of "When Sunny Gets Blue," is fair use); *Elsmere Music, Inc. v. National Broadcasting Co.*, 482 F. Supp. 741 (SDNY) ("I Love Sodom," a "Saturday Night Live" television parody of "I Love New York," is fair use); see also *House Report*, p. 65; *Senate Report*, p. 61 ("Use in a parody of some of the content of the work parodied" may be fair use).

The germ of parody lies in the definition of the Greek parodeia, quoted in Judge Nelson's Court of Appeals dissent, as "a song sung alongside another." 972 F. 2d, at 1440, quoting 7 *Encyclopedia Britannica* 768 (15th ed. 1975). Modern dictionaries accordingly describe a parody as a "literary or artistic work that imitates the characteristic style of an author or a work for comic effect or ridicule," or as a "composition in prose or verse in which the characteristic turns of thought and phrase in an author or class of authors are imitated in such a way as to make them appear ridiculous." For the purposes of copyright law, the nub of the definitions, and the heart of any parodist's claim to quote from existing material, is the use of some elements of a prior author's composition to create a new one that, at least in part, comments on that author's works. See, e.g., *Fisher v. Dees*, supra, at 437; *MCA, Inc. v. Wilson*, 677 F. 2d 180, 185 (CA2 1981). If, on the contrary, the commentary has no critical bearing on the substance or style of the original composition, which the alleged infringer merely uses to get attention or to avoid the drudgery in working up something fresh, the claim to fairness in borrowing from another's work diminishes accordingly (if it does not vanish), and other factors, like the extent of its commerciality, loom larger.[14]

Footnote 14: A parody that more loosely targets an original than the parody presented here may still be sufficiently aimed at an original work to come within our analysis of parody. If a parody whose wide dissemination in the market runs the risk of serving as a substitute for the original or licensed derivatives (see *infra,* at 590-594, discussing factor four), it is more incumbent on one claiming fair use to establish the extent of transformation and the parody's critical relationship to the original. By contrast, when there is little or no risk of market substitution, whether because of the large extent of transformation of the earlier work, the new work's minimal distribution in the market, the small extent to which it borrows from an original, or other factors, taking parodic aim at an original is a less critical factor in the analysis, and looser forms of parody may be found to be fair use, as may satire with lesser justification for the borrowing than would otherwise be required.

Parody needs to mimic an original to make its point, and so has some claim to use the creation of its victim's (or collective victims') imagination, whereas satire can stand on its own two feet and so requires justification for the very act of borrowing.[15]

Footnote 15: Satire has been defined as a work "in which prevalent follies or vices are assailed with ridicule," 14 Oxford English Dictionary at 500, or are "attacked through irony, derision, or wit," American Heritage Dictionary at 1604.

The fact that parody can claim legitimacy for some appropriation does not, of course, tell either parodist or judge much about where to draw the line. Like a book review quoting the copyrighted material criticized, parody may or may not be fair use, and petitioners' suggestion that any parodic use is presumptively fair has no

more justification in law or fact than the equally hopeful claim that any use for news reporting should be presumed fair, see *Harper & Row*, 471 U.S., at 561. The Act has no hint of an evidentiary preference for parodists over their victims, and no workable presumption for parody could take account of the fact that parody often shades into satire when society is lampooned through its creative artifacts, or that a work may contain both parodic and nonparodic elements. Accordingly, parody, like any other use, has to work its way through the relevant factors, and be judged case by case, in light of the ends of the copyright law.

> Here, the District Court held, and the Court of Appeals assumed, that 2 Live Crew's "Pretty Woman" contains parody, commenting on and criticizing the original work, whatever it may have to say about society at large. As the District Court remarked, the words of 2 Live Crew's song copy the original's first line, but then "quickly degenerate into a play on words, substituting predictable lyrics with shocking ones that derisively demonstrate how bland and banal the Orbison song seems to them." Judge Nelson, dissenting below, came to the same conclusion, that the 2 Live Crew song "was clearly intended to ridicule the white-bread original" and "reminds us that sexual congress with nameless streetwalkers is not necessarily the stuff of romance and is not necessarily without its consequences. The singers (there are several) have the same thing on their minds as did the lonely man with the nasal voice, but here there is no hint of wine and roses." Although the majority below had difficulty discerning any criticism of the original in 2 Live Crew's song, it assumed for purposes of its opinion that there was some.
>
> We have less difficulty in finding that critical element in 2 Live Crew's song than the Court of Appeals did, although having found it we will not take the further step of evaluating its quality. The threshold question when fair use is raised in defense of parody is whether a parodic character may reasonably be perceived.[16]

Footnote 16: The only further judgment, indeed, that a court may pass on a work goes to an assessment of whether the parodic element is slight or great, and the copying small or extensive in relation to the parodic element, for a work with slight parodic element and extensive copying will be more likely to merely "supersede the objects" of the original. See *infra,* at 586-594, discussing factors three and four.

> Whether, going beyond that, parody is in good taste or bad does not and should not matter to fair use. As Justice Holmes explained, "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. At the one extreme some works of genius would be sure to miss appreciation. Their very novelty would make them repulsive until the public had learned the new language in which their author spoke." *Bleistein v. Donaldson Lithographing Co.*, 188 U.S. 239, 251 (1903) (circus posters have copyright protection); cf. *Yankee Publishing Inc. v. News America Publishing, Inc.*, 809 F. Supp. 267, 280 (SDNY 1992) (Leval, J.) ("First Amendment protections do not apply only to those who speak clearly, whose jokes are funny, and whose parodies succeed") (trademark case).
>
> While we might not assign a high rank to the parodic element here, we think it fair to say that 2 Live Crew's song reasonably could be perceived as commenting on the original or criticizing it, to some degree. 2 Live Crew juxtaposes the romantic musings of a man whose fantasy comes true, with degrading taunts, a bawdy demand for sex, and a sigh of relief from paternal responsibility. The later words

can be taken as a comment on the naivete of the original of an earlier day, as a rejection of its sentiment that ignores the ugliness of street life and the debasement that it signifies. It is this joinder of reference and ridicule that marks off the author's choice of parody from the other types of comment and criticism that traditionally have had a claim to fair use protection as transformative works.[17]

Footnote 17: We note in passing that 2 Live Crew need not label their whole album, or even this song, a parody in order to claim fair use protection, nor should 2 Live Crew be penalized for this being its first parodic essay. Parody serves its goals whether labeled or not, and there is no reason to require parody to state the obvious (or even the reasonably perceived).

The Court of Appeals, however, immediately cut short the enquiry into 2 Live Crew's fair use claim by confining its treatment of the first factor essentially to one relevant fact, the commercial nature of the use. The court then inflated the significance of this fact by applying a presumption ostensibly culled from *Sony*, that "every commercial use of copy-righted material is presumptively unfair. . . ." *Sony*, 464 U.S., at 451. In giving virtually dispositive weight to the commercial nature of the parody, the Court of Appeals erred.

The language of the statute makes clear that the commercial or nonprofit educational purpose of a work is only one element of the first factor enquiry into its purpose and character. Section 107(1) uses the term "including" to begin the dependent clause referring to commercial use, and the main clause speaks of a broader investigation into "purpose and character." As we explained in *Harper & Row*, Congress resisted attempts to narrow the ambit of this traditional enquiry by adopting categories of presumptively fair use, and it urged courts to preserve the breadth of their traditionally ample view of the universe of relevant evidence. 471 U. S., at 561; *House Report*, p. 66. Accordingly, the mere fact that a use is educational and not for profit does not insulate it from a finding of infringement, any more than the commercial character of a use bars a finding of fairness. If, indeed, commerciality carried presumptive force against a finding of fairness, the presumption would swallow nearly all of the illustrative uses listed in the preamble paragraph of § 107, including news reporting, comment, criticism, teaching, scholarship, and research, since these activities "are generally conducted for profit in this country." *Harper & Row*, supra, at 592 (Brennan, J., dissenting). Congress could not have intended such a rule, which certainly is not inferable from the common-law cases, arising as they did from the world of letters in which Samuel Johnson could pronounce that "[n]o man but a blockhead ever wrote, except for money." 3 *Boswell's Life of Johnson* 19 (G. Hill ed. 1934).

Sony itself called for no hard evidentiary presumption. There, we emphasized the need for a "sensitive balancing of interests," 464 U.S., at 455, n. 40, noted that Congress had "eschewed a rigid, bright-line approach to fair use," id., at 449, n. 31, and stated that the commercial or nonprofit educational character of a work is "not conclusive," id., at 448-449, but rather a fact to be "weighed along with other[s] in fair use decisions," id., at 449, n. 32 (quoting *House Report*, p. 66). The Court of Appeals' elevation of one sentence from Sony to a per se rule thus runs as much counter to Sony itself as to the long common-law tradition of fair use adjudication. Rather, as we explained in *Harper & Row*, Sony stands for the proposition that the "fact that a publication was commercial as opposed to nonprofit is a separate factor that tends to weigh against a finding of fair use." 471 U.S., at 562. But that is all, and the fact that even the force of that tendency will vary with the context is a further reason against elevating commerciality to hard

presumptive significance. The use, for example, of a copyrighted work to advertise a product, even in a parody, will be entitled to less indulgence under the first factor of the fair use enquiry than the sale of a parody for its own sake, let alone one performed a single time by students in school.[18]

Footnote 18: Finally, regardless of the weight one might place on the alleged infringer's state of mind, compare *Harper & Row,* (fair use presupposes good faith and fair dealing), with *Folsom v. Marsh*, (good faith does not bar a finding of infringement); Leval (good faith irrelevant to fair use analysis), we reject Acuff-Rose's argument that 2 Live Crew's request for permission to use the original should be weighed against a finding of fair use. Even if good faith were central to fair use, 2 Live Crew's actions do not necessarily suggest that they believed their version was not fair use; the offer may simply have been made in a good-faith effort to avoid this litigation. If the use is otherwise fair, then no permission need be sought or granted. Thus, being denied permission to use a work does not weigh against a finding of fair use. See *Fisher v. Dees*, 794 F. 2d 432, 437 (CA9 1986).

B

The second statutory factor, "the nature of the copy-righted work," § 107(2), draws on Justice Story's expression, the "value of the materials used." *Folsom v. Marsh*, 9 F. Cas., at 348. This factor calls for recognition that some works are closer to the core of intended copyright protection than others, with the consequence that fair use is more difficult to establish when the former works are copied. We agree with both the District Court and the Court of Appeals that the Orbison original's creative expression for public dissemination falls within the core of the copyright's protective purposes. This fact, however, is not much help in this case, or ever likely to help much in separating the fair use sheep from the infringing goats in a parody case, since parodies almost invariably copy publicly known, expressive works.

C

The third factor asks whether "the amount and substantiality of the portion used in relation to the copyrighted work as a whole," § 107(3) (or, in Justice Story's words, "the quantity and value of the materials used," *Folsom v. Marsh*, supra, at 348) are reasonable in relation to the purpose of the copying. Here, attention turns to the persuasiveness of a parodist's justification for the particular copying done, and the enquiry will harken back to the first of the statutory factors, for, as in prior cases, we recognize that the extent of permissible copying varies with the purpose and character of the use. See *Sony*, supra, at 449-450 (reproduction of entire work "does not have its ordinary effect of militating against a finding of fair use" as to home videotaping of television programs); *Harper & Row*, supra, at 564 ("[E]ven substantial quotations might qualify as fair use in a review of a published work or a news account of a speech" but not in a scoop of a soon-to-be-published memoir). The facts bearing on this factor will also tend to address the fourth, by revealing the degree to which the parody may serve as a market substitute for the original or potentially licensed derivatives. See Leval 1123.

The District Court considered the song's parodic purpose in finding that 2 Live Crew had not helped themselves overmuch. The Court of Appeals disagreed, stating that "while it may not be inappropriate to find that no more was taken than necessary, the copying was qualitatively substantial. . . . We conclude that taking the heart of the original and making it the heart of a new work was to purloin a substantial portion of the essence of the original."

The Court of Appeals is of course correct that this factor calls for thought not only about the quantity of the materials used, but about their quality and importance, too. In *Harper & Row*, for example, the Nation had taken only some 300 words out of President Ford's memoirs, but we signaled the significance of the quotations in finding them to amount to "the heart of the book," the part most likely to be newsworthy and important in licensing serialization. 471 U.S., at 564-566, 568 (internal quotation marks omitted). We also agree with the Court of Appeals that whether "a substantial portion of the infringing work was copied verbatim" from the copyrighted work is a relevant question, for it may reveal a dearth of transformative character or purpose under the first factor, or a greater likelihood of market harm under the fourth; a work composed primarily of an original, particularly its heart, with little added or changed, is more likely to be a merely superseding use, fulfilling demand for the original.

Where we part company with the court below is in applying these guides to parody, and in particular to parody in the song before us. Parody presents a difficult case. Parody's humor, or in any event its comment, necessarily springs from recognizable allusion to its object through distorted imitation. Its art lies in the tension between a known original and its parodic twin. When parody takes aim at a particular original work, the parody must be able to "conjure up" at least enough of that original to make the object of its critical wit recognizable. See, e.g., *Elsmere Music*, 623 F. 2d, at 253, n. 1; *Fisher v. Dees*, 794 F. 2d, at 438-439. What makes for this recognition is quotation of the original's most distinctive or memorable features, which the parodist can be sure the audience will know. Once enough has been taken to assure identification, how much more is reasonable will depend, say, on the extent to which the song's overriding purpose and character is to parody the original or, in contrast, the likelihood that the parody may serve as a market substitute for the original. But using some characteristic features cannot be avoided.

We think the Court of Appeals was insufficiently appreciative of parody's need for the recognizable sight or sound when it ruled 2 Live Crew's use unreasonable as a matter of law. It is true, of course, that 2 Live Crew copied the characteristic opening bass riff (or musical phrase) of the original, and true that the words of the first line copy the Orbison lyrics. But if quotation of the opening riff and the first line may be said to go to the "heart" of the original, the heart is also what most readily conjures up the song for parody, and it is the heart at which parody takes aim. Copying does not become excessive in relation to parodic purpose merely because the portion taken was the original's heart. If 2 Live Crew had copied a significantly less memorable part of the original, it is difficult to see how its parodic character would have come through. See *Fisher v. Dees*, supra, at 439.

This is not, of course, to say that anyone who calls himself a parodist can skim the cream and get away scot free. In parody, as in news reporting, see *Harper & Row*, supra, context is everything, and the question of fairness asks what else the parodist did besides go to the heart of the original. It is significant that 2 Live Crew not only copied the first line of the original, but thereafter departed markedly from the Orbison lyrics for its own ends. 2 Live Crew not only copied the bass riff and repeated it, but also produced otherwise distinctive sounds, interposing "scraper" noise, over-laying the music with solos in different keys, and altering the drum beat. This is not a case, then, where "a substantial portion" of the parody itself is composed of a "verbatim" copying of the original. It is not, that is, a case where

the parody is so insubstantial, as compared to the copying, that the third factor must be resolved as a matter of law against the parodists.

Suffice it to say here that, as to the lyrics, we think the Court of Appeals correctly suggested that "no more was taken than necessary," but just for that reason, we fail to see how the copying can be excessive in relation to its parodic purpose, even if the portion taken is the original's "heart." As to the music, we express no opinion whether repetition of the bass riff is excessive copying, and we remand to permit evaluation of the amount taken, in light of the song's parodic purpose and character, its transformative elements, and considerations of the potential for market substitution sketched more fully below.

D

The fourth fair use factor is "the effect of the use upon the potential market for or value of the copyrighted work." § 107(4). It requires courts to consider not only the extent of market harm caused by the particular actions of the alleged infringer, but also "whether unrestricted and widespread conduct of the sort engaged in by the defendant . . . would result in a substantially adverse impact on the potential market" for the original. *Harper & Row*, 471 U. S., at 569; *Senate Report*, p. 65; *Folsom v. Marsh*, 9 F. Cas., at 349. The enquiry "must take account not only of harm to the original but also of harm to the market for derivative works." *Harper & Row*, supra, at 568.

Since fair use is an affirmative defense, its proponent would have difficulty carrying the burden of demonstrating fair use without favorable evidence about relevant markets.[21]

Footnote 21: Even favorable evidence, without more, is no guarantee of fairness. Judge Leval gives the example of the film producer's appropriation of a composer's previously unknown song that turns the song into a commercial success; the boon to the song does not make the film's simple copying fair. Leval 1124, n. 84. This factor, no less than the other three, may be addressed only through a "sensitive balancing of interests." *Sony Corp. of America v. Universal City Studios, Inc.*, 464 U.S. 417, 455, n. 40 (1984). Market harm is a matter of degree, and the importance of this factor will vary, not only with the amount of harm, but also with the relative strength of the showing on the other factors.

In moving for summary judgment, 2 Live Crew left themselves at just such a disadvantage when they failed to address the effect on the market for rap derivatives, and confined themselves to uncontroverted submissions that there was no likely effect on the market for the original. They did not, however, thereby subject themselves to the evidentiary presumption applied by the Court of Appeals. In assessing the likelihood of significant market harm, the Court of Appeals quoted from language in *Sony* that "'[i]f the intended use is for commercial gain, that likelihood may be presumed. But if it is for a noncommercial purpose, the likelihood must be demonstrated.'" The court reasoned that because "the use of the copyrighted work is wholly commercial, . . . we presume that a likelihood of future harm to Acuff-Rose exists." In so doing, the court resolved the fourth factor against 2 Live Crew, just as it had the first, by applying a presumption about the effect of commercial use, a presumption which as applied here we hold to be error.

No "presumption" or inference of market harm that might find support in Sony is applicable to a case involving something beyond mere duplication for commercial purposes. Sony's discussion of a presumption contrasts a context of verbatim copying of the original in its entirety for commercial purposes, with the

noncommercial context of *Sony* itself (home copying of television programming). In the former circumstances, what Sony said simply makes common sense: when a commercial use amounts to mere duplication of the entirety of an original, it clearly "supersede[s] the objects," *Folsom v. Marsh*, supra, at 348, of the original and serves as a market replacement for it, making it likely that cognizable market harm to the original will occur. *Sony*, supra, at 451. But when, on the contrary, the second use is transformative, market substitution is at least less certain, and market harm may not be so readily inferred. Indeed, as to parody pure and simple, it is more likely that the new work will not affect the market for the original in a way cognizable under this factor, that is, by acting as a substitute for it ("superseding its objects"). This is so because the parody and the original usually serve different market functions.

We do not, of course, suggest that a parody may not harm the market at all, but when a lethal parody, like a scathing theater review, kills demand for the original, it does not produce a harm cognizable under the Copyright Act. Because "parody may quite legitimately aim at garroting the original, destroying it commercially as well as artistically," B. Kaplan, *An Unhurried View of Copyright* 69 (1967), the role of the courts is to distinguish between "biting criticism that merely suppresses demand and copyright infringement, which usurps it." *Fisher v. Dees*, 794 F. 2d, at 438.

This distinction between potentially remediable displacement and unremediable disparagement is reflected in the rule that there is no protectible derivative market for criticism. The market for potential derivative uses includes only those that creators of original works would in general develop or license others to develop. Yet the unlikelihood that creators of imaginative works will license critical reviews or lampoons of their own productions removes such uses from the very notion of a potential licensing market. "People ask . . . for criticism, but they only want praise." S. Maugham, *Of Human Bondage* 241 (Penguin ed. 1992). Thus, to the extent that the opinion below may be read to have considered harm to the market for parodies of "Oh, Pretty Woman," the court erred.[22]

Footnote 22: We express no opinion as to the derivative markets for works using elements of an original as vehicles for satire or amusement, making no comment on the original or criticism of it.

In explaining why the law recognizes no derivative market for critical works, including parody, we have, of course, been speaking of the later work as if it had nothing but a critical aspect (i. e., "parody pure and simple"). But the later work may have a more complex character, with effects not only in the arena of criticism but also in protectible markets for derivative works, too. In that sort of case, the law looks beyond the criticism to the other elements of the work, as it does here. 2 Live Crew's song comprises not only parody but also rap music, and the derivative market for rap music is a proper focus of enquiry, see *Harper & Row*, supra, at 568. Evidence of substantial harm to it would weigh against a finding of fair use, because the licensing of derivatives is an important economic incentive to the creation of originals. Of course, the only harm to derivatives that need concern us, as discussed above, is the harm of market substitution. The fact that a parody may impair the market for derivative uses by the very effectiveness of its critical commentary is no more relevant under copyright than the like threat to the original market.[24]

Footnote 24: In some cases it may be difficult to determine whence the harm flows. In some cases, the other fair use factors may provide some indicia of the likely source of the harm. A work whose overriding purpose and character is parodic and whose borrowing is slight in relation to its parody will be far less likely to cause cognizable harm than a work with little parodic content and much copying.

Although 2 Live Crew submitted uncontroverted affidavits on the question of market harm to the original, neither they, nor Acuff-Rose, introduced evidence or affidavits addressing the likely effect of 2 Live Crew's parodic rap song on the market for a nonparody, rap version of "Oh, Pretty Woman." And while Acuff-Rose would have us find evidence of a rap market in the very facts that 2 Live Crew recorded a rap parody of "Oh, Pretty Woman" and another rap group sought a license to record a rap derivative, there was no evidence that a potential rap market was harmed in any way by 2 Live Crew's parody, rap version. The fact that 2 Live Crew's parody sold as part of a collection of rap songs says very little about the parody's effect on a market for a rap version of the original, either of the music alone or of the music with its lyrics. The District Court essentially passed on this issue, observing that Acuff-Rose is free to record "whatever version of the original it desires," the Court of Appeals went the other way by erroneous presumption. Contrary to each treatment, it is impossible to deal with the fourth factor except by recognizing that a silent record on an important factor bearing on fair use disentitled the proponent of the defense, 2 Live Crew, to summary judgment. The evidentiary hole will doubtless be plugged on remand.

III

It was error for the Court of Appeals to conclude that the commercial nature of 2 Live Crew's parody of "Oh, Pretty Woman" rendered it presumptively unfair. No such evidentiary presumption is available to address either the first factor, the character and purpose of the use, or the fourth, market harm, in determining whether a transformative use, such as parody, is a fair one. The court also erred in holding that 2 Live Crew had necessarily copied excessively from the Orbison original, considering the parodic purpose of the use. We therefore reverse the judgment of the Court of Appeals and remand the case for further proceedings consistent with this opinion.

It is so ordered.

APPENDIX A TO OPINION OF THE COURT

"Oh, Pretty Woman" by Roy Orbison and William Dees

Pretty Woman, walking down the street,

Pretty Woman, the kind I like to meet,

Pretty Woman, I don't believe you, you're not the truth,

No one could look as good as you Mercy

Pretty Woman, won't you pardon me,

Pretty Woman, I couldn't help but see,

Pretty Woman, that you look lovely as can be Are you lonely just like me?

Pretty Woman, stop a while,

Pretty Woman, talk a while,

Pretty Woman give your smile to me
Pretty Woman, yeah, yeah, yeah
Pretty Woman, look my way,
Pretty Woman, say you'll stay with me
'Cause I need you, I'll treat you right
Come to me baby, Be mine tonight
Pretty Woman, don't walk on by,
Pretty Woman, don't make me cry,
Pretty Woman, don't walk away,
Hey, O. K.
If that's the way it must be, O. K.
I guess I'll go on home, it's late
There'll be tomorrow night, but wait!
What do I see
Is she walking back to me?
Yeah, she's walking back to me!
Oh, Pretty Woman.

APPENDIX B TO OPINION OF THE COURT

"Pretty Woman" as Recorded by 2 Live Crew

Pretty woman walkin' down the street
Pretty woman girl you look so sweet
Pretty woman you bring me down to that knee
Pretty woman you make me wanna beg please
Oh, pretty woman
Big hairy woman you need to shave that stuff
Big hairy woman you know I bet it's tough
Big hairy woman all that hair it ain't legit
'Cause you look like 'Cousin It'
Big hairy woman
Bald headed woman girl your hair won't grow
Bald headed woman you got a teeny weeny afro
Bald headed woman you know your hair could look nice
Bald headed woman first you got to roll it with rice
Bald headed woman here, let me get this hunk of biz for ya
Ya know what I'm saying you look better than rice a roni

Oh bald headed woman

Big hairy woman come on in

And don't forget your bald headed friend

Hey pretty woman let the boys Jump in

Two timin' woman girl you know you ain't right

Two timin' woman you's out with my boy last night

Two timin' woman that takes a load off my mind

Two timin' woman now I know the baby ain't mine

Oh, two timin' woman

Oh pretty woman

Notes and questions

(1) What is transformative use? Can you explain the concept in your own words? Why might a book review that quotes specific language from a novel be transformative, but a screenplay based on the same novel may well not be?

(2) Where does the concept of transformative use come from? How does it relate to the text of Section 107?

(3) Does the Supreme Court in *Campbell* support the suggestion that the fourth fair use factor is the most important one?

(4) Where does Campbell leave the presumption against commercial uses as stated in *Sony* and reiterated in *Harper & Row?*

The enduring significance of Campbell v. Acuff-Rose

In *Campbell v. Acuff-Rose*, the Supreme Court granted certiorari to review the Sixth Circuit's rather extreme conclusion that fair use afforded virtually no protection for commercial parody. The Court could have ruled narrowly by simply walking back some of its ill-considered comments in *Sony* and *Harper & Row* and explaining how and why the Sixth Circuit had gone too far. Instead, the Court seized the opportunity to set a major course correction in the doctrine of fair use that came just in time for copyright to meet some of the challenges of the Internet age.

Campbell v. Acuff-Rose is not the Supreme Court's most recent fair use opinion, but it is arguably still the most important the Court has decided. In *Campbell v. Acuff-Rose*, a unanimous Supreme Court abandoned much of the language in *Sony* and *Harper & Row* and adopted a new vocabulary centered on the concept of *transformative use*. This new language of transformative use crystallized a positive theory of fair use that the Court derived from the purpose of copyright law and the structure of the modern copyright act.

Justice Souter's opinion for the Court in *Campbell* made several critical interventions in the law of fair use which set the foundation for the modern law of fair use in the United States just in time for the new questions of the Internet era that began in the mid-1990s. One of the obvious highlights of the decision was the elevation of "transformative use"

from law review theory to Supreme Court precedent. However, *Campbell* left important questions about the meaning and application of transformative use open to interpretation. Over the years, lower courts filled these gaps, but in some cases were accused of stretching the concept of transformative use beyond its proper role.

A Note on the Death of the Market Failure Theory of Fair Use

In *Fair Use as Market Failure*, an influential 1982 Columbia Law Review article, Professor Wendy Gordon argued that under ordinary circumstances, copyright owners and would-be users of their works should coordinate through voluntary market transactions. However, Gordon explained, this voluntary coordination was unlikely in a number of contexts where transaction costs were high in relation to the value of the proposed use. Suppose an author values the right to quote a few sentences from a particular source at $1, but it will cost her $2 to seek out the source, request permission, and haggle over the price. Even if the ultimate price was $0.01 or zero dollars, the transaction costs attendant in the exchange would make the whole endeavor a waste of time. In this scenario, the fact that transaction costs exceed any potential gains from trade leads to a market failure. Gordon argued that fair use should only be awarded when market conditions prevent socially beneficial access to copyrighted works. To that end, she proposed a three-part test for determining fair use:

> Fair use should be awarded to the defendant in a copyright infringement action when (1) market failure is present; (2) transfer of the use to defendant is socially desirable; and (3) an award of fair use would not cause substantial injury to the incentives of the plaintiff copyright owner.

Market failure is a negative account of fair use in the sense that it focuses on case-by-case exceptions to the copyright owner's presumed entitlement. Market failure captures part of the fair use doctrine and it helps explain some of the caselaw. Some of the photocopying cases (discussed later in this book) finding for and against fair use are readily explicable in terms of market failure. Likewise, one could see the decision in *Sony* in terms of market failure, although that is a better fit for the result than for Justice Stevens' reasoning.

Nonetheless, market failure is at best an incomplete theory. The problem with the market failure theory is that it struggles to explain some of the most basic applications of the doctrine. For example, quotation in service of criticism has long been recognized as fair use, and criticism is the very first of the examples of fair use referred to in the statute. Market exchanges for permission to criticize are rare, but not because transaction costs prevent buyers and sellers from coming together. They are rare because the seller's valuation in not being criticized generally exceeds the price the critic is willing to pay. Gordon gets around this problem by including the copyright owner's interest in suppressing unfavorable views as a potential source of market failure. She treats such "anti-dissemination" motives as intently non-market considerations, but this concession undermines the aura of objectivity that gives the market failure approach its surface allure. The market failure framework gives us no basis to know which sources of copyright owner utility should be so discounted. When courts disregard an author's utility in thwarting criticism they are not identifying a market failure, they are defining the scope of the legitimate copyright interest and thus the parameters of the market in the first place. There are some cases where the prospect of market failure should lead to a finding of fair use, but

most of the fair use issues that courts are actually called upon to decide require a deeper analysis of which uses should be part of the copyright owner's exclusive domain and which should not. These more fundamental questions are a precursor to market failure analysis, they are not an outcome of it.

Justice O'Connor's assertion in *Harper & Row* that the effect of the use upon the potential market for or value of the copyrighted work "is undoubtedly the single most important element of fair use" has been seen by some as embracing the market failure theory of fair use. This inference is bolstered by the fact that the relevant sentence in the judgment cites directly to Gordon's 1982 article. Certainly, the idea that the fourth factor is the most important factor in fair use analysis is consistent with the notion that the copyright owner's rights should only be limited when the cost of obtaining permission exceeds the value of the permission. But it is also possible that scholars have read too much into Justice O'Connor's observation about the primacy of the fourth factor. The Court certainly did not expressly adopt a market failure rationale for fair use. Moreover, *Harper & Row* was a very unusual case. In most fair use cases, market effect or its absence is established indirectly, by inference, or by presumption. But in *Harper & Row*, the defendant's news article clearly scooped a similar piece by Time magazine and constituted clear and tangible market interference. Given her view of the facts, it is little wonder that O'Connor considered market effect to be the most important factor, in that particular case.

Whatever the majority in *Harper & Row* intended by its proclamation that market effect was the single most important factor, the unanimous Supreme Court in *Campbell* rejected that premise—although not as clearly as it could have. The *Campbell* Court did not expressly disavow the comment, but it certainly contradicted it. Justice Souter cautioned that "Nor may the four statutory factors be treated in isolation, one from another. All are to be explored, and the results weighed together, in light of the purposes of copyright."

To say that the factors cannot be treated in isolation and that they must be considered together in light of the purposes of copyright is the antithesis of the notion that the fourth factor, or indeed any factor, is "undoubtedly the single most important element of fair use."

In addition to demoting the fourth factor, *Campbell's* positive vision of fair use as centered on transformative use is entirely inconsistent with the market failure paradigm. Just as reasonableness defines the parameters of the duty of care in the law of negligence, fair use plays a significant role in defining the limits of the exclusive rights under the Copyright Act. Whereas a market failure approach to fair use takes no account of the scope defining function of the doctrine, the Court's decision in *Campbell* was almost entirely concerned with this question. The *Campbell* Court did not accept that the rights of the copyright owner are limitless by presumption; quite the contrary, it was careful to expressly state significant limits on the scope of the copyright owner's cognizable market interests.

In *Campbell* the Supreme Court explained that for harm to the copyright owner to be recognized under the fourth factor, it must relate to usurpation of the author's original expression. Criticism that merely subdues demand by hitting its target obviously causes harm of a certain sort, but not the sort of harm that copyright law prevents. Elaborating on this point, Justice Souter wrote:

> We do not, of course, suggest that a parody may not harm the market at all, but when a lethal parody, like a scathing theater review, kills demand for the original,

> it does not produce a harm cognizable under the Copyright Act. Because parody may quite legitimately aim at garroting the original, destroying it commercially as well as artistically, the role of the courts is to distinguish between biting criticism that merely suppresses demand and copyright infringement, which usurps it.

Put simply, copyright law recognizes the author's interest not to have her own expression used in competition with her, but not her interest in preventing critical and non-substitutive uses of that same expression. Although the Court referred to the improbability of potential licensing markets for parody and review, it did not condition "the rule that there is no protectible derivative market for criticism" upon market failure in the transactional sense. Instead, the Court said that these uses were simply not part of the cognizable market in the first place.

> This distinction between potentially remediable displacement and unremediable disparagement is reflected in the rule that there is no protectible derivative market for criticism. The market for potential derivative uses includes only those that creators of original works would in general develop or license others to develop. Yet the unlikelihood that creators of imaginative works will license critical reviews or lampoons of their own productions removes such uses from the very notion of a potential licensing market. "People ask . . . for criticism, but they only want praise." Thus, to the extent that the opinion below may be read to have considered harm to the market for parodies of "Oh, Pretty Woman," the court erred.

This idea of cognizable markets is very important. Under a narrow market failure theory of fair use, the copyright owner has an interest in preventing any non-trivial use of her work that involves copying, unless there is no money to be made in exercising that right. That in turn suggests that the market effect inquiry under the fourth factor could be entirely circular. In most cases, if there is a defendant, there is a market—even if it is only a market of one. Indeed, in *Campbell* the defendants had offered to pay a license for their parody and had successfully negotiated a very modest license with Bruce Springsteen to parody *Born in the USA*. The decision in *Campbell* means that no license is required where a work is copied for the purpose of parody, the amount copied is reasonable in light of that purpose and there is no likely substitution for non-parody adaptations of the work. Transformative uses such as parody are simply not part of the copyright owner's "cognizable market." If the potential market for a work was defined purely in terms of that which *might* be licensed if the law says that it *must* be licensed, then copyright owners could expand the scope of their rights by offering to license them. For example, the major film studios could establish a rights-clearing center for reviews, parodies, and references to their movies, thus converting these non-infringing activities into infringing ones.

None of this suggests that market failure is irrelevant to fair use, but it is neither necessary nor sufficient. Market failure becomes relevant where the defendant's use falls within the presumptive scope of the copyright owner's entitlement but the use is so inconsequential or the transaction costs are so high that no actual harm is likely to result. Market failures arising from insurmountable exchange costs, information costs, strategic behavior or externalities, might require a finding of fair use in particular situations, but this only captures part of the doctrine. Even beyond these exculpatory market failures, fair use plays an important role in defining the scope of the copyright owner's rights against the world. In other words, fair use is constitutive, not merely exculpatory. Transformative uses that are unlikely to result in a cognizable copyright harm will be afforded fair use status

regardless of whether one could imagine a market mechanism for negotiating permissions. Such transformative uses are not part of the copyright owner's market, and thus no suggestion of market failure is required.

The Role of the Judge and the Jury in Fair Use Cases

Before turning to the cases, it is worth settling who decides. In a part of *Google v. Oracle* not included in the extract in the next chapter, the Supreme Court held that fair use is a "mixed question of fact and law," vesting ultimate interpretive authority in judges. While juries may resolve underlying factual disputes—such as the extent of copying or the nature of market substitution—the Court emphasized that the final determination of whether those facts satisfy the fair use standard is a legal question subject to de novo review. Thus, the right of trial by jury under the Seventh Amendment "does not include the right to have a jury resolve a fair use defense." Tracing fair use's doctrinal lineage to equitable adjudication, the Court in *Google v. Oracle* invoked *Folsom v. Marsh* (1841) and its progeny, emphasizing that equitable matters were historically resolved by judges, not juries. Accordingly, the Court held that neither the Seventh Amendment nor the Reexamination Clause prohibits judicial determination of fair use, so long as factual findings by the jury remain intact.

This holding signaled a shift in fair use practice. In lower courts judges frequently denied summary judgment on fair use grounds, deferring resolution to juries. Appellate courts had typically been reluctant to disturb jury verdicts on fair use. Indeed, the Federal Circuit's 2018 reversal of a jury's pro-Google verdict—on de novo review—was a doctrinal anomaly and provoked the Court's reassessment of the appropriate decision-maker. In the wake of *Google v. Oracle* the jury's role in copyright fair use cases is now confined to discrete factual assessments; the normative judgment of fair use—its coherence, scope, and application—is reserved to courts. Even where a jury's view of the evidence supports a finding of fair use, a judge may disregard that conclusion if, in her view, the legal standard is unmet. This structural shift elevates judicial consistency over jury pluralism and reasserts the judiciary's control over copyright's most malleable doctrine. For more, see Justin Hughes, *The Respective Roles of Judges and Juries in Copyright Fair Use*, 58 HOUSTON LAW REVIEW 281 (2021). A related question is how far a court may go in raising fair use on its own initiative: in *Romanova v. Amilus Inc.*, 138 F.4th 104 (2d Cir. 2025), extracted elsewhere in this book, the district court raised the defense sua sponte on behalf of a defendant who never appeared, and although the Second Circuit reversed on the merits it held that there is "no categorical rule barring a court from considering an affirmative defense available to a defaulting defendant," over a concurrence by Judge Sullivan arguing that the court should not have reached the question at all.

CHAPTER 11. TRANSFORMATIVE USE SINCE CAMPBELL

Transformative Use in *Google v. Oracle* and in *Andy Warhol Foundation*

We begin with an abridged extract of the Supreme Court's 2021 decision in *Google v. Oracle*—a longer version of the case is in the chapter on computer software. The dispute arose when Google used portions of Oracle's Java API code—specifically, 37 Java API packages—when developing its Android operating system. Although Google wrote its own implementing code, it copied the names, organization, and structure of the Java APIs to allow developers familiar with Java to easily create applications for Android. Oracle, which had acquired the rights to Java from Sun Microsystems, claimed this constituted copyright infringement. Google argued that the Java APIs were not copyrightable or, alternatively, that its use qualified as fair use.

Google LLC v. Oracle America, Inc., 141 S. Ct. 1183 (2021)

JUSTICE BREYER, delivered the opinion of the Court.

We have described the "fair use" doctrine, originating in the courts, as an "equitable rule of reason" that "permits courts to avoid rigid application of the copyright statute when, on occasion, it would stifle the very creativity which that law is designed to foster." *Stewart v. Abend*, 495 U. S. 207, 236 (1990). The statutory provision that embodies the doctrine indicates, rather than dictates, how courts should apply it. The provision says:

> "[T]he fair use of a copyrighted work,... for purposes such as criticism, comment, news reporting, teaching... scholarship, or research, is not an infringement of copyright. In determining whether the use made of a work in any particular case is a fair use the factors to be considered shall include—
>
> (1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;
>
> (2) the nature of the copyrighted work;
>
> (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and
>
> (4) the effect of the use upon the potential market for or value of the copyrighted work." § 107.

In applying this provision, we, like other courts, have understood that the provision's list of factors is not exhaustive (note the words "include" and "including"), that the examples it sets forth do not exclude other examples (note the words "such as"), and that some factors may prove more important in some contexts than in others. See *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 577 (1994); *Harper & Row, Publishers, Inc. v. Nation Enterprises*, 471 U.S. 539, 560 (1985); see also Leval, *Toward a Fair Use Standard*, 103 Harvard Law Review 1105, 1110 (1990) (Leval) ("The factors do not represent a score card that promises victory to the winner of the majority"). In a word, we have understood the provision to set forth general principles, the application of which requires judicial balancing,

depending upon relevant circumstances, including "significant changes in technology." *Sony Corp. of America v. Universal City Studios, Inc.*, 464 U.S. 417, 430 (1984); see also *Aiken*, 422 U.S., at 156 ("When technological change has rendered its literal terms ambiguous, the Copyright Act must be construed in light of its basic purpose"). …

The language of § 107, the "fair use" provision, reflects its judge-made origins. It is similar to that used by Justice Story in *Folsom v. Marsh*, 9 F. Cas. 342, 348 (No. 4,901) (CC Mass. 1841). See *Campbell*, 510 U. S., at 576 (noting how "Justice Story's summary [of fair use considerations] is discernable" in § 107). That background, as well as modern courts' use of the doctrine, makes clear that the concept is flexible, that courts must apply it in light of the sometimes conflicting aims of copyright law, and that its application may well vary depending upon context. Thus, copyright's protection may be stronger where the copyrighted material is fiction, not fact, where it consists of a motion picture rather than a news broadcast, or where it serves an artistic rather than a utilitarian function. See, e.g., *Stewart*, 495 U.S., at 237-238; *Harper & Row*, 471 U.S., at 563; see also Nimmer on Copyright ("Copyright protection is narrower, and the corresponding application of the fair use defense greater, in the case of factual works than in the case of works of fiction or fantasy"). Similarly, courts have held that in some circumstances, say, where copyrightable material is bound up with uncopyrightable material, copyright protection is "thin." See *Feist*, 499 U.S., at 349 (noting that "the copyright in a factual compilation is thin"); see also *Experian Information Solutions, Inc. v. Nationwide Marketing Servs. Inc.*, 893 F. 3d 1176, 1186 (CA9 2018) ("In the context of factual compilations, … there can be no infringement unless the works are virtually identical").

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 (CA1 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 recognized that computer programs had unique features. Mindful of not "unduly burdening users of programs and the general public," it wrote that copyright "should not grant anyone more economic power than is necessary to achieve the incentive to create." And it believed that copyright's existing doctrines (e.g., fair use), applied by courts on a case-by-case basis, could prevent holders from using copyright to stifle innovation. Ibid. ("Relatively few changes in the Copyright Act of 1976 are required to attain these objectives"). Congress then wrote computer program protection into the law.

The upshot, in our view, is that fair use can play an important role in determining the lawful scope of a computer program copyright, such as the copyright at issue here. It can help to distinguish among technologies. It can distinguish between expressive and functional features of computer code where those features are mixed. It can focus on the legitimate need to provide incentives to produce copyrighted material while examining the extent to which yet further protection creates unrelated or illegitimate harms in other markets or to the development of other products. In a word, it can carry out its basic purpose of providing a context-based check that can help to keep a copyright monopoly within its lawful bounds. See House Report pp. 65-66 (1976) (explaining that courts are to "adapt the doctrine [of fair use] to particular situations on a case-by-case basis" and in light of "rapid technological change"); see, e.g., *Lexmark Int'l, Inc. v. Static Control Components, Inc.*, 387 F. 3d 522, 543-545 (CA6 2004) (discussing fair use in the context of copying to preserve compatibility); Sony *Computer Entertainment, Inc. v. Connectix Corp.*, 203 F. 3d 596, 603-608 (CA9 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, 1521-1527 (CA9 1992) (holding that wholesale copying of copyrighted code as a preliminary step to develop a competing product was a fair use).

VI

We turn now to the basic legal question before us: Was Google's copying of the Sun Java API, specifically its use of the declaring code and organizational structure for 37 packages of that API, a "fair use." In answering this question, we shall consider the four factors set forth in the fair use statute as we find them applicable to the kind of computer programs before us. We have reproduced those four statutory factors supra, at 13-14. For expository purposes, we begin with the second.

[Under the first statutory factor, the nature of the copyrighted work, the Court held that the declaring code at issue was "further than are most computer programs (such as the implementing code) from the core of copyright," because its value derives largely from the investment of programmers who had learned to use it. That analysis is examined in the chapter on copyright in computer software.]

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 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. Or, as we held in *Campbell*, a parody can

be transformative because it comments on the original or criticizes it, for "parody needs to mimic an original to make its point." 510 U.S., at 580-581.

Google copied portions of the Sun Java API precisely, and it did so in part for the same reason that Sun created those portions, namely, to enable programmers to call up implementing programs that would accomplish particular tasks. But since virtually any unauthorized use of a copyrighted computer program (say, for teaching or research) would do the same, to stop here would severely limit the scope of fair use in the functional context of computer programs. Rather, in determining whether a use is "transformative," we must go further and examine the copying's more specifically described "purpose[s]" and "character." 17 U.S.C. § 107(1).

Here Google's use of the Sun Java API seeks to create new products. It seeks to expand the use and usefulness of Android-based smartphones. Its new product offers programmers a highly creative and innovative tool for a smartphone environment. To the extent that Google used parts of the Sun Java API to create a new platform that could be readily used by programmers, its use was consistent with that creative "progress" that is the basic constitutional objective of copyright itself. Cf. *Feist*, 499 U.S., at 349-350 ("The primary objective of copyright is not to reward the labor of authors, but '[t]o promote the Progress of Science and useful Arts'" (quoting U. S. Const., Art. I, § 8, cl. 8)).

The jury heard that Google limited its use of the Sun Java API to tasks and specific programming demands related to Android. It copied the API (which Sun created for use in desktop and laptop computers) only insofar as needed to include tasks that would be useful in smartphone programs. And it did so only insofar as needed to allow programmers to call upon those tasks without discarding a portion of a familiar programming language and learning a new one. To repeat, Google, through Android, provided a new collection of tasks operating in a distinct and different computing environment. Those tasks were carried out through the use of new implementing code (that Google wrote) designed to operate within that new environment. Some of the amici refer to what Google did as "reimplementation," defined as the "building of a system... that repurposes the same words and syntaxes" of an existing system—in this case so that programmers who had learned an existing system could put their basic skills to use in a new one. Brief for R Street Institute et al. as *Amici Curiae* 2.

The record here demonstrates the numerous ways in which reimplementing an interface can further the development of computer programs. The jury heard that shared interfaces are necessary for different programs to speak to each other. App. 125 ("We have to agree on the APIs so that the application I write to show a movie runs on your device"). It heard that the reimplementation of interfaces is necessary if programmers are to be able to use their acquired skills. Id., at 191 ("If the API labels change, then either the software wouldn't continue to work anymore or the developer... would have to learn a whole new language to be able to use these API labels"). It heard that the reuse of APIs is common in the industry. 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.

Amici supporting Google have summarized these same points—points that witnesses explained to the jury. See, e.g., Brief for Copyright Scholars as *Amici Curiae* 25 ("The portions of Java SE that Google reimplemented may have helped preserve consistency of use within the larger Java developer community"); Brief for Microsoft Corporation as *Amicus Curiae* 22 ("Allowing reasonable fair use of functional code enables innovation that creates new opportunities for the whole market to grow"); Brief for 83 Computer Scientists as *Amici Curiae* 20 ("Reimplementing interfaces fueled widespread adoption of popular programming languages"); Brief for R Street Institute et al. as *Amici Curiae* 15-20 (describing Oracle's reimplementation of other APIs); see also Brief for American Antitrust Institute as *Amicus Curiae* 7 ("Copyright on largely functional elements of software that [have] become an industry standard gives a copyright holder anti-competitive power").

C. "The Amount and Substantiality of the Portion Used"

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

The question here is whether those 11,500 lines of code should be viewed in isolation or as one part of the considerably greater whole. We have said that even a small amount of copying may fall outside of the scope of fair use where the excerpt copied consists of the "'heart'" of the original work's creative expression. *Harper & Row*, 471 U. S., at 564-565. On the other hand, copying a larger amount of material can fall within the scope of fair use where the material copied captures little of the material's creative expression or is central to a copier's valid purpose. See, e.g., *Campbell*, 510 U. S., at 588. If a defendant had copied one sentence in a novel, that copying may well be insubstantial. But if that single sentence set forth one of the world's shortest short stories—"When he awoke, the dinosaur was still there."—the question looks much different, as the copied material constitutes a small part of the novel but the entire short story.

Several features of Google's copying suggest that the better way to look at the numbers is to take into account the several million lines that Google did not copy. For one thing, the Sun Java API is inseparably bound to those task-implementing lines. Its purpose is to call them up. For another, Google copied those lines not because of their creativity, their beauty, or even (in a sense) because of their purpose. It copied them because programmers had already learned to work with the Sun Java API's system, and it would have been difficult, perhaps prohibitively so, to attract programmers to build its Android smartphone system without them. Further, Google's basic purpose was to create a different task-related system for a different computing environment (smartphones) and to create a platform—the Android platform—that would help achieve and popularize that objective. The

"substantiality" factor will generally weigh in favor of fair use where, as here, the amount of copying was tethered to a valid, and transformative, purpose. See *Campbell*, 510 U.S., at 586-587 (explaining that the factor three "enquiry will harken back to the first of the statutory factors, for … the extent of permissible copying varies with the purpose and character of the use").

We do not agree with the Federal Circuit's conclusion that Google could have achieved its Java-compatibility objective by copying only the 170 lines of code that are "necessary to write in the Java language." 886 F. 3d, at 1206. In our view, that conclusion views Google's legitimate objectives too narrowly. Google's basic objective was not simply to make the Java programming language usable on its Android systems. It was to permit programmers to make use of their knowledge and experience using the Sun Java API when they wrote new programs for smartphones with the Android platform. In principle, Google might have created its own, different system of declaring code. But the jury could have found that its doing so would not have achieved that basic objective. In a sense, the declaring code was the key that it needed to unlock the programmers' creative energies. And it needed those energies to create and to improve its own innovative Android systems.

We consequently believe that this "substantiality" factor weighs in favor of fair use.

D. Market Effects

The fourth statutory factor focuses upon the "effect" of the copying in the "market for or value of the copyrighted work." 17 U. S. C. § 107(4). Consideration of this factor, at least where computer programs are at issue, can prove more complex than at first it may seem. It can require a court to consider the amount of money that the copyright owner might lose. As we pointed out in *Campbell*, "verbatim copying of the original in its entirety for commercial purposes" may well produce a market substitute for an author's work. Making a film of an author's book may similarly mean potential or presumed losses to the copyright owner. Those losses normally conflict with copyright's basic objective: providing authors with exclusive rights that will spur creative expression.

But a potential loss of revenue is not the whole story. We here must consider not just the amount but also the source of the loss. As we pointed out in Campbell, a "lethal parody, like a scathing theatre review," may "kill demand for the original." Yet this kind of harm, even if directly translated into foregone dollars, is not "cognizable under the Copyright Act."

Further, we must take into account the public benefits the copying will likely produce. Are those benefits, for example, related to copyright's concern for the creative production of new expression? Are they comparatively important, or unimportant, when compared with dollar amounts likely lost (taking into account as well the nature of the source of the loss)? Cf. *MCA, INC. v. Wilson*, 677 F. 2d 180, 183 (CA2 1981) (calling for a balancing of public benefits and losses to copyright owner under this factor).

We do not say that these questions are always relevant to the application of fair use, not even in the world of computer programs. Nor do we say that these questions are the only questions a court might ask. But we do find them relevant here in helping to determine the likely market effects of Google's reimplementation.

As to the likely amount of loss, the jury could have found that Android did not harm the actual or potential markets for Java SE. And it could have found that Sun itself (now Oracle) would not have been able to enter those markets successfully whether Google did, or did not, copy a part of its API. First, evidence at trial demonstrated that, regardless of Android's smartphone technology, Sun was poorly positioned to succeed in the mobile phone market. The jury heard ample evidence that Java SE's primary market was laptops and desktops. It also heard that Sun's many efforts to move into the mobile phone market had proved unsuccessful. As far back as 2006, prior to Android's release, Sun's executives projected declining revenue for mobile phones because of emerging smartphone technology. When Sun's former CEO was asked directly whether Sun's failure to build a smartphone was attributable to Google's development of Android, he answered that it was not. Given the evidence showing that Sun was beset by business challenges in developing a mobile phone product, the jury was entitled to agree with that assessment.

Second, the jury was repeatedly told that devices using Google's Android platform were different in kind from those that licensed Sun's technology. For instance, witnesses explained that the broader industry distinguished between smartphones and simpler "feature phones." As to the specific devices that used Sun-created software, the jury heard that one of these phones lacked a touchscreen, while another did not have a QWERTY keyboard. For other mobile devices, the evidence showed that simpler products, like the Kindle, used Java software, while more advanced technology, like the Kindle Fire, were built on the Android operating system. This record evidence demonstrates that, rather than just "repurposing [Sun's] code from larger computers to smaller computers," Google's Android platform was part of a distinct (and more advanced) market than Java software.

Looking to these important differences, Google's economic expert told the jury that Android was not a market substitute for Java's software. As he explained, "the two products are on very different devices," and the Android platform, which offers "an entire mobile operating stack," is a "very different type of product" than Java SE, which is "just an applications programming framework." Taken together, the evidence showed that Sun's mobile phone business was declining, while the market increasingly demanded a new form of smartphone technology that Sun was never able to offer.

Finally, the jury also heard evidence that Sun foresaw a benefit from the broader use of the Java programming language in a new platform like Android, as it would further expand the network of Java-trained programmers. ("Once an API starts getting reimplemented, you know it has succeeded"). In other words, the jury could have understood Android and Java SE as operating in two distinct markets. And because there are two markets at issue, programmers learning the Java language to work in one market (smartphones) are then able to bring those talents to the other market (laptops). See 4 Nimmer on Copyright § 13.05[A][4] (explaining that factor

four asks what the impact of "widespread conduct of the sort engaged in by the defendant" would be on the market for the present work).

Sun presented evidence to the contrary. Indeed, the Federal Circuit held that the "market effects" factor militated against fair use in part because Sun had tried to enter the Android market. (Sun sought licensing agreement with Google). But those licensing negotiations concerned much more than 37 packages of declaring code, covering topics like "the implementation of [Java's] code" and "branding and cooperation" between the firms. See 4 Nimmer on Copyright § 13.05[A][4] (cautioning against the "danger of circularity posed" by considering unrealized licensing opportunities because "it is a given in every fair use case that plaintiff suffers a loss of a potential market if that potential is defined as the theoretical market for licensing the very use at bar"). In any event, the jury's fair use determination means that neither Sun's effort to obtain a license nor Oracle's conflicting evidence can overcome evidence indicating that, at a minimum, it would have been difficult for Sun to enter the smartphone market, even had Google not used portions of the Sun Java API.

On the other hand, Google's copying helped Google make a vast amount of money from its Android platform. And enforcement of the Sun Java API copyright might give Oracle a significant share of these funds. It is important, however, to consider why and how Oracle might have become entitled to this money. When a new interface, like an API or a spreadsheet program, first comes on the market, it may attract new users because of its expressive qualities, such as a better visual screen or because of its superior functionality. As time passes, however, it may be valuable for a different reason, namely, because users, including programmers, are just used to it. They have already learned how to work with it. See *Lotus Development Corp.*, 49 F. 3d, at 821 (Boudin, J., concurring).

The record here is filled with evidence that this factor accounts for Google's desire to use the Sun Java API. This source of Android's profitability has much to do with third parties' (say, programmers') investment in Sun Java programs. It has correspondingly less to do with Sun's investment in creating the Sun Java API. We have no reason to believe that the Copyright Act seeks to protect third parties' investment in learning how to operate a created work. Cf. *Campbell*, 510 U. S., at 591-592 (discussing the need to identify those harms that are "cognizable under the Copyright Act").

Finally, given programmers' investment in learning the Sun Java API, to allow enforcement of Oracle's copyright here would risk harm to the public. Given the costs and difficulties of producing alternative APIs with similar appeal to programmers, allowing enforcement here would make of the Sun Java API's declaring code a lock limiting the future creativity of new programs. Oracle alone would hold the key. The result could well prove highly profitable to Oracle (or other firms holding a copyright in computer interfaces). But those profits could well flow from creative improvements, new applications, and new uses developed by users who have learned to work with that interface. To that extent, the lock would interfere with, not further, copyright's basic creativity objectives. See *Connectix Corp.*, 203 F. 3d, at 607; see also *Sega Enterprises*, 977 F. 2d, at 1523-1524 ("An

attempt to monopolize the market by making it impossible for others to compete runs counter to the statutory purpose of promoting creative expression"); *Lexmark Int'l*, 387 F. 3d, at 544 (noting that where a subsequent user copied a computer program to foster functionality, it was not exploiting the programs "commercial value *as a copyrighted work*" (emphasis in original)). After all, "copyright supplies the economic incentive to [both] create and disseminate ideas," *Harper & Row*, 471 U. S., at 558, and the reimplementation of a user interface allows creative new computer code to more easily enter the market.

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

* * *

The fact that computer programs are primarily functional makes it difficult to apply traditional copyright concepts in that technological world. See *Lotus Development Corp.*, 49 F. 3d, at 820 (Boudin, J., concurring). In doing so here, we have not changed the nature of those concepts. We do not overturn or modify our earlier cases involving fair use—cases, for example, that involve "knockoff" products, journalistic writings, and parodies. Rather, we here recognize that application of a copyright doctrine such as fair use has long proved a cooperative effort of Legislatures and courts, and that Congress, in our view, intended that it so continue. As such, we have looked to the principles set forth in the fair use statute, § 107, and set forth in our earlier cases, and applied them to this different kind of copyrighted work.

It is so ordered.

Notes and questions

(1) Why was Google's use of the Java APIs transformative?

(2) Once you have read the material on nonexpressive use as fair use, come back to *Oracle v. Google* and ask yourself how similar this case is to the reverse engineering cases.

(3) The Court reasoned that Android and Java SE operated in "two distinct markets" and that Sun (Oracle's predecessor) was "poorly positioned to succeed" in the smartphone market that Google developed with Android. Should that matter?

(4) The Court concluded that Oracle's potential loss of revenue was not the "whole story" and that the public benefits derived from Google's copying—such as enabling new code to enter the market and fostering innovation—had to be taken into account. Does calling for a weighing of "public benefits" in the market harm analysis broaden the fair use defense? If so, is that a good idea? What exactly did Justice Breyer mean when he said that the Court "must take into account the public benefits the copying will likely produce" under the fourth fair use factor?

(5) In *Oracle v. Google* the Federal Circuit held that Google's use of the API packages was "not transformative" as a matter of law because Google had copied the Java APIs so that

they could perform exactly the same function in Android as they did in the Java platform. The majority in *Google* rejected Oracle's argument that Google's use of the Java declarations could not be transformative because they served the same intrinsic purpose in the Android system. Is that surprising? Is the decision in *Google* specific to the computer software context? If not, can it be reconciled with the Supreme Court's decision in *Andy Warhol Foundation for the Visual Arts, Inc. v. Goldsmith* (see below)?

Andy Warhol Foundation for the Visual Arts, Inc. v. Lynn Goldsmith, 598 U.S. 508 (2023)

Justice SOTOMAYOR delivered the opinion of the Court.

This copyright case involves not one, but two artists. The first, Andy Warhol, is well known. His images of products like Campbell's soup cans and of celebrities like Marilyn Monroe appear in museums around the world. Warhol's contribution to contemporary art is undeniable.

The second, Lynn Goldsmith, is less well known. But she too was a trailblazer. Goldsmith began a career in rock-and-roll photography when there were few women in the genre. Her award-winning concert and portrait images, however, shot to the top. Goldsmith's work appeared in Life, Time, Rolling Stone, and People magazines, not to mention the National Portrait Gallery and the Museum of Modern Art. She captured some of the 20th century's greatest rock stars: Bob Dylan, Mick Jagger, Patti Smith, Bruce Springsteen, and, as relevant here, Prince.

In 1984, Vanity Fair sought to license one of Goldsmith's Prince photographs for use as an "artist reference." The magazine wanted the photograph to help illustrate a story about the musician. Goldsmith agreed, on the condition that the use of her photo be for "one time" only. The artist Vanity Fair hired was Andy Warhol. Warhol made a silkscreen using Goldsmith's photo, and Vanity Fair published the resulting image alongside an article about Prince. The magazine credited Goldsmith for the "source photograph," and it paid her $400.

Warhol, however, did not stop there. From Goldsmith's photograph, he derived 15 additional works. Later, the Andy Warhol Foundation for the Visual Arts, Inc. (AWF) licensed one of those works to Condé Nast, again for the purpose of illustrating a magazine story about Prince. AWF came away with $10,000. Goldsmith received nothing.

When Goldsmith informed AWF that she believed its use of her photograph infringed her copyright, AWF sued her. The District Court granted summary judgment for AWF on its assertion of "fair use," 17 U. S. C. §107, but the Court of Appeals for the Second Circuit reversed. In this Court, the sole question presented is whether the first fair use 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), weighs in favor of AWF's recent commercial licensing to Condé Nast. On that narrow issue, and limited to the challenged use, the Court agrees with the Second Circuit: The first factor favors Goldsmith, not AWF.

[In 1981 Lynn Goldsmith photographed Prince for *Newsweek*, then an up-and-coming artist. One of her black-and-white studio portraits is the copyrighted work at issue.]



Image description: A black and white portrait photograph of Prince taken in 1981 by Lynn Goldsmith

[In 1984 Goldsmith licensed that photograph to *Vanity Fair* to serve as an artist reference for a single illustration. *Vanity Fair* commissioned Andy Warhol, who made a silkscreen portrait of Prince that ran alongside an article about him.]

Footnote 1: A silkscreen is a fine mesh fabric used in screen printing. Warhol's practice was to deliver a photograph to a professional silkscreen printer with instructions for alterations, such as cropping and high contrasting. The latter alteration would "flatten" the image. Once Warhol approved, the printer would "reproduce" the altered image "like a photographic negative onto the screen." For canvas prints, Warhol "would then place the screen face down on the canvas, pour ink onto the back of the mesh, and use a squeegee to pull the ink through the weave and onto the canvas." The resulting "high-contrast half-tone impressions" served as an "'under-drawing,'" over which Warhol painted colors by hand.



Image description: A purple silkscreen portrait of Prince created in 1984 by Andy Warhol to illustrate an article in Vanity Fair seen in context in a magazine opposite a page of text.

[Beyond the one illustration the license authorized, Warhol created fifteen further works from Goldsmith's photograph — the Prince Series. Goldsmith did not know of them. After Prince died in 2016, Warhol having died in 1987, Condé Nast licensed *Orange Prince* from the Andy Warhol Foundation for a commemorative issue, paying the Foundation $10,000 and Goldsmith nothing.]



Image description: An orange silkscreen portrait of Prince on the cover of a special edition magazine published in 2016 by Condé Nast

[Goldsmith had licensed her own Prince images to magazines over the years. *People* paid her $1,000 to use one of her photographs in a special collector's edition.]



Image description: A magazine cover of *Musician* featuring a close-up portrait of Prince with styled hair, a faint mustache, and wearing a white shirt with black suspenders.



Figure 5. Four special edition magazines commemorating Prince after he died in 2016.

Image description: Four special edition magazines commemorating Prince after he died in 2016.

[Seeing *Orange Prince* on the cover, Goldsmith recognized her work and notified the Foundation of infringement. The Foundation sued for a declaration of non-infringement or, alternatively, fair use. The District Court granted summary judgment to the Foundation; the Court of Appeals for the Second Circuit reversed.]



Figure 6. Warhol's orange silkscreen portrait of Prince superimposed on Goldsmith's portrait photograph.

Image description: Warhol's orange silkscreen portrait of Prince superimposed on Goldsmith's portrait photograph.

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 photograph. 17 U.S.C. §107.

Although the Court of Appeals analyzed each fair use factor, the only question before this Court is whether the court below correctly held that the first 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), weighs in Goldsmith's favor. AWF contends that the Prince Series works are "transformative," and that the first factor therefore weighs in its favor, because the works convey a different meaning or message than the photograph. The Court of Appeals erred, according to AWF, by not considering that new expression.

But the first fair use factor instead focuses on whether an allegedly infringing use has a further purpose or different character, which is a matter of degree, and the degree of difference must be weighed against other considerations, like commercialism. *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 579 (1994). Although new expression may be relevant to whether a copying use has a sufficiently distinct purpose or character, it is not, without more, dispositive of the first factor.

Here, the specific use of Goldsmith's photograph alleged to infringe her copyright is AWF's licensing of Orange Prince to Condé Nast. As portraits of Prince used to depict Prince in magazine stories about Prince, the original photograph and AWF's copying use of it share substantially the same purpose. Moreover, the copying use is of a commercial nature. Even though Orange Prince adds new expression to Goldsmith's photograph, as the District Court found, this Court agrees with the

Court of Appeals that, in the context of the challenged use, the first fair use factor still favors Goldsmith.

A

The Copyright Act encourages creativity by granting to the author of an original work a bundle of exclusive rights. That bundle includes the rights to reproduce the copyrighted work, to prepare derivative works, and, in the case of pictorial or graphic works, to display the copyrighted work publicly. 17 U.S.C. §106.

The Act, however, "reflects a balance of competing claims upon the public interest: Creative work is to be encouraged and rewarded, but private motivation must ultimately serve the cause of promoting broad public availability of literature, music, and the other arts." *Twentieth Century Music Corp. v. Aiken*, 422 U. S. 151, 156 (1975). Copyright thus trades off the benefits of incentives to create against the costs of restrictions on copying. The Act, for example, limits the duration of copyright, §§302-305, as required by the Constitution; makes facts and ideas uncopyrightable, §102; and limits the scope of copyright owners' exclusive rights, §§107-122.

This balancing act between creativity and availability (including for use in new works) is reflected in one such limitation, the defense of "fair use." In 1976, Congress codified the common-law doctrine of fair use in §107, which provides: "The fair use of a copyrighted work,... for purposes such as criticism, comment, news reporting, teaching..., scholarship, or research, is not an infringement of copyright." To determine whether a particular use is "fair," the statute sets out four factors to be considered:

> (1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;
>
> (2) the nature of the copyrighted work;
>
> (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and
>
> (4) the effect of the use upon the potential market for or value of the copyrighted work.

The fair use doctrine "permits courts to avoid rigid application of the copyright statute when, on occasion, it would stifle the very creativity which that law is designed to foster." *Stewart v. Abend*, 495 U.S. 207, 236 (1990). The Act's fair use provision, in turn, "sets forth general principles, the application of which requires judicial balancing, depending upon relevant circumstances." *Google LLC v. Oracle America, Inc.,* 593 U.S. (2021). Because those principles apply across a wide range of copyrightable material, from books to photographs to software, fair use is a "flexible" concept, and "its application may well vary depending on context." Id. For example, in applying the fair use provision, "copyright's protection may be stronger where the copyrighted material... serves an artistic rather than a utilitarian function." Ibid.

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 (quoting *Folsom v. Marsh*, 9 F. Cas. 342, 348 (No. 4,901) (CC Mass. 1841) (Story, J.), and *Harper & Row*, 471 U. S., at 562). 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 "'supplant,'" the work, ibid.

Consider the "purposes" listed in the preamble paragraph of §107: "criticism, comment, news reporting, teaching..., scholarship, or research." Although the examples given are "'illustrative and not limitative,'" they reflect "the sorts of copying that courts and Congress most commonly ha[ve] found to be fair uses," and so may guide the first factor inquiry. *Campbell*, 510 U. S., at 577-578 (quoting §101). As the Court of Appeals observed, the "examples are easily understood," as they contemplate the use of an original work to "serv[e] a manifestly different purpose from the [work] itself." 11 F. 4th, at 37. Criticism of a work, for instance, ordinarily does not supersede the objects of, or supplant, the work. Rather, it uses the work to serve a distinct end.[4]

Footnote 4: Take a critical book review, for example. Not only does the review, as a whole, serve a different purpose than the book; each quoted passage within the review likely serves a different purpose (as an object of criticism) than it does in the book. That may not always be so, however, and a court must consider each use within the whole to determine whether the copying is fair. W. Patry, Fair Use §3:1, pp. 129-130 (2022).

Not every instance will be clear cut, however. 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 Leval, *Toward a Fair Use Standard*). As before, "transformativeness" is a matter of degree. See *Campbell*, 510 U.S., at 579. 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 right" 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 "subject to" fair use. §106; see also §107. 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.[5]

Footnote 5: In theory, the question of transformative use or transformative purpose can be separated from the question whether there has been transformation of a work. In practice, however, the two may overlap. Compare, e.g., *Núñez v. Caribbean Int'l News Corp.*, 235 F. 3d 18, 21-23 (CA1 2000) (newspaper's reproduction, without alteration, of photograph of beauty pageant winner to explain controversy over whether her title should be withdrawn had transformative purpose because "'the pictures were the story'"), with *Leibovitz v. Paramount Pictures Corp.*, 137 F. 3d 109, 114-115 (CA2 1998) (film advertisement's alteration of well-known photograph by superimposing actor's face on actress' body had transformative purpose of parody).

For example, this Court in *Campbell* considered whether parody may be fair use. In holding that it may, the Court explained that "parody has an obvious claim to transformative value" because "it can provide social benefit, by shedding light on an earlier work, and, in the process, creating a new one." 510 U. S., at 579. The use at issue in *Campbell* was 2 Live Crew's copying of certain lyrics and musical elements from Roy Orbison's song, "Oh, Pretty Woman," to create a rap derivative titled "Pretty Woman." Without a doubt, 2 Live Crew transformed Orbison's song by adding new lyrics and musical elements, such that "Pretty Woman" had a new message and different aesthetic than "Oh, Pretty Woman." Indeed, the whole genre of music changed from rock ballad to rap. That was not enough for the first factor to weigh in favor of fair use, however. The Court found it necessary to determine whether 2 Live Crew's transformation of Orbison's song rose to the level of parody, a distinct purpose of commenting on the original or criticizing it. See id., at 580-583.

Distinguishing 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), the Court further explained that "parody needs to mimic an original to make its point, and so has some claim to use the creation of its victim's (or collective victims') imagination, whereas satire can stand on its own two feet and so requires justification for the very act of borrowing." Id., at 580-581. More generally, when "commentary has no critical bearing on the substance or style of the original composition,... the claim to fairness in borrowing from another's work diminishes accordingly (if it does not vanish), and other factors, like the extent of its commerciality, loom larger." Id., at 580; see also id., at 597 (Kennedy, J., concurring).

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." Id., at 584. The commercial nature of the use is not dispositive. Ibid.; *Google v. Oracle*. 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 ("the more transformative the new work, the less will be the

significance of other factors, like commercialism, that may weigh against a finding of fair use"); see also id., at 580, 585.[6]

Footnote 6: The authors of the Copyright Act of 1976 included the language, "'whether such use is of a commercial nature or is for non-profit educational purposes,'" in the first fair use factor "to state explicitly" that, "as under the present law, the commercial or non-profit character of an activity, while not conclusive with respect to fair use, can and should be weighed along with other factors." House Report, p. 66 (1976).

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 (CA2 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 work 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 580-581. 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.[7]

Footnote 7: Return to the example of a book review. The review's use of quoted material may be justified in both the broad and the narrower senses. First, the use is likely to serve a different purpose than the material itself. Second, there may be compelling reason to borrow from the original to achieve that purpose because the review targets the material for comment or criticism. But again, the question of justification will depend on the individual use or uses. Even book reviews are not entitled to a presumption of fairness. *Campbell*, 510 U.S., at 581.

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 id., at 580, n. 14; *Harper & Row*, 471 U. S., at 557. Once again, the question of justification is one of degree. See Leval 1111 ("it 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.[8]

Footnote 8: Consider, for example, this Court's analysis of the first factor in *Google LLC v. Oracle America, Inc.*, 593 U.S. ___ (2021). Google stressed that "[t]he fact that computer programs are primarily functional makes it difficult to apply traditional copyright concepts in that technological world." Id. Still, in evaluating the purpose and character of Google's use of Sun Microsystems' code, the Court looked, first, to whether the purpose of the use was significantly different from that of the original; and, second, to the strength of other justifications for the use. Although Google's use was commercial in nature, it copied Sun's code, which was "created for use in desktop and laptop computers," "only insofar as needed to include tasks that would be useful in smartphones." Id. That is, Google put Sun's code to use in the "distinct and different computing environment" of its own Android platform, a new system created for new products. Ibid. Moreover, the use was justified in that context because "shared interfaces are necessary for different programs to speak to each other" and because "reimplementation of interfaces is necessary if programmers are to be able to use their acquired skills." Ibid.; see also id.

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, 449-451 (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]

Footnote 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.

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]

Footnote 10: The dissent, however, focuses on a case that is not before the Court. No, not whether Francis Bacon would have made fair use of Velásquez's painting, had American copyright law applied in Europe with a term of 300 years *post mortem auctoris*. But cf. post, at 32-34 (opinion of KAGAN, J.). Rather, Congress has directed courts to examine the purpose and character of the challenged "use." 17 U. S. C. §107(1). Yet the 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 contradicts the fair use statute and this Court's precedents. See *supra*, at 20-21. Had AWF's use been solely for teaching purposes, that clearly would affect the analysis, and the statute permits no other conclusion. Preferring not to focus on the specific use alleged to infringe

Goldsmith's copyright, the dissent begins with a sleight of hand, see post, at 1, n. 1, and continues with a false equivalence between AWF's commercial licensing and Warhol's original creation. The result is a series of misstatements and exaggerations, from the dissent's very first sentence, post, at 1 ("Today, the Court declares that Andy Warhol's eye-popping silkscreen of Prince... is (in copyright lingo) not 'transformative'"), to its very last, post, at 36 ("[The majority opinion] will make our world poorer").

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. *Supra*, at 3-6. She even licensed her photographs for that purpose after Prince died in 2016. *Supra*, at 7. 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." 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.[11] Such "environment[s]" are not "distinct and different." *Google v. Oracle*.

Footnote 11: The Court of Appeals observed that the "purpose and function of the two works at issue here is identical, not merely in the broad sense that they are created as works of visual art, but also in the narrow but essential sense that they are portraits of the same person." 11 F. 4th, at 42. This Court goes somewhat "further and examine[s] the copying's more specifically described 'purpose[s]'" in the context of the particular use at issue (here, in a magazine about Prince). *Google v. Oracle*. The Court does not define the purpose as simply "commercial" or "commercial licensing" [As the dissent suggests]. Nor does the Court view Goldsmith's photograph and Warhol's illustration as "fungible products in the magazine market." Rather, the Court finds significant the degree of similarity between the specific purposes of the original work and the secondary use at issue.

According to the dissent, the fact that a magazine editor might prefer one image to the other must mean the secondary use is transformative, either because it has a different aesthetic or conveys a different message. The Court, because it fails to understand the difference, does not have "much of a future in magazine publishing," the dissent chides. Ibid. While the dissent is probably correct about the Court's business prospects, the editors of People, Rolling Stone, and Time chose a variety of different photos of Prince for their memorial issues. See fig. 5, *supra*. Portrait photos, in fact. Some black and white; some depicting Prince's "'corporeality'"; some "realistic" or "humanistic." Post, at 9, 16 (KAGAN, J., dissenting). These variations in aesthetics did not stop the photos from serving the same essential purpose of depicting Prince in a magazine commemorating his life and career.

Fortunately, the dissent's "magazine editor" test does not have much of a future in fair use doctrine. The flaw in the dissent's logic is simple: If all that mattered under the first factor were whether a buyer was "drawn aesthetically" to a secondary work (instead of the pre-existing work it adapted) or whether the buyer preferred "to convey the message of" the secondary work, then every derivative work would qualify. The New Yorker might prefer an unauthorized sequel to a short story, rather than the original, but that does not mean the purpose and character of the use would weigh in its favor. Similarly, a rap label might prefer 2 Live Crew's song, rather than Orbison's original, based on the new sound and lyrics (i.e., new aesthetic and message), but that was not enough in Campbell, and it is not enough here.

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.[12]

Footnote 12: In this way, the first factor relates to the fourth, market effect. See *Campbell*, 510 U. S., at 591; cf. also *Harper & Row*, 471 U. S., at 568 ("The excerpts were employed as featured episodes in a story about the Nixon pardon—precisely the use petitioners had licensed to Time"). While the first factor considers whether and to what extent an original work and secondary use have substitutable purposes, the fourth factor focuses on actual or potential market substitution. Under both factors, the analysis here might be different if Orange Prince appeared in an art magazine alongside an article about Warhol.

While keenly grasping the relationship between The Two Lolitas, the dissent fumbles the relationship between the first and fourth fair use factors. Under today's decision, as before, the first factor does not ask whether a secondary use causes a copyright owner economic harm. Cf. post, at 21 (opinion of KAGAN, J.). There is, however, a positive association between the two factors: A secondary use that is more different in purpose and character is less likely to usurp demand for the original work or its derivatives, as the Court has explained, see *Campbell*, 519 U. S., at 591. This relationship should be fairly obvious. But see post, at 22 (KAGAN, J., dissenting) (suggesting that the first factor can favor only the user and the fourth factor only the copyright owner). Still, the relationship is not absolute. For example, copies for classroom use might fulfill demand for an original work. The first factor may still favor the copyist, even if the fourth factor is shown not to. At the same time, other forms of straight copying may be fair if a strong showing on the fourth factor outweighs a weak showing on the first.

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.[13]

Footnote 13: The dissent misconstrues the role of commercialism in this analysis. The Court does not hold that "all that matters is that [AWF] and the publisher entered into a licensing transaction"; or that the first-factor inquiry "should disregard Warhol's creative contributions because he licensed his work"; or that an artist may not "market even a transformative follow-on work." Post, at 3, 19, 34 (opinion of KAGAN, J.). Instead, consistent with the statute, "whether [a] use is of a commercial nature or is for nonprofit educational purposes" is one element of the first factor, §107(1); it does not dispose of that factor, much less the fair use inquiry. As this opinion makes clear, the commercial character of a secondary use should be weighed against the extent to which the use is transformative or otherwise justified.

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.[14]

Footnote 14: The dissent contends that the Court gives "little role" to "the key term 'character.'" Post, at 19 (opinion of KAGAN, J.). This is somewhat puzzling, as the Court has previously employed "character" to encompass exactly what the dissent downplays: "'the commercial or nonprofit character of an activity.'" *Sony Corp. of America v. Universal City Studios, Inc.*, 464 U.S. 417, 448-449 (1984) (quoting House Report, at 66); see also *Campbell*, 510 U.S., at 572, 584-585 (repeatedly referring to "commercial character"). Rather than looking to this case law, the dissent looks up the word "character" in a dictionary. But the dissent's preferred definition—"a thing's 'main or essential nature, especially as strongly marked and serving to distinguish,'" post, at 20 (quoting Webster's Third New International Dictionary 376 (1976))—helps Goldsmith, not AWF. Even this definition does not support the implication that "character" is determined by any aesthetic distinctiveness, such as the addition of any new expression. Instead, it is the "main or essential nature" that must be "strongly marked and serv[e] to distinguish." So return to Orange Prince on the cover of the Condé Nast issue commemorating Prince, see fig. 5, supra, and ask, what is the main or essential nature of the secondary use of Goldsmith's photograph in that context?

The foregoing does not mean, however, that derivative works borrowing heavily from an original cannot be fair uses. In *Google*, the Court suggested that "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.'" That suggestion refers to Warhol's works that incorporate advertising logos, such as the Campbell's Soup Cans series. See fig. 7, infra.



Image description: A print based on the Campbell's soup can, one of Warhol's works that replicates a copyrighted advertising logo.

Yet not all of Warhol's works, nor all uses of them, give rise to the same fair use analysis. In fact, Soup Cans well illustrates the distinction drawn 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.[15]

Footnote 15: The situation might be different if AWF licensed Warhol's Soup Cans to a soup business to serve as its logo. That use would share much the same purpose of Campbell's logo, even though Soup Cans has some new meaning or message. This hypothetical, though fanciful, is parallel to the situation here: Both Goldsmith and AWF sold images of Prince (AWF's copying Goldsmith's)

to magazines to illustrate stories about the celebrity, which is the typical use made of Goldsmith's photographs.

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, 588.[16] 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.

Footnote 16: The dissent either does not follow, or chooses to ignore, this analysis. The point is not simply that the Soup Cans series comments on consumer culture, similar to how Warhol's celebrity images comment on celebrity culture. *Post,* at 15 (opinion of KAGAN, J.). Rather, as the discussion makes clear, the degree of difference in purpose and character between Campbell's soup label and Warhol's painting is nearly absolute. Plus, Warhol's use targets Campbell's logo, at least in part. These features (which are absent in this case) strengthen Warhol's claim to fairness in copying that logo in a painting.

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." 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 v. Oracle*. That description paraphrased Judge Leval's law review article, which referred to "new information, new aesthetics, new insights and understandings." Leval 1111. (Judge Leval contrasted such additions with secondary uses that "merely repackag[e]" the original. Ibid.) 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 adaptions, sequels, spinoffs, and others that "recast, transfor[m] or adap[t]" the original, §101, 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. Post, at 11, 23 (KAGAN, J., dissenting) (internal quotation marks omitted). But that does not in itself dispense with the need for licensing.[17]

Footnote 17: The dissent is stumped. Buried in a conclusory footnote, it suggests that the fourth fair use factor alone takes care of derivative works like book-to-film adaptations. This idea appears to come from a Hail Mary lobbed by AWF when it got caught in the same bind. The Court is aware of no authority for the proposition that the first factor favors such uses (on the dissent's view, the first factor must, because the use modifies the expressive content of an original work), leaving it to the fourth factor to ensure that §106(2) is not a dead letter. Certainly *Google*, which merely noted in passing that "making a film of an author's book may... mean potential or presumed losses to the copyright owner," did not hold as much; see id.

Campbell is again instructive. 2 Live Crew's version of Orbison's song easily conveyed a new meaning or message. It also had a different aesthetic. Yet the Court went further, examining whether and to what extent 2 Live Crew's song had the parodic purpose of "commenting on the original or criticizing it." 510 U. S., at 583. Parody is, of course, a kind of message. Moreover, the Court considered what the words of the songs might have meant to determine whether parody "reasonably could be perceived." Ibid. But new meaning or message was not sufficient. If it had been, the Court could have made quick work of the first fair use factor. Instead, meaning or message was simply relevant to whether the new use served a purpose distinct from the original, or instead superseded its objects. That was, and is, the "central" question under the first factor. Id., at 579.

The dissent commits the same interpretive error as AWF: It focuses on *Campbell's* paraphrase, yet ignores the rest of that decision's careful reasoning. Indeed, upon reading the dissent, someone might be surprised to learn that *Campbell* was about parody at all. Had expert testimony confirmed the obvious fact that 2 Live Crew's "Pretty Woman" differed in aesthetics and meaning from Orbison's original, that would have been the end of the dissent's analysis. Not the Court's, however. *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 580-581. 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.[18]

Footnote 18: The dissent makes a similar mistake with *Google*: It fails to read the decision as a whole. So while the dissent claims that the "[*Google*] Court would have told this one to go back to

school," it might be easier just to go back and read *Google*. The Court did not hold that any secondary use that is innovative, in some sense, or that a judge or Justice considers to be creative progress consistent with the constitutional objective of copyright, is thereby transformative. The Court instead emphasized that Google used Sun's code in a "distinct and different" context, and "only insofar as needed" or "necessary" to achieve Google's new purpose. *Google v. Oracle*; see also n. 8, *supra*. In other words, the same concepts of use and justification that the Court relied on in Google are the ones that it applies today.

What role meaning or message played in the Court of Appeals' analysis here is not entirely clear. The court correctly rejected the idea "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. It also appeared correctly to accept that meaning or message is relevant to, but not dispositive of, purpose. See id., at 41 ("the secondary work itself must reasonably be perceived as embodying a distinct artistic purpose, one that conveys a new meaning or message separate from its source material"); id., at 42 ("the judge must examine whether the secondary work's use of its source material is in service of a fundamentally different and new artistic purpose and character, [which] must, at a bare minimum, comprise something more than the imposition of another artist's style on the primary work...").

Elsewhere, however, the 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." Id., 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) (Holmes, J.) ("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").[19]

Footnote 19: The dissent demonstrates the danger of this approach. On its view, the first fair use factor favors AWF's use of Goldsmith's photograph simply because Warhol created worthy art. Goldsmith's original work, by contrast, is just an "old photo," one of Warhol's "templates." Post, at 2, 17 (opinion of KAGAN, J.). In other words, the dissent (much like the District Court) treats the first factor as determined by a single fact: "It's a Warhol." This Court agrees with the Court of Appeals that such logic would create a kind of privilege that has no basis in copyright law. See 11 F. 4th, at 43. Again, the Court does not deny that Warhol was a major figure in American art. But it leaves the worth of his works to the critics. Compare, e.g., D. Antin, Warhol: The Silver Tenement, in Pop Art: A Critical History 287 (S. Madoff ed. 1997), with R. Hughes, The Shock of the New 346-351 (2d ed. 1991). Whatever the contribution of Orange Prince, Goldsmith's photograph is part of that contribution. A court need not, indeed should not, assess the relative worth of two works to decide a claim of fair use. Otherwise, "some works of genius would be sure to miss appreciation," and, "at the other end, copyright would be denied to [works] which appealed to a public less educated than the judge." *Bleistein*, 188 U.S., at 251-252 (Holmes, J.). That Goldsmith's photograph "had [its] worth and [its] success is sufficiently shown by the desire to reproduce [it] without regard to [her] rights." Id., at 252.

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 215-216.

2

The District Court determined that "the 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.'" 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." "Otherwise, the law may well recognize any alteration as transformative." 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, AWF has a problem: The asserted commentary is at *Campbell's* lowest ebb. Because it "has no critical bearing on" Goldsmith's photograph,[20] the commentary's "claim to fairness in borrowing from" her work "diminishes accordingly (if it does not vanish)." 510 U. S., at 580.[21] The commercial nature of the use, on the other hand, "loom[s] larger." Ibid.

Footnote 20: At no point in this litigation has AWF maintained that any of the Prince Series works, let alone Orange Prince on the cover of the 2016 Condé Nast special edition, comment on, criticize, or otherwise target Goldsmith's photograph. That makes sense, given that the photograph was unpublished when Goldsmith licensed it to Vanity Fair, and that neither Warhol nor Vanity Fair selected the photograph, which was instead provided by Goldsmith's agency.

Footnote 21: The dissent wonders: Why does targeting matter? The reason, as this opinion explains, is the first factor's attention to justification. Compare, for example, a film adaptation of Gone With the Wind with a novel, The Wind Done Gone, that "inverts" the original's "portrait of race relations" to expose its "romantic, idealized" portrayal of the antebellum South. *SunTrust Bank v. Houghton Mifflin Co.*, 268 F. 3d 1257, 1270 (CA11 2001); id., at 1280 (Marcus, J., specially concurring). Or, to build from one of the artistic works the dissent chooses to feature, consider a secondary use that borrows from Manet's Olympia to shed light on the original's depiction of race and sex. See R. Storr & C. Armstrong, Lunch With Olympia (2016). Although targeting is not always required, fair use is an affirmative defense, and AWF bears the burden to justify its taking of Goldsmith's work with some reason other than, "I can make it better."

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.[22]

Footnote 22: The dissent oddly suggests that under the Court's opinion, the first fair use factor favors such uses. This ignores, well, pretty much the entire opinion. In particular, the Court does not hold that the first factor favors any user who "wants to reach different buyers, in different markets, consuming different products." Post, at 13, n. 5 (opinion of KAGAN, J.). The dissent apparently deduces this proposition from its inverse, which is a common logical fallacy.

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.

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. "Nothing comes from nothing," the dissent observes, "nothing ever could." So somewhere in the copyright statute, there must be an "escape valve" to create something good. 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 dissent goes on at length about the basic premise that copyright (like other forms of intellectual property) involves a tradeoff between stimulating innovative activity, on the one hand, and allowing follow-on innovation, on the other. This theme will be familiar to any student of copyright law. In tracing the history of Renaissance painting, however, the dissent loses sight of the statute and this Court's cases. The Lives of the Artists undoubtedly makes for livelier reading than the U.S. Code or the U.S. Reports, but as a court, we do not have that luxury.

The dissent thus misses the forest for a tree. Its single-minded focus on the value of copying ignores the value of original works. It ignores the statute's focus on the specific use alleged to be infringing. It waves away the statute's concern for derivative works. It fails to appreciate *Campbell's* nuance. And it disregards this Court's repeated emphasis on justification.

The result of these omissions 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.

The Court has cautioned that the four statutory fair use factors may not "be treated in isolation, one from another. All are to be explored, and the results weighed together, in light of the purposes of copyright." *Campbell*, 510 U.S., at 578. AWF does not challenge the Court of Appeals' determinations that the second factor, "the nature of the copyrighted work," §107(2); third factor, "the amount and substantiality of the portion used in relation to the copyrighted work as a whole," §107(3); and fourth factor, "the effect of the use upon the potential market for or value of the copyrighted work," 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.

APPENDIX



Andy Warhol created 16 works based on Lynn Goldsmith's photograph: 14 silkscreen prints and two pencil drawings. The works are collectively known as the Prince Series.

Image description: Sixteen portraits of Prince arranged in a 4x4 grid, created by Andy Warhol in various vivid color schemes and styles. Some are silkscreen prints with bold, contrasting hues, while others are minimal line drawings. The variations alter background colors, facial tones, and shading, producing dramatically different moods. The caption notes: Andy Warhol created 16 works based on Lynn Goldsmith's photograph: 14 silkscreen prints and two pencil drawings. The works are collectively known as the Prince Series.

Different Views of the Facts

In her dissenting opinion, Justice Kagan, joined by the Chief Justice, took the majority to task for its lack of appreciation of the differences—in terms of aesthetic and meaning—between Warhol's Prince and Goldsmith's.

> Andy Warhol is the avatar of transformative copying. Cf. *Google v. Oracle* (selecting Warhol, from the universe of creators, to illustrate what transformative copying is). … To see the method in action, consider one of Warhol's pre-Prince celebrity silkscreens—this one, of Marilyn Monroe. He began with a publicity

photograph of the actress. And then he went to work. He reframed the image, zooming in on Monroe's face to "produce the disembodied effect of a cinematic close-up."



Image description: A black-and-white photograph of Marilyn Monroe wearing a dark halter dress, smiling slightly. The photo has crop marks and black paint streaks on it, suggesting it was used as source material for an art piece or printmaking.

At that point, he produced a high-contrast, flattened image on a sheet of clear acetate. He used that image to trace an outline on the canvas. And he painted on top—applying exotic colors with "a flat, even consistency and an industrial appearance." The same high-contrast image was then reproduced in negative on a silkscreen, designed to function as a selectively porous mesh. Warhol would "place the screen face down on the canvas, pour ink onto the back of the mesh, and use a squeegee to pull the ink through the weave and onto the canvas." On some of his Marilyns (there are many), he reordered the process—first ink, then color, then (perhaps) ink again. The result—see for yourself—is miles away from a literal copy of the publicity photo.



Andy Warhol, Marilyn, 1964, acrylic and silkscreen ink on linen

Image description: Andy Warhol's 1964 pop art portrait of Marilyn Monroe, created with acrylic and silkscreen ink on linen. Monroe's face is rendered in pink tones with bright yellow hair, blue eyeshadow, and red lips, set against a vivid orange background. The bold colors and high-contrast style are characteristic of Warhol's work.

> And the meaning is different from any the photo had. Of course, meaning in great art is contestable and contested (as is the premise that an artwork is great). But note what some experts say about the complex message(s) Warhol's Marilyns convey. On one level, those vivid, larger-than-life paintings are celebrity iconography, making a "secular, profane subject" "transcendent" and "eternal." But they also function as a biting critique of the cult of celebrity, and the role it plays in American life. With misaligned, "Day-Glo" colors suggesting "artificiality and industrial production," Warhol portrayed the actress as a "consumer product." And in so doing, he "exposed the deficiencies" of a "mass-media culture" in which "such superficial icons loom so large." Out of a publicity photo came both memorable portraiture and pointed social commentary.
>
> As with Marilyn, similarly with Prince. …

In the above extract, Justice Kagan provided a compelling explanation of why the Andy Warhol, Marilyn series of works was transformative, noting that "On one level, those vivid, larger-than-life paintings are celebrity iconography… But they also function as a biting critique of the cult of celebrity, and the role it plays in American life." Justice Kagan saw the Andy Warhol, Prince series as the same. Do you agree? Is that enough?

Justice Kagan criticized the majority for its failure to recognize the genius of any Warhol and the degree to which Goldsmith's photo of Prince was transformed:

> There is precious little evidence in today's opinion that the majority has actually looked at these images, much less that it has engaged with expert views of their aesthetics and meaning. … The description is disheartening. It's as though Warhol is an Instagram filter, and a simple one at that (e.g., sepiatinting).

Justice Kagan clearly believed that the Warhol Prince series of works are significantly transformative and that they do serve a purpose distinct from the original work—does this suggest that whether appropriation art qualifies as fair use will always just be a question of the artistic sensibilities of the relevant judge or judges? The majority opinion tipped its hat to the *Bleistein* aesthetic neutrality principle, but do you think that the difference of opinion between the dissent and the majority in *Warhol* suggests that judges and juries can't avoid making aesthetic judgments in fair use cases?

Justice Gorsuch's concurring opinion injected a different kind of factual ambiguity by suggesting that the Andy Warhol Foundation might still prevail if the Warhol Prince works were found to be not substantially similar to Goldsmith's original photo:

> 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.

This is curious because although the District Court did not address the issue, the Court of Appeals rejected the Foundation's argument that the Prince Series works were not substantially similar to Goldsmith's photograph. The concurrence calls to mind Judge Easterbrook's opinion in *Kienitz v. Sconnie Nation LLC*, 766 F.3d 756 (7th Cir. 2014) discussed in another chapter.

Notes and questions

(1) Is transformative use still the heart of fair use under the first factor and more generally?

It seems so, but with a more carefully calibrated understanding of what transformative use entails. In the wake of *Campbell,* some courts had found fair use based on only modest degrees of transformation, or differences of purpose that were highly specific: if you define purpose narrowly enough, you can always come up with a different purpose. Compared to these cases, the majority in *Warhol* raised the bar on the degree of transformation required for fair use. How did this shift come about? Justice Sotomayor argued that *Campbell's* oft-quoted passage defining transformative use as one that alters the first work "with new expression, meaning, or message" cannot be taken to approve of literally *any* shift in meaning or message, or any overlay of new expression, no matter how small: "Otherwise, 'transformative use' would swallow the copyright owner's exclusive right to prepare derivative works."

Warhol addressed the ambiguity left by *Campbell* by providing a yardstick against which to assess whether some transformation is enough. It did this by focusing on whether the defendant's use served a "purpose *distinct* from the original, or instead superseded its objects." (emphasis added).

Framed in this way, the defendant's ability to point to some "new expression, meaning, or message" is still important in the analysis of fair use, but the existence of new expression etc., merely informs the ultimate question of whether the defendant's use served a purpose that was sufficiently distinct from the original that it should be seen as fair use. Accordingly, Justice Sotomayor's majority opinion emphasized that

> [whether an] allegedly infringing use has a further purpose or different character … *is a matter of degree*, and the degree of difference must be weighed against other considerations, like commercialism. Although new expression may be relevant to whether a copying use has a sufficiently distinct purpose or character, it is not, without more, dispositive of the first factor. (emphasis added)

The majority opinion uses the term "*matter of degree*" four times, so it is fair to say that this was an important point.

(2) Does *Warhol* solve the puzzle of separating infringing derivatives from transformative uses?

The majority opinion in *Warhol* tried to resolve questions about the relationship between transformative use and the right to make derivative works based upon the copyrighted work. One of the reasons Justice Sotomayor gave for insisting that the new use must be different enough to serve a purpose distinct from the original is that:

> 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 work must go beyond that required to qualify as a derivative.

In other words, if a new use is substantially different by virtue of new expression, meaning or message, such that it serves a purpose distinct from the original work, it crosses the threshold from infringing derivative work to non-infringing fair use.

In contrast, Justice Kagan's dissenting opinion contained a long exegesis on the role of copying in art, music, and literature and emphasized the importance of allowing one artist to build on the work of another. Her point was well made, but as the majority observed, the dissent "offers no theory of the relationship between transformative uses of original works and derivative works that transform originals" other than to say that this is a question for the fourth fair use factor.

(3) Is post-*Warhol* transformative use narrowly confined to "targeting" the original for commentary or criticism?

After explaining that transformative use was a matter of degree and discussing the relevance of commerciality (addressed below), the Warhol majority came back to the question of justification. Justice Sotomayor explained that "… the first factor also relates to the justification for the use." Justice Sotomayor described both a "broad sense" and a "a narrower sense" of justification. She noted that broadly speaking a use with "distinct purpose is justified because it furthers the goal of copyright." Elaborating on justification in the narrower sense, she said, "a use may be justified because copying is reasonably necessary to achieve the user's new purpose" and gave the example of parody. She also noted in addition that "other commentary or criticism that targets an original work may have compelling reason to conjure up the original by borrowing from it."

In an article written just after the *Warhol* decision, Shyam Balganesh and Peter Menell attempt to shift the focus of the first factor away from "transformative use", to the question of "independent justification." Independent justification means, they contend, that the second user must provide a rationale for the borrowing beyond mere convenience or free riding, *and* that the copier must explain why targeting this work was necessary. See Shyamkrishna Balganesh & Peter S. Menell, *Going 'Beyond' Mere Transformation: Warhol and Reconciliation of the Derivative Work Right and Fair Use*, 47 COLUMBIA JOURNAL OF LAW & THE ARTS 413 (2024).

Arguably, Balganesh & Menell are reading *Warhol* more restrictively than it is written. At no point does the majority say that *both* justification in a broad sense and justification in a narrow sense are required. In footnote 21 Justice Sotomayor says "targeting is not always required" in a context that indicates that it will often be present. This makes sense. Many of the uses that have a sufficiently distinct purpose such that they pose no threat of expressive substitution will achieve that purpose because they have a specific reason for employing the original work that goes beyond "I can make it better."

Responding to Balganesh & Menell, Pamela Samuelson wrote:

> Under the fair use doctrine of United States copyright law, targeting an earlier author's work to criticize or comment on its contents is a well-established

> justification for using part or all of that author's work. Some assert that the Supreme Court narrowed the range of viable fair use justifications to this kind of targeting in Andy Warhol Foundation for the Visual Arts, Inc. v. Goldsmith. This seriously mischaracterizes the Court's ruling, as Warhol itself identifies several types of cases in which fair uses were justified on other grounds. This view also ignores that criticism and comment are only two of the six favored uses identified in § 107, which codified the common law fair use doctrine as part of the Copyright Act of 1976 (1976 Act). … The Court's Warhol decision importantly reaffirmed that a second author's "transformative" purpose in using an earlier author's work for a different purpose than the original may support a finding of fair use, which may include, but is not limited to, targeting the earlier work for criticism or comment. This reaffirmation is notable because critics of broad interpretations of transformative purposes had wanted the Court to abjure it.

See Pamela Samuelson, *Justifications for Fair Uses*, 2025 WISCONSIN LAW REVIEW 1047.

To be fair to Balganesh & Menell, they appear to be using the term targeting in a more general sense, one that invokes the link between the copier's stated purpose and the specific work chosen. Criticism or commentary are obvious examples of such a link, but not the only game in town.

(4) What other justifications for fair use are there?

Samuelson argues that *Warhol* did preserve a flexible, context-sensitive fair use doctrine in which different purposes, noncompetitive markets, public benefits, and other considerations could justify fair use, asserting that beyond commentary and criticism, "a multitude of justifications exists for second authors and other users in making fair uses of earlier authors' works."

As Samuelson explains, the *Warhol* majority approvingly discussed at least five justifications beyond narrow commentary and criticism of the plaintiff's work: Google's reimplementation of Java interfaces in a new computing environment; artistic use of commercial imagery to comment on consumerism; Google Books' digitization and indexing of millions of books to make information locatable; a newspaper's reproduction of photographs that were themselves central to a public controversy; and consumers' noncommercial time-shifting of television programs under *Sony*. Beyond Warhol, Samuelson notes that the expressly favored purposes in § 107 go beyond criticism and comment. News reporting, teaching, scholarship, and research uses are strong candidates for fair use if the amount copied is minimal and/or alleged market harm is speculative. Samuelson also argues that courts have found, and should continue to find, justification in evidentiary uses in biographies, histories, documentaries, litigation, and governmental proceedings; uses that promote public access to information, including search, indexing, and text analysis; and uses that enable competition and continuing technological innovation, especially reverse engineering, interoperability, and reuse of functional software interfaces.

(5) What is the relevance of commerciality after *Warhol*?

The majority in *Warhol* placed a renewed emphasis on commerciality as a consideration within the first fair use factor, but it is not clear what this adds to *Campbell*. Justice Sotomayor described commerciality as "an additional element of the first factor."

However, she also endorsed *Campbell's* holding that "the more transformative the new work, the less will be the significance of other factors, like commercialism, that may weigh against a finding of fair use." In other words, as Justice Sotomayor said: "the commercial nature of the use is not dispositive. But it is relevant."

Balganesh & Menell argue that *Warhol* placed "commerciality and transformativeness … on a sliding scale fulcrum." The "sliding scale fulcrum" metaphor implies that justification and commerciality are discrete sub-elements of factor one, weighed against each other on a common scale. There is some loose language in *Warhol* to support this: the majority described commerciality as "an additional element." But there is no firm evidence beyond that that a "sliding scale fulcrum" is what the majority intended. There is certainly no support in the text of the Copyright Act for the notion that justification and commerciality are discrete and equivalent sub-elements of factor one.

Note that Section 107(1) names commerciality as an attribute of the purpose and character of the use, introduced by "including," not as a variable standing opposite it. Any discussion of transformativeness and commerciality sitting on a "sliding scale fulcrum" is problematic because the balancing §107 contemplates runs between the four factors rather than inside any one of them.

The idea that justification and commerciality are discrete and equivalent sub-elements of factor one is also not supported by the caselaw. *Campbell's* formulation, holding that transformativeness reduces the significance of commercialism, is a claim about salience rather than about offsetting weight and correspondence. *Warhol* itself lists commercialism as one of several "other considerations," not as the opposing term a fulcrum would require. The more coherent reading of *Warhol* is that commerciality might be evidence bearing on justification rather than a counterweight to it, since whether the copier stood to profit informs whether the proffered reason for targeting the plaintiff's work was substantive or a post hoc gloss on convenience and free riding.

(6) **Should we focus on the use or the accused work?**

Justice Kagan's dissenting opinion in *Warhol* focused on the transformative nature and artistic merit of the Warhol paintings, whereas the majority (and Justice Gorsuch's concurrence) focused on the specific use: licensing the image of Prince for use in a magazine cover devoted to Prince. The majority's focus on the use is supported by the text of Section 107, it literally says "the purpose and character of the *use.*" However, focusing on the use has the interesting implication that, as Sotomayor noted "The same copying may be fair when used for one purpose but not another." Focusing on the transformativeness of the use rather than the work leaves open the possibility that the original Warhol Prince series could be considered sufficiently transformative in a context where its commentary on the nature of celebrity was more pronounced than its potential substitution of the market for images of Prince on magazine covers. Justice Gorsuch's concurring opinion elaborated on this point:

> … 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.

Does focusing on the use of the defendant's work so narrowly threaten to make fair use litigation overly fact specific? Or is this a reasonable distinction to draw in a context where the Warhol works may be exhibited as individual pieces of art or included in a Warhol collection? What latitude should we give the appropriation artist to promote her work by making posters, engaging in advertising, etc.?

(7) Recall that Section 103(a) provides in relation to derivative works and compilations that "… protection for a work employing preexisting material in which copyright subsists does not extend to any part of the work in which such material has been used unlawfully." If Warhol's art was non-infringing fair use when he made it, but infringing non-fair use when licensed to Condé Nast for the cover of a magazine, how does Section 103(a) apply? Is Orange Prince now in the public domain, or just in the public domain when it is on the cover of the Condé Nast commemorative issue? Does this suggest we should rethink the "use versus the work" debate, or should Congress revisit section 103(a)?

CHAPTER 12. TRANSFORMATIVE USE AND JUSTIFICATION AFTER WARHOL

Transformative Use and Justification post-Warhol

Romanova v. Amilus Inc., 138 F.4th 104 (2d Cir. 2025)

Leval, Circuit Judge:

Plaintiff Jana Romanova, a professional photographer, appeals from the judgment of the United States District Court for the Southern District of New York. [Romanova, a professional photographer who relies on licensing fees for her income, authored a photograph of a woman with two snakes. She licensed National Geographic to publish it in September 2017 and registered the work with the Copyright Office shortly after. Defendant Amilus Inc. operates a subscription website that also sells merchandise. In December 2017, Amilus copied Plaintiff's photograph into an online article featuring ten pet photographs apparently taken from other publications, describing itself as continuing a "semi-regular series" on pet photography online. Plaintiff's photograph was the only one depicting snakes. Plaintiff discovered the unauthorized use in December 2019 and twice demanded that Amilus take it down; Amilus never responded. She sued in October 2022. Amilus was served but never appeared, and a Certificate of Default was entered. Rather than grant Plaintiff's motion for default judgment, the district court held that Amilus's use was a fair use and dismissed the complaint with prejudice on that ground.]

DISCUSSION

I. The Copyright Act

[Boilerplate discussion of the purpose of copyright and fair use omitted] The Supreme Court has clarified that fair use is an affirmative defense to a claim of copyright infringement, the proponent of which bears the burden of justifying its taking. See Warhol, 598 U.S. at 547 n.21 ("Fair use is an affirmative defense, and [the proponent] bears the burden to justify its taking…"); Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569, 590 (1994).

Notwithstanding that the Defendant, having defaulted, did not raise the defense of fair use, the district court nonetheless considered the defense on the Defendant's behalf and concluded that the applicability of the fair use doctrine was evident on the face of the complaint. The district court found that Defendant's publication of Plaintiff's Photograph communicated a message that differed from what was originally intended by Plaintiff's image. According to the district court, the message of Plaintiff's Photograph, as published in National Geographic, was "to showcase persons in [Plaintiff's] home country of Russia that kept snakes as pets, specifically to capture pet snakes in common environments that are more associated with mainstream domesticated animals." In contrast, the different message found by the district court to have been communicated by Defendant's publication of Plaintiff's

image was "the ever-increasing amount of pet photography circulating online." The fact that Defendant's publication of Plaintiff's image in the district court's view communicated a message different from the message conveyed by Plaintiff led the district court to conclude that Defendant's unauthorized publication of Plaintiff's Work was a fair use and not an infringement.

We believe that the district court's analysis depended on a misunderstanding of the fair use doctrine and of how the facts of the case relate to the doctrine. We see no basis in the facts alleged in the complaint for a finding of fair use. We explain below why this is so.

Fair Use

Section 107 identifies the concern of Factor One as "the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes." 17 U.S.C. § 107(1). In Campbell v. Acuff-Rose Music, Inc., the Supreme Court explained what purposes of copying would favor a finding of fair use under the first factor. 510 U.S. 569 (1994). The Court focused on two considerations.

The Court identified the first inquiry as whether the copy "supplant[s]" the original —whether, in the terms used by Justice Story in Folsom v. Marsh, it merely "supersede[s] the objects" of the original – "or instead adds something new, with a further purpose or different character, altering the first with new expression, meaning, or message; it asks, in other words, whether and to what extent the new work is 'transformative.' " Campbell, 510 U.S. at 579. Transformative uses are favored over those that risk to serve as substitutes for the original. Id.

The most paradigmatically recognized transformative uses are rarely the subject of litigation, so that there are few precedential cases discussing them. These include parodies, which quote extensively from the subject of the parody for the purpose of ridiculing it; limited quotation from books in a book review for the purpose of showing potential readers a glimpse of the subject's writing style; and biographical works that quote from the speeches, published writings, and unpublished papers of noted public figures for the purpose of revealing their attitudes, thoughts, and biases. See, e.g., New Era Publications Int'l, ApS v. Henry Holt & Co., 695 F. Supp. 1493, 1523 (S.D.N.Y. 1988) [hereinafter "Holt"] (finding fair use where heirs of a famous public figure sued to suppress a biography which quoted from the subject's unpublished diary entries and letters to show his biases, his dishonesty, and his cruelty), aff'd, 873 F.2d 576 (2d Cir. 1989). Perhaps in part because of the clarity of what will be the result of litigation of such claims, and perhaps also because authors benefit from the publication of book reviews about their books, authors do not often sue to suppress such uses.

Second, the Campbell Court stressed the importance to the fair use question of a "justification" for the copying of the original, which might depend on the nature of the message communicated through the secondary user's copying of the original. The Court illustrated the point by distinguishing parody, which the Campbell defendant claimed to have employed, from satire:

> [P]arody has an obvious claim to transformative value… Like less ostensibly humorous forms of criticism, it can provide social benefit, by shedding light on an earlier work, and, in the process, creating a new one. We thus line up with the courts that have held that parody, like other comment or criticism, may claim fair use under § 107… For the purposes of copyright law, the nub of the definitions, and the heart of any parodist's claim to quote from existing material, is the use of some elements of a prior author's composition to create a new one that, at least in part, comments on that author's works. If, on the contrary, the commentary has no critical bearing on the substance or style of the original composition, which the alleged infringer merely uses to get attention or to avoid the drudgery in working up something fresh, the claim to fairness in borrowing from another's work diminishes accordingly (if it does not vanish)… Parody needs to mimic an original to make its point, and so has some claim to use the creation of its victim's (or collective victims') imagination, whereas satire can stand on its own two feet and so requires justification for the very act of borrowing.

Campbell, 510 U.S. at 579–81.

This passage underscored the importance for a fair use finding of whether the copying work served as a criticism or commentary on the original work or its author as justification for the taking. Probably because Campbell had expressed the point in terms of parodies, and the Campbell defendant claimed that its copying use was a parody, courts at first assumed that this passage applied only to parodies, and paid little attention to it.

In Google Books, we quoted the passage from Campbell discussing the need for justification. We commented,

> In other words, the would-be fair user of another's work must have justification for the taking. 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. Among the best recognized justifications for copying from another's work is to provide comment on it or criticism of it. A taking from another author's work for the purpose of making points that have no bearing on the original may well be fair use, but the taker would need to show a justification.

Google Books, 804 F.3d at 215; see Shyamkrishna Balganesh & Peter S. Menell, Going "Beyond" Mere Transformation: Warhol and Reconciliation of the Derivative Work Right and Fair Use, 47 COLUM. J. L. & ARTS 413, 436 (2024) ("The key to operationalizing the first fair use factor… lies in examining the justification offered by the copier for the use.").

In any event, the Supreme Court's ruling in Warhol made clear that Campbell's requirement of justification is not applicable only in cases of claimed parody, but applies generally to all claims of fair use. [The Court explained the facts in *Warhol*.]

A seven to two majority of the Court decided in favor of Goldsmith. Justice Kagan, joined by the Chief Justice, wrote a spirited dissent, asserting that Warhol's treatment was a fair use. See id. at 558–93 (Kagan, J., dissenting). The majority's

rejection of the dissent's arguments does much to clarify the governing fair use standards, as they bear on the case now before us.

The majority concluded that the Foundation's use of the original was not transformative. Warhol, 598 U.S. at 526 (majority opinion). It was undisputed that the Orange Prince portrait, in utilizing the Goldsmith photo of Prince, did not comment on, or implicitly critique, Goldsmith or her photograph.[4] Id. at 540. Warhol simply used the Goldsmith photo-portrait as a raw material from which he produced his Prince portraits, making various alterations to the original. The changes he made to Orange Prince consisted primarily of printing the Goldsmith image of Prince in high contrast, erasing the middle greys; eliminating the neck, shoulders and torso, leaving the head alone; straightening the head to eliminate a slight tilt in the original; and staining the image a vivid orange. Id. at 517 n.1; id. at 562, 564–65 (Kagan, J., dissenting).

Footnote 4: The Foundation argued that Warhol's Prince portraits were a comment on celebrity, but not that they commented on Goldsmith or her photograph. See Warhol, 598 U.S. at 540.

The dissenting opinion deemed those changes to be of great importance. In the dissent's view, the elimination of middle greys converted Goldsmith's image of an insecure, frail, and vulnerable human being into an invulnerable icon, a product of the celebrity machine; the elimination of the neck and torso, together with the straightening of the head, and the orange coloration, further served that change of image, presenting Prince's disembodied head as if larger than life. Id. at 566, 573–74. The dissent considered these changes to be powerfully transformative, completely changing the nature of the being depicted. Id. at 565. As for the fact that the Warhol image did not critique or comment on the Goldsmith work—which, under the standards of Campbell, would have challenged the copier to show another justification for the copying—the dissent concluded that the Supreme Court had implicitly disavowed and abandoned that part of the Campbell standards in Google LLC v. Oracle America, Inc., 593 U.S. 1 (2021) [hereinafter "Google"], in which the Court found fair use in a copying that that did not comment on the original. Warhol, 598 U.S. at 580–81 (dissenting opinion).

The Supreme Court majority firmly rejected all of the dissent's arguments.[5] The majority acknowledged that Warhol made changes but found little significance in them for purposes of deciding whether the use was transformative. See id. at 545 (majority opinion) ("The purpose… is, still, to illustrate a magazine about Prince with a portrait of Prince."). Further undermining any claim of justification for copying, the majority stressed that the purpose of the Foundation's use of Warhol's Prince portrait, like Goldsmith's photograph, was licensing for use by a magazine. Id. at 545. Using Justice Story's terminology, the effect of the Foundation's license was to "supersede" the original from which it was copied. Id. at 536. The majority also emphatically rejected the dissent's suggestion that the finding of fair use in the Google case represented a disavowal of the Campbell Court's insistence on the importance of commentary on the original as furnishing justification for copying it.[6] Id. at 547 n.21. The Warhol majority explicitly reaffirmed what the Court had said in Campbell concerning the importance of commentary as justification for copying, this time making clear that those observations had broad applicability and

were not limited to claims of parody. Id. at 542; see also id. at 547 (emphasizing that the Foundation "offers no independent justification, let alone a compelling one, for copying the photograph, other than to convey a new meaning or message," which, under the standards of Campbell, fails to justify copying).

Footnote 5: Although the Foundation's complaint instituting the suit sought a declaratory judgment that, in creating the Prince Series of sixteen works, Warhol had made fair use of Goldsmith's portrait, the Supreme Court majority made clear that the use it was ruling on was the Foundation's licensing of Orange Prince and that it "expresse[d] no opinion as to [Warhol's] creation… of any of the original Prince Series works." Warhol, 598 U.S. at 534. Nonetheless, the dissenting opinion argued vigorously that Warhol's version was highly transformative and constituted fair use of Goldsmith's portrait. See supra pp. 113-14. In expressing disagreement with the dissent's view, the majority also unavoidably expressed views on aspects of the question whether Warhol had made fair use. See, e.g., Warhol, 598 U.S. at 545–46. Those issues were inevitably pertinent to whether the Foundation's grant of a license was a fair use.

Footnote 6: We find not the slightest suggestion in the text of the majority opinion in Google, finding a fair use that did not comment on the copied original, that the majority was jettisoning Campbell's stress on the importance of commentary as a justification for copying. The implication of the Google opinion is clearly to the contrary. Rather than dispensing with the importance of justification under Factor One, the Google Court arrived at its finding through application of the same fair use elements, while emphasizing the fact that the declaring code that was copied was different from most copyrightable works. The Court explained that computer programs, as "process[es]," would have been ineligible for copyright protection under 17 U.S.C. § 102(b), had Congress not added software to the Copyright Act's definition of "literary works." Google, 593 U.S. at 19–21, 23. The opinion quoted First Circuit Judge Michael Boudin's observation that "applying copyright law to computer programs is like assembling a jigsaw puzzle whose pieces do not quite fit." Id. at 21 (quoting Lotus Dev. Corp. v. Borland Int'l, Inc., 49 F.3d 807, 820 (1st Cir. 1995) (Boudin, J., concurring)). The Court accordingly took the rare step of finding dominant importance in Factor Two, "the nature of the copyrighted work," favoring a finding of fair use simply because the dispute involved the copying of declaring code, which the Court deemed to be far "from the core of copyright." Id. at 29. The opinion explained that, if fair use were inapplicable to the copying of declaring code (which would be the likely result unless the copying use made a commentary on the original code), enforcement of the copyright monopoly "would risk harm to the public." Id. at 39. In this context, enforcement of a copyright of declaring code "would interfere with, not further, copyright's basic creativity objectives." Id. The opinion concluded, We do not overturn or modify our earlier cases involving fair use—cases, for example, that involve 'knockoff' products, journalistic writings, and parodies. Rather, we here recognize that application of a copyright doctrine such as fair use has long proved a cooperative effort of Legislatures and courts, and that Congress, in our view, intended that it so continue. As such, we have looked to the principles set forth in the fair use statute, § 107, and set forth in our earlier cases, and applied them to this different kind of copyrighted work. Id. at 40. There is no suggestion whatsoever that the Court was abandoning the standards it had laid down in Campbell. See Warhol, 598 U.S. at 533 n.8 (describing the consideration of justification in Google).

We do not suggest that critique or commentary on the original (or its author) are the only uses that will furnish a justification ultimately qualifying as fair use.[7] Courts have found other justifications—mostly in circumstances where the copying provided information to the public about the copied work, or enabled the furnishing of valuable information on any subject of public interest, or rendered a valuable service to the public, in most cases limited to circumstances in which the benefit was provided without allowing public access to the copy, thus assuring that the copied work not serve as a substitute for the original in the marketplace.

Footnote 7: See Pamela Samuelson, Justifications for Fair Uses, WIS. L. REV. (forthcoming 2025)

Examples of rulings in which the justification for copying lay in providing the public with information about the works or their authors include:

• In Google Books, 804 F.3d at 214–18, and Authors Guild, Inc. v. HathiTrust, 755 F.3d 87, 97 (2d Cir. 2014) [hereinafter "HathiTrust"], we found justification for the copying of millions of copyrighted books into a computerized database that would enable potential readers to identify books that used terms of interest to them (without allowing them to read any substantial passages of the books).

• In Google Books, in addition, we found justification for publishing fragmentary snippets from the books to help potential readers determine, in addition to whether a book used a term of interest, whether it also used the term in a context suggesting that the book was likely to be of interest to the reader (again without allowing access to more than the fragmentary snippets). 804 F.3d at 217–18.

• In Holt, as discussed above, the district court found fair use where heirs of a famous public figure sued to suppress a biography which quoted from the subject's unpublished diary entries and letters to show his biases, his dishonesty, and his cruelty. 695 F. Supp. at 1523.

• In a child custody litigation, an unpublished autobiography written by a father was introduced into evidence by the mother to show through the husband's admissions in the text of his book that he had murdered his father and therefore should be deemed an unfit parent. Bond v. Blum, 317 F.3d 385, 397 (4th Cir. 2003), abrogated in part on other grounds by Kirtsaeng v. John Wiley & Sons, Inc., 579 U.S. 197 (2016) (abrogating the district court's ruling on attorney's fees without addressing ruling on fair use).

Precedents finding justification for copying where the copying work provided a service relating to the copyrighted work include:

• In Sony Corporation of America v. Universal City Studios, Inc., 464 U.S. 417, 442–56 (1984), the Supreme Court found justification and fair use in the utilization of new technology that allowed copying of televised transmissions when used noncommercially by a person who had purchased entitlement to watch the transmission at the time of its transmittal to privately watch it (once only) at a more convenient later time.

• In Kelly v. Arriba Soft Corp., 336 F.3d 811, 822 (9th Cir. 2003), and Perfect 10, Inc. v. Amazon.com, Inc., 508 F.3d 1146, 1165 (9th Cir. 2007), the Ninth Circuit found fair use in an internet search engine's copying of images visible on the internet into tiny "thumbnails" to serve as links permitting a user to go to a site where information about the original was available (in circumstances where the tiny size and low resolution of the thumbnails made them unsuitable for use for decorative purposes as substitutes for the originals that they copied).

• In HathiTrust, 755 F.3d at 101–03, we further found justification for the conversion of copyrighted works into formats readable by the blind (where substitution was unlikely to occur because the relevant market was sufficiently small that rights holders were unlikely to undertake to exploit the copyright in this manner for profit).

• In American Geophysical Union v. Texaco Inc., the district court and our court each expressed support for the proposition that it might be a fair use to copy a scientific writing onto a durable material to better hold up than paper in the inhospitable conditions of a laboratory. See 802 F. Supp. 1, 14 (S.D.N.Y. 1992), aff'd, 60 F.3d 913, 923 (2d Cir. 1994).

Rulings in which the justification for copying lay in the furnishing of valuable information on a subject of public interest or a service important to the public have included:

• In Google Books, a further function enabled by the copying of millions of books into Google's database – the "ngrams" feature – was the furnishing of historical charts that provided comparisons of English language usage from decade to decade (again without allowing the reading of any of the copied works). 804 F.3d at 217, 230.

• In Swatch Grp. Mgmt. Servs. Ltd. v. Bloomberg L.P., 756 F.3d 73, 82, 86 (2d Cir. 2014), the dissemination by a financial reporting service of a private copyright-protected conference call between a company's management and selected brokers about the company's recent performance served to make information critical to securities markets available to investors and analysts (where the value of the copied recording lay not in its copyright-protected manner of expression but in the unprotected information it supplied).

• In Núñez v. Caribbean Int'l News Corp., 235 F.3d 18, 22 (1st Cir. 2000), the First Circuit found justification and fair use in the copying in a local newspaper of a copyright-protected photograph of the winner of a beauty contest, which photograph had been deemed scandalous, causing the subject to lose her title. The justification was that the copying enabled the public to form an opinion whether the photograph merited the punishment inflicted on its account (where the low quality of the reproduction in newsprint made it unsuitable to serve as a decorative photograph in substitution for the original). Id. at 22, 25.

• In A.V. ex rel. Vanderhye v. iParadigms, LLC, 562 F.3d 630, 645 (4th Cir. 2009), the Fourth Circuit found fair use in the copying of student theses into a database where the purpose of the copying was to help academic institutions detect whether student theses were plagiarized (without allowing the public to read the copied texts).

• In Time Inc. v. Bernard Geis Associates, 293 F. Supp. 130, 131–32, 138 (S.D.N.Y. 1968), the owner of the copyright in the famous Zapruder film showing the fatal shooting of President John F. Kennedy sued the publishers of a book about the assassination in which charcoal sketches copied from the frames of the Zapruder film were published to illustrate the book's theory of the assassination. The court found for the defendants, concluding that this was a fair use. Id. at 146. The decision appeared to rest on two principal factors: (i) the "public interest in having the fullest information available on the murder of President Kennedy;"[8] and (ii) that, notwithstanding public disclosure of the copies made by the defendants, there "seem[ed to be] little, if any, injury to plaintiff, the copyright owner."[9] Id.

Footnote 8: The defendants did not raise, and the court did not discuss a possible argument on the defendants' behalf that what was copied in the sketches was not the protected manner of expression of the film but the unprotected factual information conveyed by the photographic images – about the trajectory of the bullets, etc. – potentially defeating the copyright claim without reference to fair use.

Footnote 9: The rulings in the cited cases that the circumstances furnished justification for the copying were, as described above, often a product of a complex mixture of assessment of the value of the information or service conveyed to the public by the copying, with the fact that the particular use would not enable the copy to serve as a substitute for the protected expression of the original. In Google Books, for example, we expressly noted that, notwithstanding the enormous value of the information supplied to potential readers about the books copied into Google's database, the judgment would likely have come out the other way if the copying had enabled the public to read substantial parts of the copied books. See Google Books, 804 F.3d at 223–25. Prior to the Warhol opinion, the latter consideration had been widely regarded as the exclusive concern of the fourth fair use factor, "the effect of the use upon the potential market for or value of the copyrighted work." 17 U.S.C. § 107(4). In Warhol, however, where only the first factor was under the Court's consideration, the fact that Warhol's copy was designed to compete in the same market as Goldsmith's original (the market for use on magazine covers), defeated the proposition that the Foundation's sale of the copying image favored fair use under the first factor. See 598 U.S. at 535–36, 536 n.12. Since Warhol, it appears that the first factor test, to the extent it questions the "justification" for the copying, looks not only at the value of the information or service rendered by the copying, but also at the likelihood that the copy can serve as a substitute for the original. This seems altogether appropriate, as the question whether an act of copying can be justified as a fair use cannot be satisfactorily answered without considering not only the service that the copying renders but also the likelihood that the copy will supersede or supplant the original, serving as a market substitute for the protected expression of the original. The four statutory fair use factors should not be viewed as discrete questions, isolated from one another, but as interrelated issues contributing to a holistic inquiry. Inaccessibility of the copy to the public to diminish the likelihood that the copy could substitute for the original could lose its customary importance in at least two circumstances. One is where the copyright holder's interest is not to exploit the value of the copyright through public dissemination, but to suppress the revelation of matters of public importance that are displeasing to the rights holder. At times, suits alleging infringement are brought not to protect the rightsholder's opportunity to profit monetarily from the exploitation of the copyright, but rather to ensure concealment from the public of what is revealed by the copyrighted work. This is often the case when a historian or journalist seeks to publicize previously unpublished writings of a prominent public figure that reveal unflattering aspects of the person's history or personality. See Holt, 695 F. Supp. at 1523. In such circumstances, the plaintiff's invocation of copyright remedies to suppress an unauthorized publication of protected matter seeks to undermine, rather than to promote, the ultimate objective of copyright to advance the dissemination of knowledge. U.S. CONST. art. 1, § 8, cl. 8 (the "Progress of Science"). In such circumstances, the accessibility of the copy to the public might serve, rather than undermine, the justification for the copying. A second circumstance might lie where the importance of unfettered public access to what is provided by dissemination of the original is sufficiently great, as envisioned in Time Inc., 293 F. Supp. at 146, the case concerning the unauthorized publication of copies of frames of the Zapruder film of the assassination of President Kennedy. Considering the reasoning of that case, it is easy to imagine that Harper & Row Publishers, Inc. v. Nation Enterprises, 471 U.S. 539 (1985), might have come out the other way had the content of the protected text (and other facts) been somewhat different. If the protected text had revealed a corrupt bargain between President Richard Nixon and Vice President Gerald Ford that President Nixon would yield the presidency to the Vice President if he promised in return to pardon the President, and the Ford manuscript had been locked in concealment, rather than on its way to publication in a few days, it is easy to imagine that the Supreme Court might have concluded that, although public importance of prompt revelation does not ordinarily justify a finding of fair use, in some circumstances it might do so.

There may well be other effective justifications. Like the rest of the fair use analysis, whether a justification is sufficient "calls for case-by-case analysis" and "is not to be simplified with bright-line rules." Campbell, 510 U.S. at 577.

We turn now to examine how the Supreme Court's teachings in the Campbell and Warhol cases bear on the district court's reasoning in our case in finding that the Defendant's unauthorized publication of Plaintiff's photograph was a fair use. We find two significant errors in the district court's reasoning. The first relates to the Supreme Court's explanations in Campbell, and again in Warhol, stressing the importance of a transformative purpose as justification for the copying – that the copying transmit a message that differs from the message communicated by the original. As explained below, the district court misunderstood the meaning of this test and erred in concluding that Defendant's copying of Plaintiff's photograph transmitted any message other than the message of Plaintiff's photograph.

Second, the Campbell Court explained and the Warhol Court reemphasized the importance to fair use of a justification for the copying. The district court made no finding that could satisfy the second requirement, and we can think of none. No aspect of the statutory factors favors a finding of fair use.

As for whether Amilus's copying of the Plaintiff's woman and snakes image had a transformative purpose, the district court believed it did because, in the district court's view, it communicated the fact that there was a growing trend on the internet to publish pet photos—a message not communicated by the original image. This misunderstood the test for transformativeness. The test turns on whether the copying of the original communicates a message that differs from the message of the original – not whether the copier separately declares such a message. Amilus's republication of the snake image did not show that there was a growing trend to publish pet photos online. The only support in its publication for that proposition was Amilus's statement to that effect. Neither Campbell nor Warhol (nor any other precedential opinion discussing transformativeness) stated or implied that a copying would be deemed transformative, favoring a finding of fair use, merely because the copier, separate from the act of copying, asserted a fact about the original not asserted by it. Copying that communicates a message not communicated by the original favors fair use because it "promote[s] the Progress of Science," U.S. CONST. art.1, § 8, cl. 8, by advancing knowledge. Notwithstanding what Defendant said about Plaintiff's image, its unauthorized copying and distribution of the image communicated no message other than what the original image communicated. It did nothing to further the goals of copyright. In Justice Story's words, it merely "supersede[d] the objects" of the original creation. Folsom, 9 F. Cas. at 348.

The second flaw in the district court's reasoning was its failure to heed Campbell's insistence, later reiterated in Warhol, that there must be justification for copying, which, but for the finding of fair use, would likely infringe the exclusive rights of the rights holder.[10] As reviewed above, justification is often found when the copying serves to critique, or otherwise comment on, the original, or its author, but can also be found in other circumstances, such as when the copying provides useful information about the original, or on other subjects, usually in circumstances where

the copying does not make the expressive content of the original available to the public.

Footnote 10: We recognize that the Supreme Court had not yet decided the Warhol case when the district court made it decision, and that the district court might easily have believed, as other lower courts probably did, that Campbell's insistence on the importance of a justification for copying applied only to claims of parody. Nonetheless, in reviewing the district court's decision, we are compelled to apply the law as the Supreme Court has subsequently explained it.

The only reason given by the district court to explain its conclusion that Defendant's republication of Plaintiff's copyright-protected photograph should be deemed a fair use was Defendant's statement that it perceived a growing trend on the internet to publish photos of people with pets. Such an observation, even assuming it to be true, does not justify unauthorized copying and distribution of copyright protected expression.

Little would remain of an author's copyright protection if others could secure the right to copy and distribute a work simply by asserting some fact about the copied work. Websites could freely copy and sell the new novels of others to their subscribers, undermining the author's exclusive rights, simply by declaring, "Our editors have observed a recent increase in new novels about young love in college settings. By joining our book club for only $20 per year, you will immediately get a link to the newest such novel, and every month thereafter a new novel in the most current trend." See Warhol, 598 U.S. at 529 (warning that "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"). The district court pointed to nothing in Defendant's copying of Plaintiff's work that could furnish a justification for the Defendant's copying and redistribution of it. Considering the full range of reasons which courts have found to provide justifications, we see nothing in the information given by the complaint that could furnish such a justification. Defendant's copy did not communicate any criticism or commentary on the original or its author, or indeed on any other subject (other than what was communicated by the original). What it did do was commercial exploitation of Plaintiff's work, selling it to its own customers for its own profit, competing in a market that the copyright law reserves exclusively to Plaintiff.

For all the reasons explained above, the first statutory fair use factor decidedly favors the Plaintiff. Not only did the Defendant copier flunk the tests of transformativeness of the copying and of need to show justification for the copying, but its copying was done for a commercial purpose, which, while not dispositive, is more helpful to Plaintiff than to Defendant.

Nor do the second, third, and fourth fair use factors specified by § 107 give any support to a finding of fair use. As for the second factor—the Photograph is an artistic work and the message it communicates is identically replicated by the message communicated by the Defendant's copy. Nothing about the second factor favors a finding of fair use. As for the third factor – "the amount and substantiality of the portion used [in the copying] in relation to the copyrighted work as a whole," 17 U.S.C. § 107(3) – Defendant took the entirety of Plaintiff's work. While that

> fact alone is not fatal to a claim of fair use, Defendant cannot escape liability on the ground that it took only a small part of the protected work. As for the fourth factor – "the effect of the use on the market for or value of the copyrighted work," 17 U.S.C. § 107(4) – Defendant's unauthorized distribution of Plaintiff's Work diminished the value of Plaintiff's copyright by diminishing the likelihood that others would seek and pay for a license to publish the Photograph. So far as we are aware, no statutory factor and no argument favored a finding of fair use. Nor do the four statutory factors in the aggregate support a finding of fair use. Because no valid reason supported the district court's conclusion that Defendant's copying of Plaintiff's work was a fair use, the court had no reason to deny Plaintiff's motion for default judgment. We therefore remand with instructions to grant the Plaintiff's motion for the entry of default judgment.

Notes and questions

(1) The opinion in *Romanova* cites, favorably and in the same breath, two law review articles that do not agree with each other: Shyamkrishna Balganesh & Peter S. Menell, *Going "Beyond" Mere Transformation: Warhol and Reconciliation of the Derivative Work Right and Fair Use*, 47 COLUMBIA JOURNAL OF LAW & THE ARTS 413, 436 (2024) ("The key to operationalizing the first fair use factor … lies in examining the justification offered by the copier for the use."), and Pamela Samuelson, *Justifications for Fair Uses*, 2025 WISCONSIN LAW REVIEW 1047.

Start with what they share. Both accept that merely adding "new expression, meaning, or message" cannot by itself establish fair use; that a court must compare the secondary use's purpose with the original's; that transformativeness is not dispositive; and that commerciality and market substitution remain relevant.

The disagreement is about how much work justification should do. Balganesh and Menell read *Warhol* as a watershed that restored the balance Congress intended between fair use and the derivative work right, after the lower courts had let transformativeness swell into a nearly dispositive test. On their account justification is a structured requirement inside the first factor: the user must supply a rationale going beyond alteration or convenience, explain why copying *this* work was necessary, and show that the justification is sufficiently compelling, with commerciality raising the bar. Samuelson thinks that comes uncomfortably close to a new threshold test. She reads *Campbell* as using justification more lightly, and mainly in discussing satire and the reasonableness of the amount taken. On her view a justification may come from any of § 107's open-ended purposes, from a substantially different use, from public benefit, or even from other factors such as a very small taking or the absence of plausible market harm. She resists making every defendant prove something like necessity before the ordinary four-factor balancing can begin.

They also divide over targeting, though perhaps less than they suppose. Samuelson reads Balganesh and Menell as making targeting the original — especially for criticism or comment — the paradigmatic or required justification, and argues that this cannot be squared with *Warhol*'s approving treatment of uses that target nothing: Google's reuse of software interfaces, Google Books' search indexing, news reporting in which the pictures were the story, and *Sony*'s private time-shifting. Her broader claim is that a use may be

justified because it serves a materially different social or technological function, even when it says nothing at all about the original. Balganesh and Menell do not quite say that criticism or comment is the only permissible justification; they acknowledge the statutory categories and treat *Google v. Oracle* as a justified commercial use with a distinct technological purpose. When they say "targeting" they often mean explaining why the defendant needed to copy the particular protected material, rather than criticizing it. The real question dividing them is whether every fair use claimant must articulate a specific, necessary and compelling reason for using that particular work, or whether the doctrine is more forgiving than that.

Which side does the Second Circuit take?

(2) *Romanova* was an easy case that gave the Second Circuit a chance to elaborate on the status and application of transformative use after *Warhol*. The Tenth Circuit did much the same thing in the case that follows, *Whyte Monkee*, but in a more challenging context (as indicated by the rehearing en banc).

Whyte Monkee Productions, LLC v. Netflix, Inc., 174 F.4th 761 (10th Cir. 2026)

HOLMES, Chief Judge.

Plaintiffs-Appellants, Whyte Monkee Productions, LLC ("Whyte Monkee Productions") and Timothy Sepi, appeal from the District Court for the Western District of Oklahoma's order granting summary judgment to Defendants-Appellees, Netflix, Inc. ("Netflix") and Royal Goode Productions, LLC ("Royal Goode") (collectively, "Defendants"). In March 2020, Defendant Netflix released Tiger King: Murder, Mayhem and Madness ("Tiger King"), a seven-part documentary-style series produced by Defendant Royal Goode. Included in the series are short clips from eight videos ("the Videos") that Mr. Sepi filmed. Mr. Sepi filmed seven of the videos while he was working for the Gerald Wayne Interactive Zoological Park ("the Park").

The eighth video—Travis MM Funeral Ceremony ("Funeral Video")—was shot after Mr. Sepi terminated his employment relationship with the Park. Following the release of Tiger King, Mr. Sepi registered the eight videos for copyright protection, either under his own name or the name of Whyte Monkee Productions. Plaintiffs then sued Netflix and Royal Goode for copyright infringement, contending that Plaintiffs owned the copyrights in the Videos and that Defendants had used clips of those videos without permission.

On April 27, 2022, the district court granted summary judgment to Defendants. First, the district court held that seven of the videos were works made for hire under § 201(b) of the Copyright Act, and thus Mr. Sepi did not own the copyrights in the works. Second, the district court held that Defendants' use of the eighth video was fair use that did not infringe upon Mr. Sepi's copyright.

I

A

1

Joseph Maldonado-Passage, also known as Joe Exotic ("Mr. Exotic"), founded the Gerald Wayne Interactive Zoological Park in Wynnewood, Oklahoma. The Park housed tigers, lions, and other exotic animals and was open to the public for tours. The Park also maintained a studio that was used to produce a web series called Joe Exotic TV. Joe Exotic TV was primarily an unscripted series featuring video footage from around the Park and skits that Mr. Exotic invented. In early 2015, Joe Exotic TV was produced by Rick Kirkham, who oversaw the studio operations with a team of four people. [The court described the terms of Mr. Sepi's employment at the Park and the operation of Joe Exotic TV.]

Until his resignation in August 2016, Mr. Sepi continued to film and produce videos for Joe Exotic TV. During and after Mr. Sepi's tenure at the Park, filmmakers associated with Defendant Royal Goode were shooting footage at the Park and editing what would eventually become the Tiger King series. In addition to its own footage, Royal Goode licensed film clips from Mr. Exotic and Jeffrey Lowe—the Park's new owner as of approximately February 2016—including the works that Mr. Sepi now claims to own.

While creating Tiger King, Royal Goode emailed Mr. Sepi to obtain his assistance in accessing video footage that was apparently located at the Park. Royal Goode also offered to compensate Mr. Sepi for his efforts. Mr. Sepi responded to Royal Goode's email, telling them to contact Mr. Exotic because he no longer worked there. He also did not assert any ownership interest in any footage at that time.

[In March 2020 Netflix released Tiger King, a seven-episode series running about 312 minutes. It included clips from seven videos Mr. Sepi filmed while employed at the Park.]

Mr. Sepi shot the eighth video—Travis MM Funeral Ceremony—after he terminated his employment relationship with the Park. The video is approximately twenty-three minutes and fifty-two seconds long and documents the funeral of Mr. Exotic's husband, Travis Maldonado. The Funeral Video depicts guests arriving at the funeral, Mr. Exotic giving a eulogy, brief remarks by others—including Cheryl Maldonado, Travis's mother—and the showing of a memorial video. Mr. Sepi testified that he shot the video by placing the camera on a tripod and leaving it running. The camera lens is aimed primarily at the area around a tabletop lectern, where the guests arrived and the remarks were later offered. For brief periods, the camera lens pans to a video monitor where the memorial video is shown and to capture certain funeral guests facing the lectern. The video was livestreamed on the Joe Exotic TV YouTube page and remained there after the funeral.

Royal Goode included in Tiger King a clip from the Funeral Video showing portions of Mr. Exotic's eulogy interspersed with other footage, including comments from Mr. Maldonado's mother that are critical of Mr. Exotic. At times Ms. Maldonado's comments are played directly over visuals of Mr. Exotic's remarks, with her stating, "He has to do dramatics, you know, drama," and "He was even acting there." The clip appears in Episode Five of Tiger King and lasts approximately one minute and six seconds. Episode Five runs for forty-two minutes

and forty-three seconds. Therefore, the clip of the Funeral Video amounts to approximately 2.58% of Episode Five and 0.35% of the Tiger King series.

Following the release of Tiger King, Mr. Sepi obtained copyright registrations for the eight videos. Mr. Sepi has never licensed any of his work. [Plaintiffs sued in September 2020. The district court granted summary judgment, holding the seven videos were works made for hire.] The district court then determined that "a reasonable juror could conclude that the Travis MM Funeral Ceremony video contains elements of originality that are subject to copyright." Nonetheless, the district court concluded that Defendants' use of the Funeral Video was fair use that did not infringe upon Mr. Sepi's copyright because it determined that each of the four statutory fair-use factors weighed in Defendants' favor.

We originally heard oral arguments in the case on March 22, 2023. Approximately one year later, we published our decision. In the opinion, we affirmed the district court's judgment as to the first seven videos but reversed the court's judgment as to the Funeral Video and remanded to the court for further proceedings. However, following Defendants' limited petition for partial panel rehearing and rehearing en banc, we vacated that opinion and granted in part the petition for panel rehearing.

II

Plaintiffs argue that the district court erred in its fair-use analysis of Defendants' use of the Funeral Video. In particular, Plaintiffs contend that under the statutory fair-use factors, the [Defendants'] streaming use is unfair and contrary to the purposes of copyright." In support of their position, Plaintiffs point to the Supreme Court's recent decision in *Warhol*, which allegedly "supports reversal of the fair-use decision below." …

Plaintiffs assert that the district court "erred with respect to each of the statutory fair-use factors" when determining whether Defendants' use of the Funeral Video was fair use. Specifically, Plaintiffs claim that the first statutory factor counsels in their favor because Defendants' "streaming use is as commercial as it gets and is not transformative because the use makes no commentary upon the work [(i.e., the Funeral Video)] itself." Furthermore, Plaintiffs argue that the second and third statutory factors point in their favor, as "the work was not published, is not factual," and "the heart of the work was taken." Finally, Plaintiffs allege that the fourth factor counsels in their favor, as "there was no showing below, on this affirmative defense, of a lack of market harm." Plaintiffs contend that this conclusion is only bolstered by the Supreme Court's recent decision in Warhol, which allegedly "supports reversal of the fair-use decision below."

We disagree. All four factors weigh in favor of fair use, so we affirm the district court's grant of summary judgment as to the Funeral Video. [Boilerplate discussion of fair use omitted] In assessing whether Defendants' use of the Funeral Video is a fair use, each of the four statutory factors must be considered and the results weighed together. See Campbell, 510 U.S. at 578; Warhol, 598 U.S. at 551. In weighing the factors, none may "be treated in isolation, one from another." Campbell, 510 U.S. at 578; see also Restatement Of The Law, Copyright § 6.12 cmt. p (Am. L. Inst. Tentative Draft No. 6, 2025) ("[E]ach of the four statutory

factors bears on, at least in part, essentially the same question—the prospect of market substitution—but from a different vantage.").

We agree with the district court that all four factors favor fair use. We therefore affirm the district court's grant of summary judgment as to the Funeral Video.

1

a

[The court began with an extended restatement of the first factor as explained in *Campbell* and *Warhol*: that the inquiry asks whether the new work merely supersedes the original or adds something with a further purpose or different character; that adding something new is not by itself enough; that the § 107 preamble supplies illustrative but not limitative examples; and that transformativeness is a matter of degree, weighed against commercialism. It then turned to justification.]

One significant consideration that comes into play in the first-factor analysis is the secondary work's justification for using the original work. See Warhol, 598 U.S. at 531; see also Balganesh & Menell, supra, at 436 ("The key to operationalizing the first fair use factor… lies in examining the justification offered by the copier for the use."). The Warhol Court explained that a secondary work's use of a copyrighted work may be "justified" in two senses: a "broad sense," and a "narrower sense." 598 U.S. at 531–32. Whether justified in the broad or narrower sense, "the question of justification is one of degree." Id. at 532; cf. Balganesh & Menell, supra, at 437 ("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." (quoting Pierre N. Leval, Toward A Fair Use Standard,).

In the "broad sense," a secondary work that "*has a distinct purpose* is justified because it furthers the goal of copyright"—viz., "to promote the progress of science and the arts, without diminishing the incentive to create." Warhol, 598 U.S. at 531 (emphasis added). The Second Circuit previously expressed a similar point:

> The more the [secondary work] is using the [original work] 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.

Authors Guild v. Google, Inc., 804 F.3d 202, 214 (2d Cir. 2015). In other words, the greater the degree to which a secondary use may be deemed transformative the more likely that use will be deemed justified in the broad sense.

On the other hand, a secondary use that shares the same or similar purpose as the original work is more likely to be a "substantial substitute" for the copyrighted work—"which undermines the goal of copyright"; accordingly it is unlikely to be deemed justified in the broad sense. Warhol, 598 U.S. at 531–32. If such a use is to be justified at all, it likely must be in a "narrower sense." Id. at 532. In this sense, "a use may be justified because copying is reasonably necessary to achieve the

user's new purpose." Id. at 532; cf. Balganesh & Menell, supra, at 437 ("[T]he mere identification of a justification is insufficient. It needs to be 'compelling' and is thus a matter of degree and assessment.").

The Warhol Court elaborated by pointing to parody as an example where the secondary use of the copyrighted work may be justified in this narrower sense because of the essence of that use: that is, the essence of parody is to target the original work for imitation to achieve some comic effect—specifically, in order for the user to effectuate its parody purpose, the user *needs to* target the original work. See Warhol, 598 U.S. at 532; see also Campbell, 510 U.S. at 580–81 ("Parody *needs to* mimic an original to make its point, and so has some claim to use the creation of its victim's (or collective victims') imagination…" (emphasis added)). Thus, as to parody, the independent justification for copying the original work is baked into the secondary use itself. "Similarly," the Court reasoned, "commentary or criticism that targets an original work may have compelling reason to " 'conjure up' " the original by borrowing from it." Warhol, 598 U.S. at 532 (quoting Campbell, 510 U.S. at 588). More specifically, the Court noted that a book review needs to draw from originally copyrighted material (i.e., the book being reviewed) "because the review targets the material for comment or criticism." Id. at 532 n.7.[5]

Footnote 5: The foundation for this discussion in Warhol was the Court's earlier analysis in Campbell. See Warhol, 598 U.S. at 530–31. In Campbell, the Court "emphasized the centrality of justification through its discussion of the parody/satire distinction. As Campbell explained, a parody seeks to comment on the works that it is parodying; a satire on the other hand seeks to offer comic relief on a broader or different topic." Balganesh & Menell, supra, at 438. Thus, as to parody, the independent justification for the copying is inherent in the secondary use itself. In the case of satire, a particular secondary use of satire may still be found fair, but its independent justification is not inherent in the art form of satire itself and must be found elsewhere: that is, "satire can stand on its own two feet and so requires justification for the very act of borrowing." Campbell, 510 U.S. at 581; see Authors Guild, 804 F.3d at 215 ("A taking from another author's work for the purpose of making points that have no bearing on the original may well be fair use, but the taker would need to show a justification."). However, reflecting the spirit of copyright law, which eschews bright lines, the Campbell Court offered the following caution: The fact that parody can claim legitimacy for some appropriation does not, of course, tell either parodist or judge much about where to draw the line. Like a book review quoting the copyrighted material criticized, parody may or may not be fair use… The Act has no hint of an evidentiary preference for parodists… Accordingly, parody, like any other use, has to work its way through the relevant factors, and be judged case by case, in light of the ends of the copyright law. Id.

However, it bears underscoring that a secondary use that involves copying from an original work may be justified in a narrower sense in a way that does not involve targeting or directly invoking the original work through parody, commentary, or the like. See Google, 593 U.S. at 30–31 (noting that the use was justified because it copied the original software code "only insofar as needed" to "provide[ ] a new collection of tasks… in a distinct and different computing environment"); cf. Warhol, 598 U.S. at 547 n.21 (noting that "targeting is not always required"); id. at 533 & n.8 (discussing the "example" of Google as providing "some other justification for copying").

Elaborating on the concept of justification in this narrower sense, the Supreme Court has stated: "An independent justification… is particularly relevant to

assessing fair use where an original work and copying use share the same or highly similar purposes." Id. at 532. That is because in such circumstances the secondary use is more likely to be a "substantial substitute" for the copyrighted work—"which undermines the goal of copyright." Warhol, 598 U.S. at 531–32. On the other hand, it seems to logically follow that an independent justification in the narrower sense is less likely to be relevant when the purpose of the secondary use is so distinct from the original copyrighted work that it is transformative—at least when it is transformative to a significant degree. That is because such a secondary use is more likely to be justified in the broad sense because its transformativeness itself advances the goals of copyright. See Authors Guild, 804 F.3d at 214 ("[T]ransformative uses tend to favor a fair use finding because a transformative use is one that communicates something new and different from the original or expands its utility, thus serving copyright's overall objective of contributing to public knowledge.").

One other significant consideration that is weighed in the evaluation of the first factor is whether the secondary use is commercial or lacking in commercial purpose (i.e., a not-for-profit purpose). See Warhol, 598 U.S. at 531; Campbell, 510 U.S. at 584; Google, 593 U.S. at 32. Specifically, a secondary use's commercial character must be weighed against the degree to which the use is transformative, and "the more transformative the new work, the less will be the significance of other factors, like commercialism, that may weigh against a finding of fair use." Campbell, 510 U.S. at 579; accord Griner v. King, 104 F.4th 1, 9 (8th Cir. 2024); see Balganesh & Menell, supra, at 441 ("Campbell had been very clear that the commerciality of the putative fair use was to be weighed against its claim of transformativeness… Commerciality and transformativeness were thus to be seen on a sliding scale fulcrum.").

Indeed, the Supreme Court has time and again stated that the "undisputed commercial character of [a] use, though not dispositive, 'tends to weigh against a finding of fair use.' " Warhol, at 537 (quoting Harper & Row Publishers, 471 U.S. at 562). But, it would be legal error for a court to "giv[e] virtually dispositive weight to the commercial nature of the" the work. Campbell, 510 U.S. at 584. The Court in Campbell elaborated on the point:

[T]he mere fact that a use is educational and not for profit does not insulate it from a finding of infringement, any more than the commercial character of a use bars a finding of fairness. If, indeed, commerciality carried presumptive force against a finding of fairness, the presumption would swallow nearly all of the illustrative uses listed in the preamble paragraph of § 107, including news reporting, comment, criticism, teaching, scholarship, and research, since these activities "are generally conducted for profit in this country." Congress could not have intended such a rule…

Id. (quoting Harper & Row, 471 U.S. at 592 (Brennan, J., dissenting)).

Importantly, the focus is on the commercial exploitation of the copyrighted work *itself*, not on the commercial nature of the secondary work as a whole. See Harper & Row Publishers, 471 U.S. at 562 ("The crux of the profit/nonprofit distinction is

not whether the sole motive of the use is monetary gain but whether the user stands to profit from *exploitation of the copyrighted material* without paying the customary price." (emphasis added)); Bouchat v. Balt. Ravens Ltd. P'ship, 737 F.3d 932, 942 (4th Cir. 2013) ("The key inquiry is the extent to which the [copyrighted work] itself—and not the videos as a whole—provides commercial gain.").

* * *

To summarize, the first fair-use factor first considers whether the secondary use is transformative by virtue of its different purpose or character, and, if so, the degree to which it is transformative. See Warhol, 598 U.S. at 528, 532. If the secondary use is transformative in this broad sense, then no independent justification is likely to be necessary, and the use will be justified by furthering the goals of copyright. See Authors Guild, 804 F.3d at 214. On the other hand, if a secondary use does not have a sufficiently distinct purpose or character, then the use is likely to require an independent justification—that is, to require justification in a narrower sense. See Warhol, 598 U.S. at 532. Finally, the degree of transformativeness is then weighed against the commerciality of the secondary use. See id. "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." Id. at 532–33.

b

We now turn to discuss the category of secondary use at issue here—documentaries. Documentaries frequently incorporate snippets of copyrighted materials. Nevertheless, in cases involving such documentaries, courts frequently have concluded that the first factor weighed in favor of fair use.

This outcome does not stem from the fact that documentaries are categorically favored. They are not. There is no presumption in favor of fair use that flows from attaching the label "documentary" to a secondary work. Rather, insofar as the scales often have tilted in favor of fair use in the area of documentaries, it likely is a function of the fact that documentaries frequently reflect preamble purposes—by commenting on social ills, criticizing industrial developments, or educating viewers regarding notable personalities and world events.

Documentaries frequently use snippets of copyrighted works incidentally in furthering their own creative purposes. See Bouchat, 737 F.3d at 940, 949 (describing how the use of the logo for "less than ten seconds," which was "take your pick—fleeting, incidental, de minimis, [or] innocuous," supported the documentary's new use); see also Elvis Presley Enters., Inc. v. Passport Video, 349 F.3d 622, 629 (9th Cir. 2003) (noting that the defendant's "use of many of the television clips is transformative because they are cited as historical reference points in the life of a remarkable entertainer"); Brown v. Netflix, Inc., 855 F. App'x 61, 63 (2d Cir. 2021) (concluding that a documentary film "incidentally" used a song during "brief background accompaniment [in a scene depicting a] burlesque act"); see also Kelley v. Morning Bee, Inc., No. 1:21-CV-8420-GHW, 2023 WL 6276690, at *12 (S.D.N.Y. Sept. 26, 2023) (unpublished) ("If documentarians had

to obtain licenses for every fleeting, incidental capture of a copyrighted work in the background of any given scene, the incentive to create biographical documentaries that accurately represent a subject's life and movements would be severely curtailed."). Such incidental or insubstantial use of copyrighted materials is not likely to run afoul of the evil of substituting or superseding copyrighted works.

[The court examined Bouchat v. Baltimore Ravens Ltd. Partnership (4th Cir.) and Elvis Presley Enterprises, Inc. v. Passport Video (9th Cir.) as illustrations: in Bouchat, fleeting use of a logo in history videos was transformative; in Elvis, a documentary's mixed use of clips — some to illustrate commentary, some for their own entertainment value — made the first factor a close question.]

In sum, in cases involving documentaries, courts frequently have determined that the first factor weighs in favor of fair use. Those outcomes stem from certain characteristics discussed supra that are frequently associated with documentaries; absent such characteristics, factor one is unlikely to weigh in favor of fair use.

c

Turning to the case at hand, the district court found Defendants' use to be transformative. In finding that the first factor weighed in Defendants' favor, the district court stated that "the core of [the] inquiry is 'whether the new work merely "supersede[s] the objects" of the original creation, or instead adds something new, with a further purpose or different character, altering the first with new expression, meaning, or message.' " (quoting Campbell, 510 U.S. at 579).

Plaintiffs contend that the district court applied the incorrect standard when assessing the first factor. More specifically, Plaintiffs assert that the district court "misconstrued the meaning of 'transformative' in ruling that Defendants' use was a transformative use." They argue that the district court "overlooked that a mere difference in purpose is not quite the same thing as transformation." Plaintiffs claim that the first statutory factor counsels in their favor (i.e., against fair use) because Defendants' "streaming use is as commercial as it gets and is not transformative because the use makes no commentary upon the work itself."

We conclude, however, that Defendants' use of sixty-six seconds of the Funeral Video fits comfortably within the mold of those documentary cases in which courts have found that the first factor weighs in favor of fair use.

We summarize our reasoning here. As an initial matter, Defendants used the Funeral Video excerpt as part and parcel of a work reflecting preamble purposes—to further a larger narrative that, among other things, commented on and educated viewers about Mr. Exotic and the "big cat world." Additionally, the excerpt of the Funeral Video is transformative to a significant degree. The excerpt was used by Defendants to illustrate Mr. Exotic's purported megalomania, highlight his showmanship, and, more generally, comment on specific factors influencing the world of big cat breeders. This is a distinctly different purpose from the purpose animating the Funeral Video—which was created to remember Mr. Maldonado.[10] Further, Defendants' use was insubstantial and cannot be said to risk superseding or substituting for the copyrighted work or its derivative uses.

Footnote 10: Mr. Sepi argues that his "subjective intent" in making the video is not relevant to determining whether Tiger King's use has a different purpose. That is true; we instead look to "objective indicia" of a work's purpose. Warhol, 598 U.S. at 549. But the objective purpose of the Funeral Video as a remembrance is clear from the video itself.

Accordingly, we conclude that Defendants' use of the copyrighted material finds strong justification in a broad sense through its alignment with and advancement of the purposes of copyright—that is, to promote the arts through education and commenting on notable personalities and societal concerns. As such, under these circumstances, Defendants were not obliged to rely on an independent justification in a narrower sense, like parody—that necessitated targeting (that is, directly commenting on the original)—to justify its use of an excerpt of the Funeral Video. Moreover, given that the transformative effect of Defendants' use of the excerpt of the Funeral Video is significant, and given the insubstantial percentage of the Funeral Video incorporated in Episode 5 and in Tiger King, more generally, there is no indication that Defendants gained materially from the commercial exploitation of the copyrighted material itself. Accordingly, the commerciality factor does not materially tilt the balance away from a finding in favor of fair use.

i

At the threshold, our analysis of the first factor is guided by Tiger King's very limited use of the Funeral Video in a manner animated by one or more preamble purposes—a mode of use frequently found in documentaries. Specifically, Tiger King's use of the Funeral Video clips is classic documentary-style borrowing. Its use reflects the preamble purposes associated with many documentaries through its commentary on Mr. Exotic's purported megalomania and on the "big cat world." In particular, Episode Five raises questions about Mr. Exotic's behavior at the funeral of his husband, Travis Maldonado, and includes an interview of Mr. Maldonado's mother who expresses skepticism regarding Mr. Exotic's behavior. At times Ms. Maldonado's comments are played directly over visuals of Mr. Exotic's remarks, with her stating, "He has to do dramatics, you know, drama," and "He was even acting there."

To be clear, however, our fair use determination does not turn on classifying Tiger King as a documentary or on shoehorning Defendants' use of the Funeral Video excerpt into any of the enumerated preamble categories; we do not give such classifications and categories talismanic effect. We must assess " 'whether and to what extent' the use at issue has a purpose or character different from the original"—viz., we need to determine whether Defendants' use was transformative and to what degree. Warhol, 598 U.S. at 529 (quoting Campbell, 510 U.S. at 579).

ii

Defendants' use of the excerpted material from the copyrighted Funeral Video has a "purpose or character different from the original [work]." Warhol, 598 U.S. at 529. Unlike Mr. Sepi's original work, Defendants do not use the excerpt of the Funeral Video as a "remembrance" of Mr. Maldonado. As noted supra, to the contrary, Defendants' use seeks to illustrate Mr. Exotic's purported megalomania, even in the face of tragedy, and to provide contextual fodder for commenting on

Mr. Exotic's showmanship and, more generally, the milieu of big-cat breeders. In this regard, Defendants juxtaposed clips of Mr. Exotic giving a eulogy with clips of the deceased's mother criticizing Mr. Exotic. The difference between the purposes animating Defendants' use of the excerpted material and Mr. Sepi's use of the Funeral Video is significant. That is, the difference is significant in degree. More specifically, we conclude that Defendants' use of the Funeral Video is so transformative that, as explained below, the first factor weighs in favor of fair use even after weighing the degree of transformativeness against commerciality and even without an independent (narrower) justification for copying.

In Campbell, the Supreme Court described a transformative use as one that "adds something new, with a further purpose or different character, altering the first [(i.e., the original copyrighted work)] with new expression, meaning, or message." 510 U.S. at 579. However, in Warhol, the Court clarified that "Campbell cannot be read to mean that § 107(1) weighs in favor of *any* use that adds some new expression, meaning, or message." 598 U.S. at 541 (emphasis added); see Balganesh & Menell, supra, at 436 ("Much of the majority opinion [in Warhol] rectified the misunderstanding and oversimplification of Campbell that many lower courts—and the plaintiff in Warhol—sought to rely on. Justice Sotomayor could not have been clearer on this: Her opinion reiterated the need to recognize Campbell's 'nuance' and complexity, and unambiguously jettisoned prior readings.").

Although new meaning may be relevant to the inquiry into the objective purpose of the secondary use, they are distinct concepts, and the latter—i.e., the objective purpose—is the focus of the transformativeness inquiry. Warhol, 598 U.S. at 542 ("New meaning or message was not sufficient. If it had been, the Court could have made quick work of the first fair use factor. Instead, meaning or message was simply relevant to whether the new use served a purpose distinct from the original, or instead superseded its objects."). Here, we agree with the district court that Defendants "altered [the Funeral Video's] message." But they also did more: as Warhol clarified was necessary after the district court ruled here, they used the excerpt of the Funeral Video for an objectively different purpose and to a significant degree.

In this regard, it is important that Defendants copied the Funeral Video only to a limited extent and "only insofar as needed" to effectuate their different documentary-like purpose, using it, for example, to display Mr. Exotic's purported megalomania and showmanship, even in the tragic circumstances of a funeral, and to set the stage for the negative reaction of Mr. Maldonado's mother to that behavior. Such a limited use belies the notion that Defendants' use risked superseding or supplanting Plaintiffs' original use for the Funeral Video. See Warhol, 598 U.S. at 528 (indicating that the fundamental inquiry of the first factor 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" (alteration in original) (omission in original)); Romanova, 138 F.4th at 110–11 (noting that the first inquiry focuses on the question of whether the secondary use serves to supersede or supplant the original use and noting that "transformative uses are favored over those that risk to serve as substitutes for the

original"); see also Copyright & Media Law Professors' Supplemental Amicus Brief (noting that "borrowing can be justified as transformative [when] it deployed the borrowed material as necessary to achieve a different purpose"). The snippet of the Funeral Video that Defendants used only lasts approximately one minute and six seconds of a Funeral Video of almost twenty-four minutes long.

As in documentary and analogous settings, the use of such an insubstantial amount of the copyrighted work helps tip the first factor in favor of fair use. See SOFA Entertainment, Inc. v. Dodger Productions, Inc., 709 F.3d 1273, 1276, 1278 (9th Cir. 2013) (holding in "a copyright infringement suit over a seven-second clip of Ed Sullivan's introduction of the Four Seasons on The Ed Sullivan Show," which was used by Broadway producers "in their musical about the Four Seasons, Jersey Boys, to mark a historical point in the band's career" that the plaintiff's "argument that the clip was used for *its own entertainment value* is not supported by the record" (emphasis added)); Elvis, 349 F.3d at 629 (contrasting the two ways in which the defendant used snippets, where the "use of many of the television clips is transformative because they are cited as historical reference points in the life of a remarkable entertainer," whereas "many of the film clips seem to be used in excess of this benign purpose, and instead are simply rebroadcast for entertainment purposes that plaintiffs rightfully own"); see also Bouchat, 737 F.3d at 947 ("The [copyrighted work]'s comparative insignificance as an element of the three displays thus confirms their transformative quality, and militates in favor of a finding of fair use."); Kelley, 2023 WL 6276690, at *13 ("The use of Plaintiff's photographs in the Film—ranging from seven to fourteen seconds per photograph, out of a 140-minute documentary—was so trivial that this factor decisively tips in favor of Defendants.").

Because Defendants' use of the Funeral Video is strongly justified by its objectively different purpose to a significant degree, and that use was insubstantial, we conclude that Defendants' use was significantly transformative.

Plaintiffs make much of the fact that Defendants did not comment on—or, to use Warhol's language regarding such action, "target," 598 U.S. at 530—Mr. Sepi's work. Indeed, Tiger King does not speak about Mr. Sepi's video at all, neither the video's ostensibly creative decisions nor its intended meaning. But, contrary to Plaintiffs' reading of Warhol, Defendants did not need to comment on or target the Funeral Video for the first factor to militate in favor of fair use. Such a view reflects a misreading of governing precedent, and we reject it.

Although the Supreme Court recognized in Warhol that targeting can be important, the Court crucially stated that "targeting is not always required." 598 U.S. at 547 n.21. This observation is firmly rooted in the Supreme Court's prior pronouncements and also the decisions of other courts. See Google, 593 U.S. at 31 (holding that there was fair use of a copyrightable software program without targeting because "shared interfaces are necessary for different programs to speak to each other" and because "reimplementation of interfaces is necessary if programmers are to be able to use their acquired skills").

Targeting may be one means of effectuating an "independent justification" in a narrower sense for copying the original work—such as parody, literary commentary, or criticism. Warhol, 598 U.S. at 532 ("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.' Similarly, other commentary or criticism that targets an original work may have compelling reason to " 'conjure up' " the original by borrowing from it." (quoting Campbell, 510 U.S. at 580–81, 588)); see also id. at 547 n.21 ("The dissent wonders: Why does targeting matter?… The reason, as this opinion explains, is the first factor's attention to justification."). Such an "independent justification" may be "particularly relevant… where an original work and copying use share the same or highly similar purposes." Id. at 532.

As the Warhol Court characterized it, such was the situation, at least in part, in Campbell. See id. at 530–32. "The use at issue in Campbell was 2 Live Crew's copying of certain lyrics and musical elements from Roy Orbison's song, 'Oh, Pretty Woman,' to create a rap derivative titled 'Pretty Woman.' " Id. at 530. The Warhol Court acknowledged 2 Live Crew had transformed the original song "by adding new lyrics and musical elements, such that 'Pretty Woman' had a new message and different aesthetic." Id. "Indeed," the Court observed, "the whole genre of music changed from rock ballad to rap." Id. But, critically, the Court concluded "[t]hat was not enough for the first factor to weigh in favor of fair use." Id.

That outcome seems understandable to us in light of the analytical framework of Warhol because—irrespective of the differences that 2 Live Crew engrafted on "Oh, Pretty Woman"—the group's "rap derivative" still "shared same or highly similar purposes" to Orbison's original song—that is, to musically entertain listeners. Id. at 530, 532; see Balganesh & Menell, supra, at 439 ("The appropriate unit of analysis for fair use is the defendant's 'use' rather than just copying… The rationale underlying the distinct purpose requirement—which the Warhol Court drew from Campbell—was the obvious substitutionary effect of a use that exhibited a purpose similar to that of the copyright owner's.")

However, the Court ultimately concluded that 2 Live Crew's use militated in favor of a fair use determination because, in a narrower sense, that "use may be justified because copying is reasonably necessary to achieve the user's new purpose"—that is, parody. Warhol, 598 U.S. at 532. In other words, parody provided an "independent justification" under circumstances "where an original work and copying use share the same or highly similar purposes," and parody, by its nature, "targets an author or work for humor or ridicule."[11] Id. at 530, 532; see also Romanova, 138 F.4th at 112 ("[T]he Supreme Court's ruling in Warhol made clear that Campbell's requirement of justification is not applicable only in cases of claimed parody, but applies generally to all claims of fair use.").

Footnote 11: In contrast, under analogous circumstances in Warhol itself—where the secondary use and the original use "shared substantially the same purpose," 598 U.S. at 537–38, and therefore the secondary use could not be said to be transformative in a broad sense—the Court reached a different outcome. And a significant key to understanding that different outcome is the concept of

justification. "The absence of a justification in the factual record was crucial." Balganesh & Menell, supra, at 438. The plaintiff foundation in Warhol could not marshal an independent justification for its copying—like 2 Live Crew's parodic use, which reasonably necessitated targeting: instead, it could merely argue that it sought to "convey a new meaning or message," Warhol, 598 U.S. at 547, and that was not enough, see id. ("Copying might have been helpful to convey a new meaning or message. It often is. But that does not suffice under the first factor."). "Like satire that does not target an original work, [the foundation's] asserted commentary 'can stand on its own two feet and so requires justification for the very act of borrowing.' " Id. (quoting Campbell, 510 U.S. at 581). And the foundation had no such justification. But, as we explain infra, Defendants here are not similarly situated to either 2 Live Crew or the plaintiff foundation in Warhol: the purpose of its secondary use of the excerpt of the Funeral Video was not the same or similar to Plaintiff's use of the Funeral Video; it was distinctly different and significantly transformative. As such, Defendants' use was justified in a broad sense by furthering the purposes of copyright, and did not require an independent justification that relied on targeting.

However, under the circumstances here—as we have demonstrated—the secondary use of the excerpt of the Funeral Video in Tiger King and the use of the original Funeral Video do not involve the same or similar purpose. And, consequently, in our view, an "independent justification"—like parody, that relies on targeting is not "particularly relevant to assessing fair use." Warhol, 598 U.S. at 532. Rather, without regard to targeting at all, Defendants' use of the copyrighted material in Tiger King was significantly transformative. It therefore finds strong justification —like the use of analogous snippets in many other documentaries—in Warhol's "broader sense," that is, through its alignment with and advancement of the purposes of copyright, to promote the arts through education and by commenting on notable personalities and societal concerns. See Romanova, 138 F.4th at 119 (noting that "justification is often found when the copying serves to critique, or otherwise comment on, the original, or its author, but can *also be found* in *other circumstances*, such as when the copying provides useful information about the original, *or on other subjects*" (emphasis added)); Griner, 104 F.4th at 9 ("Transformativeness 'relates to the justification for the use.' " (quoting Warhol, 598 U.S. at 531)).

Stated otherwise, under these circumstances, Defendants were not obliged to rely on an independent justification in a narrower sense, like parody—the effectuation of which was reasonably dependent on targeting—to justify their use of the excerpt of the Funeral Video.

iii

Having concluded that Defendants' use of the excerpt of the Funeral Video was significantly transformative and justified in the broad sense, we next address the commerciality of the use. "The commercial nature of the use is not dispositive." Warhol, 598 U.S. at 531. Indeed, the commercial character of a secondary use carries no "presumptive force against a finding of fairness"; if it did, "the presumption would swallow nearly all of the illustrative uses listed in the preamble paragraph of § 107." Campbell, 510 U.S. at 584. The commerciality of a secondary use nevertheless "tends to weigh against a finding of fair use." Harper & Row Publishers, 471 U.S. at 562.

We must balance the commerciality of Defendants' use against the transformative effect of the use. See Warhol, 598 U.S. at 532–33. More specifically, as Warhol put it, "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." Id. at 532. "[T]he more transformative the new work, the less will be the significance of other factors, like commercialism…" Campbell, 510 U.S. at 579; see Balganesh & Menell, supra, at 441 ("Campbell had been very clear that the commerciality of the putative fair use was to be weighed against its claim of transformativeness. Commerciality and transformativeness were thus to be seen on a sliding scale fulcrum.").

We have concluded that Defendants' use was significantly transformative, causing the balance of the first factor to tip toward Defendants. And, as we see it, the commercialism of Defendants' use here does not materially alter that balance in favor of fair use. That is, the significance of the commerciality factor does not "loom" as large in this context. Campbell, 510 U.S. at 580.

To be sure, it is undisputed that Defendants profited from their streaming of the Tiger King series because viewers must pay to access Netflix's content. [Plaintiffs' complaint alleged that the *Tiger King* miniseries was watched by over 34 million viewers in the U.S. in its first 10 days, and their brief argued that "[p]ublicly performing a work over a for-profit, pay-walled streaming platform to millions of customers is about as commercial as it gets."] However, the commerciality of Tiger King per se is not the proper focus of the inquiry. Recall that our attention should be on the commercial exploitation of the copyrighted work itself, not on the commercial nature of the secondary work as a whole. See Harper & Row Publishers, 471 U.S. at 562 ("The crux of the profit/nonprofit distinction is not whether the sole motive of the use is monetary gain but whether the user stands to profit from exploitation of the copyrighted material without paying the customary price."); Bouchat, 737 F.3d at 942 ("The key inquiry is the extent to which the [copyrighted work] itself—and not the videos as a whole—provides commercial gain.").

In that regard, it is important that Defendants' use of the Funeral Video is insubstantial—either as compared to Episode Five or the entire season of Tiger King. The snippet comprises a mere 2.58% of Episode Five and less than one percent of the Tiger King series. This insubstantial use discourages us from placing "significant weight" on the commerciality factor. Bouchat, 737 F.3d at 942 ("The limited nature of the uses counsels against placing significant weight on their commercial nature."); see Elvis, 349 F.3d at 627 ("The degree to which the new user exploits the copyright for commercial gain—as opposed to incidental use as part of a commercial enterprise—affects the weight we afford commercial nature as a factor."); see also Karen Shatzkin & Dale Cohen, *Picture This: Applying the Fair Use Doctrine to Documentary Films After Google/Oracle and Warhol*, 30 UCLA ENT. L. REV. 21-22 (2023) ("Most particular archival uses in documentaries are largely insignificant to the commercial purposes of the

filmmakers. Each piece of archive in itself generally constitutes only a small element of the film that is combined with other sources.").

We simply cannot conclude here that the commercial success of Tiger King stemmed in any considerable degree from Defendants' exploitation of the excerpt of the Funeral Video. See Bill Graham Archives, 448 F.3d at 612 (recognizing that the secondary work was "a commercial venture" but nonetheless finding the first factor weighed in favor of fair use by determining that the secondary work "does not exploit [the copyrighted original] as such for commercial gain" because, for example, the secondary work did not use the copyrighted images "in its commercial advertising or in any other way to promote the sale of the" work). Thus, on balance, we conclude that the commerciality of Defendants' use does not tip the balance away from a finding that the first factor supports the fair-use defense.

* * *

We hold that Defendants' use of an excerpt of the Funeral Video fits comfortably within the mold of the use of snippets of archival material in documentaries. Such uses frequently reflect preamble purposes and have been held by courts to support a finding of fair use at the first factor. And that is true here. Defendants' documentary-style use of the excerpt of the Funeral Video is transformative to a significant degree and justified in a broad sense by its advancement of the purposes of copyright. And the commerciality factor here does not "loom" large. Campbell, 510 U.S. at 580. In sum, we hold that the first factor tilts in Defendants' favor.

2

[The court held that the second fair-use factor (nature of the copyrighted work) favored the defendants. First, it found that the Funeral Video was factual rather than creative: Mr. Sepi simply set up a tripod and let it run, exercising no meaningful creative choices in filming or editing, and Joe Exotic's charismatic presence at the event did not convert the footage into fiction. Second, the court rejected the argument that the video was "unpublished" for fair-use purposes. It explained that the second factor's publication inquiry isn't governed by the Copyright Act's technical definition of "publication," but by whether the author already exercised control over the work's first public appearance. Because Sepi voluntarily livestreamed and posted the video on YouTube before the defendants used a clip of it, he had already made his choice about first public disclosure, so the defendants' later use did not infringe that right. The court also dismissed the argument that the video's personal, funeral-related subject matter should weigh against fair use, noting Sepi's own choice to broadcast it publicly undercuts any claim of private or confidential character.]

a

b

3

We next turn our attention to the third statutory factor. The third factor concerns the amount and substantiality of the material used and is reviewed "with reference to the copyrighted work, not the infringing work." Bill Graham Archives, 448 F.3d

at 613; see 17 U.S.C. § 107(3) (noting that the third factor concerns "the amount and substantiality of the portion used in relation to the copyrighted work as a whole"). This factor requires courts to consider not only "the quantity of the materials used," but also "their quality and importance." Campbell, 510 U.S. at 587. So long as "the secondary user only copies as much as is necessary for his or her intended use, then this factor will not weigh against him or her." Kelly v. Arriba Soft Corp., 336 F.3d 811, 820–21 (9th Cir. 2003).

Plaintiffs argue that the district court erred in assessing this factor, as it "failed to appreciate that quantity is not dispositive" of the inquiry. Instead, Plaintiffs contend that a "proper analysis of this factor demands a qualitative analysis." Plaintiffs claim that "the qualitative value of the works copied in this case is quite high." Specifically, they assert that "the clip here was taken precisely because it was unusual—i.e., was notable, compelling, captivating footage." We are unconvinced.

As a threshold matter, Defendants used a quantitatively insubstantial amount of the Funeral Video—a total of approximately sixty-six seconds out of a video lasting nearly twenty-four minutes. Plaintiffs are correct: this consideration is not dispositive. But courts have generally found the use of such an insubstantial amount of a copyrighted work, as here, weighs in favor of fair use. Defendants' use of such an insubstantial amount of the Funeral Video counsels in favor of a finding of fair use.

Furthermore, contrary to Plaintiffs' assertion, the district court did assess the qualitative value of the clips used from the Funeral Video. Specifically, the district court noted:

> The portions of the video used by Defendants show [Mr.] Exotic speaking at the funeral. Qualitatively, these clips are some of the more unusual portions of the video, although they are not necessarily the most important. The comments by Mr. Maldonado's mother, for example, may be just as significant as the comments by [Mr.] Exotic to a person wanting to view the funeral. In both their Opening and Reply briefs, Plaintiffs fail to meaningfully engage with the district court's analysis and demonstrate why that qualitative analysis is mistaken or unpersuasive. In itself, that is a fundamental problem for Plaintiffs.

But even if we were inclined to overlook this significant deficiency in Plaintiffs' argument and assume that Defendants used the most qualitatively important scenes from the Funeral Video, Plaintiffs' claim would still lack merit. Defendants appear to have used no more of the Funeral Video than necessary for their transformative purpose. More specifically, what Defendants used was reasonably necessary for the purpose of commenting on Mr. Exotic's megalomania and showmanship and the milieu of big-cat breeders. See Kelly, 336 F.3d at 820–21; see also Threshold Media Corp. v. Relativity Media, LLC, No. CV 10-09318, 2013 WL 12331550, at *12 (C.D. Cal. Mar. 19, 2013) (unpublished) ("Although one might quibble whether the filmmakers could have cut a second or two from their uses of [plaintiff's] song in order to further reduce its overall exposure, the overall amount used was reasonable in light of their purpose."). Stated another way, for Defendants to make their point about Mr. Exotic's character and traits and his big-cat environment, they reasonably

used clips that focused on his unusual behavior at Travis Maldonado's funeral. As such, Defendants copied only as much as was necessary for their intended transformative use.

In our view, based on the foregoing, the third statutory factor also weighs in favor of fair use.

4

We turn to the fourth factor, "the effect of the use upon the potential market for or value of the copyrighted work." 17 U.S.C. § 107(4). In finding that the fourth factor weighed in Defendants' favor, the district court concluded that "Tiger King is not a substitute for the Funeral Ceremony video." Specifically, the district court reasoned that it was "not likely that a person interested in viewing the funeral would consider viewing Tiger King as a replacement." Plaintiffs argue that the district court failed to consider harm to markets for derivative uses of the Funeral Video and that the district court failed to place the burden of proof on Defendants.

a

Plaintiffs do not challenge the district court's conclusion that Defendants' use is not a market substitute for the original Funeral Video. Instead, they only argue that the district court failed to consider the possibility of harm to derivative markets. As to the issue of derivative markets, Plaintiffs argue that "any lack of evidence about market harms cuts against Defendants' fair use and means Defendants, as the movants on an affirmative defense, have failed to carry their burden on the fourth factor." Plaintiffs note that "the Supreme Court and other Circuits have unequivocally placed the burden of proof on the proponent of the affirmative defense of fair use."

Defendants respond that the "fourth factor weighs in the defendant's favor when the plaintiff provides no evidence demonstrating a market impact." As such, Defendants argue that "in attacking the district court's order, Plaintiffs merely assert—without a shred of evidence—that Tiger King is an unfair 'derivative use' of Plaintiffs' work."

b

"The fourth fair use factor is 'the effect of the use upon the potential market for or value of the copyrighted work.' " Campbell, 510 U.S. at 590 (quoting 17 U.S.C. § 107(4)). Furthermore, "[t]he enquiry 'must take account not only of harm to the original but also of harm to the market for derivative works.' " Id. (quoting Harper & Row Publishers, 471 U.S. at 568). "[T]he possibility, or even the probability or certainty, of some loss of sales does not suffice to make the copy an effectively competing substitute that would tilt the weighty fourth factor in favor of the rights holder in the original." Authors Guild, 804 F.3d at 224. "There must be a meaningful or significant effect 'upon the potential market for or value of the copyrighted work.' " Id.; see also Campbell, 510 U.S. at 593 ("Evidence of substantial harm to [a derivative market] would weigh against a finding of fair use").

"Courts have, on the whole, been more cautious when considering a plaintiff's claim of harm in a derivative market—that is, a market not for the plaintiff's work itself, but for derivative works based on the plaintiff's work." Restatement Of The Law, Copyright § 6.12 cmt. q. In particular, courts must be cautious of the " 'danger of circularity posed' by considering unrealized licensing opportunities because 'it is a given in every fair use case that plaintiff suffers a loss of a potential market if that potential is defined as the theoretical market for licensing the very use at bar[.]' " Google, 593 U.S. at 38 (quoting the Nimmer treatise). Courts must therefore focus on cognizable harms—as relevant here, harms to markets that fall within the statutory definition of derivative works. See Restatement Of The Law, Copyright § 6.12 cmt. q.

The statute defines a "derivative work" as a "work based upon one or more preexisting works, such as a translation, musical arrangement, dramatization, fictionalization, motion picture version, sound recording, art reproduction, abridgment, condensation, or any other form in which a work may be recast, transformed, or adapted." 17 U.S.C. § 101. This definition, especially its illustrative examples, show that a derivative is a work that "re-present[s] the protected aspects of the original work, i.e., its expressive content, converted into an altered form[.]" Authors Guild, 804 F.3d at 225. Although derivative works may involve a substantial change in form, importantly, they "are likely to share the original work's purpose and character." Restatement Of The Law, Copyright § 6.12 cmt. q. "The market for potential derivative uses includes only those that creators of original works would in general develop or license others to develop." Campbell, 510 U.S. at 592. Therefore, "copyright owners may not preempt exploitation of transformative markets" Castle Rock Ent., Inc. v. Carol Pub. Grp., Inc., 150 F.3d 132, 145 n.11 (2d Cir. 1998).

The first fair-use factor, and transformativeness in particular, informs the question of market impact. "A secondary use that is more different in purpose and character is less likely to usurp demand for the original work or its derivatives." Warhol, 598 U.S. at 536 n.12; see Campbell, 510 U.S. at 591 (noting that when the defendant's "use is transformative, market substitution is at least less certain, and market harm may not be so readily inferred"). But "the relationship is not absolute." Warhol, 598 U.S. at 536 n.12. "While the first factor considers whether and to what extent an original work and secondary use have substitutable purposes, the fourth factor focuses on actual or potential market substitution." Id. For example, "even if the purpose of the copying is for a valuably transformative purpose, such copying might nonetheless harm the value of the copyrighted original if done in a manner that results in widespread revelation of sufficiently significant portions of the original as to make available a significantly competing substitute." Authors Guild, 804 F.3d at 223. Likewise, a transformative use may be similar enough to a protectible derivative market to cause market harm. See Campbell, 510 U.S. at 593 ("But the [transformative work] may have a more complex character, with effects not only in the [unprotected, transformative market] but also in protectible markets for derivative works, too."); see also supra note 15.

Fair use is an affirmative defense, thus requiring the defendant to bring forward favorable evidence about relevant markets. Nevertheless, a defendant need not prove a lack of harm to derivative markets if the plaintiff has not identified any such markets. See Leibovitz v. Paramount Pictures Corp., 137 F.3d 109, 116 n.6 (2d Cir. 1998) (noting that where the copyright holder does "not identif[y] any market for a derivative work that might be harmed… the defendant has no obligation to present evidence showing lack of harm in a market for derivative works"); Hachette Book Grp., Inc. v. Internet Archive, 115 F.4th 163, 194 (2d Cir. 2024) ("The rightsholder may bear some initial burden of identifying relevant markets[.]"); see also Andy Warhol Found. for Visual Arts, Inc. v. Goldsmith, 11 F.4th 26, 48 (2d Cir. 2021) ("Since Goldsmith has identified a relevant market, AWF's failure to put forth any evidence [negating market harm] tilts the scales toward Goldsmith.").

c

Plaintiffs have not identified, below or on appeal, any protectible derivative market that may be harmed by Defendants' use. Plaintiffs merely speculate and offer conclusory statements to the effect that there must have been some derivative markets, while remaining vague about what they are: "Given that Joe Exotic is content gold and a documentarian's dream, it's hard to imagine that there was not a market to make derivative uses" of the Funeral Video. Notwithstanding that Defendants have the evidentiary burden to show the impact on derivative markets, they have no burden to disprove effects on hypothetical derivative markets that Plaintiffs have not identified. Combined with the district court's (unchallenged) conclusion that Tiger King is not a substitute for the original Funeral Video, Plaintiffs' failure to identify protectible derivative markets that may be harmed is likely enough to preclude a showing of market harm and, therefore, likely enough for us to conclude that the fourth factor weighs in favor of fair use. But there is more.

Defendants' copying of the Funeral Video is significantly transformative and, consequently, attenuates the likelihood of any cognizable market harm. Defendants clipped just sixty-six seconds from the Funeral Video, chopped it up, and interspersed it with footage of Mr. Maldonado's mother commenting on Mr. Exotic. At times her comments are played directly over visuals of Mr. Exotic's remarks, with her stating, "He has to do dramatics, you know, drama," and "He was even acting there." Those changes, along with the broader context of the episode and the series as a whole, make abundantly clear that Defendants' use had a totally different purpose from the original Funeral Video. The Funeral Video is a remembrance, but Defendants used the specific excerpt to advance their documentary-style commentary. Whereas the Funeral Video is focused on capturing Mr. Maldonado's funeral, Defendants use the clip of the Funeral Video to tell a story about Mr. Exotic, probing the appropriateness of his theatrics at his husband's funeral as part of Tiger King's broader exploration of his megalomania. As we have said, Defendants' use is significantly transformative.

This transformative use undermines the likelihood of market harm. As Warhol and Campbell articulate, the more transformative the defendant's use, the less likely it

is to substitute for the original or derivatives. See Warhol, 598 U.S. at 536 n.12; Campbell, 510 U.S. at 591. That relationship is apparent here. Based on Defendants' limited copying from the Funeral Video and their significantly transformative use of the copied clips, it strains belief that anyone would watch Tiger King or the segment at issue as a substitute for the Funeral Video. Even if there were derivative markets at issue, Defendants' significantly transformative use would attenuate the possibility of harm to those markets as well. See Warhol, 598 U.S. at 536 n.12 ("A secondary use that is more different in purpose and character is less likely to usurp demand for the original work or its derivatives[.]"). Anything qualifying as a derivative of the Funeral Video would be quite dissimilar to Defendants' use, making substitution unlikely. Therefore, Defendants' significantly transformative use militates significantly in favor of the conclusion that the fourth factor favors Defendants.

Furthermore, though not extensive or sophisticated, the evidence here of market impact—extrinsic to the uses of the original and secondary works themselves—bolsters that conclusion. There is virtually nothing suggesting that Defendants' use harmed the market for the Funeral Video or any derivatives. Plaintiffs point to the fact that Defendants "licensed film clips from Exotic and Lowe including the works at issue in this lawsuit." But inferring market harm from that payment would be both factually and legally problematic. As a factual matter, the payment may have been made in hopes of avoiding the need to litigate the complicated fair-use doctrine. See Campbell, 510 U.S. at 585 n.18 (noting that the defendant's prior offer to pay a licensing fee "may simply have been made in a good-faith effort to avoid this litigation"); Bill Graham, 448 F.3d at 615 ("A publisher's willingness to pay license fees for reproduction of images does not establish that the publisher may not, in the alternative, make fair use of those images.").

Legally, we must not reflexively infer harm based on "the theoretical market for licensing the very use at bar." Nimmer, § 13F.08[B] (2025). Under the circumstances here, that loss of potential licensing is only cognizable if the defendant's use is a derivative work or substitutes for such works. See Campbell, 510 U.S. at 593; Restatement Of The Law, Copyright § 6.12 cmt. q. As we have explained, Defendants' significantly transformative use falls far outside the bounds of a statutory derivative of the Funeral Video.

Moreover, other evidence tends to confirm a lack of licensing harm. Mr. Sepi admitted that he "has never licensed, sold, or otherwise commercially exploited any of his work (including the Videos)". Indeed, Mr. Sepi's deposition testimony indicates he never attempted to license the Funeral Video. When asked what he has done with the Funeral Video, Mr. Sepi made no mention of any commercial plans.

> Q. What did you do with the [Funeral Video] after you made it?
>
> A. I look back on it and remember the times that I had with Travis, the friendship we had.
>
> Q. Has it been used in any other way other than being on the Joe Exotic YouTube page?
>
> A. Not by me. Not by anyone but Netflix and Royal Goode.

Asked whether he retained a copy after the funeral, Mr. Sepi stated that he did so "because Travis was a really, really good friend."

The fact that Mr. Sepi has not licensed or attempted to license the Funeral Video is evidence cutting against derivative market harm. We think that these admissions from Mr. Sepi provide, under the circumstances here, a sufficient evidentiary basis for us to assess and weigh the fourth factor. And, when those admissions are considered in the context of Defendants' significantly transformative use and limited copying of the original work, we think the fourth factor convincingly weighs in favor of Defendants.

To be sure, Plaintiffs hang their fourth-factor hat on the following language from Campbell: "Since fair use is an affirmative defense, its proponent would have difficulty carrying the burden of demonstrating fair use without favorable evidence about relevant markets." 510 U.S. at 590. It is of course true that the proponent of fair use bears the evidentiary burden on market impact. But we do not read Campbell as a rigid requirement that the proponent of fair use must always produce evidence of market impact—extrinsic to the uses of the original and secondary works themselves—to prevail. For one thing, Campbell speaks of "difficulty" of shouldering the fair use burden, not the impossibility of doing so. 510 U.S. at 590. The Court goes on to explain that, where a defendant's use is significantly transformative, there is no presumption of market harm. Id. at 591. We therefore agree with the Restatement that the above Campbell "statement may best be read as providing a prediction, i.e., that a defendant would be unlikely to prevail without favorable evidence on the fourth factor, rather than stating a legal requirement, i.e., that a defendant must always present favorable evidence on the fourth factor in order to prevail." Restatement Of The Law, Copyright § 6.12 cmt. p.

We recognize that a few pages later the Campbell Court says that "it is impossible to deal with the fourth factor except by recognizing that a silent record on an important factor bearing on fair use disentitled the proponent of the defense, 2 Live Crew, to summary judgment." 510 U.S. at 594. But the Court made that statement in the context of the particular derivative market at issue, namely nonparody rap versions of the original rock song, that plausibly could have been harmed by the defendant's parody rap version. See id. at 593–94. Because Plaintiffs identify no protectible markets for derivative works, this discussion from Campbell is inapposite.

In summary, Plaintiffs do not challenge the district court's conclusion that Defendants' use is not a market substitute for the Funeral Video itself. And although Plaintiffs argue that the district court failed to hold Defendants to their evidentiary burden regarding derivative market harm, Plaintiffs have not identified any protectible derivative markets. Moreover, the available evidence tends to confirm that Defendants' use has not harmed any such markets.

C

After consideration of each factor, "the results [are to be] weighed together, in light of the purposes of copyright." Warhol, 598 U.S. at 551 (quoting Campbell, 510

U.S. at 578). Here, that weighing is straightforward because all four factors point with force in the same direction: fair use.

How the courts are reading Warhol

(1) Let's return to the questions posed in the previous chapter in relation to *Warhol*. Is transformative use still the heart of fair use under the first factor and more generally? If so, what do these cases tell us about how much transformation is enough? Do *Romanova* and *Whyte Monkee* help clarify the difference between adding new meaning or expression and having a genuinely different purpose that makes expressive substitution unlikely? Why did the court in *Whyte Monkee* see the defendant's use as not just an infringing derivative work?

(2) What do *Romanova* and *Whyte Monkee* tell us about the necessity of "targeting" to establish justification under the first factor? Indeed, what do they think "targeting" means? How broad do you think is the range of possible justifications for fair use following *Romanova* and *Whyte Monkee*?

(3) How do the opinions treat the relationship between justification and commerciality under factor one?

(4) To the extent there is a disagreement between Samuelson and Balganesh & Menell about how to apply factor one following *Warhol*, who comes out ahead in *Romanova* and *Whyte Monkee*?

CHAPTER 13. FAIR USE IN PARTICULAR CONTEXTS—PART I

Fair use is often characterized as unpredictable. Although there are certainly cases where courts have applied the fair use doctrine in surprising ways, and cases where the application of fair use depended on close calls on disputed facts, by and large, the supposed unpredictability of fair use is more myth than reality. There are two keys to understanding the modern law of fair use. The first is that courts are primarily concerned with expressive substitution—uses that pose a real threat of substituting for the copyright owner's original expression are unlikely to be fair; but uses that are unlikely to present a risk of expressive substitution have a good chance of being seen as fair, particularly if they are combined with some kind of additional justification.

The second key to understanding fair use is recognizing that the cases tend to cluster together in groups. In an influential 2009 law review article, Pamela Samuelson argued that most fair use cases follow consistent patterns, which can make outcomes more predictable when cases are analyzed within "policy-relevant clusters." This clustering approach aids in understanding fair use beyond the statutory four-factor analysis, allowing cases to be better classified and more accurately predicted. As Samuelson writes, "if one analyzes putative fair uses in light of cases previously decided in the same policy cluster, it is generally possible to predict whether a use is likely to be fair or unfair." See, Pamela Samuelson, *Unbundling Fair Uses,* 77 FORDHAM LAW REVIEW 2537 (2009). This chapter builds on Samuelson's approach, but adopts a slightly different schema of classification.

Parody

Classic parody cases

Leibovitz v. Paramount Pictures Corp., 137 F.3d 109 (2d Cir. 1998)

The August 1991 cover of Vanity Fair (a magazine) featured a compelling nude portrait photo of actress Demi Moore by Annie Leibovitz. The iconic image, evoking Botticelli's *Birth of Venus*, featured the very pregnant Moore in profile with a serious expression, covering her breasts with her hand and supporting her stomach. In 1993, preparing to promote *Naked Gun 33 1/3: The Final Insult*, Paramount approved an ad that mimicked the Leibovitz photo. It commissioned a new photograph of a similarly posed, nude, pregnant model, meticulously styled to resemble Moore's posture, ring placement, and skin tone, with Leslie Nielsen's smirking face digitally added. Released in early 1994, the ad featured the tagline "DUE THIS MARCH."

Contrasting Images of Demi Moore and Leslie Nielsen



Image description: Side-by-side images. Left: The famous *Vanity Fair* cover featuring Demi Moore nude and pregnant, posed in profile with one arm across her chest and the other hand cradling her belly. Right: A parody image mimicking the pose, featuring an older man with white hair in the same nude, pregnant stance, promoting the film *The Naked Gun 33⅓: The Final Insult*.

JON O. NEWMAN, Circuit Judge:

… I. Fair Use and Parody

The fair use doctrine permits other people to use copyrighted material without the owner's consent in a reasonable manner for certain purposes. Recognized at common law, the doctrine is now codified in section 107 of the 1976 Copyright Act. … Although the statute does not specifically list "parodies" among the categories of potentially "fair" uses, we have long afforded such works some measure of protection under this doctrine, see, e.g., *MCA, Inc. v. Wilson*, 677 F.2d 180 (2d Cir.1981); *Elsmere Music, Inc. v. National Broadcasting Co.*, 623 F.2d 252 (2d Cir.1980); *Berlin v. E.C. Publications, Inc.*, 329 F.2d 541 (2d Cir. 1964), and the Supreme Court authoritatively confirmed the applicability of the fair use doctrine to parodies in *Campbell*, 510 U.S. at 579. [The court then elaborated on "Campbell's Clarification of the Fair Use Defense" before proceeding to apply the fair use factors.]

A. First factor.

Applying *Campbell* to the first-factor analysis, we inquire whether Paramount's advertisement "may reasonably be perceived," as a new work that "at least in part, comments on" Leibovitz's photograph. Plainly, the ad adds something new and qualifies as a "transformative" work. Whether it "comments" on the original is a somewhat closer question. Because the smirking face of Nielsen contrasts so strikingly with the serious expression on the face of Moore, the ad may reasonably be perceived as commenting on the seriousness, even the pretentiousness, of the original. The contrast achieves the effect of ridicule that the Court recognized in Campbell would serve as a sufficient "comment" to tip the first factor in a parodist's favor. See id. at 583, ("It is this joinder of reference and ridicule that marks off the author's choice of parody from the other types of comment and criticism that traditionally have had a claim to fair use protection as transformative works.").

In saying this, however, we have some concern about the ease with which every purported parodist could win on the first factor simply by pointing out some feature that contrasts with the original. Being different from an original does not inevitably "comment" on the original. Nevertheless, the ad is not merely different; it differs in a way that may reasonably be perceived as commenting, through ridicule, on what a viewer might reasonably think is the undue self-importance conveyed by the subject of the Leibovitz photograph. A photographer posing a well known actress in a manner that calls to mind a well known painting must expect, or at least tolerate, a parodist's deflating ridicule.[3]

Footnote 3: Some have suggested that copyright law should accord fair use protection to parodies only when they offer commentary that is disparaging of the original. … While we agree that the fair use defense can play a valuable role in allowing commentary with criticizing messages to see the light of day, the fair use doctrine is broad enough to protect even those commentaries that are not so damaging that the original author would refuse to license them for a fee. A parodist need not demonstrate that the copyright owner would prohibit the use in order to qualify the copy as fair use under Campbell.

Apart from ridiculing pretentiousness, the ad might also be reasonably perceived as interpreting the Leibovitz photograph to extol the beauty of the pregnant female body, and, rather unchivalrously, to express disagreement with this message. The District Court thought such a comment was reasonably to be perceived from the contrast between "a serious portrayal of a beautiful woman taking great pride in the majesty of her pregnant body ... [and] a ridiculous image of a smirking, foolish-looking pregnant man."

The fact that the ad makes a parodic comment on the original does not end the first-factor analysis, however, because the ad was created and displayed to promote a commercial product, the film. This advertising use lessens the "indulgence" to which the parodic ad is entitled. See *Campbell*, 510 U.S. at 585. Paramount seeks to mitigate the negative force of the advertising purpose by arguing that the advertisement should be viewed as an extension of the film, rather than merely an advertisement for it. Paramount emphasizes the general jocular nature of the film, as well as the film's specific humorous treatment of pregnancy and parenthood.

Though the advertising purpose of a parodic copying should not be entirely discounted simply because the ad promotes a humorous work, there is some slight force to Paramount's argument. For those who see the movie, the parodic comment of the ad might reasonably be perceived as reenforced by the kidding comments of the movie concerning pregnancy and parenthood.

On balance, the strong parodic nature of the ad tips the first factor significantly toward fair use, even after making some discount for the fact that it promotes a commercial product. Less indulgence, does not mean no indulgence at all. This is not a case like *Steinberg v. Columbia Pictures Industries, Inc*., 663 F.Supp. 706 (S.D.N.Y.1987), where a copyrighted drawing was appropriated solely to advertise a movie, without any pretense of making a comment upon the original.

B. Second Factor.

Though Paramount concedes the obvious point that Leibovitz's photograph exhibited significant creative expression, Campbell instructs that the creative nature of an original will normally not provide much help in determining whether a parody of the original is fair use. *Campbell*, 510 U.S. at 586. The second factor therefore favors Leibovitz, but the weight attributed to it in this case is slight.

C. Third Factor.

In assessing the amount and substantiality of the portion used, we must focus only on the protected elements of the original. Leibovitz is entitled to no protection for the appearance in her photograph of the body of a nude, pregnant female. Only the photographer's particular expression of such a body is entitled to protection. Thus, to whatever extent Leibovitz is contending that the ad takes the "heart" of the original, see *Harper & Row*, 471 U.S. at 564-66, she must limit her contention to the particular way the body of Moore is portrayed, rather than the fact that the ad copies the appearance of a nude, pregnant body. Moreover, in the context of parodies, "the heart is also what most readily conjures up the [original] for parody, and it is the heart at which parody takes aim," *Campbell*, 510 U.S. at 588. Thus, the third-factor inquiry in the parody context concerns "what else the parodist did besides go to the heart of the original." Id. at 589.

Paramount went to great lengths to have its ad copy protectable aspects of the Leibovitz photograph. Even though the basic pose of a nude, pregnant body and the position of the hands, if ever protectable, were placed into the public domain by painters and sculptors long before Botticelli, Leibovitz is entitled to protection for such artistic elements as the particular lighting, the resulting skin tone of the subject, and the camera angle that she selected.

The copying of these elements, carried out to an extreme degree by the technique of digital computer enhancement, took more of the Leibovitz photograph than was minimally necessary to conjure it up, but *Campbell* instructs that a parodist's copying of more of an original than is necessary to conjure it up will not necessarily tip the third factor against fair use. On the contrary, "[o]nce enough has been taken to assure identification," as plainly occurred here, the reasonableness of taking additional aspects of the original depends on the extent to which the "overriding purpose and character" of the copy "is to parody the original," and "the likelihood that the parody may serve as a market substitute for the original". That approach leaves the third factor with little, if any, weight against fair use so long as the first and fourth factors favor the parodist. Since those factors favor fair use in this case, the third factor does not help Leibovitz, even though the degree of copying of protectable elements was extensive.

D. Fourth Factor.

Leibovitz all but concedes that the Paramount photograph did not interfere with any potential market for her photograph or for derivative works based upon it. She appears to have conceded as much in her deposition testimony, as well. Her only argument for actual market harm is that the defendant has deprived her of a licensing fee by using the work as an advertisement. But she is not entitled to a

licensing fee for a work that otherwise qualifies for the fair use defense as a parody. See *Campbell*, 510 U.S. at 592. The fourth factor favors the defendant.

Notes and questions

(1) How much would you need to change the facts of this case (and which facts would you change) to get to a result of no finding of fair use in this case?

Suntrust Bank v. Houghton Mifflin Co., 268 F.3d 1257 (11th Cir. 2001)

Margaret Mitchell's 1936 novel, *Gone With the Wind*, is a cultural icon with an enduring hold on our collective imagination of the American South during the Civil War and Reconstruction. Its lasting appeal notwithstanding, *Gone With the Wind* is a controversial book, in part because Mitchell's white characters are unapologetically racist and her non-white characters are one-dimensional reflections of that racism. In Mitchell's novel, the antebellum South is idealized and the end of slavery is lamented. As Scarlett O'Hara, the book's focal character, says: "The more I see of emancipation the more criminal I think it is. It's just ruined the darkies."

Alice Randall's 2001 novel, *The Wind Done Gone*, retells this classic story from the perspective of Scarlett's African-American half-sister, Cynara, and in doing so attempts to rebut the perspective, judgments, and mythology of the original work. In the course of this retelling, *The Wind Done Gone* takes the characters, plot, and major scenes from the original and recasts them. Although the narrative style and language of Randall's book is quite different to the original, at a more abstract level of character, plot, and location, it borrows heavily from *Gone With the Wind*, especially in the latter book's first half.

Mitchell's literary estate viewed *The Wind Done Gone* as an act of piracy and sought to prevent its publication. On appeal from a lower court injunction, the court of appeals for the Eleventh Circuit agreed that Randall had borrowed liberally from *Gone With the Wind*, but in the court's assessment, as a specific criticism of and rejoinder to the original, *The Wind Done Gone* was a transformative parody. The court had no trouble in seeing the dividing line between a legitimate parody and an infringing derivative work. Randall had not simply used *Gone With the Wind* to extend the story for its own sake, or as a platform for a general commentary on the Civil-War-era American South. Rather, like other effective parodies, she had conscripted the elements of the original to make war against itself. As the court summarized (at 1270):

> … Randall's work flips *Gone With the Wind*'s traditional race roles, portrays powerful whites as stupid or feckless, and generally sets out to demystify *Gone With the Wind* and strip the romanticism from Mitchell's specific account of this period of our history.

The Wind Done Gone had taken quite liberally from *Gone With the Wind*, but it had done so in a thoroughly transformative manner "shedding light on an earlier work, and, in the process, creating a new one."

The plaintiffs in *Suntrust* argued that Randall had taken too much of the original work because she could have made the same critical points in a way that required much less borrowing from the original. Randall chose to convey her criticisms of *Gone With The*

Wind by creating a mirror world in which "every black character is given some redeeming quality — whether depth, wit, cunning, beauty, strength, or courage — that their *Gone With the Wind* analogues lacked." The fact that there were more parsimonious choices available was irrelevant to the fair use analysis. What mattered was that where Mitchell's original expression was appropriated, it was invested with a new meaning or message.

A parody must be consistently transformative, but there is no requirement that parodists take the bare minimum amount of copyright material necessary to achieve their ends. Nor is there any requirement that the original work should be the sole subject of the parody. In *Campbell*, the Court said that all that was required was that the defendant's work "loosely target an original" as long as the parody "reasonably could be perceived as commenting on the original or criticizing it, to some degree."

Although Randall had taken quite substantially from the original, in the eyes of the court, there was nothing extraneous to her parodic purpose. As Judge Marcus summarized in his concurrence (at 1280):

> Even a cursory comparison of the two texts reveals that *The Wind Done Gone* profoundly alters what it borrows—indeed, at times beyond recognition. To catch some of Randall's allusions, even a reader familiar with Mitchell's work may need to refer to the original text. To create a successful parody, an author must keep certain elements constant while inverting or exaggerating other variables; generally there is an incongruity between the borrowed and the new elements. In Randall's book, the ratio of the former to the latter is very low, and the incongruity between them wide.

Mattel Inc. v. Walking Mountain Products, 353 F.3d 792 (9th Cir. 2003)

Thomas Forsythe's Malted Barbie & Oyster Dive

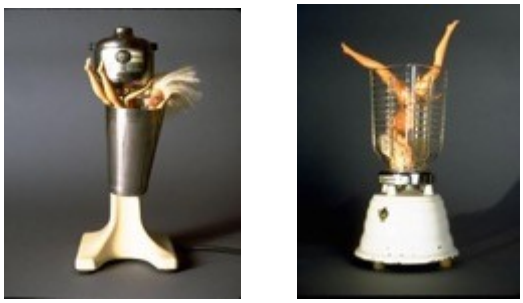


Image description: Left, a Barbie doll is positioned upside down inside a metal blender cup, with only her legs and part of her head with messy blonde hair visible. Right, a nude doll is placed upside down in a clear blender jar, with its legs sticking out above the rim.

In 1997, an artist named Thomas Forsythe developed a series of photographs entitled *Food Chain Barbie*, depicting Mattel's famous *Barbie* doll in various absurd and often sexualized positions. As the *Malted Barbie* and *Oyster Dive* photos reproduced above illustrate, Forsythe's works typically involved naked *Barbie* dolls imperiled by vintage household appliances.

For decades Mattel has promoted *Barbie* as an icon of beauty, wealth, and glamour and the ideal American woman. Others see *Barbie* as the quintessential representative of a consumer culture obsessed by idealized and unobtainable notions of beauty and perfection. According to the Copyright Act, however, the *Barbie* doll is a sculptural work entitled to

copyright protection. Mattel zealously promotes its concept of *Barbie* and is quick to use copyright and trademark law to try to suppress alternative less charitable views.

In *Mattel Inc. v. Walking Mountain Products*, Mattel argued that Forsythe's *Food Chain Barbie* series violated its copyright in the *Barbie* sculptures. The Ninth Circuit court of appeals disagreed. Although each of the photos in the *Food Chain Barbie* series arguably reproduced three-dimensional Barbie, albeit in two-dimensional form, the reproduction was not infringement, but fair use.

The court held that the defendant's use of the iconic *Barbie* image was transformative in the sense that it added "something new, with a further purpose or different character, altering the first with new expression, meaning, or message." The various *Food Chain Barbie* images conveyed the image of *Barbie*, but they also changed the meaning of that image by exposing *Barbie* to absurd and dangerous domestic situations. As the court summarized:

> Forsythe turns this image on its head, so to speak, … His lighting, background, props, and camera angles all serve to create a context for Mattel's copyrighted work that transform Barbie's meaning. Forsythe presents the viewer with a different set of associations and a different context for this plastic figure. In some of Forsythe's photos, Barbie is about to be destroyed or harmed by domestic life in the form of kitchen appliances, yet continues displaying her well known smile, disturbingly oblivious to her predicament. As portrayed in some of Forsythe's photographs, the appliances are substantial and overwhelming, while Barbie looks defenseless. In other photographs, Forsythe conveys a sexualized perspective of Barbie by showing the nude doll in sexually suggestive contexts. It is not difficult to see the commentary that Forsythe intended or the harm that he perceived in Barbie's influence on gender roles and the position of women in society.

In other words, Forsythe did more than simply drop *Barbie* in a blender; his choice of setting, lighting, and camera angle in each photo created a new work that quite clearly comments on the objectification of women and the conventional beauty myth associated with *Barbie*.

Mattel argued that Forsythe should not be entitled to fair use because he had copied the entirety of the *Barbie* figure in some photos. The toy company suggested that whatever critical purpose Forsythe intended could have been realized by limiting his photos to less than a complete image of *Barbie*—severed heads, for example? But as the court explained, visual works are often less amenable to segmentation than textual works. Forsythe's use of the whole doll was entirely reasonable in the circumstances because, rather than dismembering the doll, Forsythe added to it "by creating a context around it and capturing that context in a photograph." The court also noted that the two-dimensional photo of a three dimensional object scarcely constitutes a verbatim copy in any event. However, there is no indication that the court would have decided the case any differently had the artist's medium of choice been sculpture rather than photography.

The *Food Chain Barbie* case demonstrates that the reasonableness of the amount of the copyright owner's original expression used by the defendant in a new work will be assessed in light of the defendant's transformative purpose, the nature of the work itself, and also with a view to how the defendant has changed the work. Courts should not make arbitrary

distinctions based on whether those changes are in the form of subtraction or addition. The case also shows how certain works require greater appropriations to convey their essence. Moreover, certain genres of criticism justifiably require more extensive takings than others. If the defendant's purpose is transformative in the sense of commenting upon or criticizing the original, there is no requirement that she pursue that goal in a given genre or that she take the absolute minimum amount of the copyrighted work possible within any given genre. As the Ninth Circuit explained,

> Undoubtedly, one could make similar statements through other means about society, gender roles, sexuality, and perhaps even social class. But *Barbie*, and all the associations she has acquired through Mattel's impressive marketing success, conveys these messages in a particular way that is ripe for social comment.

Notes and questions

(1) What do *Suntrust Bank* and *Mattel Inc. v. Walking Mountain* tell us about the relationship between the first and third fair use factors?

(2) What does *Mattel Inc. v. Walking Mountain* tell us about the relationship between the second and third fair use factors?

Parody versus Satire

Dr. Seuss Enterprises, LP v. Penguin Books, USA, Inc., 109 F.3d 1394 (9th Cir. 1997)

The use of a copyrighted work for a reflective purpose, such as commentary or criticism is transformative and is a significant step along the way to establishing fair use. However, the question of whether the defendant's work should be seen as a commentary or criticism of the original may present a close question of fact.

In *Dr. Seuss Enterprises, LP v. Penguin Books, USA, Inc.*, 109 F.3d 1394 (9th Cir. 1997) the Ninth Circuit court of appeals found that a book about the O.J. Simpson trial did not qualify for fair use because it amounted to satire, not parody.

Dr. Seuss' Cat In the Hat and Cat NOT in the Hat (left), Cat NOT in the Hat Book Cover (right)

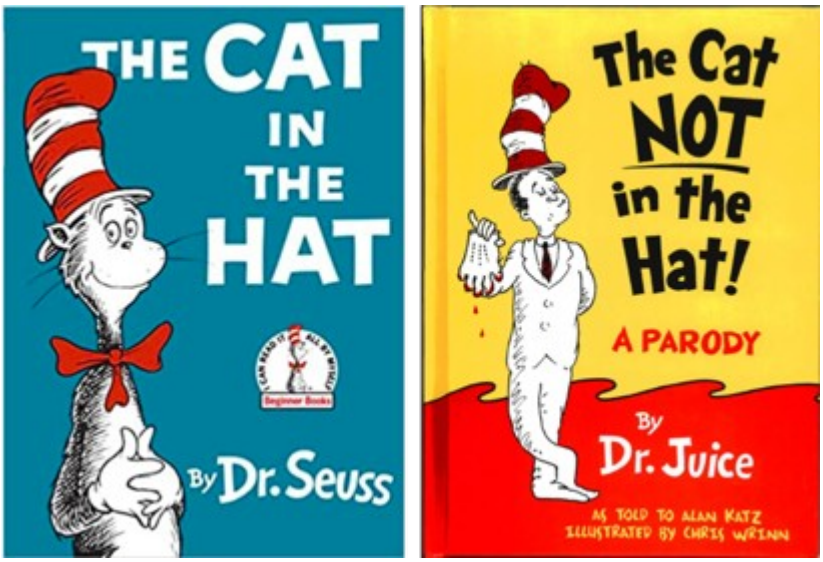


Image description: Side-by-side book covers. Left: *The Cat in the Hat* by Dr. Seuss, featuring the famous illustrated cat wearing a tall red-and-white striped hat and a red bow tie, on a teal background. Right: *The Cat NOT in the Hat! A Parody* by Dr. Juice, imitating the original style but with a mischievous-looking cat holding the severed head of the original Cat in the Hat, blood dripping, set against a yellow and red background.

The original Cat in the Hat was an anthropomorphic cat who wore a red and white striped hat and a red bow tie and was introduced to the world in a Dr. Seuss book by the same name in 1957. In 1995, Alan Katz and Chris Wrinn wrote and illustrated a satire of the famous O.J. Simpson double murder trial entitled *The Cat NOT in the Hat.* Katz and Wrinn retold the story of the O.J. Simpson trial in Dr. Seuss's characteristic style with a narrator drawn to invoke the famous Cat in the Hat. As illustrated above, there are enough similarities between the original *Cat in the Hat* and the defendants' narrator for the audience to make the connection, but arguably not a great deal beyond that.

The problem for the defendants in the *Dr. Seuss* case was not that they had appropriated too much of the original work for their purpose, but rather that the court could not see any valid purpose for their appropriation at all. *The Cat NOT in the Hat* did not appear to comment on the original *Cat*, its author, or anything it represented. In the court's view, the defendant had invoked an association to the original *Cat* merely as a device to "get attention" and possibly even "to avoid the drudgery in working up something fresh."

The *Dr. Seuss* case reinforced the distinction between parody and satire articulated by the Supreme Court in *Campbell v. Acuff-Rose Music*. Parody co-opts elements of a work into a critique of the work itself, the work's creator, or something the work represents. Satire uses the original work as a vehicle to poke fun at another unrelated target. Part of the reason for recognizing the transformative nature of parodic and critical uses is that without fair use certain messages would be very difficult to convey. To make fun of a given work, one must invoke that work; whereas there are limitless ways to make fun of something entirely unrelated. Thus, as the Supreme Court said in *Campbell* (at 580–81):

> Parody needs to mimic an original to make its point, and so has some claim to use the creation of its victim's (or collective victims') imagination, whereas satire can stand on its own two feet and so requires justification for the very act of borrowing.

What the Court did not say, however, was that satire could never find such a justification. It would be wrong to conclude that satire can never be transformative, but it is much easier to see why parody and other forms of direct criticism and commentary are transformative.

Arguably, Justice Kennedy's concurrence in *Campbell* took an unreasonably narrow view of the scope of parody. Kennedy proclaimed that to amount to fair use, a "parody must target the original, and not just its general style, the genre of art to which it belongs, or society as a whole (although if it targets the original, it may target those features as well)."

The better view is that the legitimate scope of parody is not confined to substance and style of the original work. Works do not exist in a vacuum and it seems perfectly legitimate to co-opt elements of an author's original expression to critique the author herself or to say something about the genre of art that the work represents. For example, in 1962, Andy Warhol created a series of 20 x 16" paintings of *Campbell's Soup Cans* that now hangs in the New York Museum of Modern Art. Each painting resembles one of Campbell's mass-produced printed advertisements, but they are in fact hand-painted and the fleur de lys pattern ringing each can's bottom edge is hand-stamped.

Andy Warhol's Campbell's Soup Cans, 1962 (Clam Chowder and Beef)



Image description: Two framed artworks depict Campbell's condensed soup cans in Andy Warhol's pop art style. The left can is labeled "Clam Chowder (Manhattan Style)," and the right can is labeled "Beef (with Vegetables and Barley)." Both cans are white with a red upper section and black lettering, each centered against a plain white background.

The *Campbell's Soup Cans* series is generally understood to be a comment on consumer culture—this commentary is achieved through the juxtaposition of the traditional artistic form with the mundane mass-produced household object. (See for example, the *Andy Warhol Foundation* case in Chapter 11) On this interpretation, Warhol's depiction of Campbell's soup cans is not simply a comment about society unrelated to the Campbell Soup Company; it is saying something about the relationship of the Campbell Soup Company to society. Perceived as such, Warhol's work is a comment on the original work, not just broader social commentary.

The Ninth Circuit returned to Dr. Seuss in *Dr. Seuss Enterprises, LP v. ComicMix LLC*, 983 F.3d 443 (9th Cir. 2020) extracted below.

Commentary

Kienitz v. Sconnie Nation LLC, 766 F.3d 756 (7th Cir. 2014)

T-Shirt Design and Original Photo in Kienitz v. Sconnie Nation

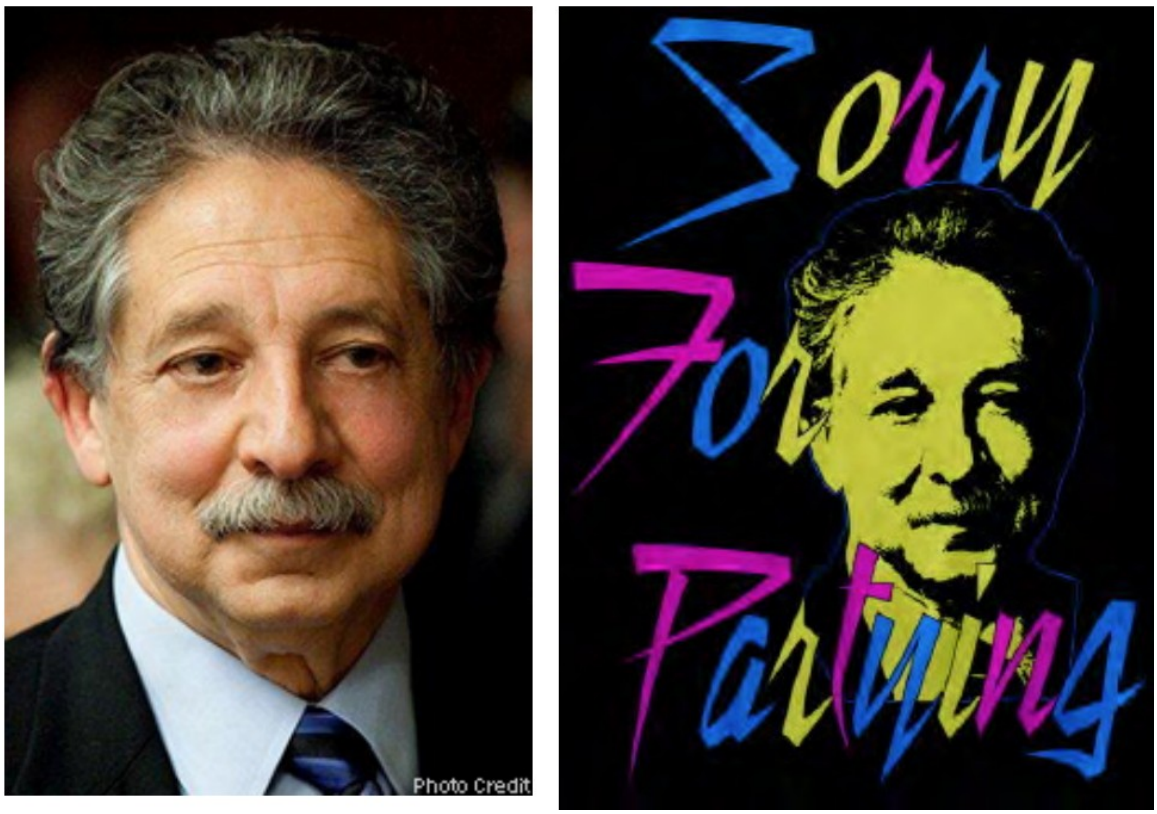


Image description: The image shows two side-by-side pictures of the same man. On the left, a neon-colored poster with the words "Sorry For Partying" features his face in bright yellow, outlined against a black background. On the right, there is a realistic color photo of the man with gray hair and a mustache, wearing a dark suit and light blue shirt, looking slightly to the side.

Defendant, Sconnie Nation had used a posterized version of a photograph of the Mayor of Madison, Wisconsin, Paul Soglin on their shirts with the text "Sorry for Partying." The text was a rejoinder to Soglin who had apparently attended the first Mifflin Street Block Party while a student at the University of Wisconsin in 1969. However, as mayor, Soglin wanted to shut down the annual Block Party.

In *Kienitz v. Sconnie Nation LLC* the Seventh Circuit criticized *Cariou*'s transformative use analysis, suggesting that it overshadowed the rights of copyright owners to derivative works and the text of Section 107. For all that, the court agreed that the use was fair. Moreover, the court's analysis reads a lot like a classic transformative use discussion informed by factor three:

> Defendants removed so much of the original that, as with the Cheshire Cat, only the smile remains. Defendants started with a low-resolution version posted on the City's website, so much of the original's detail never had a chance to reach the copy; the original's background is gone; its colors and shading are gone; the expression in Soglin's eyes can no longer be read; after the posterization (and reproduction by silk-screening), the effect of the lighting in the original is almost

> extinguished. What is left, besides a hint of Soglin's smile, is the outline of his face, which can't be copyrighted. Defendants could have achieved the same effect by starting with a snapshot taken on the street. … by the time defendants were done, almost none of the copyrighted work remained.

Estate of Smith v. Graham, 799 F. App'x 36 (2d Cir. 2020)

In 1982, James Oscar Smith recorded the album "Off the Top." One of the tracks on the album, "Jimmy Smith Rap," is a spoken-word recording. Drake's 2013 album "Nothing Was the Same" included a song titled "Pound Cake/Paris Morton Music 2" ("Pound Cake"). The opening to the song samples about 35 seconds of "Jimmy Smith Rap."

The lyrics to "Jimmy Smith Rap" are set forth below, with the parts copied by Drake in bold:

> **Good God Almighty, like back in the old days**
>
> **You know, years ago they had the A&R men to tell you what to play, how to play it and you know whether it's disco rock, but we just** told Bruce that we want a straight edge jazz so we got the fellas together Grady Tate, Ron Carter, George Benson, Stanley Turrentine.
>
> Stanley was coming off a cool jazz festival, Ron was coming off a cool jazz festival. And we just **went in the studio and we did it.**
>
> **We had the champagne in the studio, of course, you know, compliments of the company and we just laid back and did it.**
>
> Also, Grady Tate's wife brought us down some home cooked chicken and we just laid back and we was chomping on chicken and having a ball.
>
> Jazz is the **only real music that's gonna last. All that other bullshit is here today and gone tomorrow.** But jazz was, is and always will be.
>
> We may not do this sort of recording again, I may not get with the fellas again. George, Ron, Grady Tate, Stanley Turrentine.
>
> **So we hope you enjoy listening to this album half as much as we enjoyed playing it for you.**
>
> **Because we had a ball.**

The sampled version in Pound Cake consists of:

> Good God Almighty, like back in the old days.
>
> You know, years ago they had the A&R men to tell you what to play, how to play it and you know whether it's disco rock, but we just went in the studio and we did it.
>
> We had champagne in the studio, of course, you know, compliments of the company, and we just laid back and did it.
>
> So we hope you enjoy listening to this album half as much as we enjoyed playing it for you. Because we had a ball.
>
> Only real music is gonna last, all that other bullshit is here today and gone tomorrow.

Some words from "Jimmy Smith Rap" were rearranged or deleted. No words were added. In producing the album, Drake's production company, Cash Money had arranged for a music licensing company to ensure that parties obtained all necessary licenses. However, while it obtained a license for the "Jimmy Smith Rap" recording, it did not obtain a license for the "Jimmy Smith Rap" composition.

This case was decided by summary order without precedential effect. The facts are drawn from the district court opinion and the original audio tracks.

The court concluded that the use of the "Jimmy Smith Rap" in Drake's song "Pound Cake" constituted fair use, based on its analysis of the four statutory fair use factors. In terms of the purpose and character of the use, the court emphasized that the use was transformative because, while the original "Jimmy Smith Rap" celebrates the enduring value of jazz music, "Pound Cake" recontextualized and repurposed that message to assert that authenticity, not genre, is what defines real music. By altering the message and embedding it in a new, critical context, the court found the use sufficiently transformative.

On the issue of market effect, the court determined there was no evidence that "Pound Cake" harmed the market for "Jimmy Smith Rap" or served as a market substitute. The two works target different audiences—hip-hop and jazz—and there was no indication of a functioning market for licensing the original, which is important for fair use analysis.

Notes and questions

(1) How clear was it that Drake was responding to Smith as opposed to just making Smith's comments more generally applicable so he could adopt them as his own? Would that interpretation undermine the case for fair use?

(2) Would this case be decided differently now in light of *Andy Warhol Foundation*?

Boesen v. United Sports Publications, Ltd., 2020 WL 6393010 (E.D.N.Y. Nov. 2, 2020)

In *Boesen v. United Sports Publications*, the court found that embedding an Instagram post containing a cropped, low-resolution version of the plaintiff's copyrighted photograph was a transformative use protected by fair use.



Figure 1: Wozniacki's December 6, 2019 Instagram Post.



Figure 2: Plaintiff's Original Photograph.

Image description: The image shows two side-by-side pictures of a female tennis player in a white outfit holding a tennis ball. On the left, the photograph is included within a screenshot of a December 6, 2019 Instagram post by Caroline Wozniacki, which includes text about her retirement. On the right, the same original photograph is shown alone, capturing her mid-match with focused expression, racket in hand, and ball in her other hand.



Figure 3: Screenshots of Contested Article.

Image description: A screenshot of a tennis magazine article. The left side features the *LI Tennis Magazine* website with a headline reading "Wozniacki Plans to Retire After Australian Open," accompanied by a photo of Caroline Wozniacki playing tennis. The right side shows her December 6, 2019 Instagram post, including a photograph of her on court in a white outfit holding a tennis ball, alongside her retirement announcement text.

Finding for the defendant, the court emphasized that the defendant news outlet did not use the image to depict Caroline Wozniacki for its own sake, but to report on her *Instagram retirement announcement*—the social media post itself was the subject of the article. By embedding the post, rather than displaying the image in isolation, the defendant added new context and purpose, transforming the photograph from a generic sports portrait into part of a commentary on Wozniacki's use of social media to mark her career's end. The court held that such use differed in character and function from the original and did not exploit the photo commercially beyond incidental advertising. This distinction, alongside the post's cropped and diluted form, lack of market harm, and the article's journalistic purpose, led the court to conclude that all four fair use factors favored the defendant, warranting dismissal of the infringement claim.

Notes and questions

(1) Do you agree that this was fair use?

Reporting the news

Los Angeles News Service v. KCAL-TV Channel 9, 108 F.3d 1119 (9th Cir. 1997)

Los Angeles News Service ("LANS") was a freelance news service that specialized in coverage of live breaking news in Los Angeles shot from a helicopter. When the police officers that beat Rodney King were acquitted on April 29, 1992, the city of Los Angeles erupted into riots. One of the key events of the LA Riots was the gruesome beating of a

white truck driver, Reginald Denny, by a group of black men and his eventual rescue by two black civilians. That dramatic incident was captured on film by the LANS news helicopter and broadcast live. The footage was initially broadcast on a television station licensed by LANS, but it was also rebroadcast without permission by several other stations. The district court held that the use of the footage by a local television station, KCAL, was fair use and LANS appealed.

RYMER, Circuit Judge:

… Purpose and character of use.

Even though the fact that KCAL was reporting news weighs heavily in its favor (§ 107 itself gives news reporting as an example), the fact that LANS and KCAL are both in the business of gathering and selling news cuts the other way. LANS does work that its licensees choose not to do for themselves, for example, operating its own helicopter with news crew aboard, and gets paid for licensing its coverage of news to the media. By the same token, KCAL is a for-profit company that is engaged in a commercial enterprise that also gathers, and then (indirectly) "sells" news. It, therefore, "stands to profit from exploitation of the copyrighted material without paying the customary price." *Harper & Row*, 471 U.S. at 562. Thus, KCAL competes with other stations for advertising dollars, which are in turn dependent upon KCAL's viewership. The fact that KCAL used LANS's copyrighted footage free of charge, rather than paying LANS or someone else for the footage, or investing in its own helicopter and crew to obtain the footage itself, at least raises an inference that its articulated purpose of reporting the news was mixed with the actual purpose of doing so by using the best version — whether or not it meant riding LANS's (or some other station's) copyrighted coattails. While this did not serve to supplant the copyright holder's commercially valuable right of first publication as The Nation did in Harper & Row by scooping the hardcover and Time abstracts of President Ford's memoirs, we cannot say that KCAL's use of the Denny tape had neither the effect nor purpose of depriving LANS of its also valuable right of licensing its original videotape which creatively captured the Denny beating in a way that no one else did.

On the other hand, there is a forceful argument that the LANS tape of the Denny beating itself became a news item shortly after it was published because its view was so extraordinary. To the extent that KCAL ran the tape as a news story, this would weigh in its favor. However, this factor does not weigh nearly so heavily as it might otherwise since there is no evidence that KCAL used the tape in this way. It did not attribute the tape to LANS, and so far as the record discloses, aired it as if it were KCAL's own rather than, for example, indicating that the best tape of the beating had been made by a LANS helicopter crew. Instead, the tape was simply used as part of KCAL's coverage of the riots. Although KCAL apparently ran its own voice-over, it does not appear to have added anything new or transformative to what made the LANS work valuable — a clear, visual recording of the beating itself.

While the fact that KCAL had requested a license but had been refused one is not dispositive, the propriety of the defendant's conduct is relevant to the character of

the use at least to the extent that it may knowingly have exploited a purloined work for free that could have been obtained for a fee. *Harper & Row*, 471 U.S. at 562, 105 S.Ct. at 2231. Unlike the circumstances in *Campbell*, nothing in this record suggests that KCAL requested a license in a good faith effort to avoid this litigation. KCAL obtained a copy of the tape from another station, directly copied the original, superimposed its logo on the LANS footage, and used it for the same purpose for which it would have been used had it been paid for.

[The court held the nature of the work being factual weighed substantially in KCAL's favor.]

Amount and substantiality of what was used.

While a small amount of the entire Videotape was used, it was all that mattered. As we said of the defendant Audio Video Reporting Services in *Los Angeles News Service v. Tullo*, which provided a video "news clipping" service by monitoring television news programs, recording them on videotape and selling copies to interested individuals and businesses, "although AVRS copied only a small part of the raw footage shot by LANS, it was the most valuable part of that footage. In preparing a newscast, a television station selects the most effective and illustrative shots from the raw footage available. Thus the news programs AVRS copied included what LANS's customers thought was the best of the LANS footage — its 'heart.'" Here, as there, this factor weighs against KCAL, for "the fact that a substantial portion of the infringing work was copied verbatim is evidence of the qualitative value of the copied material, both to the originator and to the plagiarist who seeks to profit from marketing someone else's copyrighted expression." *Harper & Row*, 471 U.S. at 565.

Effect on the market.

This case doesn't fit neatly into a traditional niche, because "news" isn't normally thought of as having a secondary market. Also, LANS's tape had been licensed — and published — before KCAL's use, and was licensed after its use. To that extent, this factor weighs in favor of KCAL. At the same time, KCAL's stated purpose was to use the tape as "news" and it was a potential (and in the past was an actual) licensee or consumer of LANS's product; there is evidence that, given what LANS and KCAL do, KCAL's use of LANS's works for free, without a license, would destroy LANS's original, and primary market. Just as we recognized in *Los Angeles News Service v. Tullo* that customers might choose to buy raw footage from LANS if they couldn't buy it from AVRS, KCAL was ready to buy from LANS if it could, but went elsewhere when it couldn't. Were this to happen more broadly, it no doubt would adversely affect LANS's creative incentives. See *Campbell*, 510 U.S. at 587-89, 114 S.Ct. at 1176 (courts must consider "whether unrestricted and widespread conduct of the sort engaged in by the defendant ... would result in a substantially adverse impact on the potential market' for the original.") All told, this weighs against a finding of fair use.

In sum, KCAL's use of LANS's copyrighted tape was arguably in the public interest because it was a percipient recording of a newsworthy event. However, KCAL's use was commercial and came in the wake of LANS's refusal of a license.

Although KCAL explains that it used the tape because it recorded news of considerable significance from the best perspective of any witness, there is no evidence that alternatives were not available (albeit from a less desirable vantage point). Also, while the tape had been licensed and published before KCAL's use, it is not obvious that there was no impact on the market for first publication rights as KCAL itself requested a license. There is no dispute that KCAL used the heart of the tape. Under these circumstances, we cannot say that fair use is the only reasonable conclusion a trier of fact could reach in this case. We therefore reverse and remand for further proceedings.

Notes and questions

(1) The Ninth Circuit agreed that the Denny video captured a unique and newsworthy event of significant public interest. It also agreed that the defendant broadcaster, KCAL, had been engaged in news reporting, and that this fact weighed heavily in its favor. So why did the defendant's fair use defense fail?

Núñez v. Caribbean International News Corporation, 235 F.3d 18 (1st Cir. 2000)

TORRUELLA, Chief Judge.

Appellant Núñez, a professional photographer, took several photographs of Joyce Giraud (Miss Puerto Rico Universe 1997) for use in Giraud's modeling portfolio. Núñez then distributed the photographs to various members of the Puerto Rico modeling community in accordance with normal practice. After the photographs had been taken, some controversy arose over whether they were appropriate for a Miss Puerto Rico Universe, based on the fact that Giraud was naked or nearly naked in at least one of the photos. A local television program displayed the photographs on screen and asked random citizens whether they believed the photographs were "pornographic." Giraud was interviewed by two local television stations as to her fitness to retain the Miss Universe Puerto Rico crown. El Vocero then obtained several of the photographs through various means. Over the next week, without Núñez's permission, three of his photographs appeared in El Vocero, along with several articles about the controversy.

Núñez claimed that the reprint of his photographs in El Vocero without his permission violated the Copyright Act of 1976. [The district court held in favor of the defendant on the grounds of fair use.] …

El Vocero De Puerto Rico Front Pages, October 24 & 25, 1997



Image description: Two black-and-white newspaper covers from *El Vocero de Puerto Rico* featuring Miss Universe Puerto Rico, Joyce Giraud. Left: Giraud poses nude with her legs crossed and arms positioned to cover her chest; headline discusses TV disputes over Miss Universe PR. Right: A reclining nude image of Giraud accompanies a headline alleging she was a victim of a TV war, with text about a "photo porno" and her statement about a "celestial voice" warning her.

The Purpose and Character of the Use

The first factor in the fair use inquiry is "the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes." 17 U.S.C. § 107(1). The focus of this analysis asks "whether the new work merely 'supersedes the objects' of the original creation or instead adds something new." Campbell, 510 U.S. at 579. The more "transformative" the new work, the less the significance of factors that weigh against fair use, such as use of a commercial nature. Id. … We agree with the district court that the commercial use here, however, constitutes more than mere reproduction for a profitable use. The photographs were used in part to create an enticing lead page that would prompt readers to purchase the newspaper. Thus El Vocero used the photograph not only as an ordinary part of a profit-making venture, but with emphasis in an attempt to increase its revenue. For this reason, the commercial nature of the reproduction counsels against a finding of fair use.

However, the district court also found that the pictures were shown not just to titillate, but also to inform. Puerto Ricans were generally concerned about the qualifications of Giraud for Miss Puerto Rico Universe, as is demonstrated by the several television shows discussing the photographs. This informative function is confirmed by the newspaper's presentation of various news articles and interviews in conjunction with the reproduction. Appellee reprinted the pictures not just to entice the buying public, but to place its news articles in context; as the district court pointed out, "the pictures were the story." It would have been much more difficult to explain the controversy without reproducing the photographs. And although such an explanatory need does not always result in a fair use finding, it weighs in the favor of appellee.

This is not to say that appellee's use of the photographs was necessarily fair merely because the photographs were used for news purposes, nor does it establish a general "newsworthiness" exception. First, the Supreme Court has specifically frowned upon such an exception. See *Harper & Row*, 471 U.S. at 561 ("The fact that an article arguably is 'news' and therefore a productive use is simply one factor in a fair use analysis."). Second, the problem with such an approach (as the Supreme

Court pointed out) is that it provides an incentive for the infringer to create "news," so that its infringement falls within the exception. See id. at 562. Were a "newsworthy" use per se fair, journalists and news photographers would be left with little assurance of being rewarded for their work. See id. at 558. It suffices to say here that El Vocero did not manufacture newsworthiness, as it sought not to "scoop" appellant by publishing his photograph, but merely to provide news reporting to a hungry public. And the fact that the story is admittedly on the tawdry side of the news ledger does not make it any less of a fair use.

Rather, what is important here is that plaintiffs' photographs were originally intended to appear in modeling portfolios, not in the newspaper; the former use, not the latter, motivated the creation of the work. Thus, by using the photographs in conjunction with editorial commentary, El Vocero did not merely "supersede[] the objects of the original creation[s]," but instead used the works for "a further purpose," giving them a new "meaning, or message." *Campbell*, 510 U.S. at 579. It is this transformation of the works into news — and not the mere newsworthiness of the works themselves — that weighs in favor of fair use under the first factor of § 107. See id. ("central inquiry is whether defendant's use is transformative"); see also *Sony Corp. of America v. Universal City Studios, Inc.*, 464 U.S. 417, 478 (1984) (Blackmun, J., dissenting) (key question is whether defendant's use "results in some added benefit to the public beyond that produced by the first author's work").

[The court noted that El Vocero attributed the photographs to Núñez and obtained each of the photographs lawfully. Furthermore,] as the district court explicitly found, El Vocero did not aim to use the photographs to compete with Núñez, nor to supplement his right of first production, as the photographs had already been distributed to the modeling community. Finally, appellee asserts that it believed in good faith that the photographs were available for general, unrestricted circulation and redistribution, and appellant offers little evidence to rebut this assertion.

In sum, the highlighting of the photograph on the front cover of El Vocero exposes the commercial aspect of the infringing use, and counts against the appellee. However, the informative nature of the use, appellee's good faith, and the fact that it would have been difficult to report the news without reprinting the photograph suggest that on the whole, this factor is either neutral or favors a finding of fair use.

Nature of the Copyrighted Work

[The court found the second fair use factor, "nature of the copyrighted work," favored fair use because although Núñez's photographs had elements of creativity, they were primarily factual publicity images intended for public display, diminishing any claim to exclusive publication rights. It noted that "Although these photographs had not before been published in a book or public portfolio, they were hardly confidential or secret, as was the manuscript in *Harper & Row* prior to its serial publication."]

Amount and Substantiality of the Use

The third factor is the "amount and substantiality of the portion used in relation to the copyrighted work as a whole." 17 U.S.C. § 107(3). In this case, El Vocero admittedly copied the entire picture; however, to copy any less than that would have made the picture useless to the story. As a result, like the district court, we count this factor as of little consequence to our analysis.

Effect on the Market

The fourth statutory factor requires us to consider "the effect of the use upon the potential market for or value of the copyrighted work." 17 U.S.C. § 107(4). Our inquiry is restrained to: (i) the extent of market harm caused by the particular actions of the alleged infringer; and (ii) whether unrestricted and widespread conduct of the sort engaged in by the defendant would result in a substantially adverse impact on the potential market. In other words, we examine the effect of this publication on the market, and we also determine whether wide-scale reproduction of professional photographs in newspapers (for similar purposes) would in general affect the market for such photography. As to the first, we find little impact on the market for these specific pictures. The district court noted that the purpose of dissemination of the pictures in question is not to make money, but to publicize; they are distributed for free to the professional modeling community rather than sold for a profit. The fact that a relatively poor reproduction was displayed on the cover of a newspaper should not change the demand for the portfolio. If anything, it might increase it. Even if there was widespread conduct of this sort, it would have little effect on the demand for disseminated pictures because a newspaper front page is simply an inadequate substitute for an 8" × 10" glossy.

However, the potential market for the photographs might also include the sale to newspapers for just this purpose: illustrating controversy. It is true that El Vocero's use of the photograph without permission essentially destroys this market. There is no evidence, however, that such a market ever existed in this case. Núñez does not suggest that he ever tried to sell portfolio photographs to newspapers, or even that he had the right to do so under the contract with Giraud. Although it is more likely that other photographers do engage in such sales, and thus that widespread conduct of the type committed by El Vocero could destroy the newspaper sale market as a whole, we note again the context of this case. Surely the market for professional photographs of models publishable only due to the controversy of the photograph itself is small or nonexistent.

… Because the only discernible effect of the publication in El Vocero was to increase demand for the photograph, and because any potential market for resale directly to the newspaper was unlikely to be developed, this factor favors a finding of fair use.

CONCLUSION

In sum, the first, second, and fourth factors generally favor a finding of fair use. The third factor does not seem particularly relevant in this context. Again, we note that the finding of fair use always entails a case-by-case analysis, and the present case is no exception. Unauthorized reproduction of professional photographs by newspapers will generally violate the Copyright Act of 1976; in this context,

however, where the photograph itself is particularly newsworthy, the newspaper acquired it in good faith, and the photograph had already been disseminated, a fair use exists under 17 U.S.C. § 107. As a result, we affirm the decision of the district court.

Notes and questions

(1) The Supreme Court's decision in *Harper & Row* and the Ninth Circuit decision in *Los Angeles News Service* suggest that newsworthiness is no guarantee of fair use. Why is the outcome in *Núñez v. Caribbean International* different? What was transformative about the defendant newspaper's use of the photos that was lacking in *Harper & Row* and *Los Angeles News Service?*

Monge v. Maya Magazines, Inc., 688 F.3d 1164 (9th Cir. 2012)

Monge v. Maya Magazines, Inc. centered on publication of private photographs of the secret wedding of two Puerto Rican celebrities, Noelia Lorenzo Monge and Jorge Reynoso.

TVNotas February 2009



Image description: A Spanish-language magazine spread showing wedding photos of Noelia and Jorge Reynoso. Left page: The couple embraces and smiles at the camera, with Noelia in a short white lace dress and veil holding a bouquet, and Jorge in a dark suit with a red boutonniere. Right page: Smaller images show them with the officiant, kissing, at a bar, and lying together on a bed. Headlines describe these as the first and only photos of their secret wedding.

The dissent in *Monge,* Judge Smith regarded the case as similar to *Núñez v. Caribbean International.* Smith would have found in favor of fair use on the basis that the photos in suit were published as evidence that, contrary to their repeated denials, Monge and Reynoso were in fact married. For Smith, the photos were essential to rebut the couple's denial and thus the exposé "constituted a transformative use because it shed light upon the Couple's covert nuptials." Smith also relied on the magazine's commentary upon, and editing and arrangement of the photos as evidence of transformative use.

Writing for the majority, Judge McKeown disagreed. In the majority's view, although the celebrity couple's marital status was a matter of public interest, the wedding was the story, not the photos of the wedding. The magazine's argument that its evidentiary use of the photos was transformative was substantially undercut by the fact that it had published all six photos of the wedding and subsequent festivities rather than relying on a single photo, or indeed upon a copy of the marriage certificate. From the majority's perspective, the

magazine's publication of the photos was not transformative. The images themselves were largely unaltered and the associated text amounted to a mere sprinkling of commentary that was essentially pretextual.

Can we reconcile *Núñez* and *Monge?* Arguably we can. In *Núñez,* the defendant magazine was sharing the photos with its readers because the photos were the story, and it had a legitimate interest in commenting on the story and giving its readers information about the story. And that is the kind of difference in purpose that is transformative. Whereas the implication of *Monge* seems to be that the mere desire to expose expression (as opposed to information) that the plaintiff preferred to keep private is not the kind of difference in purpose that constitutes transformative use.

However, the difference between the dissent and the majority in *Monge* is essentially one of characterization. In *Monge*, the photos were taken to memorialize the couple's wedding day. Beyond the mere fact that the wedding took place, the photos capture something of the mood and the atmosphere of the private ceremony and subsequent celebrations. Both objectively and subjectively, that is their purpose. If, like Judge Smith, we credit the view that the magazine published these photos as evidence that the wedding took place, *Monge* begins to look like a classic evidentiary use case. Under this interpretation, the defendant sought to communicate the fact of the photos' existence and the fact of the wedding. This purpose would be rightly considered to be transformative because it is indifferent to the expressive qualities of the photos. If, like Judge McKeown, we take the view that the defendant magazine's primary motive in publishing the photos was to satisfy its readers' appetite for candid celebrity images, the defendant's use appears entirely untransformative. The photos were taken to capture and preserve an otherwise effervescent moment in time and the defendant published them precisely because they achieved that effect. The mere fact that the plaintiffs intended the smallest possible audience for their works, whereas the defendant sought to make them public, does not demonstrate a difference in purpose.

As the majority noted, if one person's desire to expose that which the author sought to conceal invariably amounted to a transformative difference in purpose, the right of first publication would be meaningless and invasion of privacy would be enshrined as a justification for what would otherwise be copyright infringement. There is no doubt a compelling public interest justification may require a finding of fair use, but it is hard to see the public interest in intrusion on privacy for its own sake.

Swatch Group v. Bloomberg, 756 F.3d 73 (2d Cir. 2014)

In 2011, the Swatch Group, a Swiss company with a significant investor base in the United States, held a conference call to discuss its latest earnings report with a select group of financial analysts. If Swatch had been a publicly traded United States company, it would have been obliged to disclose material information to all investors at the same time. However, the relevant law did not apply to overseas listed firms traded on American markets. Accordingly, Swatch Group chose to exclude the media and the public at large from its invitation-only investor conference call. Swatch Group arranged for the conference call to be recorded, and it was made clear that the recording was not to be published or broadcast. Comments and answers by Swatch Group executives accounted for 106 minutes of the entire 132 minute recording. When Bloomberg, a financial news service, somehow

obtained a recording of the conference call and made it available to Bloomberg's paying subscribers, the Swatch Group sued for copyright infringement.

KATZMANN, Chief Judge:

… A. Purpose and Character of Use

We turn first to "the purpose and character of the use." 17 U.S.C. § 107(1). Whether one describes Bloomberg's activities as "news reporting," "data delivery," or any other turn of phrase, there can be no doubt that Bloomberg's purpose in obtaining and disseminating the recording at issue was to make important financial information about Swatch Group available to investors and analysts. That kind of information is of critical importance to securities markets. … where a financial research service obtains and disseminates important financial information about a foreign company in order to make that information available to investors and analysts, that purpose lends support to a finding of fair use.

It is undisputed here that Bloomberg is a commercial enterprise and that Bloomberg Professional is a subscription service available to paying users. [In prior cases] we have recognized that almost all newspapers, books and magazines are published by commercial enterprises that seek a profit, and have discounted this consideration where the link between the defendant's commercial gain and its copying is attenuated such that it would be misleading to characterize the use as commercial exploitation. [The court noted the commercial nature of Bloomberg's use, but assigned it relatively little weight.]

Swatch also contends that Bloomberg acted in bad faith and that this should count against it. Regardless of what role good or bad faith plays in fair use analysis, we need not tarry over it here. Even assuming that Bloomberg was fully aware that its use was contrary to Swatch Group's instructions, Bloomberg's overriding purpose here was not to "scoop" Swatch or "supplant the copyright holder's commercially valuable right of first publication," *Harper & Row*, 471 U.S. at 562, but rather simply to deliver newsworthy financial information to investors and analysts. That kind of activity, whose protection lies at the core of the First Amendment, would be crippled if the news media and similar organizations were limited to sources of information that authorize disclosure. See generally *New York Times Co. v. United States*, 403 U.S. 713 (1971).

The Supreme Court has also instructed courts analyzing the first fair use factor to consider the transformativeness of the use — that is, whether "the new work merely supersedes the objects of the original creation, or instead adds something new, with a further purpose or different character, altering the first with new expression, meaning, or message." *Campbell*, 510 U.S. at 579. While a transformative use generally is more likely to qualify as fair use, "transformative use is not absolutely necessary for a finding of fair use." Id.

In the context of news reporting and analogous activities, moreover, the need to convey information to the public accurately may in some instances make it desirable and consonant with copyright law for a defendant to faithfully reproduce an original work without alteration. Courts often find such uses transformative by

emphasizing the altered purpose or context of the work, as evidenced by surrounding commentary or criticism. See, e.g., *Bill Graham Archives v. Dorling Kindersley Ltd.*, 448 F.3d 605, 609-610 (2d Cir.2006); *Nunez v. Caribbean Int'l News Corp.,* 235 F.3d 18, 22-23 (1st Cir.2000). Here, Bloomberg provided no additional commentary or analysis of Swatch Group's earnings call. But by disseminating not just a written transcript or article but an actual sound recording, Bloomberg was able to convey with precision not only the raw data of the Swatch Group executives' words, but also more subtle indications of meaning inferable from their hesitation, emphasis, tone of voice, and other such aspects of their delivery. This latter type of information may be just as valuable to investors and analysts as the former, since a speaker's demeanor, tone, and cadence can often elucidate his or her true beliefs far beyond what a stale transcript or summary can show. As courts have long recognized in the context of witness testimony, a cold transcript contains only the dead body of the evidence, without its spirit, and cannot reveal the speaker's hesitation, his doubts, his variations of language, his confidence or precipitancy, his calmness or consideration.

Furthermore, a secondary work can be transformative in function or purpose without altering or actually adding to the original work. Here, notwithstanding that the data disseminated by Bloomberg was identical to what Swatch Group had disseminated, the two works had different messages and purposes. To begin with, while Swatch Group purported to convey true answers to the analysts' questions and to justify the propriety and reliability of its published earnings statement, Bloomberg made no representation one way or another as to whether the answers given by Swatch Group executives were true or reliable. Nor did Bloomberg purport to support the propriety or reliability of Swatch Group's earnings statement. Bloomberg was simply revealing the newsworthy information of what Swatch Group executives had said. Bloomberg's message — "This is what they said" — is a very different message from Swatch Group's — "This is what you should believe."

Moreover, Swatch Group intended to exclude members of the press and to restrict the information supplied by its executives to a relatively small group of analysts who had identified themselves to the company in advance. Bloomberg's objective in rebroadcasting the call, by contrast, was to make this information public, defeating Swatch Group's effort to restrict access. Bloomberg's purpose, in other words, was to publish this factual information to an audience from which Swatch Group's purpose was to withhold it. These differences give Bloomberg's use at least an arguably transformative character.

In any event, regardless of how transformative the use is, we conclude that the first fair use factor, focusing on the purpose and character of the secondary use, favors fair use. We of course recognize that a news reporting purpose by no means guarantees a finding of fair use. See *Harper & Row*, 471 U.S. at 557. After all, "the promise of copyright would be an empty one if it could be avoided merely by dubbing the infringement a fair use 'news report.'" Id. A news organization thus may not freely copy creative expression solely because the expression itself is newsworthy. Nevertheless, we agree with the district court's conclusion that, under

the unusual circumstances of this case, the purpose and character of Bloomberg's unaltered dissemination of Swatch Group's expression weighs in favor of fair use, for two reasons.

First, as noted above, by disseminating a full, unadulterated recording of the earnings call, Bloomberg was able to convey valuable factual information that would have been impaired if Bloomberg had undertaken to alter the speech of the Swatch Group executives by interjecting its own interpretations. As we explained in a fair use case involving verbatim copying of a written work, "where an evaluation or description is being made, copying the exact words may be the only valid way precisely to report the evaluation." *Consumers Union*, 724 F.2d at 1049-50; see also *Harper & Row*, 471 U.S. at 563, 105 S.Ct. 2218 (noting that direct copying may in some instances be "necessary adequately to convey the facts"). So too here, copying the exact spoken performance of Swatch Group's executives was reasonably necessary to convey their full meaning. Bloomberg's faithful reproduction thus served "the interest of accuracy, not piracy." *Consumers Union*, 724 F.2d at 1049.

Second, Bloomberg's use did no harm to the legitimate copyright interests of the original author. Importantly, Swatch has admitted that it did not seek to profit from the publication of the Earnings Call in audio or written format. The copyright-protected aspects of the earnings call — that is, the manner by which the facts were expressed — thus were of no value to Swatch or Swatch Group except insofar as they served to convey important information to the analysts in attendance. But Bloomberg's copying of the Swatch Group executives' words, as needed to communicate factual information about the company's earnings report, in no way diminished Swatch Group's ability to communicate with analysts, and thus caused no harm to Swatch's copyright interests. In this way, the case at bar stands in stark contrast to a case like *Harper & Row*, where a magazine disseminated an unpublished excerpt of President Ford's memoirs. This kind of gun-jumping, which scooped the publication of the copyrighted work and, in doing so, did considerable harm to the value of the original author's copyright, is not present here.

Our prior decisions in *Nihon Keizai Shimbun, Inc. v. Comline Business Data, Inc.*, 166 F.3d 65 (2d Cir.1999), *Wainwright Securities, Inc. v. Wall Street Transcript Corp.*, 558 F.2d 91 (2d Cir. 1977), and *Financial Information, Inc. v. Moody's Investors Service, Inc.* ("FII"), 751 F.2d 501 (2d Cir.1984), on which Swatch relies, are not to the contrary. In those cases, we rejected fair use arguments pressed by defendants who purported to be serving the public by providing access to important financial information. In *Nihon* and *Wainwright*, we stressed that the defendants had not supplemented or otherwise transformed the plaintiffs' works. Instead, they had simply translated Japanese business articles into English, *Nihon*, or recounted the critical conclusions from research reports about major industrial and financial corporations, *Wainwright*. In *FII*, we rejected a fair use defense by a ratings agency that had copied information about municipal bond redemptions compiled by a competing financial publisher. Criticizing the district court's conclusion that the defendant's use served a "public function," we stated that to so hold "would, it seems to us, state a rule that whenever there is a market for information, the paid

delivery of goods to that market rises to a public function." We rejected such a rule, finding that it would "distort" proper fair use analysis. Id.

In all three of those cases, however, the defendants attempted to use the banner of newsworthiness to supersede the core objects of original works whose production critically depended upon copyright protection. Finding fair use in those cases would have severely impeded the ability of news and research organizations to obtain payment for their expression, imperiling the economic foundation of vital industries. But unlike the arguments we rejected in *Nihon*, *Wainwright*, and *FII*, our decision today does not rest upon the newsworthiness of the original expression alone. To the contrary, we also place great weight on the absence of harm to the original author's legitimate copyright interests. Swatch's reliance on our prior cases is thus misplaced.

This first factor accordingly favors fair use.

[Remaining Factors]

[The court held that although the work was technically unpublished, "in light of the thinness of Swatch's copyright, as well as Swatch Group's prior dissemination of its executives' expression," the "nature of the work" factor favored fair use. The Second Circuit agreed with the district court "that Bloomberg's use of the entire recording was reasonable in light of its purpose of disseminating important financial information to investors and analysts." It thus held the "amount and substantiality of the use" weighed in neither party's favor. The court also found that the "effect of the use upon the potential market for or value of the copyrighted work" favored Bloomberg. The district court noted that "the relevant market effect is that which stems from Bloomberg's use of the original expression of Swatch Group's senior officers." Furthermore, it found nothing in the record to suggest any possible market effect stemming from Bloomberg's use. The Second Circuit agreed, "especially in view of the obvious and furthermore conceded fact that Swatch had no interest in the exploitation of the copyright-protected aspects of the call."]

Notes and questions

(1) The defendant's fair use defense prevailed in *Swatch Group v. Bloomberg*, despite the weakness of its transformative use argument. Why?

Richardson v. Townsquare Media, Inc., 174 F.4th 299 (2d 2026)

In 2015, Richardson, a professional videographer, published a forty-two-second clip showing Michael Jordan breaking up a fight (the "Jordan Video"). The clip went largely unnoticed until July 2023, when the blog DailyLoud reposted it on X with the claim that the altercation involved rapper Wack 100 and Charleston White. Townsquare Media's hip-hop outlet XXL wrote about the exchange, embedding DailyLoud's X post with the full video and using a still from the video as its headline background. Richardson also sued over Townsquare's treatment of a separate Melle Mel interview video and over screenshots taken from both videos. Townsquare moved for judgment on the pleadings, asserting fair

use as to the Jordan Video, a YouTube Terms of Service license as to the embedded Melle Mel Video, and de minimis use as to the screenshots. The district court accepted all three defenses; Richardson appealed.

Writing for the Second Circuit, Judge Lynch held that the district court had misapplied the first, third and fourth fair use factors as to the Jordan Video. On transformativeness, the court found the question far closer than the district court had allowed. The headline sold the video itself rather than any commentary ("…Watch"), most of the article simply described what a viewer could see, and the only added content was a few sentences repeating DailyLoud's unexplained speculation about White, with nothing in the video corroborating it. The video was reproduced unmodified and barely integrated into the reporting, suggesting that it retained its original purpose in new packaging. The court also faulted the district court for ignoring commerciality altogether: Townsquare was a for-profit entity running advertisements alongside the embed, and although the *Swatch* line of cases discounts commerciality where the link to the copying is attenuated, that could not be resolved on the pleadings. The court held that factor one was therefore neutral at best.

On the third factor, Townsquare conceded that it had republished the entire video, and its necessity arguments failed. It could have paired the post's text with a portion of the video, used a screenshot, or merely hyperlinked; it could have conveyed virality by reporting view counts or quoting comments. The claim that the full video let viewers assess White's involvement struck the court as especially weak given that the second participant never appears on camera.

On market effect, the court held that the district court had drawn an impermissible inference for the defendant. Because the full video appeared on Townsquare's site, viewers plausibly had no reason to seek out Richardson's version, and it was not clear that they would gain anything from a copy unencumbered by the article's text, its advertisements and the framing of the X post. Lost advertising, rental and purchase revenue would follow, and those inferences had to be drawn in Richardson's favor. Distinguishing cases such as *Brown v. Netflix, Inc.*, 855 F. App'x 61, 63–64 (2d Cir. 2021) (summary order) (eight seconds of a three-minute song), and *Lombardo v. Dr. Seuss Enterprises, L.P.*, 729 F. App'x 131, 132–33 (2d Cir. 2018) (summary order) (a Grinch parody), where non-substitution was obvious, the court held that Townsquare had not carried its pre-discovery burden. Whatever transformative value the article had was outweighed by the wholesale republication, which made the use a plausible market substitute. Fair use could not be resolved on the pleadings, and the dismissal of the Jordan Video claim was reversed.

We encountered this case earlier, in connection with the de minimis doctrine.

Lynk Media, LLC v. Independent Digital News & Media, LLC, 2025 WL 2771625 (S.D.N.Y. Sept. 29, 2025)

Videographer Oliya Fedun shot five newsworthy videos, covering a Pennsylvania candidate's rally remarks, an anti-vaccine-mandate protest at a Staten Island food court, a puppy adopted by Ukrainian soldiers, a disrupted town hall held by Representative Alexandria Ocasio-Cortez, and flags displayed at a pro-Palestine protest. Each was created with the intention of licensing it to news outlets, and each was posted to Twitter. The Independent's publisher embedded the tweets in its articles and, for two of the videos, also

posted screenshots. On cross-motions for summary judgment, the court held the infringement undisputed and rejected the fair use defense.

On fair use, the court held that the first factor decidedly favored the plaintiff: the videos and the embeds shared the identical purpose of documenting newsworthy events, and news reporting is not transformative where the original was itself news reporting. Invoking *Romanova*, the court held that separately declaring the existence of a social media controversy is not the same as communicating that message through the copying, and it rejected the argument that surrounding "cultural, political, and historical context" transforms the work, noting that such recontextualizing would swallow the doctrine. The videos' contents, not the videos themselves, were the subject of the articles, so the commentary justification was unavailable, and the defendant's commercial status and advertisement-laden pages pointed the same way. The second factor was neutral by concession. The third weighed against fair use given the wholesale copying, and the court rejected the claim that embedding left no editorial choice, noting Twitter's option to hide media and the screenshots the defendant had itself used elsewhere. On the fourth factor the court found that unimpeded playback within the embed, combined with a demonstrated licensing market and the defendant's own failed licensing inquiry over the Puppy Video, established that widespread embedding would overtake the market. The court declined to accept that posting to social media forfeits the licensing market, calling that a Hobson's choice for creators, and found no public benefit sufficient to outweigh the harm.

Appropriation Art & Mashups

Rogers v. Koons 960 F.2d 301 (2d Cir. 1992)

In *Rogers v. Koons*, the artist Art Rogers sued sculptor Jeff Koons for copying a photograph that Rogers had taken and using it as a basis for one of Koons' sculptures. The photograph depicted a couple holding eight puppies in a row, and Koons recreated the scene in his sculpture titled "String of Puppies."

Koons String of Puppies and Rogers' Puppies



Image description: Two side-by-side images show a couple seated with a row of puppies in their arms. On the left, a colorful sculpture depicts them with stylized, bright clothing and vivid blue puppies. On the right, a black-and-white photograph shows the same couple in real life, smiling while holding a similar group of puppies on their laps against a wooden fence backdrop.

Koons's fair-use defense rested largely on his claim that he intended his sculpture to serve as a commentary on modern society. The court agreed that it might but denied the claim to fair use because "even given that 'String of Puppies' is a satirical critique of our materialistic society, it is difficult to discern any parody of the photograph 'Puppies' itself." Thus the sculpture was satire, rather than parody. The court also noted that "the essence of Rogers' photograph was copied nearly in toto, much more than would have been necessary even if the sculpture had been a parody of plaintiff's work." And furthermore, it found that Koons' copying of the photograph was done in bad faith because he had removed the copyright notice before sending the photo to the Italian artisans who actually created the sculpture.

Blanch v. Koons, 467 F.3d 244 (2d Cir. 2006)

Jeff Koons had better luck in his second trip to the Second Circuit court of appeals. In *Blanch v. Koons*, the court held that a Jeff Koons painting that incorporated a copyrighted photograph drawn from a fashion magazine was fair use. The work in question was "Niagara," which was part of a larger series of "Easyfun-Ethereal" paintings that were exhibited at the Deutsche Guggenheim Berlin from October 2000 to January 2001. To make the works in this series, Koons culled images from advertisements and other sources, scanned them, and digitally superimposed the scanned images against backgrounds of pastoral landscapes. He then printed color images of the resulting collages for his assistants to use as templates for applying paint to billboard-sized, 10' × 14' canvasses.

Jeff Koons' Niagara and Blanch's Magazine Photo



Image description: Two side-by-side images focus on women's feet. On the left, a colorful artwork shows several pairs of feet, some in high-heeled sandals and some bare, suspended above desserts and a rocky landscape. On the right, a fashion photograph features crossed legs wearing shiny black high-heeled sandals with jeweled straps, positioned in a car interior.

The court was persuaded that Koons' use of the Blanch photo was transformative.

> Koons does not argue that his use was transformative solely because Blanch's work is a photograph and his a painting, or because Blanch's photograph is in a fashion magazine and his painting is displayed in museums. He would have been ill advised to do otherwise. We have declined to find a transformative use when the defendant has done no more than find a new way to exploit the creative virtues of the original

> work. … But Koons asserts — and Blanch does not deny — that his purposes in using Blanch's image are sharply different from Blanch's goals in creating it.
>
> … Koons is, by his own undisputed description, using Blanch's image as fodder for his commentary on the social and aesthetic consequences of mass media. His stated objective is thus not to repackage Blanch's "Silk Sandals," but to employ it "'in the creation of new information, new aesthetics, new insights and understandings.'"
>
> The test for whether "Niagara's" use of "Silk Sandals" is "transformative," then, is whether it "merely supersedes the objects of the original creation, or instead adds something new, with a further purpose or different character, altering the first with new expression, meaning, or message." *Campbell*, 510 U.S. at 579. The test almost perfectly describes Koons's adaptation of "Silk Sandals": the use of a fashion photograph created for publication in a glossy American "lifestyles" magazine — with changes of its colors, the background against which it is portrayed, the medium, the size of the objects pictured, the objects' details and, crucially, their entirely different purpose and meaning — as part of a massive painting commissioned for exhibition in a German art-gallery space. We therefore conclude that the use in question was transformative.

Notes and questions

(1) Why did Koons lose the first case but win the second one?

Cariou v. Prince, 714 F.3d 694 (2d Cir. 2013)

The defendant in *Cariou*, well known appropriation artist Richard Prince had taken a series of photos published in Patrick Cariou's book, *Yes Rasta*, and enlarged, modified, and combined the works in new and surprising ways (see the illustrations below). The district court granted Cariou's motion for summary judgment and Prince appealed to the Second Circuit. On appeal, the majority of the Second Circuit found that twenty-five of Prince's artworks were "transformative as a matter of law" and remanded the remaining five works to the district court for further consideration. The Second Circuit's ruling in *Cariou* was based on a side-by-side comparison of the works at issue, some of which had been barely altered and others that were altered almost beyond recognition. In addition to alterations of substance, the source material was sometimes tinted and always radically enlarged.

It is not immediately obvious why the majority remanded *Charlie Company* back to the District Court but concluded that *Back to the Garden* was fair use as a matter of law.

Remanded: Charlie Company (left) and Yes Rasta (right)



Image description: Two sets of black-and-white images show a man with long hair and a beard riding a donkey in a natural, wooded setting. On the left, the photo has been altered into an artwork with repeated panels and superimposed images of nude female figures. On the right, the original unaltered photograph shows the man seated bare-chested on the donkey, looking directly at the camera.

Not Remanded: Back to the Garden (left) and Yes Rasta (right)



Image description: Two side-by-side black-and-white images. On the left, a collage-style artwork overlays fragments of nude female figures with the repeated image of a man on a donkey, his and the women's faces obscured by white blotches. On the right, the original photograph shows the man bare-chested with long hair and beard, sitting on a donkey in a natural outdoor setting, facing the camera.

Likewise, the *Cariou* court did not really explain its different treatment of *Canal Zone* compared to *Ocean Club*. There are clearly some differences between the works, but how and why those differences constitute the dividing line between "definitely fair use" and "might be fair use" is left to the reader's imagination.

Remanded: Canal Zone 2008 (left) various pages of Yes Rasta (right)



Image description: Two sets of black-and-white images depict dense vegetation with a man among tall plants. On the left, a collage overlays repeated fragments of the man standing shirtless with long hair, partially obscured by white blotches. On the right, four separate photographs show the man in different positions within a lush, overgrown landscape, framed by rectangular outlines that highlight parts of the images.

Not Remanded: The Ocean Club (left) various pages of Yes Rasta (right)



Image description: Two sets of black-and-white images. On the left, a collage overlays repeated figures of a nude woman bending forward with face obscured, alongside images of a man standing in vegetation. On the right, individual photographs show the same long-haired, shirtless man among dense plants, some framed with rectangles highlighting details of the foliage and his figure.

Also, the court's failure to conclude that *Graduation* was "definitely not fair use" as a matter of law was also perplexing given the majority's confidence that so many works were fair use as a matter of law. *Graduation* is simply an enlarged version of Cariou's original photo with three blue circles and blue guitar added.

Remanded: Graduation (left) and Original Photograph from Yes Rasta (right)



Image description: Two black-and-white images show a shirtless man with long dreadlocks standing in a forested area. On the left, the photograph has been altered, with his face obscured by blue shapes and a blue electric guitar digitally added across his body. On the right, the original unaltered photo shows him standing with arms relaxed at his sides, looking downward.

The majority suggested that all the defendant needed to do to qualify for transformative use was to change the aesthetic or genre of the work. To elaborate, the court's conclusion in *Cariou* that so many of Prince's works were transformative was based largely on its observation that:

> Prince's artworks manifest an *entirely different aesthetic* from Cariou's photographs. Where Cariou's serene and deliberately composed portraits and landscape photographs depict the natural beauty of Rastafarians and their surrounding environs, Prince's crude and jarring works, on the other hand, are hectic and provocative. … Prince's composition, presentation, scale, color palette, and media are fundamentally different and new compared to the photographs, as is the expressive nature of Prince's work. (emphasis added).

This seems like a very low bar, depending on exactly what the court meant by "an *entirely different aesthetic*." This seemingly permissive standard fueled concerns that the fair use doctrine would undercut the copyright owner's rights with respect to derivative works.

Finally, the majority's analysis of the fourth fair use factor, market effect, seemed to indicate that the defendant's popularity amongst the rich and famous—the court name-checked Jay-Z, Beyonce Knowles, Damien Hirst, Jeff Koons, Tom Brady, Gisele Bundchen, Graydon Carter, Anna Wintour, Jonathan Franzen, Candace Bushnell, Robert DeNiro, Angelina Jolie, and Brad Pitt—meant that there was no possibility that his works would compete with those of a little-known photographer. The court's fawning discussion of celebrity culture was quite unfortunate because it implied that consideration of market effect in the fourth fair use factor would always allow the rich and famous to steal from the poor with impunity. The Second Circuit retreated from this view in *Andy Warhol Foundation for the Visual Arts, Inc. v. Goldsmith*, disavowing "a celebrity-plagiarist privilege."

Notes and questions

(1) Would this case be decided the same way now, after the Supreme Court's decision in *Andy Warhol Foundation?*

Mashups

Dr. Seuss Enterprises, LP v. ComicMix LLC, 983 F.3d 443 (9th Cir. 2020)

McKeown, Circuit Judge.

[In 2016, Dr. Seuss Enterprises L.P. sued ComicMix LLC alleging copyright infringement (among other things) in relation to *Oh, The Places You'll Boldly Go!,* a comic book that combined elements of Dr. Seuss' works with elements from the science fiction franchise Star Trek. The similarities between Boldly Go and the plaintiff's works, including *Oh, the Places You'll Go!,* were obvious (see the illustrations below) and far more extensive than in the *Cat NOT in the Hat* case (discussed above).

Seuss Cover (left) and ComicMix cover (right)



Image description: Two book covers side by side. On the left, Dr. Seuss's *Oh, the Places You'll Go!* shows a whimsical figure standing atop a tall, striped hill of pastel colors. On the right, a parody titled *Oh, the Places You'll Boldly Go!* mimics the design, with the figure now standing on a small planet above a spaceship resembling the Star Trek Enterprise, surrounded by stars and space imagery.

ComicMix purposely crafted its book so that the title, the story, and the illustrations would evoke *Oh, The Places You'll Boldly Go!* Indeed, ComicMix tried to copy portions of *Go!* as accurately as possible. The ComicMix production team was instructed to keep to the sentiment of *Oh, The Places You'll Go!* that "life is an adventure but it WILL be tough and there WILL be setbacks, and you should not despair of them." The text of *Boldly* was created using a side-by-side chart comparing it to *Go!* in order to match the structure of the original work. Several of the illustrations in *Boldly* closely mimic their counterparts in *Go!,* and may fairly be described as nearly identical to their Seussian counterparts.

Side-by-Side Comparisons from DSE's complaint Docket No. 3:16-cv-02779 (S.D. Cal. Nov 10, 2016)

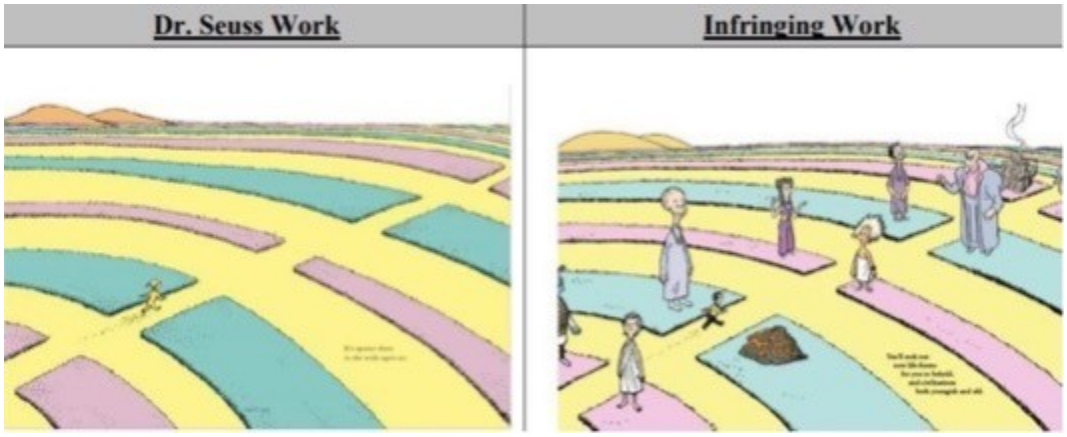


Image description: Two illustrated book pages shown side by side. On the left, Dr. Seuss's original artwork depicts a small figure walking alone through colorful, winding pastel paths of yellow, pink, and blue with hills in the distance. On the right, the parody version keeps the same background but adds multiple adult characters, including ones in robes and suits, along with objects like a smoking pipe and a pile of brown matter on the path, altering the scene's tone.

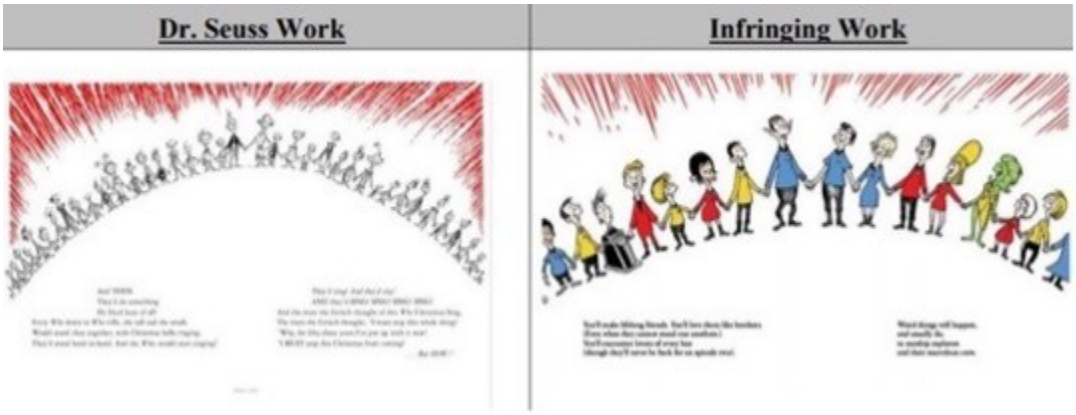


Image description: Two illustrated book pages are compared. On the left, Dr. Seuss's original artwork shows a long line of identical Whos from How the Grinch Stole Christmas, holding hands in a circle against a background of red strokes. On the right, the Whos have been replaced with Star Trek characters, including Captain Kirk, Spock, and others in colorful uniforms, holding hands in a similar arc formation under the same red-streaked background. The characters are larger on the right.

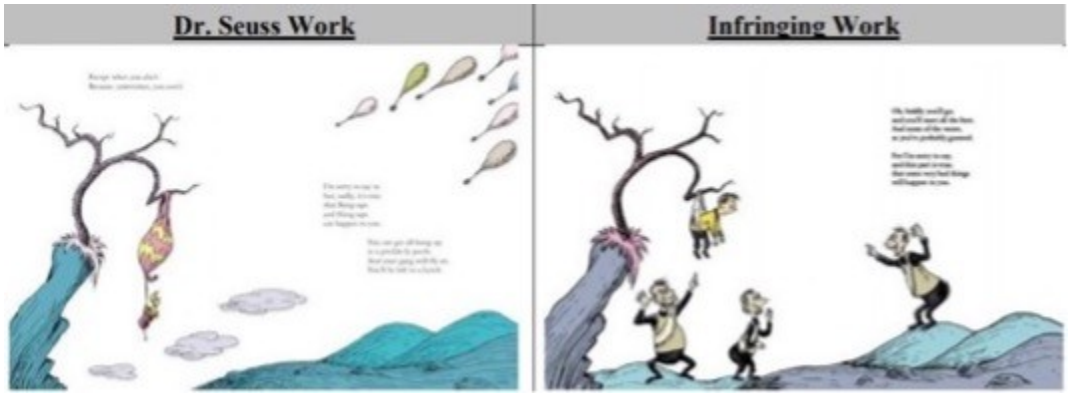


Image description: Two illustrated book pages compared. On the left, a whimsical scene shows a small figure dangling upside down from a tree branch, with balloon-like shapes drifting across the sky above a blue hill. On the right, the same background is used but the characters are different: several figures in uniform are shown, one hanging from the branch while two others stand on the hill below, gesturing upward.

Side-by-Side Comparisons from DSE's complaint

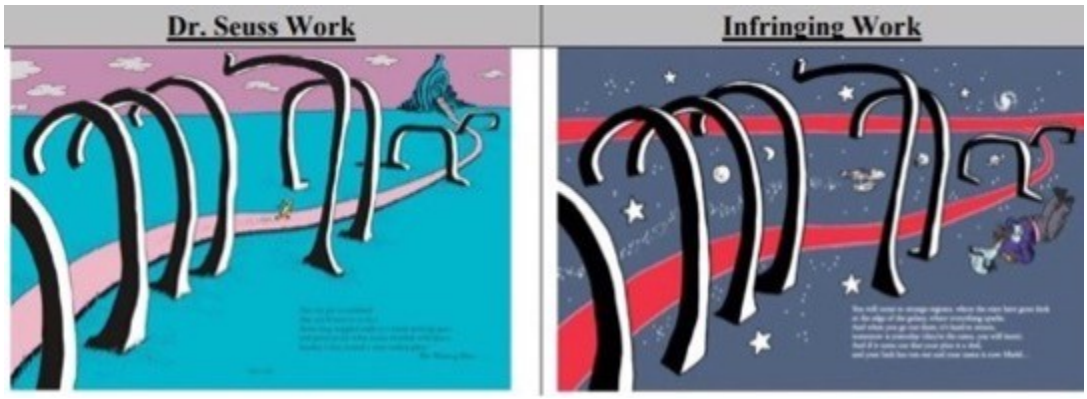


Image description: Two illustrated book pages compared. On the left, a small figure walks along a pink path that winds through tall, curved black arches against a bright blue background, with a whimsical creature seated in the distance. On the right, the same arches and winding path appear, but the setting is outer space, with stars, planets, and red trails across a dark sky. A figure in uniform floats near one of the arches.

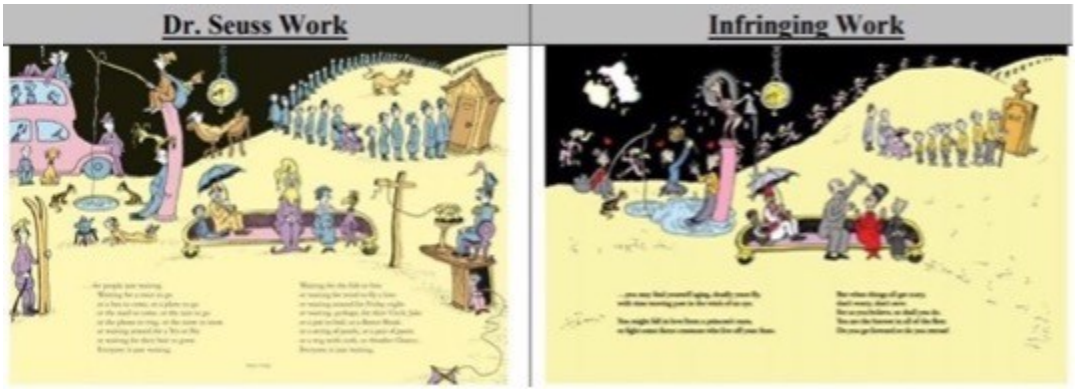


Image description: Two illustrated book pages compared. On the left, a Dr. Seuss-style scene shows whimsical characters waiting in various lines and settings: by a pink car, at a telephone booth, near clocks, and under an umbrella. On the right, the same layout and colors are used, but the characters differ: a mix of people and creatures wait in line, sit under umbrellas, and gather near a telephone booth, while a central figure hangs from a rope beneath a large lightbulb.

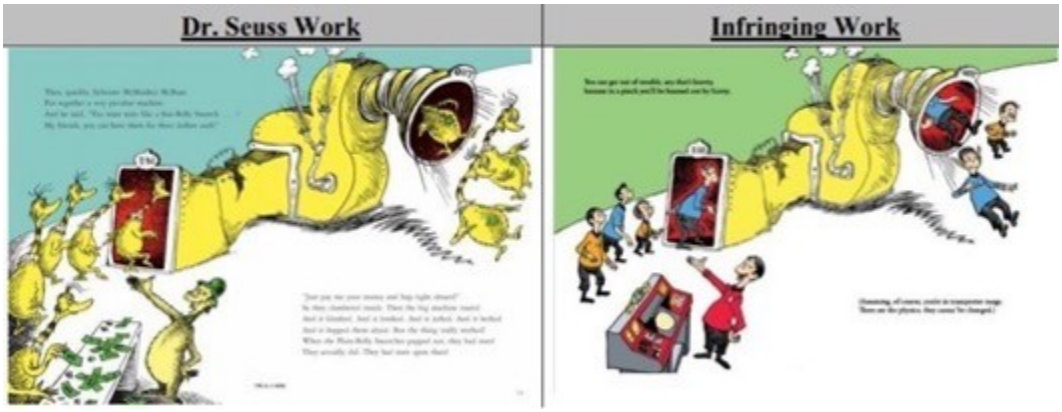


Image description: Two illustrated book pages compared. On the left, a Dr. Seuss-style scene shows yellow, furry creatures being funneled through a large whimsical machine, some entering and others exiting as part of a chaotic process. On the right, the same machine structure is depicted, but the figures are different: human characters in colorful outfits are shown interacting with the machine, one pointing to a control panel and others being processed through its openings.

Side-by-Side Comparisons from DSE's complaint

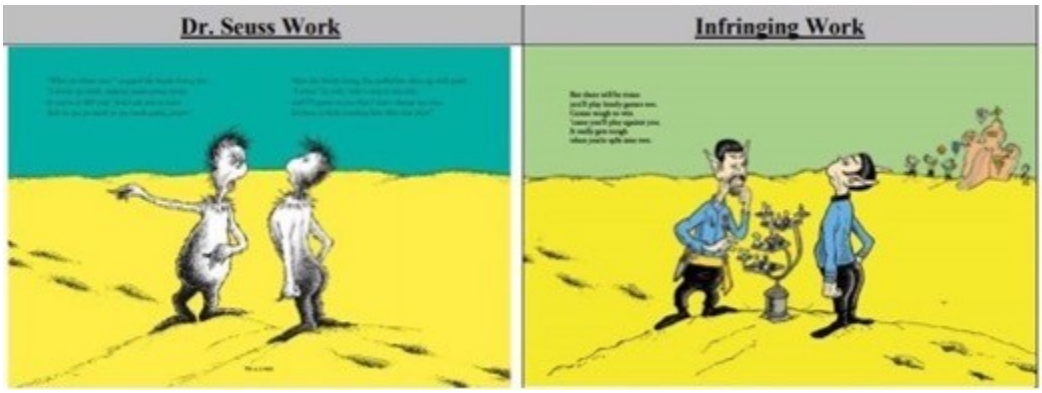


Image description: Two illustrated book pages compared. On the left, Dr. Seuss's original scene shows two whimsical, scruffy characters standing face-to-face on a yellow, barren landscape, each pointing at the other. On the right, the same desert-like setting is used, but the characters are different: two uniformed figures with pointed ears and distinctive hairstyles stand across from each other with a tall object between them, while additional small figures appear in the background.

The district court held that *Go!* was not a parody but still qualified as fair use as a transformative work.] …

A. The Purpose and Character of Boldly Weigh Against Fair Use

The first statutory factor examines "the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes." 17 U.S.C. § 107(1). This factor has taken on a heightened significance because it influences the lens through which we consider two other fair use factors. The third factor—the amount and substantiality of use—"will harken back" to the first factor. See *Campbell*, 510 U.S. at 586. And the fourth factor, relating to market harm, is influenced by whether the commercial use was transformative. See *Monge v. Maya Mags., Inc.*, 688 F.3d 1164, 1181 (9th Cir. 2012).

Although a commercial use is no longer considered presumptively unfair, the nature of the work remains "one element of the first factor enquiry." *Campbell*, 510 U.S. at 584-85. As explained below, *Boldly* is not transformative, and its indisputably commercial use of *Go!* counsels against fair use. See *Penguin Books*, 109 F.3d at 1401 (commerciality "further cuts against the fair use defense" when there is "no effort to create a transformative work").

The term "transformative" does not appear in § 107, yet it permeates copyright analysis because in *Campbell*, the Court interpreted the "central purpose" of the first-factor inquiry as determining "whether and to what extent the new work is 'transformative.'" *Campbell*, 510 U.S. at 579. Transformative use of the original work can tip the first factor in favor of fair use.

A transformative work "adds something new, with a further purpose or different character, altering the first with new expression, meaning, or message." Id. On the other hand, a work that "merely supersedes the objects of the original creation" is not transformative. Id. While the analysis of the first fair use factor "may be guided by the examples given in the preamble to § 107," i.e., criticism, comment, news reporting, teaching, scholarship, and research, id. at 578-79, not even these works compel "a per se finding of fair use," *Monge*, 688 F.3d at 1173. Thus, we do not

ask whether mash-ups can be fair use—they can be—but whether Boldly is a transformative work.

The purpose and character of a parody fits squarely into preamble examples — particularly "criticism" and "comment" —and has "an obvious claim" to transformative use. *Campbell*, 510 U.S. at 579. By definition, a parody must "use some elements of a prior author's composition to create a new one that, at least in part, comments on that author's works." Id. at 580. The need "to mimic an original to make its point" is the essence of parody. Id. at 580-81; see *Penguin Books*, 109 F.3d at 1400 (a parody must "conjure up" at least a part of "the object of the parody"). In short, a parody is a spoof, send-up, caricature, or comment on another work. A great example of a parody is the book *The Wind Done Gone*, which parrots portions of *Gone with the Wind* to offer a critical take on the book. See *Suntrust Bank v. Houghton Mifflin Co.*, 268 F.3d 1257, 1270-71 (11th Cir. 2001) ("It is hard to imagine" how a parody that attempts to "strip the romanticism" of slavery in *Gone with the Wind* can be made "without depending heavily upon copyrighted elements of that book."). On the other hand, if

> the commentary has no critical bearing on the substance or style of the original composition, which the alleged infringer merely uses to get attention or to avoid the drudgery in working up something fresh, the claim to fairness in borrowing from another's work diminishes accordingly (if it does not vanish), and other factors, like the extent of its commerciality, loom larger.

Campbell, 510 U.S. at 580.

Boldly is not a parody. ComicMix does not seriously contend that *Boldly* critiques or comments on *Go!*. Rather, it claims *Boldly* is a parody because it situated the "violent, sexual, sophisticated adult entertainment" of Star Trek "in the context of [Dr. Seuss]" to create a "funny" book. We considered and rejected this very claim in an appeal involving another well-known book by Dr. Seuss—The Cat in the Hat (Cat). The retelling of the O.J. Simpson double murder trial in the world of Cat—in a book titled The Cat NOT in the Hat! A Parody by Dr. Juice (Not)—was not a parody of Cat. *Penguin Books*, 109 F.3d at 1396, 1401. We explained that "broadly mimicking Dr. Seuss's characteristic style" is not the same as "holding his style up to ridicule," and that without a critique of Cat, all Not did was "simply retell the Simpson tale" using the expressive elements of Cat "to get attention or maybe even to avoid the drudgery in working up something fresh." Id. at 1401.

Boldly's claim to a parody fares no better. Although elements of *Go!* are featured prominently in *Boldly*, the juxtapositions of *Go!* and Star Trek elements do not hold Seussian style up to ridicule. From the project's inception, ComicMix wanted *Boldly* to be a Star Trek primer that "evokes" rather than "ridicules" *Go!*. Similarly, Boldly's use of the other Seuss works does not conjure up a critique of Go!. Boldly's replacement of Grinch's "'Whos from Who-ville' with the diverse crew and Kirk's 'lovers of every hue,'" the redrawing of "a Sneetches machine to signify the Enterprise transporter," and the rendering of "the 'lonely games' played in Go!" as a "contemplative chess match between two Spocks" were all used to tell the story of the Enterprise crew's adventures, not to make a point about Go!. Lacking

"critical bearing on the substance or style of" Go!, Boldly cannot be characterized as a parody. *Campbell*, 510 U.S. at 580.

We also reject as "completely unconvincing" ComicMix's post-hoc characterization of the work as criticizing the theme of banal narcissism in Go!. The effort to treat Boldly as lampooning Go! or mocking the purported self-importance of its characters falls flat.

Nor is Boldly otherwise transformative. ComicMix argues that even if Boldly is not a parody, Boldly is transformative because it replaced Seuss characters and other elements with Star Trek material. Again, the *Cat* case repudiates ComicMix's position. There, efforts to leverage Dr. Seuss's characters without having a new purpose or giving Dr. Seuss's works new meaning similarly fell short of being transformative. The copyists "merely used" what Dr. Seuss had already created—e.g., "the Cat's stove-pipe hat, the narrator ("Dr. Juice"), and the title (The Cat NOT in the Hat!)"—and overlaid a plot about the O.J. Simpson murder trial without altering Cat "with 'new expression, meaning or message.'" *Penguin Books*, 109 F.3d at 1401 (quoting *Campbell*, 510 U.S. at 578). For the same reasons, ComicMix's efforts to add Star Trek material on top of what it meticulously copied from Go! fail to be transformative.

Notably, Boldly lacks the benchmarks of transformative use. These telltale signs of transformative use are derived from the considerations laid out in *Campbell*, our north star, and *Seltzer v. Green Day, Inc.* from our circuit: (1) "further purpose or different character" in the defendant's work, i.e., "the creation of new information, new aesthetic, new insights and understanding"; (2) "new expression, meaning, or message" in the original work, i.e., the addition of "value to the original"; and (3) the use of quoted matter as "raw material," instead of repackaging it and "merely superseding the objects of the original creation." See *Campbell*, 510 U.S. at 579. Boldly possesses none of these qualities; it merely repackaged Go!.

Boldly's claim to transformative use rests on the fact that it has "extensive new content." But the addition of new expression to an existing work is not a get-out-of-jail-free card that renders the use of the original transformative. The new expression must be accompanied by the benchmarks of transformative use. See, e.g., *Seltzer*, 725 F.3d at 1177-78; *Cariou v. Prince*, 714 F.3d 694, 706 (2d Cir. 2013); *Blanch v. Koons*, 467 F.3d 244, 251-52 (2d Cir. 2006).

Instead of possessing a further purpose or different character, Boldly paralleled Go!'s purpose. In propounding the same message as Go, Boldly used expression from Go! to "keep to [Go!'s] sentiment." Absent new purpose or character, merely recontextualizing the original expression by "plucking the most visually arresting excerpts" of the copyrighted work is not transformative. *L.A. News Serv. v. CBS Broad., Inc.*, 305 F.3d 924, 938-39 (9th Cir. 2002). By contrast, reconstituting copyrighted expression was for a new, transformative purpose when a "seven-second clip of Ed Sullivan's introduction of the [band] Four Seasons on The Ed Sullivan Show" was used in the musical Jersey Boys, not to introduce the band's performance, but to serve "as a biographical anchor" about the band. *SOFA Ent., Inc. v. Dodger Prods., Inc.*, 709 F.3d 1273, 1276, 1278 (9th Cir. 2013).

Boldly also does not alter Go! with new expression, meaning, or message. A transformative work is one that alters the original work. While Boldly may have altered Star Trek by sending Captain Kirk and his crew to a strange new world, that world, the world of Go!, remains intact. Go! was merely repackaged into a new format, carrying the story of the Enterprise crew's journey through a strange star in a story shell already intricately illustrated by Dr. Seuss. Unsurprisingly, Boldly does not change Go!; as ComicMix readily admits, it could have used another primer, or even created an entirely original work. Go! was selected "to get attention or to avoid the drudgery in working up something fresh," and not for a transformative purpose. Campbell, 510 U.S. at 580.

Most telling is ComicMix's repackaging of Go!'s illustrations. The Star Trek characters step into the shoes of Seussian characters in a Seussian world that is otherwise unchanged. ComicMix captured the placements and poses of the characters, as well as every red hatch mark arching over the handholding characters in Grinch's iconic finale scene, then plugged in the Star Trek characters. (The Seuss images always appear to the left of the Boldly! images juxtaposed in this opinion.)

ComicMix copied the exact composition of the famous "waiting place" in Go!, down to the placements of the couch and the fishing spot. To this, ComicMix added Star Trek characters who line up, sit on the couch, and fish exactly like the waiting place visitors they replaced. Go! continues to carry the same expression, meaning, or message: as the Boldly text makes clear, the image conveys the sense of being stuck, with "time moving fast in the wink of an eye."

ComicMix also copied a scene in Sneetches, down to the exact shape of the sandy hills in the background and the placement of footprints that collide in the middle of the page. Seussian characters were replaced with Spocks playing chess, making sure they "had similar poses" as the original, but all ComicMix really added was "the background of a weird basketball court."

ComicMix likewise repackaged Go!'s text. Instead of using the Go! story as a starting point for a different artistic or aesthetic expression, Hauman created a side-by-side comparison of the Go! and Boldly texts in order "to try to match the structure of Go!." This copying did not result in the Go! story taking on a new expression, meaning, or message. Because Boldly "left the inherent character of the [book] unchanged," it was not a transformative use of Go!. *Monge*, 688 F.3d at 1176.

Although ComicMix's work need not boldly go where no one has gone before, its repackaging, copying, and lack of critique of Seuss, coupled with its commercial use of Go!, do not result in a transformative use. The first factor weighs definitively against fair use.

[The court also held that the remaining fair use factors weighed against the defendant and that Boldly had not made a fair use of the plaintiff's works. In relation to the third fair use factor, the amount and substantiality of the original work used, the court was careful to note the relationship between the first and third factors. The panel noted that "the extent of permissible copying varies with the purpose and character of the use," citing *Campbell*, 510 U.S. at 586-87. However,

given that the panel had already decided that the defendant's book was neither parody nor transformative in any other way, this only gave the defendant a larger hill to climb. According to the court, about 60% of the defendant's book (14 of 24 pages) were copied from Go! and other Seuss works. The court concluded:]

Given the absence of a parody or a transformative work, ComicMix offers no justification for the commercial exploitation and the extensive and meticulous copying of *Go!*. In fact, after the case was initiated, Gerrold offered to "replace the stuff that's too dead on," demonstrating that the mash-up "based on Dr. Seuss's artwork" could have been created without wholesale copying of the work. The third factor weighs decisively against fair use.

[On the final factor, "the effect of the use upon the potential market for or value of the copyrighted work" the court concluded "that ComicMix's non-transformative and commercial use of Dr. Seuss's works likely leads to "cognizable market harm to the original." *Campbell*, 510 U.S. at 591." Beyond these factors, the court took particular note of the fact that Go! is an extremely popular gift around high school and college graduations and that ComicMix had intentionally targeted and aimed to capitalize on the same graduation market. Moreover, the court noted that the Seuss/Star Trek mashup was not unlike several authorized derivative works the copyright owner had already licensed, including: *Oh, The Things You Can Do That Are Good For You!; Oh, the Places I'll Go! By ME, Myself; Oh, Baby, the Places You'll Go!; and Oh, the Places I've Been! A Journal*. The court continued:]

Works like Boldly would curtail Go!'s potential market for derivative works. This is not a case where the copyist's work fills a market that the copyright owner will likely avoid, as is true for "a lethal parody" or "a scathing theater review." Campbell, 510 U.S. at 591-92. In fact, ComicMix hoped to get to one of the potential markets for Seuss's derivative works before Seuss, believing that Seuss would "want to publish it themselves and give [ComicMix] a nice payday."

Crucially, ComicMix does not overcome the fact that Seuss often collaborates with other creators, including in projects that mix different stories and characters. Seuss routinely receives requests for collaborations and licenses, and has entered into various collaborations that apply Seuss's works to new creative contexts, such as the television and book series entitled The Wubbulous World of Dr. Seuss, a collaboration with The Jim Henson Company, famous for its puppetry and the creation of other characters like the Muppets. Other collaborations include a digital game called Grinch Panda Pop, that combines Jam City's Panda character with a Grinch character; figurines that combine Funko Inc.'s toy designs with Seuss characters; and a clothing line that combines Comme des Garçons' heart design with Grinch artwork.

Finally, ComicMix does not address a central aspect of market harm set out in Campbell—"whether unrestricted and widespread conduct of the sort engaged in" by ComicMix would undermine Seuss's potential market. 510 U.S. at 590. This aspect is particularly significant here because of Seuss's strong brand. ComicMix's effort to use Seuss's success against it falls flat. As noted by one of the amici curiae, the unrestricted and widespread conduct of the sort ComicMix is engaged in could

result in anyone being able to produce, without Seuss's permission, *Oh the Places Yoda'll Go!, Oh the Places You'll Pokémon Go!, Oh the Places You'll Yada Yada Yada!*, and countless other mash-ups. Thus, the unrestricted and widespread conduct of the sort engaged in by ComicMix could "create incentives to pirate intellectual property" and disincentivize the creation of illustrated books. *Monge*, 688 F.3d at 1182. This is contrary to the goal of copyright "to promote the Progress of Science." U.S. Const. art. I, § 8, cl. 8.

Notes and questions

(1) The court emphasizes that Boldly "repackaged" Go! rather than altered it. How does the concept of "repackaging" versus "recontextualizing" factor into the transformative use analysis?

(2) Do you agree with the court's conclusion that Boldly was non-transformative despite incorporating new characters, settings, and content? Why or why not?

(3) Why did the court reject ComicMix's argument that Boldly was a parody? Why does this matter to the case?

CHAPTER 14. FAIR USE IN PARTICULAR CONTEXTS—PART II

Orthogonal uses

In *Unbundling Fair Uses*, Pamela Samuelson introduces the concept of "orthogonal uses" to describe a category of uses that do not compete with or substitute for the original work and are therefore more likely to be found fair. These are uses that serve *fundamentally* different purposes from the original—hence, orthogonal, meaning at right angles or non-overlapping in function. Samuelson contrasts these with uses that are more commercially or functionally aligned with the original, which are more likely to raise concerns about market harm or substitution. Orthogonal uses tend to serve an entirely different audience or entirely different function and self-evidently pose minimal or no threat to the market for the original work. They also often further broader public policy goals.

Evidence

Bond v. Blum 317 F.3d 385 (4th Cir. 2003)

In the early 2000s, William Bond married the recently divorced Alyson Slavin. Alyson Slavin and her ex-husband, William Slavin, were locked in a custody battle in which the ex-husband argued, for reasons that will become apparent, that the Bond-Slavin household was not a suitable environment for the former couple's three children. Bond had a colorful background: he had been a country club tennis instructor, a bicycle salesman, a bodyguard, and an unpublished author. He was also a self-confessed murderer. Bond's *Self-Portrait of a Patricide: How I Got Away with Murder* recounts in horrific detail how, at the age of 17, he planned and carried out the murder of his father with a hammer. As prose, the work apparently had no great appeal, but as evidence that the Bond house might not be the best place for a child to grow up, the book was solid gold. When William Slavin's legal team introduced the manuscript at a deposition, Bond responded by registering his work with the Copyright Office and bringing an action for copyright infringement against William Slavin and his attorneys. Alyson Slavin's parents, the Blums, who had been extorted by Bond and feared for their daughter's safety, were also defendants in the copyright case. The district court held that Blum's reproduction of the book was fair use and Bond appealed.

> **NIEMEYER, Circuit Judge.**
>
> … The first § 107 factor directs the inquiry into the "purpose and character of the [defendants'] use, including whether such use is of a commercial nature or is for nonprofit educational purposes." 17 U.S.C. § 107(1). Application of this factor weighs heavily against Bond's infringement claim. The defendants' use of Bond's copyrighted manuscript is not for any commercial purpose; the defendants are not seeking to exploit the copyrighted material without paying the customary price. Indeed, the defendants' use is indifferent to Bond's mode of expression. Rather, the narrow purpose of defendants' use of the manuscript is for the evidentiary value of its content insofar as it contains admissions that Bond may have made against his interest when he bragged about his conduct in murdering his father, in taking

advantage of the juvenile justice system, and in benefiting from his father's estate. These are all facts relevant to the custody decision, and their use does not draw on Bond's mode of expression.

Neither in his brief nor at oral argument has Bond been able to identify any harm or potential harm to his work against which the law of copyrights protects. The only harm that we can discern from his arguments is a claim that he has lost the right to control the release of a "private" or "confidential" document. But at oral argument, he conceded that the document was not confidential. Indeed, it is apparent that Bond has circulated the document in an effort to have it published. But more importantly, the protection of privacy is not a function of the copyright law. To the contrary, the copyright law offers a limited monopoly to encourage ultimate public access to the creative work of the author. If privacy is the essence of Bond's claim, then his action must lie in some common-law right to privacy, not in the Copyright Act.

We next consider the second factor, "the nature of the copyrighted work." 17 U.S.C. § 107(2). That Bond's manuscript is unpublished and contains a stylized mode of expressing his feelings about historical facts weigh against a finding of fair use. But, as *Campbell* instructs, we do not consider the § 107 factors "in isolation, one from another," but we weigh them together "in light of the purposes of copyright." 510 U.S. at 578. Where, as here, the use of the work is not related to its mode of expression but rather to its historical facts and there is no evidence that the use of Bond's manuscript in the state legal proceedings would adversely affect the potential market for the manuscript, one cannot say the incentive for creativity has been diminished in any sense. And because the societal benefit of having all relevant information presented in a judicial proceeding is an important one, it should be furthered if doing so would not unduly undermine the author's rights with regard to his creative work.

Under the third § 107 factor, we examine the "amount and substantiality of the portion used in relation to the copyrighted work as a whole." 17 U.S.C. § 107(3). As a general matter, as the amount of the copyrighted material that is used increases, the likelihood that the use will constitute a "fair use" decreases. But this is an imperfect generalization: "The extent of permissible copying varies with the purpose and character of the use." *Campbell*, 510 U.S. at 586-87, 114 S.Ct. 1164.

It is conceded that the defendants' challenged use of the manuscript in the state-court proceeding involved all, or nearly all, of the copyrighted work. Its use, however, was not for its expressive content, but rather for its allegedly factual content. The sole purpose and intent of introducing Bond's manuscript was to obtain admissions of fact against his interest in an effort to prove that his home would not be a suitable place for custody of children. The use of the copyrighted material in this context, even the entire manuscript, does not undermine the protections granted by the Act but only serves the important societal interest in having evidence before the factfinder. Because the manuscript was not used to undermine any right conferred by the Copyright Act, Bond can derive little benefit from this factor in the context of this case.

> Finally, we consider the effect of the defendants' use of Bond's copyrighted manuscript "upon the potential market for or value of the copyrighted work." 17 U.S.C. § 107(4). This factor … touches most closely upon the author's ability to capture the fruits of his labor and hence his incentive to create. Under this core inquiry, we determine whether the defendants' introduction of the manuscript in evidence would materially impair the marketability of the work and whether it would act as a market substitute for it. On this factor, there is no evidence that the admission into evidence of Bond's manuscript would adversely affect its marketability. Indeed, the district court made the observation: "Ironically, if anything, [the defendants' use] increases the value of the work in a perverse way, but it certainly doesn't decrease it."
>
> In sum, we conclude that the district court did not err in concluding that the defendants' use of the manuscript as evidence in the state-court proceeding fell within the scope of fair use authorized by § 107 of the Copyright Act. To the contrary, we agree with the district court when it stated:
>
> > Purpose and character of the defendants' use has nothing whatsoever to do with any interest that the copyright law was designed to protect. The copyright law was never designed to protect content as distinguished from mode of expression. It was certainly never intended to utilize, to keep from the public the ability to state the facts in a document as compared to the mode of expression. Moreover, the effect of defendants' use on the potential market for value of the copyrighted work is absolutely zero.

Notes and questions

(1) The most surprising thing about *Bond v. Blum* is that it is not the only reported case involving fair use and murder. In 2005, a District Court in Virginia held that photographer Robert Shell's copyright interests did not prevent the local police from reproducing a photo Shell had taken of his former assistant. See, *Shell v. City of Radford*, 351 F. Supp. 2d 510 (W.D. Va. 2005). The police were using the photo to solicit information from the public as they investigated Shell for the murder of said assistant. Shell lost his copyright case and was later convicted of manslaughter.

(2) In *Jartech, Inc. v. Clancy*, 666 F.2d 403 (9th Cir.1982) the Ninth Circuit found that photos and audio recordings of adult movies taken by agents of the city council for use in a nuisance abatement proceeding were fair use. *Jartech* stands out from other evidentiary fair use cases because the Ninth Circuit upheld a jury verdict of fair use with almost no discussion of the fair use factors. It simply noted that the defendants had reproduced the work as evidence in the nuisance abatement proceedings and not at all for the work's "intrinsic purpose" and that as such a finding of fair use was justified.

> In this case, the use to which the alleged infringers put the copy is not an intrinsic use. The alleged infringers made abbreviated copies of the films, not for subsequent use and enjoyment, but for evidence to be used in the nuisance abatement proceedings.

It is more common to see courts dutifully, almost ploddingly, work their way through the fair use factors in evidentiary fair use cases. Nonetheless, the decisive factor in evidentiary

fair use cases is the fundamental difference between using a work as evidence and using it for its intrinsic purpose, regardless of whether that intrinsic purpose was informational, expressive or entertaining. The district court in *Shell* explained the difference in purpose as the contrast between using Shell's photographs "for their evidentiary and investigatory value" and their "expressive content." In *Bond*, the court made the same point by noting the copyright defendants' indifference to the book's expressive qualities: "The defendants' use of Bond's copyrighted manuscript … *is indifferent to Bond's mode of expression*." In another passage the court framed the contrast between using the manuscript as evidence and exploiting "the book's manner of expression for any purpose, commercial or otherwise."

(3) Why did the Fourth Circuit allow use of Self-Portrait of a Patricide in Bond v. Blum despite the fact that the entire manuscript was copied?

(4) The plaintiffs in *Bond*, *Shell*, and *Jartech* certainly had interests that were adversely affected by the unauthorized copying, why didn't those interests carry the day under the fourth fair use factor?

(5) What if a freelance photographer was hired to take crime scene photographs? Would the use of those photos in a related civil case be fair use?

Right of Reply

Hustler Magazine Inc. v. Moral Majority Inc., 796 F.2d 1148 (9th Cir. 1986)

In November 1983, *Hustler* magazine published a parody of a well-known advertising campaign for Campari. The mock advertisement suggested that Rev. Jerry Falwell's first sexual experience was with his mother, in an outhouse. Falwell, a fundamentalist preacher and conservative political figure, responded with a lawsuit for defamation and intentional infliction of emotional distress, but that suit ran aground on the First Amendment. See, *Hustler Magazine, Inc. v. Falwell*, 485 U.S. 46 (1988). Falwell also responded by mailing copies of the offending parody to over 750,000 of his viewers and supporters with a plea for donations to help finance his suit against *Hustler* and its publisher, Larry Flynt. Falwell and his organizations raised almost one million dollars as a result—roughly a six to one return on the cost of postage at the time. *Hustler* magazine responded in turn with a lawsuit for copyright infringement.

Hustler Magazine Mock Campari Advertisement



Image description: A black-and-white parody advertisement styled as an interview with Jerry Falwell for Campari liquor. The headline reads, "Jerry Falwell talks about his first time." The text humorously plays on double meanings, making it sound risqué before revealing it refers to drinking Campari. On the right, there's an image of a Campari bottle with a glass of the drink and ice.

Superficially, Falwell's fair use defense did not look promising. Falwell had copied the totality of a highly creative work, without addition, and for commercial gain. Nonetheless, a majority of the Ninth Circuit court of appeals held that the Reverend's use was fair. The majority saw Falwell's actions as fair use because he republished the parody for a substantially different purpose. Whereas Hustler had created the work to mock Falwell and to entertain its readers, Falwell reprinted the work so that his readers could witness the outrage that he had endured. Hustler's use was expressive and entertaining, Falwell's was illustrative and evidentiary. As the court explained: "Falwell was not selling the parody, but was instead using the parody to make a statement about pornography and Larry Flynt, the publisher of Hustler."

The court also recognized "the public interest in allowing an individual to defend himself against such derogatory personal attacks." Falwell reprinted the parody to viscerally demonstrate the nature of the slight he had endured in circumstances where a mere summary would have been inadequate. Although both Hustler and Falwell had communicated the same mock-advertisement to their respective audiences to provoke a reaction, Falwell's rebuttal purpose was entirely separate from Hustler's initial expressive aims. Essentially, Falwell copied the magazine's original expression, not to compete with Hustler's communication or substitute for it, but to denounce it. As the court explained: "Although the Defendants used the parody for a commercial purpose in the sense that they profited from copying it, they did not actually sell the copies to willing buyers. Instead, the Defendants used the copies to generate moral outrage against their 'enemies' and thus stimulate monetary support for their political cause."

For a similar case, with the same result, see *Savage v. Council on American-Islamic Relations, Inc.,* 2008 WL 2951281 (N.D. Cal. July 25, 2008).

Illustrative and informational uses

There is often a fine line between commentary and criticism that reflects back on the original work or its author and merely illustrative use. The distinction is important because whereas reflective uses that embody commentary and criticism are inherently transformative, the transformativeness of illustrative uses is contingent. Even without some element of commentary or criticism, illustrative uses may qualify as transformative provided that there is a clear enough distinction between the original work's intrinsic purpose and the illustrative use to which it has been put. Whether this difference in purpose exists depends a great deal on context and also on the purpose for which the plaintiff's work was created in the first place.

The image search cases: *Kelly* and *Perfect 10*

In 2003 and 2007, two key court of appeals cases in the Ninth Circuit addressed whether the display of images in the context of a menu of Internet search results violated copyright. See *Kelly v. Arriba Soft Corp.*, 336 F.3d 811 (9th Cir. 2003); *Perfect 10, Inc. v. Amazon.com, Inc.*, 508 F.3d 1146 (9th Cir. 2007).

In both *Kelly v. Arriba Soft* and *Perfect 10 v. Amazon*, the copyright owners of various photographs sued visual search engines for the way their works were used by those services. At the time at least, Internet search engines that focused on images relied on matching search terms with text associated with images on the Internet. The search engines in *Kelly* and *Perfect 10* worked as follows: if the text associated with an image file was responsive to a user's search query, the search engine would display a small low-resolution "thumbnail" of the image in a menu of search results, giving the user something like a police lineup of images to choose from. Those thumbnail images were displayed from copies made by the search engine and stored on the search engine's servers. However, once the user selected a particular thumbnail, the user's Internet browser would be directed to the original location to retrieve the full-scale image. This distinction matters because under prevailing Ninth Circuit precedent at the time, the search engine could only be held directly liable for copyright infringement for images sourced from its own servers. Directing a user to someone else's computer system could still qualify as copyright infringement, but only with specific knowledge of the underlying infringement. This distinction is referred to as the "server test". See *Perfect 10, Inc. v. Amazon.com, Inc.*, 508 F.3d 1146 (9th Cir. 2007). See later chapters of this book for the current status of the server test.

In both of the image search cases, *Kelly* and *Perfect 10*, the Ninth Circuit found that displaying low-resolution thumbnail images as part of a menu of search results was transformative. In *Perfect 10*, the court held that the search engine defendant's use of thumbnails was "highly transformative." It continued:

> Although an image may have been created originally to serve an entertainment, aesthetic, or informative function, a search engine transforms the image into a pointer directing a user to a source of information. Just as a parody has an obvious claim to transformative value because it can provide social benefit, by shedding light on an earlier work, and, in the process, creating a new one, a search engine provides social benefit by incorporating an original work into a new work, namely,

an electronic reference tool. Indeed, *a search engine may be more transformative* than a parody because a search engine provides an entirely new use for the original work, while a parody typically has the same entertainment purpose as the original work.

These thumbnails were complete copies after a fashion, but their size and quality suggested that they would not substitute for the original images. These same features also made it clear that the thumbnail images were being used as a pointing device toward the original images; an entirely different purpose to the original photos.

In both cases, the use of the thumbnails as pointing devices was deemed to be transformative because that use "served a different function" unrelated to "artistic expression."

Bill Graham Archives v. Dorling Kindersley Ltd., 448 F.3d 605 (2d Cir 2006)

In 2003 Dorling Kindersley published an illustrated cultural history of the 1960s psychedelic jam band, the Grateful Dead. The 480-page coffee table book, *Grateful Dead: The Illustrated Trip*, was constructed around an annotated timeline combining over 2000 images with explanatory text. Among these 2000 images were seven concert posters owned by Bill Graham Archives.

The figure below is a representative illustration. On the left is a concert poster for Jefferson Airplane, the Grateful Dead and various others playing at the Hollywood Bowl. As seen on the right hand side of the image, a reduced version of the Hollywood Bowl poster is included in the timeline as one of several items competing for the reader's attention in collage of images, text, and graphic art. The original Hollywood Bowl poster measured 14 by 21 inches and was reduced to about 1/20th in scale in the defendant's book.

Plaintiff's Hollywood Bowl Poster (left), The Illustrated Trip (right)



Image description: Left: A psychedelic concert poster with bright green, orange, purple, and blue colors promoting "Bill Graham Presents the San Francisco Scene" featuring Jefferson Airplane, Grateful Dead, and other bands. The design includes ornate shapes framing a central photo and stylized text. Right: An open magazine spread with a vibrant orange and yellow patterned background, blocks of text, and black-and-white photos of musicians and events from the same era.

Although the publisher had initially sought permission from the copyright owner to reproduce the images, the parties were unable to agree on terms and the publisher went ahead regardless. Copyright litigation followed shortly thereafter.

Taking a broad view of transformative use, the trial court in *Bill Graham Archives v. Dorling Kindersley Ltd.,* held that the publisher's use of the seven original concert posters in a biographical work was transformative, even though the copyrighted images themselves were not the subject of direct commentary or criticism. The district court held that it was sufficient that the works were displayed, not for their original purpose, but to commemorate historic events. On appeal, the Second Circuit agreed.

The Second Circuit held that even where the text of *The Illustrated Trip* did not comment directly on the concert posters, the works were presented as "historical artifacts graphically representing the fact of significant Grateful Dead concert events." As such, the defendant's illustrative use was transformatively different from the original expressive purpose for which the works had been created. As the court explained:

> In the instant case, DK's purpose in using the copyrighted images at issue in its biography of the Grateful Dead is plainly different from the original purpose for which they were created. Originally, each of BGA's images fulfilled the dual purposes of artistic expression and promotion. The posters were apparently widely distributed to generate public interest in the Grateful Dead and to convey information to a large number people about the band's forthcoming concerts. In contrast, DK used each of BGA's images as historical artifacts to document and represent the actual occurrence of Grateful Dead concert events featured on *Illustrated Trip's* timeline.

Using a copyrighted work to illustrate or document a historical event is not necessarily transformative. What made the defendant's use transformative in the *Bill Graham Archives* case was that its illustrative use was "separate and distinct from the original artistic and promotional purpose for which the images were created." In contrast, if the original work had been created to document the event, there would be no difference in purpose when the images were used "as historical artifacts to document and represent the actual occurrence of Grateful Dead concert events." Likewise, the use would not have been transformative if the purpose of the defendant's illustration was merely to deliver the expressive value of the plaintiff's original artwork to a new audience. After all, the concert posters were not merely informational, they were also compelling works of graphic design.

The court of appeals was convinced that the defendant's purpose in reproducing the copyrighted concert posters in *The Illustrated Trip* was to illustrate key historical events; it was not linked to the work's original promotional purpose, nor was it simply an attempt to repackage the works for the sake of their intrinsic expressive appeal. This difference in purpose was reinforced by two aspects of the way in which the images were displayed in *The Illustrated Trip*. First, although the publisher reproduced a complete image of the seven concert posters, it did so on a significantly reduced scale. As the court explained, the reproductions were large enough to allow readers to recognize the historical significance of the posters but "inadequate to offer more than a glimpse of their expressive value." Second, the posters were blended with a collage of other material in a way that minimized their individual significance. The combined effect of these two features ensured that even though the copyrighted images were copied in their entirety, the visual impact of their artistic expression was significantly limited.

Elvis Presley Enterprises, Inc. v. Passport Video, 349 F.3d 622 (9th Cir. 2003)

Passport Video is a useful counterpoint to *Bill Graham Archives*. In *Passport Video* a divided Ninth Circuit court of appeals upheld a lower court ruling that the producers of a 16-hour video documentary about the life of Elvis Presley, The Definitive Elvis, had gone beyond the limits of fair use. The Definitive Elvis included extensive video footage, photos, and music excerpts. The documentary used many copyrighted materials from the Plaintiffs, including clips of Elvis' television appearances, which ranged from a few seconds to over a minute, with some clips comprising a large portion of Elvis' total appearances on specific shows. It also incorporated copyrighted still photos and music as background visuals and audio. This extensive use was not transformative in the eyes of the majority because in large part, the documentary simply rebroadcast the plaintiff's works for their intrinsic entertainment value. As the majority explained: "The purpose of showing these clips likely goes beyond merely making a reference for a biography, but instead serves the same intrinsic entertainment value that is protected by Plaintiffs' copyrights."

Notes and questions

(1) Is there really any difference between Bill Graham Archives and Passport Video that would justify the different fair use rulings?

Sofa Entertainment, Inc. v. Dodger Productions, Inc., 709 F.3d 1273 (9th Cir. 2013)

Jersey Boys was a popular Broadway musical about the 1960s group The Four Seasons. The first act of the play closed with a seven-second clip of Ed Sullivan introducing The Four Seasons before a performance on the Ed Sullivan Show—appearing on that influential 1960s television show was a significant turning point in many careers. Sofa Entertainment owned the copyright to historic clips of The Ed Sullivan Show and sued for copyright infringement.

The Ninth Circuit upheld summary judgment in favor of the defendant, principally on the grounds that the use was transformative. After citing Campbell for the proposition that "The central inquiry under the first factor is whether the new work is 'transformative'", the court explained:

> Dodger references the Four Seasons' performance on the January 2, 1966 episode of The Ed Sullivan Show to mark an important moment in the band's career. At that point in rock & roll history, many American bands were pushed into obscurity by the weight of the "British Invasion," which was kicked off by the Beatles' performance on The Ed Sullivan Show. The Four Seasons, however, thrived. Being selected by Ed Sullivan to perform on his show was evidence of the band's enduring prominence in American music. By using it as a biographical anchor, Dodger put the clip to its own transformative ends.
>
> SOFA's argument that the clip was used for its own entertainment value is not supported by the record. Moreover, because Dodger's use of the clip is transformative, the fact that Jersey Boys is a commercial production is of little significance. *Campbell*, 510 U.S. at 579. Therefore, the first fair use factor heavily favors Dodger.

In light of that conclusion, the rest of the fair use analysis went on to favor the defendants as well. The court found that the original clip was factual and informational in nature, which weighed in favor of fair use; that only seven seconds of a much longer episode were used—just enough to serve the narrative purpose—and that the excerpt did not constitute the "heart" of the work; and that there was no meaningful market harm, as the use neither substituted for the original nor competed with it, and there was no realistic market for licensing such a brief, context-specific clip for dramatic reenactments.

Notes and questions

(1) *Bill Graham Archives* and the *Jersey Boys* case were decided prior to the Supreme Court's decision in *Andy Warhol Foundation v. Goldsmith*. Would reproducing copyrighted concert posters in *The Illustrated Trip* to illustrate key historical events still be fair use today? Would using seven seconds of the Ed Sullivan Show "as a biographical anchor"?

Fair use in new markets

The Sony Betamax Case

The Sony Betamax was the first mass-market Video Cassette Recorder or VCR. The Betamax went on sale in 1975 and a year later Universal City Studios, Inc., and Walt Disney Productions, filed a law suit alleging that consumers used the device to infringe their copyrights; they also alleged that Sony Corporation, the manufacturer of the device, was responsible for any copyright infringement made possible by the new machine. The Supreme Court's decision in *Sony* had two distinct components: the first examined whether consumer time-shifting of broadcast television for later viewing was fair use or copyright infringement; the second concerned the manufacturer's liability for a technology which had both infringing and non-infringing uses. The following extract focuses on the fair use status of unauthorized time-shifting.

Sony Corp. of America v. Universal City Studios, Inc., 464 U.S. 417 (1984)

Justice Stevens delivered the opinion of the Court

> … The question is thus whether the Betamax is capable of commercially significant noninfringing uses. In order to resolve that question, we need not explore all the different potential uses of the machine and determine whether or not they would constitute infringement. Rather, we need only consider whether on the basis of the facts as found by the District Court a significant number of them would be noninfringing. Moreover, in order to resolve this case we need not give precise content to the question of how much use is commercially significant. For one potential use of the Betamax plainly satisfies this standard, however it is understood: private, noncommercial time-shifting in the home. It does so both (A) because respondents have no right to prevent other copyright holders from authorizing it for their programs, and (B) because the District Court's factual findings reveal that even the unauthorized home time-shifting of respondents'

programs is legitimate fair use. [Justice Steven's discussion of authorized use is omitted.]

Unauthorized Time-Shifting

> Even unauthorized uses of a copyrighted work are not necessarily infringing. An unlicensed use of the copyright is not an infringement unless it conflicts with one of the specific exclusive rights conferred by the copyright statute. *Twentieth Century Music Corp. v. Aiken*, 422 U.S., at 154-155. Moreover, the definition of exclusive rights in § 106 of the present Act is prefaced by the words "subject to sections 107 through 118." Those sections describe a variety of uses of copyrighted material that "are not infringements of copyright" "notwithstanding the provisions of section 106." The most pertinent in this case is § 107, the legislative endorsement of the doctrine of "fair use."[29]

Footnote 29: The Copyright Act of 1909, 35 Stat. 1075, did not have a "fair use" provision. Although that Act's compendium of exclusive rights "to print, reprint, publish, copy, and vend the copyrighted work" was broad enough to encompass virtually all potential interactions with a copyrighted work, the statute was never so construed. The courts simply refused to read the statute literally in every situation. When Congress amended the statute in 1976, it indicated that it "intended to restate the present judicial doctrine of fair use, not to change, narrow, or enlarge it in any way." House Report p. 66 (1976).

> That section identifies various factors that enable a court to apply an "equitable rule of reason" analysis to particular claims of infringement. Although not conclusive, the first factor requires that "the commercial or nonprofit character of an activity" be weighed in any fair use decision. If the Betamax were used to make copies for a commercial or profitmaking purpose, such use would presumptively be unfair. The contrary presumption is appropriate here, however, because the District Court's findings plainly establish that time-shifting for private home use must be characterized as a noncommercial, nonprofit activity. Moreover, when one considers the nature of a televised copyrighted audiovisual work, § 107(2), and that time-shifting merely enables a viewer to see such a work which he had been invited to witness in its entirety free of charge, the fact that the entire work is reproduced, see § 107(3), does not have its ordinary effect of militating against a finding of fair use.
>
> This is not, however, the end of the inquiry because Congress has also directed us to consider "the effect of the use upon the potential market for or value of the copyrighted work." § 107(4). The purpose of copyright is to create incentives for creative effort. Even copying for noncommercial purposes may impair the copyright holder's ability to obtain the rewards that Congress intended him to have. But a use that has no demonstrable effect upon the potential market for, or the value of, the copyrighted work need not be prohibited in order to protect the author's incentive to create. The prohibition of such noncommercial uses would merely inhibit access to ideas without any countervailing benefit.
>
> Thus, although every commercial use of copyrighted material is presumptively an unfair exploitation of the monopoly privilege that belongs to the owner of the copyright, noncommercial uses are a different matter. A challenge to a noncommercial use of a copyrighted work requires proof either that the particular use is harmful, or that if it should become widespread, it would adversely affect the potential market for the copyrighted work. Actual present harm need not be shown; such a requirement would leave the copyright holder with no defense

against predictable damage. Nor is it necessary to show with certainty that future harm will result. What is necessary is a showing by a preponderance of the evidence that some meaningful likelihood of future harm exists. If the intended use is for commercial gain, that likelihood may be presumed. But if it is for a noncommercial purpose, the likelihood must be demonstrated.

In this case, respondents failed to carry their burden with regard to home time-shifting. The District Court described respondents' evidence as follows:

"Plaintiffs' experts admitted at several points in the trial that the time-shifting without librarying would result in 'not a great deal of harm.' Plaintiffs' greatest concern about time-shifting is with 'a point of important philosophy that transcends even commercial judgment.' They fear that with any Betamax usage, 'invisible boundaries' are passed: 'the copyright owner has lost control over his program.'" 480 F. Supp., at 467.

Later in its opinion, the District Court observed:

"Most of plaintiffs' predictions of harm hinge on speculation about audience viewing patterns and ratings, a measurement system which Sidney Sheinberg, MCA's president, calls a 'black art' because of the significant level of imprecision involved in the calculations." Id., at 469.

There was no need for the District Court to say much about past harm. "Plaintiffs have admitted that no actual harm to their copyrights has occurred to date."

On the question of potential future harm from time-shifting, the District Court offered a more detailed analysis of the evidence. It rejected respondents' "fear that persons 'watching' the original telecast of a program will not be measured in the live audience and the ratings and revenues will decrease," by observing that current measurement technology allows the Betamax audience to be reflected. Id., at 466. It rejected respondents' prediction "that live television or movie audiences will decrease as more people watch Betamax tapes as an alternative," with the observation that "[t]here is no factual basis for [the underlying] assumption." It rejected respondents' "fear that time-shifting will reduce audiences for telecast reruns," and concluded instead that "given current market practices, this should aid plaintiffs rather than harm them." Ibid. And it declared that respondents' suggestion that "theater or film rental exhibition of a program will suffer because of time-shift recording of that program" "lacks merit."

After completing that review, the District Court restated its overall conclusion several times, in several different ways. "Harm from time-shifting is speculative and, at best, minimal." "The audience benefits from the time-shifting capability have already been discussed. It is not implausible that benefits could also accrue to plaintiffs, broadcasters, and advertisers, as the Betamax makes it possible for more persons to view their broadcasts." "No likelihood of harm was shown at trial, and plaintiffs admitted that there had been no actual harm to date." "Testimony at trial suggested that Betamax may require adjustments in marketing strategy, but it did not establish even a likelihood of harm." "Television production by plaintiffs today is more profitable than it has ever been, and, in five weeks of trial, there was no concrete evidence to suggest that the Betamax will change the studios' financial picture."

The District Court's conclusions are buttressed by the fact that to the extent time-shifting expands public access to freely broadcast television programs, it yields

societal benefits. In *Community Television of Southern California v. Gottfried*, 459 U.S. 498 (1983), we acknowledged the public interest in making television broadcasting more available. Concededly, that interest is not unlimited. But it supports an interpretation of the concept of "fair use" that requires the copyright holder to demonstrate some likelihood of harm before he may condemn a private act of time-shifting as a violation of federal law.

When these factors are all weighed in the "equitable rule of reason" balance, we must conclude that this record amply supports the District Court's conclusion that home time-shifting is fair use. In light of the findings of the District Court regarding the state of the empirical data, it is clear that the Court of Appeals erred in holding that the statute as presently written bars such conduct.

In summary, the record and findings of the District Court lead us to two conclusions. First, Sony demonstrated a significant likelihood that substantial numbers of copyright holders who license their works for broadcast on free television would not object to having their broadcasts time-shifted by private viewers. And second, respondents failed to demonstrate that time-shifting would cause any likelihood of nonminimal harm to the potential market for, or the value of, their copyrighted works. The Betamax is, therefore, capable of substantial noninfringing uses. Sony's sale of such equipment to the general public does not constitute contributory infringement of respondents' copyrights.

* * *

"The direction of Art. I is that Congress shall have the power to promote the progress of science and the useful arts. When, as here, the Constitution is permissive, the sign of how far Congress has chosen to go can come only from Congress." *Deepsouth Packing Co. v. Laitram Corp.*, 406 U.S. 518, 530 (1972).

One may search the Copyright Act in vain for any sign that the elected representatives of the millions of people who watch television every day have made it unlawful to copy a program for later viewing at home, or have enacted a flat prohibition against the sale of machines that make such copying possible.

It may well be that Congress will take a fresh look at this new technology, just as it so often has examined other innovations in the past. But it is not our job to apply laws that have not yet been written. Applying the copyright statute, as it now reads, to the facts as they have been developed in this case, the judgment of the Court of Appeals must be reversed.

It is so ordered.

Notes and questions

(1) Why did the Supreme Court majority hold that users of the Sony Betamax were engaging in fair use?

(2) How far should that reasoning extend to other technologies that facilitate consumer copying? In *Recording Indus. Association of Am. v. Diamond Multimedia Sys., Inc.*, 180 F.3d 1072, 1079 (9th Cir.1999), the Ninth Circuit said that the Diamond Rio mp3 player (a large capacity portable MP3 player that predated the now more famous Apple iPod) "merely makes copies in order to render portable, or 'space-shift,' those [music] files that

already reside on a user's hard drive. . . . Such copying is a paradigmatic noncommercial personal use."

(3) In *Fox Broadcasting Co., Inc. v. Dish Network LLC*, 747 F.3d 1060 (9th Cir. 2014), the Ninth Circuit affirmed the denial of a preliminary injunction, holding that Fox was not likely to overcome Dish Network's fair use defense with respect to a digital video recorder that automatically skipped the advertisements in programs its users recorded. The court found that Fox had not demonstrated any harm from on-demand availability and that any harm resulting from the ease of skipping commercials did "not implicate any copyright interest." The court of appeals explained:

> Yet, as the district court held, commercial-skipping does not implicate Fox's copyright interest because Fox owns the copyrights to the television programs, not to the ads aired in the commercial breaks. If recording an entire copyrighted program is a fair use, the fact that viewers do not watch the ads not copyrighted by Fox cannot transform the recording into a copyright violation.

Do you agree with this reasoning?

More typical new markets cases

Infinity Broadcast Corp. v. Kirkwood, 150 F.3d 104 (2d Cir. 1998)

FEINBERG, Circuit Judge:

I. Background

Dial-Up is a system designed by Wayne Kirkwood to enable his customers to listen to radio broadcasts originating in various cities throughout the United States. At the time of the trial the Dial-Up system allowed access to the 10 largest radio markets in the country, and Kirkwood plans to expand to more cities. In each city Kirkwood places a radio receiver connected to a phone line. The receiver, like a normal radio, receives broadcasts over the air. It then transmits them into the phone line so that a caller can listen to whatever station the receiver is tuned to. The receiver responds to commands entered via touch-tone phone so that a caller can tune the receiver to different stations. Dial-Up subscribers pay a fee in exchange for a list of the (unpublished) phone numbers connected to the receivers. Kirkwood exercises no control over the selection of stations by callers, though he has apparently developed (but not implemented) a version of the system that could block the retransmission of particular stations. Except for a potentially costly long-distance phone bill (from which Kirkwood derives no benefit), there is nothing to prevent a caller from listening to a particular station 24 hours a day, seven days a week. Dial-Up is marketed to radio stations, advertisers, talent scouts and others in the entertainment and advertising industry for purposes such as auditioning on-air talent, verifying the broadcast of commercials, and listening to a station's programming format and feel. It is also, as Kirkwood emphasizes, marketed to performance rights organizations to assist them in enforcing the copyrights of their member artists.

Infinity Broadcasting Corp. ("Infinity") owns a large network of radio stations, including stations in each of the markets in which Dial-Up has a receiver. Some of the programs that originate on Infinity-owned stations are syndicated, meaning that

they are broadcast on stations in other markets in exchange for a fee or for advertising time. Some, but not all, of Infinity's stations have "listen lines," station-specific versions of Kirkwood's service that the stations offer for free to certain clients.

In June 1997, the district judge held that Kirkwood's actions were protected by the fair use defense set out in 17 U.S.C. § 107. Applying the four factors enumerated in that statute, he decided that on balance they favored Kirkwood and that Kirkwood's use diminished neither the incentive of broadcasters to generate new creative programming, nor their "ability to gain a fair return on their endeavors." 965 F.Supp. at 560-61. This appeal followed. …

1. Purpose and Character of the Use

The first statutory factor is the purpose and character of the alleged infringing use. The focus of this factor is

> whether the new work merely supersedes the objects of the original creation[,] or instead adds something new, with a further purpose or different character, altering the first with new expression, meaning, or message; it asks, in other words, whether and to what extent the new work is "transformative."

Campbell, 510 U.S. at 579. The district court found that this factor "cuts to some extent in Kirkwood's direction," primarily because Kirkwood "is using [Infinity's] broadcasts for a quite different purpose," namely for information rather than entertainment. Kirkwood, too, argues at length about the differences between Infinity's purposes for its broadcasts and the reasons his customers use Dial-Up. We agree that the difference in purposes tends to support Kirkwood's fair use claim. However, difference in purpose is not quite the same thing as transformation, and *Campbell* instructs that transformativeness is the critical inquiry under this factor.

Here, as the district judge observed, "Kirkwood's retransmissions leave the character of the original broadcasts unchanged. There is neither new expression, new meaning nor new message." In short, there is no transformation. As then-District Judge Leval noted in his frequently-cited article on fair use, *Toward a Fair Use Standard*, a use of copyrighted material that "merely repackages or republishes the original" is unlikely to be deemed a fair use.

Kirkwood argues that Dial-Up's users transform the broadcasts by using them for their factual, not entertainment, content. However, it is Kirkwood's own retransmission of the broadcasts, not the acts of his end-users, that is at issue here and all Kirkwood does is sell access to unaltered radio broadcasts. Also, it is not clear that all of Kirkwood's target audience "transforms" the broadcasts as he suggests. Talent scouts, who admittedly would not be listening in order to be entertained themselves, would nevertheless be listening for the entertainment value of the broadcasts rather than the factual content.

Kirkwood also argues that his service is "of substantial benefit to society" because, among other things, it enables advertisers to confirm that their commercials were properly aired. According to Infinity, however, 75 to 80 percent of the advertising on its stations is from companies within the station's broadcast range who may

therefore monitor Infinity merely by turning on a radio. Similarly, the public benefit from other uses of Dial-Up can either be accomplished by other methods or is simply not enough to justify Kirkwood's non-transformative retransmissions.

In sum, we think the different, and possibly beneficial, purposes of Kirkwood's customers are outweighed by the total absence of transformativeness in Kirkwood's acts of retransmission. We find that the first statutory factor leans in Infinity's favor, rather than in Kirkwood's.

2. Nature of the Copyrighted Work

The second factor is the nature of the copyrighted work, which recognizes that creative works are "closer to the core of intended copyright protection" than more factual works. Campbell, 510 U.S. at 586. The district court found that this factor favored Infinity. Kirkwood admits that some portions of the broadcasts are original and therefore deserving of copyright protection, but argues that Infinity also broadcasts material such as music and advertisements to which it does not own the copyright. The district court properly recognized, however, that "the compilation of these and other elements to make the allegedly infringed works is both unique and creative." Id. The second factor favors Infinity.

3. Amount and Substantiality of the Portion Used

The third factor, amount and substantiality of the portion used, recognizes that the more of a copyrighted work that is taken, the less likely the use is to be fair, and that even a less substantial taking may be unfair if it captures the essence of the copyrighted work. See e.g., *Harper & Row*, 471 U.S. at 564-65 (although "words actually quoted were an insubstantial portion" of copyrighted book, they were "essentially the heart of the book"). Though not an absolute rule, generally, it may not constitute a fair use if the entire work is reproduced.

It is somewhat difficult to apply this factor to Dial-Up. Depending on the interest of Kirkwood's customers, mere snippets of Infinity's broadcasts may be retransmitted or a single station may be listened to for hours at a time. [However,] in this case the potential scope of retransmission is more relevant than evidence of actual retransmission by Dial-Up users thus far. Dial-Up permits essentially unlimited access to radio broadcasts in the cities in which it has receivers and there is thus the potential for retransmission of entire copyrighted programs. As the district court observed,

> the more successful Kirkwood becomes in selling his service to interested parties, the more likely it is that any given broadcast will be retransmitted ... [and] that a subscriber, or the collective action of a plurality of subscribers, will cause Kirkwood to retransmit most or all of a given program.

Again, Kirkwood argues that because his users' motives are beneficial to the purpose of copyright it makes no difference if entire broadcasts are heard. As discussed, however, societal benefit does not guarantee a finding of fair use. Nor does it, by itself, answer the question most relevant to this factor: whether "no more was taken than necessary." *Campbell*, 510 U.S. at 589. Even if Kirkwood is correct that society benefits from his provision of access to Infinity's broadcasts, he still

must justify potentially providing his subscribers with access to every radio station in the cities Kirkwood serves, 24 hours a day, seven days a week. We agree with the district court that the third factor favors Infinity.

4. Effect of the Use upon the Potential Market

The fourth factor, effect of the use on the potential market for the copyrighted work,

> requires courts to consider not only the extent of market harm caused by the particular actions of the alleged infringer, but also "whether unrestricted and wide-spread conduct of the sort engaged in by the defendant ... would result in a substantially adverse impact on the potential market" for the original.

Campbell, 510 U.S. at 590. Not all harms are cognizable under this factor. Specifically, fair use does not condemn the suppression or even destruction of the market by, for example, a "scathing theater review" or a parody. See *Campbell*, 510 U.S. at 591-92. Rather, it is concerned with secondary uses that, by offering a substitute for the original, usurp a market that properly belongs to the copyright-holder.

The district court, in applying this factor, started from the assumption that the value of Infinity's copyrighted programs "lies in the ability to attract listeners" by providing the programs to the general public either on its own stations or, by syndication, on stations owned by others. The court then concluded that Kirkwood's service, which is "directed to a narrow and specialized audience," was likely to have no material effect on the value of the copyrighted material. The district court regarded as particularly relevant that Infinity is neither in the business of operating commercial listen lines nor has it "attempted to license the retransmission of its copyrighted programming for purposes such as Kirkwood's," and that the potential revenues to be obtained from such licensing, based on Kirkwood's experience, are "extremely modest."

We are not as impressed by these facts as was the district court. Although Infinity does not operate commercial listen lines such as Kirkwood's, certain of its stations have their own listen lines and Infinity described these lines as being included in a "package" offered to certain advertisers. It is true that Infinity does not charge separately for these lines, and that Kirkwood has had limited success in doing so himself. But this does not necessarily mean that Infinity derives no economic benefit from its listen lines or that Kirkwood's use has only a negligible effect on Infinity's potential to exploit this market. Infinity, in the exercise of its business judgment, has decided that its best current use of listen lines is to offer them at no additional cost to certain "valued customers." Dial-Up disrupts this practice by removing Infinity's control over who should have access to such lines. Kirkwood is selling Infinity's copyrighted material in a market that Infinity, as the copyright owner, is exclusively entitled to exploit. Kirkwood does not suppress demand for Infinity's broadcasts in the manner of a reviewer, but instead replaces Infinity as the supplier of those broadcasts to meet the demand of his customers. This is precisely the kind of harm the fourth factor aims to prevent. As Infinity points out in its brief on appeal, "the revenues that Kirkwood generates for himself come not from a market that is only likely to be developed, but from a market that Infinity

currently occupies," albeit in different form. Infinity's presence in Kirkwood's market weighs in Infinity's favor on this factor.

Kirkwood also implies that Infinity lacks an incentive to exploit the listen line market because enabling advertisers to check up on Infinity's advertising billing practices is against its interest. This is not obvious, as evidenced by the fact that Infinity does offer listen lines to some advertisers. If we assume that advertisers will prefer to use broadcasters that can be relied upon to be honest, and consider the provision of monitoring services like listen lines to be an indicator of such reliability, then broadcasters who do not offer listen lines may be at a competitive disadvantage.

On balance, we think the fourth factor is a very close question. Infinity admits that it has no present interest in operating separate for-profit listen lines, but has demonstrated at least the potential for interference with its inclusion of listen lines as part of its advertising package. We disagree with the district court that this factor "strongly favors" Kirkwood, and indeed, considering that Kirkwood bears the burden of showing an absence of "usurpation" harm to Infinity, believe that it tips toward Infinity.

5. Aggregate Assessment

By our calculation, all four statutory factors point toward infringement and the lack of fair use. The statutory factors are not exclusive, but the facts of this case do not suggest any significant factors we have not already considered, and our assessment of the case in more abstract terms only strengthens our conclusion that Kirkwood's is not a fair use. Kirkwood creates nothing and advances no body of knowledge or criticism. He simply takes Infinity's unaltered broadcasts and markets them to a specific clientele.

Kirkwood has not met his burden of showing that his use of Infinity's broadcasts does not infringe Infinity's copyrights. Given the potential for large-scale retransmission of Infinity's broadcasts by Kirkwood's service, we conclude that Dial-Up's retransmission of Infinity's copyrighted broadcasts is not a fair use.

Notes and questions

(1) If the court could see that the Dial-Up retransmission service had a different purpose to the original broadcasts, and that it was possibly beneficial, why was it not transformative?

A & M Records, Inc. v. Napster, Inc., 239 F.3d 1004 (9th Cir. 2001)

Circuit Judge Beezer

Plaintiffs are engaged in the commercial recording, distribution and sale of copyrighted musical compositions and sound recordings. The complaint alleges that Napster, Inc. ("Napster") is a contributory and vicarious copyright infringer. The district court preliminarily enjoined Napster "from engaging in, or facilitating others in copying, downloading, uploading, transmitting, or distributing plaintiffs' copyrighted musical compositions and sound recordings, protected by either

federal or state law, without express permission of the rights owner." We entered a temporary stay of the preliminary injunction pending resolution of this appeal.

Napster facilitates the transmission of MP3 files between and among its users. Through a process commonly called "peer-to-peer" file sharing, Napster allows its users to: (1) make MP3 music files stored on individual computer hard drives available for copying by other Napster users; (2) search for MP3 music files stored on other users' computers; and (3) transfer exact copies of the contents of other users' MP3 files from one computer to another via the Internet. These functions are made possible by Napster's MusicShare software, available free of charge from Napster's Internet site, and Napster's network servers and server-side software. Napster provides technical support for the indexing and searching of MP3 files, as well as for its other functions, including a "chat room," where users can meet to discuss music, and a directory where participating artists can provide information about their music.

Plaintiffs claim Napster users are engaged in the wholesale reproduction and distribution of copyrighted works, all constituting direct infringement. The district court agreed. The district court determined that plaintiffs' exclusive rights under § 106 were violated: "here the evidence establishes that a majority of Napster users use the service to download and upload copyrighted music. And by doing that, it constitutes—the uses constitute direct infringement of plaintiffs' musical compositions, recordings." The district court also noted that "it is pretty much acknowledged by Napster that this is infringement." We agree that plaintiffs have shown that Napster users infringe at least two of the copyright holders' exclusive rights: the rights of reproduction, § 106(1); and distribution, § 106(3). Napster users who upload file names to the search index for others to copy violate plaintiffs' distribution rights. Napster users who download files containing copyrighted music violate plaintiffs' reproduction rights.

Napster asserts an affirmative defense to the charge that its users directly infringe plaintiffs' copyrighted musical compositions and sound recordings.

Fair Use

Napster contends that its users do not directly infringe plaintiffs' copyrights because the users are engaged in fair use of the material. Napster identifies three specific alleged fair uses: sampling, where users make temporary copies of a work before purchasing; space-shifting, where users access a sound recording through the Napster system that they already own in audio CD format; and permissive distribution of recordings by both new and established artists.

The district court considered factors listed in 17 U.S.C. § 107, which guide a court's fair use determination. … The district court concluded that Napster users are not fair users. We agree. We first address the court's overall fair use analysis.

1. Purpose and Character of the Use

This factor focuses on whether the new work merely replaces the object of the original creation or instead adds a further purpose or different character. In other words, this factor asks "whether and to what extent the new work is 'transformative.'" See *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 579 (1994).

The district court first concluded that downloading MP3 files does not transform the copyrighted work. This conclusion is supportable. Courts have been reluctant to find fair use when an original work is merely retransmitted in a different medium. See, e.g., *Infinity Broadcast Corp. v. Kirkwood*, 150 F.3d 104, 108 (2d Cir.1998) (concluding that retransmission of radio broadcast over telephone lines is not transformative); *UMG Recordings, Inc. v. MP3.com, Inc.*, 92 F.Supp.2d 349, 351 (S.D.N.Y.) (finding that reproduction of audio CD into MP3 format does not "transform" the work).

This "purpose and character" element also requires the district court to determine whether the allegedly infringing use is commercial or noncommercial. See *Campbell*, 510 U.S. at 584-85. A commercial use weighs against a finding of fair use but is not conclusive on the issue. Id. The district court determined that Napster users engage in commercial use of the copyrighted materials largely because (1) "a host user sending a file cannot be said to engage in a personal use when distributing that file to an anonymous requester" and (2) "Napster users get for free something they would ordinarily have to buy." The district court's findings are not clearly erroneous.

Direct economic benefit is not required to demonstrate a commercial use. Rather, repeated and exploitative copying of copyrighted works, even if the copies are not offered for sale, may constitute a commercial use. See *Worldwide Church of God v. Philadelphia Church of God*, 227 F.3d 1110, 1118 (9th Cir.2000) (stating that church that copied religious text for its members "unquestionably profited" from the unauthorized "distribution and use of [the text] without having to account to the copyright holder"); *American Geophysical Union v. Texaco, Inc.*, 60 F.3d 913, 922 (2d Cir.1994) (finding that researchers at for-profit laboratory gained indirect economic advantage by photocopying copyrighted scholarly articles). In the record before us, commercial use is demonstrated by a showing that repeated and exploitative unauthorized copies of copyrighted works were made to save the expense of purchasing authorized copies. See *Worldwide Church*, 227 F.3d at 1117-18; *Sega Enters. Ltd. v. MAPHIA*, 857 F.Supp. 679, 687 (N.D.Cal.1994) (finding commercial use when individuals downloaded copies of video games "to avoid having to buy video game cartridges"); see also *American Geophysical*, 60 F.3d at 922. Plaintiffs made such a showing before the district court.

We also note that the definition of a financially motivated transaction for the purposes of criminal copyright actions includes trading infringing copies of a work for other items, "including the receipt of other copyrighted works." See No Electronic Theft Act ("NET Act"), Pub.L. No. 105-147, 18 U.S.C. § 101 (defining "Financial Gain").

2. The Nature of the Use

Works that are creative in nature are "closer to the core of intended copyright protection" than are more fact-based works. See *Campbell*, 510 U.S. at 586. The district court determined that plaintiffs' "copyrighted musical compositions and sound recordings are creative in nature which cuts against a finding of fair use under the second factor." We find no error in the district court's conclusion.

3. The Portion Used

"While 'wholesale copying does not preclude fair use per se,' copying an entire work 'militates against a finding of fair use.'" *Worldwide Church*, 227 F.3d at

1118 (quoting *Hustler Magazine, Inc. v. Moral Majority, Inc.*, 796 F.2d 1148, 1155 (9th Cir.1986)). The district court determined that Napster users engage in "wholesale copying" of copyrighted work because file transfer necessarily "involves copying the entirety of the copyrighted work." We agree. We note, however, that under certain circumstances, a court will conclude that a use is fair even when the protected work is copied in its entirety. See, e.g., *Sony Corp. v. Universal City Studios, Inc.*, 464 U.S. 417, 449-50 (1984) (acknowledging that fair use of time-shifting necessarily involved making a full copy of a protected work).

4. Effect of Use on Market

"Fair use, when properly applied, is limited to copying by others which does not materially impair the marketability of the work which is copied." *Harper & Row Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 566-67 (1985). "[T]he importance of this [fourth] factor will vary, not only with the amount of harm, but also with the relative strength of the showing on the other factors." *Campbell*, 510 U.S. at 591 n. 21. The proof required to demonstrate present or future market harm varies with the purpose and character of the use:

A challenge to a noncommercial use of a copyrighted work requires proof either that the particular use is harmful, or that if it should become widespread, it would adversely affect the potential market for the copyrighted work. . . . If the intended use is for commercial gain, that likelihood [of market harm] may be presumed. But if it is for a noncommercial purpose, the likelihood must be demonstrated.

Sony, 464 U.S. at 451 (emphases added).

Addressing this factor, the district court concluded that Napster harms the market in "at least" two ways: it reduces audio CD sales among college students and it "raises barriers to plaintiffs' entry into the market for the digital downloading of music." [The court summarized the district court's treatment of the expert evidence.] The district court cited both the Jay and Fine Reports in support of its finding that Napster use harms the market for plaintiffs' copyrighted musical compositions and sound recordings by reducing CD sales among college students. The district court cited the Teece Report to show the harm Napster use caused in raising barriers to plaintiffs' entry into the market for digital downloading of music. The district court's careful consideration of defendant's objections to these reports and decision to rely on the reports for specific issues demonstrates a proper exercise of discretion in addition to a correct application of the fair use doctrine. Defendant has failed to show any basis for disturbing the district court's findings.

We, therefore, conclude that the district court made sound findings related to Napster's deleterious effect on the present and future digital download market. Moreover, lack of harm to an established market cannot deprive the copyright holder of the right to develop alternative markets for the works. See *L.A. Times v. Free Republic*, 54 U.S.P.Q.2d 1453, 1469-71 (C.D.Cal.2000) (stating that online market for plaintiff newspapers' articles was harmed because plaintiffs demonstrated that "[defendants] are attempting to exploit the market for viewing their articles online"); see also *UMG Recordings*, 92 F.Supp.2d at 352 ("Any allegedly positive impact of defendant's activities on plaintiffs' prior market in no way frees defendant to usurp a further market that directly derives from reproduction of the plaintiffs' copyrighted works."). Here, similar to L.A. Times and UMG Recordings, the record supports the district court's finding that the "record company plaintiffs have already expended considerable funds and effort

to commence Internet sales and licensing for digital downloads." 114 F.Supp.2d at 915. Having digital downloads available for free on the Napster system necessarily harms the copyright holders' attempts to charge for the same downloads.

Judge Patel did not abuse her discretion in reaching the above fair use conclusions, nor were the findings of fact with respect to fair use considerations clearly erroneous. We next address Napster's identified uses of sampling and space-shifting.

5. Identified Uses

Napster maintains that its identified uses of sampling and space-shifting were wrongly excluded as fair uses by the district court.

a. Sampling

Napster contends that its users download MP3 files to "sample" the music in order to decide whether to purchase the recording. Napster argues that the district court: (1) erred in concluding that sampling is a commercial use because it conflated a noncommercial use with a personal use; (2) erred in determining that sampling adversely affects the market for plaintiffs' copyrighted music, a requirement if the use is noncommercial; and (3) erroneously concluded that sampling is not a fair use because it determined that samplers may also engage in other infringing activity.

The district court determined that sampling remains a commercial use even if some users eventually purchase the music. We find no error in the district court's determination. Plaintiffs have established that they are likely to succeed in proving that even authorized temporary downloading of individual songs for sampling purposes is commercial in nature. The record supports a finding that free promotional downloads are highly regulated by the record company plaintiffs and that the companies collect royalties for song samples available on retail Internet sites. Id. Evidence relied on by the district court demonstrates that the free downloads provided by the record companies consist of thirty-to-sixty second samples or are full songs programmed to "time out," that is, exist only for a short time on the downloader's computer. In comparison, Napster users download a full, free and permanent copy of the recording. The determination by the district court as to the commercial purpose and character of sampling is not clearly erroneous.

The district court further found that both the market for audio CDs and market for online distribution are adversely affected by Napster's service. As stated in our discussion of the district court's general fair use analysis: the court did not abuse its discretion when it found that, overall, Napster has an adverse impact on the audio CD and digital download markets. Contrary to Napster's assertion that the district court failed to specifically address the market impact of sampling, the district court determined that "even if the type of sampling supposedly done on Napster were a non-commercial use, plaintiffs have demonstrated a substantial likelihood that it would adversely affect the potential market for their copyrighted works if it became widespread." The record supports the district court's preliminary determinations that: (1) the more music that sampling users download, the less likely they are to eventually purchase the recordings on audio CD; and (2) even if the audio CD market is not harmed, Napster has adverse effects on the developing digital download market.

Napster further argues that the district court erred in rejecting its evidence that the users' downloading of "samples" increases or tends to increase audio CD sales. The district court, however, correctly noted that "any potential enhancement of plaintiffs' sales . . . would not tip the fair use analysis conclusively in favor of defendant." We agree that increased sales of copyrighted material attributable to unauthorized use should not deprive the copyright holder of the right to license the material. See *Campbell*, 510 U.S. at 591 n. 21 ("Even favorable evidence, without more, is no guarantee of fairness. Judge Leval gives the example of the film producer's appropriation of a composer's previously unknown song that turns the song into a commercial success; the boon to the song does not make the film's simple copying fair."); see also *L.A. Times*, 54 U.S.P.Q.2d at 1471-72. Nor does positive impact in one market, here the audio CD market, deprive the copyright holder of the right to develop identified alternative markets, here the digital download market. See id. at 1469-71.

We find no error in the district court's factual findings or abuse of discretion in the court's conclusion that plaintiffs will likely prevail in establishing that sampling does not constitute a fair use.

b. Space-Shifting

Napster also maintains that space-shifting is a fair use. Space-shifting occurs when a Napster user downloads MP3 music files in order to listen to music he already owns on audio CD. Napster asserts that we have already held that space-shifting of musical compositions and sound recordings is a fair use. See *Recording Indus. Ass'n of Am. v. Diamond Multimedia Sys., Inc.*, 180 F.3d 1072, 1079 (9th Cir.1999) ("Rio [a portable MP3 player] merely makes copies in order to render portable, or 'space-shift,' those files that already reside on a user's hard drive. . . . Such copying is a paradigmatic noncommercial personal use."). See also generally *Sony*, 464 U.S. at 423 (holding that "time-shifting," where a video tape recorder owner records a television show for later viewing, is a fair use).

We conclude that the district court did not err when it refused to apply the "shifting" analyses of Sony and Diamond. Both Diamond and Sony are inapposite because the methods of shifting in these cases did not also simultaneously involve distribution of the copyrighted material to the general public; the time or space-shifting of copyrighted material exposed the material only to the original user. In Diamond, for example, the copyrighted music was transferred from the user's computer hard drive to the user's portable MP3 player. So too *Sony*, where "the majority of VCR purchasers . . . did not distribute taped television broadcasts, but merely enjoyed them at home." Conversely, it is obvious that once a user lists a copy of music he already owns on the Napster system in order to access the music from another location, the song becomes "available to millions of other individuals," not just the original CD owner.

c. Other Uses

Permissive reproduction by either independent or established artists is the final fair use claim made by Napster. The district court noted that plaintiffs did not seek to enjoin this and any other noninfringing use of the Napster system, including: chat rooms, message boards and Napster's New Artist Program. Plaintiffs do not challenge these uses on appeal.

> We find no error in the district court's determination that plaintiffs will likely succeed in establishing that Napster users do not have a fair use defense.

Notes and questions

(1) Why is the result in *Sony* different to that in *Napster* and *Kirkwood*?

(2) Notice that in *Sony*, the plaintiffs apparently failed to offer convincing evidence of market harm but that *Napster* held that file-sharing harmed both the present market for CDs and the potential market for digital downloads that the plaintiffs had not really taken advantage of. The courts in these cases are not just making an empirical assessment of real-world markets, they are deciding what uses of copyrighted works should be the subject of market transactions. In some cases, these markets might not even exist yet or in their infancy, in others they may be well developed. Does the fact that the rights holder is deliberately leaving the market unfulfilled mean that what would otherwise be infringement should be fair use?

(3) Did file sharing really harm the market for recorded music? In addition to some fairly obvious intuition about substitution, the weight of empirical analysis strongly suggests it did. Justin Hughes and Michael D. Smith reviewed this evidence and how it has been received in the law review literature in a 2024 law review article. They found that the law literature disproportionately cites studies that show no harm from piracy, despite the majority of peer-reviewed research to the contrary. Of the 34 studies on the topic reviewed by Hughes and Smith, legal scholars tended to favor a single "no harm" study by Oberholzer-Gee and Strumpf, often ignoring the broader body of evidence. They attribute this disconnect to confirmation bias, citation cascades, insensitivity to peer review, and a tendency to present "balanced" views even when the evidence heavily favors one side. See, Justin Hughes & Michael D. Smith, *Do Copyright Law Professors Pay Attention to Economists? – How Empirical Evidence on the Effects of Copyright Piracy Does (Not) Appear in Law Literature*, 47 COLUMBIA JOURNAL OF LAW & THE ARTS 165 (2024).

(4) Part of the reason *Napster* was so popular in 1999 and 2000 before it was shut down was that there was no significant legal platform for MP3 downloads at the time. That market was essentially left void until the launch of the Apple iTunes Store on April 28, 2003. The recording industry's reluctance to enter the digital distribution market seems like a classic case of the "Innovator's Dilemma." As Professor Clayton Christensen explains in his famous book by that name, companies that are heavily invested in the status quo are often disinclined to pursue new technologies that will disrupt an existing market. This is not because they fail to recognize the potential of the new technology, but rather because they appreciate that the new technology will cannibalize the market share of existing offerings.

American Geophysical Union v. Texaco, Inc., 60 F.3d 913 (2d Cir. 1994)

In the 1990s, American Geophysical Union and other scientific publishers who held copyrights to various scientific and technical journals sued Texaco Inc., a major oil company that maintained a private, for-profit corporate library and research facility, where its scientists and engineers routinely made photocopies of individual articles from scientific journals for their research purposes. The company subscribed to many scientific journals,

but scientists would photocopy articles to keep in their personal files for future reference and research.

The case centered on Texaco's systematic and institutionalized practice of photocopying copyrighted journal articles. Texaco employees would photocopy complete articles from journals the company legitimately subscribed to. The employees kept these copies in personal files for ongoing research projects and used the copies for their scientific and commercial research work. Although the copying was carried out by individual scientists, the court treated it as a corporate practice undertaken in furtherance of Texaco's commercial research operations.

The Second Circuit held that Texaco's systematic photocopying of journal articles did not constitute fair use and therefore infringed the plaintiffs' copyrights. Both the district court, in an opinion by then-Judge Pierre Leval, and the Second Circuit majority emphasized that Texaco's use was commercial and nontransformative. Notably, the court held that the use was commercial and not transformative because Texaco was using the articles for their original purpose (scientific research). The fact that photocopying made the articles more convenient to use in laboratories, offices, or at home did not alter their purpose or character and therefore did not render the use transformative.

When it turned to the fourth fair use factor (effect on the market for or value of the copyrighted work), the court acknowledged that there was no traditional market for individual journal articles—publishers typically only sold complete journal subscriptions and authors weren't directly paid for articles. The court also acknowledged earlier precedent holding that similar photocopying by a government research library constituted fair use, most notably *Williams & Wilkins Co. v. United States*, a decision affirmed by an equally divided Supreme Court. In response to that decision, Congress encouraged the academic publishing industry to develop collective licensing mechanisms for photocopying.

However, the court determined that the publishers had since established a viable licensing market through the Copyright Clearance Center (CCC) that allowed institutional users to obtain photocopying licenses. The Texaco litigation was widely understood as a test case intended to encourage compliance with that emerging licensing regime. The court concluded that Texaco's systematic photocopying caused substantial harm to the publishers' copyrights because Texaco could have obtained authorized copies through document delivery services, direct licensing agreements, or CCC licenses, all of which would have generated significant additional revenue for the publishers. Although the Second Circuit did not believe Texaco's copying would materially reduce journal subscriptions, it found that the loss of photocopying license revenue constituted cognizable market harm under the fourth factor.

The court did not think this framing of market effect was circular:

> It is indisputable that, as a general matter, a copyright holder is entitled to demand a royalty for licensing others to use its copyrighted work, see 17 U.S.C. § 106 (copyright owner has exclusive right "to authorize" certain uses), and that the impact on potential licensing revenues is a proper subject for consideration in assessing the fourth factor.

> However, not every effect on potential licensing revenues enters the analysis under the fourth factor. Specifically, courts have recognized limits on the concept of "potential licensing revenues" by considering only traditional, reasonable, or likely to be developed markets when examining and assessing a secondary use's "effect upon the potential market for or value of the copyrighted work." See *Campbell* ("The market for potential derivative uses includes only those that creators of original works would in general develop or license others to develop."); *Harper & Row* (fourth factor concerned with "use that supplants any part of the normal market for a copyrighted work"). Applying this framework, the Second Circuit held that institutional photocopying licenses constituted such a traditional, reasonable, or likely-to-be-developed market.

Thus, *Texaco* stands for the proposition that established or emerging permissions markets for photocopying may be taken into account in evaluating fair use, even where the market consists of licenses created in response to widespread copying practices rather than long-standing modes of exploitation.

How do we know when a market will be "considered traditional, reasonable, or likely to be developed"?

Non-transformative uses in the public interest

Providing Access to the Print-Disabled

Providing access to the print-disabled is a non-transformative use, but it is nonetheless a preferred use under current fair use law.

In 2004, the Internet search engine company Google began scanning and digitizing the collections of a number of academic libraries with the aim of making their contents searchable in the same way Internet websites are searchable. One of the incentives for libraries to participate in this program was that they received their own digital versions of any item in their collection that Google had scanned.

The Google Books project led to a complicated class action lawsuit filed by the Authors Guild in 2005. In 2011, the Authors Guild filed a second lawsuit taking aim against the academic libraries that had partnered with Google. Those libraries had centralized their digital collections under the umbrella of a new organization called the HathiTrust. One of the features of the HathiTrust that the Authors Guild objected to was that the HathiTrust digital library allowed member libraries to provide students with print disabilities access to the full text of copyrighted works.

Authors Guild v. HathiTrust, 755 F.3d 87 (2d Cir.2014)

> **Circuit Judge Barrington D. Parker**
>
> The HDL allows member libraries to provide patrons with certified print disabilities access to the full text of copyrighted works. A "print disability" is any disability that prevents a person from effectively reading printed material. Blindness is one example, but print disabilities also include those that prevent a person from physically holding a book or turning pages. To use this service, a patron must obtain certification of his disability from a qualified expert. Through

the HDL, a print-disabled user can obtain access to the contents of works in the digital library using adaptive technologies such as software that converts the text into spoken words, or that magnifies the text. Currently, the University of Michigan's library is the only HDL member that permits such access, although other member libraries intend to provide it in the future.

Access to the Print-Disabled

The HDL also provides print-disabled patrons with versions of all of the works contained in its digital archive in formats accessible to them. In order to obtain access to the works, a patron must submit documentation from a qualified expert verifying that the disability prevents him or her from reading printed materials, and the patron must be affiliated with an HDL member that has opted-into the program. Currently, the University of Michigan is the only HDL member institution that has opted-in. We conclude that this use is also protected by the doctrine of fair use.

[The court's general discussion of fair use is omitted] In applying the Factor One analysis, the district court concluded that "the use of digital copies to facilitate access for print-disabled persons is a transformative" use. This is a misapprehension; providing expanded access to the print disabled is not "transformative."

As discussed above, a transformative use adds something new to the copyrighted work and does not merely supersede the purposes of the original creation. See *Campbell*, 510 U.S. at 579. The Authors state that they "write books to be read (or listened to)." By making copyrighted works available in formats accessible to the disabled, the HDL enables a larger audience to read those works, but the underlying purpose of the HDL's use is the same as the author's original purpose.

Indeed, when the HDL recasts copyrighted works into new formats to be read by the disabled, it appears, at first glance, to be creating derivative works over which the author ordinarily maintains control. See 17 U.S.C. § 106(2). As previously noted, paradigmatic examples of derivative works include translations of the original into a different language, or adaptations of the original into different forms or media. See id. § 101 (defining "derivative work"). The Authors contend that by converting their works into a different, accessible format, the HDL is simply creating a derivative work.

It is true that, oftentimes, the print-disabled audience has no means of obtaining access to the copyrighted works included in the HDL. But, similarly, the non-English-speaking audience cannot gain access to untranslated books written in English and an unauthorized translation is not transformative simply because it enables a new audience to read a work.

This observation does not end the analysis. "While a transformative use generally is more likely to qualify as fair use, 'transformative use is not absolutely necessary for a finding of fair use.'" *Swatch Group v. Bloomberg* L.P., 756 F.3d 73, 84, (2d Cir.2014) (quoting *Campbell*, 510 U.S. at 579). We conclude that providing access to the print-disabled is still a valid purpose under Factor One even though it is not transformative. We reach that conclusion for several reasons.

First, the Supreme Court has already said so. As Justice Stevens wrote for the Court: "Making a copy of a copyrighted work for the convenience of a blind person is expressly identified by the House Committee Report as an example of fair use,

with no suggestion that anything more than a purpose to entertain or to inform need motivate the copying." *Sony Corp. of Am.*, 464 U.S. at 455 n. 40.

Our conclusion is reinforced by the legislative history on which he relied. The House Committee Report that accompanied codification of the fair use doctrine in the Copyright Act of 1976 expressly stated that making copies accessible "for the use of blind persons" posed a "special instance illustrating the application of the fair use doctrine...." House Report at 73 (1976). The Committee noted that "special [blind-accessible formats] ... are not usually made by the publishers for commercial distribution." Id. In light of its understanding of the market (or lack thereof) for books accessible to the blind, the Committee explained that "the making of a single copy or phonorecord by an individual as a free service for a blind persons [sic] would properly be considered a fair use under section 107." Id. We believe this guidance supports a finding of fair use in the unique circumstances presented by print-disabled readers.

Since the passage of the 1976 Copyright Act, Congress has reaffirmed its commitment to ameliorating the hardships faced by the blind and the print disabled. In the Americans with Disabilities Act, Congress declared that our "Nation's proper goals regarding individuals with disabilities are to assure equality of opportunity, full participation, independent living, and economic self-sufficiency for such individuals." 42 U.S.C. § 12101(7). Similarly, the Chafee Amendment illustrates Congress's intent that copyright law make appropriate accommodations for the blind and print disabled. See 17 U.S.C. § 121.

Through the HDL, the disabled can obtain access to copyrighted works of all kinds, and there is no dispute that those works are of the sort that merit protection under the Copyright Act. As a result, Factor Two weighs against fair use. This does not preclude a finding of fair use, however, given our analysis of the other factors. Cf. *Davis v. Gap, Inc.*, 246 F.3d 152, 175 (2d Cir.2001) ("The second statutory factor, the nature of the copyrighted work, is rarely found to be determinative.").

Regarding Factor Three, as previously noted, the HDL retains copies as digital image files and as text-only files, which are then stored in four separate locations. The Authors contend that this amount of copying is excessive because the Libraries have not demonstrated their need to retain the digital image files in addition to the text files.

We are unconvinced. The text files are required for text searching and to create text-to-speech capabilities for the blind and disabled. But the image files will provide an additional and often more useful method by which many disabled patrons, especially students and scholars, can obtain access to these works. These image files contain information, such as pictures, charts, diagrams, and the layout of the text on the printed page that cannot be converted to text or speech. None of this is captured by the HDL's text-only copies. Many legally blind patrons are capable of viewing these images if they are sufficiently magnified or if the color contrasts are increased. And other disabled patrons, whose physical impairments prevent them from turning pages or from holding books, may also be able to use assistive devices to view all of the content contained in the image files for a book. For those individuals, gaining access to the HDL's image files — in addition to the text-only files — is necessary to perceive the books fully. Consequently, it is reasonable for the Libraries to retain both the text and image copies.

> The fourth factor also weighs in favor of a finding of fair use. It is undisputed that the present-day market for books accessible to the handicapped is so insignificant that "it is common practice in the publishing industry for authors to forgo royalties that are generated through the sale of books manufactured in specialized formats for the blind." "The number of accessible books currently available to the blind for borrowing is a mere few hundred thousand titles, a minute percentage of the world's books. In contrast, the HDL contains more than ten million accessible volumes." When considering the 1976 Act, Congress was well aware of this problem. The House Committee Report observed that publishers did not usually make their books available in specialized formats for the blind. House Report at 73, 1976. That observation remains true today.
>
> Weighing the factors together, we conclude that the doctrine of fair use allows the Libraries to provide full digital access to copyrighted works to their print-disabled patrons.

Notes and questions

(1) If providing print-disabled patrons with full digital access to books was not transformative, why does the court think it is still fair use?

(2) The Chafee Amendment. The Second Circuit in *Authors Guild v. HathiTrust* noted that in light of its holding on fair use it did not need to consider whether the disability-access use is protected under the Chafee Amendment, 17 U.S.C. § 121. Under the Chafee Amendment, "authorized entities" are permitted to reproduce or distribute copies of a previously published, nondramatic literary work in specialized formats exclusively for use by the blind or other persons with disabilities. Under § 121(d)(1), an "'authorized entity' means a nonprofit organization or a governmental agency that has a primary mission to provide specialized services relating to training, education, or adaptive reading or information access needs of blind or other persons with disabilities."

In the district court, Judge Baer had held that the ADA reproduction and distribution of their collections to print-disabled individuals was part of the "primary mission" of the libraries of educational institutions. Thus, each library was a potential "authorized entity" under the Chafee Amendment. *HathiTrust*, 902 F.Supp.2d at 465. As a result, the district court concluded (at 465) that:

> The provision of access to previously published non-dramatic literary works within the HDL fits squarely within the Chafee Amendment, although Defendants may certainly rely on fair use ... to justify copies made outside of these categories or in the event that they are not authorized entities.

Educational Fair Uses

Since the Statute of Anne, one of the essential purposes of copyright has been the "encouragement of learning" and the dissemination of knowledge. There is a strong tradition in American fair use jurisprudence of favoring educational uses. The text of section 107 itself highlights the importance Congress placed on educational use: among the six statutory examples are "teaching (including multiple copies for classroom use), scholarship, or research" and this preference is reinforced by the consideration in the first factor of whether a use is for "nonprofit educational purposes."

17 U.S. Code § 107 - Limitations on exclusive rights: Fair use

> Notwithstanding the provisions of sections 106 and 106A, the fair use of a copyrighted work, including such use by reproduction in copies or phonorecords or by any other means specified by that section, for purposes such as criticism, comment, news reporting, **teaching (including multiple copies for classroom use)**, scholarship, or research, is not an infringement of copyright. In determining whether the use made of a work in any particular case is a fair use the factors to be considered shall include—
>
> (1) the purpose and character of the use, including whether such use is of a commercial nature or is for *nonprofit educational purposes*; … (emphasis added)

The extent to which fair use justifies copying extracts of published works as part of student course materials has been contested for some time. Such practices were widespread at the time the 1976 Act was passed and are clearly supported by the legislative history but changes in technology (especially electronic course reserves) and market structure (the availability of new licensing options) have destabilized any consensus that existed in the background of the 1976 Act.

Although it is not an education case, *American Geophysical Union v. Texaco, Inc.*, 60 F.3d 913 (2d Cir. 1994) is a pivotal case to add to our context here. *Texaco* is discussed earlier in this book.

In *Basic Books, Inc. v. Kinko's Graphics Corp.*, 758 F. Supp. 1522 (S.D.N.Y. 1991) the district court rejected a commercial copyshop's argument that the copying of various extracts from copyrighted works for college student course materials was justified under the fair use doctrine. The court found the fact that certain excerpts represented 5 to 14 percent of the whole work to weigh against the defendant, and the fact that other excerpts represented 16 to 28 percent of the whole work weighed heavily against the defendant.

Similarly, in *Princeton University Press v. Michigan Document Services, Inc.*, 99 F.3d 1381 (6th Cir. 1996) (en banc) the Sixth Circuit held that a commercial copyshop was not entitled to a fair use defense when it reproduced substantial portions of copyrighted academic works and sold the copies in bound, paper coursepacks to students for use in courses at the University of Michigan. In *Princeton University Press*, the court found that extracts ranging from 5 to 30 percent of the works in question weighed against fair use. The Sixth Circuit also found that although the students' use of the copies was noncommercial, the copy shop used the copies for sale in the course of their for-profit business.

In the long-running Georgia State University (GSU) copyright case, *Cambridge University Press v. Patton*, three publishing houses sued GSU and various university officials for adopting a policy that allowed GSU professors to place book excerpts on electronic course reserve for the use by students as part of their course materials. The three publishers initially sued with respect to a larger set of books, but after encountering difficulty establishing that they in fact owned the rights in question, the case was narrowed to 74 individual works. Of those 74, the district court found only five had been excerpted beyond the bounds of fair use.

In *Cambridge Univ. Press v. Patton*, 769 F.3d 1232 (11th Cir. 2014), the Eleventh Circuit provided significant guidance as to how the fair use factors should be applied in

photocopying cases and in the new context of electronic reserves, but it eschewed the notion that there can be generally applicable quantitative guidelines that determine whether a use is fair. On remand the district court continued to take a formulaic approach to fair use, although with certain adjustments to appease the Eleventh Circuit. In *Cambridge University Press v. Albert*, 906 F.3d 1290 (11th Cir. 2018) the Eleventh Circuit again faulted the district court for taking an overly mathematical approach to fair use and also for giving insufficient weight "to the severe threat of market substitution" in a case of non-transformative copying. The district court erred in utilizing a quantitative rubric (25% for factor one; 5% for factor two; 30% for factor three and 40% for factor four). Instead, the court was directed to make a qualitative assessment of the four factors combined without a mathematical formula at any step of its analysis.

Judge Evans delivered her third and final ruling in the GSU Copyright Case on March 2, 2020. In the end, the plaintiffs prevailed in only 10 of the 48 infringement claims still at issue. See *Cambridge University Press v. Becker*, 446 F. Supp. 3d 1145 (N.D. Ga. 2020). On September 29, 2020, Judge Evans declared GSU to be the prevailing party in the litigation (after all, they had prevailed in 89/99 claims brought to trial). However, the judge did not order the plaintiffs to pay GSU's attorney fees as she had done earlier in the litigation. The court declined to order the sweeping and intrusive injunction proposed by the publishers, and simply ordered GSU administrators to "maintain copyright policies which are not inconsistent with the rulings of United States Court of Appeals for the 11th Circuit in this case," and to inform all GSU professors in writing of the rulings.

The scope of fair use for educational copies remains quite uncertain.

Access Alone Is Not Enough

Hachette Book Group, Inc. v. Internet Archive, 115 F.4th 163 (2d Cir. 2024)

Robinson, Circuit Judge:

[The Internet Archive (IA), a nonprofit organization committed to providing universal access to knowledge, launched its "Free Digital Library" in 2011 to offer digital copies of print books scanned from its own and partner libraries' physical collections, subject to a one-to-one owned-to-loaned ratio. In 2018, IA introduced the "Open Libraries Project," allowing libraries to contribute their noncirculating print books to IA's lending pool. By submitting catalogs for overlap analysis, libraries enabled IA to increase the number of concurrent checkouts for books IA already held in digital form, while maintaining the one-to-one ratio by counting these partner-held books as part of its owned inventory. During the COVID-19 pandemic, IA temporarily lifted this restriction through the launch of the "National Emergency Library" (NEL), permitting up to 10,000 simultaneous checkouts of digital books without regard to physical ownership. This deviation from Controlled Digital Lending (CDL) prompted a lawsuit in 2020 by four major publishers—Hachette, HarperCollins, Penguin Random House, and Wiley—who alleged copyright infringement of 127 works also available as licensed eBooks. IA claimed fair use under Section 107, but the district court rejected this defense, finding IA's activities non-transformative, commercial, and harmful to the publishers' eBook market.

I. The purpose and character of the use

A. Transformativeness

The first fair use factor focuses primarily on the extent to which the secondary use is transformative; that is, whether the new work merely supplants the original, "or instead adds 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). The use of a work to achieve "a purpose that is the same as, or highly similar to, that of the original" is more likely to substitute or supplant the original work, and less likely to be considered transformative. *Warhol II*, 598 U.S. at 528.

IA argues that its Free Digital Library is transformative because it uses technology "to make lending more convenient and efficient" and "deliver[s] the work only to one already entitled to view it—the one person borrowing the book at a time." Additionally, IA asserts that its Free Digital Library "enables uses not possible with print books and physical borrowing," such as allowing "authors writing online articles [to] link directly to" a digital book in IA's library. Thus, IA concludes, quoting *Authors Guild, Inc. v. HathiTrust,* 755 F.3d 87, 96 (2d Cir. 2014), each digital book "serves a new and different function from the original work and is not a substitute for it."

Publishers, meanwhile, argue that IA's Free Digital library does nothing 'more than repackage or republish the Works. They assert that IA does not copy the Works to provide criticism, commentary, or information, but to serve the same purpose as the originals. In Publishers' view, to hold IA's use transformative would "destroy the value of [their] exclusive right to prepare derivative works," including the right to publish their authors' works as eBooks. Nor does IA's adherence to CDL render its use transformative: "Without a different purpose from the original," Publishers argue, "IA's ebooks are not transformative."

We conclude that IA's use of the Works is not transformative. IA creates digital copies of the Works and distributes those copies to its users in full, for free. Its digital copies do not provide criticism, commentary, or information about the originals. Nor do they "add[ ] something new, with a further purpose or different character, altering the [originals] with new expression, meaning or message." *Campbell*, 510 U.S. at 579. Instead, IA's digital books serve the same exact purpose as the originals: making authors' works available to read. IA's Free Digital Library is meant to — and does — substitute for the original Works. *Warhol II*, 598 U.S. at 528 ("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 supplant, the work."). As we have said, "[w]hen all or a substantial portion of text that contains protectable expression is included in another work, solely to convey the original text to the reader without adding any comment or criticism, the second work may be said to have supplanted the original because a reader of the second work has little reason to buy a copy of the original." *Ringgold v. Black Entm't TV, Inc.*, 126 F.3d 70, 79 (2d Cir. 1997). Though "[n]ot every instance will be clear cut," this one is. *Warhol II*, 598 U.S. at 528.

True, there is some "change" involved in the conversion of print books to digital copies. See *Infinity Broadcast Corp. v. Kirkwood*, 150 F.3d 104, 108 n.2 (2d Cir. 1998) ("[A] change in format . . . is not technically a transformation."). But the degree of change does not "go beyond that required to qualify as derivative." *Warhol II*, 598 U.S. at 529. Unlike transformative works, derivative works "ordinarily are those that re-present the protected aspects of the original work, i.e., its expressive content, converted into an altered form." *Google Books*, 804 F.3d at 225. To be transformative, a use must do "something more than repackage or republish the original copyrighted work." *Authors Guild, Inc. v. HathiTrust*, 755 F.3d 87, 96 (2d Cir. 2014); see also *TVEyes*, 883 F.3d at 177 ("[A] use of copyrighted material that merely repackages or republishes the original is unlikely to be deemed a fair use." (internal quotation marks omitted)). Changing the medium of a work is a derivative use rather than a transformative one. *Warhol II*, 598 U.S. at 529. In fact, we have characterized this exact use — "the recasting of a novel as an e-book" — as a "paradigmatic" example of a derivative work. *Google Books*, 804 F.3d at 215. Digitizing physical copies of written work is not transformative, because the act "merely transforms the material object embodying the intangible article that is the copyrighted original work." *American Geophysical Union v. Texaco Inc.*, 60 F.3d 913, 923 (2d Cir. 1994).

To construe IA's use of the Works as transformative would significantly narrow — if not entirely eviscerate — copyright owners' exclusive right to prepare (or not prepare) derivative works. See *Warhol II*, 598 U.S. at 528-29; 17 U.S.C. § 106(2). The Supreme Court has cautioned against such an "overbroad concept of transformative use." *Warhol II*, 598 U.S. at 529. In *Google Books*, we identified a fair use in Google's "snippet view" search function, which allowed users to search the text and view snippets of it online, 804 F.3d at 217-218, but we noted that had the Plaintiffs' claim been "based on Google's converting their books into a digitized form and making that digitized version accessible to the public, their claim would [have been] strong," id. at 225. As the district court noted here, that is "precisely what the Publishers allege in this case."

IA's arguments to the contrary are unpersuasive. IA argues that the format change alone is not what makes its use transformative. Rather, its use of the Works is transformative because of "the sort of lending the scanning enables," namely, (1) making lending more efficient, and (2) enabling other uses not possible with print books and physical borrowing. Neither of these justifications render IA's use of the Works transformative because the underlying purpose of making the Works available in a derivative format is still the same.

IA argues that its use of the Works is transformative because it "make[s] lending more convenient and efficient" and "uses technology to deliver the work only to one already entitled to view it — the one person borrowing the book at a time." Id. at 31-32. IA derives this argument from three cases: *Sony, TVEyes*, and *ReDigi*. In *Sony*, the defendant manufactured and sold home video tape recorders that allowed users to record TV programs broadcast at set times over the airwaves so they could watch them later. 464 U.S. at 422-23. The Supreme Court, in a decision that predated our use of the word "transformative" as a term of art, concluded that "time-

shifting for private home use. . . [is] a noncommercial, nonprofit activity" that "merely enables a viewer to see such a work which [they] had [already] been invited to witness in its entirety free of charge." Id. at 449. For those reasons, the Court concluded that the first fair use factor favored the defendant. Id.

We contextualized *Sony* within the modern fair use framework in *TVEyes*. There, the defendant recorded vast quantities of live TV programs, compiled those recordings into a text-searchable database in which they would be held for thirty-two days before being deleted, and allowed its paying subscribers to search for and watch up to ten-minute video clips of recordings that featured their terms of interest. 883 F.3d at 173-74. In assessing whether the use was transformative, we reframed the Supreme Court's discussion from *Sony*:

> While *Sony* was decided before "transformative" became a term of art, the apparent reasoning was that a secondary use may be a fair use if it utilizes technology to achieve the transformative purpose of improving the efficiency of delivering content without unreasonably encroaching on the commercial entitlements of the rights holder.

Id. at 177. Expanding on that reasoning, although we ultimately rejected *TVEyes'* fair use claim, we concluded that the use at issue was at least "somewhat transformative" because it "enhanc[ed] efficiency" by enabling users to view programming that discussed topics of interest to them "without having to monitor thirty-two days of programming in order to catch each relevant discussion." Id. at 177.

Later that same year, we addressed the fair use defense of a defendant-website that hosted an online platform for reselling digital music files. *ReDigi*, 910 F.3d at 652-54. We repeated our characterization of Sony from *TVEyes*, adding:

> In *Sony*, the "apparent reasoning was that a secondary use may be a fair use if it utilizes technology to achieve the transformative purpose of improving the efficiency of delivering content without unreasonably encroaching on the commercial entitlements of the rights holder" because the improved delivery was to one entitled to receive the content. Id. at 661 (quoting *TVEyes*, 883 F.3d at 177). Still, we determined that the use in ReDigi was not transformative. Id. The website provided "neither criticism, commentary, nor information about" the original music files, nor did it "deliver the content in more convenient and usable form to one who has acquired an entitlement to receive the content." Id. Instead, it effectively "provide[d] a market for the resale of digital music files, which . . . compete[d] with sales of the same recorded music by the rights holder." Id. For that reason, the first fair use factor favored the plaintiffs. Id.

The "efficiencies" identified in *Sony* and *TVEyes* are distinct from the purported efficiencies offered by IA's Free Digital Library. Sony was decided long before modern technology made it possible for one to view virtually any content at any time. Put in context, the "time-shifting" permitted by the defendant's tape recorders in *Sony* was a unique efficiency not widely available at the time, and certainly not offered by the plaintiff-television producer. 464 U.S. at 449. The defendant in *TVEyes* likewise offered a uniquely efficient service: allowing users to watch short

clips of television programs featuring their selected search terms. 883 F.3d at 173-74.

Here, by contrast, IA's Free Digital Library offers few efficiencies beyond those already offered by Publishers' own eBooks. IA argues that its use is more efficient because it "replace[s] the burdens of physical transportation with the benefits of digital technology," but this ignores the fact that IA's digital books compete directly with Publishers' eBooks — works derivative of the original print books. Understood this way, IA's Free Digital Library does not "improv[e] the efficiency of delivering content" without unreasonably encroaching on the rights of the copyright holder; it offers the same efficiencies as Publishers' derivative works while greatly impinging on their exclusive right to prepare those works. *TVEyes*, 883 F.3d at 177; *ReDigi*, 910 F.3d at 661. In *Sony*, "timeshifting merely enable[d] a viewer to see such a work which [the viewer] had been invited to witness in its entirety free of charge" by the broadcasters, *Sony*, 464 U.S. at 449, and therefore did not "unreasonably encroach[ ] on the commercial entitlements of the rights holder," *TVEyes*, 883 F.3d at 177 (characterizing *Sony*). The Publishers in this case never "invited" readers to read their books for free from an unlicensed digital library. *Sony*, 464 U.S. at 449.

Nor does IA's asserted adherence to CDL render its use transformative. IA maintains that it delivers each Work "only to one already entitled to view [it]" — i.e., the one person who would be entitled to check out the physical copy of each Work. But this characterization confuses IA's practices with traditional library lending of print books. IA does not perform the traditional functions of a library; it prepares derivatives of Publishers' Works and delivers those derivatives to its users in full. That Section 108 allows libraries to make a small number of copies for preservation and replacement purposes does not mean that IA can prepare and distribute derivative works en masse and assert that it is simply performing the traditional functions of a library. 17 U.S.C. § 108; see also, e.g., *ReDigi*, 910 F.3d at 658 ("We are not free to disregard the terms of the statute merely because the entity performing an unauthorized reproduction makes efforts to nullify its consequences by the counterbalancing destruction of the preexisting phonorecords."). Whether it delivers the copies on a one-to-one owned-to-loaned basis or not, IA's recasting of the Works as digital books is not transformative. *Google Books*, 804 F.3d at 215.

IA also argues that its use is transformative "because it enables uses not possible with print books and physical borrowing," such as allowing "authors writing online articles [to] link directly to [IA's digital books]." We rejected a similar argument in *TVEyes*. There, the defendant argued that its provision of reproduced content identified through targeted search tools was transformative "because it allow[ed] clients to conduct research and analysis of television content by enabling them to view [video] clips responsive to their research needs[,] [and] [r]esearch . . . [was] a purpose not shared by users of the original content." *TVEyes*, 883 F.3d at 178 n.4. Although we concluded that *TVEyes'* use was at least "somewhat transformative," id. at 178, we rejected the research-based argument, explaining that simply because "a secondary use can facilitate research does not itself support a finding that the

secondary use is transformative," id. at 178 n.4. To deem a use transformative on that basis would extend the concept of transformativeness "beyond recognition." Id. So too here. That authors of online articles may embed links to IA's Free Digital Library does not render the Library a significantly transformative secondary use of the Works.

In sum, because IA's Free Digital Library primarily supplants the original Works without adding meaningfully new or different features that avoid unduly impinging on Publishers' rights to prepare derivative works, its use of the Works is not transformative. *TVEyes*, 883 F.3d at 177 ("Although transformative use is not absolutely necessary for a finding of fair use, transformative works lie at the heart of the fair use doctrine, and a use of copyrighted material that merely repackages or republishes the original is unlikely to be deemed a fair use.").

B. Commerciality

[The court considered whether IA's use of copyrighted works was commercial under the first fair use factor. While commercial uses typically weigh against fair use, especially if only modestly transformative, the court cautioned against a rigid view, noting that even profit-driven uses may qualify as fair. The district court found IA's use commercial because IA solicited donations and received a share of sales from Better World Books (BWB) via links on its site, despite IA offering its digital books for free. However, the appellate court disagreed, finding these revenue sources too attenuated to render the use commercial. IA did not charge for access, nor did it profit directly from the works. Its donations were general and not tied to specific uses, and any reputational benefit was typical of nonprofit activity. While IA's nonprofit status did not determine the outcome, the court held that its use was non-commercial. Nonetheless, because the use was not transformative, the first fair use factor ultimately favored the Publishers.]

IV. The effect of the use on the potential market for or value of the works

A. IA does not disprove market harm

[IA argued that its Free Digital Library does not harm that market, asserting that its service is distinct from publishers' offerings and provides public benefit. However, the court found IA's use non-transformative and a likely substitute for the originals, especially as IA explicitly markets its service as a free alternative to buying or licensing books. While IA submitted expert reports claiming no market harm, the court found these unpersuasive due to flawed methodology, limited relevance, and failure to account for broader causal factors. Importantly, the burden to disprove market harm rests with IA, and the court held that it failed to meet it. Moreover, the potential harm if IA's practices became widespread—allowing free access to works that would otherwise require payment—would severely damage publishers' markets.]

We agree with Publishers' assessment of market harm. "It is indisputable that, as a general matter, a copyright holder is entitled to demand a royalty for licensing others to use its copyrighted work, and that the impact on potential licensing revenues is a proper subject for consideration in assessing the fourth factor." *Bill*

Graham Archives v. Dorling Kindersley Ltd., 448 F.3d 605, 614 (2d Cir. 2006). While "only an impact on potential licensing revenues for traditional, reasonable, or likely to be developed markets should be legally cognizable" when evaluating market harm, here, Publishers' library eBook licensing market is both reasonable and developed. *TVEyes*, 883 F.3d at 180 (cleaned up). And it is undisputed that IA appropriated the Works "without payment of [the] customary licensing fee." Ringgold, 126 F.3d at 81. IA has thus "usurped a market that properly belongs to the copyright holder." TVEyes, 883 F.3d at 180.

We are likewise convinced that "unrestricted and widespread conduct of the sort engaged in by [IA] would result in a substantially adverse impact on the potential market for [the Works in Suit]." *Campbell*, 510 U.S. at 590. IA's Free Digital Library serves as a satisfactory substitute for the original Works. Were we to approve IA's use of the Works, there would be little reason for consumers or libraries to pay Publishers for content they could access for free on IA's website. See *Warhol I*, 11 F.4th at 50. Though Publishers have not provided empirical data to support this observation, we routinely rely on such logical inferences where appropriate in assessing the fourth fair use factor. See, e.g., *Google Books*, 804 F.3d at 223-25 (relying on logical inferences rather than empirical data to conclude that the secondary use did not serve as a competing substitute for the originals); *ReDigi*, 910 F.3d at 662-63 (relying on logical inferences rather than empirical data to conclude that the secondary use served as a competing substitute for the originals); *Warhol I*, 11 F.4th at 50 (relying on "self-evident" harm that would result if the defendant's use were to become widespread). Thus, we conclude it is "self-evident" that if IA's use were to become widespread, it would adversely affect Publishers' markets for the Works in Suit. *Warhol I*, 11 F.4th at 50.

B. Any public benefits of IA's Free Digital Library do not outweigh the harm to Publishers' markets

Although IA cannot disprove market harm, we still "balance the benefit the public will derive if the use is permitted [against] the personal gain the copyright owner will receive if the use is denied." *Warhol I*, 11 F.4th at 48. IA argues that its Free Digital Library provides "significant public benefits," including expanding access to free literary materials. It asserts that prohibiting its CDL practices would cause harm "to those who have difficulty accessing physical libraries and to researchers and authors who use controlled digital lending in creating new works."

We conclude that both Publishers and the public will benefit if IA's use is denied.

To be sure, expanding access to knowledge would, in a general sense, benefit the public. But "[a]ny copyright infringer may claim to benefit the public by increasing public access to the copyrighted work." *Harper & Row*, 471 U.S. at 569. That does not alone render the infringement lawful. Indeed, the Copyright Act and its empowering constitutional authority reflect a considered judgment that "the Progress of Science and useful Arts" is best promoted by laws that protect authors' original works and permit authors to set the terms of engagement, at least for a limited time. See *Sony*, 464 U.S. at 429. Doing so benefits the public "by providing

rewards for authorship." *Google Books*, 804 F.3d at 212. This monopolistic power is a feature, not a bug, of the Copyright Act.

Within the framework of the Copyright Act, IA's argument regarding the public interest is shortsighted. True, libraries and consumers may reap some short-term benefits from access to free digital books, but what are the long-term consequences? If authors and creators knew that their original works could be copied and disseminated for free, there would be little motivation to produce new works. And a dearth of creative activity would undoubtedly negatively impact the public. It is this reality that the Copyright Act seeks to avoid.

While IA claims that prohibiting its practices would harm consumers and researchers, allowing its practices would — and does — harm authors. With each digital book IA disseminates, it deprives Publishers and authors of the revenues due to them as compensation for their unique creations. Sandra Cisneros, an author who submitted a declaration in support of Publishers' summary judgment motion, captured the effect of IA's infringement:

> I worked hard to earn the financial security that I now have and which enables me to earn a living from my pen without fear of poverty. And, as my agent reminds me, the royalty revenues I receive from the sales of books I have written are precious and must be closely guarded because this is ultimately going to generate the money that supports me in old age. . . .
>
> When I went on the Internet Archive's website and saw that scans of my books were being distributed to anybody who wanted them for free — without my permission or any payment — I was appalled. I found the experience so viscerally upsetting that I could not stay on the website for long. It was like I had gone to a pawn shop and seen my stolen possessions on sale.

Though IA and its amici may lament the consolidation of editorial power and criticize Publishers for being motivated by profits, behind Publishers stand authors who are entitled to compensation for the reproduction of their works and whose "private motivation . . . ultimately serve[s] the cause of promoting broad public availability of literature, music, and the other arts." *Warhol II*, 598 U.S. at 526 (quoting *Twentieth Century Music Corp*., 422 U.S. at 156). IA's Free Digital Library undermines that motivation.

In sum, IA has not met its "burden of proving that the secondary use does not compete in the relevant market[s]." *Warhol I*, 11 F.4th at 49. Its empirical evidence does not disprove market harm, and Publishers convincingly claim both present and future market harm. Any short-term public benefits of IA's Free Digital Library are outweighed not only by harm to Publishers and authors but also by the long-term detriments society may suffer if IA's infringing use were allowed to continue. For these reasons, the fourth fair use factor favors Publishers.

CONCLUSION

The parties in this case represent potentially serious interests. On the one hand, eBook licensing fees may impose a burden on libraries and reduce access to creative work. On the other hand, authors have a right to be compensated in connection with the copying and distribution of their original creations. Congress balanced these

"competing claims upon the public interest" in the Copyright Act. *Twentieth Century Music Corp.*, 422 U.S. at 156. We must uphold that balance here.

IA asks this Court to bless the large scale copying and distribution of copyrighted books without permission from or payment to the Publishers or authors. Such a holding would allow for widescale copying that deprives creators of compensation and diminishes the incentive to produce new works. This may be what IA and its amici prefer, but it is not an approach that the Copyright Act permits.

For these reasons, we AFFIRM.

Notes and questions

(1) Can a nonprofit actor ever prevail on fair use grounds if its use is non-transformative but clearly aimed at broader public benefit? What does this case tell us about the significance of "public benefits" in fair use cases? Is this consistent with cases like *Google v Oracle*?

CHAPTER 15. NONEXPRESSIVE USE AS FAIR USE

Introduction to Nonexpressive Use

Broadly speaking, nonexpressive use is a concept in copyright law that refers to the use of a copyrighted work in a way that does not communicate the author's original expression to any new audience. Essentially, it involves copying a work not to be read or enjoyed as a substitute for the original, but rather to extract facts, ideas, or data from it, or to make new independent observations about the work.

Nonexpressive use is particularly relevant in the context of new technologies, such as search engines, text data mining and training machine learning and AI models. When a search engine indexes a website, it makes a copy of the content to analyze and categorize it, but it doesn't present the full text of the copyrighted work to the user. Researchers and programmers use text data mining (TDM) techniques to analyze large quantities of text to find patterns, trends, and relationships in the data. The original works are copied for this analysis, but the user only sees the resulting data or insights, not the original expression. Machine learning and AI models are often trained on vast datasets that often include copyrighted works. The model "learns" from this data, but the goal is to extract underlying patterns and information to generate new content, not to reproduce the original works in the training set.

Nonexpressive uses are often argued to be fair use. The concept was first articulated by Professor Matthew Sag in *Copyright and Copy-Reliant Technology*, 103 NORTHWESTERN UNIVERSITY LAW REVIEW 1607 (2009), but has been developed and debated by several legal scholars. See Matthew Sag, *Orphan Works as Grist for the Data Mill*, 27 BERKELEY TECHNOLOGY LAW JOURNAL 1503 (2012); Matthew Jockers, Matthew Sag & Jason Schultz, *Digital Archives: Don't Let Copyright Block Data Mining,* 490 NATURE 29-30 (October 4, 2012). For related and similar arguments, see Ed Lee, *Technological Fair Use*, 83 SOUTHERN CALIFORNIA LAW REVIEW 797 (2010), Maurizio Borghi & Stavroula Karapapa, *Non-Display Uses of Copyright Works,* 1 QUEEN MARY JOURNAL OF INTELLECTUAL PROPERTY 21 (2011), ABRAHAM DRASSINOWER, WHAT'S WRONG WITH COPYING (2015); and more recently, Oren Bracha, *The Work of Copyright in the Age of Machine Production* (https://ssrn.com/abstract=4581738); and Molly S. Van Houweling, *The Freedom to Extract in Copyright Law*, 103 NORTH CAROLINA LAW REVIEW 445 (2025).

This chapter begins with an extract of a law review article by Matthew Sag, *Fairness and Fair Use in Generative AI*, that explains the theory of nonexpressive use and its place in copyright law. The chapter then provides brief summaries of several nonexpressive use cases and a longer extract of the *Google Books* case. All of these cases are important and reward deeper exploration, but compiling a textbook always entails difficult choices about which materials to present and at what level of detail. Note that *Google Books* is an important and well written opinion, but it was not a radical departure from the prior caselaw, indeed, after the Second Circuit decision in *Authors Guild v. HathiTrust*, the decision in *Google Books* was widely seen as a *fait-accompli*. The chapter then considers nonexpressive use in the context of AI training as explored in recent cases.

Matthew Sag, *Fairness and Fair Use in Generative AI,* 92 FORDHAM LAW REVIEW 1887 (2024)

Although we are still a long way from the science fiction version of "artificial general intelligence" that thinks, feels, and refuses to "open the pod bay doors," recent advances in machine learning and artificial intelligence (AI) have captured the public's imagination and lawmakers' interest. We now have large language models (LLMs) that can pass the bar exam, carry on (what passes for) a conversation about almost any topic, create new music, and create new visual art. These artifacts are often indistinguishable from their human-authored counterparts and yet can be produced at a speed and scale surpassing human ability.

Generative AI systems, such as the GPT and LLaMA language models and the Stable Diffusion and Midjourney text-to-image models, were built by ingesting massive quantities of text and images from the Internet. This was done with little or no regard to whether those works were subject to copyright or whether the authors would object to their use.

The rise of generative AI poses important questions for copyright law. These questions, however, are not entirely new. Generative AI gives us yet another context to consider copyright's most fundamental question: where do the rights of the copyright owner end, and the freedom to use copyrighted works begin? … My aim in this Essay is not to establish that generative AI is, or should be, non-infringing; it is to outline an analytical framework for making that assessment in particular cases.

… What is copyright law about?

The architecture of copyright law orients towards the protection of original expression, not the prohibition of copying. Original expression makes a work copyrightable in the first place, and the contribution of original expression and control over the final form of that expression distinguishes co-authors from mere assistants. Moreover, the exclusive rights of the copyright owner are generally defined by and limited to the communication of original expression to the public. Sometimes, these definitions and limitations are explicit, as with the rights of public performance and public display; sometimes, they are implicit.

The centrality of original expression is most obvious with respect to the distinction that copyright law draws between protectable expression that originates with the author and unprotectable facts, ideas, theories, systems, and methods of operation, whether they spring from the author's mind or not. Copyright does not forbid the ordinary reader from extracting and reproducing the facts, ideas, or artistic techniques embodied in a work; it encourages her to do so. As Justice O'Connor noted in *Feist*,

> It may seem unfair that much of the fruit of the compiler's labor may be used by others without compensation. As Justice Brennan has correctly observed, however, this is not 'some unforeseen byproduct of a statutory scheme.' It is, rather, 'the essence of copyright, and a constitutional requirement." (citing *Harper & Row Publishers, Inc. v. Nation Enter.*, 471 U.S. 539, 589 (1985) (dissenting opinion)).

Moving beyond the idea-expression distinction, copyright's focus on the communication of original expression to the public is also evident in several other aspects of copyright law: the threshold of substantial similarity (which is determined from the perspective of the ordinary observer and thus inherently a question of how the work is communicated and received); the scope of the publisher's collective right (which considers how the works are presented to the audience, not the data structure in which they are stored); and the general refusal of courts to base a finding of copyright infringement on unpublished drafts.

In my view, these are not merely isolated examples; they illustrate a more general principle: the copyright owner's exclusive rights are defined by and limited to the communication of the author's original expression to the public.

What does this mean for fair use?

This understanding of copyright law gives us a framework to assess claims of fair use and supplies the limiting principle that was missing (or perhaps only implicit) in Judge Leval's original formulation of transformative use in *Towards A Fair Use Standard* and the Supreme Court's adoption thereof in *Campbell v. Acuff-Rose Music*. Given the centrality of the communication of original expression to the public, the critical function of fair use is to permit uses that, while they may amount to technical acts of copying, do not, in substance, threaten the author's copyright-protected interest in controlling the communication of their original expression to the public.

Judge Leval was right to focus on transformative use, but the transformative use test would have been far less confusing had it been expressly tied to the benchmark of expressive substitution. Classic fair uses such as parody, commentary, or criticism are not fair use merely because they change the underlying work or convey some new meaning or message. Most movies based on literary works add layers of new meaning and expression, but this does not make them fair use. The movie *Rear Window* exposed the original expression of a short story called *It Had to Be Murder* to new audiences and added a lot else besides, but it still required a license. In contrast, 2Live Crew's consistent parody of *Pretty Woman* qualified as fair use because the transformations they made were such that the parody posed no risk of expressive substitution to the original.

The Supreme Court's 2023 decision in *Andy Warhol Found. for Visual Arts v. Goldsmith* emphasizes that the question of transformative use, or "whether an allegedly infringing use has a further purpose or different character . . . *is a matter of degree*, and the degree of difference must be weighed against other considerations, like commercialism." *AWF* reaffirms the importance of transformative use and implicitly rejects lower court rulings that had found uses to be transformative where there was no significant difference in purpose, merely the addition of a new vibe or aesthetic. Citing *Campbell*, the majority in *AWF* explained:

> 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. The larger the difference, the more likely the first factor weighs in favor of fair use. The smaller the difference, the less likely.

AWF helpfully clarifies why a transformative use has featured so prominently in the case law: the more transformative a use is, the less likely it is to substitute for the copyright owner's original expression. Using the author's work to reflect on the original is an intrinsically different purpose; that difference in purpose makes expressive substitution unlikely. In contrast, merely adding an overlay of new expression while leaving the original expression intact provides no such comfort. The majority in *AWF* rightly focuses on whether the defendant's use is likely to substitute for the author's original expression and makes that the measure of when the defendant's use is sufficiently transformative.

Non-Expressive Use

This brings us to what I call the "non-expressive use" cases. United States courts have consistently held that technical acts of copying that do not communicate an author's original expression to a new audience are fair use. Examples of non-expressive uses include copying object code to extract uncopyrightable facts and interoperability keys ("reverse engineering"), an automated process of copying student term papers to compare to other papers for plagiarism detection, copying HTML webpages to make a search engine index, copying printed library books to allow researchers to conduct statistical analysis of the contents of whole collections of books, and copying printed library books to create a search engine index.

The case law indicates that even though these non-expressive uses involved significant amounts of copying, they did not interfere with the interest in original expression that copyright is designed to protect. Each use involved copying as an intermediate step towards producing something that either did not contain the original expression of the underlying work or contained a trivial amount. Courts have consistently held that non-expressive uses (although not labeled as such) are fair use.

In a 1992 decision, *Sega Enterprises, Ltd. v. Accolade, Inc.*, 977 F.2d 1510 (9th Cir. 1992) and again in 2000 in *Sony Computer Entertainment, Inc. v. Connectix Corp.,* 203 F.3d 596 (9th Cir. 2000) the Ninth Circuit held that reverse engineering object code—a process that involves making several copies to extract vital but uncopyrightable elements needed to create interoperable programs—was fair use. In Sega, the court referred to copying to extract uncopyrightable elements as "a legitimate, essentially non-exploitative purpose . . . ." In *Sony Computer Entertainment*, the court expressly recognized that "the fair use doctrine preserves public access to the ideas and functional elements embedded in copyrighted computer software programs."

In *A.V.* ex rel. *Vanderhye v. iParadigms, LLC*, 562 F.3d 630 (4th Cir. 2009) the Fourth Circuit held that copying student papers into a reference database for comparison against new student papers was fair use. In the 2014 case *Authors Guild, Inc. v. HathiTrust*, 755 F.3d 87 (2d Cir. 2014) the Second Circuit held that making digital versions of printed library books for research purposes that included

text data mining and machine learning was fair use. A differently constituted panel of the Second Circuit reached much the same conclusion in 2015 in *Authors Guild v. Google, Inc.*, 804 F.3d 202 (2d Cir. 2015) In *Google Books*, the court addressed both the complete copying of millions of library books to make them searchable and the display of small snippets of the books in search result menus. The complete copying of books is an example of non-expressive use; the snippet displays illustrate the application of a more traditional transformative use analysis.

When courts have declined to find fair use in cases that are superficially similar to those discussed above, it is invariably because the challenged use was not non-expressive, and thus, on the facts presented, the potential substitution effect was too significant. For example, in *Associated Press v. Meltwater U.S. Holdings, Inc.*, 931 F. Supp. 2d 537 (S.D.N.Y. 2013) the U.S. District Court for the Southern District of New York held that fair use did not justify the actions of a media monitoring company, Meltwater. Meltwater scraped news articles on the web to provide its subscribers with excerpts and analytics. However, the lawsuit did not challenge Meltwater's use of copyrighted news articles to provide metadata and analytics to its subscribers, even though these services also necessitated copying. The court noted that this was "an entirely separate service" and implied that, if challenged, it would be transformative and thus fair use. Instead of attacking Meltwater's non-expressive use, the Associated Press focused on the length and significance of Meltwater's extracts provided to subscribers. The court agreed that Meltwater's extracts were too long and too close to the heart of the work; it also held that Meltwater had failed to show that the amount of the extracts was reasonable in light of its stated purpose to operate like a search engine.

In a similar fashion, in *Fox News Network, LLC v. TVEyes, Inc.*, 883 F.3d 169 (2d Cir. 2018) the Second Circuit held that a media monitoring service that copied and electronically searched television broadcasts went beyond the scope of fair use when it allowed users to save, watch, and share ten-minute long video clips of the copyrighted programs. In the court's view, those ten-minute video clips would "likely provide TVEyes's users with all of the Fox programming that they seek and the entirety of the message conveyed by Fox to authorized viewers of the original." In other words, the court was concerned that rather than primarily providing information about the content of particular news segments, the length of the video clips was such that they would substitute for those segments in their entirety. The district court in TVEyes held that copying for search alone was fair use, and Fox did not contest this ruling on appeal.

The concept of non-expressive use explains these cases and differentiates them from more amorphous calls for "fair learning" that are difficult to reconcile with the case law. For example, *American Geophysical Union v. Texaco, Inc.* 60 F.3d 913(2d Cir.1994) would be a prime candidate for "fair learning," but it was not a non-expressive use. In that case, researchers employed by Texaco had a practice of photocopying scientific articles for later reading, which the majority of the Second Circuit thought went beyond fair use because the articles were copied "for the same basic purpose that one would normally seek to obtain the original—to have it available on his shelf for ready reference if and when [the researcher] needed to

look at it" and because the publishers had established the prospect of "a workable market for institutional users to obtain licenses for the right to produce their own copies of individual articles via photocopying."

My point up until now has been: (1) that there are general principles internal to copyright that courts can look at to understand the function and application of the fair use doctrine; (2) that one such principle is that copyright was never intended to convey sole and despotic dominion over every use of every word—copyright exists, by and large, to prevent the communication of the author's original expression to new audiences without authorization or compensation; (3) that this realization suggests a positive vision for fair use—the critical function of fair use is to permit uses that, although they may amount to technical acts of copying, do not in substance threaten the author's interest in controlling the communication of their original expression to the public; and (4) that non-expressive uses meet this threshold. Non-expressive uses, by definition, pose no threat of direct expressive substitution. Admittedly, non-expressive uses generate information about works: although such information has value and utility and may even influence the demand for the original work, metadata and other uncopyrightable abstract concepts do not satisfy the public's appetite for the author's original expression.

[The article then addresses how this framework applies to generative AI.]

Notes and questions

(1) Why does the author argue for a principle of nonexpressive use, but reject "fair learning"? Aren't these the same thing? For more, see Mark A. Lemley & Bryan Casey, *Fair Learning*, 99 TEXAS LAW REVIEW 743 (2021) (arguing that we should treat "fair learning as a lawful purpose under the first factor.")

The Nonexpressive Use Cases

Sega Enterprises Ltd. v. Accolade, Inc., 977 F.2d 1510 (9th Cir. 1992)

In *Sega v. Accolade* the Ninth Circuit addressed whether reverse engineering a copyrighted computer program to access its unprotected functional elements constitutes fair use. Software is typically distributed in object code, a machine-readable format, and though protected by copyright, it contains unprotectable elements like ideas and functional interfaces. Accolade reverse-engineered Sega's code not to exploit it directly but to develop its own Genesis-compatible games. The court found that because disassembly was the only way to access the functional requirements for compatibility, and because Accolade used the code for a legitimate, non-exploitative purpose, this intermediate copying qualified as fair use.

The court's analysis emphasized the distinction between protected expression and unprotected ideas or functional components. It held that enabling interoperability and fostering competition serve the public interest and align with copyright's constitutional goal of promoting progress in the useful arts. While Sega experienced some indirect market effects from Accolade's entry, the court found that allowing such competition better served

the statutory objectives than protecting Sega's market control. Accordingly, the court concluded that all relevant fair use factors favored Accolade and that its reverse engineering of Sega's code was lawful, though Sega remained free to challenge the final games on separate grounds.

Sony Computer Entertainment v. Connectix, 203 F.3d 596 (9th Cir. 2000)

Almost a decade after *Sega*, the Ninth Circuit addressed the same issue in *Sony Computer Entertainment v. Connectix*. From the beginning of its decision, the court emphasized the importance of the idea expression distinction:

> [W]e are called upon once again to apply the principles of copyright law to computers and their software, to determine what must be protected as expression and what must be made accessible to the public as function.

Consistent with its decision in *Sega*, the court held that intermediate copying of software could be protected as fair use if the copying was necessary to gain access to the functional elements of the software. The court expressly recognized (at 603) that "the fair use doctrine preserves public access to the ideas and functional elements embedded in copyrighted computer software programs."

Since *Sega v. Accolade* courts have consistently held that making unauthorized copies of a computer program, as a necessary step in reverse engineering, is fair use. This outcome was implicitly confirmed by the fact that Congress chose to include circumventing encryption for the purpose of reverse engineering as an allowable exception to the anti-circumvention provisions of the DMCA. See Section 1201(f) of the Copyright Act.

Assessment Technologies of Wis., LLC v. WIREdata, 350 F.3d 640 (7th Cir. 2003)

In *WIREdata*, the plaintiff, Assessment Technologies (AT), sued WIREdata for copyright infringement and theft of trade secrets. AT had developed and copyrighted a software program called "Market Drive," which was used by tax assessors to compile property data collected for tax purposes. WIREdata, which provides information to real estate brokers, sought to obtain this raw, public-domain data from municipalities that were AT's licensees. AT sued to prevent WIREdata from accessing the data, arguing that it couldn't be extracted from the Market Drive program without infringing on its copyright. The district court sided with AT and issued an injunction, but the Seventh Circuit Court of Appeals reversed this decision.

The appeals court found that while AT's compilation format (the structure of its database) was original enough to be copyrighted, the underlying data was not created by AT, was not copyrightable, and was in the public domain. Applying the reverse engineering cases discussed above, the court held that extracting this non-copyrightable data from the database, even if it required copying the program in the process, was a fair use. The court did not say much about fair use, seemingly because the issue was so clear cut: "AT would lose this copyright case even if the raw data were so entangled with Market Drive that they could not be extracted without making a copy of the program." It was also noted that AT was attempting to use its copyright to "sequester uncopyrightable data," which could constitute copyright misuse. The court concluded that WIREdata could obtain the data

through various methods without infringing on AT's copyright, and therefore, the injunction was improper.

Lexmark Intern. v. Static Control Components, 387 F.3d 522 (6th Cir. 2004)

In 2004, the Sixth Circuit Court of Appeals heard a case between printer manufacturer Lexmark and Static Control Components (SCC), a company that sells components for remanufactured toner cartridges. The facts of the case centered on two computer programs owned by Lexmark: the Toner Loading Program, which is on the toner cartridge and measures toner levels, and the much larger Printer Engine Program, which is in the printer itself and controls various printer functions. To prevent third-party reuse of its discounted "Prebate" cartridges, Lexmark used an authentication sequence to ensure that only a microchip with an identical copy of the Toner Loading Program could function with its printers. SCC developed a competing microchip that mimicked Lexmark's, enabling remanufactured cartridges to work with Lexmark printers. SCC's chip contained an exact copy of the Toner Loading Program, which it claimed was necessary for compatibility. The district court granted a preliminary injunction against SCC, but the Court of Appeals vacated the injunction.

This case is extracted earlier in this book as it pertains to the merger doctrine. The majority found the Toner Loading Program was not copyrightable, but it still considered how fair use might apply. The majority explained that while a commercial purpose may generally weigh against fair use, SCC's use was not meant to exploit Lexmark's creative expression. Instead, SCC used the program for a different, non-infringing purpose: to make its cartridges interoperable with Lexmark printers: "Under these circumstances, it is far from clear that SCC copied the Toner Loading Program for its commercial value *as a copyrighted work*." (emphasis original). The court also determined that the fourth fair use factor—the effect on the potential market—was misconstrued by the lower court. The correct analysis should have focused on the market for the copyrighted work itself (the Toner Loading Program), not the market for Lexmark's toner cartridges. The court found no evidence that an independent market existed for a program as simple as the Toner Loading Program. Therefore, SCC's use of the program did not diminish the value of a potential market that was not shown to exist, and this factor should have weighed in favor of SCC.

A.V. ex rel. Vanderhye v. iParadigms, LLC, 562 F.3d 630 (4th Cir. 2009)

In *A.V. ex rel. Vanderhye v. iParadigms, LLC,* the Fourth Circuit held that it was fair use for Turnitin, a commercial plagiarism detection service, to archive student papers submitted through its platform. Although the plaintiffs, high school students, alleged copyright infringement, the court found that Turnitin's use of the papers was highly transformative. The system stored the papers solely to compare future submissions for signs of plagiarism—a purpose entirely distinct from the original educational intent of the student work. Even though iParadigms profited from its service, the court emphasized that the transformative nature of the use outweighed its commercial character, especially given the public benefit of academic integrity.

The court also rejected arguments that the use was not transformative because Turnitin stored the papers unaltered or because the system was imperfect at catching plagiarism. A transformative use need not alter the original work, nor must it achieve its goal flawlessly. The function of Turnitin—to detect textual similarities as a means of preventing academic dishonesty—was found to be different enough in purpose from the original expression to qualify as fair use. Since iParadigms did not exploit the expressive content of the papers and no meaningful market for high school essays was harmed, the court affirmed that all fair use factors favored the defendant.

Authors Guild v. HathiTrust, 755 F.3d 87 (2d Cir. 2014)

HathiTrust is extracted at length in Chapter 14, and the discussion there should be read alongside this one. In brief: HathiTrust is a repository founded in 2008 by a group of major universities to store and preserve millions of digitized works, most of them scanned by Google as part of the Library Project. Its functions include full-text search across the whole corpus, access for users with certified print disabilities, and support for text mining and scholarly research.

The Second Circuit held that the full-text search function was "quintessentially transformative": it provided a new utility that did not substitute for reading the books, and making complete digital copies was necessary to deliver it. The court found no cognizable market harm, rejecting arguments built on hypothetical licensing markets and speculative data-breach risk. Digitization for search, and access for the print-disabled, were fair use. The court remanded the question whether copying for preservation was fair use.

For present purposes the case matters because it is the first appellate decision to treat mass digitization for search as transformative — the proposition *Google Books* took up a year later, and the one the generative AI cases now test.

Authors Guild v. Google, Inc., 804 F.3d 202 (2d Cir. 2015)

> **Circuit Judge Leval**
>
> This copyright dispute tests the boundaries of fair use. Plaintiffs, who are authors of published books under copyright, sued Google, Inc. ("Google") for copyright infringement in the United States District Court for the Southern District of New York (Chin, J.). They appeal from the grant of summary judgment in Google's favor. Through its Library Project and its Google Books project, acting without permission of rights holders, Google has made digital copies of tens of millions of books, including Plaintiffs', that were submitted to it for that purpose by major libraries. Google has scanned the digital copies and established a publicly available search function. An Internet user can use this function to search without charge to determine whether the book contains a specified word or term and also see "snippets" of text containing the searched-for terms. In addition, Google has allowed the participating libraries to download and retain digital copies of the books they submit, under agreements which commit the libraries not to use their digital copies in violation of the copyright laws. These activities of Google are alleged to constitute infringement of Plaintiffs' copyrights. Plaintiffs sought injunctive and declaratory relief as well as damages.

Google defended on the ground that its actions constitute "fair use," which, under 17 U.S.C. § 107, is "not an infringement." The district court agreed. *Authors Guild, Inc. v. Google Inc.*, 954 F.Supp.2d 282, 294 (S.D.N.Y.2013). Plaintiffs brought this appeal.

Google Books and the Google Library Project

Google's Library Project, which began in 2004, involves bi-lateral agreements between Google and a number of the world's major research libraries. Under these agreements, the participating libraries select books from their collections to submit to Google for inclusion in the project. Google makes a digital scan of each book, extracts a machine-readable text, and creates an index of the machine-readable text of each book. Google retains the original scanned image of each book, in part so as to improve the accuracy of the machine-readable texts and indices as image-to-text conversion technologies improve.

Since 2004, Google has scanned, rendered machine-readable, and indexed more than 20 million books, including both copyrighted works and works in the public domain. The vast majority of the books are non-fiction, and most are out of print. All of the digital information created by Google in the process is stored on servers protected by the same security systems Google uses to shield its own confidential information.

The digital corpus created by the scanning of these millions of books enables the Google Books search engine. Members of the public who access the Google Books website can enter search words or terms of their own choice, receiving in response a list of all books in the database in which those terms appear, as well as the number of times the term appears in each book. A brief description of each book, entitled "About the Book," gives some rudimentary additional information, including a list of the words and terms that appear with most frequency in the book. It sometimes provides links to buy the book online and identifies libraries where the book can be found. The search tool permits a researcher to identify those books, out of millions, that do, as well as those that do not, use the terms selected by the researcher. Google notes that this identifying information instantaneously supplied would otherwise not be obtainable in lifetimes of searching.

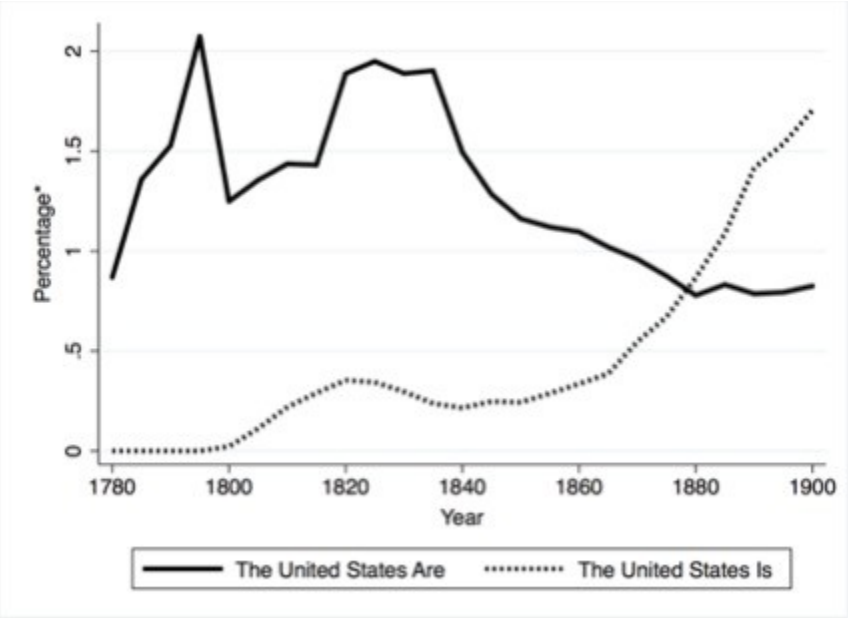
No advertising is displayed to a user of the search function. Nor does Google receive payment by reason of the searcher's use of Google's link to purchase the book.

The search engine also makes possible new forms of research, known as "text mining" and "data mining." Google's "ngrams" research tool draws on the Google Library Project corpus to furnish statistical information to Internet users about the frequency of word and phrase usage over centuries. This tool permits users to discern fluctuations of interest in a particular subject over time and space by showing increases and decreases in the frequency of reference and usage in different periods and different linguistic regions. It also allows researchers to comb over the tens of millions of books Google has scanned in order to examine "word frequencies, syntactic patterns, and thematic markers" and to derive information on how nomenclature, linguistic usage, and literary style have changed over time.

Authors Guild, Inc., 954 F.Supp.2d at 287. The district court gave as an example "tracking the frequency of references to the United States as a single entity ('the United States is') versus references to the United States in the plural ('the United States are') and how that usage has changed over time."

[Judge Leval is referring to an example in the amicus brief filed on behalf of Digital Humanities Researchers. The illustration below is not in the judgement.]

United States "is" vs "are" illustration



The Google Books search function also allows the user a limited viewing of text. In addition to telling the number of times the word or term selected by the searcher appears in the book, the search function will display a maximum of three "snippets" containing it. A snippet is a horizontal segment comprising ordinarily an eighth of a page. Each page of a conventionally formatted book in the Google Books database is divided into eight non-overlapping horizontal segments, each such horizontal segment being a snippet. (Thus, for such a book with 24 lines to a page, each snippet is comprised of three lines of text.) Each search for a particular word or term within a book will reveal the same three snippets, regardless of the number of computers from which the search is launched. Only the first usage of the term on a given page is displayed. Thus, if the top snippet of a page contains two (or more) words for which the user searches, and Google's program is fixed to reveal that particular snippet in response to a search for either term, the second search will duplicate the snippet already revealed by the first search, rather than moving to reveal a different snippet containing the word because the first snippet was already revealed. Google's program does not allow a searcher to increase the number of snippets revealed by repeated entry of the same search term or by entering searches from different computers. A searcher can view more than three snippets of a book by entering additional searches for different terms. However, Google makes permanently unavailable for snippet view one snippet on each page and one complete page out of every ten — a process Google calls "blacklisting."

Google also disables snippet view entirely for types of books for which a single snippet is likely to satisfy the searcher's present need for the book, such as dictionaries, cookbooks, and books of short poems. Finally, since 2005, Google will exclude any book altogether from snippet view at the request of the rights holder by the submission of an online form.

Under its contracts with the participating libraries, Google allows each library to download copies — of both the digital image and machine-readable versions — of the books that library submitted to Google for scanning (but not of books submitted by other libraries). The agreements between Google and the libraries, although not in all respects uniform, require the libraries to abide by copyright law in utilizing the digital copies they download and to take precautions to prevent dissemination of their digital copies to the public at large. Participant libraries have downloaded at least 2.7 million digital copies of their own volumes.

[The Law of Fair Use]

[The court restated the fair use framework: the § 107 preamble and four factors, *Campbell*'s emphasis on transformative purpose under factor one, and the *Harper & Row* observation that factor four is "undoubtedly the single most important element." That framework is set out at length in the fair use chapters above.]

The Search and Snippet View Functions

A. Factor One

(1) Transformative purpose. *Campbell's* explanation of the first factor's inquiry into the "purpose and character" of the secondary use focuses on whether the new work, "in Justice Story's words, merely supersedes the objects' of the original creation, or instead adds something new, with a further purpose. It asks, in other words, whether and to what extent the new work is transformative." 510 US at 578-579 (citations omitted). While recognizing that a transformative use is "not absolutely necessary for a finding of fair use," the opinion further explains that the "goal of copyright, to promote science and the arts, is generally furthered by the creation of transformative works" and that "such works thus lie at the heart of the fair use doctrine's guarantee of breathing space within the confines of copyright." Id. at 579. In other words, transformative uses tend to favor a fair use finding because a transformative use is one that communicates something new and different from the original or expands its utility, thus serving copyright's overall objective of contributing to public knowledge.

The word "transformative" cannot be taken too literally as a sufficient key to understanding the elements of fair use. It is rather a suggestive symbol for a complex thought, and does not mean that any and all changes made to an author's original text will necessarily support a finding of fair use. The Supreme Court's discussion in *Campbell* gave important guidance on assessing when a transformative use tends to support a conclusion of fair use. The defendant in that case defended on the ground that its work was a parody of the original and that parody is a time-honored category of fair use. Explaining why parody makes a

stronger, or in any event more obvious, claim of fair use than satire, the Court stated,

> [T]he heart of any parodist's claim to quote from existing material ... is the use of ... a prior author's composition to ... *comment[] on that author's works*.... If, on the contrary, the commentary has no critical bearing on the substance or style of the original composition, which the alleged infringer merely uses to get attention or to avoid the drudgery in working up something fresh, the claim to fairness in borrowing from another's work diminishes accordingly (if it does not vanish).... Parody needs to mimic an original to make its point, and so has some claim to use the creation of its victim's ... imagination, whereas satire can stand on its own two feet and so requires justification for the very act of borrowing.

Id. at 580-81 (emphasis added). In other words, the would-be fair user of another's work must have justification for the taking. 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. Among the best recognized justifications for copying from another's work is to provide comment on it or criticism of it. A taking from another author's work for the purpose of making points that have no bearing on the original may well be fair use, but the taker would need to show a justification. This part of the Supreme Court's discussion is significant in assessing Google's claim of fair use because, as discussed extensively below, Google's claim of transformative purpose for copying from the works of others is to provide otherwise unavailable information about the originals.

A further complication that can result from oversimplified reliance on whether the copying involves transformation is that the word "transform" also plays a role in defining "derivative works," over which the original rights holder retains exclusive control. Section 106 of the Act specifies the exclusive right of the copyright owner "(2) to prepare derivative works based upon the copyrighted work." See 17 U.S.C. § 106. The statute defines derivative works largely by example, rather than explanation. The examples include "translation, musical arrangement, dramatization, fictionalization, motion picture version, sound recording, art reproduction, abridgement, condensation," to which list the statute adds "any other form in which a work may be ... *transformed*." 17 U.S.C. § 101 (emphasis added). As we noted in *Authors Guild, Inc. v. HathiTrust*, "paradigmatic examples of derivative works include the translation of a novel into another language, the adaptation of a novel into a movie or play, or the recasting of a novel as an e-book or an audiobook." 755 F.3d 87, 95 (2d Cir.2014). While such changes can be described as transformations, they do not involve the kind of transformative purpose that favors a fair use finding. The statutory definition suggests that derivative works generally involve transformations in the nature of changes of form. 17 U.S.C. § 101. By contrast, copying from an original for the purpose of criticism or commentary on the original or provision of information about it, tends most clearly to satisfy *Campbell's* notion of the "transformative" purpose involved in the analysis of Factor One.[18]

Footnote 18: The Seventh Circuit takes the position that the kind of secondary use that favors satisfaction of the fair use test is better described as a "complementary" use, referring to how a

hammer and nail complement one another in that together they achieve results that neither can accomplish on its own. *Ty, Inc. v. Publications International, Ltd.*, 292 F.3d 512, 517-518 (7th Cir.2002); see also *Kienitz v. Sconnie Nation LLC*, 766 F.3d 756, 758 (7th Cir.2014). 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. The invention of the original author combines with the cinematographic interpretive skills of the filmmaker to produce something that neither could have produced independently. 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. Although they complement one another, the film is not a fair use. 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. We recognize, as just noted above, that the word "transformative," if interpreted too broadly, can also seem to authorize copying that should fall within the scope of an author's derivative rights. Attempts to find a circumspect shorthand for a complex concept are best understood as suggestive of a general direction, rather than as definitive descriptions.

With these considerations in mind, we first consider whether Google's search and snippet views functions satisfy the first fair use factor with respect to Plaintiffs' rights in their books. (The question whether these functions might infringe upon Plaintiffs' derivative rights is discussed in the next Part.)

(2) Search Function. We have no difficulty concluding that Google's making of a digital copy of Plaintiffs' books for the purpose of enabling a search for identification of books containing a term of interest to the searcher involves a highly transformative purpose, in the sense intended by Campbell. Our court's exemplary discussion in *HathiTrust* informs our ruling. That case involved a dispute that is closely related, although not identical, to this one. Authors brought claims of copyright infringement against HathiTrust, an entity formed by libraries participating in the Google Library Project to pool the digital copies of their books created for them by Google. The suit challenged various usages HathiTrust made of the digital copies. Among the challenged uses was HathiTrust's offer to its patrons of "full-text searches," which, very much like the search offered by Google Books to Internet users, permitted patrons of the libraries to locate in which of the digitized books specific words or phrases appeared. 755 F.3d at 98. (HathiTrust's search facility did not include the snippet view function, or any other display of text.) We concluded that both the making of the digital copies and the use of those copies to offer the search tool were fair uses. Id. at 105.

Notwithstanding that the libraries had downloaded and stored complete digital copies of entire books, we noted that such copying was essential to permit searchers to identify and locate the books in which words or phrases of interest to them appeared. Id. at 97. We concluded "that the creation of a full-text searchable database is a quintessentially transformative use ... [as] the result of a word search is different in purpose, character, expression, meaning, and message from the page

(and the book) from which it is drawn." Id. We cited *A.V. ex rel. Vanderhye v. iParadigms, LLC*, 562 F.3d 630, 639-40 (4th Cir.2009), *Perfect 10, Inc. v. Amazon.com, Inc.*, 508 F.3d 1146, 1165 (9th Cir.2007), and *Kelly v. Arriba Soft Corp.*, 336 F.3d 811, 819 (9th Cir.2003) as examples of cases in which courts had similarly found the creation of complete digital copies of copyrighted works to be transformative fair uses when the copies "served a different function from the original." *HathiTrust*, 755 F.3d at 97.

As with *HathiTrust* (and *iParadigms*), the purpose of Google's copying of the original copyrighted books is to make available significant information about those books, permitting a searcher to identify those that contain a word or term of interest, as well as those that do not include reference to it. In addition, through the ngrams tool, Google allows readers to learn the frequency of usage of selected words in the aggregate corpus of published books in different historical periods. We have no doubt that the purpose of this copying is the sort of transformative purpose described in *Campbell* as strongly favoring satisfaction of the first factor.

We recognize that our case differs from *HathiTrust* in two potentially significant respects. First, HathiTrust did not "display to the user any text from the underlying copyrighted work," 755 F.3d at 91, whereas Google Books provides the searcher with snippets containing the word that is the subject of the search. Second, HathiTrust was a nonprofit educational entity, while Google is a profit-motivated commercial corporation. We discuss those differences below.

(3) Snippet View. Plaintiffs correctly point out that this case is significantly different from *HathiTrust* in that the Google Books search function allows searchers to read snippets from the book searched, whereas HathiTrust did not allow searchers to view any part of the book. Snippet view adds important value to the basic transformative search function, which tells only whether and how often the searched term appears in the book. Merely knowing that a term of interest appears in a book does not necessarily tell the searcher whether she needs to obtain the book, because it does not reveal whether the term is discussed in a manner or context falling within the scope of the searcher's interest. For example, a searcher seeking books that explore Einstein's theories, who finds that a particular book includes 39 usages of "Einstein," will nonetheless conclude she can skip that book if the snippets reveal that the book speaks of "Einstein" because that is the name of the author's cat. In contrast, the snippet will tell the searcher that this is a book she needs to obtain if the snippet shows that the author is engaging with Einstein's theories.

Google's division of the page into tiny snippets is designed to show the searcher just enough context surrounding the searched term to help her evaluate whether the book falls within the scope of her interest (without revealing so much as to threaten the author's copyright interests). Snippet view thus adds importantly to the highly transformative purpose of identifying books of interest to the searcher. With respect to the first factor test, it favors a finding of fair use (unless the value of its transformative purpose is overcome by its providing text in a manner that offers a competing substitute for Plaintiffs' books, which we discuss under factors three and four below).

(4) Google's Commercial Motivation. Plaintiffs also contend that Google's commercial motivation weighs in their favor under the first factor. Google's commercial motivation distinguishes this case from HathiTrust, as the defendant in that case was a non-profit entity founded by, and acting as the representative of, libraries. Although Google has no revenues flowing directly from its operation of the Google Books functions, Plaintiffs stress that Google is profit-motivated and seeks to use its dominance of book search to fortify its overall dominance of the Internet search market, and that thereby Google indirectly reaps profits from the Google Books functions.

For these arguments Plaintiffs rely primarily on two sources. First is Congress's specification in spelling out the first fair use factor in the text of § 107 that consideration of the "purpose and character of the [secondary] use" should "include whether such use is of a commercial nature or is for nonprofit educational purposes." Second is the Supreme Court's assertion in dictum in *Sony Corporation of America v. Universal City Studios* that "every commercial use of copyrighted material is presumptively ... unfair." 464 US 417, 451 (1984). If that were the extent of precedential authority on the relevance of commercial motivation, Plaintiffs' arguments would muster impressive support. However, while the commercial motivation of the secondary use can undoubtedly weigh against a finding of fair use in some circumstances, the Supreme Court, our court, and others have eventually recognized that the Sony dictum was enormously overstated.[19]

Footnote 19: *Campbell*, 510 US at 583-84; *Cariou v. Prince*, 714 F.3d 694, 708 (2d Cir.2013); *Castle Rock Entm't, Inc. v. Carol Pub. Grp., Inc.*, 150 F.3d 132, 141-42 (2d Cir.1998); *Perfect 10, Inc. v. Amazon.com, Inc.*, 508 F.3d 1146, 1165 (9th Cir.2007); *Kelly v. Arriba Soft Corp.*, 336 F.3d 811, 819 (9th Cir.2003); see also *Monge v. Maya Magazines, Inc.*, 688 F.3d 1164, 1172 (9th Cir.2012) (noting that *Campbell* "debunked the notion that *Sony* called for a 'hard evidentiary presumption' that commercial use is presumptively unfair.")

The Sixth Circuit took the *Sony* dictum at its word in *Acuff-Rose Music, Inc. v. Campbell*, concluding that, because the defendant rap music group's spoof of the plaintiff's ballad was done for profit, it could not be fair use. 972 F.2d 1429, 1436-1437 (6th Cir.1992). The Supreme Court reversed on this very point, observing that "Congress could not have intended" such a broad presumption against commercial fair uses, as "nearly all of the illustrative uses listed in the preamble paragraph of § 107 ... are generally conducted for profit in this country." *Campbell*, 510 US at 584 (internal quotation marks and citations omitted). The Court emphasized Congress's statement in the House Report to the effect that the commercial or nonprofit character of a work is "not conclusive" but merely "a fact to be 'weighed along with other[s] in fair use decisions.'" Id. at 585. In explaining the first fair use factor, the Court clarified that "the more transformative the [secondary] work, the less will be the significance of other factors, like commercialism, that may weigh against a finding of fair use." Id. at 579.

Our court has since repeatedly rejected the contention that commercial motivation should outweigh a convincing transformative purpose and absence of significant substitutive competition with the original. See *Cariou v. Prince*, 714 F.3d 694, 708

(2d Cir.2013); *Castle Rock Entertainment, Inc. v. Carol Publication Group, Inc.*, 150 F.3d 132, 141-42 (2d Cir.1998).

While we recognize that in some circumstances, a commercial motivation on the part of the secondary user will weigh against her, especially, as the Supreme Court suggested, when a persuasive transformative purpose is lacking, *Campbell*, 510 US at 579, we see no reason in this case why Google's overall profit motivation should prevail as a reason for denying fair use over its highly convincing transformative purpose, together with the absence of significant substitutive competition, as reasons for granting fair use. Many of the most universally accepted forms of fair use, such as news reporting and commentary, quotation in historical or analytic books, reviews of books, and performances, as well as parody, are all normally done commercially for profit.[20]

Footnote 20: Just as there is no reason for presuming that a commercial use is not a fair use, which would defeat the most widely accepted and logically justified areas of fair use, there is likewise no reason to presume categorically that a nonprofit educational purpose should qualify as a fair use. Authors who write for educational purposes, and publishers who invest substantial funds to publish educational materials, would lose the ability to earn revenues if users were permitted to copy the materials freely merely because such copying was in the service of a nonprofit educational mission. The publication of educational materials would be substantially curtailed if such publications could be freely copied for non-profit educational purposes.

B. Factor Two

The second fair use factor directs consideration of the "nature of the copyrighted work." While the "transformative purpose" inquiry discussed above is conventionally treated as a part of first factor analysis, it inevitably involves the second factor as well. One cannot assess whether the copying work has an objective that differs from the original without considering both works, and their respective objectives.

The second factor has rarely played a significant role in the determination of a fair use dispute. The Supreme Court in *Harper & Row* made a passing observation in dictum that, "[t]he law generally recognizes a greater need to disseminate factual works than works of fiction or fantasy." 471 US 539, 563 (1985). Courts have sometimes speculated that this might mean that a finding of fair use is more favored when the copying is of factual works than when copying is from works of fiction. However, while the copyright does not protect facts or ideas set forth in a work, it does protect that author's manner of expressing those facts and ideas. At least unless a persuasive fair use justification is involved, authors of factual works, like authors of fiction, should be entitled to copyright protection of their protected expression. The mere fact that the original is a factual work therefore should not imply that others may freely copy it. Those who report the news undoubtedly create factual works. It cannot seriously be argued that, for that reason, others may freely copy and re-disseminate news reports.[21]

Footnote 21: We think it unlikely that the Supreme Court meant in its concise dictum that secondary authors are at liberty to copy extensively from the protected expression of the original author merely because the material is factual. What the *Harper & Row* dictum may well have meant is that, because in the case of factual writings, there is often occasion to test the accuracy of, to rely on, or to repeat their factual propositions, and such testing and reliance may reasonably require quotation (lest a

change of expression unwittingly alter the facts), factual works often present well justified fair uses, even if the mere fact that the work is factual does not necessarily justify copying of its protected expression.

In considering the second factor in *HathiTrust*, we concluded that it was "not dispositive," 755 F.3d at 98, commenting that courts have hardly ever found that the second factor in isolation played a large role in explaining a fair use decision. The same is true here. While each of the three Plaintiffs' books in this case is factual, we do not consider that as a boost to Google's claim of fair use. If one (or all) of the plaintiff works were fiction, we do not think that would change in any way our appraisal. Nothing in this case influences us one way or the other with respect to the second factor considered in isolation. To the extent that the "nature" of the original copyrighted work necessarily combines with the "purpose and character" of the secondary work to permit assessment of whether the secondary work uses the original in a "transformative" manner, as the term is used in *Campbell*, the second factor favors fair use not because Plaintiffs' works are factual, but because the secondary use transformatively provides valuable information about the original, rather than replicating protected expression in a manner that provides a meaningful substitute for the original.

C. Factor Three

The third statutory factor instructs us to consider "the amount and substantiality of the portion used in relation to the copyrighted work as a whole." The clear implication of the third factor is that a finding of fair use is more likely when small amounts, or less important passages, are copied than when the copying is extensive, or encompasses the most important parts of the original. The obvious reason for this lies in the relationship between the third and the fourth factors. The larger the amount, or the more important the part, of the original that is copied, the greater the likelihood that the secondary work might serve as an effectively competing substitute for the original, and might therefore diminish the original rights holder's sales and profits.

(1) Search Function. The Google Books program has made a digital copy of the entirety of each of Plaintiffs' books. Notwithstanding the reasonable implication of Factor Three that fair use is more likely to be favored by the copying of smaller, rather than larger, portions of the original, courts have rejected any categorical rule that a copying of the entirety cannot be a fair use. Complete unchanged copying has repeatedly been found justified as fair use when the copying was reasonably appropriate to achieve the copier's transformative purpose and was done in such a manner that it did not offer a competing substitute for the original.[24]

Footnote 24: See cases cited supra note 17; see also Bill Graham Archives v. Dorling Kindersley Ltd., 448 F.3d 605, 613 (2d Cir.2006) (Copying the entirety of a work is sometimes necessary to make a fair use of the work).

The Supreme Court said in *Campbell* that "the extent of permissible copying varies with the purpose and character of the use" and characterized the relevant questions as whether "the amount and substantiality of the portion used ... are reasonable in relation to the purpose of the copying," *Campbell*, 510 US at 586-587, noting that

the answer to that question will be affected by "the degree to which the [copying work] may serve as a market substitute for the original or potentially licensed derivatives," id. at 587-588 (finding that, in the case of a parodic song, "how much ... is reasonable will depend, say, on the extent to which the song's overriding purpose and character is to parody the original or, in contrast, the likelihood that the parody may serve as a market substitute for the original").

In *HathiTrust*, our court concluded in its discussion of the third factor that "because it was reasonably necessary for the [HathiTrust Digital Library] to make use of the entirety of the works in order to enable the full-text search function, we do not believe the copying was excessive." 755 F.3d at 98. As with *HathiTrust*, not only is the copying of the totality of the original reasonably appropriate to Google's transformative purpose, it is literally necessary to achieve that purpose. If Google copied less than the totality of the originals, its search function could not advise searchers reliably whether their searched term appears in a book (or how many times).

While Google makes an unauthorized digital copy of the entire book, it does not reveal that digital copy to the public. The copy is made to enable the search functions to reveal limited, important information about the books. With respect to the search function, Google satisfies the third factor test, as illuminated by the Supreme Court in *Campbell*.

(2) Snippet View. Google's provision of snippet view makes our third factor inquiry different from that inquiry in *HathiTrust*. What matters in such cases is not so much "the amount and substantiality of the portion used" in making a copy, but rather the amount and substantiality of what is thereby made accessible to a public for which it may serve as a competing substitute. In *HathiTrust*, notwithstanding the defendant's full-text copying, the search function revealed virtually nothing of the text of the originals to the public. Here, through the snippet view, more is revealed to searchers than in *HathiTrust*.

Without doubt, enabling searchers to see portions of the copied texts could have determinative effect on the fair use analysis. The larger the quantity of the copyrighted text the searcher can see and the more control the searcher can exercise over what part of the text she sees, the greater the likelihood that those revelations could serve her as an effective, free substitute for the purchase of the plaintiff's book. We nonetheless conclude that, at least as presently structured by Google, the snippet view does not reveal matter that offers the marketplace a significantly competing substitute for the copyrighted work.

Google has constructed the snippet feature in a manner that substantially protects against its serving as an effectively competing substitute for Plaintiffs' books. In the Background section of this opinion, we describe a variety of limitations Google imposes on the snippet function. These include the small size of the snippets (normally one eighth of a page), the blacklisting of one snippet per page and of one page in every ten, the fact that no more than three snippets are shown — and no more than one per page — for each term searched, and the fact that the same snippets are shown for a searched term no matter how many times, or from how

many different computers, the term is searched. In addition, Google does not provide snippet view for types of books, such as dictionaries and cookbooks, for which viewing a small segment is likely to satisfy the searcher's need. The result of these restrictions is, so far as the record demonstrates, that a searcher cannot succeed, even after long extended effort to multiply what can be revealed, in revealing through a snippet search what could usefully serve as a competing substitute for the original.

The blacklisting, which permanently blocks about 22% of a book's text from snippet view, is by no means the most important of the obstacles Google has designed. While it is true that the blacklisting of 22% leaves 78% of a book theoretically accessible to a searcher, it does not follow that any large part of that 78% is in fact accessible. The other restrictions built into the program work together to ensure that, even after protracted effort over a substantial period of time, only small and randomly scattered portions of a book will be accessible. In an effort to show what large portions of text searchers can read through persistently augmented snippet searches, Plaintiffs' counsel employed researchers over a period of weeks to do multiple word searches on Plaintiffs' books. In no case were they able to access as much as 16% of the text, and the snippets collected were usually not sequential but scattered randomly throughout the book. Because Google's snippets are arbitrarily and uniformly divided by lines of text, and not by complete sentences, paragraphs, or any measure dictated by content, a searcher would have great difficulty constructing a search so as to provide any extensive information about the book's use of that term. As snippet view never reveals more than one snippet per page in response to repeated searches for the same term, it is at least difficult, and often impossible, for a searcher to gain access to more than a single snippet's worth of an extended, continuous discussion of the term.

The fact that Plaintiffs' searchers managed to reveal nearly 16% of the text of Plaintiffs' books overstates the degree to which snippet view can provide a meaningful substitute. At least as important as the percentage of words of a book that are revealed is the manner and order in which they are revealed. Even if the search function revealed 100% of the words of the copyrighted book, this would be of little substitutive value if the words were revealed in alphabetical order, or any order other than the order they follow in the original book. It cannot be said that a revelation is "substantial" in the sense intended by the statute's third factor if the revelation is in a form that communicates little of the sense of the original. The fragmentary and scattered nature of the snippets revealed, even after a determined, assiduous, time-consuming search, results in a revelation that is not "substantial," even if it includes an aggregate 16% of the text of the book. If snippet view could be used to reveal a coherent block amounting to 16% of a book, that would raise a very different question beyond the scope of our inquiry.

D. Factor Four

The fourth fair use factor, "the effect of the [copying] use upon the potential market for or value of the copyrighted work," focuses on whether the copy brings to the marketplace a competing substitute for the original, or its derivative, so as to deprive the rights holder of significant revenues because of the likelihood that

potential purchasers may opt to acquire the copy in preference to the original. Because copyright is a commercial doctrine whose objective is to stimulate creativity among potential authors by enabling them to earn money from their creations, the fourth factor is of great importance in making a fair use assessment. See *Harper & Row*, 471 US at 566 (describing the fourth factor as "undoubtedly the single most important element of fair use").

Campbell stressed the close linkage between the first and fourth factors, in that the more the copying is done to achieve a purpose that differs from the purpose of the original, the less likely it is that the copy will serve as a satisfactory substitute for the original. 510 US at 591. Consistent with that observation, the HathiTrust court found that the fourth factor favored the defendant and supported a finding of fair use because the ability to search the text of the book to determine whether it includes selected words "does not serve as a substitute for the books that are being searched." 755 F.3d at 100.

However, *Campbell's* observation as to the likelihood of a secondary use serving as an effective substitute goes only so far. Even if the purpose of the copying is for a valuably transformative purpose, such copying might nonetheless harm the value of the copyrighted original if done in a manner that results in widespread revelation of sufficiently significant portions of the original as to make available a significantly competing substitute. The question for us is whether snippet view, notwithstanding its transformative purpose, does that. We conclude that, at least as snippet view is presently constructed, it does not.

Especially in view of the fact that the normal purchase price of a book is relatively low in relation to the cost of manpower needed to secure an arbitrary assortment of randomly scattered snippets, we conclude that the snippet function does not give searchers access to effectively competing substitutes. Snippet view, at best and after a large commitment of manpower, produces discontinuous, tiny fragments, amounting in the aggregate to no more than 16% of a book. This does not threaten the rights holders with any significant harm to the value of their copyrights or diminish their harvest of copyright revenue.

We recognize that the snippet function can cause some loss of sales. There are surely instances in which a searcher's need for access to a text will be satisfied by the snippet view, resulting in either the loss of a sale to that searcher, or reduction of demand on libraries for that title, which might have resulted in libraries purchasing additional copies. But the possibility, or even the probability or certainty, of some loss of sales does not suffice to make the copy an effectively competing substitute that would tilt the weighty fourth factor in favor of the rights holder in the original. There must be a meaningful or significant effect "upon the potential market for or value of the copyrighted work." 17 U.S.C. § 107(4).

Furthermore, the type of loss of sale envisioned above will generally occur in relation to interests that are not protected by the copyright. A snippet's capacity to satisfy a searcher's need for access to a copyrighted book will at times be because the snippet conveys a historical fact that the searcher needs to ascertain. For example, a student writing a paper on Franklin D. Roosevelt might need to learn

the year Roosevelt was stricken with polio. By entering "Roosevelt polio" in a Google Books search, the student would be taken to (among numerous sites) a snippet from page 31 of Richard Thayer Goldberg's The Making of Franklin D. Roosevelt (1981), telling that the polio attack occurred in 1921. This would satisfy the searcher's need for the book, eliminating any need to purchase it or acquire it from a library. But what the searcher derived from the snippet was a historical fact. Author Goldberg's copyright does not extend to the facts communicated by his book. It protects only the author's manner of expression. *Hoehling v. Universal City Studios, Inc.*, 618 F.2d 972, 974 (2d Cir.1980) ("A grant of copyright in a published work secures for its author a limited monopoly over the *expression* it contains.") (emphasis added). Google would be entitled, without infringement of Goldberg's copyright, to answer the student's query about the year Roosevelt was afflicted, taking the information from Goldberg's book. The fact that, in the case of the student's snippet search, the information came embedded in three lines of Goldberg's writing, which were superfluous to the searcher's needs, would not change the taking of an unprotected fact into a copyright infringement.

Even if the snippet reveals some authorial expression, because of the brevity of a single snippet and the cumbersome, disjointed, and incomplete nature of the aggregation of snippets made available through snippet view, we think it would be a rare case in which the searcher's interest in the protected aspect of the author's work would be satisfied by what is available from snippet view, and rarer still — because of the cumbersome, disjointed, and incomplete nature of the aggregation of snippets made available through snippet view — that snippet view could provide a significant substitute for the purchase of the author's book.

Accordingly, considering the four fair use factors in light of the goals of copyright, we conclude that Google's making of a complete digital copy of Plaintiffs' works for the purpose of providing the public with its search and snippet view functions (at least as snippet view is presently designed) is a fair use and does not infringe Plaintiffs' copyrights in their books.

III. Derivative Rights in Search and Snippet View

Plaintiffs next contend that, under Section 106(2), they have a derivative right in the application of search and snippet view functions to their works, and that Google has usurped their exclusive market for such derivatives.

There is no merit to this argument. As explained above, Google does not infringe Plaintiffs' copyright in their works by making digital copies of them, where the copies are used to enable the public to get information about the works, such as whether, and how often they use specified words or terms (together with peripheral snippets of text, sufficient to show the context in which the word is used but too small to provide a meaningful substitute for the work's copyrighted expression). The copyright resulting from the Plaintiffs' authorship of their works does not include an exclusive right to furnish the kind of information about the works that Google's programs provide to the public. For substantially the same reasons, the copyright that protects Plaintiffs' works does not include an exclusive derivative right to supply such information through query of a digitized copy.

The extension of copyright protection beyond the copying of the work in its original form to cover also the copying of a derivative reflects a clear and logical policy choice. An author's right to control and profit from the dissemination of her work ought not to be evaded by conversion of the work into a different form. The author of a book written in English should be entitled to control also the dissemination of the same book translated into other languages, or a conversion of the book into a film. The copyright of a composer of a symphony or song should cover also conversions of the piece into scores for different instrumentation, as well as into recordings of performances.

This policy is reflected in the statutory definition, which explains the scope of the "derivative" largely by examples — including "a translation, musical arrangement, dramatization, fictionalization, motion picture version, sound recording, art reproduction, abridgement, [or] condensation" — before adding, "or any other form in which a work may be recast, transformed, or adapted." 17 U.S.C. § 101. As noted above, this definition, while imprecise, strongly implies that derivative works over which the author of the original enjoys exclusive rights ordinarily are those that represent the protected aspects of the original work, i.e., its expressive content, converted into an altered form, such as the conversion of a novel into a film, the translation of a writing into a different language, the reproduction of a painting in the form of a poster or post card, recreation of a cartoon character in the form of a three-dimensional plush toy, adaptation of a musical composition for different instruments, or other similar conversions. If Plaintiffs' claim were based on Google's converting their books into a digitized form and making that digitized version accessible to the public, their claim would be strong. But as noted above, Google safeguards from public view the digitized copies it makes and allows access only to the extent of permitting the public to search for the very limited information accessible through the search function and snippet view. The program does not allow access in any substantial way to a book's expressive content. Nothing in the statutory definition of a derivative work, or of the logic that underlies it, suggests that the author of an original work enjoys an exclusive derivative right to supply information about that work of the sort communicated by Google's search functions.

Plaintiffs seek to support their derivative claim by a showing that there exist, or would have existed, paid licensing markets in digitized works, such as those provided by the Copyright Clearance Center or the previous, revenue-generating version of the Google Partners Program. Plaintiffs also point to the proposed settlement agreement rejected by the district court in this case, according to which Google would have paid authors for its use of digitized copies of their works. The existence or potential existence of such paid licensing schemes does not support Plaintiffs' derivative argument. The access to the expressive content of the original that is or would have been provided by the paid licensing arrangements Plaintiffs cite is far more extensive than that which Google's search and snippet view functions provide. Those arrangements allow or would have allowed public users to read substantial portions of the book. Such access would most likely constitute copyright infringement if not licensed by the rights holders. Accordingly, such arrangements have no bearing on Google's present programs, which, in a non-

infringing manner, allow the public to obtain limited data about the contents of the book, without allowing any substantial reading of its text.

Plaintiffs also seek to support their derivative claim by a showing that there is a current unpaid market in licenses for partial viewing of digitized books, such as the licenses that publishers currently grant to the Google Partners program and Amazon's Search Inside the Book program to display substantial portions of their books. Plaintiffs rely on *Infinity Broadcast Corporation v. Kirkwood*, 150 F.3d 104 (2nd Cir.1998) and *United States v. American Society of Composers, Authors and Publishers (ASCAP)*, 599 F.Supp.2d 415 (S.D.N.Y.2009) for the proposition that "a secondary use that replaces a comparable service licensed by the copyright holder, even without charge, may cause market harm." In the cases cited, however, the purpose of the challenged secondary uses was not the dissemination of information about the original works, which falls outside the protection of the copyright, but was rather the re-transmission, or re-dissemination, of their expressive content. Those precedents do not support the proposition Plaintiffs assert — namely that the availability of licenses for providing unprotected information about a copyrighted work, or supplying unprotected services related to it, gives the copyright holder the right to exclude others from providing such information or services.

While the telephone ringtones at issue in the ASCAP case Plaintiffs cite are superficially comparable to Google's snippets in that both consist of brief segments of the copyrighted work, in a more significant way they are fundamentally different. While it is true that Google's snippets display a fragment of expressive content, the fragments it displays result from the appearance of the term selected by the searcher in an otherwise arbitrarily selected snippet of text. Unlike the reading experience that the Google Partners program or the Amazon Search Inside the Book program provides, the snippet function does not provide searchers with any meaningful experience of the expressive content of the book. Its purpose is not to communicate copyrighted expression, but rather, by revealing to the searcher a tiny segment surrounding the searched term, to give some minimal contextual information to help the searcher learn whether the book's use of that term will be of interest to her. The segments taken from copyrighted music as ringtones, in contrast, are selected precisely because they play the most famous, beloved passages of the particular piece — the expressive content that members of the public want to hear when their phone rings. The value of the ringtone to the purchaser is not that it provides information but that it provides a mini-performance of the most appealing segment of the author's expressive content. There is no reason to think the courts in the cited cases would have come to the same conclusion if the service being provided by the secondary user had been simply to identify to a subscriber in what key a selected composition was written, the year it was written, or the name of the composer. These cases, and the existence of unpaid licensing schemes for substantial viewing of digitized works, do not support Plaintiffs' derivative works argument.

[IV. Risks of Hacking, and V. Distribution to Participant Libraries]

[The court disposed of two further arguments. First, the plaintiffs said that Google's storage of their digitized books exposed them to the risk of hacking, so that a

security breach would put the full texts into circulation. The court accepted that a breach would be a serious matter, but found the record showed Google's security practices to be careful and the risk speculative; a theoretical vulnerability does not defeat a fair use that is otherwise established. Second, Google had returned a digital copy of each scanned book to the library that supplied it. The court held this lawful because the libraries were themselves entitled to make such copies for the non-infringing purposes identified in *HathiTrust*, and Google, acting as their agent, could do for them what they could do for themselves. Nothing in the record suggested the libraries would use the copies to infringe.]

Notes and questions

(1) In both *Authors Guild, Inc. v. HathiTrust*, 755 F.3d 87 (2d Cir. 2014) and *Authors Guild v. Google, Inc.*, 804 F.3d 202 (2d Cir. 2015), the Second Circuit held that library digitization for search related purposes was transformative and ultimately fair use. How does the defendants' use in these cases compare to *Campbell v. Acuff-Rose*?

(2) Notice that in *Google Books*, the court addressed both the complete copying of millions of library books to make them searchable, and the display of small snippets of the books in search result menus. The complete copying is an example of non-expressive use; the snippet displays illustrate the application of a more traditional transformative use analysis. The court held that the display of three-line snippets to add context to book search results was transformative in purpose and that it was reasonable in proportion to that purpose. Those snippets allowed a user to verify that a book suggested by the search engine was in fact relevant to her interests. In addition, the snippets were so brief that they did not pose any risk of fulfilling the readers' demand for the original expression of the underlying manuscripts.

(3) There are other cases that are consistent with a "right to extract" uncopyrighted elements. For more, see Molly S. Van Houweling, *The Freedom to Extract in Copyright Law*, 103 NORTH CAROLINA LAW REVIEW 445 (2025). The merger analysis in *Lexmark Intern. v. Static Control Components*, 387 F.3d 522 (6th Cir. 2004) would be a good example of how this framing is broader than nonexpressive use.

The Generative AI Copyright Cases

Obviously, interest in how copyright deals with nonexpressive uses has increased dramatically with the advent of generative AI. The nonexpressive use framing is not universally accepted, and there is a healthy academic debate about it. We return to the criticisms after the cases, when you will be in a position to judge them; the literature is collected at the end of the chapter.

The debate over nonexpressive use is far from the only important issue in the generative AI copyright cases, but it is a good place to start.

Is AI-training fair use?

Bartz v. Anthropic PBC, 2025 WL 1741691 (N.D. Cal. June 23, 2025) (first extract)

This extract focuses on the core fair use issue relating to LLM training, a later extract will address other issues in this case.

William Alsup, United States District Judge

INTRODUCTION

Defendant Anthropic PBC is an AI software firm founded by former OpenAI employees in January 2021. Its core offering is an AI software service called Claude. When a user prompts Claude with text, Claude quickly responds with text — mimicking human reading and writing. Claude can do so because Anthropic trained Claude — or rather trained large language models or LLMs underlying various versions of Claude — using books and other texts selected from a central library Anthropic had assembled.

In August 2024, the three individual authors brought this putative class action complaining that Anthropic had infringed its federal copyrights by pirating copies for its library and by reproducing them to train its LLMs. Anthropic now moves for summary judgment on fair use only. Fair use is a legal question for the judge with underlying fact questions, if any, for the jury. To prevail on summary judgment, Anthropic must rely on undisputed facts and/or factual inferences favoring the opposing side. Anthropic thus bears the burdens of production and persuasion in this motion.

ANALYSIS

1. The Purpose and Character of the Use.

For a given use at issue, the first factor addresses "the purpose and character of [that] use, including whether [it] is of a commercial nature or is for nonprofit educational purposes." 17 U.S.C. § 107(1).

A. The Copies Used to Train Specific LLMs.

All agree that one use at issue was training LLMs to receive text inputs and return text outputs. More specifically, Anthropic used copies of Authors' copyrighted works to iteratively map statistical relationships between every text-fragment and every sequence of text-fragments so that a completed LLM could receive new text inputs and return new text outputs as if it were a human reading prompts and writing responses. Authors further argue — and this order takes for granted — that such training entailed "memoriz[ing]" works by "compress[ing]" copies of those works into the LLM. The LLMs "memorize[d] A LOT, like A LOT". Regardless, the "purpose and character" of using works to train LLMs was transformative — spectacularly so.

To repeat and be clear: Authors do not allege that any LLM output provided to users infringed upon Authors' works. Our record shows the opposite. Users interacted only with the Claude service, which placed additional software between

the user and the underlying LLM to ensure that no infringing output ever reached the users. This was akin to the limits Google imposed on how many snippets of text from any one book could be seen by any one user through its Google Books service, preventing its search tool from devolving into a reading tool. *Google*, 804 F.3d at 222. Here, if the outputs seen by users had been infringing, Authors would have a different case. And, if the outputs were ever to become infringing, Authors could bring such a case. But that is not this case.

Instead, Authors challenge only the inputs, not the outputs, of these LLMs. They point to the fully trained LLMs and the Claude service only to shed light on how training itself uses copies of their works and the ways the Claude service could be used to produce still other works that would compete with their works. This order does the same. Authors' arguments that the training use is not transformative are unavailing.

First, Authors argue that using works to train Claude's underlying LLMs was like using works to train any person to read and write, so Authors should be able to exclude Anthropic from this use. But Authors cannot rightly exclude anyone from using their works for training or learning as such. Everyone reads texts, too, then writes new texts. They may need to pay for getting their hands on a text in the first instance. But to make anyone pay specifically for the use of a book each time they read it, each time they recall it from memory, each time they later draw upon it when writing new things in new ways would be unthinkable. For centuries, we have read and re-read books. We have admired, memorized, and internalized their sweeping themes, their substantive points, and their stylistic solutions to recurring writing problems.

Second, to that last point, Authors further argue that the training was intended to memorize their works' creative elements — not just their works' non-protectable ones. But this is the same argument. Again, Anthropic's LLMs have not reproduced to the public a given work's creative elements, nor even one author's identifiable expressive style (assuming arguendo that these are even copyrightable). Yes, Claude has outputted grammar, composition, and style that the underlying LLM distilled from thousands of works. But if someone were to read all the modern-day classics because of their exceptional expression, memorize them, and then emulate a blend of their best writing, would that violate the Copyright Act? Of course not. Copyright does not extend to "method[s] of operation, concept[s], [or] principle[s]" "illustrated[ ] or embodied in [a] work." 17 U.S.C. § 102(b).

Third, Authors next argue that computers nonetheless should not be allowed to do what people do.

Authors cite a decision seeming to say as much. But the judge there twice emphasized while discussing "purpose and character" of the use that what was trained was "not generative AI (AI that writes new content itself)." Rather, what was trained — using a proprietary system for finding court opinions in response to a given legal topic — was a competing AI tool for finding court opinions in response to a given legal topic. That was not transformative. *Thomson Reuters Enter. Centre GmbH v. Ross Intell. Inc.*, 765 F. Supp. 3d 382, 398 (D. Del. 2025).

A better analogue to our facts would be an AI tool trained — using court opinions, and briefs, law review articles, and the like — to receive legal prompts and respond with fresh legal writing. And, on facts much like those, a different court came out the other way. It found fair use. *White v. W. Pub. Corp.*, 29 F. Supp. 3d 396, 400 (S.D.N.Y. 2014).

The latter use stood sufficiently "orthogonal" to anything that any copyright owner rightly could expect to control. See *Warhol*, 598 U.S. at 538–40. It could thus be freed up for the copyist to use, promoting the progress of science and the arts, without diminishing the incentive to create.

In short, the purpose and character of using copyrighted works to train LLMs to generate new text was quintessentially transformative. Like any reader aspiring to be a writer, Anthropic's LLMs trained upon works not to race ahead and replicate or supplant them — but to turn a hard corner and create something different. If this training process reasonably required making copies within the LLM or otherwise, those copies were engaged in a transformative use.

The first factor favors fair use for the training copies.

2. The Nature of the Copyrighted Work.

The second fair use factor is "the nature of the copyrighted work." 17 U.S.C. § 107(2). This factor "calls for recognition that some works are closer to the core of intended copyright protection than others, with the consequence that fair use is more difficult to establish when the former works are copied." *Campbell*, 510 U.S. at 586. For one thing, less protection is due published works than unpublished ones. For another, less protection is due "factual works than works of fiction or fantasy." *Harper & Row*, 471 U.S. at 563. But less protection is not no protection. Even the arrangement of otherwise unprotectable facts surpasses the low bar for a protectable original work of authorship. *Google*, 804 F.3d at 220.

Here, Anthropic accepts that all of Authors' books — all published, whether non-fiction or fiction — contained expressive elements. And, as set out above, this order accepts Authors' view of the evidence that their works were chosen for their expressive qualities in building a central library and then in training specific LLMs.

The main function of the second factor is to help assess the other factors: to reveal differences between the nature of the works at issue and the nature of their secondary use (above), and to reveal any relation between the amount and substantiality of each work taken and the secondary use (next). E.g., *Campbell*, 510 U.S. at 586; *Kelly*, 336 F.3d at 820; *Google*, 804 F.3d at 220; *HathiTrust*, 755 F.3d at 98; *Bill Graham Archives v. Dorling Kindersley Ltd.*, 448 F.3d 605, 612–13 (2d Cir. 2006).

The second factor points against fair use for all copies alike.

3. The Amount and Substantiality of the Portion Used.

The third fair use factor is "the amount and substantiality of the portion" of the copyrighted work used by the accused. 17 U.S.C. § 107(3). The crux of this factor is whether the amount was "reasonable in relation to the purpose of the copying."

Campbell, 510 U.S. at 586. Thus, the amount of copying is considered first against the work itself, then more importantly against the proposed transformative purpose. See *Warhol*, 598 U.S. at 543 & n.18.

A. The Copies Used to Train Specific LLMs.

Copies selected for inclusion in training sets were selected because they were complete and because they contained rich protectible expression, or so this order accepts the record shows for Authors. Was all this copying reasonably necessary to the transformative use?

Yes.

"What matters [ ] is not so much 'the amount and substantiality of the portion used' in making a copy, but rather the amount and substantiality of what is thereby made accessible to a public [in the purported secondary use] for which it may serve as a competing substitute [for the primary use]." *Google*, 804 F.3d at 222. Here, once again, there is no allegation of any traceable connection between the Claude service's outputs and Authors' works. The copying used to train the LLMs underlying Claude was thus especially reasonable.

In response, Authors object primarily that the copying used in training was both extremely extensive and not strictly necessary.

As to extensive copying, it is true that entire works were copied. And, copying entire works militates against a finding of fair use. But we just addressed why Authors' argument is misdirected. The copies that count for this factor are those that would merely serve the same use as the work's ordinary one. Authors do not allege such copying. The accused use here of the incremental copies is as orthogonal as can be imagined to the ordinary use of a book.

As to strict necessity, Authors make a stronger point. When a productive use is made possible only by borrowing from a specific work, fair use climbs towards its zenith. When a productive use is possible without that borrowing, fair use falls to its nadir — and the borrowing deserves a particularly compelling justification. See *Warhol*, 598 U.S. at 543 & n.18, 547. Here, it is true that Anthropic could have used some other books or no books at all for training its LLMs — or so this order accepts the record shows for Authors. But Anthropic has presented a compelling explanation for why it was reasonably necessary to use them anyway.

For one thing, all agree Anthropic needed billions of words to train any given LLM. If using only books, Anthropic would have needed millions of books per model. If using a set comprising only a small fraction of books and a larger fraction of other texts, Anthropic still would have needed hundreds of thousands of books. Authors contend that because Anthropic showed it could use such smaller sets of books, it surely could have used no books at all — or at least not their books. But Authors forget that "reasonably necessary" does not mean "strictly necessary." Authors do not contest that the volume of text required to train an LLM is monumental. Because using so many works was reasonably necessary, using any one work for actually training LLMs was about as reasonable as the next.

For another thing, no output to the public was even alleged to be infringing. So, yes, Authors' works were chosen as the strongest examples of writing. But the compelling benefits of training the LLMs on strong examples were not offset by revelations to the public of any portion of the works themselves. What was copied was therefore especially reasonable and compelling.

The third factor thus favors fair use for the training copies.

4. The Effect of the Use Upon the Market for or Value of the Copyrighted Work.

The final factor is "the effect of the use upon the potential market for or value of the copyrighted work." 17 U.S.C. § 107(4). This factor points against fair use when a copyist makes copies available that displace demand for copies the copyright owner already makes available or readily could. *Texaco*, 60 F.3d at 926–28 (reproduced copies); *Dr. Seuss Enters., L.P. v. ComicMix LLC*, 983 F.3d 443, 461 (9th Cir. 2020) (derivative copies). "While the first factor considers whether and to what extent an original work and secondary use [*in principle* could] have substitutable purposes, the fourth factor focuses on *actual or potential* market substitution." *Warhol*, 598 U.S. at 536 n.12 (emphasis added).

A. The Copies Used to Train Specific LLMs.

The copies used to train specific LLMs did not and will not displace demand for copies of Authors' works, or not in the way that counts under the Copyright Act.

Again, Authors concede that training LLMs did not result in any exact copies nor even infringing knockoffs of their works being provided to the public. If that were not so, this would be a different case. Authors remain free to bring that case in the future should such facts develop.

Instead, Authors contend generically that training LLMs will result in an explosion of works competing with their works — such as by creating alternative summaries of factual events, alternative examples of compelling writing about fictional events, and so on. This order assumes that is so. But Authors' complaint is no different than it would be if they complained that training schoolchildren to write well would result in an explosion of competing works. This is not the kind of competitive or creative displacement that concerns the Copyright Act. The Act seeks to advance original works of authorship, not to protect authors against competition. *Sega*, 977 F.2d at 1523–24.

Authors next contend that training LLMs displaced (or will) an emerging market for licensing their works for the narrow purpose of training LLMs. Anthropic argues that transactional costs would exceed Anthropic's expected benefit from any such bargain, prompting it to cease dealing with any rightsholders or else to cease developing such technology altogether. Our record could support either account — so this order must assume Authors are correct. A market could develop. Even so, such a market for that use is not one the Copyright Act entitles Authors to exploit.

None of the cases cited by Authors requires a different result. All contemplated losses of something the Copyright Act properly protected — not the kinds of fair uses for which a copyright owner cannot rightly expect to control. See *TVEyes, Inc.*, 883 F.3d at 181 (use of a right legally reserved to and factually already being

licensed by copyright owner); *Texaco*, 60 F.3d at 931 (same); *Ringgold v. BET, Inc.*, 126 F.3d 70, 80–81 (2d Cir. 1997) (use of a right legally reserved to and factually likely to be marketable by copyright owner — displaying images of her artistic work in television shows); cf. *Seltzer v. Green Day, Inc.*, 725 F.3d 1170, 1179 (9th Cir. 2013) (no evidence use could be or "was likely to" be marketable).

The fourth factor thus favors fair use for the training copies.

5. Overall Analysis.

After the four factors and any others deemed relevant are "explored, [ ] the results [are] weighed together, in light of the purposes of copyright." *Campbell*, 510 U.S. at 578.

The copies used to train specific LLMs were justified as a fair use. Every factor but the nature of the copyrighted work favors this result. The technology at issue was among the most transformative many of us will see in our lifetimes.

This order grants summary judgment for Anthropic that the training use was a fair use.

Notes and questions

(1) Judge Alsup did not say precisely nonexpressive uses are fair uses, but is his decision consistent with that approach? Why did the court conclude that copying books to train an LLM was highly transformative and how did that conclusion affect his analysis of the other fair use factors?

(2) As suggested by Sag in *Copyright Safety for Generative AI* and Henderson et al in *Foundation Models and Fair Use*, the fair use status of generative AI is likely to depend on a number of considerations including the degree of memorization, the effectiveness of "copyright safety" measures intended to make inadvertent memorization unavailable. How did Anthropic's copyright safety measures make its fair use argument stronger?

(3) Nonexpressive uses and other highly transformative uses are not always fair use. Sag argues that nonexpressive uses are generally fair uses, but in part of *Fairness and Fair Use in Generative AI* not extracted above, he also acknowledges that even when the defendant wins the first fair use factor, there may still be cases where the fourth factor weighs against fair use. Keep this in mind as you read the next case.

(4) Notice how much work is being done by the premise that no output infringed. Judge Alsup takes it as given that "Authors do not allege that any LLM output provided to users infringed upon Authors' works," and the analysis that follows is built on that footing. That premise is exactly what is contested in *In re OpenAI, Inc. Copyright Infringement Litigation*, No. 1:25-md-03143 (S.D.N.Y.), the consolidated proceeding against OpenAI. On 27 October 2025 Judge Sidney Stein denied OpenAI's motion to dismiss direct infringement claims premised on ChatGPT's *outputs*, applying the "more discerning observer" test and holding that a reasonable factfinder could find some outputs — summaries of George R.R. Martin's novels — substantially similar to the novels themselves. The ruling expressly did not reach fair use. The parties filed summary judgment motions in September 2026, with briefing running into November 2026, so the

fair use question there remains open. This is a very strange decision. For more, see Matthew Sag, *Copyright Winter is Coming (to Wikipedia?)*, 6 November 2025, https://matthewsag.com/copyright-winter-is-coming-to-wikipedia/:

> On October 27, 2025, Judge Sidney Stein of the Southern District of New York denied OpenAI's motion to dismiss claims that ChatGPT outputs infringed the rights of authors such as George R.R. Martin and David Baldacci. The opinion suggests that short summaries of popular works of fiction are very likely infringing (unless fair use comes to the rescue).
>
> This is a fundamental assault on the idea, expression, distinction as applied to works of fiction. It places thousands of Wikipedia entries in the copyright crosshairs and suggests that any kind of summary or analysis of a work of fiction is presumptively infringing.

Kadrey v. Meta Platforms, Inc., 2025 WL 1752484 (N.D. Cal. June 25, 2025)

VINCE CHHABRIA, United States District Judge

Companies are presently racing to develop generative artificial intelligence models—software products that are capable of generating text, images, videos, or sound based on materials they've previously been "trained" on. Because the performance of a generative AI model depends on the amount and quality of data it absorbs as part of its training, companies have been unable to resist the temptation to feed copyright-protected materials into their models—without getting permission from the copyright holders or paying them for the right to use their works for this purpose. This case presents the question whether such conduct is illegal.

Although the devil is in the details, in most cases the answer will likely be yes. What copyright law cares about, above all else, is preserving the incentive for human beings to create artistic and scientific works. Therefore, it is generally illegal to copy protected works without permission. And the doctrine of "fair use," which provides a defense to certain claims of copyright infringement, typically doesn't apply to copying that will significantly diminish the ability of copyright holders to make money from their works (thus significantly diminishing the incentive to create in the future). Generative AI has the potential to flood the market with endless amounts of images, songs, articles, books, and more. People can prompt generative AI models to produce these outputs using a tiny fraction of the time and creativity that would otherwise be required. So by training generative AI models with copyrighted works, companies are creating something that often will dramatically undermine the market for those works, and thus dramatically undermine the incentive for human beings to create things the old-fashioned way.

Take, for example, biographies. If a company uses copyrighted biographies to train a model, and if the model is thus capable of generating endless amounts of biographies, the market for many of the copied biographies could be severely harmed. Perhaps not the market for Robert Caro's Master of the Senate, because that book is at the top of so many people's lists of biographies to read. But you can bet that the market for lesser-known biographies of Lyndon B. Johnson will be

affected. And this, in turn, will diminish the incentive to write biographies in the future.

Or take magazine articles. If a company uses copyrighted magazine articles to train a model capable of generating similar articles, it's easy to imagine the market for the copied articles diminishing substantially. Especially if the AI-generated articles are made available for free. And again, how will this affect the incentive for human beings to put in the effort necessary to produce high-quality magazine articles?

With some types of works, the picture is a bit murkier. For example, it's not clear how generative AI would affect the market for memoirs or autobiographies, since by definition people read those works because of who wrote them. With fiction, it might depend on the type of book. Perhaps classic works of literature like The Catcher in the Rye would not see their markets diminished. But the market for the typical human-created romance or spy novel could be diminished substantially by the proliferation of similar AI-created works. And again, the proliferation of such works would presumably diminish the incentive for human beings to write romance or spy novels in the first place.

Some students of copyright law respond that none of this matters because when companies use copyrighted works to train generative AI models, they are using the works in a way that's highly creative in its own right. In the language of copyright law, the companies' use of the works is "transformative." As a factual matter, there's no disputing that. And as a legal matter, it's true that you're less likely to be liable for copyright infringement if you're copying the work for a transformative purpose. In that situation, you're more likely to be protected by the fair use doctrine. But as the Supreme Court has emphasized, the fair use inquiry is highly fact dependent, and there are few bright-line rules. There is certainly no rule that when your use of a protected work is "transformative," this automatically inoculates you from a claim of copyright infringement. And here, copying the protected works, however transformative, involves the creation of a product with the ability to severely harm the market for the works being copied, and thus severely undermine the incentive for human beings to create. Under the fair use doctrine, harm to the market for the copyrighted work is more important than the purpose for which the copies are made.

Speaking of which, in a recent ruling on this topic, Judge Alsup focused heavily on the transformative nature of generative AI while brushing aside concerns about the harm it can inflict on the market for the works it gets trained on. Such harm would be no different, he reasoned, than the harm caused by using the works for "training schoolchildren to write well," which could "result in an explosion of competing works." According to Judge Alsup, this "is not the kind of competitive or creative displacement that concerns the Copyright Act." But when it comes to market effects, using books to teach children to write is not remotely like using books to create a product that a single individual could employ to generate countless competing works with a miniscule fraction of the time and creativity it would otherwise take. This inapt analogy is not a basis for blowing off the most important factor in the fair use analysis.

Another argument offered in support of the companies is more rhetorical than legal: Don't rule against them, or you'll stop the development of this groundbreaking technology. The technology is certainly groundbreaking. But the suggestion that adverse copyright rulings would stop this technology in its tracks is ridiculous. These products are expected to generate billions, even trillions, of dollars for the companies that are developing them. If using copyrighted works to train the models is as necessary as the companies say, they will figure out a way to compensate copyright holders for it.

The upshot is that in many circumstances it will be illegal to copy copyright-protected works to train generative AI models without permission. Which means that the companies, to avoid liability for copyright infringement, will generally need to pay copyright holders for the right to use their materials.

But that brings us to this particular case. …

The plaintiffs are thirteen published authors who have written, and who hold copyright in, various works. Those works are mostly novels, but also include plays, short stories, memoirs, essays, and nonfiction books. Examples include Sarah Silverman's The Bedwetter, a comic memoir; Rachel Louise Snyder's No Visible Bruises: What We Don't Know About Domestic Violence Can Kill Us, a nonfiction book about domestic violence and how to combat it; Junot Díaz's Pulitzer Prize–winning novel, The Brief Wondrous Life of Oscar Wao; and Andrew Sean Greer's Less, also a Pulitzer Prize–winning novel. All of the books in which the plaintiffs hold copyright can be found in the datasets Meta downloaded, including both Books3 and the Anna's Archive databases. In total, Meta downloaded at least 666 copies of books whose copyrights the plaintiffs hold.

The plaintiffs filed this lawsuit seeking to represent a class of all owners of copyrighted works used as training data for Llama.

… Given the state of the record, the Court has no choice but to grant summary judgment to Meta on the plaintiffs' claim that the company violated copyright law by training its models with their books. But in the grand scheme of things, the consequences of this ruling are limited. This is not a class action, so the ruling only affects the rights of these thirteen authors—not the countless others whose works Meta used to train its models. And, as should now be clear, this ruling does not stand for the proposition that Meta's use of copyrighted materials to train its language models is lawful. It stands only for the proposition that these plaintiffs made the wrong arguments and failed to develop a record in support of the right one.

I. COPYRIGHT LAW AND FAIR USE

Factor One

The first factor "considers the reasons for, and nature of, the copier's use of an original work." Primarily, the first factor focuses on whether the secondary use is "transformative"—that is, on whether and to what extent "the new work merely supersedes the objects of the original creation (supplanting the original), or instead adds something new, with a further purpose or different character." *Warhol*, 598

U.S. at 528. Allowing a use with a "distinct purpose" is often consistent with the goals of copyright because it encourages the development of new expression "without diminishing the incentive to create." Id. at 531. On the other hand, a secondary use with the same purpose as the original work is "more likely to provide the public with a substantial substitute for" the original. Id. at 531–32. This factor favors Meta. There is no serious question that Meta's use of the plaintiffs' books had a "further purpose" and "different character" than the books—that it was highly transformative. The purpose of Meta's copying was to train its LLMs, which are innovative tools that can be used to generate diverse text and perform a wide range of functions. Cf. *Oracle*, 593 U.S. at 30 (transformative to use copyrighted computer code "to create a new platform that could be readily used by programmers"). Users can ask Llama to edit an email they have written, translate an excerpt from or into a foreign language, write a skit based on a hypothetical scenario, or do any number of other tasks. The purpose of the plaintiffs' books, by contrast, is to be read for entertainment or education.

The plaintiffs do not meaningfully disagree about Llama's purpose. To the contrary, they acknowledge that LLMs have "end uses" including serving "as a personal tutor," assisting "with creative ideation," and helping users "generate business reports." And several of the plaintiffs testified to using LLMs for various purposes, all distinct from creating or reading an expressive work like a novel or biography —for instance, to find recipes, get tax or medical advice, translate documents, or conduct research. All of these functions are different from the use to which the plaintiffs' books are generally put. So copying the books to develop a tool that can perform those functions is a use with a different purpose and character than the books themselves.

The plaintiffs' law professor amici argue that Meta's use has the same purpose and character as the books because an LLM training on a book is akin to a human reading one. One might also analogize Meta's copying of the books to train Llama to a situation in which a professor copies a book and gives it to a student so that the student can use the knowledge from the book (along with knowledge they get from other books) to go do great things. But there are a few important differences.

First, an LLM's consumption of a book is different than a person's. An LLM ingests text to learn "statistical patterns" of how words are used together in different contexts. It does so by taking a piece of text from its training data, removing a word from that text, predicting what that word will be, and updating its general understanding of language based on whether it was right or wrong—and then repeating this exercise billions or trillions of times with different text. This is not how a human reads a book.

Second, unlike the hypothetical professor, Meta did not just give the plaintiffs' books to one person. Meta copied the plaintiffs' books as part of an effort to create a tool that can generate a wide range of text. Any person can use that tool to help them create further expression, whether by having it help them brainstorm or research for a creative writing project (like plaintiff David Henry Hwang, a playwright and screenwriter) or by having it write code to develop new software programs (like Lockheed Martin). By creating a tool that anyone can use, Meta's

copying has the potential to exponentially multiply creative expression in a way that teaching individual people does not. Cf. *Oracle*, 593 U.S. at 30.

In contrast to the copyright professors, the plaintiffs make different (and much weaker) arguments for why Meta's use is not transformative. For example, the plaintiffs suggest that Llama has "no critical bearing" on their books, the way criticism or parody would. But "critique or commentary on the original" are not "the only uses that will furnish a justification ultimately qualifying as fair use." *Romanova*, 138 F.4th at 115. To the contrary, a use that enables "the furnishing of valuable information on any subject of public interest" or renders "a valuable service to the public" might be justified, especially where that benefit is "provided without allowing public access to the copy." Id.

In addition, the plaintiffs argue that Meta's use is not transformative because Llama will output material that "mimics" the plaintiffs' work or writing styles if prompted to do so. Therefore, the plaintiffs say, Meta's use "merely amounts to a 'repackaging' " of their books. The plaintiffs point to evidence that they say shows that Meta trained Llama to be able to emulate certain writers' styles. But this evidence does not show that Meta trained Llama to repackage the plaintiffs' works. To the contrary, as noted above, even using "adversarial" prompts designed to get Llama to regurgitate its training data, Llama will not produce more than 50 words of any of the plaintiffs' books. And there is no indication that it will generate longer portions of text that would function as "repackaging" of those books. Nor is there even any indication that, as the plaintiffs' amici claim, Meta developed Llama with the purpose of enabling it to create books that compete with the plaintiffs' (without rising to the level of repackaging them). So at most, this evidence shows that Meta wanted Llama to be able to generate text in certain styles. But style is not copyrightable—only expression is. See 17 U.S.C. § 102(b); cf. *Mattel, Inc. v. MGA Entertainment, Inc.,* 616 F.3d 904, 916 (9th Cir. 2010). Even if one possible use of Llama is to generate text with similarities to unprotectable aspects of the plaintiffs' books, that does not mean Meta's copying had the same purpose as those books.[6]

Footnote 6: By contrast, consider an LLM that was designed to be used to create works substantially similar to those on which it was trained, or to create works that competed with the originals without being substantially similar. Using copyrighted works to train such an LLM could be less transformative than using them to train a general-purpose LLM, because that use would have the purpose and character of enabling an LLM to develop substitute works. That said, even then, training the LLM would still likely be at least somewhat transformative; transformativeness isn't an on-off switch.

FACTOR FOUR: THE EFFECT OF THE USE UPON THE POTENTIAL MARKET FOR OR VALUE OF THE COPYRIGHTED WORK

This factor looks to both the "extent of market harm caused by the particular actions of the alleged infringer" and to "whether unrestricted and widespread conduct of the sort engaged in by the defendant ... would result in a substantially adverse impact on the potential market' for the original." *Campbell*, 510 U.S. at 590). The "only harm" relevant to this factor "is the harm of market substitution." Id. at 593. When, by contrast, the secondary work kills demand for the first through criticism or parody, the harm is not cognizable under the Copyright Act. Also relevant to this

factor are "the public benefits the copying will likely produce." *Oracle*, 593 U.S. at 35, 141 S.Ct. 1183.

As noted previously, the fourth factor is "undoubtedly the single most important element of fair use." *Harper & Row*, 471 U.S. at 566. Meta is therefore wrong to suggest that, because the first factor strongly favors it, the inquiry should basically end there. To the contrary, given the fourth factor's importance, it's easy to imagine a situation in which a secondary use is highly transformative but the secondary user nonetheless loses on fair use because allowing people to engage in that kind of use would have too great an effect on the market for the original work. But by the same token, in a case where the first factor cuts strongly in favor of the defendant, generally the plaintiff's only chance to defeat fair use will be to win decisively on factor four.

In a case involving the use of copyrighted works to train generative AI models, there are at least three ways a plaintiff might try to argue that the defendant's copying harmed the market for the works (or that the market would be harmed if that copying were widespread). First, the plaintiff might claim that the model will regurgitate their works (or outputs that are substantially similar), thereby allowing users to access those works or substitutes for them for free via the model. Second, the plaintiff might point to the market for licensing their works for AI training and contend that unauthorized copying for training harms that market (or precludes the development of that market). Third, the plaintiff might argue that, even if the model can't regurgitate their own works or generate substantially similar ones, it can generate works that are similar enough (in subject matter or genre) that they will compete with the originals and thereby indirectly substitute for them. In this case, the first two arguments fail. The third argument is far more promising, but the plaintiffs' presentation is so weak that it does not move the needle, or even raise a dispute of fact sufficient to defeat summary judgment.

A

If Llama could be used to generate significant portions of the plaintiffs' books—or text so similar to their books as to be infringing in its own right—that would threaten the market for the books because people would read those outputs instead. But that theory of harm is not viable in this particular case because, as discussed above, Llama does not allow users to generate any meaningful portion of the plaintiffs' books. Neither party's expert opined that Llama was able to regurgitate more than 50 words from any of the plaintiffs' books, even in response to "adversarial" prompting designed specifically to make LLMs regurgitate. And the plaintiffs' expert conceded that Llama would not generate "any significant percentage" of their books. In Google Books, by way of comparison, the Second Circuit held that the secondary use did "not threaten the rights holders with any significant harm to the value of their copyrights or diminish their harvest of copyright revenue" despite allowing users to see snippets adding up to as much as 16% of a book.[11] 804 F.3d at 224. Llama's ability to regurgitate miniscule portions of the plaintiffs' books if manipulated into doing so does not threaten to have a "meaningful or significant effect 'upon the potential market for or value of' " the plaintiffs' books. Id. (quoting 17 U.S.C. § 107(4)).

B

The plaintiffs' primary theory of market harm is that Meta's unauthorized use of their books for LLM training harms the market for licensing their books for that purpose. The plaintiffs devote nearly all of their discussion of the fourth factor to this theory. The parties therefore go back and forth at length about whether a market for licensing general trade books exists or is likely to develop.

But whether such a market exists or is likely to develop is irrelevant, because this market is not one that the plaintiffs are legally entitled to monopolize. In every fair use case, the "plaintiff suffers a loss of a potential market if that potential [market] is defined as the theoretical market for licensing" the use at issue in the case. *Tresóna Multimedia, LLC v. Burbank High School Vocal Music Association*, 953 F.3d 638, 652 (9th Cir. 2020)). Therefore, to prevent the fourth factor analysis from becoming circular and favoring the rightsholder in every case, harm from the loss of fees paid to license a work for a transformative purpose is not cognizable. Id.; *Bill Graham Archives v. Dorling Kindersley Ltd.,* 448 F.3d 605, 614–15 (2d Cir. 2006); see also *Oracle*, 593 U.S. at 38, 141 S.Ct. 1183 ("cautioning against the 'danger of circularity'".

C

The third way that using copyrighted books to train an LLM might harm the market for those works is by helping to enable the rapid generation of countless works that compete with the originals, even if those works aren't themselves infringing. Assume for this discussion that people can (or will soon be able to) use LLMs to generate massive amounts of text in significantly less time than it would take to write that text, and using a fraction of the creativity. People could thus use LLMs to create books and then sell them, competing with books written by human authors for sales and attention. Indeed, to some extent, this appears to be occurring already —one expert for the plaintiffs briefly discusses reports of AI-generated books "flooding Amazon." People might even be motivated to make those books available for free, given how easily it will presumably be to prompt an LLM to create them. Harm from this form of competition is the harm of market dilution. Or as one commentator describes it, the harm of "indirect" substitution, rather than "direct" substitution (which would be the first form of harm described). See Matthew Sag, *Fairness and Fair Use in Generative AI*, 92 Fordham Law Review 1887, 1916–20 (2024).

Of course, not all copyrighted works would have their markets diluted equally by AI-generated competitors. It seems unlikely, for instance, that AI-generated books would meaningfully siphon sales away from well-known authors who sell books to people looking for books by those particular authors. But it's easy to imagine that AI-generated books could successfully crowd out lesser-known works or works by up-and-coming authors. While AI-generated books probably wouldn't have much of an effect on the market for the works of Agatha Christie, they could very well prevent the next Agatha Christie from getting noticed or selling enough books to keep writing.[12]

Footnote 12: To be clear, the point is not that authors are entitled to more or less copyright protection based on how famous or popular they are. Cf. *Warhol*, 598 U.S. at 544 & n.19. The point is that different works may have different markets that will be affected differently by floods of AI-generated competitors.

This effect also seems likely to be more pronounced with respect to certain types of works. For instance, an AI model that can generate high-quality images at will might be expected to greatly affect the market for such images, diminishing the incentive for humans to create them. An LLM that could generate accurate information about current events might be expected to greatly harm the print news market. The market for certain nonfiction works—for example, books about how to take care of your garden—could be greatly diminished by the ability of LLMs to produce books on that topic. For fiction works, it might be more dependent on the author or the genre in which that author operates.

The difference might be in part because some works are relatively functional and generally less dependent on the author's creativity. When picking a news article, readers want something that will tell them about a current (or past) event clearly, accurately, and concisely. When picking a novel, by contrast, readers may care about a much longer list of characteristics. They may care, for instance, about tone, thematic depth, writing style, plot, or characters; they may want a book that contains a number of plot twists or depicts a certain type of character development. These elements of a novel depend greatly on the creativity of the author. While a news article is also a product of its author's creativity (especially with respect to things like structure and diction), there are many more creative choices in the average novel than the average news article, and those creative choices are more important to the average novel's quality. Relatedly, one could imagine people caring more about whether a novel is AI-generated (as opposed to the product of human creativity) than whether a news article is AI-generated.[13]

Footnote 13: This is not to suggest that news articles or other works that may be less dependent on their author's creativity are thus less deserving of protection, or that it would therefore be more appropriate to use those works to train an LLM. To the contrary, as noted with respect to the second factor, nonfiction works are still protected by copyright because the law protects their authors' choices as to how to express facts. See *Google Books*, 804 F.3d at 220.

It also should be noted that, when considering market dilution, the proper comparison isn't to a world with no LLMs, but to a world where LLMs weren't trained on copyrighted books. Perhaps an LLM trained only on public domain works could still be capable of quickly generating large numbers of books that could compete for sales with copyrighted books. But there is plenty of evidence in the record that training on books substantially benefits LLMs' creativity and ability to generate long pieces of text. And because LLMs perform better the more text they are trained on, an LLM trained only on public domain books would presumably, all else equal, lag significantly behind a book trained also on copyrighted ones. So training an LLM on copyrighted books would seem, in most circumstances, to make that LLM better able to generate works that could dilute the market for the books in its training data.

Meta and its law professor amici, as well as the Matthew Sag article cited above, argue that market dilution does not count under the fourth factor. They argue that harm caused by an LLM's outputs is only relevant if the outputs are themselves infringing—that is, if the LLM regurgitates copyrighted material (or generates text that is substantially similar to copyrighted material). But that can't be right. To be sure, it would be easier to conclude that the market for copied books would be harmed by an LLM that is capable of regurgitating those books or generating substantially similar text. But less similar outputs, such as books on the same topics or in the same genres, can still compete for sales with the books in the training data. And by taking sales from those books, or by flooding stores and online marketplaces so that some of those books don't get noticed and purchased, those outputs would reduce the incentive for authors to create—the harm that copyright aims to prevent.

The Supreme Court has said that the "only harm" that matters under the fourth factor "is the harm of market substitution." *Campbell*, 510 U.S. at 593. But indirect substitution is still substitution: If someone bought a romance novel written by an LLM instead of a romance novel written by a human author, the LLM-generated novel is substituting for the human-written one. This is different from the (non-cognizable) harm caused by criticism or commentary, which can harm demand for an original work without serving as a replacement for it.

Relatedly, Meta argues that "legitimate" competition from noninfringing secondary works is not cognizable under the fourth factor. It cites the intermediate copying cases for this proposition. See *Sega*, 977 F.2d at 1523–24; *Connectix*, 203 F.3d at 607. But key to those cases' reasoning was the fact that the secondary users' competing products did not benefit from the creative expression in the works they copied. By contrast, as discussed, LLMs are better able to generate text (including competing works) because they are trained on the creative expression in copyrighted books. So this competition is not "legitimate" within the meaning of those cases.

It's true that, in many copyright cases, this concept of market dilution or indirect substitution is not particularly important. That's because, in a more typical case, an original work is being compared to a single secondary work. If the secondary work is somewhat similar, but not so similar as to effectively be a copy, it still might have a small indirect effect on the market for the original work. But that likely won't matter. Recall that the fourth factor looks to whether "conduct of the sort engaged in by the defendant" would have a "substantially adverse impact on the potential market for the original." *Campbell*, 510 U.S. at 590. The existence of some harm from indirect substitution isn't dispositive of the fourth factor or the fair use inquiry. Where, for instance, the first factor cuts in favor of the secondary user, the law might tolerate a little bit of competition. See *Google Books*, 804 F.3d at 224. In cases involving a single secondary work that's similar-but-not-too-similar, it's unlikely that harm from market dilution would be significant enough to matter. Even considering the effect of "widespread conduct of the sort engaged in by the defendant," *Oracle*, 593 U.S. at 38, creating one indirectly substitutional work at a time could only have so great an effect on the market for the original.

This case is different. This is not a case where an original work is being compared to one secondary work. Nor is this case like the previous fair use cases involving creation of a digital tool. In those cases, like *Google Books* and *Perfect 10*, the tool could at most be used to access part or all of the original works. This case, unlike any of those cases, involves a technology that can generate literally millions of secondary works, with a miniscule fraction of the time and creativity used to create the original works it was trained on. No other use—whether it's the creation of a single secondary work or the creation of other digital tools—has anything near the potential to flood the market with competing works the way that LLM training does. And so the concept of market dilution becomes highly relevant.

In arguing that this sort of harm doesn't count just because it's never made a difference in a case before, Meta makes the mistake the Supreme Court instructs parties and courts to avoid: robotically applying concepts from previous cases without stepping back to consider context. Fair use is meant to be a flexible doctrine that takes account of "significant changes in technology." *Oracle*, 593 U.S. at 19, 141 S.Ct. 1183 (quoting Sony, 464 U.S. at 430). Courts can't stick their heads in the sand to an obvious way that a new technology might severely harm the incentive to create, just because the issue has not come up before. Indeed, it seems likely that market dilution will often cause plaintiffs to decisively win the fourth factor—and thus win the fair use question overall—in cases like this.

But courts can't decide cases based on what they think will or should happen in other cases. They must decide cases based on the arguments presented and the evidence submitted by the parties. The question, then, is whether these particular thirteen plaintiffs in this particular case have presented enough evidence to win on this factor. Or, to put it more precisely given the procedural posture of this case, whether these plaintiffs have presented enough evidence to raise a genuine dispute of material fact sufficient to give the question of market dilution to a jury. The answer is no.

In their complaint, the plaintiffs asserted only two types of market harm—that users of Llama can reproduce text from their books, and that Meta's copying harmed the market for licensing copyrighted materials to companies for AI training. As for market dilution—the notion that allowing companies like Meta to copy their works to train products like Llama would inevitably cause the market for the plaintiffs' works to be flooded with similar works—the plaintiffs never so much as mentioned it in their complaint. Nor did they mention it in their own summary judgment motion.

Naturally, given the allegations in the complaint, Meta's cross-motion for summary judgment focused on defeating the first two theories. But Meta also noted in its motion that the plaintiffs hadn't presented any evidence that Meta's use of their books to train Llama had harmed book sales. And Meta presented its own expert testimony explaining that Llama 3's release did not have any discernible effect on the plaintiffs' sales (or those of other books in Llama's training data), at least in the period shortly after the release.

In opposition, the plaintiffs' primary response was that this was beside the point because of their first two theories. They did make fleeting reference to a report by one of their experts, who briefly discussed the concept of indirect substitution and mentioned articles discussing how AI-created books are starting to flood Amazon. But this discussion generates more questions than answers.

First, is Llama capable of generating such books? If it isn't currently, will it be capable of doing so in the near future? Presumably the answer is yes, but that's not a foregone conclusion. An LLM could, for instance, be configured to be unable to produce book-length or book-style outputs. So the fact that books are being created by some LLM does not automatically mean that Llama can create them or will be able to do so soon.

Second, what are these AI-generated books? Do they compete with Sarah Silverman's memoir? With plaintiff Matthew Klam's book of short stories? With Rachel Louise Snyder's nonfiction work on domestic violence? The plaintiffs provide no analysis of the markets for their books, no discussion of whether these markets are or could be affected by AI-generated books, and no explanation of whether the existing AI-generated books referenced in the expert report compete in these markets.

Third, what impact does this competition actually have on sales of the books it competes with? Does it drown out those books entirely? Does it just chisel at their sales at the margins? Or, as discussed above and seems likely, does it depend on the book—are readers of romance novels happy to buy AI-generated ones, while all the people who want to read Sarah Silverman's memoir still want to read it over AI-generated comic memoirs? Whatever the effects have been thus far, are they likely to increase in the future, as more and more AI-generated books are written, and as LLMs get better and better at writing human-like text?

Fourth, how does the threat to the market for the plaintiffs' books in a world where LLM developers can copy those books compare to the threat to the market for the plaintiffs' books in a world where the developers can't copy them? There is no hint of that in the briefs or evidence presented by the plaintiffs.

The analysis is complicated somewhat by the fact that fair use is an affirmative defense and that Meta moved for summary judgment on it. For those reasons, Meta had the burden of presenting evidence that its copying doesn't threaten to substantially harm the market for the plaintiffs' books. It didn't conclusively establish that its copying couldn't do so in the future—potentially because its copying did in fact make Llama better able to generate countless works that will dilute the market for the plaintiffs' books. But where a defendant introduces evidence of a lack of market harm, "and the plaintiff fails to introduce empirical evidence countering such a showing, the fourth factor should be weighed in the defendant's favor." Patry on Fair Use § 6:13. That is exactly what happened here. Meta introduced evidence that its copying hasn't caused market harm. The plaintiffs presented no empirical evidence to the contrary—no evidence that the copying has already caused market harm, and no evidence that the copying is likely to cause market harm in the future. All the plaintiffs presented is speculation, and

speculation is insufficient to raise a genuine issue of fact and defeat summary judgment.

The plaintiffs argue that they didn't need to present empirical evidence because market harm can be inferred. For this argument, they cite to Hachette, in which the Second Circuit inferred market harm—even though the plaintiffs had not provided "empirical data" showing any and the secondary user presented expert testimony that there was none—because it was "self-evident" that the secondary use would cause such harm if widespread. 115 F.4th at 192–93. In Hachette, the secondary user maintained a database that let internet users "download an identical copy of" the plaintiffs' books for free. Id. at 194. The secondary use therefore offered a directly "competing substitute" for the original books. Id. at 195.

While it made sense to infer market harm in Hachette, it doesn't make sense to do so here. First, the Supreme Court has stated that no "inference of market harm ... is applicable to a case involving something beyond mere duplication for commercial purposes." *Campbell*, 510 U.S. at 591. In Hachette, the secondary use was basically "mere duplication." Here, by contrast, Meta's use is highly transformative and has a purpose well beyond that. Second, unlike in Hachette, Meta's use does not let users access any significant portion of the plaintiffs' books, so it isn't self-evident that Meta's use would create harm via direct substitution. Nor is it self-evident that Llama will harm the book sale market by enabling users to create a flood of competing books. It's possible, even likely, that Llama will harm the book sale market. But to conclude that it will requires inferring that Llama (and not just any LLM) can be used to create such books, that it will be used to create such books, that consumers will purchase those books instead of books written by human authors, that consumers will buy those books instead of the plaintiffs' books in particular, and that Llama is meaningfully better at creating those books because it was trained on copyrighted material. In Hachette, on the other hand, the only necessary inference was that readers might choose to download the plaintiffs' books for free instead of paying for them—a much shorter (and more obvious) inferential leap.

On this record, then, Meta has defeated the plaintiffs' half-hearted argument that its copying causes or threatens significant market harm. That conclusion may be in significant tension with reality, but it's dictated by the choice the plaintiffs made to put forward two flawed theories of market harm while failing to present meaningful evidence on the effect of training LLMs like Llama with their books on the market for those books.[14]

Footnote 14: The plaintiffs also assert that the market for their works was harmed in the more narrow sense that, if Meta had not downloaded the books from a shadow library, it would have been required to buy the books. But as already discussed, even though that downloading is a separate use, it must be considered in light of its overall purpose. For instance, imagine a researcher who downloaded books from a shadow library in the process of writing an article on shadow libraries, and only did so for their research. That downloading would almost certainly be a fair use. Of course, in that example, the downloader has less ability to procure the books elsewhere than Meta did. But the point is that downloading from a shadow library, which the plaintiffs refer to as "unmitigated piracy," must be viewed in light of its ultimate end. Because Meta's purpose of LLM training is so

transformative, the plaintiffs needed to win decisively on the fourth factor. The loss of isolated sales to AI developers is not the kind of market harm that could tip the scales for the plaintiffs.

VII. CONCLUSION

Fair use is a fact-specific doctrine that requires case-by-case analysis that is sensitive to new technologies and their potential consequences. No previous case has involved a use that is both as transformative and as capable of diluting the market for the original works as LLM training is. So no previous case answers the question whether Meta's copying was fair use. That question must be answered by flexibly applying the fair use factors and considering Meta's copying in light of the purpose of copyright and fair use: protecting the incentive to create by preventing copiers from creating works that substitute for the originals in the marketplace.

In cases involving uses like Meta's, it seems like the plaintiffs will often win, at least where those cases have better-developed records on the market effects of the defendant's use. No matter how transformative LLM training may be, it's hard to imagine that it can be fair use to use copyrighted books to develop a tool to make billions or trillions of dollars while enabling the creation of a potentially endless stream of competing works that could significantly harm the market for those books. And some cases might present even stronger arguments against fair use. For instance, as discussed above, it seems that markets for certain types of works (like news articles) might be even more vulnerable to indirect competition from AI outputs. On the other hand, though, tweak some facts and defendants might win. For example, using copyrighted books to train an LLM for nonprofit purposes, like national security or medical research, might be fair use even in the face of some amount of market dilution. See *Oracle*, 593 U.S. at 32 ("[A] finding that copying was not commercial in nature tips the scales in favor of fair use."). Or plaintiffs whose works are unlikely to face meaningful competition from AI-generated ones may be unable to defeat a fair use defense.

In this case, because Meta's use of the works of these thirteen authors is highly transformative, the plaintiffs needed to win decisively on the fourth factor to win on fair use. See, e.g., *Perfect 10*, 508 F.3d at 1168 (fair use where secondary use was "significant[ly] transformative" and fourth factor "favor[ed] neither party"). And to stave off summary judgment, they needed to create a genuine issue of material fact as to that factor. Because the issue of market dilution is so important in this context, had the plaintiffs presented any evidence that a jury could use to find in their favor on the issue, factor four would have needed to go to a jury. Or perhaps the plaintiffs could even have made a strong enough showing to win on the fair use issue at summary judgment. But the plaintiffs presented no meaningful evidence on market dilution at all. Absent such evidence and in light of Meta's evidence, the fourth factor can only favor Meta. Therefore, on this record, Meta is entitled to summary judgment on its fair use defense to the claim that copying these plaintiffs' books for use as LLM training data was infringement.

IT IS SO ORDERED.

Notes and questions

(1) The only authority Judge Chhabria cites for treating non-infringing competition ("market dilution") as a cognizable harm under the fourth fair use factor is Matthew Sag, *Fairness and Fair Use*, but although that article articulates a framework for that kind of analysis, it also notes several reasons why courts might not want to go in that direction:

> However, the difficulty with such an argument is that it tends to blur the line between copyright and unfair competition. Copyright law not only allows competition based on the ideas and unprotectable elements in a work; copyright law encourages it. In general, to say that an aspect of a work is uncopyrightable is to say that it should be the subject of free competition.

(2) The USCO made a similar market dilution argument in *Copyright and Artificial Intelligence, Part 3: Generative AI Training*, the pre-publication version of 9 May 2025, which as of September 2026 was still the only version the Office had released: "Even where a model's outputs are not substantially similar to any specific copyrighted work, they can dilute the market for works similar to those found in its training data, including by generating material stylistically similar to those works." P. 73. Why didn't Judge Chhabria cite the Copyright Office report?

(3) Despite his misgivings, Judge Chhabria ruled in favor of Meta on summary judgement after chastening the plaintiffs' lawyers for not providing evidence of market dilution. Is it right to blame the lawyers for failing to find concrete and particularized evidence of market dilution, or should this have been a hint that such fears are more conjecture than reality?

(4) How is the harm Judge Chhabria predicts different to or similar to harms that courts have recognized in past fair use cases? Do you agree with Judge Alsup in the *Anthropic* case, who said that complaining of competition from works that did not contain an author's original expression was "no different" to complaining "that training schoolchildren to write well would result in an explosion of competing works. This is not the kind of competitive or creative displacement that concerns the Copyright Act. The Act seeks to advance original works of authorship, not to protect authors against competition." Or do you think that Judge Chhabria is right to worry about AI competition as a threat to authorship?

(5) The nonexpressive use framing is not universally accepted, and now is the time to weigh the objections against the cases you have read. David Opderbeck argues that the holdings of the nonexpressive use cases do not generalize in the way this textbook suggests: "It is not so clear, however, whether existing doctrine says anything so broad about bulk non-expressive uses." Do *Bartz* and *Kadrey* bear that out? Both judges reached for the nonexpressive use idea without much hesitation, but neither had to decide whether it generalizes beyond training.

(6) Responding to Sag's *Copyright and Copy-Reliant Technology*, James Grimmelmann argues in *Copyright for Literate Robots* that broadly applying a principle of nonexpressive use would privilege robotic readers over human ones. He concedes the value of digital humanities research but cautions that "not all robotic reading is so benign, and the logic of nonexpressive use encourages the circulation of copyrighted works in an underground robotic economy." The shadow library material in the next section is that worry made

concrete. Does Judge Alsup's treatment of Anthropic's pirated library answer Grimmelmann, or confirm him?

(7) In *Copyright and the Training of Human Authors and Generative Machines*, Robert Brauneis argues that robot readers should not be able to learn for free when human authors pay, directly or indirectly, for access to copyrighted works. That is close to the argument Judge Chhabria found attractive and Judge Alsup rejected. Which of them has the better of it, and does your answer depend on whether the books were bought or pirated?

(8) Benjamin Sobel, in *Artificial Intelligence's Fair Use Crisis*, questions whether the nonexpressive use rationale should apply to "digital artifacts that are broadly equivalent to copyrightable human expression." Sag answers in *Copyright Safety for Generative AI* that a model's creation of pseudo-expression does not affect its nonexpressive use status: a use is nonexpressive when it is an intermediary step in a technical process that does not convey pre-existing expression to a new public. Notice that both *Bartz* and *Kadrey* proceed on the assumption that no output infringed. Sobel's objection is about the cases where that assumption fails. How much of the reasoning in these two decisions survives if it does?

Thomson Reuters Enterprise Centre GmbH v. ROSS Intelligence, Inc., No. 25-2153 (3d Cir. Sept. 29, 2026)

MONTGOMERY-REEVES, Circuit Judge.

Artificial intelligence ("AI") is a powerful machine learning technology that is poised to impact many facets of American life, including how we work, how we make art, and, critically for this case, how we study the law. In this case, the veteran creator of a legal staple, Thomson Reuters Enterprise Center GmbH ("Thomson Reuters"), charges a new competitor with copying its editorial materials to train an AI platform. The newcomer, ROSS Intelligence, Inc. ("ROSS"), counters that Thomson Reuters seeks to squelch innovative AI technology. But new technology is often at the forefront of our copyright cases. And when it is, we regularly apply the principles underlying our venerable copyright laws. Stripped to its essence, this interlocutory appeal asks us to do just that.

Under ROSS's framing, this case appears to concern the future of AI legal technology. But appearances can be deceiving. In truth, this is no more than an ordinary copyright case; we must determine whether Thomson Reuters's materials are sufficiently original for copyright protection and whether ROSS's use of those materials was fair. The undisputed evidence reflects that Thomson Reuters's materials possess a creative spark, and ROSS aspired to be a direct competitor by using them for a highly similar purpose. We therefore hold that Thomson Reuters's materials are copyrightable and that ROSS's use was not fair. Thus, we will affirm the District Court's order granting Thomson Reuters partial summary judgment.

I. FACTS & PROCEDURAL HISTORY

Thomson Reuters created Westlaw, an online legal-research platform that collects, organizes, annotates, and publishes legal content such as judicial opinions. Westlaw organizes judicial opinions using its topic and Key Number System, which indexes opinions based on the legal topics addressed therein. These topics are connected to

and expressed in headnotes. Headnotes are annotations on opinions that explain "what the law is in the abstract or the result which it compels on the facts of the case." In Westlaw's user interface, the headnotes sit above the opinion, and clicking on a headnote takes the Westlaw user to the corresponding passage of the opinion upon which the headnote is based. Headnotes reflect a point of law made in the judicial opinion and are "distinguished from statements of fact and from statements explaining the reasoning supporting the point of law."

Thomson Reuters owns a registered copyright in Westlaw and its content, including the Key Number System, headnotes, and synopses at the beginning of opinions. Thomson Reuters disclaims any copyright in "any part of the original work prepared by a United States Government officer or employee as part of that person's official duties," such as the opinions underlying the headnotes. Thomson Reuters also used its headnotes to train other Westlaw products like WestSearch Plus, an AI powered search function.

But Westlaw has competitors in the legal-research industry, including ROSS. ROSS was founded by three University of Toronto computer science students who entered an IBM competition, in which competing teams used IBM's Watson computer to solve a data-related problem in the team's chosen industry. The trio's idea was to use Watson to train a computer program to answer legal research questions without using traditional Boolean or keyword searches. After this competition, the students founded ROSS to expand their idea and build an AI legal-research platform.[1]

Footnote 1: AI here refers to machine learning technology in which a software program analyzes data to learn how to perform a task. The program is given data which contains examples of inputs paired with outputs. By analyzing enough data, the program can improve its performance, effectively learning to recognize patterns regarding which outputs are responsive to which inputs.

ROSS then created an AI legal search engine that would respond to plain-language legal questions with relevant passages of text from judicial opinions. ROSS had access to a bank of approximately ten million uncopyrighted judicial opinions from which it could respond with an excerpt relevant to a user's query. ROSS's AI was not a generative AI, meaning it would not create any new expression; it would only return text passages from preexisting judicial opinions.

For ROSS's AI legal search engine to work, the AI program had to learn what made a judicial opinion responsive to a user's legal question. To train its AI program to do so, ROSS enlisted a company called LegalEase Solutions ("LegalEase") to create AI training memoranda. LegalEase wrote approximately 25,000 legal memos, each of which presented a legal question and four to six judicial opinion passages in response. Memo-drafters for LegalEase, and its subcontractor Morae Global, used thousands of Westlaw headnotes to create the memos' legal questions, as the headnotes provided "an easy way [to] fram[e] questions." The memos' responses to the legal questions needed to include at least one great, good, topical, and irrelevant judicial opinion passage, labeled as such. A great passage was completely responsive; a good passage was mostly responsive; a topical passage was somewhat responsive; and an irrelevant passage was not responsive. The "[g]reat" passages were "[m]ost frequently" the judicial opinion passages that

Westlaw linked to the headnote that ROSS used as the memo's legal question. [For purposes of this appeal, ROSS is not challenging that its subcontractors' actions are attributable to ROSS or that they copied Westlaw headnotes.] These memos were then converted into a machine-readable format and used to train the ROSS AI program to identify patterns regarding which judicial opinion passages respond well to legal questions.

ROSS did not hide its intention that this for-profit AI platform compete with Westlaw. ROSS ran ads directly comparing its platform to Westlaw at prices "in line with" Westlaw. ROSS executives hoped ROSS would serve as a substitute for Westlaw, and some law firms switched from using Westlaw to ROSS.

Upon learning of ROSS's actions, Thomson Reuters sued ROSS, alleging copyright infringement and tortious interference with contract. The District Court ultimately granted partial summary judgment for Thomson Reuters, holding as a matter of law that ROSS's use of 2,243 Westlaw headnotes[3] infringed Thomson Reuters's copyright and was not fair use. Then, at the parties' request, the District Court certified for interlocutory review "(1) whether the West headnotes and the West Key Number System[4] are original as a matter of law and (2) whether ROSS's alleged use of the headnotes was fair use."

Footnote 3: An expert for ROSS stated that the memo questions corresponding to a batch of 2,830 headnotes closely resembled the headnote text but differed significantly from the underlying judicial opinions' text. The District Court scrutinized this batch, comparing the headnotes to the memo questions and the opinions. The District Court concluded that for 2,243 headnotes, the memo questions were so similar to the headnote text but so dissimilar to the opinion text that no reasonable juror could conclude these headnotes were not copied.

Footnote 4: ROSS never challenged the originality of the Key Number System in any of its briefing, despite its inclusion in the certified questions. We do not address that forfeited issue.

ANALYSIS

[In Part III.A the court held that the 2,243 headnotes were original. For each one, Westlaw's editors decided which points of law were important enough to include and how to word them, which is enough for *Feist*'s "creative spark." The court rejected ROSS's three counters: that a copyright in headnotes would give Thomson Reuters a monopoly over the law (headnotes are not law; judicial opinions remain free to all), that the merger doctrine applies (there are many ways to express a point of law), and that *Matthew Bender & Co. v. West Publishing Co.*, 158 F.3d 674 (2d Cir. 1998), points the other way (that case concerned party names and parallel citations dictated by industry convention, and itself described headnotes as "independently composed"). In a footnote the court declined to reach the district court's suggestion that even a headnote quoting an opinion verbatim could be original, because summary judgment had been granted only as to headnotes that do not copy the opinion's text. The originality holding is discussed in Chapter 2.]

B. Fair Use

We turn next to ROSS's purported fair-use defense. "[T]he fair use of a copyrighted work . . . is not an infringement of copyright." 17 U.S.C. § 107. Fair use is an equitable doctrine that "permits courts to avoid rigid application of the copyright

statute when, on occasion, it would stifle the very creativity which that law is designed to foster." Andy Warhol, 598 U.S. at 527 (quoting Steward v. Abend, 495 U.S. 207, 236 (1990)). "Fair use is a mixed question of law and fact." Harper & Row, 471 U.S. at 560. But where there are undisputed facts "sufficient to evaluate each of the statutory factors," the Court "may conclude as a matter of law that the challenged use does not qualify as a fair use." Id. (citation modified).

As the proponent of this affirmative defense, ROSS bears the burden of demonstrating its copying was justified. See Andy Warhol, 598 U.S. at 547 n.21; UpCodes, 172 F.4th at 261. We address each factor in turn.

Purpose and Character of the Use

The first factor examines the "purpose and character" of ROSS's use. 17 U.S.C. § 107(1); Andy Warhol, 598 U.S. at 532–33. To assess this factor, we first consider whether "a use is commercial as opposed to nonprofit" because a commercial use weighs against a finding of fair use. Andy Warhol, 598 U.S. at 531; see also UpCodes, 172 F.4th at 265 ("If a new work is used commercially rather than for a nonprofit purpose, its use will less likely qualify as fair."). Next, we consider how transformative the copier's use is—that is, "whether the new work merely supersedes the objects of the original creation . . . or instead adds something new, with a further purpose or different character." Andy Warhol, 598 U.S. at 528 (citation modified) (quoting Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569, 579 (1994)). The "lodestar" of this inquiry is whether the copier maintains a "distinctive purpose" for its use. 4 Nimmer on Copyright § 13F.10[G][2][a][i] (2026); see also Andy Warhol, 598 U.S. at 531 ("[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."). And, because uncovering the differences between an originator's and a copier's purposes is "a matter of degree," we ask "whether and to what extent the use at issue has a purpose or character different from the original." Andy Warhol, 598 U.S. at 528–29 (citation modified). "The larger the difference," the Supreme Court has said, "the more likely the first factor weighs in favor of fair use." Id. at 529.

In sum, we must balance "the degree of difference [in purpose] . . . against the commercial nature of the use." Id. at 532. And 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." Id. at 532–33.

We start with whether ROSS's use of Thomson Reuters's headnotes is commercial. ROSS aimed to create a legal-research platform charging comparable prices to Westlaw to compete with Westlaw for customers. So ROSS's use is commercial.

But because commercialism is not "dispositive" of fair use, id. at 531, we must ask whether ROSS's use of Thomson Reuters's headnotes is transformative—that is "whether and to what extent" ROSS's use of the headnotes "has a purpose or character different from" Thomson Reuters's use. Id. at 529 (emphasis in original) (quoting Campbell, 510 U.S. at 579). Thomson Reuters uses its headnotes to help legal researchers find and understand judicial opinions containing points of law

related to their searches. ROSS uses Thomson Reuters's headnotes to create a legal-research platform to help users find judicial opinion passages responsive to their searches. True, ROSS did not use the headnotes in precisely the same fashion as Thomson Reuters. ROSS took an intermediate step of using the headnotes to train an AI program, which arguably presents a slight degree of difference in use. But the undisputed evidence demonstrates that ROSS used the headnotes to train an AI program for the benefit of its legal-research platform. So both Thomson Reuters and ROSS use the headnotes to create and optimize a legal-research platform that helps users find responsive legal material. Thus, ROSS's use of the headnotes shares the same ultimate purpose as Thomson Reuters's use, making ROSS's use minimally transformative, at best.[7]

Footnote 7: We note that the United States Department of Justice ("DOJ") filed a statement of interest relating to generative AI in a pending case in the Southern District of New York. Statement of Interest of the United States, In re: OpenAI, Inc. Copyright Infringement Litig., No. 1:25-md-3143 (S.D.N.Y. Sept. 1, 2026) (hereinafter "DOJ Statement __"). The concerns raised in that separate case do not apply here. The DOJ relied on Bartz v. Anthropic PBC, 787 F. Supp. 3d 1007, 1014 (N.D. Cal. 2025) to contend that training an AI large language model, which can "generate original responses," is a transformative use. DOJ Statement at 10; see also Kadrey v. Meta Platforms, Inc., 788 F. Supp. 3d 1026, 1034 (N.D. Cal. 2025) (exploring whether generative AI programs transformatively use training materials). Unlike the AI models in Bartz and In re: OpenAI, ROSS's AI platform cannot generate original expression, and the evidence here supports the opposite conclusion about transformativeness. The DOJ also argued that the large language model training in OpenAI did not result in "substitutive competition." DOJ Statement at 13 (citation modified). Here, ROSS trained its AI for the purpose of creating a commercial substitute for Westlaw. In any event, the DOJ's filing in In re: OpenAI demonstrates that the DOJ is tracking these issues and knows how to assert its interests, but the DOJ notably did not do so here.

Given that ROSS's use was highly commercial and minimally transformative, we conclude that the first factor weighs against fair use.

ROSS offers two arguments to support the opposite conclusion. Neither convinces. First, ROSS argues that Authors Guild v. Google, Inc., 804 F.3d 202 (2d Cir. 2015), dictates a different conclusion. There, the Second Circuit held that Google's scanning of entire books had the "highly transformative purpose" of creating a feature to search for and read small snippets of books that matched their search terms. Id. at 216–17; see also Authors Guild, Inc. v. HathiTrust, 755 F.3d 87, 97 (2d Cir. 2014) (holding similar use was fair where there was no snippet feature and the use was noncommercial). Deciding a dispute that "test[ed] the boundaries of fair use," the court held that the search feature served a completely different function that was highly transformative of the original work. Authors Guild, 804 F.3d at 206, 216–17. The purpose of the original books was to be read while the purpose of the search function was to enable users to find "books containing a term of interest to the searcher." Id. at 216.

No such transformative purpose is present here. Instead, ROSS's platform uses Thomson Reuters's headnotes to help users find judicial opinions related to their legal research inquiries, something Thomson Reuters already does with its headnotes. Also favoring fair use in Authors Guild was that Google's search feature may have driven users toward a book the users would then purchase from the

original author. Id. at 217–18. Not so here. ROSS's use does not lead a user to Westlaw; instead, as ROSS admits, it aims to replace Westlaw.

Second, ROSS argues that three "intermediate copying" cases, one from the Supreme Court and two from the Ninth Circuit, dictate a different conclusion. In a recent case, the Supreme Court held that Google could copy a portion of Oracle's Java computer programming language to enable users to create applications using Java code on Android phones. Google LLC v. Oracle Am., Inc., 593 U.S. 1, 6–7 (2021). The Ninth Circuit concluded similarly in earlier cases. It held that a video game developer could copy Sega's computer program code to create video games that could be played on Sega's gaming system. Sega Enters. Ltd. v. Accolade, Inc., 977 F.2d 1510, 1514 (9th Cir. 1992). Another panel similarly held that Connectix could copy Sony's computer program code to create a product that made Sony video games playable on personal computers. Sony Comput. Ent., Inc. v. Connectix Corp., 203 F.3d 596, 599, 606–08 (9th Cir. 2000).

In each of these cases, computer code was copied to enable users to make their software operable with an existing computer system. These uses were transformative because, in each case, copying was necessary to access the unprotected functional aspects of computer code. See Oracle, 593 U.S. at 30–31 (stating that Google copied Oracle API "only insofar as needed" and explaining that "shared interfaces are necessary for different programs to speak to each other"); Sega, 977 F.2d at 1514 (noting that "no other means of access to the unprotected elements exists"); Connectix, 203 F.3d at 599 (holding that copying was "necessary to permit Connectix to make its non-infringing Virtual Game Station function with PlayStation games").[8] Here, ROSS does not need to copy Thomson Reuters's headnotes to access the underlying unprotected information. ROSS had access to the underlying judicial opinions and could freely copy them to make the memos needed to train its AI. It chose not to do so because copying the headnotes offered an "easy" way to create its training memos. Unlike necessity, ease is not a justification for copying. In sum, the first factor weighs against fair use.[9]

Footnote 8: Also critical to the outcome in Oracle was that the at-issue computer code was "declaring code," the use of which "is inherently bound together with uncopyrightable ideas" and that the value of Java as a program "lies in its efforts to encourage programmers to learn and to use that system." 593 U.S. at 28–29. By contrast, Thomson Reuters's headnotes do not derive value from others copying them.

Footnote 9: Courts have at times considered whether copying was done in good faith when evaluating the first factor. See Oracle, 593 U.S. at 32–33 (explaining the good faith consideration but expressing skepticism about whether good faith still plays any role in the fair use analysis). Here, the undisputed evidence reflects that ROSS at times acted in bad faith. See, e.g., App. 4969–76, 6443, 6449, 6454, 6495 (ROSS attempting to access Westlaw with law-firm investor credentials despite notice that doing so was prohibited by Westlaw's terms of service); App. 6491–93 (stating ROSS employee inquired about a Westlaw account under the guise of a solo practitioner); App. 6956 (stating ROSS employee used student account to access Westlaw, hiding his employment by a competitor). So to the extent good faith remains relevant, that consideration weighs against fair use.

Nature of the Copyrighted Work

The second factor evaluates the "nature" of the headnotes. 17 U.S.C. § 107(2). Under this factor we consider whether the work was published or unpublished when it was used and if the work, while creative enough for copyright protection, has factual or functional elements. Harper & Row, 471 U.S. at 563–64. More creative, less factual works are "closer to the core of intended copyright protection." Campbell, 510 U.S. at 586. This factor will generally weigh in favor of fair use when a work is primarily factual or functional. Oracle, 593 U.S. at 20, 28–29. But courts have noted that "[t]he second factor has rarely played a significant role in the" fair use determination. Authors Guild, 804 F.3d at 220. Here, Thomson Reuters published the headnotes before ROSS used them. And the headnotes are more factual than fictional because they must accurately convey the law and describe uncopyrightable judicial opinions. This factor thus favors fair use.

Amount and Substantiality of the Portion Used

For the third factor, we evaluate whether "the amount and substantiality of the portion used in relation to the copyrighted work as a whole" is "reasonable in relation to the purpose of the copying." Campbell, 510 U.S. at 586 (quoting 17 U.S.C. § 107(3)). This factor requires us to assess, quantitatively, how much of the copyrighted work was used and, qualitatively, whether the use took "the heart" of the work. Harper & Row, 471 U.S. at 565. In evaluating the third factor, we "recognize that the extent of permissible copying varies with the purpose and character of the use." Campbell, 510 U.S. at 586–87.

As to the amount and substantiality of the headnotes used, ROSS copied the entire text of the 25,000 Westlaw-written headnotes into its memos and used those to train its AI program. ROSS's purpose in copying the headnotes was highly similar to the headnotes' original purpose, and ROSS aimed to make a commercial substitute for Westlaw using Westlaw's work. ROSS thus lacked a transformative purpose and character that would make extensive copying reasonable. See Authors Guild, 804 F.3d at 221 (explaining that a transformative purpose allows more extensive copying than copying done to offer a competing substitute for the original).

ROSS responds that it took an insubstantial portion of Thomson Reuters's work—only 0.08% of Thomson Reuters's 28 million headnotes. But copying even an "insubstantial portion" of an original work is not fair if, qualitatively, an important part of the work is copied. Harper & Row, 471 U.S. at 564–65. "The crux of the inquiry is whether 'no more was taken than necessary'" to achieve the copier's purpose. HathiTrust, 755 F.3d at 98 (quoting Campbell, 510 U.S. at 589). The purpose behind ROSS's copying was minimally transformative, at best. Copying the headnotes was also not necessary to train ROSS's AI, as the underlying judicial opinions were freely available. So, ROSS took more than necessary when it copied these headnotes without a justifying transformative purpose.[10] Thus, the third factor weighs against fair use.

Footnote 10: Additionally, we affirm the District Court's holding that each individual headnote is a copyrightable work. Cf. Oracle, 593 U.S. at 33 (recognizing that taking one sentence from a book may seem insubstantial, unless that sentence itself constituted the entirety of a short story). So for each headnote taken, ROSS copied an entire work. Such extensive copying was not reasonable because it was not supported by a sufficiently transformative purpose.

Market Effect of the Use

The fourth factor concerns "the effect of the use upon the potential market for or value of the copyrighted work." 17 U.S.C. § 107(4). The "potential market" includes both the market for the original work and any market for derivative uses of the original work. Campbell, 510 U.S. at 590 (quoting 17 U.S.C. 107(4)). In this context, we will also consider any "public benefits the copying will likely produce." Oracle, 593 U.S. at 35. So to resolve this appeal, we consider harm to the original market, harm to the value of the copyrighted work, harm to the potential derivative market, and the alleged public benefits of the copying.

We begin with the original market. The parties dispute which is the relevant original market. ROSS argues that the relevant original market is the market for headnotes as a standalone product, which ROSS claims does not exist. Even assuming this is the relevant market, ROSS's argument ignores the effect of ROSS's use on the value of Thomson Reuters's headnotes. Our Court rejected a similar argument in Video Pipeline, Inc. v. Buena Vista Home Entertainment, Inc., 342 F.3d 191, 202 (3d Cir. 2003), abrogated in part on other grounds by TD Bank N.A., 928 F.3d at 278. There, a website that published trailers and clips of Disney movies argued that no market existed for movie trailers because no one "ever paid or will ever pay any money merely to see trailers." Id. at 202. We rejected that argument, stating that "[t]he [fair use] statute directs us to consider the effect of the use upon the . . . value of the copyrighted work, not only the effect upon the market, however narrowly that term is defined." Id. (emphasis in original) (citation modified). Video Pipeline's publishing of the trailers damaged the trailers' value in drawing users to Disney's website, where Disney could induce purchases or cross-market other products; it made no difference that no standalone trailer market existed. Id. The same is true here. While there may be no standalone market for headnotes, Thomson Reuters touts the headnotes as a feature to attract users to buy a Westlaw subscription. By copying the headnotes and using them to build its own competing legal-research platform, ROSS appropriated the headnotes' value for finding and analyzing judicial opinions and diminished their value as a draw for users to Thomson Reuters's legal-research platform. So, Video Pipeline supports the conclusion that ROSS's copying harmed the value of Thomson Reuters's headnotes.

Thomson Reuters argues that the legal-research platform market is the relevant original market. ROSS offers no convincing reason to ignore this market, so we consider it. The undisputed evidence here reveals that ROSS copied the headnotes to create a competing legal-research platform in the same market as Westlaw. "[U]nrestricted and widespread" copying of Thomson Reuters's headnotes to develop substitute legal-research tools, like ROSS did, would harm Westlaw's position in that original market. Andy Warhol, 598 U.S. at 524 n.3 (quoting Campbell, 510 U.S. at 590). ROSS offers no evidence to rebut the alleged harm in this market.

We turn now to potential derivative markets for Thomson Reuters's headnotes. The parties dispute the relevant potential derivative market. ROSS argues it did not harm any potential derivative market because no derivative market for headnotes

exists. Thomson Reuters argues that ROSS harmed its position in the potential derivative market for licensing headnotes as AI training data. "The market for potential derivative uses includes only those that creators of original works would in general develop or license others to develop." Campbell, 510 U.S. at 592. But a potential derivative market is not illusory just because an author "has evidenced little if any interest in exploiting this market for derivative works." Castle Rock Ent., Inc. v. Carol Publ'g Grp., Inc., 150 F.3d 132, 145–46 (2d Cir. 1998).

Here, the evidence shows that the market for licensing headnotes as text to train AI is rapidly developing. Additionally, Thomson Reuters presented evidence that it is using its headnotes as training data for its own AI search products. ROSS offers no evidence to disprove this. That Thomson Reuters did not license its headnotes to others does not disprove that a market exists to do so. Additionally, ROSS's copying harmed Thomson Reuters in this market. By copying the headnotes for use as training data without Thomson Reuters's authorization, ROSS usurped Thomson Reuters's opportunity to enter that derivative market and license its headnotes for that purpose. The market harm caused by ROSS's use weighs against fair use.

Finally, we consider whether the public benefits are "related to copyright's concern for the creative production of new expression" and how "comparatively important, or unimportant" the public benefits are "when compared with dollar amounts likely lost" due to copying. Oracle, 593 U.S. at 35–36. ROSS claims its copying will benefit the public by increasing access to the law. But the underlying judicial opinions are freely available, and ROSS's service was offered at prices comparable to Westlaw. So it is unclear how ROSS's copying would greatly increase public access to the law. ROSS also argues the District Court's decision will halt AI development. But ROSS presents no evidence to support that broad claim. Finally, ROSS argues that AI is critical for national security purposes so copyright should not impede ROSS's AI development. ROSS again presents no evidence connecting its legal-research platform to national security. Despite doing so in other circumstances, the DOJ has not raised national security concerns about the conduct in this case. While some AI technology may implicate national security concerns, this does not give ROSS carte blanche to violate copyright law merely because it incorporates AI. Thus, the fourth factor weighs against fair use.

In conclusion, the second factor weighs slightly in favor of fair use, but the first, third, and fourth factors weigh against it. Evaluating these factors together, and in light of copyright's purposes, we hold that ROSS's use was not fair. See UpCodes, 172 F.4th at 261 (exploring and weighing all factors "together, in light of the purposes of copyright") (quoting Murphy v. Millennium Radio Grp. LLC, 650 F.3d 295, 306 (3d Cir. 2011)).

Because Thomson Reuters's 2,243 headnotes are original enough for copyright protection and ROSS's use of the headnotes was not fair, we will AFFIRM.

Notes and questions

(1) **The same purpose.** The court holds that ROSS's use shares "the same ultimate purpose" as Thomson Reuters's because both use headnotes to build a legal-research platform, and treats the intermediate training step as "a slight degree of difference in use." In *Authors Guild v. Google* the Second Circuit found a transformative purpose because books are written to be read and Google's copies were made to be searched. Is the difference between the two cases the nature of the copying, or the fact that ROSS competed with Westlaw? Would *Google Books* have come out the same way if Google had sold its search tool in competition with publishers' own?

(2) **Necessity.** *Sega*, *Connectix* and *Oracle* are distinguished on the ground that copying there was "necessary to access the unprotected functional aspects of computer code," whereas ROSS could have built its memos from the freely available opinions and copied headnotes because it was "easy." Is this consistent with prior cases? copying there was "necessary to access the unprotected functional aspects of computer code," whereas ROSS could have built its memos from the freely available opinions and copied headnotes because it was "easy." Is necessity an element of nonexpressive use, or one consideration among several? The argument in the extract from *Fairness and Fair Use* at the start of this chapter does not turn on necessity. Should it?

(3) **Generative AI set to one side.** Footnote 7 says the concerns in the DOJ's statement of interest in *In re OpenAI* "do not apply here" because ROSS's system "cannot generate original expression." Does the ability to generate expression make training more transformative or less? Judge Alsup thought more (*Bartz*); Judge Chhabria worried that it makes the output a competitor (*Kadrey*). Where does the Third Circuit's reasoning leave a developer whose model both retrieves and writes?

market for licensing headnotes as AI training data, and in Thomson Reuters's own use of its headnotes to train its products. *Campbell* confines the derivative market to uses that creators "would in general develop or license others to develop." Does a licensing market for training data exist because developers are willing to pay for it, or only if the use would otherwise infringe? Recall the discussion of cognizable markets in Chapter 10, and ask whether the court's reasoning is circular.

of the headnotes even on the assumption that no one would buy a headnote. Every feature that draws customers to a product loses some of its value as a draw when it is copied. How far does that reasoning reach, and does it leave anything of the fourth factor's focus on substitution?

law-firm credentials, a pretended solo practice and a student account. *Oracle* doubted whether good faith "still plays any role" in fair use; the court counts it against ROSS anyway, "to the extent good faith remains relevant." Compare the treatment of pirated source copies in the shadow-library section later in this chapter. Is the objection to how the copy was obtained, or to what was done with it?

Lawful access and shadow libraries

In addition to the issues discussed above, the *Bartz* and *Kadrey* cases also diverged on the issue of "shadow libraries." It is widely assumed that all the main LLM developers have at

some point trained their models on works downloaded from sites of known infringement, or so-called shadow libraries, like Library Genesis and Sci-Hub. As you will see in the extract below, for Judge Alsup in *Bartz v. Anthropic*, downloading source copies from pirate sites was a wrong that couldn't be righted by a subsequent transformative use. In *Kadrey* Judge Chhabria, in contrast, looked at Meta's decision to collect training data from pirate sites as simply one step in a transformative process that he ultimately, if somewhat grudgingly, held was fair use:

> Because Meta's ultimate use of the plaintiffs' books was transformative, so too was Meta's downloading of those books. … [Even the unused] downloads the plaintiffs identify had the ultimate purpose of LLM training.

Judge Chhabria noted however that

> downloading copyrighted material from shadow libraries would be relevant if it benefitted those who created the libraries and thus supported and perpetuated their unauthorized copying and distribution of copyrighted works. … But the plaintiffs have not submitted any evidence about this.

The disagreement between the two judges will not reach the Ninth Circuit soon. *Bartz* settled, so Judge Alsup's rulings were never appealed, and on 8 July 2026 Judge Chhabria refused to certify an interlocutory appeal in *Kadrey*, so the question will not reach the Court of Appeals until final judgment. In the meantime the plaintiffs' remaining route against Meta is not the downloading itself but the *seeding* that accompanied it: the allegation that Meta, in torrenting the books, simultaneously distributed them to other users of the network. In March 2026 the court let the plaintiffs add a claim for contributory infringement on the same facts, alongside their direct distribution claim, and summary judgment briefing on these claims is due to begin in December 2026. That theory does not depend on characterizing the download as an input to a transformative use, which is what defeated the plaintiffs on the copying claim, and it is worth asking why it should make a difference.

Bartz v. Anthropic PBC, 2025 WL 1741691 (N.D. Cal. June 23, 2025) (second extract)

This extract should be read in conjunction with the previous extract of this case, focusing on whether LLM training is fair use. Even though Anthropic won on that issue, it did not fare so well on another issue.

> [Judge Alsup went into great detail on how Anthropic came to the decision to avail itself of pirated books and how the company used the books it collected. The highlights of that discussion were that Anthropic deliberately chose piracy over legitimate purchasing to avoid "legal/practice/business slog," systematically downloading over seven million pirated books from known illegal sources including Books3, LibGen, and PiLiMi between 2021-2022. Despite becoming concerned about legal risks, the company retained these pirated works and later spent millions purchasing physical books only to destructively scan them into digital copies, creating a massive "research library" designed to store everything "forever" for training AI models and other research purposes, with the ultimate goal of improving Claude's performance for paying customers. Judge Alsup also highlighted the contradiction in Anthropic's defense strategy—while arguing that

pirating millions of books was justified as "reasonably necessary" for AI training, the company had simultaneously resisted disclosure and even clawed back evidence showing which specific copies were actually used for training, forcing the court to hold these evidentiary deficiencies against Anthropic rather than the plaintiffs.]

ANALYSIS

Section 107 of the Copyright Act identifies four factors for determining whether a given use of a copyrighted work is a fair use … These factors presuppose a "use." So, at the threshold, a court must decide whether a "copyrighted [work] has been used in multiple ways," then evaluate each. *Warhol*, 598 U.S. at 533. Uses do not turn on "the subjective intent of the user" but on "an objective inquiry into what use was made, i.e., what the user d[id] with the original work." Id. at 544–45. A "use" should be construed narrowly enough to not "swallow" distinguishable infringing uses, much less categories of exclusive rights in toto. Sometimes, the challenged copying involves just one use: In *Perfect 10, Inc. v. Amazon.com, Inc.,* Google visited websites having full-sized images, made only reduced-sized copies, and incorporated those directly into its search engine — the sole use of the thumbnails being as "pointer[s]" to the images themselves. 508 F.3d 1146, 1157, 1160, 1165 (9th Cir. 2007). Sometimes, the copying involves many uses: In the *Google Books* cases, Google borrowed books from libraries, made both full-image and text-only copies, and incorporated different copies into different tools — one use being to reveal information "about those books," another use being to provide the books to print-disabled patrons, and still another being to back up the print books if lost. [Citing *Google Books* and *HathiTrust*]

Our parties debate an instructive decision. In *American Geophysical Union v. Texaco Inc.*, Texaco employees used scientific articles in a central library, used copies of them in personal desk libraries, and used selected copies again in the scientific laboratory — the first use paid for, the second infringing, and the third plausibly fair but in fact a rare occurrence.

Here, our parties contest what use or uses are at issue. Anthropic contends it copied Authors' books only for one use: Only to train LLMs. By contrast, Authors contend it did so for at least two uses: First to build a vast, central library of potentially useful content, and second to train specific LLMs using shifting sets and subsets of that content — over time selecting the more well-organized and well-expressed works for training. Authors also complain that the print-to-digital format change was itself an infringement not abridged as a fair use. Authors do not allege, however, that any LLM outputs infringing upon their works ever reached users of the public-facing Claude service.

This order addresses each of the four factors in turn, pointing out how each applies to the training copies and to the purchased and pirated library copies. It concludes with an integrated analysis.

1. The Purpose and Character of the Use.

… B. The Copies Used to Build a Central Library.

Recall that Anthropic purchased millions of print books for its central library and pirated millions of digital books for its central library, too. It used specific sets and subsets of books for training specific LLMs. And, it then retained all the copies in its central library for other uses that might arise even after deciding it would not use them to train any LLM (at all or ever again). Anthropic seems to believe that because some of the works it copied were sometimes used in training LLMs, Anthropic was entitled to take for free all the works in the world and keep them forever with no further accounting. There is no carveout, however, from the Copyright Act for AI companies.

Because the legal issues differ between the library copies Anthropic purchased and pirated, this order takes them in turn.

(i) The Purchased Library Copies Converted from Print to Digital.

Anthropic purchased millions of print copies to "build a research library". It destroyed each print copy while replacing it with a digital copy for use in its library (not for sharing nor sale outside the company). As to these copies, Authors do not complain that Anthropic failed to pay to acquire a library copy. Authors only complain that Anthropic changed each copy's format from print to digital. On the facts here, that format change itself added no new copies, eased storage and enabled searchability, and was not done for purposes trenching upon the copyright owner's rightful interests — it was transformative.

Anthropic purchased its print copies fair and square. With each purchase came entitlement for Anthropic to "dispose[ ]" each copy as it saw fit. 17 U.S.C. § 109(a). So, Anthropic was entitled to keep the copies in its central library for all the ordinary uses. Yes, Anthropic changed the format of these library copies from print to digital — giving rise to the issue here.

All agree on the facts of the format change. Anthropic "destructively scanned" the print copies to create the digital ones. Anthropic or its vendors stripped the bindings from the print books, cut the pages to workable dimensions, and scanned those pages — discarding each print copy while creating a digital one in its place. The digital copy was then housed in the "research library" or "generalized data area" in place of the print copy. Authors do not allege and our record does not show that Anthropic provided its converted digital copies of print books to anyone outside Anthropic.

The parties disagree about the legal consequences of the format change. Was scanning the print copies to create digital replacements transformative? Anthropic argues it was because it was reasonably necessary to training LLMs. Authors argue it was a distinguishable step requiring independent justification.

Here, for reasons narrower than Anthropic offers, the mere format change was a fair use.

Storage and searchability are not creative properties of the copyrighted work itself but physical properties of the frame around the work or informational properties about the work. See *Texaco*, 802 F. Supp. at 14 (physical), aff'd, 60 F.3d at 919; *Google*, 804 F.3d at 225 (informational); *Sony Corp. of Am. v. Universal City*

Studios, Inc. ("Sony Betamax"), 464 U.S. 417, 447 (1984) (rightful interests). In *Texaco*, the court reasoned that if a purchased scientific journal article had been copied "onto microfilm to conserve space, this might [have been] a persuasive transformative use." 802 F. Supp. at 14, aff'd, 60 F.3d at 919 (reducing "bulk" "might suffice to tilt the first fair use factor in favor of Texaco if these purposes were dominant"). In *Google Books*, the court reasoned that a print-to-digital change to expose information about the work was transformative. *Google*, 804 F.3d at 225. And, in *Sony Betamax*, the Supreme Court held that making a recording of a television show in order to instead watch it at a later time was copying but did not usurp any rightful interest of the copyright owner. 464 U.S. at 447. Important to the Supreme Court's reasoning was the expectation that most such copiers would not distribute the permanent copies of the work. Finally, in *A&M Records, Inc. v. Napster, Inc.*, our court of appeals recognized the reasoning just explained, and therefore rejected by contrast a digitization effort that was touted as space-shifting but in fact resulted in the multiplication of copies shared with outsiders through a file-sharing service.

Here, every purchased print copy was copied in order to save storage space and to enable searchability as a digital copy. The print original was destroyed. One replaced the other. And, there is no evidence that the new, digital copy was shown, shared, or sold outside the company. This use was even more clearly transformative than those in Texaco, Google, and Sony Betamax (where the number of copies went up by at least one), and, of course, more transformative than those uses rejected in Napster (where the number went up by "millions" of copies shared for free with others).

Yes, Anthropic is a commercial outfit. And, this order takes for granted that Anthropic in fact benefited from the print-to-digital format change — or it would not have gone to all the trouble. But the crux of the first fair use factor's concern for "commercial" use is in protecting the copyright owners and their entitlements to exploit their copyright as they see fit (or not). See, e.g., *Harper & Row, Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 562 (1985). That the accused is a commercial entity is indicative, not dispositive. That the accused stands to benefit is likewise indicative. But what matters most is whether the format change exploits anything the Copyright Act reserves to the copyright owner. Anthropic already had purchased permanent library copies (print ones). It did not create new copies to share or sell outside.

Yes, Authors also might have wished to charge Anthropic more for digital than for print copies. And, this order takes for granted that Authors could have succeeded if Anthropic had been barred from the format change. "But the Constitution's language [in Clause 8] nowhere suggests that [the copyright owner's] limited exclusive right should include a right to divide markets or a concomitant right to charge different purchasers different prices for the same book, [merely] say to increase or to maximize gain." See *Kirtsaeng v. John Wiley & Sons, Inc.*, 568 U.S. 519, 552 (2013). Nor does the Copyright Act itself. Section 106 sets out exclusive rights that fair uses under Section 107 abridge. Section 106(1) reserves to the copyright owner the right to make reproductions. But on our facts we face the

unusual situation where one copy entirely replaced the another. And, Section 106(2) reserves to the copyright owner the right to make derivative works that add or subtract creative material — as occurs in a "translation, musical arrangement, dramatization, fictionalization, motion picture version, sound recording, art reproduction, abridgment, [or] condensation" of a book, 17 U.S.C. § 101 (definitions). For some "other modification[ ]" of a book to constitute a "derivative work," it must itself "represent an original work of authorship." Ibid. But on our facts the format was changed but no content was added or subtracted. Section 106(3) further reserves to the copyright owner the right to distribute copies. But again, the replacement copy here was kept in the central library, not distributed.

As a result, Anthropic's format-change from print library copies to digital library copies was transformative under fair use factor one. Anthropic was entitled to retain a copy of these works in a print format. It retained them instead in a digital format, easing storage and searchability. And, the further copies made therefrom for purposes of training LLMs were themselves transformative for that further reason, as above.

To be clear, this print-to-digital conversion involved a different and narrower form of transformative use than the broader one advanced by Anthropic. Anthropic argues that the central library use was part and parcel of the LLM training use and therefore transformative. This order disagrees. However, this order holds that the mere conversion of a print book to a digital file to save space and enable searchability was transformative for that reason alone. Therefore, the digital copy should be treated just as if the purchased print copy had been placed in the central library.

In sum, the first fair use factor favors fair use for the digital library copies converted from purchased print library copies — but these do not excuse the pirated library copies.

(ii) The Pirated Library Copies.

Before buying books for its central library, Anthropic downloaded over seven million pirated copies of books, paid nothing, and kept these pirated copies in its library even after deciding it would not use them to train its AI (at all or ever again). Authors argue Anthropic should have paid for these pirated library copies. This order agrees.

The basic problem here was well-stated by Anthropic at oral argument: "You can't just bless yourself by saying I have a research purpose and, therefore, go and take any textbook you want. That would destroy the academic publishing market if that were the case". Of course, the person who purchases the textbook owes no further accounting for keeping the copy. But the person who copies the textbook from a pirate site has infringed already, full stop. This order further rejects Anthropic's assumption that the use of the copies for a central library can be excused as fair use merely because some will eventually be used to train LLMs.

This order doubts that any accused infringer could ever meet its burden of explaining why downloading source copies from pirate sites that it could have

purchased or otherwise accessed lawfully was itself reasonably necessary to any subsequent fair use. There is no decision holding or requiring that pirating a book that could have been bought at a bookstore was reasonably necessary to writing a book review, conducting research on facts in the book, or creating an LLM. Such piracy of otherwise available copies is inherently, irredeemably infringing even if the pirated copies are immediately used for the transformative use and immediately discarded.

But this order need not decide this case on that rule. Anthropic did not use these copies only for training its LLM. Indeed, it retained pirated copies even after deciding it would not use them or copies from them for training its LLMs ever again. They were acquired and retained, as a central library of all the books in the world.

Building a central library of works to be available for any number of further uses was itself the use for which Anthropic acquired these copies. One further use was making further copies for training LLMs. But not every book Anthropic pirated was used to train LLMs. And, every pirated library copy was retained even if it was determined it would not be so used. Pirating copies to build a research library without paying for it, and to retain copies should they prove useful for one thing or another, was its own use — and not a transformative one.

Anthropic's briefing contains other reasons why it believes its pirated library copies are irrelevant to our fair use analysis, notwithstanding its own statements at our oral argument.

First, Anthropic accepts in this posture that it acted in bad faith but argues that its bad faith in pirating copies cannot "somehow short-circuit" the fair use analysis (Reply 6 (downplaying *Atari Games Corp. v. Nintendo of Am., Inc.*, 975 F.2d 832, 843 (Fed. Cir. 1992) (applying law of Ninth Circuit))). But its bad faith is not the basis for this decision. Each use of a work must be analyzed objectively. *Warhol*, 598 U.S. at 544–45. The objective analysis here shows the initial copies were pirated to create a central, general-purpose library, as a substitute for paid copies to do the same thing. Of course, if infringement is found, bad faith would matter for determining willfulness.

Second, Anthropic argues that its goal to put the copies eventually "to a highly transformative use" requires that each copy and use along the way be justified as having a transformative use, too. But now Anthropic seeks to take the shortcut Anthropic just said cannot be taken. Again, the Supreme Court tasks us with looking past the "subjective *intent* of the user" to the objective *use* made of each copy. *Warhol*, 598 U.S. at 544–45 (emphasis added). Put another way, what a copyist says or thinks or feels matters only to the extent it shows what a copyist in fact does with the work. Indeed, the same copy can be used one way, then another, each with a different result. Id. at 533. Here, what Anthropic said about its acquisitions at the time — that they were made to "build[ ] a research library" while avoiding a "huge legal/practice/business slog" — are relevant in this regard. And, Anthropic's actual use of these pirated copies was to create its central library of texts that, like any university or corporate library, stored the works' well-organized

facts, analyses, and expressive examples for various contingent uses, one being training.[5]

Footnote 5: Our court of appeals has not yet reappraised how bad faith (or good faith) figures in fair use after Warhol. Its prior appraisal applied the Supreme Court's statement that "[f]air use presupposes good faith and fair dealing," *Harper & Row*, 471 U.S. at 562, 105 S.Ct. 2218 (cleaned up). See *Perfect 10*, 508 F.3d at 1164 n.8. Since then, the Supreme Court has renewed its "skepticism about whether bad faith has any role." *Oracle*, 593 U.S. at 32–33, 141 S.Ct. 1183 (reiterating doubts of *Campbell*, 510 U.S. at 585 n.18). And, recently, the Supreme Court has held squarely that it is not the "subjective intent" of a copyist that counts, but the "objective ... use" of the copy. *Warhol*, 598 U.S. at 544–45.

Third, Anthropic argues that *Texaco* — the case involving copies used in a central library, copies used in desk libraries, and copies used in the laboratory — is inapposite. Anthropic argues that the disputed copies in *Texaco* were never used in the laboratory but instead in personal desk libraries for a use "identical to the original purpose and use" of the central library copies, and so not for a transformative use. By contrast, says Anthropic, here it did use copies in the laboratory to train LLMs — a very transformative use. But this is a fast glide over thin ice. Like Texaco, Anthropic possessed copies it did not put into use in the laboratory and it kept those copies in a central library even after its transformative use had been completed. But, unlike Texaco, which bought those copies, Anthropic never paid for the central library copies stolen off the internet. Texaco also shows why Anthropic is wrong to suppose that so long as you create an exciting end product, every "back-end step, invisible to the public," is excused.

Notably, this is not a case where source copies were unavailable for separate purchase or loan. See, e.g., *NXIVM Corp. v. Ross Inst.*, 364 F.3d 471, 475–76, 478–79 (2d Cir. 2004) (using selections of training manual — otherwise available only to cult's trainees subject to NDAs — to expose cult in critical review); *Time Inc. v. Bernard Geis Assocs.*, 293 F. Supp. 130, 135–36, 138, 146 (S.D.N.Y. 1968) (making charcoal drawings of photographs taken of originals otherwise not on sale or loan out to illustrate a history book). Nor were the copies made only incidentally and necessarily from pirated copies. See, e.g., *Perfect 10*, 508 F.3d at 1164 n.8 (copies of images that had been pirated by third-party websites were used to index those same websites while indexing the entire web). Here, piracy was the point: To build a central library that one could have paid for, just as Anthropic later did, but without paying for it.

Nor were the initial copies made immediately transformed into a significantly altered form. In *Perfect 10*, images were copied by the search engine in thumbnail form only and deployed immediately into the transformative use of identifying the full-sized images and the pages from which they came. 508 F.3d at 1160, 1165, 1167. And, in *Kelly v. Arriba Software Corp.*, images were copied at full size and then into thumbnails for immediate use in building a search engine, after which the full-sized copies were immediately deleted. 336 F.3d 811, 815 (9th Cir. 2003). Not here. The full-text copies of books were downloaded and maintained "forever."

Nor does the initial copying here even resemble the full-text copying in the Google Books cases. There, libraries of authorized copies already had been assembled, and

all copies therefrom were made for direct employment in a one-to-one further fair use — whether the transformative use of pointing to the works themselves, the use of providing the works in formats for print-disabled patrons, or the use of insuring against going out of print, getting lost, and becoming otherwise unavailable. *HathiTrust*, 755 F.3d at 97, 101, 103; *Google*, 804 F.3d at 206, 216–18, 228 (further distinguishing search and snippet uses, which "test[ed] the boundaries of fair use"). Not so here concerning the pirated copies. No authorized copies existed from which Anthropic made its first copies. No full-text copy therefrom was put immediately into use training LLMs. Not every copy was even necessary nor used for training LLMs. No initial copy was ever deleted, even if never used or no longer used.[7]

Footnote 7: Training LLMs was not a use where perpetually maintaining a library copy was intrinsic to the proffered fair use (e.g., for a plagiarism-checker service). Nor is this an instance where retaining at least one copy was authorized by contract with the copyright owners (e.g., by agreement to express terms upon submission to a plagiarism-checker service, notwithstanding proposed terms scrawled on a paper prior to submission). *A.V. ex rel. Vanderhye v. iParadigms, LLC*, 562 F.3d 630, 635–36 & n.5, 645 n.8 (4th Cir. 2009), aff'g in relevant parts 544 F. Supp. 2d 473, 480 (E.D. Va. 2008) (Judge Claude Hilton). Anthropic mischaracterizes this case.

The university libraries and Google went to exceedingly great lengths to ensure that all copies were secured against unauthorized uses — both through technical measures and through legal agreements among all participants. Not so here. The library copies lacked internal controls limiting access and use.

Nor do the decisions on intermediate copying require anything less than the analysis applied here. Anthropic argues that our court of appeals in *Sega Enterprises Ltd. v. Accolade, Inc.* looked only at the "ultimate use" and "did not analyze a series of atomized acts of 'infringement' distinct from that overall purpose". To the contrary, the appeals court examined the initial, intermediate, and ultimate copies used by the copyist. The court explained that the copyist initially purchased commercially available copies of game cartridges and then made further copies necessarily and "solely in order to discover the functional requirements for compatibility." 977 F.2d 1510, 1522 (9th Cir. 1992). Thus, it reached only one result because on those facts there was only one "overall purpose" for the unauthorized copies. Indeed, the court reaffirmed prior caselaw holding that "intermediate copying of [a work] may infringe the exclusive rights granted to the copyright owner in [S]ection 106 of the Copyright Act regardless of whether the end product of the copying also infringes those rights." Id. at 1518–19.

Similarly, in *Sony Computer Entertainment, Inc. v. Connectix Corp.,* our appeals court applied the same law to similarly focused conduct. Another copyist allegedly had purchased an authorized copy and then made further copies solely and necessarily to reverse-engineer compatibility requirements. 203 F.3d 596, 601, 602 –03 (9th Cir. 2000).

Both *Sega* and *Sony* avoided imposing an "artificial hurdle" to fair use by generously construing the intermediate copying necessary to the fair use. As one example, Sega stated that an engineer should be permitted to reboot her computer while undertaking to reverse-engineer software loaded onto it — even if doing so creates another digital copy of the software and is not strictly necessary to reverse-

engineering. Id. at 605. But neither Sega nor Sony fathomed gifting an "artificial head start" to a fair user, either, by treating even the initial copy as an intermediate one.

And, yes, some courts have "not inquire[d]" into intermediate or initial copying at all (Reply 2 (citing *Campbell* as not inquiring into surplus copies in the studio)). But if a close reading of those cases reveals that in none of them was the legality of the initial or intermediate copying at issue, then it was not raised and not necessarily decided. It was expressly decided elsewhere: Our analysis must attend to different uses of different copies, and even to different uses of the same copies. *Warhol*, 598 U.S. at 533.

Finally, Anthropic argues that even if the initial copies served a different use than the intermediate and ultimate copies, it was not a use for which Anthropic necessarily would have needed to pay Authors for a copy. In theory, argues Anthropic, it could have done as Google did in *Google Books* — find an existing reference library willing to loan its copies for free as source copies. Or, in theory, it could have done as Anthropic did later — go buy used copies without having to pay Authors at all. See 17 U.S.C. § 109(a). But Anthropic did not do those things — instead it stole the works for its central library by downloading them from pirated libraries.

In sum, the first factor points against fair use for the central library copies made from pirated sources — and no damages from pirating copies could be undone by later paying for copies of the same works.

3. The Amount and Substantiality of the Portion Used.

B. The Copies Used to Build a Central Library.

But again, there was a separate use — a distinction that makes some difference as to whether the amount and substantiality of the copying was "reasonable in relation to the purpose of the copying" for the library copies. Campbell, 510 U.S. at 586.

(i) The Purchased Library Copies Converted from Print to Digital.

For the print library copies that Anthropic purchased and then converted into digital library copies, Anthropic already enjoyed entitlement to keep the copies in its library. The purpose of the copying was to keep them in its library but with more favorable storage and searchability properties. Copying the entire work was exactly what this purpose required. There was no surplus copying. The source copy was destroyed.

The third fair use factor favors fair use for the purchased library copies converted from print to digital.

(ii) The Pirated Library Copies.

For the pirated library copies, however, Anthropic lacked any entitlement to hold copies of the books at all. Its purpose, it says, was to train LLMs. But its objective conduct was to seek "all the books in the world" and then retain them even after deciding it would not make further copies from them for training — indicating there were other further uses. Against the purpose of acquiring all the books one could

on the chance some might prove useful for training LLMs and maybe other stuff too, almost any unauthorized copying would have been too much. Anthropic copied millions of books in toto, Authors' works among them.

The third factor points against fair use for the pirated library copies.

4. The Effect of the Use Upon the Market for or Value of the Copyrighted Work.

B. The Copies Used to Build A Central Library.

(i) The Purchased Library Copies Converted from Print to Digital.

For these copies, this order assumes Anthropic's format change from print to digital displaced purchases of new digital copies that Anthropic would have made directly from Authors (had it not been able to purchase print copies in used condition). But for reasons stated under the first factor, such losses did not relate to something the Copyright Act reserves for Authors to exploit. It was a format change.

Authors' next argument, it seems, is that the format change nonetheless exposed it to usurpation of the opportunity to sell rightful copies because Anthropic might transmit additional unauthorized digital copies more readily than it could have transmitted additional unauthorized print copies — and that the same would be true for all format converters. But after much discovery, there is no inkling in our record of intent to redistribute library copies once acquired nor of inability to secure that valuable library against outside actors. And, if the internal, central library copies did or do in fact lead to further reproduction or distribution, those further copies remain redressable separately by Authors. The format change did not itself usurp the Authors' rightful entitlements.

This factor is thus neutral for the purchased library copies converted from print to digital.

(ii) The Pirated Library Copies.

The copies used to build a central library and that were obtained from pirated sources plainly displaced demand for Authors' books — copy for copy. Not every person who merely intends to make a fair use of a work is thereby entitled to a full copy in the meantime, nor even to steal a copy so that achieving this fair use is especially simple or cost-effective. Here, the copies employed in training LLMs were one thing, but the copies acquired to assemble a convenient, general-purpose library of works for various uses for which the company might have of them, if any, was a different use altogether.

Anthropic has almost no rebuttal on these points. First, Anthropic argues that "Claude's services do not reduce [or usurp] the value of Plaintiffs' works through substitution in their traditional markets". But stealing pirated copies of Authors' works plainly did. Second, Anthropic argues that it may have been able to purchase some books on the open market (and some other texts), but not other texts it copied. But this case does not concern those other texts it could not have purchased. It could have purchased Authors' books (and many others). In fact it later did. Finally, Anthropic argues that the effect on these texts from one book foregone was too small to be considered. But the test requires that we contemplate the likely result

were the conduct to be condoned as a fair use — namely to steal a work you could otherwise buy (a book, millions of books) so long as you at least loosely intend to make further copies for a purportedly transformative use (writing a book review with excerpts, training LLMs, etc.), without any accountability. As Anthropic itself suggested, "That would destroy the [entire] publishing market if that were the case".

The fourth factor points against fair use for the pirated library copies.

5. Overall Analysis.

The copies used to convert purchased print library copies into digital library copies were justified, too, though for a different fair use. The first factor strongly favors this result, and the third favors it, too. The fourth is neutral. Only the second slightly disfavors it. On balance, as the purchased print copy was destroyed and its digital replacement not redistributed, this was a fair use.

The downloaded pirated copies used to build a central library were not justified by a fair use. Every factor points against fair use. Anthropic employees said copies of works (pirated ones, too) would be retained "forever" for "general purpose" even after Anthropic determined they would never be used for training LLMs. A separate justification was required for each use. None is even offered here except for Anthropic's pocketbook and convenience.

And, as for any copies made from central library copies but not used for training, this order does not grant summary judgment for Anthropic. On this record in this posture, the central library copies were retained even when no longer serving as sources for training copies, "hundreds of engineers" could access them to make copies for other uses, and engineers did make other copies. Anthropic has dodged discovery on these points. We cannot determine the right answer concerning such copies because the record is too poorly developed as to them. Anthropic is not entitled to an order blessing all copying "that Anthropic has ever made after obtaining the data," to use its words.

CONCLUSION

With respect to the training copies and the print-to-digital converted copies, this order has drawn all ambiguities and inferences in favor of the opposing side, namely Authors. With respect to the pirated copies, this order has also accepted the Authors' version of the facts. Authors did not move for summary judgment but if they had, then we would have been obligated to accept all reasonable views given the evidence in defendant's favor instead.

And, it grants that the print-to-digital format change was a fair use for a different reason. But it denies summary judgment for Anthropic that the pirated library copies must be treated as training copies.

We will have a trial on the pirated copies used to create Anthropic's central library and the resulting damages, actual or statutory (including for willfulness). That Anthropic later bought a copy of a book it earlier stole off the internet will not absolve it of liability for the theft but it may affect the extent of statutory damages.

Nothing is foreclosed as to any other copies flowing from library copies for uses other than for training LLMs.

Notes and questions

(1) Notice how this decision applies *Warhol*'s "multiple uses" framework. Does the court's distinction between "library building" and "training" uses seem appropriately granular, or could it lead to over-atomization of what should be considered unified activities?

(2) This decision creates a framework where the same copies can be treated differently based on their source and intended use. What might this mean for other AI companies' training data acquisition strategies? Will this ruling help encourage the development of licensing markets for AI training? How will it impact the cost and complexity of developing competitive AI systems?

(3) Anthropic's decision to acquire pirated copies first, then purchase legitimate copies later, seems to have significantly damaged its position. Would the analysis have been different if Anthropic had purchased legitimate copies first, then supplemented with pirated copies of unavailable works? What if Anthropic had made good-faith efforts to license works before resorting to havens of piracy? What if Anthropic had immediately deleted pirated copies after use for LLM training?

(4) *Bartz v. Anthropic* is a very strong vindication of print-to-digital format shifting. What are the limits of this decision?

(5) Note that although Judge Alsup's condemnation of the use of pirate sites was broad, his actual holding in the *Anthropic* case is narrow. The ruling against Anthropic was based on the fact that it collected pirated books for purposes well beyond transformative LLM training and was building a general purpose library with no internal usage controls. On those facts, it is hard to argue with Alsup's view that creating a permanent library from pirated books was a separate use unsupported by any transformative justification. Nonetheless Judge Alsup's broader view on the use of shadow libraries is quite clear.

(6) The settlement in *Bartz* received final approval in July 2026, with the plaintiffs' fee award reduced, so Judge Alsup's fair use rulings were never tested on appeal. That leaves the shadow library question open. How should it be resolved? On the one hand, the fact that there is no "fruit of the poisonous tree" doctrine in copyright law suggests that treating what would otherwise be fair as unfair, simply because it was made from an infringing source, would deprive the public of the benefits fair use is meant to enable. See Mark A. Lemley, *The Fruit of the Poisonous Tree in IP Law*, 103 IOWA LAW REVIEW 245 (2017). However, arguably, when commercial users bypass the market for access without a compelling reason, they undermine the economic incentives that copyright is designed to create. See Matthew Sag, *Fairness and Fair Use in Generative AI*, 92 FORDHAM LAW REVIEW 1887, 1917–20 (2024). If this is correct, it explains Judge Alsup's conclusion that although copyright owners do not have a right to charge for transformative uses, they should have a right to charge for access to their works.

A note on legislation

Congress has so far enacted nothing at all on AI training. Several transparency bills are pending: the TRAIN Act (S. 2455, with a House companion, H.R. 7209, introduced on 22 January 2026) would let a copyright owner obtain a clerk-issued subpoena compelling an AI developer to disclose whether particular works were used in training; the CLEAR Act (S. 3813), introduced on 10 February 2026, and the AI Foundation Model Transparency Act (H.R. 8094), introduced on 26 March 2026, would impose disclosure obligations directly. As of September 2026 none had gotten beyond referral to committee. The states have moved faster. California's AB 2013 has been in force since 1 January 2026 and requires developers of generative AI systems made publicly available in California to post documentation of the datasets used to train them, including whether those datasets contain copyrighted material. It survived the first round of a constitutional challenge brought by xAI: in March 2026 a federal district court refused to enjoin it, and xAI's appeal is set for argument in the Ninth Circuit in November 2026.

Selected overseas developments

Far too much is happening on the generative AI and copyright litigation front overseas to attempt an adequate summary here. This section simply calls out some of the most consequential developments. For a broader discussion of how copyright law applies to AI training in jurisdictions outside the United States, see Matthew Sag and Peter K. Yu, *The Globalization of Copyright Exceptions for AI Training*, 74 EMORY LAW JOURNAL 1163 (2025).

Getty Images (US) Inc. v. Stability AI Ltd. [2025] EWHC 2863 (Ch) (4 Nov. 2025)

In the first UK judgment on generative AI training, Getty abandoned its primary copyright and database-right claims mid-trial, there being no evidence that training had occurred in the UK, and lost its secondary infringement claim that model weights are an "infringing copy." It won only extremely limited trade mark findings on early versions of Stable Diffusion. Note that the court did not hold that training is lawful in the UK; the case turned on where the training took place, not on whether it was permissible.

Getty obtained permission to appeal the secondary infringement point on 16 December 2025 ([2025] EWHC 3343 (Ch)); as of September 2026 the Court of Appeal had not yet ruled. In the parallel US case (N.D. Cal. 3:25-cv-06891, Judge Trina Thompson), an order of 23 April 2026 let Getty's trademark and unfair competition claims proceed and dismissed the DMCA false copyright management information claim for failure to plead scienter.

ANI Media v. Open AI (Delhi High Court, 24 July 2026)

In July 2026 the High Court in Delhi issued a decision on the legality of AI training and AI outputs under Indian copyright law in *ANI Media v. Open AI*. The result, on an interim injunction basis, is broadly congruent with *Bartz* and *Kadrey*, but the path to get there was different, because India does not have an open-ended fair use provision like the United States. Instead, Section 52(1)(a) of the Copyright Act, 1957 is a closed list of enumerated

"fair dealing" purposes: private or personal use including research, criticism or review, and reporting of current events.

Justice Bansal, denying ANI's interim injunction, held that OpenAI's storage of scraped news articles for training fit within a relevant purpose and was fair. Specifically, he found that AI training counted as "private research." In so doing he distinguished "private" from "personal" and therefore held that "private" did not exclude corporate commercial actors: "The expression '*personal*' may be confined to individual persons, however, the term '*private*' would include other private entities, including private companies." ¶ 208. Central to the "private" holding was that the training corpus sits in a closed environment, never exposed to any person in natural-language or tokenized form: "The said data is not publicly available to any human entity either for access or for download." ¶ 211.

Justice Bansal also gave "research" an updating construction reaching machine learning, reasoning that research conducted by machines is still conducted at the behest of and for the benefit of humans: "[T]he acts of further research cannot be confined to acts of human being alone and the same would extend to machine learning as well." ¶ 218. The court cited an important Canadian fair dealing decision, *CCH Canadian*, for the proposition that research is not confined to non-commercial contexts.

Turning to whether the use was fair, Justice Bansal focused on three issues: whether the use was confined to training; whether it caused competitive harm to the rightsholder; and whether it served the public interest. On the first, OpenAI's documents showed the models were not trained to reproduce or communicate the training material, and ANI identified no other use to which its articles had been put: "This Court has not been given any instance where Open AI has used the literary works of ANI for any purposes other than for training." ¶ 243. On the second, the court reasoned that a general-purpose assistant and a news-syndication business perform fundamentally different functions, that in the news context ChatGPT supplies summaries or snippets with attribution and a link back to the source rather than the articles themselves, and that ANI had offered nothing beyond bare averments to show lost market share or reduced subscription revenue: "[I]t cannot be said that responses produced by ChatGPT are substitutes for news articles published by ANI." ¶ 246. On the third, the court pointed to the benefits flowing from trained LLMs across access to information, education, scientific research, software development, translation, and accessibility tools, and treated those benefits as a legitimate input into the fairness inquiry rather than a policy aside: "While the rights of copyright owners remain important, the societal benefits arising from scientific and technological research constitute a relevant consideration in assessing the fairness of a dealing." ¶ 253.

The output claim was resolved on familiar grounds. The court held that ANI has no copyright in the facts its journalists report, only in their expression, and found the ChatGPT responses submitted by the plaintiff were not in fact substantially similar to the underlying articles. The memorization allegations failed on the record, ANI's illustrations all postdating the relevant training cutoffs. Every article ANI reproduced in its pleadings had been published in August or September 2024, whereas training had concluded in April 2022 for GPT-4 and April 2024 for GPT-4o. The court drew the obvious inference: material the model was never trained on cannot have been memorized from training, so the outputs must have been retrieved at query time. It described them as "in the nature of live links, perhaps reflecting RAG technique," and observed that whether RAG outputs infringe was

a distinct question ANI had not pleaded, though counsel raised it in argument. ¶ 84. That distinction also let the court set aside the Munich Regional Court's contrary result in *GEMA v. OpenAI*, where verbatim song lyrics were reproduced in response to non-adversarial prompts with the search function disabled; here, by contrast, ANI's prompts were repeated and detailed, at one point instructing the model to reproduce content "exactly," and even then produced nothing substantially similar. ¶¶ 117–119.

One interesting aspect of the decision is that, when it came to assessing the merits of the interim injunction, the court's balance-of-convenience discussion was unusually candid about industrial policy. The court observed that per-source licensing would make LLM development economically unviable and that an injunction would harm the growth of Indian models.

Further reading

On how copyright law should tackle the copying that takes place in the course of AI training, from different perspectives, see James Grimmelmann, *Copyright for Literate Robots*, 101 IOWA LAW REVIEW 657 (2016); Benjamin L. W. Sobel, *Artificial Intelligence's Fair Use Crisis*, 41 COLUMBIA JOURNAL OF LAW & THE ARTS 45 (2017-2018); Matthew Sag, *The New Legal Landscape for Text Mining and Machine Learning*, 66 JOURNAL OF THE COPYRIGHT SOCIETY OF THE U.S.A. 291 (2019); Mark Lemley and Bryan Casey, *Fair Learning*, 99 TEXAS LAW REVIEW 743 (2021); Peter Henderson et al., *Foundation Models and Fair Use,* 24 JOURNAL OF MACHINE LEARNING RESEARCH 1 (2023); Matthew Sag, *Copyright Safety for Generative AI*, 61 HOUSTON LAW REVIEW 295 (2023); Pamela Samuelson, *Fair Use Defenses In Disruptive Technology Cases*, 71 UCLA LAW REVIEW 1484 (2024); David Opderbeck, *Copyright in AI Training Data: A Human-Centered Approach*, 76 OKLAHOMA LAW REVIEW 951 (2024); Robert Brauneis, *Copyright and the Training of Human Authors and Generative Machines*, 48 COLUMBIA JOURNAL OF LAW & THE ARTS 1 (2025).

CHAPTER 16. OWNERSHIP, AUTHORSHIP AND TRANSFER

Initial Ownership of Copyright Interests

Owning the object is not owning the copyright

Pope v. Curl, 2 Atk. 342 (1741) (Ch. U.K.)

The ownership of any particular physical embodiment of a work, even if it is the original and only copy, has no bearing on the question of who owns the copyright in the work. This long-standing principle of copyright law goes all the way back to a 1741 case decided in the English Court of Chancery, *Pope v. Curl*, 2 Atk. 342 (1741) (Ch. U.K.).

Alexander Pope was a famous and profitable author in an age when professional authorship was considered unworthy of a gentleman. In pursuit of fame and profit, Pope very much wanted to publish his correspondence, but as a gentleman he needed a pretext to do so in order to avoid the charge of vanity. At Pope's behest, his friend and correspondent Jonathan Swift (also a famous author) sent an edited collection of their letters to a publisher in Dublin, Ireland to have them printed. Dublin was beyond the reach of English copyright law, or indeed any copyright law at the time. When the disreputable London bookseller, Edmund Curl, republished the same volume of correspondence (as it seemed Pope hoped he would), Pope sued to protect his honor and reputation as an author. See MARK ROSE, AUTHORS IN COURT: SCENES FROM THE THEATER OF COPYRIGHT, 11-35 (2016).

Curl defended the suit, in part, on the basis that the letters, once sold and delivered were the property of the receiver, not the author. Lord Hardwicke noted Curl's argument and rejected it, saying:

> It has been objected, that where a man writes a letter, it is in the nature of a gift to the receiver.
>
> But I am of opinion it is only a special property in the receiver; possibly the property in the paper may belong to him; but this does not give a licence to any person whatsoever to publish them to the world, for at most the receiver has only a joint property with the writer.

Pope v. Curl established for the first time the fundamental distinction between ownership of a particular copy of a copyrighted work and the ownership of the copyrighted work. The principle is reflected in Section 202 of the Copyright Act.

> **17 U.S. Code § 202. Ownership of copyright as distinct from ownership of material object**
>
> Ownership of a copyright, or of any of the exclusive rights under a copyright, is distinct from ownership of any material object in which the work is embodied. Transfer of ownership of any material object, including the copy or phonorecord in which the work is first fixed, does not of itself convey any rights in the copyrighted work embodied in the object; nor, in the absence of an agreement, does transfer of ownership of a copyright or of any exclusive rights under a copyright convey property rights in any material object.

Authorship and ownership are inextricably entwined

The concepts of ownership and authorship are inextricably entwined under the Copyright Act of 1976. Copyright ownership vests, at the moment of creation, initially in the author or authors of the work. Under Section 201 of the Act, the creator of a work is, at least presumptively, its author and owner of the copyright.

> **17 U.S. Code § 201. Ownership of copyright**
>
> (a) Initial Ownership.--Copyright in a work protected under this title vests initially in the author or authors of the work. The authors of a joint work are co-owners of copyright in the work.

Section 201(b) complicates that picture somewhat by introducing the concept of a work made for hire (see below), but putting that question to one side, we can proceed on the assumption that authors are owners. The next natural question is of course, *how do we determine who is the author?*

The Supreme Court implicitly addressed this question in *Burrow-Giles Lithographic Co. v. Sarony*, 111 U.S. 53 (1884). The issue in *Burrow-Giles* was whether a staged photograph of Oscar Wilde qualified for copyright protection at all, but in answering that question, the Court also elaborated how one might go about determining who is the author. The Court relied on an English case about the ownership of a photo of the Australian cricket team. In *Nottage v. Jackson*, 11 Q.B.D. 627 (1883), the court had to choose between recognizing as author either the photographer or the enterprise that arranged for the photograph to be taken and sold. In *Burrow-Giles* (at 60-61), the Court quoted various members of the House of Lords in *Nottage v. Jackson* with approval:

> Brett, M.R., said, in regard to who was the author: "The nearest I can come to, is that it is the person who effectively is as near as he can be, the cause of the picture which is produced, that is, the person who has superintended the arrangement, who has actually formed the picture by putting the persons in position, and arranging the place where the people are to be — the man who is the effective cause of that."
>
> Lord Justice Cotton said: "In my opinion, 'author' involves originating, making, producing, as the inventive or master mind, the thing which is to be protected, whether it be a drawing, or a painting, or a photograph;" and Lord Justice Bowen says that photography is to be treated for the purposes of the act as an art, and the author is the man who really represents, creates, or gives effect to the idea, fancy, or imagination.

Coauthors are Joint Owners of the Work

In *Burrow-Giles*, the question of whether the work contained enough authorship to be copyrightable also settled the question of who should be seen as the author of the work. There was only one photographer and really no other obvious candidate, except perhaps the subject of the photo himself, Oscar Wilde. The attribution of authorship becomes quite complex where the work in question was produced by some form of collective effort.

As Section 201 (quoted above) states: "The authors of a joint work are co-owners of copyright in the work." A joint work is defined as follows:

17 U.S. Code § 101

> A "joint work" is a work prepared by two or more authors with the intention that their contributions be merged into inseparable or interdependent parts of a unitary whole.

The authors of a joint work are co-owners of the copyright in the work. Courts interpreting the 1909 Copyright Act held that each owns a share of an undivided whole or is entitled to undivided ownership or interest in the entire work, despite any differences in each author's contribution.

Does the division of the copyright interest into multiple interests mean that these interests must be equal? In *Sweet Music, Inc. v. Melrose Music Corp.*, 189 F. Supp. 655 (S.D. Cal. 1960) the assignee of one of the co-authors requested a three-quarter share in a song's renewal copyright, on the basis that he had written "half the words and all the music." The court did not agree and split the ownership 50-50. Some have argued that joint authors' undivided shares need not be equal in terms of their right to remuneration in the face of unequal contributions. But the case law generally assumes an even split. See Benjamin E. Jaffe, *Rebutting the Equality Principle: Adapting the Co-Tenancy Law Model to Enhance the Remedies Available to Joint Copyright Owners*, 32 CARDOZO LAW REVIEW 1549 (2011).

The implications of joint-ownership are profound. As co-owners of the copyright, joint authors are treated as tenants in common. Tenancy in common is a common law property concept. If A and B own real property as tenants in common, each has the right to possess the entire property and neither has the right to exclude the other. In copyright law, each co-tenant has the right to use or license some third party to use the work, and each co-tenant can convey nonexclusive rights to the joint work *without the consent of his or her coauthor*, subject to a duty to account to the other co-owners for any profit.

Who qualifies as a joint author?

The Copyright Act does not use the terms "joint author" or "co-author," but the terms are used interchangeably in the relevant case law to describe the authors of a joint work. To meet the definition of a joint work under Section 101, the relevant co-authors must have "the intention that their contributions be merged into inseparable or interdependent parts of a unitary whole."

This deceptively simple sentence raises a number of difficult questions:

- What degree of contribution is required for someone to qualify as an author? Indeed, how should contribution be measured: aesthetic merit, control, audience appeal, …?
- Does each author need to make the same level of contribution? Are contributions assessed relative to other authors of the work, or only on some absolute scale?
- Do the contributions of each person claiming to be a co-author need to be something that could have been separately copyrighted?
- How specific must the putative authors' "intention that their contributions be merged" be? I.e., does each co-author need to have a shared vision of the ultimate

creation, or is it enough that they make their separate contributions in the expectation that those contributions will be subsumed into a larger work?

- When exactly do the potential co-authors need to form the relevant intention? Can they form it at different times?
- How do we distinguish between separate works, derivative works, and sub-works that are "inseparable or interdependent parts of a unitary whole?"

Before delving into the case law, it is useful to think about what kinds of joint authorship cases end up in court. In most coauthorships, the parties agree in advance on both the nature of their collaboration and their respective ownership shares. Such arrangements rarely require judicial interpretation. Disputes that reach court typically arise when no formal agreement was made, or the parties disagree about what that agreement was. In these cases, courts must infer a "common design" or shared intent to create a joint work from the parties' conduct. This task is complicated when the parties fundamentally disagree about their actual intentions during the collaboration. In such disputes, coauthorship status is determined ex post, much like contract formation under the objective theory of contract, where actions—not stated intentions—control. The absence of a prior ownership agreement forces courts to rely heavily on objective evidence of cooperative behavior, often giving little weight to contemporaneous subjective statements about intent. For more, see Shyamkrishna Balganesh, *Unplanned Coauthorship*, 100 VIRGINIA LAW REVIEW 1683, 1695-1696 (2014).

Aalmuhammed v. Lee, 202 F.3d 1227 (9th Cir. 2000)

Circuit Judge Kleinfeld

In 1991, Warner Brothers contracted with Spike Lee and his production companies to make the movie Malcolm X, to be based on the book, The Autobiography of Malcolm X. Lee co-wrote the screenplay, directed, and co-produced the movie, which starred Denzel Washington as Malcolm X. Washington asked Jefri Aalmuhammed to assist him in his preparation for the starring role because Aalmuhammed knew a great deal about Malcolm X and Islam. Aalmuhammed, a devout Muslim, was particularly knowledgeable about the life of Malcolm X, having previously written, directed, and produced a documentary film about Malcolm X.

Aalmuhammed joined Washington on the movie set. The movie was filmed in the New York metropolitan area and Egypt. Aalmuhammed presented evidence that his involvement in making the movie was very extensive. He reviewed the shooting script for Spike Lee and Denzel Washington and suggested extensive script revisions. Some of his script revisions were included in the released version of the film; others were filmed but not included in the released version. Most of the revisions Aalmuhammed made were to ensure the religious and historical accuracy and authenticity of scenes depicting Malcolm X's religious conversion and pilgrimage to Mecca.

Aalmuhammed submitted evidence that he directed Denzel Washington and other actors while on the set, created at least two entire scenes with new characters, translated Arabic into English for subtitles, supplied his own voice for voice-overs, selected the proper prayers and religious practices for the characters, and edited

parts of the movie during post production. Washington testified in his deposition that Aalmuhammed's contribution to the movie was "great" because he "helped to rewrite, to make more authentic." Once production ended, Aalmuhammed met with numerous Islamic organizations to persuade them that the movie was an accurate depiction of Malcolm X's life.

Aalmuhammed never had a written contract with Warner Brothers, Lee, or Lee's production companies, but he expected Lee to compensate him for his work. He did not intend to work and bear his expenses in New York and Egypt gratuitously. Aalmuhammed ultimately received a check for $25,000 from Lee, which he cashed, and a check for $100,000 from Washington, which he did not cash.

During the summer before Malcolm X's November 1992 release, Aalmuhammed asked for a writing credit as a co-writer of the film, but was turned down. When the film was released, it credited Aalmuhammed only as an "Islamic Technical Consultant," far down the list. In November 1995, Aalmuhammed applied for a copyright with the U.S. Copyright Office, claiming he was a co-creator, co-writer, and co-director of the movie. The Copyright Office issued him a "Certificate of Registration," but advised him in a letter that his "claims conflict with previous registrations" of the film.

On November 17, 1995, Aalmuhammed filed a complaint against Spike Lee, his production companies, and Warner Brothers.

ANALYSIS

A. Copyright claim

Aalmuhammed claimed that the movie Malcolm X was a "joint work" of which he was an author, thus making him a co-owner of the copyright. He sought a declaratory judgment to that effect, and an accounting for profits. He is not claiming copyright merely in what he wrote or contributed, but rather in the whole work, as a co-author of a "joint work." The district court granted defendants summary judgment against Mr. Aalmuhammed's copyright claims. We review de novo.

Aalmuhammed argues that he established a genuine issue of fact as to whether he was an author of a "joint work," Malcolm X. The Copyright Act does not define "author," but it does define "joint work":

A "joint work" is a work prepared by two or more authors with the intention that their contributions be merged into inseparable or interdependent parts of a unitary whole.

"When interpreting a statute, we look first to the language." The statutory language establishes that for a work to be a "joint work" there must be (1) a copyrightable work, (2) two or more "authors," and (3) the authors must intend their contributions be merged into inseparable or interdependent parts of a unitary whole. A joint work in this circuit requires each author to make an independently copyrightable contribution to the disputed work.[9]

Footnote 9: Ashton-Tate Corp. v. Ross, 916 F.2d 516, 521 (9th Cir.1990).

Malcolm X is a copyrightable work, and it is undisputed that the movie was intended by everyone involved with it to be a unitary whole. It is also undisputed that Aalmuhammed made substantial and valuable contributions to the movie,

including technical help, such as speaking Arabic to the persons in charge of the mosque in Egypt, scholarly and creative help, such as teaching the actors how to pray properly as Muslims, and script changes to add verisimilitude to the religious aspects of the movie. Speaking Arabic to persons in charge of the mosque, however, does not result in a copyrightable contribution to the motion picture. Coaching of actors, to be copyrightable, must be turned into an expression in a form subject to copyright. The same may be said for many of Aalmuhammed's other activities. Aalmuhammed has, however, submitted evidence that he rewrote several specific passages of dialogue that appeared in Malcolm X, and that he wrote scenes relating to Malcolm X's Hajj pilgrimage that were enacted in the movie. If Aalmuhammed's evidence is accepted, as it must be on summary judgment, these items would have been independently copyrightable. Aalmuhammed, therefore, has presented a genuine issue of fact as to whether he made a copyrightable contribution. All persons involved intended that Aalmuhammed's contributions would be merged into interdependent parts of the movie as a unitary whole. Aalmuhammed maintains that he has shown a genuine issue of fact for each element of a "joint work."

But there is another element to a "joint work." A "joint work" includes "two or more authors." Aalmuhammed established that he contributed substantially to the film, but not that he was one of its "authors." We hold that authorship is required under the statutory definition of a joint work, and that authorship is not the same thing as making a valuable and copyrightable contribution. We recognize that a contributor of an expression may be deemed to be the "author" of that expression for purposes of determining whether it is independently copyrightable. The issue we deal with is a different and larger one: is the contributor an author of the joint work within the meaning of 17 U.S.C. § 101.

By statutory definition, a "joint work" requires "two or more authors." The word "author" is taken from the traditional activity of one person sitting at a desk with a pen and writing something for publication. It is relatively easy to apply the word "author" to a novel. It is also easy to apply the word to two people who work together in a fairly traditional pen-and-ink way, like, perhaps, Gilbert and Sullivan. In the song, "I Am the Very Model of a Modern Major General," Gilbert's words and Sullivan's tune are inseparable, and anyone who has heard the song knows that it owes its existence to both men, Sir William Gilbert and Sir Arthur Sullivan, as its creative originator. But as the number of contributors grows and the work itself becomes less the product of one or two individuals who create it without much help, the word is harder to apply.

Who, in the absence of contract, can be considered an author of a movie? The word is traditionally used to mean the originator or the person who causes something to come into being, or even the first cause, as when Chaucer refers to the "Author of Nature." For a movie, that might be the producer who raises the money. Eisenstein thought the author of a movie was the editor. The "auteur" theory suggests that it might be the director, at least if the director is able to impose his artistic judgments on the film. Traditionally, by analogy to books, the author was regarded as the person who writes the screenplay, but often a movie reflects the work of many screenwriters. [Richard Grenier, *Capturing the Culture*] suggests that the person with creative control tends to be the person in whose name the money is raised, perhaps a star, perhaps the director, perhaps the producer, with control gravitating to the star as the financial investment in scenes already shot grows.

Where the visual aspect of the movie is especially important, the chief cinematographer might be regarded as the author. And for, say, a Disney animated movie like "The Jungle Book," it might perhaps be the animators and the composers of the music.

The Supreme Court dealt with the problem of defining "author" in new media in *Burrow-Giles Lithographic Co. v. Sarony*. The question there was, who is the author of a photograph: the person who sets it up and snaps the shutter, or the person who makes the lithograph from it. Oscar Wilde, the person whose picture was at issue, doubtless offered some creative advice as well. The Court decided that the photographer was the author, quoting various English authorities: "the person who has superintended the arrangement, who has actually formed the picture by putting the persons in position, and arranging the place where the people are to be—the man who is the effective cause of that"; "'author' involves originating, making, producing, as the inventive or master mind, the thing which is to be protected"; "the man who really represents, creates, or gives effect to the idea, fancy, or imagination." The Court said that an "author," in the sense that the Founding Fathers used the term in the Constitution, was "'he to whom anything owes its origin; originator; maker; one who completes a work of science or literature.'"

Answering a different question, what is a copyrightable "work," as opposed to who is the "author," the Supreme Court held in *Feist Publications* that "some minimal level of creativity" or "originality" suffices. But that measure of a "work" would be too broad and indeterminate to be useful if applied to determine who are "authors" of a movie. So many people might qualify as an "author" if the question were limited to whether they made a substantial creative contribution that that test would not distinguish one from another. Everyone from the producer and director to casting director, costumer, hairstylist, and "best boy" gets listed in the movie credits because all of their creative contributions really do matter. It is striking in Malcolm X how much the person who controlled the hue of the lighting contributed, yet no one would use the word "author" to denote that individual's relationship to the movie. A creative contribution does not suffice to establish authorship of the movie.

Burrow-Giles, in defining "author," requires more than a minimal creative or original contribution to the work. *Burrow-Giles* is still good law, and was recently reaffirmed in *Feist Publications*. *Burrow-Giles* and *Feist Publications* answer two distinct questions; who is an author, and what is a copyrightable work. *Burrow-Giles* defines author as the person to whom the work owes its origin and who superintended the whole work, the "master mind." In a movie this definition, in the absence of a contract to the contrary, would generally limit authorship to someone at the top of the screen credits, sometimes the producer, sometimes the director, possibly the star, or the screenwriter—someone who has artistic control. After all, in *Burrow-Giles* the lithographer made a substantial copyrightable creative contribution, and so did the person who posed, Oscar Wilde, but the Court held that the photographer was the author.

The Second and Seventh Circuits have likewise concluded that contribution of independently copyrightable material to a work intended to be an inseparable whole will not suffice to establish authorship of a joint work.[24]

Footnote 24: *Thomson v. Larson*, 147 F.3d 195, (2nd Cir. 1998); *Erickson v. Trinity Theatre, Inc.*, 13 F.3d 1061 (7th Cir.1994); *Childress v. Taylor*, 945 F.2d 500 (2d Cir.1991).

> Although the Second and Seventh Circuits do not base their decisions on the word "authors" in the statute, the practical results they reach are consistent with ours. These circuits have held that a person claiming to be an author of a joint work must prove that both parties intended each other to be joint authors. In determining whether the parties have the intent to be joint authors, the Second Circuit looks at who has decision making authority, how the parties bill themselves, and other evidence.
>
> In *Thomson v. Larson*, an off-Broadway playwright had created a modern version of La Boheme, and had been adamant throughout its creation on being the sole author. He hired a drama professor for "dramaturgical assistance and research," agreeing to credit her as "dramaturg" but not author, but saying nothing about "joint work" or copyright. The playwright tragically died immediately after the final dress rehearsal, just before his play became the tremendous Broadway hit, Rent. The dramaturg then sued his estate for a declaratory judgment that she was an author of Rent as a "joint work," and for an accounting. The Second Circuit noted that the dramaturg had no decision making authority, had neither sought nor was billed as a co-author, and that the defendant entered into contracts as the sole author. On this reasoning, the Second Circuit held that there was no intent to be joint authors by the putative parties and therefore it was not a joint work.
>
> Considering *Burrow-Giles*, the recent cases on joint works[33] (especially the thoughtful opinion in *Thomson v. Larson*), and the Gilbert and Sullivan example, several factors suggest themselves as among the criteria for joint authorship, in the absence of contract.

Footnote 33: See *Thomson v. Larson*, 147 F.3d 195, (2nd Cir.1998); *Erickson v. Trinity Theatre, Inc.*, 13 F.3d 1061 (7th Cir.1994); *Childress v. Taylor*, 945 F.2d 500 (2nd Cir.1991).

> First, an author "superintends" the work by exercising control. This will likely be a person "who has actually formed the picture by putting the persons in position, and arranging the place where the people are to be-the man who is the effective cause of that," or "the inventive or master mind" who "creates, or gives effect to the idea." Second, putative coauthors make objective manifestations of a shared intent to be coauthors, as by denoting the authorship of The Pirates of Penzance as "Gilbert and Sullivan." We say objective manifestations because, were the mutual intent to be determined by subjective intent, it could become an instrument of fraud, were one coauthor to hide from the other an intention to take sole credit for the work. Third, the audience appeal of the work turns on both contributions and "the share of each in its success cannot be appraised."[40]

Footnote 40: *Edward B. Marks Music Corp. v. Jerry Vogel Music Co., Inc.*, 140 F.2d 266, 267 (2nd Cir. 1944) (Hand, J.) modified by, 140 F.2d 268 (1944).

> Control in many cases will be the most important factor. The best objective manifestation of a shared intent, of course, is a contract saying that the parties intend to be or not to be co-authors. In the absence of a contract, the inquiry must of necessity focus on the facts. The factors articulated in this decision and the Second and Seventh Circuit decisions cannot be reduced to a rigid formula, because the creative relationships to which they apply vary too much. Different people do creative work together in different ways, and even among the same

people working together the relationship may change over time as the work proceeds.

Aalmuhammed did not at any time have superintendence of the work. Warner Brothers and Spike Lee controlled it. Aalmuhammed was not the person "who has actually formed the picture by putting the persons in position, and arranging the place ...." Spike Lee was, so far as we can tell from the record. Aalmuhammed, like Larson's dramaturg, could make extremely helpful recommendations, but Spike Lee was not bound to accept any of them, and the work would not benefit in the slightest unless Spike Lee chose to accept them. Aalmuhammed lacked control over the work, and absence of control is strong evidence of the absence of co-authorship.

Also, neither Aalmuhammed, nor Spike Lee, nor Warner Brothers, made any objective manifestations of an intent to be coauthors. Warner Brothers required Spike Lee to sign a "work for hire" agreement, so that even Lee would not be a co-author and co-owner with Warner Brothers. It would be illogical to conclude that Warner Brothers, while not wanting to permit Lee to own the copyright, intended to share ownership with individuals like Aalmuhammed who worked under Lee's control, especially ones who at the time had made known no claim to the role of co-author. No one, including Aalmuhammed, made any indication to anyone prior to litigation that Aalmuhammed was intended to be a co-author and co-owner.

Aalmuhammed offered no evidence that he was the "inventive or master mind" of the movie. He was the author of another less widely known documentary about Malcolm X, but was not the master of this one. What Aalmuhammed's evidence showed, and all it showed, was that, subject to Spike Lee's authority to accept them, he made very valuable contributions to the movie. That is not enough for co-authorship of a joint work.

The Constitution establishes the social policy that our construction of the statutory term "authors" carries out. The Founding Fathers gave Congress the power to give authors copyrights in order "to promote the progress of Science and useful arts." Progress would be retarded rather than promoted, if an author could not consult with others and adopt their useful suggestions without sacrificing sole ownership of the work. Too open a definition of author would compel authors to insulate themselves and maintain ignorance of the contributions others might make. Spike Lee could not consult a scholarly Muslim to make a movie about a religious conversion to Islam, and the arts would be the poorer for that.

The broader construction that Aalmuhammed proposes would extend joint authorship to many overreaching contributors, like the dramaturg in *Thomson*, and deny sole authors "exclusive authorship status simply because another person rendered some form of assistance." Claimjumping by research assistants, editors, and former spouses, lovers and friends would endanger authors who talked with people about what they were doing, if creative copyrightable contribution were all that authorship required.

Aalmuhammed also argues that issuance of a copyright registration certificate to him establishes a prima facie case for ownership. A prima facie case could not in any event prevent summary judgment in the presence of all the evidence rebutting his claim of ownership. The presumptive validity of the certificate may be rebutted and defeated on summary judgment. The Copyright Office stated in its response to Aalmuhammed's application for copyright (during the pendency of this litigation)

> that his claims "conflict with previous registration claims," and therefore the Copyright Office had "several questions" for him. One of the questions dealt with the "intent" of "other authors," i.e., Warner Brothers. The evidence discussed above establishes without genuine issue that the answers to these questions were that Warner Brothers did not intend to share ownership with Aalmuhammed.
>
> Because the record before the district court established no genuine issue of fact as to Aalmuhammed's co-authorship of Malcolm X as a joint work, the district court correctly granted summary judgment dismissing his claims for declaratory judgment and an accounting resting on co-authorship.
>
> [The judgment of the district court was affirmed as it pertains to this extract.]

Notes and questions

(1) Why didn't Aalmuhammed cash the $100,000 check from Denzel Washington?

(2) If Aalmuhammed made "substantial and valuable contributions" to the film, why wasn't he a coauthor?

(3) What matters more, whether the parties subjectively intended to be coauthors or whether their words and actions would have objectively indicated such an intention?

(4) Do you think the presumption that joint authors share equally in the work affects how willing courts are to recognize claims of coauthorship?

(5) If coauthorship is simply one type of authorship, it makes sense that anyone claiming the status of author must add something recognizable as original expression to the joint work. Many circuits, including the Ninth Circuit in *Aalmuhammed,* hold that a putative co-author must go further and make an *independently* copyrightable contribution to the joint work. In *Gaiman v. McFarlane*, 360 F.3d 644 (7th Cir. 2004), the Seventh Circuit suggested that this rule should not apply in situations where no single contribution meets the standard, but the work would be copyrightable if attributed to a single author. In *Gaiman v. McFarlane* the court said:

> The decisions that say, rightly in the generality of cases, that each contributor to a joint work must make a contribution that if it stood alone would be copyrightable weren't thinking of the case in which it couldn't stand alone because of the nature of the particular creative process that had produced it."

Gaiman's proposed exception was for many years not taken up elsewhere, but the Sixth Circuit has now adopted it. In *Estate of George Bernard Worrell, Jr. v. Thang, Inc.*, No. 25-1863 (6th Cir. 2026), the estate of Parliament-Funkadelic's keyboardist sought a declaration of co-ownership in the group's recordings. Reversing the district court, the Sixth Circuit declined the strictest reading of *Childress*, holding that a putative co-author need not show that his contributions were independently copyrightable, only that he contributed substantial original expression. The *Childress* standard, the court said, "might be well-suited to simple situations like song lyrics, books, or paintings, but it crumples under the pressure of mixed and collaborative media." The court also separated two things often run together: what matters is the intent to be a co-*author*, judged objectively, not the intent to be a co-*owner*. Note that "copyrightable contribution" in this context refers to the need to identify original expression, not that such expression be fixed.

(6) In the United Kingdom joint works are limited to instances "in which the contribution of each author is not distinct from that of the other authors." Copyright Designs and Patents Act, 20 1988, c. 48, § 10 (UK). In other words, the U.K. position is that a joint work must be "inseparable" and not just "interdependent." As the Copyright Office Compendium (3d) explains at 505.1:

> A contribution to a joint work is considered "inseparable" if the work contains a single form of authorship, such as a novel or painting, and it is considered "interdependent" if the work contains multiple forms of authorship, such as motion picture, opera, or the music and lyrics of a song. (Citing *Senate Report* at 103-104).

Why would the United States and the United Kingdom have a different conception of what constitutes a joint work? Which is preferable?

Other joint authorship cases

One of the cases cited in *Aalmuhammed* is *Childress v. Taylor*, 945 F.2d 500 (2d Cir. 1991), a leading Second Circuit case establishing the modern joint authorship framework. The dispute involved a play about the comedian Jackie "Moms" Mabley. Taylor, the producer and conceiver of the project, hired playwright Childress to write the script, supplying research materials and making suggestions. When relations soured, Taylor claimed joint authorship. The court held that Taylor was not a co-author because (1) she had not contributed independently copyrightable expression to the final script—her contributions were mostly ideas, themes, and factual material—and (2) there was no evidence of mutual intent to be co-authors. Importantly, the court insisted on "objective manifestations" of intent, rejecting subjective after-the-fact claims. The decision set a high threshold for joint authorship, ensuring that mere contribution of ideas, even if essential to the work's development, does not equate to authorship without both original expression and a shared, contemporaneous intent to merge contributions into a joint work.

The court also cited *Erickson v. Trinity Theatre, Inc.*, 13 F.3d 1061 (7th Cir. 1994), a case in which the Seventh Circuit considered whether actors' improvisational contributions to plays made them joint authors. The *Erickson* court adopted a two-pronged test: a putative co-author must (1) contribute independently copyrightable expression and (2) show mutual intent to be co-authors. The court stressed that mere ideas, suggestions, or unfixed improvisations do not constitute copyrightable expression under the Copyright Act's fixation requirement. Applying this rule, the court found that while the actors' improvisations influenced the final plays, the playwright retained control, decided what material to include, and fixed the final scripts in tangible form. There was no objective evidence of shared authorship intent. The decision anticipates *Aalmuhammed*'s emphasis on control as a "gatekeeping" factor, noting that without such a limit, collaborative works could be encumbered by numerous authors with tiny but unquantifiable stakes—potentially discouraging future collaborations.

Another case cited in *Aalmuhammed* is *Thomson v. Larson*, 147 F.3d 195 (2d Cir. 1998). In that case, the Second Circuit held that a dramaturg who contributed significant editing, feedback, and suggestions to the hit musical Rent was not a joint author. The court applied the *Childress v. Taylor* two-part test: (1) each party must make an independently copyrightable contribution, and (2) the parties must intend, at the time the work is created, that their contributions be merged into a joint work. The court found that while the

dramaturg's contributions might have been valuable, they did not rise to the level of independently copyrightable expression. Moreover, there was no objective evidence that Jonathan Larson, the playwright who was by then deceased, intended to share authorship credit—he maintained sole control over the final script, never credited Thomson as an author, and repeatedly referred to Rent as "his" show. The decision reinforces the principle that editorial or advisory input, however creative, does not by itself make someone a co-author absent original expression and mutual intent.

Joint works: questions of timing and derivative works

Weissmann v. Freeman, 868 F.2d 1313 (2d Cir. 1989)

Circuit Judge Cardamone

This appeal presents the paradigm of the problems that arise when a long relationship between accomplished professor and brilliant assistant comes to an end. [Dr. Heidi S. Weissmann, a nuclear medicine specialist, sued her former mentor, Dr. Leonard M. Freeman, after he removed her name from a 1985 article she authored, "Hepatobiliary Imaging," (referred to as P-1) and circulated it under his own name for a lecture. The work, prepared for the Radiological Society of North America's syllabus, incorporated elements from their earlier joint research but also contained new material Weissmann created alone.]

[The parties had collaborated from 1977 to 1985 on research and publications about IDA imaging, but Weissmann claimed sole authorship of P-1.] Although P-1 appears to restate the central propositions asserted in the prior [joint] works, Weissmann's exhibits includes the following new elements: (1) a new selection of photo illustrations and associated captions; (2) references to four recent reports in the pertinent literature; (3) new textual additions; and (4) reorganization of previous material. Appellee conceded at trial that this material in P-1 was created solely by appellant.

In the summer of 1987 Dr. Freeman was invited to give a review course on nuclear medicine at Mount Sinai. He prepared P-1 to use in giving the course by deleting Dr. Weissmann's name from P-1 and replacing it with his own, and by adding three words to the title. Fifty copies of the article were made. Before the date set for the course, appellant obtained one of the copies, and through counsel requested that her revised article not be circulated, and that all those who had received copies be informed that she claimed sole authorship of it. The article was removed from the packet of course materials. Dr. Freeman delivered his lecture without the use of his version of P-1.

After a four-day bench trial, Judge Pollack in a written decision concluded that Dr. Freeman's use of P-1 did not violate the copyright law. In support of its determination that Freeman had not infringed any legally cognizable rights that appellant may have had in P-1, the district court found that appellee was a joint author, and therefore a co-owner of any copyright Weissmann acquired in the article. The trial court also determined that P-1's new matter was too trivial to qualify for protection as a derivative work under the copyright statute.

DISCUSSION

I. Joint Authorship

Here the district court determined that the entire series of the parties' works on the subject of radionuclide imaging — including the work alleged to have been infringed — constituted a single evolutionary joint work. It discussed the conceded joint authorship in the preexisting works. Without making any specific findings respecting P-1 itself, the court found that Dr. Freeman was a co-owner of P-1 and that P-1 was a joint work. The trial court made this surprising finding despite Dr. Freeman's concession that he had no hand in P-1's preparation. The finding was made based on the district court's mistaken view that joint authorship of the prior existing works automatically makes the two joint authors co-owners of the derivative work. Such a ruling stands copyright law on its head. It flies in the face of the Copyright Act which affords protection to each work at the moment of its creation. Thus, § 101 provides for those works prepared over time that "the portion of it that has been fixed at any particular time constitutes the work as of that time, and where the work has been prepared in different versions, each version constitutes a separate work."

Of greater significance is that the trial court's view would convert all derivative works based upon jointly authored works into joint works, regardless of whether there had been any joint labor on the subsequent version. If such were the law, it would eviscerate the independent copyright protection that attaches to a derivative work that is wholly independent of the protection afforded the preexisting work. See § 103(b). Hence, it was a plain error for the district court to rule, as a matter of law, that Dr. Freeman's joint authorship of the prior works made him a joint author with appellant in the derivative work.

The district court also made a finding of fact that Dr. Freeman was a joint author with Dr. Weissmann of P-1. Section 201(a) of the Act provides: "Copyright in a work protected under [the Copyright Act] vests initially in the author or co-authors of the work." Section 101 defines a "joint work" as one "prepared by two or more authors with the intention that their contributions be merged into inseparable or interdependent parts of a unitary whole." In a joint work each author automatically acquires an undivided ownership in the entire work including any portion of it. Thus, an action for infringement between joint owners will not lie because an individual cannot infringe his own copyright. The only duty joint owners have with respect to their joint work is to account for profits from its use.

A review of the meaning of §§ 101 and 103(b) and of their legislative history reveals two basic criteria that must be satisfied before one is a joint author of a derivative work. First, each putative author must have "contributed" to the work. Second, each must intend to contribute to a joint work at the time his or her alleged contribution is made. Because § 103(b) extends independent protection to derivative works, an intent to contribute or an actual contribution to previous works does not serve as proof of ownership in the derivative work. See *House Report* at 120. We consider these two criteria.

A. Contribution to Derivative Work

The statute envisions that each author contribute to a joint work. "Under the [§ 101] definition a work would not be 'joint' unless its authors collaborated among themselves or unless each of the authors knew, at the time the work was being written, that his contribution would be integrated as an 'inseparable' or 'interdependent' part of a 'unitary whole.'" Supplementary Report of the Register of Copyrights on the General Revision of the U.S. Copyright Law: 1965 Revision

Bill, 89th Cong., 1st Sess., Copyright Law Revision Part 6, at 65 (House Comm. Print 1965), reprinted in 1 Copyright Law Revision (1964-1965).

In enacting the definition of a joint work set forth in § 101, Congress endeavored to "make plain that copyright in a derivative work is independent of, and does not enlarge the scope of rights in, any pre-existing material incorporated in it. There was thus no need to spell this conclusion out in the definition of 'joint work.'" *House Report* at 120. The legislative history clearly indicates that one cannot be deemed to be a joint author without actually collaborating in the work's preparation. Critical therefore "is the intention, at the time the writing is done, that the parts be absorbed or combined into an integrated unit." Id. That intention must be with respect to the work in which a copyright is claimed, not with respect to the prior works from which it is derived. See *MCA, Inc. v. Wilson*, 425 F.Supp. 443, 455 (S.D.N.Y.1976) (owner of underlying work obtains no property rights in derivative work), aff'd, 677 F.2d 180 (2d Cir.1981).

In the case at hand, because Dr. Freeman conceded that he had not participated in drafting the new matter included in P-1, it follows as a logical corollary, therefore, that he acquired no interest in or right to use P-1 beyond those rights which he had as co-author in the prior joint material incorporated into P-1. Even though one co-author has the right to revise a joint work in order to create an individual derivative work, the other co-author acquires no property rights in the newly created work prepared without his involvement.

B. Intent to Contribute to Derivative Work

The second point upon which inquiry is focused is Dr. Weissmann's intent. The district court made no express finding on this critical issue. It simply stated in conclusory fashion that because the parties had intended P-1's predecessors to be used jointly as a "stock piece" to accompany their review lectures, they had somehow impliedly agreed that all future works on the subject of radioactive analogs of IDA, including P-1, would also be a joint work.

In order for a work to be deemed a joint work, the parties must evince "the *intention* that their contributions be merged," § 101 (emphasis added), "at the time the writing is done," *House Report* at 120, not at some later date. The law on this point is set forth in *Edward B. Marks Music Corp. v. Jerry Vogel Music Co.*, 140 F.2d 266 (2d Cir.1944) (L. Hand, J.). There it was observed that a finding of joint authorship requires that each author intend his or her contribution, at the time that it is created, to become part of a unitary work to which another will make or already has made a contribution. Or, as Judge Hand stated it, "when both plan an undivided whole ..., their separate interests will be as inextricably involved, as are the threads out of which they have woven the seamless fabric of the work." Id. at 267; see also *Shapiro, Bernstein & Co. v. Jerry Vogel Music Co.*, ("Melancholy Baby"), 161 F.2d 406, 409 (2d Cir.1946).

Marks was a case in which one individual had written the lyrics for a song and another had written the music. Neither party knew the other, but both were aware that their individual efforts would not stand alone. In holding that the resulting song was a joint work, the critical fact was that both parties were equally aware that their individual authorship efforts would have to be combined in order to create the final integrated product — a commercially viable song. See *Marks*, 140 F.2d at 267. From this, the rule has evolved that an author who intends to create a joint work must clearly demonstrate his or her intent in that regard. Although such

an intent may, as in *Marks*, be inferred from the circumstances surrounding the creation of the work, in the absence of such a showing, the work is presumed to be the product of an individual author and is the sole property of its creator.

In the present case, Drs. Weissmann and Freeman collaborated in the preparation and publication of the works from which P-1 was derived. Yet, there is no evidence that they intended their joint product to be forever indivisible like the finite whole of the completed single song in *Marks*. The facts point to a contrary conclusion. Scientific research is a quest for new discoveries and the preexisting joint works by definition were continually evolving. Dr. Weissmann believed she had a new and better approach and decided to author her research alone. Section 103(b) of the Copyright Act gives her that right when it extends independent protection to derivative works. The joint authorship of the underlying work does not confer any property right in the new work, save those rights which the co-author (here Dr. Freeman) of the previous works retains in the material used as part of the compilation of the derivative work. The district court opinion reveals a fundamental misunderstanding of these principles. This misconception is reflected in its discussion of Dr. Weissmann's intent to merge her efforts with Dr. Freeman based only on P-1's predecessors, and not on P-1 itself.

C. Appellant's Intent to Create a Derivative Work

The remainder of discussion of joint authorship concerns the substantial and uncontroverted evidence that Dr. Weissmann intended P-1 to be her own individual work. As a preliminary matter, it is important to note that of the 88 articles, abstracts, and book chapters listed on her curriculum vitae, 71 credit Dr. Freeman as a co-author. Appellant's having deviated from that pattern in submitting P-1 for publication as a chapter in the Radiological Society of North America's book under the name "Heidi S. Weissmann" is persuasive proof of the fact that she intended this particular piece to represent her own individual authorship. Appellant's use of her own by-line on P-1 constitutes prima facie proof that this work was not intended to be joint. Appellee failed to produce any evidence to rebut appellant's showing. In fact, Dr. Freeman lectured at the same meeting at which P-1 was first presented, and made no objection to the omission of his name from it.

Again, had the trial court separately considered P-1, it would have concluded that appellant's article was the only work with respect to which it was repeatedly conceded that appellee had played no role. Yet, the trial judge found that "plaintiff did almost all of the writing" for the works listed on her resume of which Freeman was a "co-author" and that she routinely "submitted drafts to Dr. Freeman before publication." It also found that "she would always make sure to leave a copy of a manuscript on his desk if he was not in town or busy with other commitments; she did not always get comments back, but often she did." Hence, it is significant on the issue of appellant's intent that P-1 was one of those few works that was not submitted for Dr. Freeman's review and on which she did not receive his comments. These facts — found by the district court — strongly evidence appellant's intent that P-1 be solely her own work.

The district court found that Freeman's participation in the preparation of P-1 was "strikingly illustrated" by Weissmann's inclusion in P-1 of a section entitled "False-Positive Studies for Acute Cholecystitis" which Dr. Freeman had independently composed for a 1984 Harvard review course. The incorporation of

this material into P-1 is irrelevant to the question of whether or not the parties intended P-1 to be a joint work. Appellant correctly points out that the inclusion of the "False Positive" section is not proof of any intention on Dr. Freeman's part to make a contribution to P-1 because, prior to 1985, he could not have formed an intent to contribute his efforts to her then nonexistent work.

In sum, the evidence presented at trial fully supports appellant's contention that the work alleged to have been infringed was solely the product of her authorship efforts. Although her work derived from preexisting jointly authored material, appellee played no role in P-1's creation. As a non-contributing party to P-1, Dr. Freeman's intent regarding his contributions to the underlying preexisting work is not relevant to claimed joint authorship of P-1. The district court's conclusion that P-1 was a joint work because the entire series of the parties' articles on IDA, including P-1, was one evolutionary joint work disregards the copyright protection accorded derivative works, independent of the preexisting works under § 103(b). As a consequence of its plain error of law in this regard, the district court's finding of fact that Freeman's co-authorship of the preexisting works also made him a joint author of P-1 is clearly erroneous.

[The court also found that P-1 qualified for protection as a derivative work, noting that Section 101 of the Copyright Act defines a derivative work (in part) as "[a] work consisting of editorial revisions, annotations, elaborations, or other modifications which, as a whole, represent an original work of authorship...." The court said: "Thus, it is clear that "the manner of expression, the author's analysis or interpretation of events, the way he structures his material and marshals facts, his choice of words, and the emphasis he gives to particular developments" are protected under the copyright laws." The court rejected the district court's conclusion that the changes made to P-1 were not sufficient.]

For the reasons stated, we hold that P-1 was an individually-authored, copyrightable, derivative work created by appellant. Accordingly, we reverse the judgment of the district court and remand the case to it with directions that judgment be entered in favor of appellant Weissmann.

Circuit Judge Pierce, concurring

I agree that we must reverse and remand because Dr. Freeman failed to rebut appellant's claim (evidenced by her registration of P-1 as a derivative work) that she did not intend the new material to be "merged" with the prior joint work. Appellant's certificate of registration served as "prima facie evidence of the validity of the copyright and of the facts stated in the certificate." 17 U.S.C. § 410(c) (1982). For Dr. Freeman to claim that his use was not an infringement, but rather that the work was "joint," was a defense much like any other under the Copyright Act. Therefore, it was incumbent upon Dr. Freeman to rebut appellant's prima facie evidence that the work (P-1) was derivative, not joint. Appellee failed to meet his burden, however, for he failed to present sufficient evidence to demonstrate appellant's intent to create a joint work.

The district court appears to have applied the opposite presumption. Rather than focusing on the appellant's intent at the time of creating the derivative work, the court dwelt primarily on the parties' long-standing and close professional relationship. From that, it seems to have presumed that P-1 — a by-product of that professional collaboration — was a "joint" work. That presumption, however, in effect placed the burden on the putative author to show that the work was

derivative, rather than on the putative infringer to show that the work was joint. The district court's approach was therefore at odds with the statutory scheme of burdens of proof, and must be reversed as a matter of law.

I differ, though, with Judge Cardamone's reasoning in Part I. The fact that Dr. Freeman was not the author of any of the new material that went into P-1 did not, of itself, preclude that work from being "joint." Of course, as Judge Cardamone notes, one cannot be found to be a joint author of a work without actually having contributed to that work. However, that does not mean that an author, to be a "joint" author, must have contributed to each incremental addition to the work. Thus, in this case, had Dr. Weissmann's intent been otherwise — had she intended the work to be joint — Dr. Freeman could have been deemed a joint author simply by virtue of his contributions to the earlier work, into which Dr. Weissmann's material would have been "merged." See, e.g., *Edward B. Marks Music Corp. v. Jerry Vogel Music Co.*, 140 F.2d 266, 267 (2d Cir.1944).

Further, I do not agree that the earlier incorporation of Dr. Freeman's "False Positives" study into the evolving syllabus was irrelevant. Though not dispositive, the parties' past willingness to have their works absorbed into the syllabus was relevant to the question of appellant's intent when she reshaped the syllabus into P-1.

On balance, however, I agree with the court that the evidence relied upon by appellee was not sufficient to show that appellant intended to create a joint work. Therefore, I join the conclusion of the court, and would reverse and remand, with judgment to be entered for appellant.

[Circuit Judge Lumbard, dissented noting simply that he would affirm the judgment of the district court in all respects, for the reasons stated in the lower court's "thorough and reasoned opinion."]

Notes and questions

(1) In his concurring majority opinion, Judge Pierce asserted that "the fact that Dr. Freeman was not the author of any of the new material that went into [the 1985 paper] did not, of itself, preclude that work from being 'joint.'" He argued that "Dr. Freeman could have been deemed a joint author simply by virtue of his contributions to the earlier work" if that had been the clear intention of the parties. Both judges cited to *Edward B. Marks Music Corp. v. Jerry Vogel Music Co.*, who is right?

(2) In 2020, the average No. 1 hit on the Billboard Hot 100 singles chart had 5.5 credited writers, a significant increase from 2.1 writers in 1990. This increase owes a lot to the rise of Hip-hop and the blurring of the distinction between songwriting and production. In the music industry it is common practice that the writers of sampled songs are credited as songwriters of the new track. Is this practice consistent with the rules about joint authorship in copyright? If not, should copyright law, or the music industry, change?

(3) The issue of timing: in *Shapiro v. Jerry Vogel Music Co.*, 221 F.2d 569 (2d Cir. 1955), the Second Circuit found that the intention required for joint authorship could be formulated *post hoc*. In *The Twelfth Street Rag* case (as it is commonly known), the musician Euday L. Bowman had composed an instrumental piano solo in 1914, and assigned his rights thereto to the Jenkins Music Company. In 1918 the Jenkins Company

retained James S. Sumner to write a lyric for Bowman's music, but Sumner's contribution was not a work for hire. The court held that under these circumstances, the combined words and music constituted a joint work.

It seems rather remarkable on these facts that the Second Circuit would allow the assignee of an ownership interest in a musical composition to add new elements to a pre-existing work and thereby create new ownership interests in the resulting "joint work," and thus extinguishing any other ownership interests in the pre-existing work. In *Batiste v. Island Records, Inc.*, 179 F.3d 217, 222 n.7 (5th Cir. 1999), the Fifth Circuit commented that "Congress overruled this doctrine in 1976 by adopting the current definition for "joint work," which requires that each author intend the merger *at the time* the author prepares his or her contribution." (emphasis added)). This doesn't seem quite right either. In general, there is no reason why the intention to merge couldn't arise after the author prepares her contribution, after all, the author can change her mind about other aspects of the work without necessarily creating a new version. Works generally have a certain amount of definitional plasticity until they are released to the public and not every change to a work creates a new derivative work layered on top of the old one. However, the *Twelfth Street Rag* case goes too far in holding that *an assignee* of the original author can form that intention. At the moment the work is transferred, it loses the plasticity that allows it to grow and morph into a joint work.

Ownership of Employee Works and Commissioned Works

The United States has long recognized employer ownership of works created by employees within the scope of their employment. Exactly where the boundary between the status of employee and independent contractor should be drawn is a fact specific question. Likewise, the equally important question of which activities are within the scope of employment.

> **17 U.S. Code § 201 - Ownership of copyright**
>
> (b) Works Made for Hire.— In the case of a work made for hire, the employer or other person for whom the work was prepared is considered the author for purposes of this title, and, unless the parties have expressly agreed otherwise in a written instrument signed by them, owns all of the rights comprised in the copyright.
>
> **17 U.S. Code § 101**
>
> A "work made for hire" is—(1) a work prepared by an employee within the scope of his or her employment;

Under the 1976 Act, 'work made for hire' is defined as either "a work prepared by an employee within the scope of his or her employment" or as a work specially ordered or commissioned as discussed in more detail below.

Who is an employee?

Community for Creative Non-Violence v. Reid, 490 U.S. 730 (1989)

JUSTICE MARSHALL delivered the opinion of the Court.

[In the late 1980s, a homeless charity, Community for Creative Non-Violence, paid a sculptor, James Earl Reid, to create a statue depicting the plight of homeless people. Members of the charity visited Reid's studio as he made the statue and gave suggestions and directions as to its appearance. Reid was paid for his work upon delivery of the statue, but the parties never discussed ownership of the copyright in the sculpture. In the resulting copyright litigation, the District Court held that CCNV owned the copyright under the "work made for hire" doctrine, however the Court of Appeals for the District of Columbia reversed on the grounds that Reid was not an employee, but an independent contractor.]

II

A

The Copyright Act of 1976 provides that copyright ownership "vests initially in the author or authors of the work." 17 U. S. C. § 201(a). As a general rule, the author is the party who actually creates the work, that is, the person who translates an idea into a fixed, tangible expression entitled to copyright protection. § 102. The Act carves out an important exception, however, for "works made for hire." If the work is for hire, "the employer or other person for whom the work was prepared is considered the author" and owns the copyright, unless there is a written agreement to the contrary. § 201(b). Classifying a work as "made for hire" determines not only the initial ownership of its copyright, but also the copyright's duration, § 302(c), and the owners' renewal rights, § 304(a), termination rights, § 203(a), and right to import certain goods bearing the copyright, § 601(b)(1). The contours of the work for hire doctrine therefore carry profound significance for freelance creators — including artists, writers, photographers, designers, composers, and computer programmers — and for the publishing, advertising, music, and other industries which commission their works.

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

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

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

The dispositive inquiry in this case therefore is whether "Third World America" is "a work prepared by an employee within the scope of his or her employment" under § 101(1). The Act does not define these terms. In the absence of such guidance, four interpretations have emerged. The first holds that a work is prepared by an

employee whenever the hiring party retains the right to control the product. Petitioners take this view. A second, and closely related, view is that a work is prepared by an employee under § 101(1) when the hiring party has actually wielded control with respect to the creation of a particular work. This approach was formulated by the Court of Appeals for the Second Circuit, and adopted by the Fourth Circuit. A third view is that the term "employee" within § 101(1) carries its common-law agency law meaning. This view was endorsed by the Fifth Circuit and by the Court of Appeals below. Finally, respondent and numerous amici curiae contend that the term "employee" only refers to "formal, salaried" employees. The Court of Appeals for the Ninth Circuit recently adopted this view.

The starting point for our interpretation of a statute is always its language. The Act nowhere defines the terms "employee" or "scope of employment." It is, however, well established that "[w]here Congress uses terms that have accumulated settled meaning under . . . the common law, a court must infer, unless the statute otherwise dictates, that Congress means to incorporate the established meaning of these terms." *NLRB v. Amax Coal Co.*, 453 U S. 322, 329 (1981). In the past, when Congress has used the term "employee" without defining it, we have concluded that Congress intended to describe the conventional master-servant relationship as understood by common-law agency doctrine. Nothing in the text of the work for hire provisions indicates that Congress used the words "employee" and "employment" to describe anything other than " 'the conventional relation of employer and employe.' " *Kelley*, supra, at 323, quoting *Robinson*, supra, at 94; cf. *NLRB v. Hearst Publications, Inc.,* 322 U. S. 111, 124-132 (1944) (rejecting agency law conception of employee for purposes of the National Labor Relations Act where structure and context of statute indicated broader definition). On the contrary, Congress' intent to incorporate the agency law definition is suggested by § 101(1)'s use of the term, "scope of employment," a widely used term of art in agency law. See Restatement (Second) of Agency § 228 (1958) (hereinafter Restatement).

In past cases of statutory interpretation, when we have concluded that Congress intended terms such as "employee," "employer," and "scope of employment" to be understood in light of agency law, we have relied on the general common law of agency, rather than on the law of any particular State, to give meaning to these terms. See, e.g., *Kelley*, 419 U. S., at 323-324. This practice reflects the fact that "federal statutes are generally intended to have uniform nationwide application." *Mississippi Band of Choctaw Indians v. Holyfield*, ante, at 43. Establishment of a federal rule of agency, rather than reliance on state agency law, is particularly appropriate here given the Act's express objective of creating national, uniform copyright law by broadly pre-empting state statutory and common-law copyright regulation. See 17 U. S. C. § 301(a). We thus agree with the Court of Appeals that the term "employee" should be understood in light of the general common law of agency.

In contrast, neither test proposed by petitioners is consistent with the text of the Act. The exclusive focus of the right to control the product test on the relationship between the hiring party and the product clashes with the language of § 101(1),

which focuses on the relationship between the hired and hiring parties. The right to control the product test also would distort the meaning of the ensuing subsection, § 101(2). Section 101 plainly creates two distinct ways in which a work can be deemed for hire: one for works prepared by employees, the other for those specially ordered or commissioned works which fall within one of the nine enumerated categories and are the subject of a written agreement. The right to control the product test ignores this dichotomy by transforming into a work for hire under § 101(1) any "specially ordered or commissioned" work that is subject to the supervision and control of the hiring party. Because a party who hires a "specially ordered or commissioned" work by definition has a right to specify the characteristics of the product desired, at the time the commission is accepted, and frequently until it is completed, the right to control the product test would mean that many works that could satisfy § 101(2) would already have been deemed works for hire under § 101(1). Petitioners' interpretation is particularly hard to square with § 101(2)'s enumeration of the nine specific categories of specially ordered or commissioned works eligible to be works for hire, e. g., "a contribution to a collective work," "a part of a motion picture," and "answer material for a test." The unifying feature of these works is that they are usually prepared at the instance, direction, and risk of a publisher or producer. By their very nature, therefore, these types of works would be works by an employee under petitioners' right to control the product test.

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

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

[The court reviewed the 1976 Copyright Act's legislative history at length. That history shows Congress intended two exclusive paths for "work for hire" status:

works by employees within their employment scope, and certain enumerated commissioned works agreed to in writing. This structure came from a 1965 compromise, later adopted with minimal changes, preserving a clear distinction between employees and independent contractors. Petitioners' argument for a broad "right to control" test under the old 1909 Act is rejected, as it would undermine predictability in copyright ownership and allow hiring parties to claim rights after the fact. Congress aimed for certainty so parties could set terms in advance, limiting "work for hire" to the statutory categories.]

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

B

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

Examining the circumstances of this case in light of these factors, we agree with the Court of Appeals that Reid was not an employee of CCNV but an independent contractor. True, CCNV members directed enough of Reid's work to ensure that he produced a sculpture that met their specifications. But the extent of control the hiring party exercises over the details of the product is not dispositive. Indeed, all the other circumstances weigh heavily against finding an employment relationship. Reid is a sculptor, a skilled occupation. Reid supplied his own tools. He worked in his own studio in Baltimore, making daily supervision of his activities from Washington practicably impossible. Reid was retained for less than two months, a relatively short period of time. During and after this time, CCNV had no right to assign additional projects to Reid. Apart from the deadline for completing the sculpture, Reid had absolute freedom to decide when and how long to work. CCNV paid Reid $15,000, a sum dependent on completion of a specific job, a method by which independent contractors are often compensated. Reid had total discretion in

hiring and paying assistants. Creating sculptures was hardly regular business for CCNV. Indeed, CCNV is not a business at all. Finally, CCNV did not pay payroll or Social Security taxes, provide any employee benefits, or contribute to unemployment insurance or workers' compensation funds.

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

What is within the scope of employment?

Section 228 of the Restatement Second, Agency, states that an employee's conduct is within the scope of employment "only if: (a) it is the kind he is employed to perform; (b) it occurs substantially within the authorized time and space limits; [and] (c) it is actuated, at least in part, by a purpose to serve the master." Restatement Second, Agency § 228.

Non-Employee Works Made for Hire

Under the 1909 Copyright Act, the ownership of commissioned works was a question of contract law, but there was a general presumption that the copyright was intended to belong to a party who commissioned and paid for the work; conversely, an artist who created the work at his or her own expense was presumed to be the owner. This is no longer the case under the Copyright Act of 1976.

Work by an independent contractor can in some cases qualify as a "work made for hire" so long as it was created at the instance and expense of the commissioning party. However, by statute, only certain specific categories of specially ordered or commissioned works created by an independent contractor can qualify as "works made for hire."

Under the 1976 Act, "work made for hire" is defined as either "a work prepared by an employee within the scope of his or her employment" or as a work specially ordered or commissioned if that work falls into one of the nine listed categories, and the parties expressly agree in a written instrument signed by them.

17 U.S. Code § 101

A "work made for hire" is—

(1) a work prepared by an employee within the scope of his or her employment; or

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

> for hire. For the purpose of the foregoing sentence, a "supplementary work" is a work prepared for publication as a secondary adjunct to a work by another author for the purpose of introducing, concluding, illustrating, explaining, revising, commenting upon, or assisting in the use of the other work, such as forewords, afterwords, pictorial illustrations, maps, charts, tables, editorial notes, musical arrangements, answer material for tests, bibliographies, appendixes, and indexes, and an "instructional text" is a literary, pictorial, or graphic work prepared for publication and with the purpose of use in systematic instructional activities.

The nine categories are:

1. a contribution to a collective work,
2. as a part of a motion picture or other audiovisual work,
3. as a translation,
4. as a supplementary work,
5. as a compilation,
6. as an instructional text,
7. as a test,
8. as answer material for a test, or
9. as an atlas

It is important to understand that if a work falls outside these categories, or is not the subject of a written agreement signed by the author and the entity commissioning the work, then there will be no assignment by presumption or by implied or oral contract.

Notice that since photographs and architectural drawings are not included in the categories set forth in the work made for hire definition, they do not qualify as works made for hire. Consequently, regardless of contractual terms to the contrary, the work for hire doctrine is inapplicable to non-employee photographers or architects.

§ 101 hints at an interesting story. "In determining whether any work is eligible to be considered a work made for hire under paragraph (2), neither the amendment contained in section 1011(d) of the Intellectual Property and Communications Omnibus Reform Act of 1999, as enacted by section 1000(a)(9) of Public Law 106–113, nor the deletion of the words added by that amendment—(A) shall be considered or otherwise given any legal significance, or (B) shall be interpreted to indicate congressional approval or disapproval of, or acquiescence in, any judicial determination, by the courts or the Copyright Office. Paragraph (2) shall be interpreted as if both section 2(a)(1) of the Work Made For Hire and Copyright Corrections Act of 2000 and section 1011(d) of the Intellectual Property and Communications Omnibus Reform Act of 1999, as enacted by section 1000(a)(9) of Public Law 106–113, were never enacted, and without regard to any inaction or awareness by the Congress at any time of any judicial determinations."

Transfer of Copyright Interests

Requirements for transfer

Copyrights are personal property. Like other forms of personal property, a copyright interest may be transferred in whole or in part by any means of conveyance or by operation of law and may be bequeathed by will or pass as personal property by the applicable laws of intestate succession.

However, Section 204(a) of the Copyright Act provides that "a transfer of copyright ownership, other than by operation of law, is not valid unless an instrument of conveyance, or a note or memorandum of the transfer, is in writing and signed by the owner of the rights conveyed or such owner's duly authorized agent."

> **17 U.S. Code § 204 - Execution of transfers of copyright ownership**
>
> (a) A transfer of copyright ownership, other than by operation of law, is not valid unless an instrument of conveyance, or a note or memorandum of the transfer, is in writing and signed by the owner of the rights conveyed or such owner's duly authorized agent.

Note that Section 101 defines "transfer of copyright ownership" to include both assignments and exclusive licenses. So, unless the interest being conveyed is a non-exclusive license, the conveyance must comply with the Copyright Act's writing requirement.

Also note that a grant of copyright, even if it purports to convey "all right, title and interest," is generally construed not to assign any existing right to sue that has already arisen by virtue of some third party's infringement prior to the assignment. However, such pre-existing causes of action may be assigned by expressly including them in the grant. See *Oskar Systems, LLC v. Club Speed, Inc.*, 745 F. Supp. 2d 1155 (C.D. Cal. 2010).

Section 204(a) of the Copyright Act is not just the Copyright version of the Statute of Frauds. It is in fact more stringent than the common law Statute of Frauds; the writing must be intended as a memorandum of contract communicated to the other party, and the equitable defense of estoppel does not apply.

Failed transfers and implied licenses

Effects Assocs. v. Cohen, 908 F.2d 555 (9th Cir. 1990)

Effects Assocs. v. Cohen illustrates a number of important features of the law relating to ownership and transfer of copyright.

Effects Associates had created special-effects footage for certain scenes in a movie that Cohen produced. Although Cohen agreed to pay Effects Associates a fee for the footage, the parties did not discuss the ownership of the copyright to the special-effects footage. When Cohen subsequently refused to pay the fee in full, the ensuing lawsuit centered on whether Effects Associates had transferred ownership of the footage to Cohen.

Citing § 204, the court found that the lack of a written agreement to transfer any copyright meant that Effects Associates had only granted Cohen an implied license to use the footage in his movie.

A license was implied because

> Effects created a work at defendant's request and handed it over, intending that defendant copy and distribute it. To hold that Effects did not at the same time convey a license to use the footage in "The Stuff" would mean that plaintiff's contribution to the film was "of minimal value," a conclusion that can't be squared with the fact that Cohen paid Effects almost $56,000 for this footage.

The court concluded that Cohen therefore had committed no copyright infringement but might nonetheless face liability for a breach of contract.

The short sequence of footage prepared at request of motion picture producer would probably have been assigned in total under the 1909 Act, but there was no transfer in this case because of the strict writing requirement in § 204. This lack of writing was not an obstacle to an implied nonexclusive license to incorporate the footage, and distribute it, as part of the film.

Fractured Ownership – Copyright Divisibility

The indivisibility of copyright ownership was a fundamental doctrine under the 1909 Copyright Act that treated copyright as a single, undivided "bundle" of rights that could not be fragmented and owned separately. Under this framework, only the copyright proprietor—the person or entity holding the complete bundle—possessed legal standing to sue for infringement. When a copyright owner granted someone less than the entire bundle, such as reproduction, performance, or publication rights, it was legally classified as a license rather than an assignment. Consequently, even exclusive licensees did not own any portion of the copyright and therefore could not initiate infringement lawsuits independently. This doctrine was designed partly to protect alleged infringers from facing multiple lawsuits from different partial right holders and to eliminate confusion about enforcement authority.

The practical implications of this doctrine proved increasingly problematic as copyright markets evolved. Even when licensees held exclusive rights to specific uses, such as book publishing, they could not pursue infringers without involving the copyright proprietor in any legal action. If the owner refused to participate or was unavailable, licensees had no legal remedy despite their exclusive arrangements. Additionally, licenses could not be registered or recorded as ownership interests, creating difficulties in protecting rights against subsequent transferees or creditors. This system severely limited commercial flexibility in an era when copyright markets increasingly relied on splitting rights across different media, territories, and timeframes.

By the 1960s and 1970s, the creative industries had fundamentally shifted toward fragmented exploitation models where authors and studios routinely sold or licensed rights by medium, territory, and duration. The indivisibility doctrine created legal awkwardness for these arrangements and gave unfair bargaining leverage to copyright proprietors, who

could exploit their unique enforcement position to renegotiate terms or block enforcement actions even after granting exclusive licenses. The rigid framework simply could not accommodate the sophisticated licensing structures that had become standard business practice in publishing, entertainment, and other creative industries.

The 1976 Act abandoned the concept of indivisibility of copyright ownership. The owner of any of the exclusive rights under Section 106 is the Copyright owner for all relevant purposes. Most importantly, the owner of a single right under 106 can bring an action for the infringement of that right without the cooperation of the owners of the other 106 rights.

> § 201 (d) Transfer of Ownership.—
>
> (1) The ownership of a copyright may be transferred in whole or in part by any means of conveyance or by operation of law, and may be bequeathed by will or pass as personal property by the applicable laws of intestate succession.
>
> (2) Any of the exclusive rights comprised in a copyright, including any subdivision of any of the rights specified by section 106, may be transferred as provided by clause (1) and owned separately. The owner of any particular exclusive right is entitled, to the extent of that right, to all of the protection and remedies accorded to the copyright owner by this title.
>
> **17 U.S. Code § 101. Definitions**
>
> A "transfer of copyright ownership" is an assignment, mortgage, exclusive license, or any other conveyance, alienation, or hypothecation of a copyright or of any of the exclusive rights comprised in a copyright, whether or not it is limited in time or place of effect, but not including a nonexclusive license.

Congress addressed these concerns comprehensively in the 1976 Copyright Act by explicitly abolishing the indivisibility doctrine and recognizing that copyright rights could be divided and owned separately. The new law established that any exclusive right under Section 106, or any subdivision of such rights, could be transferred and owned independently. It expanded the definition of "transfer of copyright ownership" to include both assignments and exclusive licenses as ownership interests for enforcement purposes, and crucially granted exclusive licensees standing to sue for infringement without requiring other rightsholders to join the action. Congress concluded that while divisibility might occasionally result in multiple lawsuits, this risk was far outweighed by the benefits of increased flexibility, clearer transactions, reduced disputes, and facilitated copyright markets, while also aligning copyright law more closely with other property law concepts where fractional ownership is routine.

The divisibility of copyright rights has some important implications. Given that Section 101 recognizes an exclusive license as a form of transfer of ownership, should exclusive licenses themselves be transferable and sub licensable by default? In *Gardner v. Nike* (9th Cir. 2002), the court held that this divisibility did not change the longstanding rule—carried over from the 1909 Act—that an exclusive licensee cannot assign or sublicense rights without the licensor's consent, absent express contractual authorization. Reading § 201(d)(2)'s grant of "protection and remedies" narrowly, the court stressed policy concerns over licensors' ability to control and monitor use, and affirmed that consent remains required for transfers of exclusive licenses. But note that *Gardner* only establishes a default rule,

and however that default was set, a licensor would have the ability to expressly permit or forbid subsequent transfer and sublicensing.

Not everyone agrees with the Ninth Circuit in *Gardner*. For example, the court in *In re Golden Books Family Entertainment, Inc.*, 269 B.R. 311 (Bankr. D. Del. 2001) noted at 318:

> It is difficult to understand why the *Gardner* court held that the phrase 'protections and remedies' confers on exclusive licensees the particular rights of copyright owners that are set forth in Section 501(b), but does not confer to exclusive licensees the rights of copyright owners, such as the right to freely assign, that are set forth in § 106."

In *Davis v. Blige*, 505 F.3d 90, 99 n.10 (2d Cir. 2007), the Second Circuit said that "the differences between an 'exclusive' license and an assignment or transfer of copyright ownership interest have diminished to the point that the terms are nearly synonymous." Does this track with the Ninth Circuit's opinion in *Gardner v. Nike?*

Termination of Transfers Under the 1909 Act

Stewart v. Abend, 495 U.S. 207 (1990)

Justice O'Connor delivered the opinion of the Court.

The author of a pre-existing work may assign to another the right to use it in a derivative work. In this case the author of a pre-existing work agreed to assign the rights in his renewal copyright term to the owner of a derivative work, but died before the commencement of the renewal period. The question presented is whether the owner of the derivative work infringed the rights of the successor owner of the pre-existing work by continued distribution and publication of the derivative work during the renewal term of the pre-existing work.

I

Cornell Woolrich authored the story "It Had to Be Murder," which was first published in February 1942 in Dime Detective Magazine. The magazine's publisher, Popular Publications, Inc., obtained the rights to magazine publication of the story and Woolrich retained all other rights. Popular Publications obtained a blanket copyright for the issue of Dime Detective Magazine in which "It Had to Be Murder" was published.

The Copyright Act of 1909 (1909 Act) provided authors a 28-year initial term of copyright protection plus a 28-year renewal term. See 17 U.S.C. § 24 (1976 ed.). In 1945, Woolrich agreed to assign the rights to make motion picture versions of six of his stories, including "It Had to Be Murder," to B. G. De Sylva Productions for $9,250. He also agreed to renew the copyrights in the stories at the appropriate time and to assign the same motion picture rights to De Sylva Productions for the 28-year renewal term. In 1953, actor Jimmy Stewart and director Alfred Hitchcock formed a production company, Patron, Inc., which obtained the motion picture rights in "It Had to Be Murder" from De Sylva's successors in interest for $10,000.

In 1954, Patron, Inc., along with Paramount Pictures, produced and distributed "Rear Window," the motion picture version of Woolrich's story "It Had to Be

Murder." Woolrich died in 1968 before he could obtain the rights in the renewal term for petitioners as promised and without a surviving spouse or child. He left his property to a trust administered by his executor, Chase Manhattan Bank, for the benefit of Columbia University. On December 29, 1969, Chase Manhattan Bank renewed the copyright in the "It Had to Be Murder" story pursuant to 17 U.S.C. § 24 (1976 ed.). Chase Manhattan assigned the renewal rights to respondent Abend for $650 plus 10% of all proceeds from exploitation of the story.

"Rear Window" was broadcast on the ABC television network in 1971. Respondent then notified petitioners Hitchcock (now represented by co-trustees of his will), Stewart, and MCA Inc., the owners of the "Rear Window" motion picture and renewal rights in the motion picture, that he owned the renewal rights in the copyright and that their distribution of the motion picture without his permission infringed his copyright in the story. Hitchcock, Stewart, and MCA nonetheless entered into a second license with ABC to rebroadcast the motion picture. In 1974, respondent filed suit against these same petitioners, and others, in the United States District Court for the Southern District of New York, alleging copyright infringement. Respondent dismissed his complaint in return for $25,000.

Three years later, the United States Court of Appeals for the Second Circuit decided *Rohauer v. Killiam Shows, Inc.*, 551 F. 2d 484 (1977), in which it held that the owner of the copyright in a derivative work may continue to use the existing derivative work according to the original grant from the author of the pre-existing work even if the grant of rights in the pre-existing work lapsed. Several years later, apparently in reliance on *Rohauer*, petitioners re-released the motion picture in a variety of media, including new 35 and 16 millimeter prints for theatrical exhibition in the United States, videocassettes, and videodiscs. They also publicly exhibited the motion picture in theaters, over cable television, and through videodisc and videocassette rentals and sales.

Respondent then brought the instant suit in the United States District Court for the Central District of California against Hitchcock, Stewart, MCA, and Universal Film Exchanges, a subsidiary of MCA and the distributor of the motion picture. Respondent's complaint alleges that the re-release of the motion picture infringes his copyright in the story because petitioners' right to use the story during the renewal term lapsed when Woolrich died before he could register for the renewal term and transfer his renewal rights to them. Respondent also contends that petitioners have interfered with his rights in the renewal term of the story in other ways. He alleges that he sought to contract with Home Box Office (HBO) to produce a play and television version of the story, but that petitioners wrote to him and HBO stating that neither he nor HBO could use either the title, "Rear Window" or "It Had to Be Murder." Respondent also alleges that petitioners further interfered with the renewal copyright in the story by attempting to sell the right to make a television sequel and that the re-release of the original motion picture itself interfered with his ability to produce other derivative works.

II

A

Petitioners would have us read into the Copyright Act a limitation on the statutorily created rights of the owner of an underlying work. They argue in essence that the rights of the owner of the copyright in the derivative use of the pre-existing work are extinguished once it is incorporated into the derivative work, assuming the

author of the pre-existing work has agreed to assign his renewal rights. Because we find no support for such a curtailment of rights in either the 1909 Act or the 1976 Act, or in the legislative history of either, we affirm the judgment of the Court of Appeals.

Petitioners and amicus Register of Copyrights assert, as the Court of Appeals assumed, that § 23 of the 1909 Act, 17 U.S.C. § 24 (1976 ed.), and the case law interpreting that provision, directly control the disposition of this case. Respondent counters that the provisions of the 1976 Act control, but that the 1976 Act re-enacted § 24 in § 304 and, therefore, the language and judicial interpretation of § 24 are relevant to our consideration of this case. Under either theory, we must look to the language of and case law interpreting § 24.

The right of renewal found in § 24 provides authors a second opportunity to obtain remuneration for their works. Section 24 provides:

"[T]he author of [a copyrighted] work, if still living, or the widow, widower, or children of the author, if the author be not living, or if such author, widow, widower, or children be not living, then the author's executors, or in the absence of a will, his next of kin shall be entitled to a renewal and extension of the copyright in such work for a further term of twenty-eight years when application for such renewal and extension shall have been made to the copyright office and duly registered therein within one year prior to the expiration of the original term of copyright." 17 U.S. C. § 24 (1976 ed.)

Since the earliest copyright statute in this country, the copyright term of ownership has been split between on original term and a renewal term. Originally, the renewal was intended merely to serve as an extension of the original term; at the end of the original term, the renewal could be effected and claimed by the author, if living, or by the author's executors, administrators, or assigns. See Copyright Act of May 31, 1790, ch. XV, § 1, 1 Stat. 124. In 1831, Congress altered the provision so that the author could assign his contingent interest in the renewal term, but could not, through his assignment, divest the rights of his widow or children in the renewal term. See Copyright Act of February 3, 1831, ch. XVI, 4 Stat. 436. The 1831 renewal provisions created "an entirely new policy, completely dissevering the title, breaking up the continuance . . . and vesting an absolutely new title eo nomine in the persons designated." *White-Smith Music Publishing Co. v. Goff*, 187 F. 247, 250 (CA1 1911). In this way, Congress attempted to give the author a second chance to control and benefit from his work. Congress also intended to secure to the author's family the opportunity to exploit the work if the author died before he could register for the renewal term. The evident purpose of the renewal provision is to provide for the family of the author after his death. Since the author cannot assign his family's renewal rights, it takes the form of a compulsory bequest of the copyright to the designated persons.

In its debates leading up to the Copyright Act of 1909, Congress elaborated upon the policy underlying a system comprised of an original term and a completely separate renewal term. The renewal term permits the author, originally in a poor bargaining position, to renegotiate the terms of the grant once the value of the work has been tested. "Unlike real property and other forms of personal property, [a copyright] is by its very nature incapable of accurate monetary evaluation prior to its exploitation." Nimmer on Copyright § 9.02 (1989) (hereinafter Nimmer).

"If the work proves to be a great success and lives beyond the term of twenty-eight years, . . . it should be the exclusive right of the author to take the renewal term, and the law should be framed . . . so that [the author] could not be deprived of that right." *House Report* at 14. With these purposes in mind, Congress enacted the renewal provision of the Copyright Act of 1909, 17 U.S.C. § 24 (1976 ed.). With respect to works in their original or renewal term as of January 1, 1978, Congress retained the two-term system of copyright protection in the 1976 Act. See 17 U.S.C. §§ 304(a) and (b) (1988 ed.) (incorporating language of 17 U.S.C. § 24 (1976 ed.)).

Applying these principles in *Miller Music Corp. v. Charles N. Daniels, Inc.*, 362 U.S. 373 (1960), this Court held that when an author dies before the renewal period arrives, his executor is entitled to the renewal rights, even though the author previously assigned his renewal rights to another party. "An assignment by an author of his renewal rights made before the original copyright expires is valid against the world, if the author is alive at the commencement of the renewal period. *Fred Fisher Co. v. M. Witmark & Sons*, 318 U.S. 643, so holds." Id., at 375. If the author dies before that time, the "next of kin obtain the renewal copyright free of any claim founded upon an assignment made by the author in his lifetime. These results follow not because the author's assignment is invalid but because he had only an expectancy to assign; and his death, prior to the renewal period, terminates his interest in the renewal which by § 24 vests in the named classes." Ibid.

The legislative history of the 1909 Act echoes this view, … the renewal provisions were intended to give the author a second chance to obtain fair remuneration for his creative efforts and to provide the author's family a "new estate" if the author died before the renewal period arrived.

An author holds a bundle of exclusive rights in the copyrighted work, among them the right to copy and the right to incorporate the work into derivative works. By assigning the renewal copyright in the work without limitation, as in *Miller Music*, the author assigns all of these rights. After *Miller Music*, if the author dies before the commencement of the renewal period, the assignee holds nothing. If the assignee of all of the renewal rights holds nothing upon the death of the assignor before arrival of the renewal period, then, a fortiori, the assignee of a portion of the renewal rights, e.g., the right to produce a derivative work, must also hold nothing. Therefore, if the author dies before the renewal period, then the assignee may continue to use the original work only if the author's successor transfers the renewal rights to the assignee. This is the rule adopted by the Court of Appeals below and advocated by the Register of Copyrights. Application of this rule to this case should end the inquiry. Woolrich died before the commencement of the renewal period in the story, and, therefore, petitioners hold only an unfulfilled expectancy. Petitioners have been "deprived of nothing. Like all purchasers of contingent interests, [they took] subject to the possibility that the contingency may not occur." *Miller Music* at 378.

B

The reason that our inquiry does not end here, and that we granted certiorari, is that the Court of Appeals for the Second Circuit reached a contrary result in *Rohauer v. Killiam Shows, Inc.*, 551 F. 2d 484 (1977). Petitioners' theory is drawn largely from *Rohauer*. The Court of Appeals in *Rohauer* attempted to craft a "proper reconciliation" between the owner of the pre-existing work, who held the

right to the work pursuant to *Miller Music*, and the owner of the derivative work, who had a great deal to lose if the work could not be published or distributed. 551 F. 2d, at 490. Addressing a case factually similar to this case, the court concluded that even if the death of the author caused the renewal rights in the pre-existing work to revert to the statutory successor, the owner of the derivative work could continue to exploit that work. The court reasoned that the 1976 Act and the relevant precedents did not preclude such a result and that it was necessitated by a balancing of the equities:

"The equities lie preponderantly in favor of the proprietor of the derivative copyright. In contrast to the situation where an assignee or licensee has done nothing more than print, publicize and distribute a copyrighted story or novel, a person who with the consent of the author has created an opera or a motion picture film will often have made contributions literary, musical and economic, as great as or greater than the original author . . . The purchaser of derivative rights has no truly effective way to protect himself against the eventuality of the author's death before the renewal period since there is no way of telling who will be the surviving widow, children or next of kin or the executor until that date arrives." Id., at 493.

The Court of Appeals for the Second Circuit thereby shifted the focus from the right to use the pre-existing work in a derivative work to a right inhering in the created derivative work itself. By rendering the renewal right to use the original work irrelevant, the court created an exception to our ruling in *Miller Music* and, as petitioners concede, created an "intrusion" on the statutorily created rights of the owner of the pre-existing work in the renewal term.

Though petitioners do not, indeed could not, argue that its language expressly supports the theory they draw from *Rohauer*, they implicitly rely on § 6 of the 1909 Act, 17 U.S.C. § 7 (1976 ed.), which states that "dramatizations . . . of copyrighted works when produced with the consent of the proprietor of the copyright in such works . . . shall be regarded as new works subject to copyright under the provisions of this title." Petitioners maintain that the creation of the "new," i. e., derivative, work extinguishes any right the owner of rights in the pre-existing work might have had to sue for infringement that occurs during the renewal term.

We think that this conclusion is neither warranted by any express provision of the Copyright Act, nor by the rationale as to the scope of protection achieved in a derivative work. It is moreover contrary to the axiomatic copyright principle that a person may exploit only such copyrighted literary material as he either owns or is licensed to use. The aspects of a derivative work added by the derivative author are that author's property, but the element drawn from the pre-existing work remains on grant from the owner of the pre-existing work. See *Russell v. Price*, 612 F. 2d 1123, 1128 (CA9 1979) (reaffirming "well-established doctrine that a derivative copyright protects only the new material contained in the derivative work, not the matter derived from the underlying work"). So long as the pre-existing work remains out of the public domain, its use is infringing if one who employs the work does not have a valid license or assignment for use of the pre-existing work. It is irrelevant whether the pre-existing work is inseparably intertwined with the derivative work. See *Gilliam v. American Broadcasting Cos.*, 538 F. 2d 14, 20 (CA2 1976) ("Copyright in the underlying script survives intact despite the incorporation of that work into a derivative work"). Indeed, the plain language of § 7 supports the view that the full force of the copyright in the

pre-existing work is preserved despite incorporation into the derivative work. See 17 U.S.C. § 7 (1976 ed.) (publication of the derivative work "shall not affect the force or validity of any subsisting copyright upon the matter employed"); see also 17 U.S.C. § 3 (1976 ed.) (copyright protection of a work extends to "all matter therein in which copyright is already subsisting, but without extending the duration or scope of such copyright"). This well-settled rule also was made explicit in the 1976 Act:

"The copyright in a compilation or derivative work extends only to the material contributed by the author of such work, as distinguished from the preexisting material employed in the work, and does not imply any exclusive right in the preexisting material. The copyright in such work is independent of, and does not affect or enlarge the scope, duration, ownership, or subsistence of, any copyright protection in the pre-existing material." 17 U.S. C. § 103(b).

See also B. Ringer, *Renewal of Copyright* (1960), reprinted as Copyright Law Revision Study No. 31, prepared for the Senate Committee on the Judiciary, 86th Cong., 2d. Sess., 169-170 (1961) ("On the basis of judicial authority, legislative history, and the opinions of the commentators, . . . someone cannot avoid his obligations to the owner of a renewal copyright merely because he created and copyrighted a 'new version' under a license or assignment which terminated at the end of the first term").

Properly conceding there is no explicit support for their theory in the 1909 Act, its legislative history, or the case law, petitioners contend, as did the court in *Rohauer*, that the termination provisions of the 1976 Act, while not controlling, support their theory of the case. For works existing in their original or renewal terms as of January 1, 1978, the 1976 Act added 19 years to the 1909 Act's provision of 28 years of initial copyright protection and 28 years of renewal protection. See 17 U.S. C. §§ 304(a) and (b). For those works, the author has the power to terminate the grant of rights at the end of the renewal term and, therefore, to gain the benefit of that additional 19 years of protection. See § 304(c). In effect, the 1976 Act provides a third opportunity for the author to benefit from a work in its original or renewal term as of January 1, 1978. Congress, however, created one exception to the author's right to terminate: The author may not, at the end of the renewal term, terminate the right to use a derivative work for which the owner of the derivative work has held valid rights in the original and renewal terms. See § 304(c)(6)(A). The author, however, may terminate the right to create new derivative works. Ibid. For example, if petitioners held a valid copyright in the story throughout the original and renewal terms, and the renewal term in "Rear Window" were about to expire, petitioners could continue to distribute the motion picture even if respondent terminated the grant of rights, but could not create a new motion picture version of the story. Both the court in *Rohauer* and petitioners infer from this exception to the right to terminate an intent by Congress to prevent authors of pre-existing works from blocking distribution of derivative works. In other words, because Congress decided not to permit authors to exercise a third opportunity to benefit from a work incorporated into a derivative work, the Act expresses a general policy of undermining the author's second opportunity. We disagree.

The process of compromise between competing special interests leading to the enactment of the 1976 Act undermines any such attempt to draw an overarching policy out of § 304(c)(6)(A), which only prevents termination with respect to

works in their original or renewal copyright terms as of January 1, 1978, and only at the end of the renewal period.

In fact, if the 1976 Act's termination provisions provide any guidance at all in this case, they tilt against petitioners' theory. The plain language of the termination provision itself indicates that Congress assumed that the owner of the pre-existing work possessed the right to sue for infringement even after incorporation of the pre-existing work in the derivative work.

"A derivative work *prepared* under authority of the grant before its termination may continue to be utilized under the terms of the grant after its termination, but this privilege does not extend to the preparation after the termination of other derivative works based upon the copyrighted work covered by the terminated grant." § 304(c)(6)(A) (emphasis added).

Congress would not have stated explicitly in § 304(c)(6)(A) that, at the end of the renewal term, the owner of the rights in the pre-existing work may not terminate use rights in existing derivative works unless Congress had assumed that the owner continued to hold the right to sue for infringement even after incorporation of the pre-existing work into the derivative work. Cf. *Mills Music, Inc. v. Snyder*, 469 U.S. 153, 164 (1985) (§ 304(c)(6)(A) "carves out an exception from the reversion of rights that takes place when an author exercises his right to termination").

Accordingly, we conclude that neither the 1909 Act nor the 1976 Act provides support for the theory set forth in *Rohauer*. And even if the theory found some support in the statute or the legislative history, the approach set forth in *Rohauer* is problematic. Petitioners characterize the result in *Rohauer* as a bright-line "rule." The Court of Appeals in *Rohauer*, however, expressly implemented policy considerations as a means of reconciling what it viewed as the competing interests in that case. See 551 F. 2d, at 493-494. While the result in *Rohauer* might make some sense in some contexts, it makes no sense in others. In the case of a condensed book, for example, the contribution by the derivative author may be little, while the contribution by the original author is great. Yet, under the *Rohauer* "rule," publication of the condensed book would not infringe the pre-existing work even though the derivative author has no license or valid grant of rights in the pre-existing work. See Brief for Committee for Literary Property Studies as Amicus Curiae 29-31; see also Brief for Songwriters Guild of America as Amicus Curiae 11-12 (policy reasons set forth in *Rohauer* make little sense when applied to musical compositions). Thus, even if the *Rohauer* "rule" made sense in terms of policy in that case, it makes little sense when it is applied across the derivative works spectrum. Indeed, in the view of the commentators, *Rohauer* did not announce a rule, but rather an interest-balancing approach.

Finally, petitioners urge us to consider the policies underlying the Copyright Act. They argue that the rule announced by the Court of Appeals will undermine one of the policies of the Act — the dissemination of creative works — by leading to many fewer works reaching the public. Amicus Columbia Pictures asserts that "[s]ome owners of underlying work renewal copyrights may refuse to negotiate, preferring instead to retire their copyrighted works, and all derivative works based thereon, from public use. Others may make demands — like respondent's demand for 50% of petitioners' future gross proceeds in excess of advertising expenses . . . — which are so exorbitant that a negotiated economic accommodation will be

impossible." Brief for Columbia Pictures et al. as Amici Curiae 21. These arguments are better addressed by Congress than the courts.

In any event, the complaint that respondent's monetary request in this case is so high as to preclude agreement fails to acknowledge that an initially high asking price does not preclude bargaining. Presumably, respondent is asking for a share in the proceeds because he wants to profit from the distribution of the work, not because he seeks suppression of it.

With the Copyright Act of 1790, Congress provided an initial term of protection plus a renewal term that did not survive the author. In the Copyright Act of 1831, Congress devised a completely separate renewal term that survived the death of the author so as to create a "new estate" and to benefit the author's family, and, with the passage of the 1909 Act, his executors. The 1976 Copyright Act provides a single, fixed term, but provides an inalienable termination right. See 17 U.S.C. §§ 203, 302. This evolution of the duration of copyright protection tellingly illustrates the difficulties Congress faces in attempting to "secure for limited Times to Authors . . . the exclusive Right to their respective Writings." U.S. Const., Art. I, § 8, cl. 8. Absent an explicit statement of congressional intent that the rights in the renewal term of an owner of a pre-existing work are extinguished upon incorporation of his work into another work, it is not our role to alter the delicate balance Congress has labored to achieve.

[Justice O'Connor rejected the dissent's arguments and Petitioner's argument that even if their use of "It Had to Be Murder" was unauthorized, it was a fair use and, therefore, not infringing.]

For the foregoing reasons, the judgment of the Court of Appeals is affirmed, and the case is remanded for further proceedings consistent with this opinion.

It is so ordered.

Notes and questions

(1) Why should authors be able to renegotiate the terms of the grant once the value of the work has been tested? Surely it can't be for the reason suggested in Nimmer that "Unlike real property and other forms of personal property, [a copyright] is by its very nature incapable of accurate monetary evaluation prior to its exploitation." Aren't all estimations of value for any kind of property based on expected market returns?

(2) "It Had To Be Murder" was published in 1942. In 1945 Woolrich assigned the movie rights, including renewal rights. In 1968 Woolrich died, leaving no heirs. In 1969 and 1970 the executor of Woolrich's estate renewed the copyright. If Woolrich had lived another couple of years, his assignment of the renewal rights would have been effective. Why should so much turn on the date of the author's death? Why is the author's assignment of the renewal rights binding on the author if she lives, but not upon her heirs?

(3) Does the reasoning in *Miller Music* and *Stewart v. Abend* apply to terminations of transfers under the 1976 Act, or is it limited to the two-term duration structure of the 1909 Act and previous Copyright Acts?

Termination of Transfers under the 1976 Act

As *Stewart v. Abend* illustrates, copyright law has long attempted to give authors and their families opportunities to recapture rights in valuable works. The Copyright Act of 1976 built on this history by extending the duration of copyright and introducing a termination right for authors and their statutory successors, allowing them to opt out of their contractual agreements after a period of 35 years. The 1976 Act actually contains two termination provisions, one applying to transfers made before January 1, 1978 that convey an interest in the renewal term and the other applying to transfers made after January 1, 1978.

Post-1978 Grants

Under Section 203, the author or her statutory heirs can terminate a transfer made after January 1, 1978, at any point within a five-year window beginning, in most cases, 35 years after the initial transfer. However, if the grant covers the right of publication, the five-year period begins either at the end of 35 years from the date of publication of the work under the grant or at the end of 40 years from the date of execution of the grant, whichever term ends earlier. § 203(a)(3). In order to terminate, the terminating party must serve notice no less than 2 years and no more than 10 years from the termination date.

These termination rights cannot be waived: § 203(a)(5) provides that termination of the grant may be effected notwithstanding any agreement to the contrary, including an agreement to make a will or to make any future grant.

Example: If the grant was made on April 1, 2005 then it could be terminated anywhere between April 2, 2040 and April 1, 2045. Accordingly, the very first day that notice could be served would be April 2, 2030 and the last possible day notice could be served would be March 31, 2043.

One threshold point is easily missed. Section 203 terminates grants that the author actually executed; an author who never owned the copyright has made no grant, and so has nothing to terminate. In *James v. UMG Recordings, Inc.*, 2026 WL 63225 (S.D.N.Y. Jan. 8, 2026), Cheryl James and Sandra Denton, the duo Salt-N-Pepa, served a § 203 notice in March 2022 on their early sound recordings and sued for a declaration that it was valid. Judge Cote dismissed the complaint. Their 1986 agreement was with Noise In The Attic Productions, a company owned by their producer, and it provided that the company should be "the sole and exclusive owner of any and all rights, title and/or interest in and to master recordings recorded hereunder, including but not limited to the worldwide sound copyrights therein and the renewal rights thereto." The same day, the producer entered a distribution agreement with Next Plateau Records, to which the plaintiffs were not parties, and UMG is the successor to that label. The only copyright transfer, in other words, was one the artists had not made:

> the statutory text in § 203 is clear: Plaintiffs can only terminate copyright transfers that they executed. They cannot terminate a copyright grant executed by NITA.

The court expressly did not reach the question whether the recordings were works made for hire, which § 203 excludes from termination altogether. It did record UMG's argument that the "sole and exclusive owner" language made them "likely works made for hire," and observed that such a classification would be consistent with registrations listing the label

as "employer for hire." Read that alongside the discussion of works made for hire earlier in this chapter, and consider what a registration certificate can and cannot establish about the status of a sound recording. The dismissal is on appeal to the Second Circuit, filed on 5 February 2026, and had not been decided when this edition went to press. The case is a useful illustration of how the termination right can be defeated at the threshold whenever the record company is treated as the owner from inception.

Pre-1978 Grants

The termination of transfers made before the effective date of the Copyright Act of 1976, i.e. January 1, 1978, is controlled by Section 304(c) and 304(d) of the Copyright Act. These provisions operate a little differently to Section 203, and to understand why requires a quick review of the way the term of copyright protection has changed over the years—issues that were central to the Court's analysis in *Stewart v. Abend*.

The Historical Context: From the 1909 Act to the 1976 Act

Under the Copyright Act of 1909, copyright began when a work was registered and lasted for an initial term of 28 years; copyright could then be renewed for an additional 28 year term. Under the 1909 Act, the author was entitled to the renewal term even if she had transferred all of her rights initially. Section 24 of the Copyright Act of 1909 provided as follows:

> **Section 24 of the Copyright Act of 1909**
>
> "[T]he author of [a copyrighted] work, if still living, or the widow, widower, or children of the author, if the author be not living, or if such author, widow, widower, or children be not living, then the author's executors, or in the absence of a will, his next of kin shall be entitled to a renewal and extension of the copyright in such work for a further term of twenty-eight years when application for such renewal and extension shall have been made to the copyright office and duly registered therein within one year prior to the expiration of the original term of copyright."

The 1976 Act fundamentally changed the way the term of copyright protection was calculated. Under the 1976 Act, copyright vested from the moment a work is created (i.e. fixed in a material form) and lasted for a single term of the life of the author plus 50 years. In 1998 this term was extended, even for works that already existed, by another 20 years so that works created under the 1976 Act get a copyright term of the life of the author plus 70 years. To bridge the gap between the 1909 Act regime and the new life plus 50 regime, transitional provisions were enacted as part of the 1976 Act. Works created under the 1909 Act but whose terms had not expired by 1978 were entitled to a longer second term—an additional 19 years under the 1976 Act and then an additional 20 years under the Copyright Term Extension Act of 1998.

The Structure of Section 203 and Section 304

So the termination of transfer provisions in Section 203 and Section 304 have quite different objectives. Section 203 gives the author or her statutory heirs a nontransferable right to terminate 35 years after a grant, where the grant was executed by the author during

the unitary term. Section 304 gives the author or her statutory heirs a nontransferable right to terminate a grant concerning the extensions to the renewal term, where the grant was executed by the author or statutory heir to the renewal term.

Section 304 allows the author or her statutory heirs to terminate the last 39 years of a grant made by the author prior to 1978. Termination can occur within a five-year window beginning at the end of the 56th year from the date of the copyright—usually the date of publication—and the author or her heirs must serve notice no less than 2 years and not more than 10 years before the termination date.

Example: Consider a book published on March 1, 1950 for which the author sold the motion picture rights on May 1, 1970. Assuming copyright was renewed for a second term in 1978, the grant could be terminated in the five-year window between March 2006 and March 2011. The corresponding earliest and latest notice dates would be March 2, 1996 and March 1, 2009.

Section 304(d) contains a special provision permitting the recapture of the 20 years added by the Sonny Bono Copyright Term Extension Act of 1998.

The termination right in § 304(c) reaches grants of the renewal term made before 1978. In the case that follows, the Fifth Circuit had to decide how far a recapture under that section travels: does terminating a 1963 assignment restore the author's rights only in the United States, or everywhere in the world?

Vetter v. Resnik, 163 F.4th 951 (5th Cir. 2026)

Carl E. Stewart, Circuit Judge:

Cyril E. Vetter and Vetter Communications Corporation (collectively, the "Vetter Plaintiffs") brought this lawsuit against Robert Resnik and Resnik Music Group (collectively, "Resnik") seeking a declaration that they are the sole owners of the copyright rights to the song "Double Shot (Of My Baby's Love)" ("Double Shot") throughout the world. Vetter and Donald Smith wrote Double Shot. Vetter then assigned his copyright rights to Double Shot to a music publisher and, years later, terminated the assignment and recaptured his rights ("Vetter's Recaptured Copyright Interest"). After Smith died, Vetter Communications Corporation purchased the renewal copyright rights held by Smith's heirs ("VCC's Renewal Copyright Interest"). The Vetter Plaintiffs filed a complaint in the Middle District of Louisiana, alleging that they are the exclusive owners of the copyright rights to Double Shot, and that they may exploit it in the United States and abroad. The district court denied Resnik's motion to dismiss and granted the Vetter Plaintiffs' motion for summary judgment. It declared the Vetter Plaintiffs to be the sole owners of the copyright rights to Double Shot throughout the world. Thereafter, Resnik appealed. Because the district court's declaration is supported by statutory text, context, and purpose, we AFFIRM the district court's judgment in full.

I

A. Factual Background

In the summer of 1962, Vetter and Smith wrote Double Shot in Baton Rouge, Louisiana. The following year, they transferred in an assignment agreement (the "1963 Assignment") one hundred percent of their respective copyright interests in Double Shot to Windsong Music Publishers, Inc. ("Windsong") in exchange for one dollar. The 1963 Assignment included "a transfer of the exclusive rights to Double Shot throughout the world for the full term of copyright protection, including a contingent assignment of all renewal period rights under the [Copyright Act of 1909]." After Double Shot was released and received airplay across the country, Windsong filed for a copyright registration for it with the U.S. Copyright Office in 1966. This registration provided Windsong with federal copyright protection under the Copyright Act of 1909 for an initial term of twenty-eight years with a possible renewal term of an additional twenty-eight years.

In 1972, Smith tragically died in a plane crash. Following Smith's death, his heirs and Vetter renewed the original copyright for Double Shot when its original term ended in 1994 (the "Renewal Copyright"). It is undisputed that the transfer of Vetter and Smith's renewal rights to Windsong in the 1963 Assignment was contingent on Vetter and Smith surviving the original term of the copyright and being alive during the renewal term. See Stewart v. Abend, 495 U.S. 207, 219 (1990) ("When an author dies before the renewal period arrives, his executor is entitled to the renewal rights, even though the author previously assigned his renewal rights to another party."). Because Vetter was alive during the renewal term, his renewal rights transferred to Windsong under the 1963 Assignment. Because Smith died before the start of the renewal term, his heirs obtained his renewal rights rather than Windsong under the 1963 Assignment. Therefore, Windsong owned fifty percent of the Renewal Copyright given the transfer of Vetter's renewal rights, and Smith's heirs owned the remaining fifty percent of the Renewal Copyright in 1994.

In the spring of 1996, Vetter Communications Corporation purchased the renewal rights held by Smith's heirs. Later that year, Windsong assigned fifty percent of its interest in the Renewal Copyright to Lyresong Music, Inc. ("Lyresong"). At this point, Vetter Communications Corporation owned fifty percent of the Renewal Copyright given its purchase from Smith's heirs, and Windsong and Lyresong each owned twenty-five percent of the Renewal Copyright.

[A footnote traced a 1996 assignment reducing Vetter's earlier transfer to writing, which the district court found not to be at issue.]

In March 2019, Vetter sent Windsong and Lyresong a notice of termination under 17 U.S.C. § 304(c). The notice of termination informed Windsong and Lyresong that Vetter was terminating "all authorship/ownership rights originally granted and conveyed by [Vetter] to [Windsong]" under the 1963 Assignment as of May 3, 2022. In August 2019, Windsong's owner informed Vetter that the company had been sold to Resnik. These rights are referred to as "Vetter's Recaptured Copyright Interest."

In 2022, American Broadcasting Companies, Inc. ("ABC") approached the Vetter Plaintiffs and requested an expanded license to use Double Shot in a television episode. Although that television episode had previously aired, "ABC was seeking

to expand the original music license to include inter alia worldwide digital broadcasts and on-demand streams." The Vetter Plaintiffs provided ABC with a quote, indicating that they were the sole and exclusive owners of Double Shot throughout the world. However, Resnik continued to claim twenty-five percent ownership of Double Shot even after receiving a copy of Vetter's notice of termination.

[Plaintiffs sued in the Middle District of Louisiana. The district court denied Resnik's motion to dismiss and granted Plaintiffs summary judgment which the court reviews de novo.]

III

On appeal, Resnik argues that the district court erred by declaring Vetter to be the sole owner of Double Shot's copyright throughout the world in Vetter's Recaptured Copyright Interest for three main reasons. First, he asserts that Vetter's notice of termination does not affect foreign rights based on the plain language of 17 U.S.C. § 304(c). Second, he contends that the district court's interpretation of the statute contradicts case law on the statutory termination of foreign rights. And third, he maintains that the district court's holding conflicts with U.S. treaty obligations under the Berne Convention and Universal Copyright Convention. We address each of these arguments in turn.

A. Statutory Interpretation

Section 304(c) of the Copyright Act of 1976 enables authors and artists to terminate transfers of their copyright rights covering an extended renewal term:

In the case of any copyright subsisting in either its first or renewal term on January 1, 1978, other than a copyright in a work made for hire, the exclusive or nonexclusive grant of a transfer or license of the renewal copyright or any right under it, executed before January 1, 1978, by any of the persons designated by subsection (a)(1)(C) of this section, otherwise than by will, is subject to termination.

17 U.S.C. § 304(c). Critically, section 304(c)(6)(E) provides that "[t]ermination of a grant under this subsection affects only those rights covered by the grant that arise under this title, and in no way affects rights arising under any other Federal, State, or foreign laws." 17 U.S.C. § 304(c)(6)(E).

Resnik first points to the plain language of section 304(c)(6)(E), contending that it shows that Vetter's notice of termination does not affect foreign rights. He asserts that this interpretation is consistent with congressional intent. He quotes Staff of House Committee on the Judiciary, 89th Congress, Supplementary Report of the Register of Copyrights on the General Revision of the U.S. Copyright Law (Committee Print 1965), explaining that the language "arising under... foreign laws" was meant "to ensure that 'termination affects only those rights arising under the U.S. copyright statute and has no effect, for example, on foreign rights that are covered by the same contract.' "

The district court correctly determined that Vetter is the sole owner of Double Shot's copyright throughout the world in Vetter's Recaptured Copyright Interest.

The district court's holding is supported by statutory text and context as well as statutory purpose.

Statutory Text and Context

The district court's holding is supported by the text of section 304(c)(6)(E). Section 304(c)(6)(E) states that "[t]ermination of a grant under this subsection affects only those rights covered by the grant that arise under this title, and in no way affects rights arising under any other Federal, State, or foreign laws." 17 U.S.C. § 304(c)(6)(E). On appeal, Resnik argues that the notice of termination under section 304(c) only affects domestic rights, not foreign rights. However, this interpretation is unpersuasive. According to Merriam Webster, "arise" means "to originate from a source." Black's Law Dictionary similarly defines "arise" as "[t]o originate; to stem (from)." Based on the plain language of "arise under this title," termination covers copyrights that were granted under Title 17 of the U.S. Code, which includes the U.S. Copyright Act, and excludes copyrights that were granted under "any other Federal, State, or foreign laws." In other words, because termination affects rights that "arise under" the U.S. Copyright Act, and because Vetter's rights arose under the U.S. Copyright Act, the plain language of section 304(c)(6)(E) dictates that his termination would be effective as to all of his rights—including his copyright to the extent that it extends internationally. There is no explicit geographical limitation in section 304(c)(6)(E) that restricts the exploitation of Vetter's rights to uses within the United States. Therefore, based on the plain language of the statute, the district court's holding is correct.

[The court rejected Resnik's argument that "arise under" is a term of art, reasoning from the test for federal-question jurisdiction in copyright cases.]

Even if the meaning of "arise under this title" is ambiguous, the district court still did not err. On appeal, Vetter argues that the phrase "under this title" is ambiguous, so its meaning should be determined from context. The Supreme Court "has acknowledged that the word 'under' is a 'chameleon' that 'must draw its meaning from its context.' " Nat'l Ass'n of Mfrs. v. Dep't of Def., 583 U.S. 109, 124 (2018) (quoting Kucana v. Holder, 558 U.S. 233, 245 (2010) (internal quotation marks omitted)). Moreover, "[i]t is necessary and required that an interpretation of a phrase of uncertain reach is not confined to a single sentence when the text of the whole statute gives instruction as to its meaning." Maracich v. Spears, 570 U.S. 48, 65 (2013) (citing U.S. Nat'l Bank of Or. v. Indep. Ins. Agents of Am., Inc., 508 U.S. 439, 455 (1993)). "Within a statute, 'the same term usually has the same meaning.' " Matter of Durand-Day, 134 F.4th at 852 (quoting Pulsifer v. United States, 601 U.S. 124, 149 (2024)). As such, this court may consult other sections of the Copyright Act of 1976 with the same or similar terms to interpret section 304(c)(6)(E).

[The court reviewed Kirtsaeng v. John Wiley & Sons, in which the Supreme Court read "lawfully made under this title" in § 109(a) as a non-geographic phrase.]

Because "arise under this title" in section 304(c)(6)(E) contains some of the same terms as "lawfully made under this title" in section 109(a), the former phrase likely also means "in accordance with" or "in compliance with" the Copyright Act. See

Matter of Durand-Day, 134 F.4th at 852 (quoting Pulsifer, 601 U.S. at 149). Therefore, the termination provision applies to copyrights that were granted in accordance with the Copyright Act of 1976 and excludes copyrights that were granted in accordance with "any other Federal, State, or foreign laws." That the Court in Kirtsaeng also adopted a nongeographical interpretation suggests that the district court did not err in similarly adopting a nongeographical reading of section 304(c)(6)(E). For these reasons, we conclude that the district court's holding that Vetter is the sole owner of Double Shot's copyright throughout the world in Vetter's Recaptured Copyright Interest is supported by statutory text and context.

Statutory Purpose

The district court's holding is also consistent with the purpose of the Copyright Act of 1976. The Copyright Act of 1976 enables authors and artists to recapture their copyrights in works they may have assigned or transferred through its termination provision. 17 U.S.C. § 203. Congress has explained that "[t]he provisions of section 203 are based on the premise that the reversionary provisions of the present section on copyright renewal [17 U.S.C. § 24] should be eliminated, and that the proposed law should substitute for them a provision safeguarding authors against unremunerative transfers." H.R. Rep. No. 94-1476, at 124 (1976). Congress continued:

> A provision of this sort is needed because of the unequal bargaining position of authors, resulting from the impossibility of determining a work's value until it has been exploited. Section 203 reflects a practical compromise that will further the objectives of the copyright law while recognizing the problems and legitimate needs of all interests involved.

H.R. Rep. No. 94-1476, at 124 (1976).

[The court added that a nongeographic reading serves the purpose of the termination provisions, citing amicus submissions from authors' and artists' rights organizations.]

B. Existing Case Law

On appeal, Resnik argues that the district court's interpretation of the statute contradicts case law on the statutory termination of foreign rights. He cites Siegel v. Warner Bros. Entertainment, Inc. ("Siegel"), 542 F. Supp. 2d 1098 (C.D. Cal. 2008), rev'd in part on other grounds, 504 F. App'x 586 (9th Cir. 2013), Fred Ahlert Music Corp. v. Warner/Chappell Music, Inc., 155 F.3d 17 (2d Cir. 1998), and Clancy v. Jack Ryan Enterprises, Ltd., No. 17-CV-3371, 2021 WL 488683 (D. Md. Feb. 10, 2021), for the proposition that termination under section 304(c) only recaptures domestic rights in a work. However, we decline to follow these cases.

First, Resnik cites Siegel. In Siegel, the widow and daughter of Jerome Siegel sought a declaration from the court that they had terminated Siegel's and Joseph Shuster's 1938 copyright grant in the comic book superhero "Superman" under 17 U.S.C. § 304(c). 542 F. Supp. 2d at 1102. Siegel and Shuster had previously executed an assignment agreement in which they assigned the exclusive, worldwide rights to Superman to Detective Comics. Id. at 1107. Siegel's widow and daughter

later served a termination notice under section 304(c) to recapture Siegel's rights. Id. at 1114. The district court considered the issue of which rights were recaptured through the termination notice, "namely,... whether plaintiffs have a right to defendants' post-termination foreign profits from the exploitation of the Superman copyright." Id. at 1116. The court ultimately held that the termination notice only affected the domestic part of the original assignment. Id. at 1142. It reasoned that

> Congress expressly limited the reach of what was gained by the terminating party through exercise of the termination right; specifically, the terminating party only recaptured the domestic rights (that is, the rights arising under title 17 to the United States Code) of the grant to the copyright in question. Left expressly intact and undisturbed were any of the rights the original grantee or its successors in interest had gained over the years from the copyright through other sources of law, notably the right to exploit the work abroad that would be governed by the copyright laws of foreign nations. Thus, the statute explains that termination "in no way affects rights" the grantee or its successors gained "under foreign laws."

Id. at 1140.

Siegel is an out-of-circuit case that relies heavily on secondary treatises, which are nonbinding. The district court in Siegel cites Professor David Nimmer's treatise: "A grant of copyright 'throughout the world' is terminable only with respect to uses within the geographic limits of the United States. Because copyright has no extraterritorial operation, American law arguably is precluded from causing the termination of rights based on foreign copyright laws." 3 Nimmer on Copyright § 11.02[B][2] (2025). To support his view, Nimmer cites another section of his treatise, which discusses the territorial limitations of the U.S. Copyright Act. See 3 Nimmer, supra, § 11.02[B][2] (citing 5 Nimmer on Copyright § 17.02[A]). It states that "[f]or the most part, acts of infringement that occur outside of the jurisdiction of the United States are not actionable under the United States Copyright Act. This [is] for the reason that copyright laws do not have any extraterritorial operation." 5 Nimmer, supra, § 17.02[A] (citing cases). The remainder of this section primarily discusses the presumption against extraterritoriality in the context of copyright and patent infringement. However, this section does not discuss copyright ownership, assignment, and termination, which are at issue in this case. Additionally, the termination of rights in this case was based on the U.S. Copyright Act rather than foreign copyright laws. Further, even Professor Nimmer admits that "a different conclusion is possible." 3 Nimmer, supra, § 11.02[B][2] (providing an example). Indeed, we hold that Professor Nimmer's view is contrary to statutory text, context, and purpose.

The district court in Siegel also references Professor William Patry's treatise:

One provision is quite clear, however: termination only affects U.S. rights. Sections 203(b)(5) and 304(c)(6)(E) both state, in relevant part, that termination "in no way affects rights under... foreign laws." Accordingly, where a U.S. author conveys worldwide rights and terminates under either section, grants in all other countries remain valid according to their terms or provisions in other countries' laws.

7 Patry on Copyright § 25:74 (2025). Notably, Professor Patry omits key language from the statute: "any other Federal, State, or foreign laws." 17 U.S.C. § 304(c)(6)

(E). His interpretation can be reconciled with the district court's holding because the grant of worldwide rights at issue in this case arose under U.S. copyright law rather than "other... foreign laws." As such, the district court did not err in declining to follow Siegel and its reliance on Professor Nimmer and Professor Patry's treatises because these authorities are nonbinding and contradict the plain text and purpose of section 304(c)(6)(E). [The court also distinguished Clancy v. Jack Ryan Enterprises and Fred Ahlert Music Corp. v. Warner/Chappell Music, both of which had read termination as reaching only United States rights.]

For these reasons, existing case law provides weak support for Resnik's argument, and this court declines to follow it.

C. International Treaty Principles

Resnik asserts that the district court's holding conflicts with the principles of national treatment and territoriality under two international treaties: the Berne Convention and the Universal Copyright Convention. Resnik explains that the principle of territoriality would be violated under the district court's interpretation "[b]ecause the foreign rights in [Double Shot] do not arise under Title 17 of the U.S. Code, but under the domestic laws of each member country," so "the termination of U.S. rights under [s]ection 304 'in no way affects' those foreign rights." He asserts that the principle of national treatment would be violated because "it would grant U.S. authors greater rights than the authors of other Berne and [Universal Copyright Convention] members are entitled to receive under U.S. law." Resnik's arguments are premised on the following theory: "[T]he U.S. Copyright Act, together with the implementing legislation of each other member country, creates multiple and separate copyright interests in each country, rather than a single overarching international master copyright that each country is required to honor."

Resnik does not provide sufficient support for his theory, and the district court's interpretation of section 304(c) may be reconciled with the principles of national treatment and territoriality.

Both the Berne Convention and Universal Copyright Convention subscribe to the principle of national treatment. Under the Berne Convention, the principle of national treatment states that "when the author is not a national of the country of origin of the work for which he is protected under this Convention, he shall enjoy in that country the same rights as national authors." Berne Convention for the Protection of Literary and Artistic Works, art. 5(3) (Paris Text 1971). The Universal Copyright Convention has a similar provision. See Universal Copyright Convention, as revised at Paris on July 24, 1971, art. II. The Southern District of New York has recognized that "[i]n view of the United States' accession to the Berne Convention and the Universal Copyright Convention... a foreign national [of a treaty member state] may seek copyright protection under the Copyright Act although the source of its rights lies abroad." Bridgeman Art Libr., Ltd. v. Corel Corp., 25 F. Supp. 2d 421, 425 (S.D.N.Y. 1998) (footnote omitted).

The Southern District of New York's understanding of these treaties is consistent with the notion that a copyright may be granted under the laws of one country and

still be recognized by other member countries to the Berne Convention and Universal Copyright Convention. This reading contradicts Resnik's theory that there are "multiple and separate copyright interests in each country, rather than a single overarching international copyright that each country is required to honor." For support, Resnik only cites 17 U.S.C. § 104(c), which states that "[n]o right or interest in a work eligible for protection under this title may be claimed by virtue of, or in reliance upon, the provisions of the Berne Convention, or the adherence of the United States thereto." 17 U.S.C. § 104(c). Given the statutory text, context, and purpose of section 304(c) as well as the public policy and industry norms discussed supra, it is more likely that a copyright is better understood as being granted under the U.S. Copyright Act and recognized by member countries pursuant to the Berne Convention and Universal Copyright Convention.

In this case, Vetter transferred his exclusive rights to Double Shot throughout the world to Windsong in the 1963 Assignment. Copyright protection for these rights was granted under the U.S. Copyright Act and, in accordance with the Berne Convention and Universal Copyright Convention, was to be recognized by other member countries across the globe. Therefore, these rights would continue to be recognized across the globe consistent with the principle of national treatment when Vetter recaptured them upon termination.

Resnik further argues that the district court's decision conflicts with the principle of territoriality. According to this principle, copyright protections do not have extraterritorial effect. See Impression Prods., Inc. v. Lexmark Intern., Inc., 581 U.S. 360, 379 (2017). This court has observed that "[t]he Copyright Act does not express its limit on territorial reach. That limit arises from the background presumption that legislation reaches only domestic conduct." Geophysical Serv., Inc. v. TGS-NOPEC Geophysical Co., 850 F.3d 785, 791 (5th Cir. 2017) (citing Subafilms, Ltd. v. MGM-Pathe Commc'ns Co., 24 F.3d 1088, 1095–96 (9th Cir. 1994)). Courts have applied the presumption against extraterritoriality in the context of copyright and patent infringement. See, e.g., id. at 789 ("[T]he inapplicability of the Copyright Act to extraterritorial conduct bars a contributory infringement claim based on the domestic authorization of entirely extraterritorial conduct."); Subafilms, Ltd., 24 F.3d at 1098 ("[W]e reaffirm that the United States copyright laws do not reach acts of infringement that take place entirely abroad.").

The Vetter Plaintiffs' argument that Resnik overstates the role of the presumption against extraterritoriality is persuasive. They are correct that this case is about ownership rather than infringement. The National Society of Entertainment & Arts Lawyers points out that both Impression Products, Inc., 581 U.S. 360 and Geophysical Serv., Inc., 850 F.3d 785, concern patent infringement rather than ownership, so they provide minimal support for Resnik's argument. Additionally, Professor Nimmer's discussion of the presumption against extraterritoriality centers on cases of copyright and patent infringement, which are not at issue in this case. 5 Nimmer, supra, § 17.02[A] (citing cases). Because Resnik has not shown that the presumption against extraterritoriality should be applied in the context of ownership, assignment, and termination, we hold that the district court did not err.

[The court declined to apply the choice-of-law analysis of Itar-Tass Russian News Agency v. Russian Kurier, noting that it addressed which nation's law governs ownership of a foreign work.]

In sum, the district court did not err by holding that Vetter is the sole owner of Double Shot's copyright throughout the world in Vetter's Recaptured Copyright Interest based on statutory text, context, and purpose. We decline to follow the nonbinding cases Resnik cites. Moreover, the district court's holding is reconcilable with the principles of national treatment and territoriality. Therefore, Vetter is entitled to judgment as a matter of law. See Sanders, 970 F.3d at 561 (quoting FED. R. CIV. P. 56(a)).

IV

On appeal, Resnik argues that the district court erred by declaring Vetter Communications Corporation to be the sole owner of Double Shot's copyright throughout the world in VCC's Renewal Copyright Interest. First, he asserts that the district court's holding cannot be reconciled with the plain text of section 24 of the Copyright Act of 1909. Second, he presses that the district court expanded Stewart v. Abend ("Stewart"), 495 U.S. 207 (1990), which he asserts limits the recapture of copyright rights to U.S. rights. And third, he maintains that the district court's reading of Stewart would violate the principles of territoriality and national treatment. We address each argument in turn.

A. Statutory Interpretation

Under the Copyright Act of 1909, copyright ownership comprised an original term and a renewal term. Stewart, 495 U.S. at 217. The Copyright Act of 1909 provided authors with copyright protection for an original term of twenty-eight years. Id. at 212 (citing 35 Stat. 1075, 17 U.S.C. § 1 et seq. (1976 ed.)). At the end of the original term, authors could then renew their copyright for an additional twenty-eight years. Id. "[W]hen an author dies before the renewal period arrives, his executor is entitled to the renewal rights, even though the author previously assigned his renewal rights to another party." Id. at 219 (citing Miller Music Corp. v. Charles N. Daniels, Inc., 362 U.S. 373, 374–75 (1960)). The Supreme Court has observed that "[t]he renewal term permits the author, originally in a poor bargaining position, to renegotiate the terms of the grant once the value of the work has been tested." Id. at 218–19. The renewal provision of the Copyright Act of 1909 states:

> [T]he copyright secured by this title shall endure for twenty-eight years from the date of first publication... the author of such work, if still living, or the widow, widower, or children of the author, if the author be not living, or if such author, widow, widower, or children be not living, then the author's executors, or in the absence of a will, his next of kin shall be entitled to a renewal and extension of the copyright in such work for a further term of twenty-eight years when application for such renewal and extension shall have been made to the copyright office and duly registered therein within one year prior to the expiration of the original term of copyright.

17 U.S.C. § 24 (1909).

Resnik argues that the district court's holding cannot be reconciled with the plain language of the Copyright Act of 1909. He asserts that the language "renewal and extension of the copyright... for a further term of twenty-eight years" only refers to the U.S. copyright because only the United States had this renewal term. The Vetter Plaintiffs contend that the district court correctly determined that VCC's Renewal Copyright Interest "represents a completely new estate clear of any rights that [Smith] granted to Windsong during the original copyright term." They point to the plain language of the renewal provision, observing that "[t]he right to obtain a renewal copyright is absolute and unrestricted in the text of the [Copyright Act of 1909]." We agree.

The text and purpose of the renewal provision in the Copyright Act of 1909 support the district court's holding. As discussed supra, this court starts with the text of the statute. Matter of Durand-Day, 134 F.4th at 851 (citing Matter of Imperial Petroleum Recovery Corp., 84 F.4th at 271). "If the text of the statute is clear and unambiguous, [the] inquiry ends, and [this court] give[s] effect to the plain language." Id. (citing Carpenters Dist. Council of New Orleans & Vicinity, 15 F.3d at 1282–83). Here, the renewal provision makes no mention of geographical limitations to the scope of renewal rights, and the provision itself does not contain any ambiguity. Therefore, the district court did not err based on the plain language of the provision.

[The court described the purpose of the 1909 Act's renewal provision and addressed Professor Nimmer's treatise, cited by the Motion Picture Association, which treats the renewal interest as a matter of United States law only.]

The district court ultimately did not err by holding that Vetter Communications Corporation is the sole owner of Double Shot's copyright throughout the world in VCC's Renewal Copyright Interest.

B. Existing Case Law

Resnik also argues that the district court expanded Stewart by holding that Smith's heirs gained worldwide copyright rights during the renewal term of the copyright. He maintains that only U.S. renewal rights revert under Stewart. He explains:

As to the U.S. renewal term, however—and only as to the U.S. renewal term—Stewart holds that it is only a grant of an unfulfilled expectancy. As to all other rights conveyed by the author, i.e., foreign rights in countries without a bifurcated copyright term, the effect of the grant remains unchanged, because the foreign rights granted are not mere expectancies but valid full-term rights under the copyright laws of other countries, fully vested in the author for their entire duration ab initio.

[The court set out the facts of Stewart v. Abend, in which an author died before the renewal term vested and his executor renewed and reassigned the copyright.]

Citing Miller Music Corp., 362 U.S. 373, the Court explained that

> if the author dies before the commencement of the renewal period, the assignee holds nothing. If the assignee of all of the renewal rights holds nothing upon the death of the assignor before arrival of the renewal period, then, a fortiori, the

> assignee of a portion of the renewal rights, e.g., the right to produce a derivative work, must also hold nothing.

Id. at 220–21. "Therefore, if the author dies before the renewal period, then the assignee may continue to use the original work only if the author's successor transfers the renewal rights to the assignee." Id. at 221. The Court concluded that because the author died before the start of the renewal period, the petitioners "[held] only an unfulfilled expectancy." Id.

Resnik argues that the recapture of renewal rights is limited to U.S. rights under Stewart, but his argument fails. The Stewart Court did not discuss the geographical scope of renewal rights. While the Court explained that the transfer of renewal rights is contingent on the author's survival during the renewal period, the Court did not distinguish between U.S. rights and foreign rights. See id. at 219–20. Rather, the Court was silent on that issue.

[The court rejected Resnik's reliance on Rohauer v. Killiam Shows, holding that it said nothing about the geographic scope of renewal rights.]

Therefore, the district court did not err by holding that Vetter Communications Corporation is the sole owner of Double Shot's copyright throughout the world in VCC's Renewal Copyright Interest.

C. International Treaty Principles

While Resnik maintains that the district court's decision regarding VCC's Renewal Copyright Interest would violate the principles of territoriality and national treatment, he does not provide sufficient support for his argument. As discussed supra, his argument is premised on the theory that there are "multiple and separate copyright interests in each country, rather than a single overarching international master copyright that each country is required to honor." However, he does not cite sufficient support in his analysis of this issue. For example, he does not articulate the "downstream effects" he describes as a result of the district court's decision. The Vetter Plaintiffs' argument that the renewal provisions are "inherently non-geographical" is more persuasive given the statutory text and purpose of the renewal provision. Therefore, the Vetter Plaintiffs have the stronger argument on this issue as well.

Overall, the district court did not err by holding that Vetter Communications Corporation is the sole owner of Double Shot's copyright throughout the world in VCC's Renewal Copyright Interest. This holding is supported by statutory text and purpose.

V

For the foregoing reasons, we AFFIRM the district court's judgment in full.

Notes and questions

(1) **One copyright, or a bundle of national copyrights?** The decision rests on a premise that a single copyright "arises" in the country of origin and is thereafter recognized and enforced abroad. This remarkable assumption is not defended in the decision, it is simply

announced and assumed. The Fifth Circuit is simply and profoundly wrong on this point. A work generates a separate national copyright in each Berne state, each independent of the others, each governed by that state's law, and each separately tradable. The Berne Convention creates no copyrights at all, rather it sets minimum standards that member states implement through domestic legislation. How does the single copyright premise dictate the answer in this case?

(2) **The statutory text.** How convincing is the court's interpretation of Section 304(c)(6)(E) of the Copyright Act which provides that termination "in no way affects rights arising under any other Federal, State, or foreign laws"? Dinwoodie points out that the provision from which the court borrowed its reading of "arising under," the first-sale provision construed in *Kirtsaeng*, carries no neighbouring clause declaring that the section "in no way affects rights arising under any other Federal, State, or foreign laws." Does the adjacent clause change the analysis?

(3) **Oversights.** The court quotes Berne article 5(3) on national treatment. It does not address article 5(2), under which the enjoyment and exercise of rights are "independent of the existence of protection in the country of origin." That is the provision most directly in tension with a single-copyright theory. Nor does the court engage 17 U.S.C. § 104(c), which provides that no right may be claimed "by virtue of, or in reliance upon" Berne. Resnik raised it; the court's answer is that "Resnik only cites 17 U.S.C. § 104(c)." If Berne cannot create rights under United States law, on what theory does United States law create rights abroad?

(4) **National treatment.** Applying the single-copyright theory in the other direction would mean that if a work's copyright arises in its country of origin, then the works of foreign authors arise under foreign law, and are not subject to the termination and renewal provisions of United States law at all. Foreign authors could not recapture their United States rights, while American authors could recapture theirs worldwide. That asymmetry is difficult to square with national treatment under Berne and TRIPS. For more, see Tyler Ochoa, *A Volcanic Opinion in the Fifth Circuit Destabilizes International Copyright Law — Vetter v. Resnik*, Technology & Marketing Law Blog, 29 January 2026, https://blog.ericgoldman.org/archives/2026/01/a-volcanic-opinion-in-the-fifth-circuit-destabilizes-international-copyright-law-vetter-v-resnik-guest-blog-post.htm.

(5) **The mirror image.** In *Gloucester Place Music Ltd v. Le Bon* [2016] EWHC 3091 (Ch), members of Duran Duran served notices under § 203 terminating assignments of their United States copyrights. The assignments were made under contracts governed by English law with an exclusive English jurisdiction clause. The English High Court held that, construed under English law, the contracts promised the publisher the copyrights for their full term and so barred the terminations, despite § 203(a)(5), which says termination may be effected "notwithstanding any agreement to the contrary." For more, see Graeme B. Dinwoodie, *International Influence on U.S. Copyright Law: A Story Growing More Complex* (JOURNAL OF THE COPYRIGHT SOCIETY OF THE U.S.A., forthcoming). The judge who decided *Gloucester Place* has since written, with Jane Ginsburg, that the choice-of-law point was never argued and that a different approach might have produced a different result. Richard Arnold and Jane C. Ginsburg, *Foreign Contracts and U.S. Copyright Termination Rights: What Law Applies?*, 43 COLUMBIA JOURNAL OF LAW & THE ARTS 437 (2020).

Terminated Derivatives

One significant issue under the termination of transfers regime is what happens to authorized derivative works when the right to make a derivative work is terminated? This was a central concern in *Stewart v. Abend*, where the Court had to determine whether the owners of the "Rear Window" motion picture could continue to distribute their film after the renewal rights in the underlying story reverted to Abend.

For terminated post-1978 grants, Section 203(b)(1) provides as follows:

> **17 U.S. Code § 203(b)(1)**
>
> A derivative work prepared under authority of the grant before its termination may continue to be utilized under the terms of the grant after its termination, but this privilege does not extend to the preparation after the termination of other derivative works based upon the copyrighted work covered by the terminated grant.

For terminated pre-1978 grants Section 304(c)(6)(A) says exactly the same thing.

The case law interpreting this provision is sparse, but the language in the statute would seem to mean that a licensee could continue to exploit derivatives created under license before termination, but the licensee could not make new versions of those derivatives.

As *Stewart v. Abend* makes clear, however, these provisions only apply when there has been a valid termination under the statute. In that case, the Court rejected the argument that the creation of a derivative work somehow extinguished the underlying author's rights. The Court emphasized that "the element drawn from the pre-existing work remains on grant from the owner of the pre-existing work," and that the owner of the pre-existing work retains the right to sue for infringement if the derivative work is used without a valid license.

The Court's reasoning highlights an important distinction: the derivative work privilege in Section 203(b)(1) and Section 304(c)(6)(A) only protects derivative works that were "prepared under authority of the grant" before termination. If the grant itself lapses or becomes invalid (as in *Stewart v. Abend*, where Woolrich's death before the renewal period meant the assignment never became effective), then the derivative work was never properly authorized in the first place, and these protective provisions do not apply.

CHAPTER 17. THE BOUNDARIES OF THE WORK

Boundary Problems with Copyrighted Works

At the heart of copyright law is a set of exclusive rights in relation to copyrighted works, such as the right to reproduce the work, the right to make a derivative work based upon the copyrighted work, and the right to publicly perform the work. Justifiably, those of us who think seriously about copyright tend to focus our attention almost exclusively on understanding the scope of these rights, their application to new circumstances, and the role of limiting doctrines and defenses. However, surprisingly little attention has been given to *the surprising and persistent ambiguity as to what a copyright work actually is* and how to determine the boundaries of particular works.

Even once we settle questions about subject matter eligibility in the abstract, such as whether a garden, a DNA sequence, a dance routine, a character, or an acting performance could ever be treated as a copyrighted work, we still need to address some fundamental conceptual questions about where the boundaries of particular copyrighted works should be drawn.

We need to be able to say with precision in particular cases what the work is, and just as importantly, what it isn't. This turns out to be a key yet overlooked question in several confounding cases.

Identifying the boundaries of the work is a critical prerequisite for determining questions of ownership, claims of co-authorship, and eligibility for registration. It is also significant in infringement analysis and fair use analysis where the amount of the plaintiff's work that has been appropriated by the defendant is at issue. Deciding whether the plaintiff owns one work or several smaller works has some obvious implications for statutory damages which are awarded on a "per work" basis. Without a coherent basis to determine the boundaries of the work, copyright law invites plaintiffs to game the system. If the boundaries of the work are left imprecise and undetermined then copyright risks becoming little more than an unstructured tort of unfair competition.

When copyright began with the Statute of Anne in 1710 its subject matter was the printed book, specifically "Copies of Printed Books." See 8 Ann., c. 19 (1710) (Eng.). Likewise the first copyright law of the newly formed United States established rights in relation to "any map, chart, book or books." Copyright Act of 1790, ch. 15, § 1, 1 Stat. 124. In England and the United States, copyright was contingent on registration in advance of publication, a requirement that continued in the United States until the Copyright Act of 1976. The boundaries of the copyrighted work were much clearer under these previous regimes because of the statutory focus on copyrightable subjects with well understood parameters such as books, maps, etc. These boundaries were also much clearer because any ambiguity had to be resolved at the time of registration: an author would either register 12 individual chapters, or she would register a single book.

Although in the intervening 300 years copyright law has expanded significantly in scope of rights, duration, and subject matter covered, the printed book retains a special status as the paradigm example of a copyrighted work. When a single author registers a unique and

original manuscript for copyright protection, subject matter eligibility and the boundaries of the work are uncontroversial: it is obvious that a new novel meets the subject matter and originality requirements for copyright protection, and it is equally obvious that what is being copyrighted is the entire novel. Based on this simple paradigm we tend to think of copyrighted works as discrete intellectual objects containerized and delimited in stable physical embodiments. Often that is true, but as this chapter will illustrate, there are hard cases where the relationship between the work as an abstraction and its physical embodiment will be contested.

To illustrate with a conundrum from the *Garcia v. Google* litigation (extracted below): If a filmmaker set up a camera trained on a spotlight on an empty stage and directed actor A to recite between two and five minutes of Shakespeare, conventional principles of copyright law suggest that actor and filmmaker are likely to be joint authors of the resulting audiovisual work. But what if the filmmaker had the same arrangement with actors A through Z? Would filmmaker be the sole author of a singular audiovisual work in which all of the actors had made their contributions? Or would there be a multiplicity of works each with different owners?

It probably seems obvious that the seven books in the original Harry Potter series are seven separate copyrighted works, but is it obvious that each chapter isn't also a separate copyrighted work? And if each chapter is a work unto itself, should we treat every sentence as a new copyrighted work as well?

Such questions are just the tip of the iceberg. Later in this chapter we will address problems relating to disappearing works, temporally contingent works, and hyper-textual works. To answer these questions, we need a coherent concept of the work in the abstract and a framework to determine the boundaries of particular copyrighted works.

The indeterminacy of the boundaries of the copyrighted work was rarely an issue until the comprehensive revision of the Copyright Act in 1976. The 1976 Act was recognized at the time as making a number of fundamental changes to United States copyright law. However, one of the most profound changes brought about by the Act appears to have gone largely unnoticed. That change is, in short, that we no longer know with certainty what a copyrighted work is. Under the Copyright Act of 1909 and its predecessors, to obtain copyright protection one had to first register one's work and furthermore ensure that one had not published the work prior to registration or without a copyright notice. As Justin Hughes notes:

> The Copyright Act defines a "collective work," a "work made for hire," "literary works," a "joint work," and "a work of visual art." But the law runs silent on the foundational concept on which these definitions are built.

See Justin Hughes, *Size Matters (Or Should) In Copyright Law*, 74 FORDHAM LAW REVIEW 575, 576 (2005).

This chapter explores some hard cases in relation to identifying the boundaries of copyrighted works, beginning with the quantum theory of copyright (explained below) and the supposed problem of disappearing works.

The Quantum Theory of Copyright and Disappearing Works

Garcia v. Google, Inc., 786 F.3d 733 (9th Cir. 2015) (en banc)

Opinion by Circuit Judge McKeown

In this case, a heartfelt plea for personal protection is juxtaposed with the limits of copyright law and fundamental principles of free speech. The appeal teaches a simple lesson — a weak copyright claim cannot justify censorship in the guise of authorship.

By all accounts, Cindy Lee Garcia was bamboozled when a movie producer transformed her five-second acting performance into part of a blasphemous video proclamation against the Prophet Mohammed. The producer — now in jail on unrelated matters — uploaded a trailer of the film, Innocence of Muslims, to YouTube. Millions of viewers soon watched it online, according to Garcia. News outlets credited the film as a source of violence in the Middle East. Garcia received death threats.

Asserting that she holds a copyright interest in her fleeting performance, Garcia sought a preliminary injunction requiring Google to remove the film from all of its platforms, including YouTube. The district court denied the injunction, finding that Garcia did not establish likely success on the merits for her copyright claim. Nor did she demonstrate that the injunction would prevent any alleged harm in light of the film's five-month presence on the Internet. A divided panel of our court reversed, labeled her copyright claim as "fairly debatable," but then entered a mandatory injunction requiring Google to remove the film. That injunction was later limited to versions of the film featuring Garcia's performance.

As Garcia characterizes it, "the main issue in this case involves the vicious frenzy against Ms. Garcia that the Film caused among certain radical elements of the Muslim community." We are sympathetic to her plight. Nonetheless, the claim against Google is grounded in copyright law, not privacy, emotional distress, or tort law, and Garcia seeks to impose speech restrictions under copyright laws meant to foster rather than repress free expression. Garcia's theory can be likened to "copyright cherry picking," which would enable any contributor from a costume designer down to an extra or best boy to claim copyright in random bits and pieces of a unitary motion picture without satisfying the requirements of the Copyright Act. Putting aside the rhetoric of Hollywood hijinks and the dissent's dramatics, this case must be decided on the law.

In light of the Copyright Act's requirements of an "original work of authorship fixed in any tangible medium," 17 U.S.C. § 102(a), the mismatch between Garcia's copyright claim and the relief sought, and the Copyright Office's rejection of Garcia's application for a copyright in her brief performance, we conclude that the district court did not abuse its discretion in denying Garcia's request for the preliminary injunction. As a consequence, the panel's mandatory injunction against Google was unjustified and is dissolved upon publication of this opinion.

BACKGROUND AND PROCEDURAL HISTORY

In July 2011, Cindy Lee Garcia responded to a casting call for a film titled Desert Warrior, an action-adventure thriller set in ancient Arabia. Garcia was cast in a cameo role, for which she earned $500. She received and reviewed a few pages of

script. Acting under a professional director hired to oversee production, Garcia spoke two sentences: "Is George crazy? Our daughter is but a child?" Her role was to deliver those lines and to "seem concerned."

Garcia later discovered that writer-director Mark Basseley Youssef (a.k.a. Nakoula Basseley Nakoula or Sam Bacile) had a different film in mind: an anti-Islam polemic renamed Innocence of Muslims. The film, featuring a crude production, depicts the Prophet Mohammed as, among other things, a murderer, pedophile, and homosexual. Film producers dubbed over Garcia's lines and replaced them with a voice asking, "Is your Mohammed a child molester?" Garcia appears on screen for only five seconds.

Almost a year after the casting call, in June 2012, Youssef uploaded a 13-minute-and-51-second trailer of Innocence of Muslims to YouTube, the video-sharing website owned by Google, Inc., which boasts a global audience of more than one billion visitors per month. After it was translated into Arabic, the film fomented outrage across the Middle East, and media reports linked it to numerous violent protests. The film also has been a subject of political controversy over its purported connection to the September 11, 2012, attack on the United States Consulate in Benghazi, Libya.

Shortly after the Benghazi attack, an Egyptian cleric issued a fatwa against anyone associated with Innocence of Muslims, calling upon the "Muslim Youth in America and Europe" to "kill the director, the producer, and the actors and everyone who helped and promoted this film." Garcia received multiple death threats.

Legal wrangling ensued. Garcia asked Google to remove the film, asserting it was hate speech and violated her state law rights to privacy and to control her likeness. Garcia also sent Google five takedown notices under the Digital Millenium Copyright Act, 17 U.S.C. § 512, claiming that YouTube's broadcast of Innocence of Muslims infringed her copyright in her "audio-visual dramatic performance." Google declined to remove the film.

On September 19, 2012, Garcia first sued Google, Youssef, and other unnamed production assistants in Los Angeles Superior Court. Her complaint alleged a compendium of torts and assorted wrongdoing under California law. As against Google, Garcia made claims for invasion of privacy, false light, and violating her right to publicity. She brought the same claims against Youssef and added fraud, unfair business practices, slander, and intentional infliction of emotional distress. The state court denied Garcia's motion for a "temporary restraining order and for an order to show cause re preliminary injunction," because she had "not shown a likelihood of success on the merits." On September 25, 2012, Garcia voluntarily dismissed her state court suit.

One day later, Garcia turned to federal court. She filed suit in the United States District Court for the Central District of California and again named Google and Youssef as codefendants. Garcia alleged copyright infringement against both defendants and revived her state law claims against Youssef for fraud, unfair business practices, libel, and intentional infliction of emotional distress.

Garcia then moved for a temporary restraining order and for an order to show cause on a preliminary injunction — but only on the copyright claim. She sought to bar

Google from hosting Innocence of Muslims on YouTube or any other Google-run website.

On November 30, 2012, the district court denied Garcia's motion for a preliminary injunction. As an initial matter, the court concluded that "Garcia had not demonstrated that the requested relief would prevent any alleged harm," because, by that point, the film trailer had been on the Internet for five months. Nor did Garcia establish a likelihood of success on the merits. In particular, the district court found that the nature of Garcia's copyright interest was unclear, and even if she could establish such a copyright, she granted the film directors an implied license to "distribute her performance as a contribution incorporated into the indivisible whole of the Film."

A divided panel of our court reversed. More than a year and a half after the film was first uploaded, the panel majority first issued a secret takedown order, giving Google twenty-four hours to remove all copies of Innocence of Muslims from YouTube and other Google-controlled platforms. The panel embargoed disclosure of the order until it issued its opinion. The panel later amended the order to allow YouTube to post any version of the film that did not include Garcia's performance.

In its later-issued opinion, the panel majority reversed the district court and granted Garcia's preliminary injunction. *Garcia v. Google, Inc.*, 743 F.3d 1258, amended by *Garcia v. Google, Inc.*, 766 F.3d 929 (9th Cir.2014). Despite characterizing Garcia's copyright claim as "fairly debatable," the panel majority nonetheless concluded that Garcia was likely to prevail on her copyright claim as to her individual performance in Innocence of Muslims. 766 F.3d at 935. In contrast to the district court's factual finding of an implied license from Garcia to Youssef, the panel opinion held that the license ran in the opposite direction: "Youssef implicitly granted [Garcia] a license to perform his screenplay," and that Garcia did not grant Youssef an implied license to incorporate her performance into the film. Id. at 935-38. Finally, the panel majority held that, because of the death threats against her, Garcia had established irreparable harm and the equities and public interest favored an injunction. Id. at 938-40. The opinion did not address the First Amendment consequences of the mandatory takedown injunction, beyond stating that the First Amendment does not protect copyright infringement.

Judge N.R. Smith dissented. He wrote that Garcia had not met the high burden required for a mandatory preliminary injunction because she was unlikely to succeed on her copyright claim. Id. at 941 (N.R. Smith, J., dissenting). Specifically, Garcia was not likely to prove her performance was a "work," nor would she likely meet the copyright requirements of authorship and fixation, among other shortcomings with her claim. Id. at 946. In sum, "because the facts and law do not 'clearly favor' issuing a preliminary injunction to Garcia, the district court did not abuse its discretion in denying Garcia's requested relief." Id. at 940.

We granted rehearing en banc.

The central question is whether the law and facts clearly favor Garcia's claim to a copyright in her five-second acting performance as it appears in Innocence of Muslims. The answer is no. This conclusion does not mean that a plaintiff like Garcia is without options or that she couldn't have sought an injunction against different parties or on other legal theories, like the right of publicity and defamation.

Under the Copyright Act, "copyright protection subsists ... in original works of authorship fixed in any tangible medium of expression ... [including] motion pictures." 17 U.S.C. § 102(a). That fixation must be done "by or under the authority of the author." 17 U.S.C. § 101. Benchmarked against this statutory standard, the law does not clearly favor Garcia's position.

The statute purposefully left "works of authorship" undefined to provide for some flexibility. Nevertheless, several other provisions provide useful guidance. An audiovisual work is one that consists of "a series of related images which are intrinsically intended to be shown" by machines or other electronic equipment, plus "accompanying sounds." 17 U.S.C. § 101. In turn, a "motion picture" is an "audiovisual work[ ] consisting of a series of related images which, when shown in succession, impart an impression of motion, together with accompanying sounds, if any." Id. These two definitions embody the work here: Innocence of Muslims is an audiovisual work that is categorized as a motion picture and is derivative of the script. Garcia is the author of none of this and makes no copyright claim to the film or to the script. Instead, Garcia claims that her five-second performance itself merits copyright protection.

In the face of this statutory scheme, it comes as no surprise that during this litigation, the Copyright Office found that Garcia's performance was not a copyrightable work when it rejected her copyright application. The Copyright Office explained that its "longstanding practices do not allow a copyright claim by an individual actor or actress in his or her performance contained within a motion picture." Thus, "for copyright registration purposes, a motion picture is a single integrated work.... Assuming Ms. Garcia's contribution was limited to her acting performance, we cannot register her performance apart from the motion picture."

We credit this expert opinion of the Copyright Office — the office charged with administration and enforcement of the copyright laws and registration. The Copyright Office's well-reasoned position reflects a body of experience and informed judgment to which courts and litigants may properly resort for guidance.

In analyzing whether the law clearly favors Garcia, *Aalmuhammed v. Lee*, 202 F.3d 1227 (9th Cir.2000), provides a useful foundation. There, we examined the meaning of "work" as the first step in analyzing joint authorship of the movie Malcolm X. The Copyright Act provides that when a work is "prepared by two or more authors with the intention that their contributions be merged into inseparable or interdependent parts of a unitary *whole*," the work becomes a "joint work" with two or more authors. 17 U.S.C. § 101 (emphasis added). Garcia unequivocally disclaims joint authorship of the film.

In *Aalmuhammed*, we concluded that defining a "work" based upon "some minimal level of creativity or originality ... would be too broad and indeterminate to be useful." 202 F.3d at 1233 (internal quotation marks omitted).[9]

Footnote 9: Although the ultimate issue in *Aalmuhammed* pertained to joint authorship, the definition of "work" was essential, just as in our case, to the analysis. 202 F.3d at 1233-34; see also *Richlin v. Metro-Goldwyn-Mayer Pictures, Inc.*, 531 F.3d 962, 968 (9th Cir. 2008) (relying on *Aalmuhammed* in reasoning that to determine authorship, the court must first determine the "work" to be examined).

Our animating concern was that this definition of "work" would fragment copyright protection for the unitary film Malcolm X into many little pieces:

So many people might qualify as an "author" if the question were limited to whether they made a substantial creative contribution that that test would not distinguish one from another. Everyone from the producer and director to casting director, costumer, hairstylist, and "best boy" gets listed in the movie credits because all of their creative contributions really do matter.

Id.

Garcia's theory of copyright law would result in the legal morass we warned against in Aalmuhammed — splintering a movie into many different "works," even in the absence of an independent fixation. Simply put, as Google claimed, it makes Swiss cheese of copyrights.

Take, for example, films with a large cast — the proverbial "cast of thousands" — such as Ben-Hur or Lord of the Rings. The silent epic Ben-Hur advertised a cast of 125,000 people. In the Lord of the Rings trilogy, 20,000 extras tramped around Middle-Earth alongside Frodo Baggins (played by Elijah Wood). Treating every acting performance as an independent work would not only be a logistical and financial nightmare, it would turn cast of thousands into a new mantra: copyright of thousands.

The dissent spins speculative hypotheticals about copyright protection for book chapters, movie outtakes, baseball games, and Jimi Hendrix concerts. This hyperbole sounds a false alarm. Substituting moral outrage and colorful language for legal analysis, the dissent mixes and matches copyright concepts such as collective works, derivative works, the requirement of fixation, and sound recordings. The statutory definitions and their application counsel precision, not convolution. See, e.g., 17 U.S.C. §§ 101, 103, 114, 201. The citation to *Effects Associates, Inc. v. Cohen*, 908 F.2d 555 (9th Cir.1990) (Kozinski, J.), is particularly puzzling. There, neither party disputed the plaintiff's copyright, and the plaintiff independently fixed the special-effects footage and licensed it to the filmmakers.

The reality is that contracts and the work-made-for-hire doctrine govern much of the big-budget Hollywood performance and production world. Absent these formalities, courts have looked to implied licenses. Indeed, the district court found that Garcia granted Youssef just such an implied license to incorporate her performance into the film. But these legal niceties do not necessarily dictate whether something is protected by copyright, and licensing has its limitations. As filmmakers warn, low-budget films rarely use licenses. Even if filmmakers diligently obtain licenses for everyone on set, the contracts are not a panacea. Third-party content distributors, like YouTube and Netflix, won't have easy access to the licenses; litigants may dispute their terms and scope; and actors and other content contributors can terminate licenses after thirty five years. See 17 U.S.C. § 203(a)(3). Untangling the complex, difficult-to-access, and often phantom chain of title to tens, hundreds, or even thousands of standalone copyrights is a task that could tie the distribution chain in knots. And filming group scenes like a public parade, or the 1963 March on Washington, would pose a huge burden if each of the thousands of marchers could claim an independent copyright.

Garcia's copyright claim faces yet another statutory barrier: She never fixed her acting performance in a tangible medium, as required by 17 U.S.C. § 101 ("A work is 'fixed' in a tangible medium of expression when its embodiment in a copy or phonorecord, *by or under the authority of the author*, is sufficiently permanent or

stable to permit it to be perceived, reproduced, or otherwise communicated for a period of more than transitory duration.") (emphasis added). According to the Supreme Court, "the author is the party who actually creates the work, that is, the person who translates an idea into a fixed, tangible expression entitled to copyright protection." *Community for Creative Non-Violence v. Reid*, 490 U.S. 730, 737 (1989). Garcia did nothing of the sort.

For better or for worse, Youssef and his crew "fixed" Garcia's performance in the tangible medium, whether in physical film or in digital form. However one might characterize Garcia's performance, she played no role in fixation. On top of this, Garcia claims that she never agreed to the film's ultimate rendition or how she was portrayed in Innocence of Muslims, so she can hardly argue that the film or her cameo in it was fixed "by or under [her] authority." 17 U.S.C. § 101.

In sum, the district court committed no error in its copyright analysis. Issuance of the mandatory preliminary injunction requires more than a possible or fairly debatable claim; it requires a showing that the law clearly favors Garcia. Because neither the Copyright Act nor the Copyright Office's interpretation supports Garcia's claim, this is a hurdle she cannot clear. …

At this stage of the proceedings, we have no reason to question Garcia's claims that she was duped by an unscrupulous filmmaker and has suffered greatly from her disastrous association with the Innocence of Muslims film. Nonetheless, the district court did not abuse its discretion when it denied Garcia's motion for a preliminary injunction under the copyright laws.

*

Circuit Judge Kozinski, dissenting:

Garcia's dramatic performance met all of the requirements for copyright protection: It was copyrightable subject matter, it was original and it was fixed at the moment it was recorded. So what happened to the copyright? At times, the majority says that Garcia's performance was not copyrightable at all. And at other times, it seems to say that Garcia just didn't do enough to gain a copyright in the scene. Either way, the majority is wrong and makes a total mess of copyright law, right here in the Hollywood Circuit. In its haste to take Internet service providers off the hook for infringement, the court today robs performers and other creative talent of rights Congress gave them. I won't be a party to it.

I

Youssef handed Garcia a script. Garcia performed it. Youssef recorded Garcia's performance on video and saved the clip. Until today, I understood that the rights in such a performance are determined according to elementary copyright principles: An "original work[] of authorship," 17 U.S.C. § 102(a), requires only copyrightable subject matter and a "minimal degree of creativity." *Feist Publications v. Rural Telephone*, 499 U.S. 340, 345, (1991). The work is "fixed" when it is "sufficiently permanent or stable to permit it to be perceived, reproduced, or otherwise communicated for a period of more than transitory duration." 17 U.S.C. § 101. And at that moment, the "author or authors of the work" instantly and automatically acquire a copyright interest in it. 17 U.S.C. § 201(a). This isn't exactly String Theory; more like Copyright 101.

Garcia's performance met these minimal requirements; the majority doesn't contend otherwise. The majority nevertheless holds that Garcia's performance isn't a "work," apparently because it was created during the production of a later-assembled film, Innocence of Muslims. But if you say something is not a work, it means that it isn't copyrightable by anyone. Under the majority's definition of "work," no one (not even Youssef) can claim a copyright in any part of Garcia's performance, even though it was recorded several months before Innocence of Muslims was assembled. Instead, Innocence of Muslims — the ultimate film — is the only thing that can be a "work." If this is what my colleagues are saying, they are casting doubt on the copyrightability of vast swaths of material created during production of a film or other composite work.

The implications are daunting. If Garcia's scene is not a work, then every take of every scene of, say, Lord of the Rings is not a work, and thus not protected by copyright, unless and until the clips become part of the final movie. If some dastardly crew member were to run off with a copy of the Battle of Morannon, the dastard would be free to display it for profit until it was made part of the final movie. And, of course, the take-outs, the alternative scenes, the special effects never used, all of those things would be fair game because none of these things would be "works" under the majority's definition. And what about a draft chapter of a novel? Is there no copyright in the draft chapter unless it gets included in the published book? Or if part of the draft gets included, is there no copyright in the rest of it?

This is a remarkable proposition, for which the majority provides remarkably little authority. *Aalmuhammed v. Lee*, 202 F.3d 1227 (9th Cir.2000), the only case that the majority cites, says just the opposite. In *Aalmuhammed*, we considered a claim by a contributor to the movie Malcolm X that he was a joint author of the entire movie. Everyone in Aalmuhammed agreed that the relevant "work" was Malcolm X. The only question was whether the contributor was a joint author of that work. We went out of our way to emphasize that joint authorship of a movie is a "different question" from whether a contribution to the movie can be a "work" under section 102(a). Id. at 1233. And we clearly stated that a contribution to a movie can be copyrightable (and thus can be a "work"). Id. at 1232.

The majority's newfangled definition of "work" is directly contrary to a quarter-century-old precedent that has never been questioned, *Effects Associates, Inc. v. Cohen*, 908 F.2d 555 (9th Cir.1990). There, we held that a company that created special effects footage during film production retained a copyright interest in the footage even though it became part of the film. The majority tries to distinguish Effects Associates by arguing that the footage there was a standalone work that was separately fixed and incorporated into a film. But Garcia's performance was also "separately fixed and incorporated into" Innocence of Muslims. Why then are the seven shots "featuring great gobs of alien yogurt oozing out of a defunct factory" interspersed in The Stuff, any more a "standalone work" than Garcia's performance? Youssef wasn't required to use any part of Garcia's performance in the film; he could have sold the video clip to someone else. The clip might not have had much commercial value, but neither did the special effects scenes in Effects Associates. Nothing in the Copyright Act says that special effects scenes are "works" entitled to copyright protection but other scenes are not. And what about scenes that have actors and special effects? Are those scenes entitled to

copyright protection (as in Effects Associates), or are they denied copyright protection like Garcia's scene?

II

The majority also seems to hold that Garcia is not entitled to copyright protection because she is not an author of the recorded scene. According to the majority, Garcia can't be an author of her own scene because she played no role in her performance's fixation.

But a performer need not operate the recording equipment to be an author of his own performance. See *House Report* at 56 (1976); *Senate Report* at 53-54 (1975). Without Garcia's performance, all that existed was a script. To convert the script into a video, there needed to be both an actor physically performing it and filmmakers recording the performance. Both kinds of activities can result in copyrightable expression. Garcia's performance had at least "some minimal degree of creativity" apart from the script and Youssef's direction. See *Feist*, 499 U.S. at 345. One's "personality always contains something unique. It expresses its singularity even in handwriting, and a very modest grade of art has in it something which is one man's alone." *Bleistein v. Donaldson Lithographing Co.*, 188 U.S. 239, 250 (1903). To dispute this is to claim that Gone With the Wind would be the same movie if Rhett Butler were played by Peter Lorre.

Actors usually sign away their rights when contracting to do a movie, but Garcia didn't and she wasn't Youssef's employee. I'd therefore find that Garcia acquired a copyright in her performance the moment it was fixed. When dealing with material created during production of a film or other composite work, the absence of a contract always complicates things. See *Effects Associates*, 908 F.2d at 556 ("Moviemakers do lunch, not contracts."). Without a contract the parties are left with whatever rights the copyright law gives them. It's not our job to take away from performers rights Congress gave them. Did Jimi Hendrix acquire no copyright in the recordings of his concerts because he didn't run the recorder in addition to playing the guitar? Garcia may not be as talented as Hendrix — who is? — but she's no less entitled to the protections of the Copyright Act.

While the Copyright Office claims that its "longstanding practices" don't recognize Garcia's copyright interest, it doesn't seem that the Register of Copyrights got the memo. The Register was a member of the U.S. delegation that signed the Beijing Treaty on Audiovisual Performances. See U.S. Copyright Office, Annual Report of the Register of Copyrights 8 (2012). The Treaty would recognize Garcia's rights in her performance. It provides that "performers" have the "exclusive right of authorizing ... the fixation of their unfixed performances," and "reproduction of their performances fixed in audiovisual fixations, in any manner or form." *World Intellectual Property Organization, Beijing Treaty on Audiovisual Performances*, Art. 6(ii), 7 (2012).

The Patent Office, which led the delegation, states that U.S. law is "generally compatible" with the Treaty, as "actors and musicians are considered to be 'authors' of their performances providing them with copyright rights." U.S. Patent & Trademark Office, Background and Summary of the 2012 WIPO Audiovisual Performances Treaty 2 (2012). Although the Copyright Office hasn't issued a statement of compatibility, it's hard to believe that it would sign on if it believed that the Treaty's key provisions are inconsistent with U.S. copyright law. In fact, the Copyright Office praised the Treaty as "an important step forward in protecting

the performances of television and film actors throughout the world." Except in the Ninth Circuit.

The Copyright Office's position is thus inconsistent at best. And, in any event, neither the Copyright Office's reasoning nor the authority it relies on in its letter to Garcia fare any better than the majority's. The Copyright Office would refuse copyright registration to an actor like Garcia because "an actor or an actress in a motion picture is either a joint author in the entire work or, as most often is the case, is not an author at all by virtue of a work made for hire agreement." However, Garcia isn't a joint author of the entire movie and didn't sign any agreements. She doesn't fit into either category. Like the majority, the Copyright Office would wish this problem away by refusing registration unless the copyright claimant personally recorded his performance. But nothing in the legislative history relied on by the Copyright Office (which concerned joint authorship of an entire film) suggests that a non-employee doesn't retain any copyright interest in a video clip of his acting performance because it's recorded by the film's producer. See House Report at 120.

III

The harm the majority fears would result from recognizing performers' copyright claims in their fixed, original expression is overstated. The vast majority of copyright claims by performers in their contributions are defeated by a contract and the work for hire doctrine. And most of the performers that fall through the cracks would be found to have given an implied license to the film's producers to use the contribution in the ultimate film. See *Effects Associates*, 908 F.2d at 558. Very few performers would be left to sue at all, and the ones that remain would have to find suing worth their while. They wouldn't be able to claim the valuable rights of joint authorship of the movie, such as an undivided share in the movie or the right to exploit the movie for themselves. Rather, their copyright claims would be limited to the original expression they created. See *Aalmuhammed*, 202 F.3d at 1232; *Effects Associates*, 908 F.2d at 559. Which is why filmmaking hasn't ground to a halt even though we held a quarter-century ago that "where a non-employee contributes to a book or movie, ... the exclusive rights of copyright ownership vest in the creator of the contribution, unless there is a written agreement to the contrary." *Effects Associates*, 908 F.2d at 557.

Regardless, the Supreme Court has reminded us that "speculation about future harms is no basis for [courts] to shrink authorial rights." *N.Y. Times Co. v. Tasini*, 533 U.S. 483, 505-06 (2001). In *Tasini*, freelance authors argued that the inclusion in databases of their articles that originally appeared in periodicals infringed their copyrights in the works. Publishers warned that "'devastating' consequences," including massive damages awards, would result if the Court were to hold for the freelancers. The Court nonetheless held for the freelancers, turning back the parade of horribles deployed by the publishers. The Court explained that there are "numerous models for distributing copyrighted works and remunerating authors for their distribution." *Tasini* is a powerful reminder that movie producers, publishers and distributors will always claim that the sky is falling in cases that might recognize an individual contributor's copyright interest in material he created. They will always say, as Google says here, that holding in the contributor's favor will make "Swiss cheese" of copyrights.

> But under our copyright law, the creators of original, copyrightable material automatically acquire a copyright interest in the material as soon as it is fixed. There's no exception for material created during production of a film or other composite work. When modern works, such as films or plays, are produced, contributors will often create separate, copyrightable works as part of the process. Our copyright law says that the copyright interests in this material vest initially with its creators, who will then have leverage to obtain compensation by contract. The answer to the "Swiss cheese" bugbear isn't for courts to limit who can acquire copyrights in order to make life simpler for producers and internet service providers. It's for the parties to allocate their rights by contract. See *Effects Associates*, 908 F.2d at 557. Google makes oodles of dollars by enabling its users to upload almost any video without pre-screening for potential copyright infringement. Google's business model, like that of the database owners in *Tasini*, assumes the risk that a user's upload infringes someone else's copyright, and that it may have to take corrective action if a copyright holder comes forward.
>
> The majority credits the doomsday claims at the expense of property rights that Congress created. Its new standard artificially shrinks authorial rights by holding that a performer must personally record his creative expression in order to retain any copyright interest in it, speculating that a contrary rule might curb filmmaking and burden the internet. But our injunction has been in place for over a year; reports of the Internet's demise have been greatly exaggerated. For the reasons stated here and in the majority opinion in *Garcia v. Google, Inc.*, 766 F.3d 929, 933-36 (9th Cir.2014), I conclude that Garcia's copyright claim is likely to succeed. I'd also find that Garcia has made an ample showing of irreparable harm. It's her life that's at stake.

Notes and questions

(1) Is *Garcia v. Google* consistent with the Effects Associates case described by Judge Kozinski in his dissent? If so, why should the maker of a special effects scene for a movie get copyright when an actor like Garcia is denied?

(2) Is the majority stretching when it says that Garcia's performance was not fixed under her authority? She voluntarily performed for the camera, why isn't that enough?

(3) Note that Judge Kozinski's argument about the *Beijing Treaty on Audiovisual Performances* is a red herring. Such international treaties do not have direct effect under United States law, and the argument that the court should have given some weight to representations by the U.S. Patent and Trademark Office that United States law is "generally compatible" with the Treaty, as "actors and musicians are considered to be 'authors' of their performances providing them with copyright rights" seems like drawing a long bow.

(4) For a similar case, see *16 Casa Duse, LLC v. Merkin*, 791 F.3d 247 (2d Cir. 2015). After relations soured between a film director and the producers, the director, Merkin registered the raw footage of the film as a motion picture in his name alone and disrupted the display of the film at a film school and various festivals. The parties agreed Merkin was neither a joint author nor an employee, and there was no executed work-for-hire agreement. The court of appeals held that a director has no separate copyright in his directorial contributions to the finished film because, although such contributions may be

original and fixed, copyright attaches to "works of authorship," and the Act does not treat inseparable, integrated contributions as freestanding works. The court likewise rejected Merkin's claim to sole ownership of the raw footage, concluding that Casa Duse, the production company, was the "dominant author," based on decision-making authority, billing, and paperwork with third parties. The court emphasized parity with *Garcia*: granting non-joint contributors more leverage than joint authors would "hamstring" exploitation of films and was not what Congress intended.

Additional Thoughts on the Quantum Theory of Copyright

Consider an iconic moment in cinema such as the scene in *Dirty Harry* where Clint Eastwood says "So you gotta ask yourself this question: 'Do I feel lucky?' Well, do ya, punk?" The scene is memorable, and Eastwood's performance is original to him, even if he did not write the dialogue, and it quite arguably displays a modicum of creativity. Does it make sense to think of this isolated fragment as a distinct copyrighted work within a larger copyrighted work?

In his dissent in *Garcia v. Google*, Judge Kozinski asked a series of questions about the disappearing copyright under the majority's theory. He said:

> Garcia's dramatic performance met all of the requirements for copyright protection: It was copyrightable subject matter, it was original and it was fixed at the moment it was recorded. So what happened to the copyright?

And later he continued:

> And what about a draft chapter of a novel? Is there no copyright in the draft chapter unless it gets included in the published book? Or if part of the draft gets included, is there no copyright in the rest of it?

Kozinski's argument is wrong, but it takes a moment to understand why. His argument begins with the assertion that Garcia's dramatic performance was sufficiently creative to meet the *Feist* standard for originality. Let's take that as given. Accordingly, the performance potentially could have supported the claim for copyrightable subject matter in a standalone work. This seems right. In terms of subject matter, the video recording of a dramatic performance would be an audiovisual work. In this scenario, the creativity inherent in the performance would be a significant part of the originality that enabled the audiovisual work to satisfy the *Feist* threshold.

So far, so good, but Kozinski further contended that because the recording of Garcia's dramatic performance *could* have been an independent copyright work, it *must* continue to be so even though it was embedded in a larger copyrighted work. In contrast to Kozinski, the majority in *Garcia* held that the actress had no separate copyright interest in the part of the film that captured her performance. Kozinski saw this as raising an unanswerable question of "what happened to the copyright?" or, how did Garcia's copyrighted work disappear?

Kozinski's dissent in *Garcia* is a classic illustration of what could be termed the "quantum view of copyright." The quantum view of copyright is that the things we understand as copyrighted works—books, poems, movies, computer games, paintings, etc.—are merely

the largest recognizable manifestation of the work and that all such "grand works" are simply collections of an almost infinite number of smaller copyrighted works, limited only by the minimum threshold of creativity that meets the originality standard articulated in *Feist*.

Proponents of the quantum view, like Judge Kozinski, argue that it must be correct because otherwise copyrighted works would disappear. This is remarkably close to the nonsense argument that because every letter in the English language is silent in some contexts—e.g., the second B in bomb, the C in ascend and the D in edge—that all letters are silent thus no words can be spoken. Much like the mystery of the silent letters, on closer inspection, the purported disappearance of copyrighted works proves nothing. As the next section will show, copyrighted works disappear all the time as works are made and remade over time.

A thought experiment: serial fixation by a sole author

The thought experiment that follows is designed to illustrate the absurd proliferation of works implied by the quantum view of copyright. I argue that the quantum view of copyright works and the disappearance objection make little sense in practice in the context of works that are fixed progressively (as opposed to in an instant) and even less upon a careful reading of the relevant provisions of the Copyright Act.

Consider the following hypothetical in which our hero is a romantic poet. On Monday morning Poet took up her pen and wrote the heading "*Questions*" and these additional four lines:

> Is it that in some brighter sphere
> We part from friends we meet with here?
> Or do we see the Future pass
> Over the Present's dusky glass?

On Monday afternoon she added:

> Or what is that that makes us seem
> To patch up fragments of a dream,
> Part of which comes true, and part
> Beats and trembles in the heart?

(The poem is *Questions* by Percy Bysshe Shelley, 1792–1822.)

Assuming that each session of writing met the minimum requirement for creativity set out in *Feist* (they clearly do) and that they were original to Poet (they are not, but let's pretend), should we treat this as:

- one original work: "Is-heart?" (55 words);
- two original works: "Is-glass" (27 words) + "Or-heart" (28 words);
- one original work: "Is-glass" (27 words) and one derivative work "Is-heart" (55 words); or
- two original works: "Is-glass" (27 words) + "Or-heart" (28 words) and one derivative work "Is-heart" (55 words)?

These permutations are not the only options! If we take the quantum view seriously and assume for the sake of argument that every two lines of the poem could be separately copyrighted (i.e., that two lines meets the *Feist* minimum), then plausible subworks spring into existence as an additive sequence, under the quantum view there are at least seven subworks here:

- Lines 1 & 2
- Lines 1, 2 & 3
- Lines 1, 2, 3 & 4
- Lines 1, 2, 3, 4 & 5
- Lines 1, 2, 3, 4, 5 & 6
- Lines 1, 2, 3, 4, 5, 6 & 7
- Lines 1, 2, 3, 4, 5, 6, 7 & 8

But under the logic of the quantum view we could also carve out *any* two consecutive lines as standalone works. This adds at least another five potential subworks.

- Lines 2 & 3
- Lines 3 & 4
- Lines 4 & 5
- Lines 5 & 6
- Lines 7 & 8

This is by no means the end of proliferation of works that the quantum view implies. Consider, for example, a subwork consisting of lines 2, 3 & 4, or of lines 3, 4 & 5. I could go on, and on, and on.

If Poet regards the 55 word composition as a single work and presents it to the public as such, is there any merit in the quantum view that Questions is simply the largest identifiable grand work of a sprawling multiplicity of subworks? The notion that Questions is sixteen different copyrighted works would strike the author and the general public as bizarre. This fact alone does not settle the matter; after all, there are many aspects of copyright law that would strike the uninitiated as bizarre. It should at least give us pause before we embrace such an unwieldy conclusion.

What does the Copyright Act say?

A careful analysis of the Copyright Act indicates that the disappearance of copyrighted works into larger copyrighted works is a common and unremarkable phenomenon. Subject to certain limits, copyright works mutate over time through a process of self-erasure. It is only when a work crosses the threshold of becoming a new "version" that it forms a new work, rather than simply superseding the original work.

I have seen my fellow academics argue that the quantum view of copyright is required by the definition of when a work is "created" in Section 101 of the Copyright Act. I find this curious, and I wonder if they have ever read that section with any care at all.

17 U.S. Code § 101. Definitions

> A work is "created" when it is fixed in a copy or phonorecord for the first time; where a work is prepared over a period of time, the portion of it that has been fixed at any particular time constitutes the work as of that time, and where the work has been prepared in different versions, each version constitutes a separate work.

The statute says: "where a work is prepared over a period of time, the portion of it that has been fixed at any particular time constitutes the work as of that time." Does this mean that as an author writes each word of a literary work, she first creates one original work that springs into existence whenever the *Feist* threshold is met, and that as she adds additional works she creates a set of new derivative works? No. In fact, careful consideration of the statute indicates to the contrary.

The statute tells us that "where a work is prepared over a period of time" as surely all works other than photography must be, "the portion of it that has been fixed at any particular time constitutes *the work* as of that time[.]" The more natural reading of this phrase is that what constitutes "*the* work" can and will change over time. I.e., copyrighted works exhibit temporal mutability.

What is the outer boundary of this temporal mutability? The next phrase in Section 101 holds the key; it says that "and where the work has been prepared in *different versions*, each version constitutes a separate work." The implicit and logical corollary of this is that "where the work has [not] been prepared in *different versions*," these incremental and iterative fixations "[do not] constitute[] separate work[s]."

Thus, far from supporting the quantum view, the statute suggests that copyright works mutate over time through a process of self-erasure within version, however when a certain threshold is crossed a new consolidated work springs into being. That threshold between consolidation and multiplicity is whether a new "version" of the work has been produced. The key then is to identify when an iterative fixation constitutes a different version (and thus a new work) and when it merely creates a new consolidated work that subsumes previous fixations.

We can explore this distinction by returning to the poetry hypothetical above and considering some permutations:

(1) If Poet died after completing line 4 of Questions, then lines 1 to 4 would constitute the consolidated work as of that moment in time, regardless of her intention to keep working on the poem and make it something more. No one would dispute this.

(2) If Poet published or registered the first four lines of Questions with the Copyright Office, that would establish (at least presumptively) that those four lines were a distinct version of the work. In that case the addition of another four lines would create a new version of the work, not merely a new consolidated work that subsumed previous fixations. That new work would be a derivative work based upon the original four line version.

(3) But if Poet regarded the complete eight line poem work as *the work*, held it out to the public as such (by general public display or general publication), and registered it with the Copyright Office as a single work, there is no reason to think that any of the more than a dozen potential subworks identified above are "different versions" and thus "separate works."

The reader may well ask why any of this matters? Fair question, often it does not matter at all. But to see why it might matter, let's continue the story above. Suppose that on Wednesday Plagiarist reads the words Poet wrote on Monday and composes his own poem, *Answers*, as follows:

> We separate ourselves from our friends
> Where do we see the future transpire?
> On the dark glass of our present fire.

In the copyright suit between Poet and Plagiarist, should the court compare *Answers* to the first four lines of *Questions*, to all eight lines of *Questions*, or can Poet argue that whatever else she might own, she is also the copyright owner in a distinct copyrighted work consisting of lines two, three, and four of *Questions* (these being the lines that most closely correspond to *Answers*)? Perhaps not much turns on this distinction in this example, but suppose Poet's grand work was a 600-page novel. Then all of a sudden, this kind of retrospective gamesmanship would undermine the requirement of substantial similarity at the heart of the reproduction right.

***

In summary, the serial progressive (as opposed to instant) fixation of a work by an author leads to the disappearance of old works into new works. In other words, the new consolidated work subsumes previous fixations of the work. This disappearance is neither troubling nor surprising. It is both common sense and what a plain reading of the statute requires.

This reading minimizes the discontinuity between the copyright system under the 1909 Act and the current system; it consolidates ownership of copyrighted works into discrete and manageable units of economic significance; and it aligns the technical ownership structure of copyrighted expression with conventional understandings of the works at issue. Indeed, because the key distinction between a new work with a separate copyright and a new consolidated work that subsumes previous fixations of the work is whether the new fixation is regarded as a "new version", conventional and common sense understanding of the works at issue will likely be the deciding factor in the mine run of cases.

Thought experiments on the disappearance of subworks in joint works

The quantum view of copyright works and the disappearance objection are also fatally undermined by the way the Copyright Act of 1976 deals with joint works. To see why, consider the following scenarios for the creation of new song by lyricist Andy and musician Becca.

Scenario 1: synchronous creation and unitary fixation

In the first scenario, we have synchronous creation and unitary fixation, i.e., the different contributions that go into the song (words and music) are created at the same time and there is only one fixed copy of the work created.

Andy composes lyrics off the top of his head and whispers them to Becca. Becca improvises a tune and sings the lyrics. To keep the story simple, we can imagine that the words and music are transcribed in real time by an efficient but uncreative musical

amanuensis—a recording would do just as well to fix the musical work, but it would also create a second work in the form of a sound recording, which seems like an unnecessary complication for the time being.

What are the underlying copyright interests in the musical work as recorded by the scribe? If we were designing a copyright system on a blank slate, a few plausible overlapping answers come to mind:

(i) Andy and Becca could be the joint-authors of a musical work consisting of words and music;

(ii) Andy could be the owner of a distinct literary work consisting of just the words; and/or

(iii) Becca could be the owner of a distinct musical work consisting of just the composition.

In theory we could combine all these options, or any two of them.

What does the Copyright Act say?

> **17 U.S. Code § 201. Ownership of copyright**
>
> (a) Initial Ownership.--Copyright in a work protected under this title vests initially in the author or authors of the work. The authors of a joint work are co-owners of copyright in the work.
>
> **17 U.S. Code § 101**
>
> A "joint work" is a work prepared by two or more authors with the intention that their contributions be merged into inseparable or interdependent parts of a unitary whole.

Section 201 of the Copyright Act of 1976 provides that: "the authors of a joint work are co-owners of copyright in the work." The term "joint work" is defined in Section 101 as "a work prepared by two or more authors with the intention that their contributions be merged into inseparable or interdependent parts of a unitary whole."

The Andy/Becca hypothetical above has been carefully constructed—contrived even—to make one conclusion irresistible, that Andy and Becca are joint-authors of a musical work consisting of words and music. The conclusion is irresistible because their contributions are simultaneous and there is only one fixation. The setup could easily be altered so that potential subworks A (words alone) and B (music alone) were individual copyrightable works, but that conclusion is unavailable under the scenario presented. The shared intention evident in the simultaneous creation and unitary fixation make it obvious in scenario 1 that the only work is a joint musical work AB.

Scenario 2: Asynchronous creation and multiple fixations

Now we turn to a more difficult scenario. Suppose Andy writes lyrics intending that they will be combined with Becca's music, but that music has not been written yet. Once the words and music have been integrated to Andy and Becca's satisfaction, we need to take stock of the copyrighted works that result from this collaboration and the respective rights of Andy and Becca in those works. Again, it is helpful to set out some possibilities.

(i) Joint work AB

(ii) Original work A + joint work AB (a derivative work based on A)

(iii) Original work A + Original work B

The first possibility is that, just like in the synchronous creation and unitary fixation scenario sketched out above, there is only one work, and it is a joint work consisting of words and music. The second possibility is that Andy owns a literary work consisting of his words and Andy and Becca are co-owners of joint work that is a derivative work based on Andy's original work. The third and final possibility is that Andy owns his original literary work, Becca owns her musical work, and there is no joint work. If this was the outcome, then the combined use of the words and music together would require the separate approval of both authors.

Which of these results actually transpires depends on an assessment of multiple factors. If Andy and Becca agreed in advance that their contributions would remain independent, then they would lack the vital "intention that their contributions be merged" under the Section 101 definition. With an objectively demonstrable lack of intention that their contributions be merged, Option 3 is the only option. This remains true even if Andy and Becca's contributions would be more efficiently exploited under some alternative ownership structure.

Option 2 is a possibility, but only under some circumstances. The First Circuit has held that a work can be both a "joint work" and a "derivative work" at the same time. *Greene v. Ablon*, 794 F.3d 133 (1st Cir. 2015). For Andy to be the sole author of A and co-author of AB, Andy would need to add some copyrightable expression to the new work AB, new copyrightable expression beyond what was already inherent in A. Without some minimal change to A to facilitate its merger with B, Andy can't claim to be an author of the new AB work and also remain the author of a distinct work A. Indeed, there can't be a new AB work at all without some amendment to A, let's call it A^*. So we need to restate option 2 as $A + A^*B$. Assuming Andy makes some additional contribution beyond A, then it is possible that we would be left with the original work A, and derivative joint work A^*B. But if Andy and Becca have the required "intention that their contributions be merged" and Andy contributes no new or revised expression beyond A, then option 2 is no longer a possibility and option 3 where there is no joint work AB seems counter-intuitive. After all, it is black letter law that simultaneous collaboration is not required for the creation of a joint work. All that the Copyright Act requires is that the contributors are "authors" who "intend[] that their contributions [are] merged into inseparable or interdependent parts of a unitary whole."

If option 2 disappears when Andy fails to make any additional contribution and option 3 defies the intention and reasonable expectations of the parties that there will be a joint work, then we are left with option 1 as *the only plausible outcome.* In this scenario, there is only one work; it is joint work comprising words and music.

But where does the copyright go?

Of course, option 1 brings us back to the disappearing works objection. To see why, let's begin with the same set up that led to option 1 and change the facts such that Andy and Becca never actually reach an agreement on the merger of their contributions (due to artistic

differences, untimely death, apathy, or distraction). In that case, the subworks A and B would be recognized as separate copyrighted works. But in a happier world where Andy and Becca agree on a joint work, these potential individual subworks are subsumed into the greater joint work. Admittedly, this means that the boundaries of the copyrighted work take on Schrodinger's Cat-like quality. Copyrighted works exist at one point in time but then later effectively vanish if they are merged into a larger copyrighted work.

This possibility of disappearing copyright should not be surprising; it is exactly what the Copyright Act contemplates and it is clearly reflected in the relevant case law. In terms of the statute, it is telling that Section 101 refers to contributions being "*merged* into inseparable or interdependent parts of a unitary whole." To merge means to combine to form a single entity, the word "merged" is used in this context in the sense that the two potentially separate works are blended, fused, or integrated into one. Submergence is not inevitable in every permutation of the words and music hypothetical discussed above, but it is the common outcome.

That copyrighted works disappear into larger copyrighted works should not be controversial in light of the case law. In *Edward B. Marks Music Corp. v. Jerry Vogel Music Co.*, 140 F.2d 268 (2d Cir. 1944), a lyricist and composer were found to be co-authors where the lyricist wrote the words for the song, intending that someone else would eventually compose the music for those particular words. Judge Hand explained that:

> It makes no difference whether the authors work in concert, or even whether they know each other; it is enough that they mean their contributions to be complementary in the sense that they are to be embodied in a single work to be performed as such. That was the case here: Marks wrote the words for a song; Loraine composed the music as music for that song. It is true that each knew that his part could be used separately; the words, as a 'lyric;' the melody as music. But that was not their purpose; the words and the music were to be enjoyed and performed together; unlike the parts of a 'composite work,' each of which is intended to be used separately, and whose only unity is that they are bound together….

For a similar case under the 1976 Act, see *C & C Entertainment, Inc. v. Rios-Sanchez*, 208 F. Supp. 2d 139, 143 (D.P.R. 2002) holding that the song "Veneno" was the joint work of plaintiff and Castillo-Paredes, and the defendants did not infringe on Rivera's copyright.

The line between submerged and separate

What determines whether subworks A and B are submerged or separate? The same kinds of factors that courts must consider in figuring out whether serial fixations of a sole authored work are distinct "versions" of that work, each with a separate copyright existence. These include: the intention of the parties, objective evidence of how the work(s) were presented to and received by the public, copyright registration, and the norms and conventions of the applicable genre. In *Shapiro v. Jerry Vogel Music Co.*, 221 F.2d 569 (2d Cir. 1955) (the *Twelfth Street Rag* case), the Second Circuit found that the intention required for joint authorship could be formulated *post hoc* by an assignee of the original copyrighted work. This goes too far, but there is no reason in law or policy why the actual author of work A couldn't form the intention to merge her contribution with the contributions of another author after her initial fixation. Indeed, co-authors should face no

more exacting constraint here than sole authors would face in the case of serial fixation discussed above. In the case of a sole author, iterative fixation creates a new consolidated work that subsumes previous fixations of the work, unless the additional fixation would be regarded as a "new version" and thus a new work with a separate copyright.

Submergence of and loss of authorship

Garcia and *Casa Duse* go one step further than the submergence of sole-authored work A into a co-authored work AB discussed above. In *Garcia* and *Casa Duse* potentially copyrightable subworks were subsumed into a larger work resulting in a loss of potential rights for someone who might have been recognized as an author of the subwork. This seems like the right outcome under the logic of *Aalmuhammed*. In that case, the Ninth Circuit was at pains to point out that the quantum of creativity required to establish that a work was copyrightable was not the same quantum required to determine contested claims of authorship. The *Feist* question is an objective inquiry into the sufficiency of creativity to ground a claim of copyrightability, the question in cases like *Aalmuhammed, Garcia*, and *Casa Duse* is not whether the work is copyrightable, but which of multiple contributors should be regarded as the author or authors of that work.

***

The Problem of Temporally Contingent Works

Consider the following hypotheticals set around a Central Park photo shoot. Amanda, a professional photographer, arranges for her young niece to dress in a particular outfit chosen by Amanda and to meet her in Central Park by the Alice in Wonderland statue. Amanda sets up an SLR camera on a tripod and instructs the girl where to stand, her posture, facial expression, and affect. If we compare this scenario to the Supreme Court's decision in *Sarony* (extracted in a previous chapter), the sum total of these decisions should be enough to satisfy the originality requirement and have us regard Amanda as the author of any photos she takes. But now consider the following variations:

Variation 1:

Bob is an amateur photographer who happens upon the scene with his own SLR Camera with all settings on automatic. While Amanda is preparing to take her photo, but before she does so, Bob fires off a few shots with his camera very near to where Amanda has placed her tripod. Is Bob an infringer?

Variation 2:

As above, except that Bob takes his photo a millisecond after Amanda takes her first photo. Is Bob an infringer?

Variation 3:

In this scenario Bob *is* Amanda. In other words, there is no second photographer but there are two photos. Should we think of Amanda's second photo as a copy of her first one? Is it a derivative work based on the earlier photo? Or, is it a separate copyrighted work? Should Amanda be able to obtain a separate copyright registration for each photo? If Amanda only registers one of the photos and an unscrupulous third-party copies the other photo, does Amanda meet the statutory requirements for bringing a federal lawsuit and for obtaining statutory damages and attorneys' fees?

Discussion

In variation one, Bob has taken a photo that embodies a number of artistic and creative choices made by Amanda, but it's hard to argue that this is copyright infringement. The scene that Amanda has created is not copyrightable because it is not fixed. Although Amanda manifested some creativity in the setup of her photo, she does not actually get copyright until she fixes that creativity in some non-transitory medium, i.e. until she takes the photo. So, we can't say that Bob has reproduced Amanda's copyrighted work when his work was first in time.

Arguably, Amanda faces a similar problem in variation 2. Even though Bob's photo occurs functionally after her own photo comes into existence, it's still difficult to see how we can say that Bob has reproduced Amanda's copyrighted work. You could argue that he has indirectly copied the work by copying the setup, but that seems unsatisfactory. The reason why it's unsatisfactory is that on this theory, Bob's liability for infringement depends not on his access to the copyrighted work, but on a mere accident of timing as to whether he took his photo a millisecond before, or millisecond after Amanda's first photo.

If you conclude in the second variation that Bob's photo does not infringe Amanda's copyright, then does that imply that the two photos in variation three are separate and independent copyrighted works?

Copyrightable Characters: Works Within Works or Intertextual Works?

Character and story are inextricably linked, but also conceptually distinct. A character is a person, animal, or even an inanimate object imbued with personality that is a recognizable expressive creation. A character is more than a recognizable image in a certain style, a character necessarily has a narrative element.

> Compendium III, 313.4(H) Characters
>
> Although the copyright law does not protect the name or the general idea for a character, a work that depicts or describes a particular character may be registered if it contains a sufficient amount of original authorship.
>
> A registration for a visual art work, a literary work, or a work of the performing arts that depicts or describes a character covers the expression set forth in the deposit copy(ies), but it does not cover the character per se. In other words, the copyright in the registered work protects the author's expression of the character, but it does not protect the mere concept of the character. The copyright in the

> character itself is limited to the artistic rendition of the character in visual form or the literary delineation of the character's specific attributes in textual form.

The copyrightability of individual characters that emerge from books, comics, movies, etc., is one of those features of copyright law that makes more sense in practice than in theory. Unlike literary works, pictorial graphic and sculptural works, or audiovisual works, "characters" as such are not enumerated in the Copyright Act's list of copyrightable subject matter in Section 102(a). For this reason, the U.S. Copyright Office does not permit the registration of characters separate from some underlying work of visual art, motion picture, or literary work. And yet, for decades, courts have consistently referred to copyrightable characters as though they were a distinct property interest protected by copyright law. See *Daniels v. Walt Disney Company*, 958 F.3d 767 (9th Cir. 2020) "Although characters are not an enumerated copyrightable subject matter under the Copyright Act, see 17 U.S.C. § 102(a), there is a long history of extending copyright protection to graphically-depicted characters."

Warner Bros. Pictures, Inc. v. Columbia Broadcasting System, 216 F.2d 945 (9th Cir. 1954)

STEPHENS, Circuit Judge.

[Dashiell Hammett, author of the mystery-detective novel "The Maltese Falcon," serialized and copyrighted by his publisher, later entered into a contract with Alfred A. Knopf, Inc. for the novel's publication in book form. Following this, Hammett and Knopf sold certain rights to Warner Bros., which included usage of the work in movies, radio, and television. Warner Bros. claimed exclusive rights to the characters, their names, and the title of the book for motion pictures, radio, and television. However, Hammett and other defendants contended that only rights specifically mentioned in the contracts were granted. They argued that characters and their names could still be used in other works, including a radio broadcast that ran from 1946 to 1950, the "Adventures of Sam Spade."]

… It will now be profitable to consider whether it was ever intended by the copyright statute that characters with their names should be under its protection.

The practice of writers to compose sequels to stories is old, and the copyright statute, though amended several times, has never specifically mentioned the point. It does not appear that it has ever been adjudicated, although it is mentioned in *Nichols v. Universal Pictures Corp.*, 2 Cir., 1930, 45 F.2d 119. If Congress had intended that the sale of the right to publish a copyrighted story would foreclose the author's use of its characters in subsequent works for the life of the copyright, it would seem Congress would have made specific provision therefor. Authors work for the love of their art no more than other professional people work in other lines of work for the love of it. There is the financial motive as well. The characters of an author's imagination and the art of his descriptive talent, like a painter's or like a person with his penmanship, are always limited and always fall into limited patterns.[5]

Footnote 5: "He must be a poor creature that does not often repeat himself. Imagine the author of the excellent piece of advice, 'Know thyself', never alluding to that sentiment again during the

course of a protracted existence! Why, the truths a man carries about with him are his tools; and do you think a carpenter is bound to use the same plane but once to smooth a knotty board with, or to hang up his hammer after it has driven its first nail? I shall never repeat a conversation, but an idea, often. I shall use the same types when I like, but not commonly the same stereotypes. A thought is often original, though you have uttered it a hundred times. It has come to you over a new route, by a new and express train of associations." *The Autocrat of the Breakfast Table*, by O. W. Holmes, M.D., p. 9, reprint of original edition.

The restriction argued for is unreasonable, and would effect the very opposite of the statute's purpose which is to encourage the production of the arts.

It is our conception of the area covered by the copyright statute that when a study of the two writings is made and it is plain from the study that one of them is not in fact the creation of the putative author, but instead has been copied in substantial part exactly or in transparent re-phrasing to produce essentially the story of the other writing, it infringes.

It is conceivable that the character really constitutes the story being told, but if the character is only the chessman in the game of telling the story he is not within the area of the protection afforded by the copyright. The subject is given consideration in the *Nichols* case. [In the same case,] the court remarks that the line between infringement and non-infringement is indefinite and may seem arbitrary when drawn; nevertheless it must be drawn.

We conclude that even if the Owners assigned their complete rights in the copyright to the Falcon, such assignment did not prevent the author from using the characters used therein, in other stories. The characters were vehicles for the story told, and the vehicles did not go with the sale of the story.

We turn to the consideration of general infringement. It is agreed that a story entitled "The Kandy Tooth" is the closest to The Maltese Falcon, and from a practical standpoint if the Tooth does not infringe the Falcon, there has been no infringement.

We have set out in notes 7 and 8 at the end of this opinion, short summations of the two works.

Editor's note: Some elaboration on the court's description might be helpful. Both stories feature the sharp, morally grey private detective Sam Spade, his loyal secretary Effie Perine, and the corpulent, patient, and wealthy Caspar Gutman. Both stories also introduce alluring and deceptive female characters (Brigid O'Shaughnessy in "The Maltese Falcon" and Hope Laverne in "The Kandy Tooth"). Both stories are set primarily in San Francisco, where the characters converge in their pursuit of a valuable object. In both stories, Sam Spade is hired to find a valuable item (the Maltese Falcon in the first, a priceless tooth in the second), which he manages to locate only to find out that it's not genuine or of the expected value. In both cases, the reward money offered by Gutman becomes a significant plot point. In both stories, Sam ends up gaining no financial benefit despite the promise of a large reward. More generally, both stories involve themes of deception, betrayal, and greed, and the pursuit of something that turns out to be not as valuable or authentic as expected.

There is a sameness in the tricks of spinning out the yarn so as to sustain the reader's suspense as to hinted mystery, and there is a similarity in the two stories in that there is a long complicated search for a lost article of fabulous value. The searches are filled with complications, fatalities, and moral delinquencies by characters in

name, description, and action of some similarities. The script of the Tooth was not composed by Hammett and, except for a few expressions, is not written in the Hammett literary style.

We see no clear error in the trial court's holding that the similarities of the two stories do not go to the degree of constituting practically the same story. There is no textual copying; the mystery of the Tooth and the suspense to the reader would not be dulled through his having read the Falcon. In a phrase, they are different stories though of the same general nature.

Notes and questions

(1) In *Nichols v. Universal Pictures Corporation*, 45 F.2d 119 (2d Cir. 1930), cited in *Warner Brothers v. CBS,* Judge Hand noted that characters may be copyrightable "quite independently of the 'plot' proper, though, as far as we know, such a case has never arisen." Hand also noted that "the less developed the characters, the less they can be copyrighted; that is the penalty an author must bear for marking them too indistinctly." This seems to put the emphasis on the specificity and detail of the characters. Yet in *Warner Brothers v. CBS*, the court emphasized the centrality of the character to the plot. Or did it? How should we understand the "story being told" test offered by the Ninth Circuit in the Sam Spade case?

Klinger v. Conan Doyle Estate, Ltd., 755 F.3d 496 (7th Cir. 2014)

POSNER, Circuit Judge.

Arthur Conan Doyle published his first Sherlock Holmes story in 1887 and his last in 1927. There were 56 stories in all, plus 4 novels. The final 10 stories were published between 1923 and 1927. As a result of statutory extensions of copyright protection culminating in the 1998 Copyright Term Extension Act, the American copyrights on those final stories (copyrights owned by Doyle's estate, the appellant) will not expire until 95 years after the date of original publication — between 2018 to 2022, depending on the original publication date of each story. The copyrights on the other 46 stories and the 4 novels, all being works published before 1923, have expired.

Once the copyright on a work expires, the work becomes a part of the public domain and can be copied and sold without need to obtain a license from the holder of the expired copyright. Leslie Klinger, the appellee in this case, co-edited an anthology called *A Study in Sherlock: Stories Inspired by the Sherlock Holmes Canon* (2011) — "canon" referring to the 60 stories and novels written by Arthur Conan Doyle, as opposed to later works, by other writers, featuring characters who had appeared in the canonical works. Klinger's anthology consisted of stories written by modern authors but inspired by, and in most instances depicting, the genius detective Sherlock Holmes and his awed sidekick Dr. Watson. Klinger didn't think he needed a license from the Doyle estate to publish these stories, since the copyrights on most of the works in the "canon" had expired. But the estate told Random House, which had agreed to publish Klinger's book, that it would have to pay the estate $5000 for

a copyright license. Random House bowed to the demand, obtained the license, and published the book.

Klinger and his co-editor decided to create a sequel to *A Study in Sherlock*, to be called *In the Company of Sherlock Holmes*. They entered into negotiations with Pegasus Books for the publication of the book and W.W. Norton & Company for distribution of it to booksellers. Although the editors hadn't finished the book, the companies could estimate its likely commercial success from the success of its predecessor, and thus decide in advance whether to publish and distribute it. But the Doyle estate learned of the project and told Pegasus, as it had told Random House, that Pegasus would have to obtain a license from the estate in order to be legally authorized to publish the new book. The estate didn't threaten to sue Pegasus for copyright infringement if the publisher didn't obtain a license, but did threaten to prevent distribution of the book. It did not mince words. It told Pegasus: "If you proceed instead to bring out Study in Sherlock II [the original title of In the Company of Sherlock Holmes] unlicensed, do not expect to see it offered for sale by Amazon, Barnes & Noble, and similar retailers. We work with those companies routinely to weed out unlicensed uses of Sherlock Holmes from their offerings, and will not hesitate to do so with your book as well." There was also a latent threat to sue Pegasus for copyright infringement if it published Klinger's book without a license, and to sue Internet service providers who distributed it. Pegasus yielded to the threat, as Random House had done, and refused to publish In the Company of Sherlock Holmes unless and until Klinger obtained a license from the Doyle estate.

Instead of obtaining a license, Klinger sued the estate, seeking a declaratory judgment that he is free to use material in the 50 Sherlock Holmes stories and novels that are no longer under copyright, though he may use nothing in the 10 stories still under copyright that has sufficient originality to be copyrightable — which means: at least a tiny bit of originality, *Feist Publications, Inc. v. Rural Telephone Service Co.*, 499 U.S. 340, 345 (1991) ("at least some minimal degree of creativity ... the requisite level of creativity is extremely low").

[Klinger prevailed at the district court and on appeal, the estate argued that] copyright on a "complex" character in a story, such as Sherlock Holmes or Dr. Watson, whose full complexity is not revealed until a later story, remains under copyright until the later story falls into the public domain. The estate argues that the fact that early stories in which Holmes or Watson appeared are already in the public domain does not permit their less than fully "complexified" characters in the early stories to be copied even though the stories themselves are in the public domain. …

The issue as we said is whether copyright protection of a fictional character can be extended beyond the expiration of the copyright on it because the author altered the character in a subsequent work. In such a case, the Doyle estate contends, the original character cannot lawfully be copied without a license from the writer until the copyright on the later work, in which that character appears in a different form, expires.

We cannot find any basis in statute or case law for extending a copyright beyond its expiration. When a story falls into the public domain, story elements — including characters covered by the expired copyright — become fair game for follow-on authors, as held in *Silverman v. CBS Inc.*, 870 F.2d 40, 49-51 (2d Cir.1989), a case much like this one. At issue was the right to copy fictional characters (Amos and Andy) who had appeared in copyrighted radio scripts. The copyrights covered the characters because they were original. As in this case the characters also appeared in subsequent radio scripts that remained under copyright, though the copyrights on the original scripts in which the characters had appeared had expired. The court ruled that "a copyright affords protection only for original works of authorship and, consequently, copyrights in derivative works secure protection only for the incremental additions of originality contributed by the authors of the derivative works." The copyrights on the derivative works, corresponding to the copyrights on the ten last Sherlock Holmes stories, were not extended by virtue of the incremental additions of originality in the derivative works.

And so it is in our case. The ten Holmes-Watson stories in which copyright persists are derivative from the earlier stories, so only original elements added in the later stories remain protected. The "freedom to make new works based on public domain materials ends where the resulting derivative work comes into conflict with a valid copyright," *Warner Bros. Entertainment, Inc. v. X One X Productions*, 644 F.3d 584, 596 (8th Cir. 2011) — as Klinger acknowledges. But there is no such conflict in this case.

Lacking any ground known to American law for asserting post-expiration copyright protection of Holmes and Watson in pre-1923 stories and novels going back to 1887, the estate argues that creativity will be discouraged if we don't allow such an extension. It may take a long time for an author to perfect a character or other expressive element that first appeared in his early work. If he loses copyright on the original character, his incentive to improve the character in future work may be diminished because he'll be competing with copiers, such as the authors whom Klinger wishes to anthologize. Of course this point has no application to the present case, Arthur Conan Doyle having died 84 years ago. More important, extending copyright protection is a two-edged sword from the standpoint of inducing creativity, as it would reduce the incentive of subsequent authors to create derivative works (such as new versions of popular fictional characters like Holmes and Watson) by shrinking the public domain. For the longer the copyright term is, the less public-domain material there will be and so the greater will be the cost of authorship, because authors will have to obtain licenses from copyright holders for more material — as illustrated by the estate's demand in this case for a license fee from Pegasus.

Most copyrighted works include some, and often a great deal of, public domain material — words, phrases, data, entire sentences, quoted material, and so forth. The smaller the public domain, the more work is involved in the creation of a new work. The defendant's proposed rule would also encourage authors to continue to write stories involving old characters in an effort to prolong copyright protection,

rather than encouraging them to create stories with entirely new characters. The effect would be to discourage creativity.

The estate offers the hypothetical example of a mural that is first sketched and only later completed by being carefully painted. If the sketch is allowed to enter the public domain, there to be improved by creative copiers, the mural artist will have a diminished incentive to perfect his mural. True; but other artists will have a greater incentive to improve it, or to create other works inspired by it, because they won't have to pay a license fee to do so provided that the copyright on the original work has expired.

The estate asks us to distinguish between "flat" and "round" fictional characters, potentially a sharper distinction than the other one it urges (as we noted at the beginning of this opinion), which is between simple and complex. Repeatedly at the oral argument the estate's lawyer dramatized the concept of a "round" character by describing large circles with his arms. And the additional details about Holmes and Watson in the ten late stories do indeed make for a more "rounded," in the sense of a fuller, portrayal of these characters. In much the same way we learn things about Sir John Falstaff in Henry IV, Part 2, in Henry V (though he doesn't actually appear in that play but is merely discussed in it), and in The Merry Wives of Windsor, that were not remarked in his first appearance, in Henry IV, Part 1. Notice also that Henry V, in which Falstaff is reported as dying, precedes The Merry Wives, in which he is very much alive. Likewise the ten last Sherlock Holmes stories all are set before 1914, which was the last year in which the other stories were set. One of the ten, The Adventure of the Veiled Lodger (published in 1927), is set in 1896. Thus a more rounded Holmes or Watson (or Falstaff) is found in a later work depicting a younger person. We don't see how that can justify extending the expired copyright on the flatter character. A contemporary example is the six Star Wars movies: Episodes IV, V, and VI were produced before I, II, and III. The Doyle estate would presumably argue that the copyrights on the characters as portrayed in IV, V, and VI will not expire until the copyrights on I, II, and III expire.

The estate defines "flat" characters oddly, as ones completely and finally described in the first works in which they appear. Flat characters thus don't evolve. Round characters do; Holmes and Watson, the estate argues, were not fully rounded off until the last story written by Doyle. What this has to do with copyright law eludes us. There are the early Holmes and Watson stories, and the late ones, and features of Holmes and Watson are depicted in the late stories that are not found in the early ones (though as we noted in the preceding paragraph some of those features are retrofitted to the earlier depictions). Only in the late stories for example do we learn that Holmes's attitude toward dogs has changed — he has grown to like them — and that Watson has been married twice. These additional features, being (we may assume) "original" in the generous sense that the word bears in copyright law, are protected by the unexpired copyrights on the late stories. But Klinger wants just to copy the Holmes and the Watson of the early stores, the stories no longer under copyright. The Doyle estate tells us that "no workable standard exists to protect the Ten Stories' incremental character development apart from protecting the

completed characters." But that would be true only if the early and the late Holmes, and the early and the late Watson, were indistinguishable — and in that case there would be no incremental originality to justify copyright protection of the "rounded" characters (more precisely the features that makes them "rounder," as distinct from the features they share with their earlier embodiments) in the later works.

It's not unusual for an author to use the same character in successive works, yet with differences resulting, in the simplest case, just from aging. In Shakespeare's two Henry IV plays, the Henry who later becomes Henry V is the Prince of Wales, hence Crown Prince of England; in Henry V he is the King of England. Were Henry IV in the public domain and Henry V under copyright, Henry Prince of Wales could be copied without Shakespeare's permission but not Henry V. Could the Doyle estate doubt this? Could it think Holmes a more complex and altered character than Henry?

The vaguer, the less "complete," a character, the less likely it is to qualify for copyright protection. An author "could not copyright a character described merely as an unexpectedly knowledgeable old wino," but could copyright "a character that has a specific name and a specific appearance. Cogliostro's age, obviously phony title ('Count'), what he knows and says, his name, and his faintly Mosaic facial features combine to create a distinctive character. No more is required for a character copyright." *Gaiman v. McFarlane*, 360 F.3d 644, 660 (7th Cir.2004); see also *Nichols v. Universal Pictures Corp.*, 45 F.2d 119, 121 (2d Cir.1930) (L.Hand, J.). From the outset of the series of Arthur Conan Doyle stories and novels that began in 1887 Holmes and Watson were distinctive characters and therefore copyrightable. They were "incomplete" only in the sense that Doyle might want to (and later did) add additional features to their portrayals. The resulting somewhat altered characters were derivative works, the additional features of which that were added in the ten late stories being protected by the copyrights on those stories. The alterations do not revive the expired copyrights on the original characters.

We can imagine the Doyle estate being concerned that a modern author might write a story in which Sherlock Holmes was disparaged (perhaps by being depicted as a drug dealer — he was of course a cocaine user — or as an idiot detective like Inspector Clouseau of the Pink Panther movies), and that someone who read the story might be deterred from reading Doyle's Sherlock Holmes stories because he would realize that he couldn't read them without puzzling confusedly over the "true" character of Sherlock Holmes. The analogy would be to trademark dilution … There is no comparable doctrine of copyright law; parodies or burlesques of copyrighted works may or may not be deemed infringing, depending on circumstances, but there is no copyright infringement of a story or character that is not under copyright. Anyway it appears that the Doyle estate is concerned not with specific alterations in the depiction of Holmes or Watson in Holmes-Watson stories written by authors other than Arthur Conan Doyle, but with any such story that is published without payment to the estate of a licensing fee.

With the net effect on creativity of extending the copyright protection of literary characters to the extraordinary lengths urged by the estate so uncertain, and no legal grounds suggested for extending copyright protection beyond the limits fixed by

Congress, the estate's appeal borders on the quixotic. The spectre of perpetual, or at least nearly perpetual, copyright (perpetual copyright would violate the copyright clause of the Constitution, Art. I, § 8, cl. 8, which authorizes copyright protection only for "limited Times") looms, once one realizes that the Doyle estate is seeking 135 years (1887-2022) of copyright protection for the character of Sherlock Holmes as depicted in the first Sherlock Holmes story.

AFFIRMED.

Notes and questions

(1) What should we make of the Estate's attempt to draw a "flat v. round" distinction to extend copyright protection for Sherlock Holmes and Dr. Watson?

(2) After reading this case are you any clearer on what the test of copyrightable characters is meant to be in the Seventh Circuit, or whether it is the same as in the Ninth Circuit?

DC Comics v. Towle, 802 F.3d 1012 (9th Cir. 2015)

IKUTA, Circuit Judge:

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

I

DC Comics (DC) is the publisher and copyright owner of comic books featuring the story of the world-famous character, Batman. Since his first comic book appearance in 1939, the Caped Crusader has protected Gotham City from villains with the help of his sidekick Robin the Boy Wonder, his utility belt, and of course, the Batmobile.

Originally introduced in the Batman comic books in 1941, the Batmobile is a fictional, high-tech automobile that Batman employs as his primary mode of transportation. The Batmobile has varied in appearance over the years, but its name and key characteristics as Batman's personal crime-fighting vehicle have remained consistent. Over the past eight decades, the comic books have continually depicted the Batmobile as possessing bat-like external features, ready to leap into action to assist Batman in his fight against Gotham's most dangerous villains, and equipped with futuristic weaponry and technology that is "years ahead of anything else on wheels."

Since its creation in the comic books, the Batmobile has also been depicted in numerous television programs and motion pictures. Two of these depictions are relevant to this case: the 1966 television series Batman, starring Adam West, and the 1989 motion picture BATMAN, starring Michael Keaton.

[The 1966 Batman television series was the result of a licensing agreement between National Periodical Publications, Inc. (National Periodical), the predecessor of DC, and the American Broadcasting Company (ABC). This agreement granted ABC

exclusive rights to produce television programs based on the comic book and comic strip stories of Batman, including its characters. National Periodical retained the rights of publication and exclusive merchandising rights for Batman comic book character products. ABC, through sub-licensing agreements, produced the show, featuring Adam West as Batman, Robin, and the iconic Batmobile with a bat-like appearance and advanced weaponry.]

The design of the Batmobile did not directly copy any iterations of the Batmobile as it appeared in the comic books. As in the comic books, however, the Batmobile in the 1966 television show maintained a bat-like appearance and was equipped with state-of-the-art weaponry and technology.

[In 1979, DC licensed the rights to Batman Productions, Inc. (BPI), granting them exclusive rights to create a Batman motion picture, including the use of the Batmobile. BPI later sub-licensed these rights to Warner Bros., leading to the 1989 Batman film, which also showcased a unique Batmobile with futuristic technology while maintaining its bat-like design from the comics and television series.]

Defendant Mark Towle produces replicas of the Batmobile as it appeared in both the 1966 television show and 1989 motion picture as part of his business at Gotham Garage, where he manufactures and sells replicas of automobiles featured in motion pictures or television programs. Towle concedes that these replicas copy the designs of the Batmobile as depicted on television and in the motion picture, though they do not copy every feature. Towle then sells these vehicles for approximately $90,000 to "avid car collectors" who "know the entire history of the Batmobile." Towle also sells kits that allow customers to modify their cars to look like the Batmobile, as it appeared in the 1966 television show and the 1989 motion picture.

In May 2011, DC filed this action against Towle, alleging, among other things, causes of action for copyright infringement … arising from Towle's manufacture and sale of the Batmobile replicas.[3]

Footnote 3: DC clearly asserted in both its original and amended complaint that the Batmobile in all of its forms, including the 1966 television program and 1989 motion picture, is copyrightable subject matter owned by DC. We thus reject Towle's argument that DC has failed to identify the copyrights at issue in this case.

Towle denied that he had infringed upon DC's copyright. He claimed that the Batmobile as it appeared in the 1966 television show and 1989 motion picture was not subject to copyright protection. Alternatively, Towle argued that DC did not own the copyright in the Batmobile as it appeared in either production.

The district court held that the Batmobile was a character entitled to copyright protection. DC Comics v. Towle, 989 F.Supp.2d 948 (C.D.Cal.2013). In reaching this conclusion, it found that the Batmobile "is known by one consistent name that identifies it as Batman's personal vehicle," and, although some of its physical traits have changed over time, several have remained consistent, including its "high-tech gadgets and weaponry," "bat-like motifs," and its jet black color. Additionally, the district court found that the Batmobile is always "depicted as being swift, cunning, strong and elusive," and is even portrayed as a "superhero" and "Batman's sidekick, if not an extension of Batman's own persona."[4]

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

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

II

In order to prevail on its claim for copyright infringement, DC must prove that it owns a copyright in the Batmobile as it appeared in the 1966 television series and 1989 movie, and that Towle infringed that copyright by creating unauthorized replicas. See *Entm't Research Grp., Inc. v. Genesis Creative Grp., Inc.,* 122 F.3d 1211, 1217 (9th Cir.1997).

To the Batmobile!

A

We begin with the question whether the Batmobile, as it appears in the comic books, television series, and motion picture, is entitled to copyright protection. Courts have recognized that copyright protection extends not only to an original work as a whole, but also to "sufficiently distinctive" elements, like comic book characters, contained within the work. *Halicki Films, LLC v. Sanderson Sales & Mktg.*, 547 F.3d 1213, 1224 (9th Cir.2008). Although comic book characters are not listed in the Copyright Act, we have long held that such characters are afforded copyright protection. See *Walt Disney Productions v. Air Pirates*, 581 F.2d 751 (9th Cir.1978). In *Air Pirates*, for instance, we considered a number of subversive comic books that portrayed well-known Disney characters as being active participants in "a free thinking, promiscuous, drug ingesting counterculture." Id. at 753. In holding that the Disney characters were copyrightable (and that Disney's copyright in those characters had been infringed), we distinguished a prior decision suggesting that literary "characters ordinarily are not copyrightable," id. at 755, on the grounds that a comic book character "has physical as well as conceptual qualities" and "is more likely to contain some unique elements of expression" than a purely literary character. Id.[5] (citing *Detective Comics, Inc. v. Bruns Publications Inc.*, 111 F.2d 432 (2d Cir.1940) (holding that comic book characters are copyrightable); *Fleischer Studios v. Freundlich*, 73 F.2d 276 (2d Cir.1934) (same); *King Features Syndicate v. Fleischer*, 299 F. 533 (2d Cir.1924) (same)). We subsequently held that characters in a television series or a motion picture may also be entitled to copyright protection. See *Olson v. National Broadcasting Co.*, 855 F.2d 1446 (9th Cir.1988).

Footnote 5: We later indicated that the analysis in *Warner Bros. Pictures, Inc. v. Columbia Broad Syst., Inc.*, 216 F.2d 945 (9th Cir.1954) regarding the noncopyrightability of literary characters was dicta or an alternative holding. See *Walt Disney Productions*, 581 F.2d at 755 n. 10; see also *Olson v. National Broadcasting Co.*, 855 F.2d 1446, 1452 n. 6 (9th Cir.1988) (same).

Not every comic book, television, or motion picture character is entitled to copyright protection. We have held that copyright protection is available only "for characters that are especially distinctive." *Halicki*, 547 F.3d at 1224. To meet this standard, a character must be "sufficiently delineated" and display "consistent, widely identifiable traits." *Rice v. Fox Broadcasting Co.*, 330 F.3d 1170 (9th Cir.2003) (citing *Toho Co., Ltd. v. William Morrow & Co., Inc.*, 33 F.Supp.2d 1206, 1215 (C.D.Cal.1998) (Godzilla)). A masked magician "dressed in standard magician garb" whose role "is limited to performing and revealing the magic tricks," for example, is not "an 'especially distinct' character differing from an ordinary magician in a manner that warrants copyright protection." Id. Further, characters that have been "lightly sketched" and lack descriptions may not merit copyright protection. *Olson*, 855 F.2d at 1452-53.

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

As indicated in *Halicki*, a character may be protectable if it has distinctive character traits and attributes, even if the character does not maintain the same physical appearance in every context. As the Eighth Circuit has recognized, "the presence of distinctive qualities apart from visual appearance can diminish or even negate the need for consistent visual appearance." *Warner Bros. Entm't, Inc. v. X One X Prods.*, 644 F.3d 584, 599 n. 8 (8th Cir.2011). For example, in *Halicki*, Eleanor's ability to consistently disrupt heists by her presence was more pertinent to our analysis of whether the car should qualify as a sufficiently distinctive character than Eleanor's make and model. 547 F.3d at 1225. Indeed, *Halicki* put no weight on the fact that Eleanor was a customized yellow 1971 Fastback Ford Mustang in one film, and a silver 1967 Shelby GT-500 in another.

Similarly, district courts have determined that James Bond, Batman, and Godzilla are characters protected by copyright, despite their changes in appearance. In each instance, courts have deemed the persistence of a character's traits and attributes to be key to determining whether the character qualifies for copyright protection. The character "James Bond" qualifies for copyright protection because, no matter what the actor who portrays this character looks like, James Bond always maintains his "cold-bloodedness; his overt sexuality; his love of martinis 'shaken, not stirred;' his marksmanship; his 'license to kill' and use of guns; his physical strength; [and] his sophistication." *Metro-Goldwyn-Mayer, Inc. v. Am. Honda Motor Co.*, 900 F.Supp. 1287, 1296 (C.D. Cal. 1995). Similarly, while the character "Godzilla" may have a different appearance from time to time, it is entitled to copyright protection because it "is always a pre-historic, fire-breathing, gigantic dinosaur alive and well in the modern world." *Toho Co.*, 33 F.Supp.2d at 1216. In short, although James Bond's, Godzilla's, and Batman's "costume and character have evolved over the years, they have retained unique, protectable characteristics" and are therefore entitled to copyright protection as characters. *Sapon v. DC Comics*, 2002 WL 485730, at *3-4 (S.D.N.Y. Mar. 29, 2002).

We read these precedents as establishing a three-part test for determining whether a character in a comic book, television program, or motion picture is entitled to copyright protection. First, the character must generally have "physical as well as conceptual qualities." *Air Pirates*, 581 F.2d at 755. Second, the character must be "sufficiently delineated" to be recognizable as the same character whenever it appears. See *Rice*, 330 F.3d at 1175. Considering the character as it has appeared in different productions, it must display consistent, identifiable character traits and attributes, although the character need not have a consistent appearance. See *Halicki*, 547 F.3d at 1224. Third, the character must be "especially distinctive" and "contain some unique elements of expression." *Halicki*, 547 F.3d at 1224. It cannot be a stock character such as a magician in standard magician garb. *Rice*, 330 F.3d at 1175. Even when a character lacks sentient attributes and does not speak (like a car), it can be a protectable character if it meets this standard. *Halicki*, 547 F.3d at 1224.

We now apply this framework to this case. Because (unlike in *Halicki*) the district court here addressed this question in detail, we consider its factual findings in analyzing this issue. First, because the Batmobile has appeared graphically in comic books, and as a three-dimensional car in television series and motion pictures, it has "physical as well as conceptual qualities," and is thus not a mere literary character. *Air Pirates*, 581 F.2d at 755.

Second, the Batmobile is "sufficiently delineated" to be recognizable as the same character whenever it appears. See *Rice*, 330 F.3d at 1175. As the district court determined, the Batmobile has maintained distinct physical and conceptual qualities since its first appearance in the comic books in 1941. In addition to its status as "a highly-interactive vehicle, equipped with high-tech gadgets and weaponry used to aid Batman in fighting crime," the Batmobile is almost always bat-like in appearance, with a bat-themed front end, bat wings extending from the top or back of the car, exaggerated fenders, a curved windshield, and bat emblems

on the vehicle. This bat-like appearance has been a consistent theme throughout the comic books, television series, and motion picture, even though the precise nature of the bat-like characteristics have changed from time to time.

The Batmobile also has consistent character traits and attributes. No matter its specific physical appearance, the Batmobile is a "crime-fighting" car with sleek and powerful characteristics that allow Batman to maneuver quickly while he fights villains. In the comic books, the Batmobile is described as waiting "like an impatient steed straining at the reins... shivering as its super-charged motor throbs with energy" before it "tears after the fleeing hoodlums" an instant later. Elsewhere, the Batmobile "leaps away and tears up the street like a cyclone," and at one point "twin jets of flame flash out with thunderclap force, and the miracle car of the dynamic duo literally flies through the air!" Like its comic book counterpart, the Batmobile depicted in both the 1966 television series and the 1989 motion picture possesses "jet engines" and flame-shooting tubes that undoubtedly give the Batmobile far more power than an ordinary car. Furthermore, the Batmobile has an ability to maneuver that far exceeds that of an ordinary car. In the 1966 television series, the Batmobile can perform an "emergency bat turn" via reverse thrust rockets. Likewise, in the 1989 motion picture, the Batmobile can enter "Batmissile" mode, in which the Batmobile sheds "all material outside the central fuselage" and reconfigures its "wheels and axles to fit through narrow openings."

Because the Batmobile, as it appears in the comic books as well as in the 1966 television show and 1989 motion picture, displays "consistent, identifiable character traits and attributes," the second prong of the character analysis is met here.

Third, the Batmobile is "especially distinctive" and contains unique elements of expression. In addition to its status as Batman's loyal bat-themed sidekick complete with the character traits and physical characteristics described above, the Batmobile also has its unique and highly recognizable name. It is not merely a stock character.

Accordingly, applying our three-part test, we conclude that the Batmobile is a character that qualifies for copyright protection.

B

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

To analyze Towle's argument, we begin with the applicable legal framework. Under the Copyright Act, copyright ownership 'vests initially in the author or authors of the work,' which is generally the creator of the copyrighted work. 17 U.S.C. § 201(a). The owner of a copyright has a number of exclusive rights, including the right "to prepare derivative works" based on its original work of

authorship, 17 U.S.C. § 106. A derivative work is a "work based upon one or more preexisting works that recasts, transforms, or adapts the preexisting work," 17 U.S.C. § 101, such as a motion picture that is based on a literary work, a three-dimensional costume based upon two-dimensional cartoon characters, or three-dimensional figurines based on cartoon characters, *Durham Indus., Inc. v. Tomy Corp.*, 630 F.2d 905, 909 (2nd Cir.1980). If an unauthorized third party prepares a derivative work, the copyright owner of the underlying work can sue for infringement.

A copyright owner also has the exclusive right to authorize others to prepare derivative works based on their copyrighted works. When a copyright owner authorizes a third party to prepare a derivative work, the owner of the underlying work retains a copyright in that derivative work with respect to all of the elements that the derivative creator drew from the underlying work and employed in the derivative work. By contrast, the creator of the derivative work has a copyright only as to those original aspects of the work that the derivative creator contributed, and only to the extent the derivative creator's contributions are more than trivial. Moreover, a copyright in a derivative work must not in any way affect the scope of any copyright protection in that preexisting material. See 17 U.S.C. § 103(a) ("The copyright in a ... derivative work ... is independent of, and does not affect or enlarge the scope, duration, ownership, or subsistence of, any copyright protection in the preexisting material."). Logically, therefore, if a third party copies a derivative work without authorization, it infringes the original copyright owner's copyright in the underlying work to the extent the unauthorized copy of the derivative work also copies the underlying work.

… In sum, "if the material copied was derived from a copyrighted underlying work, this will constitute an infringement of such work regardless of whether the defendant copied directly from the underlying work, or indirectly via the derivative work." Nimmer on Copyright § 3.05, at 3-34.31. Accordingly, the author of an underlying work is entitled to sue a third party who makes an unauthorized copy of an authorized derivative work to the extent that the material copied derived from the underlying work.

Applying these principles, we conclude that DC owns a copyright interest in the Batmobile character, as it is depicted in the 1966 and 1989 productions. Accordingly, it is irrelevant that Towle's replica Batmobiles were an indirect copy of the Batmobile character, because DC is entitled to sue for infringement of its underlying work.[9]

Footnote 9: Because DC retains its copyright in the underlying Batmobile character, we also reject Towle's argument that the version of the Batmobile that appeared in the 1966 and 1989 productions cannot be copyrighted because the third party producers of these vehicles obtained a design patent on these works. These creators could obtain protection only for the original, independently copyrightable aspects of their work. Parts Geek, 692 F.3d at 1016. In any event, parties may now obtain both a design patent and a copyright in a work. See Registrability of Pictorial, Graphic, or Sculptural Works Where a Design Patent Has Been Issued, 60 Fed. Reg. 15605-01, 15605 (March 24, 1995).

Towle argues that his replicas of the Batmobile as it appeared in the 1966 and 1989 productions do not infringe on DC's underlying work because those versions of the Batmobile look substantially different from any particular depiction of the Batmobile in the comic books. We reject this argument. As a copyrightable character, the Batmobile need not have a consistent appearance in every context, so long as the character has distinctive character traits and attributes. See, e.g., *Warner Bros. Entm't, Inc.,* 644 F.3d at 599 n. 8. For instance, as we explained above, an automotive character may be copyrightable even if it appears as a yellow Fastback Ford Mustang in one film, and a silver 1967 Shelby GT-500 in another. *Halicki*, 547 F.3d at 1218, 1224. Here, DC retained its copyright in the Batmobile character even though its appearance in the 1966 and 1989 productions did not directly copy any comic book depiction. Because Towle produced a three-dimensional expression of the entire Batmobile character as it appeared in the 1966 and 1989 productions, and the Batmobile character in each of those productions was derived from DC's underlying work, we conclude that Towle's replicas necessarily copied some aspects of DC's underlying works. See e.g., *Durham Indus.*, 630 F.2d at 909 (noting that three-dimensional "small, plastic, wind-up toys" of Disney characters Mickey, Donald, and Pluto were derivative works of these characters). Therefore, while we question whether a derivative work based on a character could ever have any independently copyrightable elements that would not "affect the scope of any copyright protection in that preexisting material," *Parts Geek*, 692 F.3d at 1016, we need not address that issue here.

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

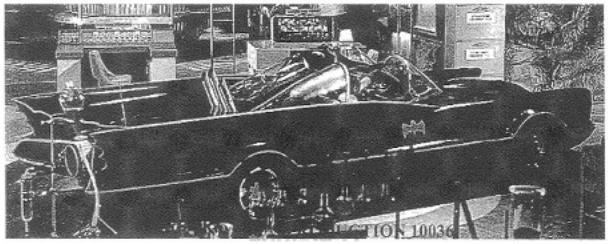
IV

As Batman so sagely told Robin, "In our well-ordered society, protection of private property is essential." Batman: The Penguin Goes Straight, (Greenway Productions television broadcast March 23, 1966). Here, we conclude that the Batmobile character is the property of DC, and Towle infringed upon DC's property rights when he produced unauthorized derivative works of the Batmobile as it appeared in the 1966 television show and the 1989 motion picture. Accordingly, we affirm the district court.

AFFIRMED.

APPENDIX A

Batmobile Depicted in the 1966 Television Series



Towle Replica

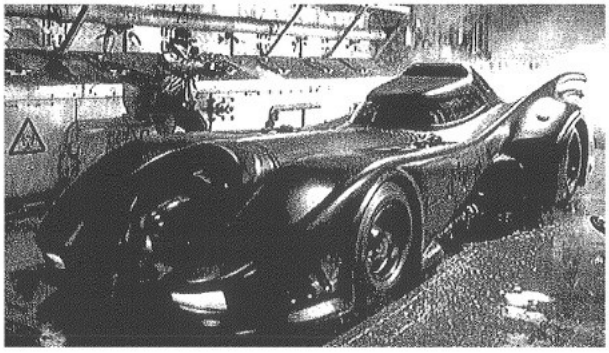


[Comparing the Batmobile Depicted in the 1966 Television Series to the Towle Replica]

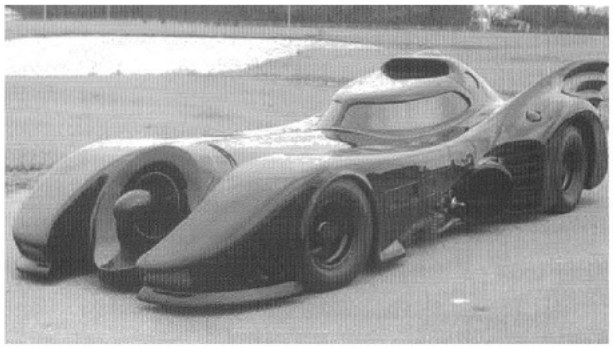
Image description: Two black-and-white photographs of cars. The top image shows the Batmobile from the 1966 television series, a sleek, customized black car with bubble windshields and bat symbols on the doors. The bottom image shows the Towle Replica, a similar vehicle with the same overall shape and design elements, also featuring bat symbols, photographed outdoors on a street.

APPENDIX B

Batmobile Depicted in the 1989 Motion Picture



Towle Replica



[Comparing the Batmobile Depicted in the 1989 Motion Picture to the Towle Replica]

Image description: Two black-and-white photographs of cars. The top image shows the Batmobile from the 1989 motion picture, a sleek, futuristic vehicle with an elongated body, dramatic curves, and a covered cockpit. The bottom image shows the Towle Replica, a very similar car with the same elongated shape, flared wheel covers, and central canopy, photographed outdoors on pavement.

Carroll Shelby Licensing, Inc. v. Halicki, 138 F.4th 1178 (9th Cir. 2025)

KERNODLE, District Judge:

The central question in this case is whether "Eleanor" is a copyrightable character. Eleanor is a collection of Ford Mustangs featured across four films, most recently in Gone in 60 Seconds (2000). Appellants argue that Eleanor is copyrightable under this Court's test for independent character copyright protection. See DC Comics v. Towle, 802 F.3d 1012, 1021 (9th Cir. 2015).

But Appellants' argument stalls at the starting line: we hold that Eleanor is not a character, much less a copyrightable one. As explained below, we affirm in part and reverse in part.

I. BACKGROUND

A. The Films

At the heart of this case are four films: Gone in 60 Seconds (1974), The Junkman (1982), Deadline Auto Theft (1983), and the remake of Gone in 60 Seconds (2000).

The films feature several Ford Mustangs called "Eleanor." A summary of each film is helpful to the forthcoming analysis.

In the original Gone in 60 Seconds, the film's protagonist and his team are tasked with stealing forty-eight types of cars. To discuss the targets discreetly, each type of vehicle is assigned a common, feminine codename such as "Donna" or "Karen." One target, a yellow Fastback Ford Mustang with black stripes, is designated "Eleanor." The protagonist encounters four "Eleanors" throughout the film, stealing all of them and driving one in a climactic police chase.

In a meta turn, The Junkman features a protagonist who is the fictional director of Gone in 60 Seconds—a film within the film. The plot involves the protagonist evading an assassination attempt before the fictional premiere of Gone in 60 Seconds. "Eleanor" is made to look like the vehicle that the protagonist drove and severely damaged in the climactic police chase in Gone in 60 Seconds. The side of the car is painted with the message: " 'Eleanor' from the movie Gone in 60 Seconds," and a pull quote exclaiming, "The most hair raising chase scene ever filmed!"

Deadline Auto Theft recycles and repurposes footage from the first two films in service of a slightly revised plot of the original Gone in 60 Seconds. Accordingly, Eleanor's appearances are largely the same as in the original.

The Gone in 60 Seconds remake features a familiar plot. The protagonist must steal fifty cars within a few days to save his brother's life from a gangster. Again, a common, feminine codename is designated for each type of car targeted. This time, "Eleanor" is the codename for a Shelby GT-500 Ford Mustang. Two versions of Eleanor appear in the film. The first is gray with black stripes and is stolen by the protagonist and driven in a climactic police chase. The second is rusty and stripped of paint, gifted to the protagonist at the film's conclusion.

B. Preceding Litigation

This case is not the beginning of the parties' disagreement.[1] Halicki owns the copyrights to the first three films and the merchandising rights to Eleanor as it appears in the remake film. After the remake's release in the early 2000s, Shelby licensed a custom car shop to produce "GT-500E" Mustangs. Believing that the car unlawfully copied Eleanor's design, Halicki filed suit against Shelby and the car shop for several claims, including copyright infringement. Halicki and Shelby ultimately settled the lawsuit in 2009.

Footnote 1: Appellants and Cross-Appellees are Denice Halicki and her corporate entities Eleanor Licensing, LLC, and Gone in 60 Seconds Motorsports, LLC. For brevity, we collectively refer to these parties as "Halicki." Appellees and Cross-Appellants are Carroll Shelby Licensing, Inc., and Carroll Hall Shelby Trust. For brevity, we collectively refer to these parties as "Shelby." The remaining Appellees are Classic Recreations, LLC, and its sole members Jason Engel and Tony Engel. For brevity, we collectively refer to these parties as "CR."

The peace did not last. Shortly after the settlement, Shelby licensed CR to produce "GT-500CR" Mustangs. Halicki interpreted this as a violation of the settlement agreement. Accordingly, Halicki contacted GT-500E owners and auction houses to

assert a copyright interest in the vehicles, and also contacted CR to demand they cease and desist in the production of GT-500CRs.

Shelby thereafter initiated this lawsuit, asserting several claims against Halicki, including for breach of the settlement agreement and declaratory relief. Halicki brought counterclaims, including for copyright infringement and breach of the settlement agreement. Halicki also named CR as a third-party defendant and asserted several claims, including for copyright infringement.

Three holdings by the district court are relevant in this appeal. First, in resolving cross motions for summary judgment, the district court held that Eleanor was not entitled to character copyright protection. Second, after a bench trial, the district court dismissed Halicki's breach of contract claim against Shelby based on the settlement agreement. Third, also after a bench trial, the district court denied Shelby's request for a declaration that the GT-500CR does not infringe any of Halicki's rights.

We affirm on all grounds except as to the denial of declaratory relief, which we reverse and remand for further proceedings.

CHARACTER COPYRIGHTABILITY

We begin with the question of whether Eleanor is entitled to character copyright protection.[2] We review questions of character copyrightability de novo. Towle, 802 F. 3d at 1019. However, because "the district court here addressed this question in detail, we consider its factual findings in analyzing this issue." Id. at 1021.

Footnote 2: Another panel of this court previously suggested that Eleanor could be a character entitled to copyright protection. See Halicki Films, LLC v. Sanderson Sales & Mktg., 547 F.3d 1213, 1225 (9th Cir. 2008). But this was dicta. The court acknowledged it was a "fact-intensive issue [that] must be remanded to the District Court" to address in the first instance. Id.

A. Towle Test

Federal copyright law enumerates several categories of protected subject matter, such as literary works, motion pictures, and more. See 17 U.S.C. § 102(a). Although the statute is silent as to the protection of the characters within these enumerated works, "there is a long history of extending copyright protection to graphically-depicted characters." Daniels v. Walt Disney Co., 958 F.3d 767, 771 (9th Cir. 2020). But "not every comic book, television, or motion picture character is entitled to copyright protection." Id. (quoting Towle, 802 F.3d at 1021) (cleaned up).

In Towle, we established a test to determine whether a character is entitled to copyright protection: (1) the character must have "physical as well as conceptual qualities," (2) the character must be "sufficiently delineated to be recognizable as the same character whenever it appears" and display "consistent, identifiable character traits and attributes," and (3) the character must be "especially distinctive" and contain "some unique elements of expression." Daniels, 958 F.3d at 771 (quoting Towle, 802 F.3d at 1021) (cleaned up).

As we explain below, Eleanor fails at each prong of the Towle test. Accordingly, Eleanor is not entitled to character copyright protection.

B. Application of the Towle Test to Eleanor

We first ask whether Eleanor is a character with "physical as well as conceptual qualities." Id. Our precedent has primarily focused on "physical" qualities. See, e.g., id. (finding that characters satisfied prong one of Towle "[b]ecause they have physical qualities... [and thus] are not mere literary characters"); Towle, 802 F.3d at 1021 (finding the Batmobile satisfied prong one because it "appeared graphically in comic books, and as a three-dimensional car in television series and motion pictures,... and is thus not a mere literary character"); Walt Disney Producs. v. Air Pirates, 581 F.2d 751, 755 (9th Cir. 1978) (explaining the importance of "a visual image" for character copyrightability).

> But equally important are the "conceptual" qualities that all characters inherently possess. These include anthropomorphic qualities, acting with agency and volition, displaying sentience and emotion, expressing personality, speaking, thinking, or interacting with other characters or objects. See Daniels, 958 F.3d at 770–71 (finding "anthropomorphic emotions" to be characters that satisfy prong one); Moonbug Entm't Ltd. v. BabyBus (Fujian) Network Tech. Co., Ltd., 2023 WL 11922845, at *7 (N.D. Cal. Mar. 7, 2023) (listing as "conceptual elements" of a character: feeling emotion, acting with agency, talking, moving, interacting with objects, and thinking); Daniels v. Walt Disney Co., 2018 WL 4849700, at* 6 (C.D. Cal. Jan. 31, 2018) (listing as character traits: speaking, interacting with other characters, acting with agency, and personality), aff'd, 958 F.3d 767 (9th Cir. 2020); Toho Co. v. William Morrow & Co., 33 F. Supp. 2d 1206, 1216 (C.D. Cal. 1998) (noting the morality, sentience, and actions of Godzilla's character); Metro-Goldwyn-Mayer, Inc. v. Am. Honda Motor Co., 900 F. Supp. 1287, 1296 (C.D. Cal. 1995) (noting the particular personality, emotions, and behaviors of James Bond's character).
>
> Of course, these conceptual qualities are by no means limited to human characters. Animals, objects, or even anthropomorphized emotions may possess the conceptual qualities of a character. See, e.g., Air Pirates, 581 F.2d at 753 & n.5, 755 (finding several animal characters "endowed with human qualities" to be copyrightable, including "Mickey and Minnie Mouse, Donald Duck, the Big Bad Wolf, the Three Little Pigs, and Goofy"); Toho, 33 F. Supp. 2d at 1215 (finding Godzilla is a copyrightable character); Towle, 802 F.3d at 1022 (finding the Batmobile is a copyrightable character); Daniels, 958 F.3d at 770–71 (noting "anthropomorphic emotions" were characters). Indeed, we have found a car to be a copyrightable character where it expressed personality and a demonstrated level of autonomy.[3] Towle, 802 F.3d at 1022 (describing the Batmobile as "loyal" to Batman); id. at 1021 (describing the Batmobile as "waiting like an impatient steed straining at the reins shivering as its super-charged motor throbs with energy before it tears after the fleeing hoodlums" (cleaned up)); see also Brief of 20 Professors of Law and Public Knowledge as Amici Curiae Supporting Appellants, at 15 (explaining that the Batmobile is "an autonomous-driving car with substantial intelligence—for example, politely stopping for passing children while driving itself " to Batman's aid).

Footnote 3: We noted in Towle that a character can still be protectable even if it "lacks sentient attributes and does not speak (like a car)." 802 F.3d at 1021. This remains true. Sentience and the ability to talk are just two of many conceptual qualities of a character already discussed.

Eleanor, however, lacks any such conceptual qualities. Indeed, Eleanor has no anthropomorphic traits. The car never acts with agency or volition; rather, it is always driven by the film's protagonists. Eleanor expresses no sentience, emotion, or personality.[4] Nor does Eleanor speak, think, or otherwise engage or interact with the films' protagonists. Instead, Eleanor is just one of many named cars in the films. In this way, Eleanor is more akin to a prop than a character. Accordingly, Eleanor fails at prong one of the Towle test.[5]

Footnote 4: Halicki suggests that Eleanor does have some anthropomorphic qualities. For example, Halicki notes that in the remake, "Eleanor's engine sputters and dies—suggesting possible jealousy, because [the protagonist's] girlfriend is in the car." But this is pure speculation. Halicki is referring to the Eleanor gifted to the protagonist at the end of the remake. This version of Eleanor was rusty, old, and in clear need of maintenance work. A reasonable viewer attributes the breakdown to the car's poor condition, not Eleanor's feelings.

Footnote 5: Halicki briefly argues that Eleanor as it appears only in the remake is also independently copyrightable under Towle. But Halicki cites no case where a character appeared in multiple works, and a court found the character to be copyrightability based on only a limited subset of those works. And our precedent suggests that if a character appears in multiple works, we consider all such works. See Daniels, 958 F.3d at 770, 773 (considering "every iteration" of the Moodsters including a pitchbook, a television episode, and a line of toys and books); Towle, 802 F.3d at 1016 (considering the Batmobile "since its creation," including in comic books, TV shows, and films). In any event, for the same reasons already discussed, "remake Eleanor" similarly fails prong one of Towle and is not entitled to copyright protection.

Turning to prong two of Towle, we ask whether Eleanor is "sufficiently delineated to be recognizable as the same character whenever it appears" and "display[s] consistent, identifiable character traits and attributes." Daniels, 958 F.3d at 771 (quoting Towle, 802 F.3d at 1021). "Although a character that has appeared in multiple productions or iterations 'need not have a consistent appearance,' it 'must display consistent, identifiable character traits and attributes' such that it is recognizable whenever it appears." Id. (quoting Towle, 802 F.3d at 1021). "By contrast, a character that lacks a core set of consistent and identifiable character traits and attributes is not protectable, because that character is not immediately recognizable as the same character whenever it appears." Id. Indeed, the "key" analysis is the "persistence" of those core traits. Towle, 802 F.3d at 1020.

Here too, Eleanor fails. Across four films and eleven iterations in those films, Eleanor lacks consistent traits. For example, Eleanor's physical appearance changes frequently throughout the various films, appearing as a yellow and black Fastback Mustang, a gray and black Shelby GT-500 Mustang, and a rusty, paintless Mustang in need of repair. Indeed, the latter Eleanors are unrecognizable until introduced as Eleanor by the protagonists. Halicki's proffered Eleanor traits, moreover, only serve to further highlight Eleanor's inconsistencies. Halicki claims Eleanor is always "incurring severe damage" and is "hard to steal." But fewer than half of the Eleanors ever appear damaged at all, and the damage ranges from body damage incurred by a police chase, to cosmetic damage, to being entirely shredded for scrap. And of the Eleanors stolen by the films' protagonists, most were stolen with little difficulty. Halicki also claims that Eleanor is "good at evading police"

and "surviving spectacular jumps." But these traits are more readily attributable to the films' protagonists driving the cars, not to Eleanor. In sum, Eleanor is too "lightly sketched" to satisfy prong two of the Towle test. See Daniels, 958 F.3d at 771.

Finally, under prong three of Towle, we consider whether Eleanor is "especially distinctive" and "contain[s] some unique elements of expression." Id. at 773 (quoting Towle, 802 F.3d at 1021). To meet prong three, a character "cannot be a stock character such as a magician in standard magician garb." Towle, 802 F.3d at 1021. Nor is a character especially distinctive if it "fit[s] general, stereotypical categories" like "an older scholar," a "loyal friend," or a "military leader." McCormick v. Sony Pictures Entm't, 2009 WL 10672263, at *14 (C.D. Cal. July 20, 2009), aff'd, 411 Fed.

Eleanor is not especially distinctive. Nothing distinguishes Eleanor from any number of sports cars appearing in car-centric action films. Cf. Towle, 802 F.3d at 1021–22 (highlighting the Batmobile's distinct "bat-like appearance," "jet engines and flame-shooting tubes," and "ability to maneuver that far exceeds that of an ordinary car"). Nor is the name Eleanor unique; rather, it is a common female name —the normalcy of which was the entire point of codenaming vehicles in the films. Cf. id. at 1022 (noting the Batmobile's "unique and highly recognizable name"). Eleanor is a "stock" sports car and fails prong three of Towle. See id. at 1021.

In sum, Eleanor is not really a character. And even if Eleanor were a character, it is not entitled to copyright protection under Towle. Accordingly, we AFFIRM the judgment of the district court that Eleanor is not entitled to character copyright protection.[6]

Footnote 6: The parties raise additional issues that are contingent upon a finding that Eleanor is a copyrightable character. Because Eleanor is not copyrightable, we need not reach these issues.

[In Part III, the court held that Shelby's licensing of the GT-500CR did not breach the parties' settlement agreement. Applying California contract law, it read the agreement to bar Shelby only from using Eleanor's distinctive features, not from producing modified Mustangs generally.]

[In Part IV, the court reviewed the denial of declaratory relief de novo, held that Shelby was entitled to a declaration that the GT-500CR does not infringe, and remanded for the district court to determine its proper scope.]

V. CONCLUSION

We REVERSE and REMAND only as to the district court's denial of declaratory relief to Shelby. We AFFIRM on all other grounds.

Notes and questions

(1) In the Sam Spade case, *Warner Brothers v. CBS*, 216 F.2d 945 (9th Cir. 1954), the Ninth Circuit set out the test for copyrightable characters in terms of the significance of the character to the story: "It is conceivable that the character really constitutes the story being

told, but if the character is only the chessman in the game of telling the story he is not within the area of the protection afforded by the copyright."

How does this "story being told" test compare with the three-part test adopted in *Towle* and applied in *Halicki*? The Sam Spade test asks what the character does in the narrative; *Towle* asks what qualities the character itself possesses and how consistently it possesses them. Would the two ever come apart? Eleanor is arguably a chessman in the game of telling the story, but so, one might think, is the Batmobile.

(2) *Towle* rested in part on *Halicki Films, LLC v. Sanderson Sales & Marketing*, 547 F.3d 1213 (9th Cir. 2008), which it read as establishing "that an automotive character can be copyrightable," and which it credited with finding that Eleanor displayed "consistent, widely identifiable traits" — among them that "whenever the main human character tries to steal Eleanor, circumstances invariably become complicated." The 2025 panel set that discussion aside as dicta and found the opposite on the record: most Eleanors "were stolen with little difficulty." Which court had the better of the reading? If *Towle*'s three-part test was itself derived from the earlier Eleanor case, what happens to the test now?

(3) Character copyright is now being asserted against generative AI systems. In *Disney Enterprises, Inc. v. Midjourney, Inc.*, No. 2:25-cv-05275 (C.D. Cal., filed June 11, 2025), and *Warner Bros. Entertainment Inc. v. Midjourney, Inc.*, No. 2:25-cv-08376 (C.D. Cal., filed Sept. 4, 2025), the studios allege that an image generator reproduces their characters on demand. The two suits were consolidated in November 2025 and, as of September 2026, had produced no merits ruling. If the *Towle* test is satisfied, does it matter which particular film or comic an output resembles? Consider how that question relates to the discussion of characters as subworks below, and to the treatment of style later in this chapter.

Are characters subworks or hypertextual works?

To qualify as copyrightable, a character must be reasonably detailed and distinct, and, according to some cases dealing with literary works, it must be central to the underlying work such that it "constitute[s] the story being told." *Warner Bros. Pictures, Inc. v. Columbia Broadcasting System*, 216 F.2d 945, 950 (9th Cir. 1954). The "story being told" test is regarded as unduly restrictive by many courts, particularly in the context of characters emerging from comics, film, and television. See e.g., *Gaiman v. McFarlane*, 360 F.3d 644 (7th Cir. 2004). In *DC Comics v. Towle*, the Ninth Circuit held that a character is entitled to copyright protection if (1) the character has "physical as well as conceptual qualities," (2) the character is "sufficiently delineated to be recognizable as the same character whenever it appears" and "display[s] consistent, identifiable character traits and attributes," and (3) the character is "especially distinctive" and "contain[s] some unique elements of expression." *DC Comics v. Towle*, 802 F.3d 1012, 1021 (9th Cir. 2015).

This test focuses on consistency and distinctiveness and recognizes copyrightable characters need not be central to the story being told in the original work. Applying this test, the court found that the car from the Batman comics, television, and film franchise was a copyrightable character, infringed upon by the sale of replica kits intended to modify an existing car to look like the famous crime-fighting vehicle.

The test in *DC Comics v. Towle* explicitly recognizes the emergence of a discrete intellectual property entitlement based on emergent properties—the identification of

features and characteristics across a series of copyrightable works. This is puzzling for those who regard individual copyrighted works as the fundamental unit of analysis for copyright law, which is what the text of the Copyright Act suggests. However, despite the tendency of federal judges to refer to copyrightable characters as distinct entitlements, the practice can be reconciled with ordinary principles of copyright law by acknowledging that copyrightable characters are a heuristic—not so much a legal fiction as a legal shortcut. In other words, although characters are not copyrightable works *as such*, in the context of an infringement action it is a reasonable time-saving heuristic to talk about them as though they were.

The practice is reasonable because there are many instances where closely copying a character will be enough to establish infringement of the underlying work. The conceit of copyrightable characters is advantageous for plaintiffs in two ways. First, it allows the copyright owner to establish substantial similarity by showing that a significant and identifiable character has been closely copied. Focusing the court's attention on copyrightable characters ensures that other differences between the plaintiff's and defendant's works can safely be ignored. See e.g., *Salinger v. Colting*, 607 F.3d 68 (2d Cir. 2010), where the district court found that an unauthorized sequel of The Catcher in the Rye was substantially similar to the original because of the overlapping central character. The sequel took place 60 years later and had an entirely different plot to the original, however both works centered on the character of Holden Caulfield as "the story being told."

Second, presenting a case in terms of the infringement of copyrightable characters frees the copyright owner from the burden of pointing to which specific work the defendant's product is infringingly similar.

There are more critical views that make essentially the same point. See e.g., Leslie Kurtz, *The Independent Legal Lives of Fictional Characters*, 1986 WISCONSIN LAW REVIEW 429, 440 (arguing that by "focusing on the copyrightability of a character, courts have blurred the distinction between the concepts of infringement and copyrightability;") and Jani McCutcheon, *Works of Fiction: The Misconception of Literary Characters As Copyright Works*, 66 JOURNAL OF THE COPYRIGHT SOCIETY OF THE U.S.A. 115 (2019). Note that the authors of the Copyright Restatement take the view that controversies involving allegedly copied characters should be decided by determining whether by copying a character the defendant has infringed copyright in a categorized work or works (literary, pictorial, audiovisual, etc.) in which the character appears. See, Restatement of the Law, Copyright § 2 TD No 2 (2021).

Halicki is a useful test of the heuristic account offered here. The Ninth Circuit concluded not merely that Eleanor was unprotectable, but that Eleanor "is not really a character" at all, and was "more akin to a prop." If copyrightable characters are a shortcut for reasoning about infringement of the underlying works, what is being decided when a court holds that something is not a character in the first place? Note too that *Halicki* requires a court to consider every iteration across every work in which the character appears, and refuses to let a plaintiff rely on the subset that suits it best. That is hard to square with treating each film as the unit of analysis, and it suggests the emergent, cross-work entitlement that this section questions. Does *Halicki* make characters look more like subworks, more like hypertextual works, or neither?

Can you Copyright a Universe?

Paramount Pictures Corp. v. Axanar Prods., Inc., 2017 WL 83506 (C.D. Cal. Jan. 3, 2017)

Judge Klausner

… The undisputed facts are as follows: Plaintiffs Paramount and CBS own the copyrights to Star Trek motion pictures and television series, respectively. Star Trek is a popular science fiction franchise. Since debuting it on television in 1966, CBS has produced six Star Trek television series totaling more than 700 episodes. A seventh series is scheduled to premiere in 2017. Paramount has produced thirteen full-length Star Trek motion pictures since 1979; the most recent was released in 2016. In addition, Plaintiffs have licensed numerous Star Trek derivative works (together with the Star Trek television series and the Star Trek motion pictures, the "Star Trek Copyrighted Works"), including books, games, merchandise, and audio-visual works such as documentaries. These Star Trek Copyrighted Works have transported the hearts of a legion of fans to the Star Trek universe.

The original Star Trek television series ("The Original Series") chronicle the adventures of the spaceship U.S.S. Enterprise and its crew as they explore space, the final frontier in the twenty-third century. U.S.S. Enterprise is one spaceship in the Starfleet of United Federation of Planets (the "Federation"). The Original Series feature humans and fictitious species such as Vulcans and Klingons. A human character known as Garth of Izar ("Garth") appear in one episode. As depicted in The Original Series, Garth is a former starship captain and famous among Starfleet officers for his exploits in the Battle of Axanar. Planet Axanar seems to be the namesake of Defendant Axanar Productions.

Axanar Productions' president is Peters, a long-time Star Trek fan. Like many other Star Trek fans, Peters wants to make his own Star Trek production. However, going where no man has gone before in producing Star Trek fan films, Defendants sought to make "a professional production" "with a fully professional crew, many of whom have worked on Star Trek itself" and raised over a million dollars on crowdsourcing websites Kickstarter and Indiegogo to fund their projects. Defendants first raised money and produced a twenty-one minute film Star Trek: Prelude to Axanar ("Prelude"). Defendants released Prelude on YouTube to promote and to raise funds for a full-length feature film (the "Axanar Motion Picture," and, collectively with Prelude, the "Axanar Works"). In addition to releasing Prelude, Defendants have completed a script of the Axanar Motion Picture and have filmed and released a scene (the "Vulcan Scene") therefrom. The Axanar Works are set in the Star Trek universe twenty-one years before The Original Series and depict the Battle of Axanar and the exploits of Garth.

DISCUSSION

… Here, Defendants argue that characters and species used in the Axanar Works are not subject to copyright protection under Plaintiffs' copyrights. The Court concludes otherwise at least with respect to Garth of Izar.

The Ninth Circuit applies "a three-part test for determining whether a character in a ... television program ... is entitled to copyright protection." *DC Comics v. Towle*, 802 F.3d 1012, 1021 (9th Cir. 2015). "First, the character must generally have physical as well as conceptual qualities. Second, the character must be sufficiently delineated to be recognizable as the same character whenever it appears ... Third, the character must be especially distinctive and contain some unique elements of expression." "[A] stock character such as a magician in standard magician garb" is not distinctive.

Applying the three-part test to Garth of Izar leads to the conclusion that he is entitled to copyright protection. Garth first appeared in an episode in The Original Series. Since Garth has appeared as a live character, he has physical as well as conceptual qualities. As stated above, Garth was a former starship captain and was famous among Starfleet officers for his exploits in the Battle of Axanar. In fact, his exploits were required reading at the Starfleet Academy. He charted more planets than any other Starfleet captain. In the episode, Garth discussed his victory in the Battle of Axanar with Captain Kirk, the Captain of U.S.S. Enterprise. In addition, a 2003 novel, titled Garth of Izar and copyrighted by Paramount, further developed the character. Garth's identity as a Federation hero sufficiently delineates him and sets him apart from a stock spaceship officer.

Also prominent in the Axanar Works are two fictional species from the Star Trek Copyrighted Works: Klingons and Vulcans. Klingons are a militaristic, alien species from the planet Qo'noS. They are long-time enemies of the Federation. Klingons have distinctive physical features including ridged foreheads, dark hair and skin, and upward sloping eyebrows. Klingon men have facial hair. Vulcans are a part of the Federation, a species that suppresses emotions in favor of logic and reason. They are advanced technologically. Vulcans have pointed ears and upswept eyebrows. Vulcan men usually have a bowl-shaped haircut. Taken together, these characteristics of Klingons and Vulcans are not "elements of expressions that necessarily follow from the idea" behind the expressions (visual expressions, for example) and may be entitled to copyright protection. *Pasillas v. McDonald's Corp.*, 927 F.2d 440, 443 (9th Cir. 1991).

Additionally, Plaintiffs submit evidence showing several costumes from the Star Trek Copyrighted Works similar to those Defendants use in the Axanar Works, including a Klingon officer's uniform from the motion picture Star Trek VI—The Undiscovered Country. This uniform has a gray tunic with shoulder covers and a red neckpiece. Evidence also shows Vulcan Ambassador Soval's Asian-style long robe and a drape decorated with Vulcan writing. The artistic aspects of these costumes that "can be identified separately from, and are capable of existing independently of, the utilitarian purpose of the costumes" may be copyright protectable. *Entm't Research Grp., Inc. v. Genesis Creative Grp., Inc.,* 122 F.3d 1211, 1221 (9th Cir. 1997). "Artistic work ... receives broader protection because of endless variations of expression available to artist." *Apple Computer, Inc. v. Microsoft Corp.*, 35 F.3d 1435, 1447 (9th Cir. 1994). The combination of artistic visual elements of these uniforms likely contains original expressions protectable under the Copyright Act.

The evidence also includes settings from the Star Trek Copyrighted Works such as planets Axanar, Qo'noS, and Vulcan (including a shot of Vulcan from Star Trek III: The Search for Spock); military spaceships including Klingon battlecruisers, Vulcan ships with an engine ring, and Federation spaceships with their iconic saucer-shaped hull (e.g., the U.S.S. Enterprise), space travel elements such as spacedocks, and Vulcan buildings—cathedrals with sword-blade-shaped domes. The evidence further describes plot points, sequence of events, and dialogs from the Star Trek Copyrighted Works such as the Federation, the Klingon Empire, and conflicts between the two in the Four Years War at the Battle of Axanar (which is also described in a Paramount-licensed game including a supplement titled Four Years War), the Vulcan council, the teachings of Vulcan philosopher Surak, the use of the Federation logo, stardate, transporters and warp drive, weapons such as phasers and photon torpedoes, and the Klingon language. Finally, the evidence describes mood and theme of the Star Trek Copyrighted Works as science fiction action adventure, specifically a military space drama. All these elements appear in the Axanar Works. Although each of these elements may not be individually original and copyright protectable,[1] they are "numerous enough and their selection and arrangement original enough that their combination constitutes an original work of authorship," especially when combined with the costumes and fictional characters and species, examples of which are described above. *Satava*, 323 F.3d at 811; see *Swirsky*, 376 F.3d at 849 (citing *Three Boys Music Corp. v. Bolton*, 212 F.3d 477, 485 (9th Cir. 2000)) (citing with approval a finding of substantial similarity based on the combination of five unprotectable elements).

Footnote 1: Some elements such as U.S.S. Enterprise may be individually copyright protectable under the DC Comics three-part test. See *DC Comics*, 802 F.3d at 1024 (holding that the Batmobile is a copyright-protected character). However, because Plaintiffs' allegation is that Defendants infringe the Star Trek Copyrighted Works as a whole, the Court does not undertake an analysis beyond Garth for which evidence in unredacted records is relatively abundant.

Accordingly, the Court finds that Defendants use copyright-protected elements in the Axanar Works.

The Works Share Objective Substantial Similarity

Under the extrinsic test, the Axanar Works are substantially similar to the Star Trek Copyrighted Works. This conclusion finds strong support in Defendants' intent for the Axanar Works. "Defendants expressly set out to create an authentic and independent Star Trek film that [stayed] true to Star Trek canon down to excruciating details." Indeed, Defendants set out to create a motion picture "prequel" to The Original Series. To achieve this goal, Defendants set the Axanar story in the Star Trek universe. Defendants used the Four Years War supplement "as a bible" in developing the script of Prelude. Defendants intentionally use or reference many elements similar to those appeared in the Star Trek Copyrighted Works, some of which are discussed above. Klingons in the Axanar Works use some of the same weapons as those in Plaintiffs' works. The physical appearances of Klingons and of Vulcans (including Ambassador Soval) resemble those in Plaintiffs' works. Id. In fact, the same actor who played Soval in the Star Trek:

Enterprise series reprised his role in Prelude, a fact Defendants noted in its Kickstarter promotion.[2]

Footnote 2: The Court notes this fact simply to emphasize the great length to which Defendants went to stay true to the Star Trek canon. The appearance of the actor is not original to Plaintiffs and is thus not copyright protectable.

Star Trek fans love Defendants' faithfulness to the Star Trek canon; Peters considers himself "the keeper of faith with fans." The many excruciating details Defendants intentionally duplicate from the Star Trek Copyrighted Works surely contain some "specific details of prior creators' rendering of ideas" that are "protectable." *Metcalf v. Bochco*, 294 F.3d 1069, 1074 (9th Cir. 2002).

Defendants argue that the works are not substantially similar because Defendants "created their own story about the obscure character Garth of Izar and the general events surrounding him." Defendants' argument fails for two reasons. First, the Court does not agree that Garth, being a featured character in one television episode, the title character of one novel, and having appeared in Four Years War, is obscure or lightly sketched. Cf. *Olson v. Nat'l Broad. Co.,* 855 F.2d 1446, 1452 –53 (9th Cir. 1988) (calling characters lightly sketched who are "depicted only by three– or four-line summaries in a screenplay, plus whatever insight into their characters may be derived from their dialogue and action"). Second, Defendants use many elements from the Star Trek universe in their works, not just Garth of Izar and the general events surrounding him. See id. (even lightly sketched characters together with other extrinsic test elements may be enough for a finding of infringement). Indeed, Defendants use and reference so many distinctive and widely recognized elements from the Star Trek universe that the Axanar Works invoke Star Trek in the minds of viewers. Together these elements are "qualitatively important" enough for a finding of substantial similarity, even if they are "relatively small in proportion to the entire work" (which they arguably are not). *Swirsky*, 376 F.3d at 852. Defendants' extensive use of elements from the Star Trek Copyrighted Works to create a Star Trek prequel can constitute infringement in spite of Defendants' new story. See *TMTV, Corp. v. Mass Prods., Inc.,* 645 F.3d 464, 470–71 (1st Cir. 2011).

Defendants further argue that the Axanar Works are inspired by many sources. Assuming that to be true as the Court must on a summary judgment against Defendants, the argument still fails. Defendants must obtain permission to use protectable expression from any and all preexisting sources to which their work bears substantial similarity. *Greene v. Ablon*, 794 F.3d 133, 158 (1st Cir. 2015).

Finally, Defendants cites *Hogan v. DC Comics* where the court found no substantial similarity even though the main character of the two works share many attributes:

> both were half-human, half-vampires named Nicholas Gaunt; were young white males with pale skin, a medium build, dark, tired eyes, and dark, scraggly hair; sought to learn the truth about their origins, and did so through flashbacks; faced the choice of pursuing good or evil; were indoctrinated into the forces of evil by killing.

(paraphrasing *Hogan*, 48 F. Supp. 2d 298, 310-11 (S.D.N.Y. 1999).) Hogan is factually distinguishable from this case, however. The Hogan court found pronounced differences in the "total look and feel [of the two works], the interactions of the characters and the plot." The two main characters are drawn quite differently. The defendant author independently created the idea of her work, before the plaintiff sent his work to defendant DC Comics. For example, the defendant author offered detailed evidence explaining how and why she chose the name Nicholas Gaunt, supporting her assertion that the shared name was not a result of copying. Here, Defendants intentionally use elements from the Star Trek Copyrighted Works to create works that stay true to Star Trek canon down to excruciating details. Defendants even touted that "Axanar feels like Star Trek." The *Hogan* finding is inappropriate here.

After reviewing evidence before the Court, including the Axanar Works, the Court is satisfied that Defendants have achieved their goal of creating authentic Star Trek films and script. The Axanar Works are substantially similar to the Star Trek Copyrighted Works, at least under the extrinsic test.

The Jury Will Decide Subjective Substantial Similarity

The intrinsic test is subjective and asks whether the ordinary, reasonable person would find the total concept and feel of the works to be substantially similar. The jury, not the court, is ordinarily the reasonable person. … Because the jury must determine issue of subjective substantial similarity for a finding of copyright infringement, the Court cannot rule on Plaintiffs' request for declaratory and injunctive relief at this time. Plaintiffs must motion the Court for such relief if the jury finds subjective substantial similarity.

Notes and questions

(1) The Axanar defendants created an entirely new story. Their film depicted the Battle of Axanar, an event merely mentioned in passing in one episode of the original Star Trek series. The plot, dialogue, narrative structure, and specific scenes bore little resemblance to any particular Star Trek episode or motion picture. Yet the court found substantial similarity under the extrinsic test. Why?

(2) Is the court saying that there is copyright in the Star Trek universe?

(3) The court repeatedly emphasized that defendants "expressly set out to create an authentic and independent Star Trek film that stayed true to Star Trek canon down to excruciating details." What work is intent doing in this case?

(4) Would a book about Federation officers during the Four Years War infringe even without using any named characters? What about a story using Klingons but not other Star Trek elements? Does it matter if the follow-on work is visual versus text?

Copyright in Style as a Response to Generative AI

U.S. Copyright Office Copyright and Artificial Intelligence, Part 1: Digital Replicas

> The Office received many comments seeking protection against AI "outputs that imitate the artistic style of a human creator." Commenters voiced concern over the ability of an AI system, in response to a text prompt asking for an output "in the style of artist X," to quickly produce a virtually unlimited supply of material evoking the work of a particular author, visual artist, or musician. They asserted that these outputs can harm, and in some cases have already harmed, the market for that creator's works.
>
> For example, the Center for AI and Digital Policy warned that "if AI can replicate [artists'] signature style en masse, it might undermine the market value of their creations, unjustly depriving them of economic benefits." The Authors Guild described "authors, who, after years of developing their unique voice and style, are finding AI appropriating a part of their personality and mimicries of their work being sold in the market."
>
> In addition, commenters argued that, while in the past the impact of human imitators was limited by the demands of time and labor, AI systems present a challenge exponentially greater given their speed and scale. An anonymous artist offered the following example:
>
> > As of November 29th, 2023, the top result when googling American artist Kelly McKernan is an AI-generated imitation of her style. Not only does this demonstrate the ability of AI forgeries to quickly propagate and pollute search engines and the wider internet but this digital impersonation has a chilling effect on artists' agency and ability to control their online identity. Artists are essentially competing with a distorted version of themselves.
>
> The Office acknowledges the seriousness of these concerns and believes that appropriate remedies should be available for this type of harm.
>
> Copyright law's application in this area is limited, as it does not protect artistic style as a separate element of a work. As noted by several commenters, copyright protection for style would be inconsistent with section 102(b)'s idea/expression dichotomy.[324]

Footnote 324: See, e.g., Pamela Samuelson, Christopher Sprigman & Matthew Sag, *Initial Comments* at 36–37 ("Any concept of style that can only be identified by considering several works collectively is far too abstract to merit copyright protection consistent with the idea/expression distinction and Section 102(b). Even if proposed copyright protection for 'style' were focused on stylistic features of individual works, it is difficult to see how copyright protection for style or artistic technique could be reconciled with the idea/expression distinction and Section 102(b)."); MPA Initial Comments at 74 ("However, the law does not grant individuals exclusive rights over artistic style. . . . This conclusion flows ineluctably from one of copyright's most fundamental precepts: that it protects expression, not ideas."). Cf. 17 U.S.C. § 102(b) ("In no case does copyright protection for an original work of authorship extend to any idea, procedure, process, system, method of operation, concept, principle, or discovery, regardless of the form in which it is described, explained, illustrated, or embodied in such work.").

Moreover, in most cases the elements of an artist's style cannot easily be delineated and defined separately from a particular underlying work. Google and EFF both stressed that, as a policy matter, stylistic aspects of expressive content should remain freely available for later creators to develop and build on.

The Copyright Act may, however, provide a remedy where the output of an "in the style of" request ends up replicating not just the artist's style but protectible elements of a particular work. Additionally, as future Parts of this Report will discuss, there may be situations where the use of an artist's own works to train AI systems to produce material imitating their style can support an infringement claim.

Numerous commenters pointed out that meaningful protections against imitations of style may be found in other legal frameworks, including the Lanham Act's prohibitions on passing off and unfair competition. In its comments, the FTC stated:

> Mimicking the creator's writing style . . . may also constitute an unfair method of competition or an unfair or deceptive practice, especially when the copyright violation deceives consumers, exploits a creator's reputation or diminishes the value of her existing or future works, reveals private information, or otherwise causes substantial injury to consumers.

Although state right of publicity statutes do not explicitly refer to style, where a particular style is closely identified with an individual performer, it may be protected. Protection may also be available under the common law. Although the law in this area is not fully developed, that may be because the means of easy and near-perfect stylistic impersonation have not been widely available until recently, and the advent of generative AI may result in an increase in such claims. Meanwhile, some AI developers have reportedly placed guardrails in their systems blocking requests to generate images in the style of living artists.

In sum, there are several sources of protection under existing laws that may be effective against unfair or deceptive copying of artistic style. Given these resources, as well as the policy reasons not to extend property-like rights to style in itself, the Office does not recommend including style as protected subject matter under a federal digital replica law at this time. If existing protections prove inadequate, this conclusion may be revisited.

U.S. Copyright Office Copyright and Artificial Intelligence, Part 3: Generative AI Training

Editorial note: As of September 2026, the pre-publication version of 9 May 2025 was still the only version of *Part 3: Generative AI Training* the Office had released.

> [Addressing the scope of the fourth fair use factor …] While we acknowledge this is uncharted territory, in the Office's view, the fourth factor should not be read so narrowly. The statute on its face encompasses any "effect" upon the potential market. The speed and scale at which AI systems generate content pose a serious risk of diluting markets for works of the same kind as in their training data.[374]

Footnote 374: See Science Fiction and Fantasy Writers Association Initial Comments at 6 ("The harm creators and audiences are already experiencing is a flood of trash, directly enabled by generative AI with no restrictions on output. . . . AI- generated material . . . literally crowds human writers out."); Boni Alimagno Reply Comments at 7 ("Focusing on specific copyrighted works neglect stylistic elements that recur throughout a body of work, which through publicity become how an artist creates market value for their style. AI art generators instead allow an artist's own body of work to face competition from a too similar body of work—driving the monetary value of their uniqueness downward. An artist is in competition with themselves.").

That means more competition for sales of an author's works and more difficulty for audiences in finding them. If thousands of AI-generated romance novels are put on the market, fewer of the human-authored romance novels that the AI was trained on are likely to be sold. Royalty pools can also be diluted. UMG noted that "[a]s AI-generated music becomes increasingly easy to create, it saturates this already dense marketplace, competing unfairly with genuine human artistry, distorting digital platform algorithms and driving 'cheap content oversupply' - generic content diluting human creators' royalties."

Market harm can also stem from AI models' generation of material stylistically similar to works in their training data. As the Office noted in Part 1 of this Report, many commenters raised concerns about AI outputs that imitate a creator's style, which copyright does not protect as a separate element.[376]

Footnote 376: There may, however, be cases where the replication of "style" does capture protectible elements of an original work of authorship. See generally Benjamin L.W. Sobel, *Elements of Style: Copyright, Similarity, and Generative AI*, 38 Harvard Journal of Law & Technology 49 (2024).

Even when the output is not substantially similar to a specific underlying work, stylistic imitation made possible by its use in training may impact the creator's market. In the words of the Writers Guild of America, because AI systems can be prompted to imitate a writer's style, applying fair use would force writers "to compete with AI- generated scripts trained on their work, without their authorization, and without fair compensation." This threat is more acute because of the technology's ability to produce works so similar in style "that the average person cannot discern a difference in the marketplace, creating direct competition with the creators whose works have been used to train the model."[378]

Footnote 378: Note: CISAC Reply Comments at 3. In one highly publicized example, an AI image generator now allows users to generate images in the style of a popular Japanese animation studio (Studio Ghibli), resulting in "a tsunami of images." The result could undermine licensing opportunities for the studio.

Notes and questions

(1) Is there a tension between the Copyright Office position in Part 1 and Part 3?

(2) The Studio Ghibli controversy: In 2025 OpenAI publicized the ability of its new image tool to render existing photos into "Studio Ghibli" style. I.e. with the characteristic soft watercolor backgrounds, lush forests, and whimsical character designs that are hallmarks of the studio's films. This trend quickly went viral on social media. While many users saw this as a fun and harmless way to engage with the aesthetic or whimsically alter their

photos, it also sparked outrage among many artists and fans. Studio Ghibli's art style is the result of decades of meticulous, hand-drawn work by dedicated animators. Creating a single scene can take months of effort. The ability of an AI to replicate this style in seconds is seen by many as a cheap imitation that devalues the immense skill and effort of human creators. The reaction was intensified because the principal artist associated with Studio Ghibli, Hayao Miyazaki, had called earlier versions of AI art "an insult to life itself." Worse still, the official White House X account shared a Ghibli-style AI image. The image depicted a woman being taken into custody by ICE, which many found to be a disturbing and inappropriate use of a beloved art style often associated with themes of empathy and nuance.

What is your opinion of the Studio Ghibli controversy referred to by the Copyright Office? Should Studio Ghibli have a copyright in its characteristic style, what about Disney, what about the Simpsons? Is this a trademark problem or a copyright problem?

(3) Is a legislative response to style mimicry coming? At the federal level, so far, no. The NO FAKES Act was introduced in the Senate as S. 1367 (119th Cong.) on April 9, 2025. A successor bill, S. 4591, was approved by the Senate Judiciary Committee on June 18, 2026 and placed on the Senate calendar; an identical House bill, H.R. 8915, has not left committee. None has been enacted. Note also the limits of what is proposed: as reported, the bill addresses unauthorized digital replicas of a person's voice and visual likeness. It does not reach artistic style as such. If Congress were to legislate in this area, would protecting likeness do anything for the illustrator whose manner of drawing is imitated?

Matthew Sag, *Copyright Safety for Generative AI*, 61 HOUSTON LAW REVIEW 295 (2023)

> … Much of the anxiety about predatory style transfer would be alleviated if the names of individual living artists were replaced with stylistic markers. For example, one of the most commonly invoked style prompts in early 2023 was Greg Rutkowski, an artist who is well known for his richly detailed depictions of Dungeons & Dragons and similar worlds in a style comparable to the romantic English painter, William Turner.



Image description: A collage of four seascape paintings. Top left: "Ghosts of Saltmarsh" by Rutkowski shows a dramatic, stormy sea with a small ship battling waves under eerie green light. Top right: Turner's "Fisherman at Sea" depicts boats illuminated by a moonlit sky, with dark water swirling beneath. Bottom left: Turner's "Fishermen upon a Lee Shore, in Squally Weather" shows boats tossed in rough waves, with figures clinging desperately. Bottom right: Turner's "Peace — Burial at Sea" presents a somber ship scene, with smoke rising into a hazy sky above calm but reflective waters.

The notion that Rutkowski has a copyright interest in this style, in the sense of some signature constellation of attributes that can be identified only by comparing a series of works, is hard to reconcile with basic copyright law doctrines, but the harm that Rutkowski suffers by having his genuine works crowded out in internet searches by tens of thousands of images produced "in the style of Rutkowski" is very real. That harm could easily be avoided with almost no loss of functionality because Rutkowski's name is primarily used as a shortcut to invoke high-quality digital art generally, or in relation to fantasy motifs.

The notion of copyright protection in style as an emergent property (something that is identified by looking at a series of works) is inconsistent with the idea-expression distinction because it makes abstractions and techniques copyrightable. 17 U.S.C. § 106(1)–(3). It is also inconsistent with the fact that the Copyright Act creates rights with respect to works, not groups of works. *Id.* § 106(1) (giving the copyright owner the exclusive right "to reproduce the copyrighted work in *copies* or phonorecords" (emphasis added)). Section 101 defines "copies" as "*material objects*, other than phonorecords, in which a work is fixed by any method now known or later developed, and from which the work can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device." Id. § 101 (emphasis added).

However, if the term style is used to describe a constellation of attributes present within a single work, it is possible that reproducing those attributes will amount to copyright infringement. See *Steinberg v. Columbia Pictures Indus., Inc.*, 663 F. Supp. 706, 709 (S.D.N.Y. 1987) (holding that a movie poster for Moscow on the Hudson infringed on artist Saul Steinberg's famous New Yorker cover, View of the World from 9th Avenue, by copying the unprotectable idea of drawing a world map "from an egocentrically myopic perspective" along with the angle, layout,

distinctive lettering, and specific features of four city blocks depicted in the New Yorker cover).

There is a critical difference between "style" in the sense of somewhat abstract features of a particular work, and style as an intertextual phenomenon, a property which arises from a collection of works by the act of observation. Intertextual/emergent style is intrinsically attached to public presentation, understanding, and reception, not to the formal content or composition of a work. Intertextual/emergent style seems like the province of trademark law, not copyright. Intertextual/emergent style is very difficult to reconcile with the focus of copyright law on the singular work.

Notes and questions

(1) To be fair, GPT 5 is probably a better art critic than Prof. Sag and it notes that "Rutkowski's work is stylistically distinct, rooted in digital realism with fantasy elements, while Turner's is painterly and atmospheric Romanticism. They resonate thematically but are not in the same style." GPT 5 suggests Rutkowski's style aligns more closely with 19th-century academic and fantasy painters such as Ivan Aivazovsky (1817–1900) who created highly detailed, luminous depictions of dramatic seascapes, storms, and naval battles, with a dash of Gustave Doré (1832–1883).

Steinberg v. Columbia Pictures Indus., 663 F. Supp. 706 (S.D.N.Y. 1987)

The leading case suggesting that there is copyright in "style" is *Steinberg v. Columbia Pictures Indus.*, 663 F. Supp. 706 (S.D.N.Y. 1987). Saul Steinberg, a prominent New Yorker illustrator, was best known for a satirical rendering of New York City, compressed in the foreground with the rest of the world receding in exaggerated foreshortening. Columbia Pictures commissioned a similar illustration for a movie poster, reversing the perspective, altering the city's features, and adding three film characters.

Judge Stanton found that the "whimsical, sketchy style and spiky lettering" were "recognizable as Steinberg's," and that this recognition was more than evidence of copying —it was an infringing reproduction of expression. The work's unprotectable "idea" was "a map of the world from an egocentrically myopic perspective," but Steinberg's use of narrow blue washes, red horizon bands, and childlike block print constituted protectable expression. Notably, the court appeared to place weight on Steinberg's reputation for this style, suggesting that "style" encompassed his broader artistic oeuvre, whether established through the trial record or judicial notice.

If Steinberg has a copyright in representations of New York that combine his characteristic elements, does that extend to similar approaches to representing Washington, D.C. or Beijing? For more, see Christopher Buccafusco, *Copyrighting Style*, 72 JOURNAL OF THE COPYRIGHT SOCIETY 1091 (2025) (the illustrations below are copied from that article). Buccafusco's account is a rival to the one this chapter has advanced. We have treated the boundaries of the work as set by fixation, version, and public presentation; he locates them instead in the union of form and content that makes a style an authorial symbol.



Image description: Two illustrated images side by side. On the left, a famous New Yorker magazine cover from March 29, 1976, shows a cartoonish map view of Manhattan's 9th Avenue stretching westward, with exaggeratedly small representations of the Hudson River, New Jersey, the Pacific Ocean, and distant landforms. On the right, a movie poster for Moscow on the Hudson mirrors the style, showing New York skyscrapers in the foreground and Moscow landmarks in the background, with three characters—one holding an American flag—standing prominently at the bottom.



Image description: Two magazine covers side by side. On the left, *Politico* features the headline "50 Politicos to Watch" above an illustration of Washington, D.C., drawn in a cartoon map style with exaggerated perspective, stretching toward the Pacific Ocean. On the right, *The Economist* cover titled "How China sees the world" uses the same illustrative style, showing China at the forefront with the Pacific and Atlantic Oceans, continents, and cities drawn in a whimsical, compressed scale extending into the distance.

CHAPTER 18. MORAL RIGHTS

What are Moral Rights?

The central idea behind the concept of "moral rights," a term derived from the French phrase *droit moral*, is that the author of a copyrighted work has certain personal and inherent rights in relation to the work. These rights exist, so the theory goes, because the work is tied to the personality of the author. Moral rights are usually distinguished from merely economic rights—like the veto that the author exercises with respect to reproduction, public performance, etc. Economic rights are meant to create incentives, but moral rights are meant to do something different. In most systems where they are recognized, moral rights stay with the author, regardless of any agreement to transfer economic rights.

The content of moral rights varies from jurisdiction to jurisdiction, but the two most commonly recognized moral rights are the right of attribution and the right of integrity. An author with a right of attribution has the right to be credited as the author of her work; an author with a right of integrity has the right to prevent distortions or mutilation of her work, but usually only if, and to the extent that, this would be prejudicial to the author's honor or reputation. Other moral rights relate to disclosure, withdrawal, and resale royalties, but these are less widely recognized. Many civil law countries, such as France and Germany, treat moral rights as inalienable from the author (although transferable by will upon death), and a number of them recognize perpetual moral rights.

Attribution and integrity have been part of the international copyright framework since the 1928 Rome revision of the Berne Convention. Article 6bis of the Convention requires every member state to give authors of literary and artistic works, "independently of the author's economic rights, and even after the transfer of the said rights," the right to claim authorship of the work and to object to any distortion, mutilation, or other modification of, or other derogatory action in relation to, the work that would be prejudicial to the author's honor or reputation. Those rights must be maintained after the author's death at least until the economic rights expire, although countries that did not protect moral rights post mortem when they joined the Convention may let some of them lapse at death.

Two later treaties extend the same pair of rights to performers. Article 5 of the WIPO Performances and Phonograms Treaty ("WPPT") of 1996 gives performers rights of attribution and integrity in their live aural performances and performances fixed in phonograms, and Article 5 of the Beijing Treaty on Audiovisual Performances of 2012 does the same for live and fixed audiovisual performances. The Beijing Treaty entered into force on April 28, 2020; the United States, the United Kingdom, and the European Union have signed it but, as of this writing, have not ratified it.

Despite all of this, the United States does not really have a moral rights regime. The official position of the United States is that it satisfies its treaty obligations through a patchwork of rights ranging from defamation through right of publicity to trademark. But it's worth noting that the United States was careful to make sure that obligations under Article 6bis of the Berne Convention were not incorporated into the WTO system through the TRIPs

Agreement in 1994. Compliance with Berne's moral rights obligations is therefore, if not optional, at least beyond the reach of WTO dispute settlement.

The material that follows addresses the extent to which the United States really does satisfy its Berne and WPPT obligations through a patchwork of existing law. It considers the limited recognition that American law has carved out for moral rights under the Visual Artists Rights Act of 1990.

Moral Rights Outside the Copyright Act

The patchwork approach

The United States acceded to the Berne Convention effective March 1, 1989 without changing any of its substantive law with respect to moral rights. How, then, does U.S. law protect moral rights without expressly recognizing moral rights as such?

One answer is that authors can vindicate their interest in the integrity of their works by exercising their exclusive rights of reproduction and adaptation, or insisting on contractual protections when they transfer or sublicense those rights. The classic illustration is *Gilliam v. ABC*, 538 F.2d 14 (2d Cir. 1976), discussed below.

In addition, various state law causes of action might come to the aid of an author who has been falsely linked to something they didn't write, or to a distorted version of their work. False attribution or misattribution of a distorted work to its true author might be actionable as defamation if it damaged the author's reputation, as false light invasion of privacy, as a violation of the right of publicity where the author's name has commercial value, or under state unfair competition and misrepresentation law where the public is misled.

The limits of these substitutes are not hard to see. The copyright-based protections belong to whoever owns the copyright, so they evaporate the moment an author assigns her rights, which is precisely the situation moral rights are designed to address, and they offer nothing to the author of a work made for hire. The state law torts require harm to reputation or deception of the public, so they do not reach the author who is simply not credited, or whose work is altered in a way the public never associates with her. None of them protects a work from destruction, and the Copyright Act's preemption provision, Section 301, can be invoked against state claims that look too much like copyright (see Chapter 22). The patchwork, in other words, protects some authors some of the time, which is a different thing from the general entitlement Article 6bis describes.

Gilliam v. American Broadcasting Cos., 538 F.2d 14 (2d Cir. 1976)

The best illustration of how the derivative work right can be made to do the work of a moral right is *Gilliam*, the Monty Python case. The members of the troupe wrote the scripts for *Monty Python's Flying Circus* under an agreement with the BBC that was unusually protective of the writers. The BBC acquired the right to record and broadcast the programs, but the writers retained the copyright in the scripts, and the agreement allowed the BBC to make only minor changes to a script without consulting the writers and gave it no right at all to alter a program once it had been recorded. The BBC licensed the programs to Time-Life Films for distribution in the United States on terms that permitted editing only for the

insertion of commercials, censorship and governmental rules, and network time requirements, and Time-Life in turn licensed them to ABC. ABC assembled two ninety-minute specials from six half-hour episodes and, to make room for commercials and to remove material it considered offensive, cut roughly a quarter of the running time from each. The result, in the court's description, omitted the climax of some sketches and deleted essential elements of the story line in others, leaving a version that the troupe regarded as a mutilation of its work.

Monty Python sued to enjoin the second broadcast. The district court found that the editing had impaired the integrity of the group's work and that the harm was irreparable, but denied a preliminary injunction, partly because it was unclear who owned the copyright in the recorded programs and partly because of the hardship to ABC a week before the scheduled broadcast; instead it ordered ABC to run a disclaimer. The Second Circuit reversed. Its principal ground was copyright. The recorded programs were derivative works based on the scripts, and the BBC's license to exploit them did not include a right to let others edit them beyond the narrow limits the agreement permitted. Since the BBC could not grant Time-Life or ABC a right it did not itself possess, the broadcast of the edited programs was an unlicensed use of the underlying scripts and so, in all likelihood, an infringement of the writers' copyright. Judge Lumbard was candid about what this reasoning achieved: American law did not recognize moral rights as such, but courts had long found ways to vindicate the author's interest in the integrity of her work through contract and through the law of unfair competition, and the copyright in the scripts gave Monty Python exactly the lever it needed. The court added, as an independent ground, that broadcasting a mutilated version of the program under the Monty Python name was a false representation of the product's origin actionable under Section 43(a) of the Lanham Act. Judge Gurfein, concurring, was unpersuaded: the Lanham Act "does not deal with artistic integrity," he wrote, "it only goes to misdescription of origin and the like," so a legend disclosing that Monty Python had not approved the edited version would cure any violation. The Lanham Act theory would not survive *Dastar*, which we turn to next.

The Dastar decision and its aftermath

Dastar v. Twentieth Century Fox 539 U.S. 23 (2003)

Justice Scalia delivered the opinion of the Court.

In this case, we are asked to decide whether § 43(a) of the Lanham Act, 15 U.S.C. § 1125(a), prevents the unaccredited copying of a work.

I

In 1948, three and a half years after the German surrender at Reims, General Dwight D. Eisenhower completed Crusade in Europe, his written account of the allied campaign in Europe during World War II. [The book was adapted into a 26-episode TV series in 1949, whose copyright Fox failed to renew in 1977, placing it in the public domain. In 1995, Dastar bought copies of the original series, edited it to about half its length, replaced credits and packaging, removed references to the book, and released it as World War II Campaigns in Europe under its own brand, selling it at a lower price than Fox's licensees. Fox and its licensees sued, alleging copyright infringement, "reverse passing off" under the Lanham Act, and

state unfair competition. The district court ruled for plaintiffs on all claims and awarded double profits under the Lanham Act; the Ninth Circuit affirmed the Lanham Act ruling, finding Dastar had "bodily appropriated" Fox's series without attribution, and the Supreme Court granted certiorari.]

II

The Lanham Act was intended to make "actionable the deceptive and misleading use of marks," and "to protect persons engaged in . . . commerce against unfair competition." 15 U.S.C. § 1127. While much of the Lanham Act addresses the registration, use, and infringement of trademarks and related marks, § 43(a), 15 U.S.C. § 1125(a) is one of the few provisions that goes beyond trademark protection. As originally enacted, § 43(a) created a federal remedy against a person who used in commerce either "a false designation of origin, or any false description or representation" in connection with "any goods or services." 60 Stat. 441. As the Second Circuit accurately observed with regard to the original enactment, however —and as remains true after the 1988 revision—§ 43(a) "does not have boundless application as a remedy for unfair trade practices," *Alfred Dunhill, Ltd. v. Interstate Cigar Co.*, 499 F.2d 232, 237 (1974). Because of its inherently limited wording, § 43(a) can never be a federal codification of the overall law of unfair competition, but can apply only to certain unfair trade practices prohibited by its text.

Although a case can be made that a proper reading of § 43(a), as originally enacted, would treat the word "origin" as referring only "to the geographic location in which the goods originated," the Courts of Appeals considering the issue, beginning with the Sixth Circuit, unanimously concluded that it "does not merely refer to geographical origin, but also to origin of source or manufacture," *Federal-Mogul-Bower Bearings, Inc. v. Azoff*, 313 F. 2d 405, 408 (1963), thereby creating a federal cause of action for traditional trademark infringement of unregistered marks. Moreover, every Circuit to consider the issue found § 43(a) broad enough to encompass reverse passing off. The Trademark Law Revision Act of 1988 made clear that § 43(a) covers origin of production as well as geographic origin. Its language is amply inclusive, moreover, of reverse passing off—if indeed it does not implicitly adopt the unanimous court-of-appeals jurisprudence on that subject.

Thus, as it comes to us, the gravamen of respondents' claim is that, in marketing and selling Campaigns as its own product without acknowledging its nearly wholesale reliance on the Crusade television series, Dastar has made a "false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which . . . is likely to cause confusion . . . as to the origin . . . of his or her goods." § 43(a). That claim would undoubtedly be sustained if Dastar had bought some of New Line's Crusade videotapes and merely repackaged them as its own. Dastar's alleged wrongdoing, however, is vastly different: It took a creative work in the public domain —the Crusade television series—copied it, made modifications (arguably minor), and produced its very own series of videotapes. If "origin" refers only to the manufacturer or producer of the physical "goods" that are made available to the public (in this case the videotapes), Dastar was the origin. If, however, "origin" includes the creator of the underlying work that Dastar copied, then someone else (perhaps Fox) was the origin of Dastar's product. At bottom, we must decide what § 43(a)(1)(A) of the Lanham Act means by the "origin" of "goods."

III

The dictionary definition of "origin" is "the fact or process of coming into being from a source," and "that from which anything primarily proceeds; source." Webster's New International Dictionary 1720-1721 (2d ed. 1949). And the dictionary definition of "goods" (as relevant here) is "wares; merchandise." Id., at 1079. We think the most natural understanding of the "origin" of "goods"—the source of wares—is the producer of the tangible product sold in the marketplace, in this case the physical Campaigns videotape sold by Dastar. The concept might be stretched (as it was under the original version of § 43(a)) to include not only the actual producer, but also the trademark owner who commissioned or assumed responsibility for ("stood behind") production of the physical product. But as used in the Lanham Act, the phrase "origin of goods" is in our view incapable of connoting the person or entity that originated the ideas or communications that "goods" embody or contain. Such an extension would not only stretch the text, but it would be out of accord with the history and purpose of the Lanham Act and inconsistent with precedent.

Section 43(a) of the Lanham Act prohibits actions like trademark infringement that deceive consumers and impair a producer's goodwill. It forbids, for example, the Coca-Cola Company's passing off its product as Pepsi-Cola or reverse passing off Pepsi-Cola as its product. But the brand-loyal consumer who prefers the drink that the Coca-Cola Company or PepsiCo sells, while he believes that that company produced (or at least stands behind the production of) that product, surely does not necessarily believe that that company was the "origin" of the drink in the sense that it was the very first to devise the formula. The consumer who buys a branded product does not automatically assume that the brand-name company is the same entity that came up with the idea for the product, or designed the product—and typically does not care whether it is. The words of the Lanham Act should not be stretched to cover matters that are typically of no consequence to purchasers.

It could be argued, perhaps, that the reality of purchaser concern is different for what might be called a communicative product—one that is valued not primarily for its physical qualities, such as a hammer, but for the intellectual content that it conveys, such as a book or, as here, a video. The purchaser of a novel is interested not merely, if at all, in the identity of the producer of the physical tome (the publisher), but also, and indeed primarily, in the identity of the creator of the story it conveys (the author). And the author, of course, has at least as much interest in avoiding passing off (or reverse passing off) of his creation as does the publisher. For such a communicative product (the argument goes) "origin of goods" in § 43(a) must be deemed to include not merely the producer of the physical item (the publishing house Farrar, Straus and Giroux, or the video producer Dastar) but also the creator of the content that the physical item conveys (the author Tom Wolfe, or—assertedly—respondents).

The problem with this argument according special treatment to communicative products is that it causes the Lanham Act to conflict with the law of copyright, which addresses that subject specifically. The right to copy, and to copy without attribution, once a copyright has expired, like "the right to make [an article whose patent has expired]—including the right to make it in precisely the shape it carried when patented—passes to the public." *Sears, Roebuck & Co. v. Stiffel Co.*, 376 U.S. 225, 230 (1964); see also *Kellogg Co. v. National Biscuit Co.*, 305 U.S. 111, 121-122 (1938). "In general, unless an intellectual property right such as a patent

or copyright protects an item, it will be subject to copying." *TrafFix Devices, Inc. v. Marketing Displays, Inc.*, 532 U.S. 23, 29 (2001). The rights of a patentee or copyright holder are part of a "carefully crafted bargain," *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 150-151 (1989), under which, once the patent or copyright monopoly has expired, the public may use the invention or work at will and without attribution. Thus, in construing the Lanham Act, we have been "careful to caution against misuse or over-extension" of trademark and related protections into areas traditionally occupied by patent or copyright. *TrafFix*, 532 U.S., at 29. "The Lanham Act," we have said, "does not exist to reward manufacturers for their innovation in creating a particular device; that is the purpose of the patent law and its period of exclusivity." Id., at 34. Federal trademark law "has no necessary relation to invention or discovery," *Trade-Mark Cases*, 100 U.S. 82, 94 (1879), but rather, by preventing competitors from copying "a source-identifying mark," "reduces the customer's costs of shopping and making purchasing decisions," and "helps assure a producer that it (and not an imitating competitor) will reap the financial, reputation-related rewards associated with a desirable product," *Qualitex Co. v. Jacobson Products Co.*, 514 U.S. 159, 163-164 (1995). Assuming for the sake of argument that Dastar's representation of itself as the "Producer" of its videos amounted to a representation that it originated the creative work conveyed by the videos, allowing a cause of action under § 43(a) for that representation would create a species of mutant copyright law that limits the public's "federal right to copy and to use" expired copyrights, *Bonito Boats*, supra, at 165.

When Congress has wished to create such an addition to the law of copyright, it has done so with much more specificity than the Lanham Act's ambiguous use of "origin." The Visual Artists Rights Act of 1990, provides that the author of an artistic work "shall have the right. . . to claim authorship of that work." 17 U.S.C. § 106A(a)(1)(A). That express right of attribution is carefully limited and focused: It attaches only to specified "works of visual art," is personal to the artist, and endures only for "the life of the author." Recognizing in § 43(a) a cause of action for misrepresentation of authorship of noncopyrighted works (visual or otherwise) would render these limitations superfluous. A statutory interpretation that renders another statute superfluous is of course to be avoided.

Reading "origin" in § 43(a) to require attribution of uncopyrighted materials would pose serious practical problems. Without a copyrighted work as the basepoint, the word "origin" has no discernable limits. A video of the MGM film Carmen Jones, after its copyright has expired, would presumably require attribution not just to MGM, but to Oscar Hammerstein II (who wrote the musical on which the film was based), to Georges Bizet (who wrote the opera on which the musical was based), and to Prosper Mérimée (who wrote the novel on which the opera was based). In many cases, figuring out who is in the line of "origin" would be no simple task. Indeed, in the present case it is far from clear that respondents have that status. Neither SFM nor New Line had anything to do with the production of the Crusade television series—they merely were licensed to distribute the video version. While Fox might have a claim to being in the line of origin, its involvement with the creation of the television series was limited at best. Time, Inc., was the principal, if not the exclusive, creator, albeit under arrangement with Fox. And of course it was neither Fox nor Time, Inc., that shot the film used in the Crusade television series. Rather, that footage came from the United States Army, Navy, and Coast Guard, the British Ministry of Information and War Office, the National Film

Board of Canada, and unidentified "Newsreel Pool Cameramen." If anyone has a claim to being the original creator of the material used in both the Crusade television series and the Campaigns videotapes, it would be those groups, rather than Fox. We do not think the Lanham Act requires this search for the source of the Nile and all its tributaries.

Another practical difficulty of adopting a special definition of "origin" for communicative products is that it places the manufacturers of those products in a difficult position. On the one hand, they would face Lanham Act liability for failing to credit the creator of a work on which their lawful copies are based; and on the other hand they could face Lanham Act liability for crediting the creator if that should be regarded as implying the creator's "sponsorship or approval" of the copy, 15 U.S.C. § 1125(a)(1)(A). In this case, for example, if Dastar had simply copied the television series as Crusade in Europe and sold it as Crusade in Europe, without changing the title or packaging (including the original credits to Fox), it is hard to have confidence in respondents' assurance [at oral argument] that they would not be here on a Lanham Act cause of action.

Finally, reading § 43(a) of the Lanham Act as creating a cause of action for, in effect, plagiarism—the use of otherwise unprotected works and inventions without attribution —would be hard to reconcile with our previous decisions. For example, in *Wal-Mart Stores, Inc. v. Samara Brothers, Inc.*, 529 U.S. 205 (2000), we considered whether product-design trade dress can ever be inherently distinctive. WalMart produced "knockoffs" of children's clothes designed and manufactured by Samara Brothers, containing only minor modifications of the original designs. We concluded that the designs could not be protected under § 43(a) without a showing that they had acquired "secondary meaning," so that they "identify the source of the product rather than the product itself." This carefully considered limitation would be entirely pointless if the "original" producer could turn around and pursue a reverse-passing-off claim under exactly the same provision of the Lanham Act. Samara would merely have had to argue that it was the "origin" of the designs that Wal-Mart was selling as its own line. It was not, because "origin of goods" in the Lanham Act referred to the producer of the clothes, and not the producer of the (potentially) copyrightable or patentable designs that the clothes embodied.

Similarly under respondents' theory, the "origin of goods" provision of § 43(a) would have supported the suit that we rejected in *Bonito Boats*, 489 U.S. 141, where the defendants had used molds to duplicate the plaintiff's unpatented boat hulls (apparently without crediting the plaintiff). And it would have supported the suit we rejected in *TrafFix*: The plaintiff, whose patents on flexible road signs had expired, and who could not prevail on a trade-dress claim under § 43(a) because the features of the signs were functional, would have had a reverse-passing-off claim for unattributed copying of his design.

In sum, reading the phrase "origin of goods" in the Lanham Act in accordance with the Act's common-law foundations (which were not designed to protect originality or creativity), and in light of the copyright and patent laws (which were), we conclude that the phrase refers to the producer of the tangible goods that are offered for sale, and not to the author of any idea, concept, or communication embodied in those goods. Cf. 17 U.S.C. § 202 (distinguishing between a copyrighted work and "any material object in which the work is embodied"). To hold otherwise would

> be akin to finding that § 43(a) created a species of perpetual patent and copyright, which Congress may not do. See *Eldred v. Ashcroft*, 537 U.S. 186, 208 (2003).
>
> The creative talent of the sort that lay behind the Campaigns videos is not left without protection. The original film footage used in the Crusade television series could have been copyrighted, see 17 U.S.C. § 102(a)(6), as was copyrighted (as a compilation) the Crusade television series, even though it included material from the public domain. Had Fox renewed the copyright in the Crusade television series, it would have had an easy claim of copyright infringement. And respondents' contention that Campaigns infringes Doubleday's copyright in General Eisenhower's book is still a live question on remand. If, moreover, the producer of a video that substantially copied the Crusade series were, in advertising or promotion, to give purchasers the impression that the video was quite different from that series, then one or more of the respondents might have a cause of action —not for reverse passing off under the "confusion . . . as to the origin" provision of § 43(a)(1)(A), but for misrepresentation under the "misrepresents the nature, characteristics [or] qualities" provision of § 43(a)(1)(B). For merely saying it is the producer of the video, however, no Lanham Act liability attaches to Dastar.
>
> The judgment of the Court of Appeals for the Ninth Circuit is reversed, and the case is remanded for further proceedings consistent with this opinion.

Notes and questions

(1) In *Dastar v. Twentieth Century Fox*, 539 U.S. 23 (2003), a television producer brought a Lanham Act claim against a competitor based on the competitor's release of a video set made from tapes produced by the television producer. Summarizing his reasoning (at 37), Justice Scalia wrote, for a unanimous Court, that:

> reading the phrase "origin of goods" in the Lanham Act in accordance with the Act's common-law foundations (which were not designed to protect originality or creativity), and in light of the copyright and patent laws (which were), … the phrase refers to the producer of the tangible goods that are offered for sale, and not to the author of any idea, concept, or communication embodied in those goods.

Because the defendant in *Dastar* was the originator of the video set it sold, as it created the video set in dispute, the Court found for the defendant and held that there was no Lanham Act claim, even though the plaintiff had created the underlying television series. The Court held that reissuing a public domain television series without attribution to the original author does not violate Section 43(a)'s prohibition on false designation of origin.

(2) Many courts and commentators have read *Dastar* as precluding almost any use of the Lanham Act to vindicate an author's interest in attribution or integrity. See e.g. *Narrative Ark Entertainment v. Archie Comic Publications, Inc.*, 2017 WL 3917040, at *12 (S.D.N.Y. Sept. 5, 2017) ("*Dastar*'s holding barring Lanham Act claims premised on the false designation of the origin of ideas, concepts, or communications embodied in tangible goods, does not turn on whether the work is still under copyright protection or in the public domain."); *Contractual Obligation Products, LLC v. AMC Networks, Inc.*, 546 F. Supp. 2d 120, 130 (S.D.N.Y. 2008) (noting "district court cases following *Dastar* have expressly rejected the argument that *Dastar* does not apply where, as here, the work in issue is copyrighted" and collecting cases); *Zyla v. Wadsworth*, 360 F.3d 243, 251–52 (1st Cir.

2004) (concluding that *Dastar* was controlling barred the plaintiff's Lanham Act claim). However, others have taken a narrower reading.

(3) In its 2019 report on moral rights, the Copyright Office concluded (at 58) that it found some of the decisions offering a narrower interpretation of the Supreme Court's holding in *Dastar* persuasive, but noted that "case law on this issue will likely continue to develop." The report offers a tentative suggestion that

> Congress may consider adopting an amendment to section 43(a) that would expand the unfair competition protections to include false representations regarding authorship of communicative works. … any such an amendment should be narrowly crafted to focus on the purpose of the Lanham Act, and thus protect only against consumer confusion or mistake as to authorship or attribution, and not to provide expanded copyright protection, or afford the author any additional control over permissible uses of the underlying work. Such a limitation would mitigate against the *Dastar* court's policy concerns about overlapping IP doctrines generally, and limitations on public domain uses specifically.

Should Congress amend the Lanham Act to bring false representations regarding authorship of communicative works within the ambit of Section 43(a)?

Moral Rights Under VARA

The United States recognizes moral rights for a limited class of "works of visual art" under the Visual Artists Rights Act of 1990 (VARA). The rights provided under VARA are a pale shadow of the French concept of "*droit moral,*" in terms of their application, scope, and duration. VARA is codified at Section 106A of the Copyright Act.

Section 106A(a) gives the author of a work of visual art certain rights of attribution and integrity that stay with the author independent of any disposition of the exclusive rights provided in Section 106.

VARA rights are personal to the author or authors of the work.

Under VARA, moral rights are personal to the author and can only be exercised by the author. If there is more than one author, those joint authors are initially co-owners of the work and are also co-owners of the moral rights provided for in Section 106A.

The author's rights under VARA are nontransferable, but they can be waived by a written instrument signed by the author. The rights in VARA are not affected by the author's transfer of copyright, or by the sale of the physical embodiment of the work. Any rule to the contrary would negate the entire rationale of maintaining separate economic and non-economic rights.

VARA rights are also personal in the sense that they are mostly limited to the life of the author, although for works created before VARA came into effect and whose copyright term is calculated under the 1909 Act, those rights expire with the copyright. See Section 106A(d) and the discussion of duration below.

VARA rights can only be waived with specificity. Note that under section 106A(e)(1) this agreement must specify the work and the particular uses of the work to which the waiver applies. If the work is joint work, any one author can waive VARA rights for all co-authors,

with one exception. If a work was co-authored by A and B, A can't waive B's VARA rights and claim sole credit for their joint work. It follows therefore that an artist's display of copyrighted photographs with a claim of sole authorship did not amount to a waiver of the alleged co-author's right of attribution under VARA. See *Grauer v. Deutsch*, 2002 WL 31288937 (S.D.N.Y. Oct. 11, 2002).

In its 2019 report on moral rights, the Copyright Office argued (at 83) that allowing one author to waive the rights of another joint author "contradicts the purpose of VARA to protect *personal* rights and is inconsistent with the statutory prohibition against the transfer of those rights." On the contrary, if one joint author were not allowed to waive moral rights on behalf of all the authors of a work, that joint author's economic rights would be held hostage to the other joint authors where VARA rights were implicated. Not allowing one joint author to waive for all would be inconsistent with the American rule that any joint author may grant a license to the work without the approval of the other joint authors.

> **17 U.S. Code § 106A(b) Scope and Exercise of Rights.—**
>
> Only the author of a work of visual art has the rights conferred by subsection (a) in that work, whether or not the author is the copyright owner. The authors of a joint work of visual art are co-owners of the rights conferred by subsection (a) in that work.
>
> **17 U.S. Code § 106A (e) Transfer and Waiver.—**
>
> (1) The rights conferred by subsection (a) may not be transferred, but those rights may be waived if the author expressly agrees to such waiver in a written instrument signed by the author. Such instrument shall specifically identify the work, and uses of that work, to which the waiver applies, and the waiver shall apply only to the work and uses so identified. In the case of a joint work prepared by two or more authors, a waiver of rights under this paragraph made by one such author waives such rights for all such authors.
>
> (2) Ownership of the rights conferred by subsection (a) with respect to a work of visual art is distinct from ownership of any copy of that work, or of a copyright or any exclusive right under a copyright in that work. Transfer of ownership of any copy of a work of visual art, or of a copyright or any exclusive right under a copyright, shall not constitute a waiver of the rights conferred by subsection (a). Except as may otherwise be agreed by the author in a written instrument signed by the author, a waiver of the rights conferred by subsection (a) with respect to a work of visual art shall not constitute a transfer of ownership of any copy of that work, or of ownership of a copyright or of any exclusive right under a copyright in that work.

VARA is limited to "works of visual art"

The rights in Section 106A(a) apply only to "the author of a work of visual art." A 'work of visual art' is limited to paintings, drawings, prints, and sculptures that are either single copies or limited editions of 200 or fewer. Also, works made for hire and many separate classes of work are expressly excluded from the definition of a work of visual art.

> **17 US Code § 101 (Definitions)**
>
> A "work of visual art" is—

> (1) a painting, drawing, print, or sculpture, existing in a single copy, in a limited edition of 200 copies or fewer that are signed and consecutively numbered by the author, or, in the case of a sculpture, in multiple cast, carved, or fabricated sculptures of 200 or fewer that are consecutively numbered by the author and bear the signature or other identifying mark of the author; or
>
> (2) a still photographic image produced for exhibition purposes only, existing in a single copy that is signed by the author, or in a limited edition of 200 copies or fewer that are signed and consecutively numbered by the author.
>
> A work of visual art does not include—
>
> (A)(i) any poster, map, globe, chart, technical drawing, diagram, model, applied art, motion picture or other audiovisual work, book, magazine, newspaper, periodical, data base, electronic information service, electronic publication, or similar publication;(ii) any merchandising item or advertising, promotional, descriptive, covering, or packaging material or container; (iii) any portion or part of any item described in clause (i) or (ii);
>
> (B) any work made for hire; or
>
> (C) any work not subject to copyright protection under this title.

VARA is not a general moral rights statute: it has no application to literary works, musical works, sound recordings, or any other non-visual class of copyright subject matter. Even within the category of visual works, section 106A has no application to works made for hire, commercial art, or applied art. Some courts have also held that preparatory works and site-specific works are excluded from VARA. These exclusions are discussed in more detail below. Furthermore, VARA does not protect non-copyrightable art. See e.g. *Kelley v. Chicago Park Dist*., 635 F.3d 290, 306 (7th Cir. 2011).

Works made for hire:

Relatively few otherwise eligible works are excluded on the basis that they are works for hire because the kinds of single- or limited-edition visual art covered by VARA are not usually made as works for hire, but there are exceptions. See *Carter v. Helmsley-Spear, Inc.* ("*Carter II*"), 71 F.3d 77, 87–88 (2d Cir. 1995).

Note that the scope-of-employment question can still be contested even where the artist was plainly an employee of the party that destroyed the work. See note (5) following the *5Pointz* extract, discussing *Hock v. Franconia Sculpture Park*.

Commercial art:

The Section 101 definition of a "work of visual art" also excludes what can be loosely termed commercial art, specifically, "any merchandising item or advertising, promotional, descriptive, covering, or packaging material or container." For example, in *Pollara v. Seymour*, 344 F.3d 265, 269–71 (2d Cir. 2003), the majority of the Second Circuit found that the "objective and evident purpose" of a banner created as part of a lobbying effort to promote a specific message rendered the banner as promotional and advertising material and not an eligible work of visual art, despite the artistic ability and creativity inherent in the work. The hand painted banner had been installed at a public plaza without a permit

and employees of New York's Office of General Services had removed the banner. During removal, it was torn vertically into three pieces.

Banner in Pollara v. Seymour

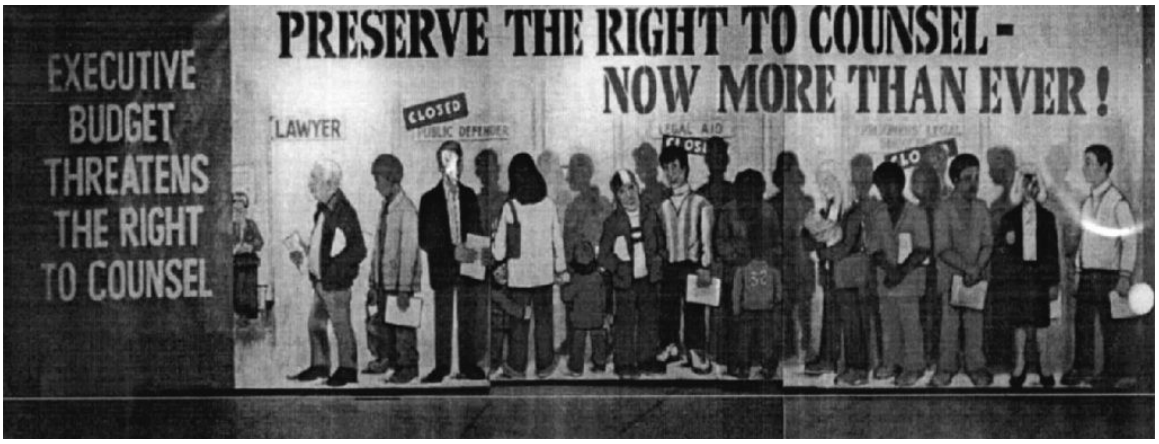


Image description: A black-and-white illustration of people standing in a long line beneath the large text "PRESERVE THE RIGHT TO COUNSEL – NOW MORE THAN EVER!" On the left side, smaller text reads "EXECUTIVE BUDGET THREATENS THE RIGHT TO COUNSEL." Signs held by figures in line include "CLOSED Public Defender" and "Legal Aid CLOSED," while people wait with documents in hand, suggesting limited access to legal representation.

The Copyright Office makes the following observations about the exclusion of commercial art from VARA in its 2019 report on moral rights (at 67):

> The Office does not believe that Congress excluded commercial and promotional works from the definition of "work of visual art" because it believed such images to be somehow artistically less worthy than so-called "fine art." Instead, it appears more likely that, … Congress wanted to avoid interfering with works of art that were controlled or influenced by an entity other than the artist—and hence presumably are less attached to the artist's reputation—as well as avoid interfering with contractual freedoms. The Office accepts this apparent reasoning, but does believe that the commercial/"fine art" distinction can be drawn more narrowly than the current statute has it.

In its report, the Office recommended that Congress consider an amendment to the definition of a "work of visual art" along the lines of the definition of an eligible work similar to that used by the California Art Preservation Act. It suggested (at 68) adding the phrase "prepared under contract for commercial use by its purchaser" to the definition in Section 101 such that the proposed Section 101 would read:

> a work of visual art does not include – (A) . . . (ii) any merchandising item or advertising, promotional, descriptive, covering, or packaging material or container, any of which are prepared under contract for commercial use by its purchaser.

Applied art:

VARA's standard for a "work of visual art" also specifically excludes "applied art," which the statute does not define. What then is a work of applied art? The case of *Cheffins v. Stewart*, 825 F.3d 588 (9th Cir. 2016) concerned a mobile replica of a 16th-century Spanish galleon, built from a used school bus that featured at the Burning Man festival. In *Cheffins*, the majority of the Ninth Circuit elaborated the concept of "applied art" as follows (at 594):

> We therefore hold that an object constitutes a piece of "applied art" — as opposed to a "work of visual art" — where the object initially served a utilitarian function and the object continues to serve such a function after the artist made embellishments or alterations to it. This test embraces the circumstances both where a functional object incorporates a decorative design in its initial formulation, and where a functional object is decorated after manufacture but continues to serve a practical purpose. Conversely, "applied art" would not include a piece of art whose function is purely aesthetic or a utilitarian object which is so transformed through the addition of artistic elements that its utilitarian functions cease.

Applying this definition, the majority said (at 595):

> The *La Contessa* began as a simple school bus — an object which unquestionably served the utilitarian function of transportation. To transform the bus into the *La Contessa,* Cheffins and Jones adorned it with the visual trappings of a 16th-century Spanish galleon. While the *La Contessa*'s elaborate decorative elements may have had many artistic qualities, the *La Contessa* retained a largely practical function even after it had been completed. At Burning Man, the *La Contessa* was used for transportation, providing rides to festival-goers, hosting musical performances and weddings, and serving as a stage for poetry and acrobatics shows. Indeed, the *La Contessa* often was driven about the Festival grounds and was banned from the Festival in 2004 because "its unsafe driving practices far exceeded community tolerance and out-weighed the visual contribution" it made.
>
> Under the definition we adopt today, the *La Contessa* plainly was "applied art." It began as a rudimentary utilitarian object, and despite being visually transformed through elaborate artistry, it continued to serve a significant utilitarian function upon its completion. As "applied art," the *La Contessa* was not a work of visual art under the VARA and therefore not eligible for its protection. Therefore, the trial court properly granted summary judgment to Stewart on Cheffins and Jones's VARA claim.

La Contessa (Cheffins v. Stewart)



Image description: A large wooden ship styled like an old sailing vessel with three masts and black sails sits on dry land under a clear blue sky. The ship has a carved figurehead at the bow and appears stranded on a flat, desert-like surface, with small objects and people gathered nearby.

In her concurring opinion in *Cheffins v. Stewart*, Judge McKeown expressed concern that the majority's focus on whether an object has or retains a utilitarian function ran "the risk of unduly narrowing the protections of artists under the Visual Artist Right's Act of 1990 and not focusing on the work as a whole." Judge McKeown argued that the right question to ask in determining whether a work is "applied art," was "whether the primary purpose of the work as a whole is to serve a practical, useful function, and whether the aesthetic elements are subservient to that utilitarian purpose." However, she found that even under this more flexible test the bus/Spanish galleon, *La Contessa*, was applied art outside the scope of Section 106A of the Copyright Act.

Preparatory works:

Courts have sometimes held that preparatory works do not qualify as works of visual art because they fall under the exclusion of "model[s]" in the Section 101 definition. In *NASCAR v. Scharle*, 184 Fed. App'x. 270 (3d Cir. 2006), the Third Circuit held that drawings for the two-dimensional design of a trophy were not works of visual art, but merely models created to "arrive at the optimal design for the trophy," the final product. In contrast, in *Flack v. Friends of Queen Catherine, Inc.*, 139 F. Supp. 2d 526 (S.D.N.Y. 2001) the district court held that a clay head used to cast a bronze statue was not excluded

from the protection of VARA. The court relied on the art community's acceptance and exhibition of clay sculptures as works of art in their own right to distinguish the work from the kinds of models excluded from the definition of works of visual art.

Site-specific works:

VARA does not specifically mention "site-specific works;" however, the First Circuit in *Phillips v. Pembroke Real Estate*, 459 F.3d 128 (1st Cir. 2006) found that VARA did not apply to a multi-element sculpture designed for a specific park. The First Circuit's reading of the statute is difficult to square with the building exception in Section 113(d) of the Copyright Act which acknowledges potential protection for site-specific art. See *Kelley v. Chicago Park Dist.*, 635 F.3d 290, 306–07 (7th Cir. 2011). See also *Cohen v. G&M Realty LP*, 320 F.Supp.3d 421 (E.D. N.Y. 2018) extracted below.

Phillips v. Pembroke Real Estate



Image description: A landscaped park scene with green grass, flowering plants, and neatly trimmed bushes in the foreground. In the background, a stone sculpture installation features large geometric shapes, including a prominent spherical stone resting within curved stone forms. Trees and industrial buildings are visible in the distance.

The rights of attribution and integrity and their limits

VARA provides rights of attribution and integrity, but no rights of disclosure, withdrawal, or any right to resale royalties.

> **17 U.S. Code § 106A(a)**
>
> (a) Rights of Attribution and Integrity.— Subject to section 107 and independent of the exclusive rights provided in section 106, the author of a work of visual art —
>
> (1) shall have the right—(A) to claim authorship of that work, and (B) to prevent the use of his or her name as the author of any work of visual art which he or she did not create;
>
> (2) shall have the right to prevent the use of his or her name as the author of the work of visual art in the event of a distortion, mutilation, or other modification of the work which would be prejudicial to his or her honor or reputation; and
>
> (3) subject to the limitations set forth in section 113 (d), shall have the right—(A) to prevent any intentional distortion, mutilation, or other modification of that work which would be prejudicial to his or her honor or reputation, and any intentional

> distortion, mutilation, or modification of that work is a violation of that right, and (B) to prevent any destruction of a work of recognized stature, and any intentional or grossly negligent destruction of that work is a violation of that right.

Section 106A(a)(1) and (2) protect some limited reputational interests of the author of a work of visual art. Under Section 106A(a)(1), the author of a work of visual art has the right to claim authorship of that work and to prevent being held out as the author of any work of visual art she did not create. Under Section 106A(a)(2), the author also has the right to prevent the use of her name as the author of the work of visual art if that work has been distorted, mutilated, or modified in some other way that "would be prejudicial to his or her honor or reputation."

Section 106A(a)(3) goes beyond issues of attribution and actually vests the author of a work of visual art with two important rights in relation to the work itself. Subsection (A) gives the author the right to prevent any intentional *distortion, mutilation*, or other *prejudicial modification* of that work. This excludes any change to the work resulting from the passage of time or the inherent nature of the materials used, see Section 106A(c)(1). It also excludes any modification resulting from conservation or public presentation (including lighting and placement), unless the modification is caused by gross negligence, see Section 106A(c)(2).

Section 106A(a)(3), subsection (B) gives the author the right to "prevent any destruction of a work of recognized stature, and any intentional or grossly negligent destruction of that work is a violation of that right." The right to prevent intentional distortion, mutilation, or prejudicial modification and the right to prevent the destruction of the work of recognized stature are both subject to limitations in Section 113(d) if the work has been incorporated in or made part of a building. These provisions are discussed in the *5Pointz* case, below.

The Second Circuit addressed the outer edge of these rights in *Kerson v. Vermont Law School, Inc.*, 79 F.4th 257 (2d Cir. 2023). In 1993 Samuel Kerson painted two murals, together entitled *The Underground Railroad, Vermont and the Fugitive Slave*, directly onto the sheetrock walls of a building on the law school's campus. The work commemorates Vermont's part in the abolitionist movement. Decades later, members of the school community objected that the murals' depiction of enslaved people was itself demeaning caricature, and the school announced that it would erect a wall of fabric-cushioned acoustic panels that would permanently conceal them from view. Kerson sued to stop it.

The court held that concealment is neither destruction nor modification. The murals remained intact behind the panels: nothing had been distorted or mutilated, and hiding a work does not destroy it. Any degradation that the barrier might cause fell within the exception in § 106A(c)(1) for changes resulting from the passage of time or the inherent nature of the materials, there being no evidence that the school intended to damage the murals or that the panels were likely to do so. Underlying the decision is a proposition worth dwelling on: VARA confers no general right to have one's work displayed. An owner who dislikes a work may take it down, turn it to the wall, or, as here, build a wall in front of it. Is that the right line? For Kerson the practical effect is close to destruction, since the murals are painted onto the walls and cannot be moved, even though the legal characterization is not.

The right of attribution does not apply in relation to reproductions in a significant set of situations.

> **17 U.S. Code § 106A(c)(3)**
>
> The rights described in paragraphs (1) and (2) of subsection (a) shall not apply to any reproduction, depiction, portrayal, or other use of a work in, upon, or in any connection with any item described in subparagraph (A) or (B) of the definition of "work of visual art" in section 101, and any such reproduction, depiction, portrayal, or other use of a work is not a destruction, distortion, mutilation, or other modification described in paragraph (3) of subsection (a).

Section 106A(c)(3) provides that the rights relating to attribution do not apply to "any reproduction, depiction, portrayal, or other use of a work" in various contexts, including maps, technical drawings, motion pictures, books, magazines, electronic publications, or advertising, to name just a few. Likewise, the reproduction of a work of visual art, or its depiction or portrayal is not considered "a destruction, distortion, mutilation, or modification" for the purposes of § 106A(a)(3). As the Copyright Office report on moral rights explains (at 75):

> Under this exception, a reproduction of an artist's visual work on a poster or in a magazine need not be accompanied by the artist's name. Many of the attribution claims brought under VARA focus on a reproduction, not the original, work of visual art. Courts have consistently dismissed these claims under this exception.

The duration of rights under VARA

There are three different possibilities for the duration of rights under VARA, only one of which really makes sense. If moral rights protect the artist's reputation and special personal connection with the work, it should follow that those rights exist while the artist is alive and die with the artist. This is the rule for works made after the effective date of VARA (June 1, 1991).

However, for works created <u>but not transferred</u> before the effective date of VARA, the artist's rights endure for the duration of her other copyright rights, i.e., a term of life plus 70 years. Conversely, artists who transferred title to their works before June 1, 1991 have no rights under VARA. As the Copyright Office notes in its 2019 report on moral rights (at 81):

> This particular provision has created certain inconsistencies regarding duration of rights. If an artist created a painting in 1985 (for which he did not transfer title before 1991) and dies in 2005, then the copyright term and the artist's rights of integrity and attribution for that painting will last until 2075. However, if the artist created a painting in 1995 and died in 2005, then the copyright term will last until 2075 but the rights of integrity and attribution would have lasted for a shorter time, until 2005.

A case study of VARA in action

Cohen v. G&M Realty LP, 320 F.Supp.3d 421 (EDNY 2018) (February 12, 2018)



Image description: An AI produced image of a large industrial building covered in colorful graffiti murals and tags. The walls feature vibrant artwork, lettering, and characters in bold styles, with windows partially painted over. Prominently displayed across the lower section of the building is the word "5POINTZ" in large white block letters outlined in black..

Senior District Judge Block

This marks the latest chapter in the ongoing saga of what has commonly become known as the 5Pointz litigation. Plaintiffs, 21 aerosol artists, initiated this lawsuit over four years ago by seeking a preliminary injunction under the Visual Artists Rights Act of 1990 ("VARA"), 17 U.S.C. § 106A, against defendants Gerald Wolkoff ("Wolkoff") and four of his real estate entities to prevent the planned demolition by Wolkoff of his warehouse buildings in Long Island City and consequent destruction of plaintiffs' paintings on the walls of the buildings.

I

On November 12, 2013, after a hearing, the Court issued an order denying preliminary injunctive relief and stating that "a written opinion would soon be issued." Rather than wait for the Court's opinion, which was issued just eight days later on November 20th, Wolkoff destroyed almost all of the plaintiffs' paintings by whitewashing them during that eight-day interim.

In its extensive opinion the Court initially noted that Wolkoff's buildings "had become the repository of the largest collection of exterior aerosol art . . . in the United States" and that this litigation "marks the first occasion that a court has had to determine whether the work of an exterior aerosol artist—given its general ephemeral nature—is worthy of any protection under the law." *Cohen v. G & M Realty L.P.*, 988 F. Supp. 2d 212, 214 (E.D.N.Y. 2013) ("*Cohen I*").

In denying the plaintiffs' application for preliminary injunctive relief, the Court recognized that the rights created by VARA were at tension with conventional notions of property rights and tried to balance these rights. It did so by not interfering with Wolkoff's desire to tear down the warehouses to make way for high-rise luxury condos, but cautioned that "defendants are exposed to potentially

significant monetary damages if it is ultimately determined after trial that the plaintiffs' works were of 'recognized stature'" under VARA.

The trial has now happened. It lasted three weeks. At plaintiffs' insistence, it was tried before a jury, but just prior to summations, plaintiffs—with defendants' consent—waived their jury rights. Rather than summarily dismiss the jury after it had sat through the entire trial, the Court converted it to an advisory jury. During its charge, the Court carefully explained the parties' rights and obligations under VARA, including the plaintiffs' entitlement to substantial statutory damages if the jury determined that Wolkoff had violated plaintiffs' VARA rights and that he had acted willfully. On a 98-page verdict sheet, the jury found liability and made various damage awards in respect to 36 of plaintiffs' 49 works of art that were the subject of the lawsuit. In every case they found that Wolkoff had acted willfully.

Although the Court does not agree with all of the jurors' findings, it does agree that Wolkoff willfully violated plaintiffs' VARA rights in respect to those 36 paintings. The Court further finds that liability and willfulness should attach to an additional nine works.

Given the abject nature of Wolkoff's willful conduct, the Court awards the maximum statutory damages under VARA for each of the 45 works of art wrongfully and willfully destroyed in the combined sum of $6,750,000.

II

A. The Relevant Statutory Framework

As the Court explained in *Cohen I*, "VARA amended existing copyright law to add protections for two 'moral rights' of artists: the rights of attribution and integrity." *Cohen I*, 988 F. Supp. 2d at 215. VARA has codified the right to integrity to provide "the author of a work of visual art" the right

(A) to prevent any intentional destruction, mutilation, or other modification of that work which would be prejudicial to his or her honor or reputation, and any intentional distortion, mutilation, or modification of that work is a violation of that right, and

(B) to prevent any destruction of a work of recognized stature, and any intentional or grossly negligent destruction of that work is a violation of that right.

17 U.S.C. § 106A(a)(3).

Thus, in *Cohen I*, the Court held that plaintiffs' aerosol art comes under VARA's protection as works of "visual art", and that, under § 106A(a)(3)(B), VARA gives the 'author of a work of visual art' the right to sue to prevent the destruction of the work if it is one of "recognized stature." VARA also permits the artist to seek monetary damages under § 106A(a)(3)(A) if the work was distorted, mutilated, or otherwise modified to the prejudice of the artist's honor or reputation.

Section 113(d)(1) of VARA provides that

In a case in which —

(A) a work of visual art has been incorporated in or made part of a building in such a way that removing the work from the building will cause the destruction, distortion, mutilation, or other modification of the work as described in section 106A(a)(3), and

(B) the author consented to the installation of the work in the building either before the effective date set forth in section 610(a) of the Visual Artists Rights Act of 1990, or in a written instrument executed on or after such effective date that is signed by the owner of the building and the author and that specifies that installation of the work may subject the work to destruction, distortion, mutilation, or other modification, by reason of its removal, then the rights conferred by paragraphs (2) and (3) of section 106A(a) shall not apply.[2]

Footnote 2: Paragraph (2) — not applicable in this case — protects the right of attribution by affording the artist "the right to prevent the use of his or her name as the author of the work of visual art in the event of a distortion, mutilation, or other modification of the work which would be prejudicial to his or her honor or reputation."

Section 113(d)(2) provides, in part, that

If the owner of a building wishes to remove a work of visual art which is a part of such building and which can be removed from the building without the destruction, mutilation, or other modification of the work as described in section 106A(a)(3), the author's rights under paragraphs (2) and (3) of section 106A(a) shall apply unless—

(A) the owner has made a diligent, good faith attempt without success to notify the author of the owner's intended action affecting the work of visual art, or

(B) the owner did provide such notice in writing and the person so notified failed, within 90 days after receiving such notice, either to remove the work or to pay for its removal.

Thus, § 113(d) provides for two possibilities when a protected work of art has been integrated into a building subsequent to June 1, 1991, VARA's effective date. Section 113(d)(1) deals with works of visual art that cannot be removed without causing destruction, mutilation, or other modifications to the work. Section 113(d)(2) deals with works of visual art that *can be removed* without causing such harm.

Under § 113(d)(1), if a work is not removable without destroying, mutilating, distorting, or otherwise modifying the work, the artist's VARA right of integrity under § 106A(3) attach, and the artist may sue to prevent the destruction of the work unless the right is waived "in a *written instrument* . . . that is *signed by the owner of the building and the author* and that specifies that installation of the work may subject the work to destruction, distortion, mutilation, or other modification, by reason of its removal." § 113(d)(1)(B) (emphasis added).

Under § 113(d)(2), if a work is removable without destroying, mutilating, distorting, or otherwise modifying it, VARA gives the artist the opportunity to salvage the work upon receipt of a 90 days' written notice from the building owner of the owner's "intended action affecting the work of visual art." 17 U.S.C. §§ 113(d)(2)(A)-(B). If the artist fails to remove or pay for the removal of the works within the 90 days —or if the owner could not notify the artist after making a "good faith effort," 17 U.S.C. § 113(d)(2)(A)—the artist's VARA rights are deemed waived for the removable work, and the owner may destroy them without consequences.

Damages that may be awarded for the violation of the artist's rights of attribution and integrity under § 106A(a)(3) are the same that apply for copyright infringement, namely actual (including profits) and statutory. 17 U.S.C. § 504(a). As the House Judiciary Committee Report explained:

Section 6(a) of the bill simply amends section 501(a) of title 17 to add those authors covered by new section 106A . . . . It thereby makes all title 17 remedies [except criminal sanctions] available to those authors. . . . [VARA] thereby provides for monetary damages, and for injunctive relief to prevent future harm. *The same standards that the courts presently use to determine whether such relief is appropriate for violations of section 106 rights will apply to violations of section 106A rights as well.*

House Report at 21-22 (1990) (emphasis added).

There is no limit to the amount of actual damages for each work, but statutory damages for each may be "not less than $750 or more than $30,000 as the court considers just." 17 U.S.C. § 504(c)(1). If, however, the plaintiff "sustains the burden of proving, and the court finds, that infringement was committed willfully, the court in its discretion may increase the award of statutory damages" for each work "to a sum of not more than $150,000." 17 U.S.C. § 504(c)(2). The plaintiff is not entitled to both actual and statutory damages but must elect one or the other "before final judgment is rendered[.]" 17 U.S.C. § 504(c)(1).

B. The Advisory Jury

… The Court would be remiss if it did not pause to acknowledge the extraordinary work of the eight jurors. Rarely were they late during the course of the extensive trial, and the Court was impressed with their rapt attention to the difficult task that awaited them in having to assess the defendants' liability in respect to each of the 49 works of art. Since the jurors had spent the better part of a month in anticipation of deliberating, the Court was disinclined to summarily dismiss them when, at the veritable 11th hour, the plaintiffs suddenly decided to convert the case to a bench trial. Moreover, since 5Pointz had achieved worldwide community recognition, the Court was keen to learn whether the jurors, as members of the community, would view the works as having achieved recognized stature under VARA. To enhance the integrity of their verdicts, the Court decided it best not to tell the jurors that their findings would only be advisory.

The complexity of the litigation did not deter the jurors from making individualized findings in respect to each of the 21 artists and their 49 works on the 98-page verdict sheet. They were tasked with having to determine whether each destroyed work was of recognized stature and/or was mutilated, distorted, or otherwise modified to the prejudice of the artist's honor or reputation by the whitewashing. They found that 28 of the 49 destroyed works had achieved recognized stature, and eight more had been mutilated, distorted, or otherwise modified to the prejudice of the artists' honor or reputation. Each of the 21 plaintiffs were adversely affected in one way or the other, and the jury had to individually assess whether actual and statutory damages were warranted in regard to each work. It awarded a total of $545,750 in actual damages and $651,750 in statutory damages.

C. The Witnesses and Evidentiary Landscape

Each of the 21 plaintiffs/artists testified; they were respectful, articulate and credible. Folios for each were admitted into evidence collectively containing their professional achievements and recognition in the form of an impressive array of fellowships, residences, public and private commissions, teaching positions, media coverage, and social media presence. Not surprisingly, each of the 21 Folios

contained beautiful color prints of the artists' respective aerosol works of art which are the subject of the lawsuit. They are appended to this opinion. It is apparent that they reflect striking technical and artistic mastery and vision worthy of display in prominent museums if not on the walls of 5Pointz. The Folios also contain photos showing how almost all of these works of art were partially or wholly whitewashed by Wolkoff.

5Pointz was an egalitarian place. The artists came from many backgrounds. Some of the plaintiffs testified via Skype from international residences. Many who live in New York had immigrated from other countries to join the 5Pointz community. One artist flew from London to testify; another came of age in rural West Virginia. Some artists came from highly prestigious art schools; others were selftaught. Some were fixtures in elite, traditional art circles; others were simply dedicated to street and community art. The Court was impressed with the breadth of the artists' works and how many of the works spoke to the social issues of our times.

The principal testimony about the advent, evolution and demolition of 5Pointz came from plaintiff Jonathan Cohen, one of the world's most accomplished aerosol artists. Wolkoff had designated Cohen as 5Pointz's de facto curator, appointing him to run the site and pick the works he thought were of merit: "I gave him permission, plain, Jonathan, you are in charge, bring whoever you think is right to come and display their work on my building." Tr. at 2025:4-8.

In addition to the artists, three experts testified for the plaintiffs. Renee Vara, a certified art appraiser, former head fine art expert at Chubb Insurance and art professor at New York University, testified to the quality and recognized stature of the works; Elizabeth Littlejohn, an art appraiser certified through the Appraisers Association of America, testified to their appraisal value; and Harriet Irgang Alden, the chief paintings conservator at Art Care NYC, testified as to the removability of each of the artworks from the 5 Pointz walls.

Plaintiffs also called two fact witnesses. Angelo Madrigale, Vice President and Director of Contemporary Art at Doyle New York, an auction house, wrote a letter upon which Vara relied in formulating her report. He testified to the artistic importance of the works. Lois Stavsky developed a 5Pointz exhibit for Google Arts and Culture and testified to the creation of that exhibit and why Google believed that 5Pointz was a culturally significant site.

Wolkoff was the defendants' principal witness. He testified to his rise from a poor childhood to become a successful real estate developer and explained his role in the advent and success of 5 Pointz. He was adamant that the artists knew that the day would come when the warehouse buildings bearing their works of art would come down and be replaced by high-rise residential condos.

Although the Court believes that Wolkoff in the main testified truthfully, he was a difficult witness. He frequently ignored or challenged instructions by the Court. He was argumentative and prone to tangents and non-responsive answers. Eliciting coherent testimony was a chore and was only achieved after the Court threatened to hold him in contempt.

In addition to Wolkoff, two experts testified for the defendants. Erin Thompson, a professor of art history at the City University of New York and practicing art lawyer, testified as to the issue of recognized stature, and Christopher Gaillard, a

fine art appraiser with the art appraisal and acquisition firm Gurr Johns, testified as to the works' appraisal value.

The story of 5Pointz that follows comes primarily from the lips of Cohen and Wolkoff.

III

A. The Advent and Evolution of 5Pointz

What became 5Pointz originated as Phun Phactory in the early 1990s. The warehouses were largely dilapidated and the neighborhood was crime infested. There was no control over the artists who painted on the walls of the buildings or the quality of their work, which was largely viewed by the public as nothing more than graffiti. This started to change in 2002 when Wolkoff put Cohen in charge. Cohen and several other artists also rented studio space in the warehouse buildings. Collectively, they worked to improve conditions. As Cohen explained:

We took it upon ourselves to clean the loading dock. . . . The dumpsters were overflowing. We took it upon ourselves, we hired his employees, we paid for the lighting. We put motion sensors up so that when you came to the loading dock it was inviting. It actually drew you in as opposed to scaring you away.

Wolkoff recognized the merit of the art. As he acknowledged: "I liked it and they did more and more and I thought it was terrific. They were expressing themselves." And he approved of the job Cohen did in curating the art: "I have no feelings even today against Jonathan Cohen. I thought he was terrific handling my building. . . . Anything to do with art I left up to Jonathan. He had good taste in the artists that came there."

Until Wolkoff decided over a decade later that the economic climate was ripe to convert the site into luxury condos, he and Cohen had a copacetic relationship.

But nothing was ever reduced to writing and Wolkoff only verbally laid out three rules for what could be put on the walls: no pornography, no religious content, and nothing political. In his role, Cohen established a system of rules for both the creation and curation of the art, spending seven days a week without pay to bring 5Pointz to fruition.

Cohen oversaw the site, kept it clean and safe, allotted wall space, and explained the site's rules and norms to new artists. Over time, crime in the neighborhood dropped and the site became a major attraction drawing thousands of daily visitors, including busloads of tourists, school trips, and weddings. Movie, television, and music video producers came; it was used for the 2013 motion picture Now You See Me, starring Jesse Eisenberg and Mark Ruffalo, and was the site of a notable tour for R&B singer Usher.

As the plaintiff Castillo explained, "street art became a new form," which "now has become an industry." And 5Pointz became "this outdoor museum where kids can touch the wall, and . . you can't do that at a museum. You can't go and touch a Van Gogh or like a Mona Lisa."

Wolkoff had nothing to do with day-to-day operations. Under Cohen's control, he witnessed his buildings emerge as a mecca for the world's largest collection of quality outdoor aerosol art.

B. The Walls

1. Covering

5Pointz was a site of creative destruction; most artworks had short lifespans and were repeatedly painted over by successive artists. The rules behind covering were important; as virtually every artist testified, "going over" someone else's piece without permission was a sign of disrespect that could cause conflicts. Going over another piece partially or sloppily was another insult. As Cohen explained:

You respect your wall, you clean up when you're done, you cover what you go over completely. If you do not cover what you went over, you do not last. That was rule number one. Respect in our game is everything, and if you don't have respect then you don't get respect.

As a result, Cohen established an elaborate system of rules and norms governing how long pieces would remain and when a piece could be covered by a new artwork. As he testified:

THE COURT: Let me ask you a question. Can anybody paint over your paintings without your permission, aside from vandalism?

A: No. Everything was done with permission and there was a system that grew over the period of time I was there. You know, we perfect as we go along.

2. Short-Term Rotating Walls vs. Long-Standing Walls

5Pointz was organized into short-term rotating walls and long-standing walls. The short-term walls would change on a daily or weekly basis. As Cohen explained: "There were allocated spaces that were for straight beginners that had no idea how to paint. And those, I would say you could utilize the space, but it more than likely will be gone tomorrow or the next day or whatever." "Short-term rotating walls, it was communicated up front so they'd know you could have several weeks or whatever."

On the other hand, pieces on long-standing walls were more permanent, although a high-quality piece could achieve permanence even if not initially placed on a long-standing wall; but an artist's reputation was not sufficient to secure longstanding status. As Cohen further explained:

The prime real estate that faces the train were the most sought after spots to paint and those went to more advanced writers. You've got to understand, as well, because you are an advanced writer doesn't mean that you are going to perform on an advanced level. You may just want to blow off steam one afternoon, but that doesn't mean your piece should last a long time. And you could be a beginner and do the performance of your lifetime and produce a piece that is so amazing that it's decided it will stay.

While Cohen had the final say as to the duration of the pieces, he always spoke with the artists about their planned lifespan and eventual replacement. As he testified: "For long term productions, where people invested time and money, I would communicate with them. I would reach out to them. In some instances, I would tell them to come back and actually egg them on to do something real better. As the bar got raised, everybody performed better."

In other words, 5Pointz operated not just as a creative space, but a competitive place. Artists would compete to outdo one another and earn prominent placement on a long-standing wall. In addition to the walls facing the passing 7 train, which

were seen by millions of commuters, the artists prized the walls near the loading docks, which had the most foot traffic, and the walls inside the buildings, which were generally long-standing. While as many as 10,000 works were destroyed while Cohen was in charge, it was not anarchy. Most of the best works by the best artists achieved permanent or semi-permanent placements on the long-standing walls.

C. The Planned Demolition

Starting in 2011, rumors that Wolkoff had plans to shut down 5Pointz and turn it into luxury condos began to concern the artists. In May 2013, the rumors became reality: Cohen learned that Wolkoff had started to seek the requisite municipal approvals for his condos.

Hoping to save 5Pointz, Cohen filed an application with the City Landmark Preservation Commission to preserve the site as one of cultural significance. It was denied because the artistic work was of too recent origin. See Letter from NYC Landmarks Preservation Commission, August 20, 2013.

Cohen also sought funding to buy the property, which had been valued at $40 million. However, this fell through in October 2013 when Wolkoff obtained a necessary variance, instantly raising the property value to more than $200 million. The higher price was out of reach of Cohen's potential investors. Plaintiffs then initiated this litigation to enjoin Wolkoff from destroying 5Pointz.

D. The Whitewashing

As soon as the Court denied the plaintiffs' application for preliminary injunction, Wolkoff directed the whitewashing of virtually all the artwork on the 5Pointz site with rollers, spray machines, and buckets of white paint.

The whitewashing was inconsistent. Some works were completely covered in white paint. Others were only partially covered. Some were fully covered, but by such a thin layer of paint that the artwork was easily visible beneath the paint. What was consistent was that none of the covered works was salvageable. And plaintiffs were no longer allowed on the site, even to recover the scattered remnants of their ruined creations.

Since their works were effectively destroyed, plaintiffs were relegated to seeking monetary relief under VARA.

IV

A. Temporary Works of Art

Defendants' overarching contention is that plaintiffs knew that the day would come when the buildings would be torn down and that, regardless, the nature of the work of an outdoor aerosol artist is ephemeral. They argue, therefore, that VARA should not afford plaintiffs protection for their temporary works.

VARA does not directly address whether it protects temporary works. However, in the context of works on buildings, it is clear from 17 U.S.C. § 113(d) that temporary works are protected. Moreover, relevant case law conceptually supports this conclusion. In short, there is no legal support for the proposition that temporary works do not come within VARA's embrace.

First, § 113(d)(1) specifies that an unremovable work incorporated in a building is protected by VARA unless the artist waives his or her rights in a writing signed by both the artist and the building owner. If the building owner could orally inform the artist that the building is coming down someday, and thereby convert the work into an unprotected temporary work, the written consent provision would be rendered nugatory. As the House Judiciary Committee Report explains: "The purpose of [the written waiver] is to ensure that the author is made fully aware of the circumstances surrounding the installation and potential removal of the work and has nevertheless knowingly subjected the work to possible modifications that would otherwise be actionable under section106A." *House Report* at 21. And as Patry adds: "In light of this provision's purpose of ensuring that artists be made aware fully of the circumstances surrounding installation and potential destructive removal, it should be strictly construed." *Patry on Copyright* § 16:33.

Second, § 113(d)(2), specifying that artists are entitled to 90 days' written notice to allow them to salvage their removable works, contemplates that such works may be temporarily on the side of a building. Thus, VARA resolves the tension between the building owners' rights and the artists' rights through § 113(d), not by excluding temporary works from protection.

Of the limited available case law, *Board of Managers of Soho International Arts Condominium v. City of New York*, 2003 WL 21403333 (S.D.N.Y. June 17, 2003) perhaps best illustrates this point. There, an artist sought to prevent his work from being permanently removed from the wall of a condo under VARA. There was conflicting testimony as to whether the work was intended to be kept on the wall permanently or temporarily. Nonetheless, the Court, in denying summary judgment, held VARA only allowed the artist to remove the mural, not keep it in its place. The court rejected the artist's argument that removal was "tantamount to the Work's destruction" as "nowhere in the dictionary definition of 'remove' does the temporality of the act of removal arise." Therefore, it was "clear to the Court that what Congress intended in bifurcating § 113(d)'s protections was to separate removal situations based not on the temporality of the removal but on the consequences of the removal."

Thus, VARA draws no distinction between temporary and nontemporary works on the side of a building, particularly when all that makes a work temporary is the building owner's expressed intention to remove or destroy it. VARA protects such works; how it protects them is governed by the carefully crafted provisions of § 113(d) based on the removability of the works, not their permanence.

Also supporting the conclusion that VARA applies to temporary works is 17 U.S.C. § 106A(c)(1), which provides that modifications that are "the result of the passage of time or the inherent nature of the materials" are not violations of VARA. This exception was applied in *Flack v. Friends of Queen Catherine Inc.,* 139 F. Supp. 2d 526 (S.D.N.Y. 2001), where the court dismissed a VARA claim because the head of a statue was exposed to the elements, causing the clay to deteriorate, but there was no evidence that the defendant otherwise directly damaged the work. The exception is not applicable here. The whitewashing was not caused by the "passage of time" or the "inherent nature of the materials"; it was caused by Wolkoff throwing paint on the works.

Thus, Congress chose to exclude protection for the passage of time and natural deterioration but not for other types of temporary works. Under the principle of

statutory interpretation *expressio unius est exclusio alterius* (the expression of one thing implies the exclusion of others), this choice lends support to the conclusion that there is no categorical exception for temporary works.

Moreover, the First Circuit has held that VARA protects unfinished works. *Mass. Museum of Contemporary Art Found., Inc. v. Buchel*, 593 F.3d 38, 65 (1st Cir. 2010). An unfinished work is inherently in a temporary state since the ultimate goal is always to finish the work; thus, VARA protects the interim, unfinished work even though it is only temporarily in that form.

Analogy to traditional copyright law is also relevant. Under the Copyright Act — of which VARA is a part—a work is "'created' when it is fixed in a copy or phonorecord for the first time." 17 U.S.C. § 101. And a work is "'fixed' in a tangible medium of expression when its embodiment in a copy or phonorecord, by or under the authority of the author, is *sufficiently permanent or stable to permit it to be perceived . . . for a period of more than transitory duration*." Id. (emphasis added). For copyright protection, therefore, fixation for even a short period will suffice.

Thus, in *Cartoon Network v. CSC Holdings,* 536 F.3d 121 (2d Cir. 2008), the Second Circuit held that copies of television programs were not capable of being perceived "for a period of more than transitory duration" when they existed in the defendant's data buffers for only 1.2 seconds. However, the court suggested that a work would exist for "more than transitory duration" if it was embodied in the data buffers for "at least several minutes." With no indication to the contrary, it is reasonable to assume that Congress intended to apply the same minimal fixation requirement to works of visual art under VARA. Cf. *Buchel*, 593 F.3d at 51 (applying § 101's fixation requirement to conclude that unfinished works are protected under VARA).

In sum, § 113(d) contemplates temporary works, § 106A(c) excludes only a narrow category of temporary works unrelated to this case, and analogous case law is consistent with the conclusion that temporary works are protected under VARA.[14]

Footnote 14: Common sense also supports this conclusion. Who would argue, for example, that if Picasso had painted *Guernica* on the walls of 5Pointz with the building owner's consent it would not be worthy of VARA protection?

B. Works of Recognized Stature

As the Court stated in *Cohen I*, the district court's decision in *Carter v. Helmsley-Spear, Inc.,* 861 F. Supp. 303 (S.D.N.Y. 1994) ("*Carter I*"), affirmed in part, vacated in part, reversed in part, 71 F.3d 77 (2d Cir. 1995) ("*Carter II*") remains the seminal case interpreting the phrase "recognized stature"—which is not defined in VARA—to require "a two-tiered showing: (1) that the visual art in question has 'stature,' i.e. is viewed as meritorious, and (2) that this stature is 'recognized' by art experts, other members of the artistic community, or by some cross-section of society." 861 F. Supp. at 325.

The Second Circuit on appeal never had occasion to address the correctness of this formulation since, in reversing, it held that the work did not qualify for VARA protection because it was made for hire. *Carter II*, 71 F.3d at 85-89. But one circuit court did thereafter embrace and apply the district court's standard for evaluating whether a work of visual art is of "recognized stature."

As explained in *Cohen I*, the Seventh Circuit in *Martin v. City of Indianapolis*, 192 F.3d 608, 612 (7th Cir. 1999), noted that the *Carter I* test "may be more rigorous than Congress intended," id. at 612, but nonetheless affirmed the district court's grant of summary judgment and its award of damages for a sculpture that had been destroyed, under the *Carter I* test utilized by the district court. In doing so, it noted that "plaintiff offered no evidence of experts or others by deposition, affidavit or interrogatories," but nonetheless established the work's recognized stature via "certain newspaper and magazine articles, and various letters, including a letter from an art gallery director and a letter to the editor of The Indianapolis News, all in support of the sculpture." Id.

The circuit court's decision in *Martin* appropriately recognizes, therefore, that expert testimony is not the sine qua non for establishing that a work of visual art is of recognized stature, and indeed the district court in *Carter I* cautioned that plaintiffs need "not inevitably . . . call expert witnesses to testify before the trier of fact." 861 F.Supp. at 325. This is in keeping with Congress's expansive recognition of the moral rights of attribution and integrity of the visual artist and the consequent need to create "a climate of artistic worth and honor that encourages the author in the arduous act of creation." *Carter II*, 71 F.3d at 83 (quoting House Report at 5). As the Second Circuit noted in *Carter II*, therefore, the courts "should use common sense and generally accepted standards of the artistic community in determining whether a particular work" is a work of visual art since "artists may work in a variety of media, and use any number of materials in creating their works." Id.

The same common sense should be utilized in assessing whether the visual work is of recognized stature since "by setting the standard too high, courts risk the destruction of the unrecognized masterwork; by setting it too low, courts risk alienating those . . . whose legitimate property interests are curtailed." Christopher J. Robinson, *The "Recognized Stature" Standard in the Visual Artists Rights Act*, 68 Fordham Law Review 1935, 1968 (2000). Thus, as one court has held, even inferred recognition from a successful career can be considered in determining whether a visual artist's work has achieved recognized stature. See *Lubner v. City of Los Angeles*, 45 Cal. App. 4th 525, 531 (1996).

In the present case, the Court need not dwell on the nuances of the appropriate evidentiary standard since the plaintiffs adduced such a plethora of exhibits and credible testimony, including the testimony of a highly regarded expert, that even under the most restrictive of evidentiary standards almost all of the plaintiffs' works easily qualify as works of recognized stature.

To begin, that Jonathan Cohen selected the handful of works from the thousands at 5Pointz for permanence and prominence on long-standing walls is powerful, and arguably singular, testament to their recognized stature. They were walls that spanned multiple stories, walls visible to millions on the passing trains; walls near the entrances. Many of these works had survived for years. As 5Pointz's curator, Cohen considered them outstanding examples of the aerosol craft. And as Wolkoff himself acknowledged, Cohen was qualified to assess the artistic merits of the works since "he had good taste in the artists that came there." They were 5Pointz's jewels.

Wolkoff's faith in Cohen was not unwarranted. The multitude of artists painting on the walls marched to Cohen's beat. He called the shots and had the respect of

his artistic community. That it was he who chose the works that are worthy of VARA protection in this litigation speaks volumes to their recognized stature.

But there is so much more. All of the plaintiffs had also achieved artistic recognition outside of 5Pointz. And in their Folios they collectively presented over a thousand exhibits in support of their claims that their works at 5Pointz had achieved recognized stature. The Folios covered the highlights of their careers, as well as evidence of the placement of their works at 5Pointz in films, television, newspaper articles, blogs, and online videos, in addition to social media buzz.

And plaintiffs' highly qualified expert, Vara, provided detailed findings as to the skill and craftsmanship of each of the 49 works, the importance of 5Pointz as a mecca for aerosol art, the academic and professional interest of the art world in the works, and her professional opinion that they were all of recognized stature. The Court finds Vara highly credible and affords great weight to her testimony, although, as explained infra, it finds that four of the 49 works do not qualify as having achieved recognized stature.

Defendants' expert Thompson's testimony had two fatal flaws: First, she used an unduly restrictive interpretation of recognized stature that was more akin to a masterpiece standard. Second, she relied heavily on her inability to find the works on social media or in academic databases; but, as effectively drawn out by plaintiffs' counsel on cross-examination, her search methodology was unduly restrictive and almost designed to avoid finding results. Tellingly, her searches did not even uncover many of plaintiffs' social media exhibits, demonstrating the weakness of her approach. Her final conclusion that none of the works had achieved recognized stature defies credibility. If not a single one of these works meet the recognized stature standard, it is hard to imagine works that would, short of a Caravaggio or Rembrandt.

1. Recognized Stature of Individual Artworks

The Court now turns to making the requisite individualized findings as to each of the 49 works:

a. The Long-Standing Works

The Court finds that 37 works on long-standing walls all achieved recognized stature by virtue of their selection by Cohen for these highly coveted spaces, as reinforced by the supportive evidence in the plaintiffs' Folios and Vara's compelling expert testimony as to their artistic merit and embrace by the artistic community. They are:

- Jonathan Cohen's Eleanor RIP, 7-Angle Time Lapse, Patience, Character, Clown with Bulbs, Meres Outdoor Wildstyle, and Inside Wildstyle
- Sandra Fabara's Green Mother Earth
- Luis Lamboy's Blue Jay Wall, Inside 4th Floor, World Traveler, Logo for Clothing Brand aka Monopoly Man, and Electric Fish
- Esteban Del Valle's Beauty and the Beast
- Christian Cortes's Skulls Cluster, Jackson Avenue Skulls, Up High Blue Skulls, and Up High Orange Skulls

- Carlos Game's Geisha, Marilyn, Red, Denim Girl, and Black and White 5Pointz Girl
- James Rocco's Bull Face, Lord Paz, and Face on Jackson
- Steven Lew's Crazy Monsters
- Nicholai Khan's Dos Equis Man
- James Cochran's Subway Rider
- Luis Gomez's Inside King Kong
- Richard Miller's Monster I
- Jonathan Cohen and Maria Castillo's Love Girl and Burner
- Jonathan Cohen and Akiko Miyakami's Underwater Fantasy
- William Tramontozzi, Jr. and James Rocco's Jimi Hendrix Tribute
- Akiko Miyakami and Carlos Game's Japanese Fantasy
- Bienbenido Guerra and Carlo Nieva's Return of New York
- Jonathan Cohen, Luis Lamboy, and Thomas Lucero's Angry Orchard

b. Other Works

Ten works on the walls were of recent origin; two were not on walls at all. For these 12 works, the … jury found recognized stature for Rodrigo Henter de Rezende's Fighting Tree, Thomas Lucero's Black Creature, Akiko Miyakami's Manga Koi, Francisco Fernandez's Dream of Oil, Nicholai Khan's Orange Clockwork, Kenji Takabayashi's Starry Night, Richard Miller's Monster II, and Jonathan Cohen and Akiko Miyakami's Save 5Pointz. These eight works garnered third party attention, social media presence, and/or promises from Cohen that they would be long-standing.

The jury did not find recognized stature for Jonathan Cohen's Drunken Bulbs, Akiko Miyakami's Japanese Irish Girl, Carlos Game's Faces on Hut, and Jonathan Cohen and Rodrigo Henter de Rezende's Halloween Pumpkins.

Drunken Bulbs and Japanese Irish Girl were gifts to the Shannon Pot Bar. They were not part of the curated 5Pointz collection. Furthermore, neither attracted significant third-party attention or social media buzz during their short life spans.

Faces on Hut was not on a 5Pointz wall; it was on a tin shack near the loading dock. As its creator, Carlos Game testified: "Nobody wanted to paint on it because it was a tin shack, you know, and it was rusted out . . . ." Game also did not adduce any social media coverage or commentary regarding the work.

Halloween Pumpkins was created in very late October —, less than a month before the whitewash, and did not achieve any third party recognition. Moreover, because it was Halloween-themed, it was unlikely to have survived the holiday season.

In sum, the Court finds 45 of the 49 works achieved recognized stature. Drunken Bulbs, Japanese Irish Girl, Faces on Hut, and Halloween Pumpkins did not.

C. Mutilation and Prejudice to Honor or Reputation

As noted, even if a work is not of "recognized stature," VARA also protects works from "intentional distortion, mutilation, or other modification . . . [that] would be prejudicial to [the artist's] honor or reputation." 17 U.S.C. § 106A(a)(3)(A). "In determining whether 'intentional distortion, mutilation, or modification' of [a] Work would be 'prejudicial to [plaintiffs'] honor or reputation,' [a court should] consider whether such alteration would cause injury or damage to plaintiffs' good name, public esteem, or reputation in the artistic community." *Carter I*, 861 F. Supp. at 323.

This concept is inherently murky. *Carter I* held that an artist's honor or reputation may be harmed if the artwork presented to viewers an artistic vision materially different from that intended by the artist. In *Massachusetts Museum of Contemporary Art Foundation, Inc. v. Buchel*, 593 F.3d 38 (1st Cir. 2010), the circuit court held that changes made to an unfinished art installation by a museum against the artist's wishes were sufficient to raise a question of fact as to whether the artist's honor or reputation were injured. The court focused on evidence that newspapers covering the exhibit after the changes had a negative opinion of the altered work.

Here, the question is academic in respect to the 45 works of recognized stature since the Court is not awarding any actual damages, as explained infra, and only one statutory damages award may be awarded per artwork "for all infringements involved in the action." 17 U.S.C. § 504(c)(1). Thus, whether defendants are additionally liable under this second prong is not of any practical consequence.

Of the remaining four, Japanese Irish Girl was destroyed and therefore not "distorted, mutilated, or otherwise modified." Faces on Hut was not destroyed until the demolition of the building and apparently survived the whitewash. Therefore, it too was not "distorted, mutilated, or otherwise modified."

Drunken Bulbs was only partially whitewashed; the outlines of the bulbs are dimly visible underneath the white paint. However, these vague outlines are unrecognizable as Cohen's original work. Nobody looking at the work would know that it was his. Therefore, the Court holds this distortion did not prejudice his honor or reputation.

Halloween Pumpkins was almost entirely covered in black paint, but Cohen's "wild style" contribution to the painting was apparently left untouched. However, Cohen testified that he was able to recover this portion of the work, and once the piece was removed, the final result was a black wall; the original artwork was not visible at all under the black paint, except for one purple cloud at the top of the wall, a minor detail in the painting. Therefore, the Court holds this distortion also did not prejudice the artists' honor or reputation.

Having determined that the defendants have violated plaintiffs' rights by intentionally destroying their works of "recognized stature," the Court now turns to damages.

V

A. Actual Damages

As for actual damages, the parties presented dueling experts as to the valuation of the destroyed works. Plaintiffs' expert, Elizabeth Littlejohn, testified that the works were worth from $50,000 to $80,000 per artwork. She arrived at this number

through a complicated formula that began with the sale price of a Banksy piece and awarded each artwork a percentage of that value based on the artist's reputation, the merit of the work, and other factors.

The Court finds this methodology flawed. First, it does not account for the removal costs of the works, which plaintiffs' own removal expert, Alden, testified could run in the hundreds of thousands of dollars. Second, there is no evidence that these artists have ever achieved a fraction of Banksy's sales history; most testified that they had never sold a work for more than a few thousand dollars. Third, Littlejohn's method did not account for the unique problems in selling artwork that is the size of a wall of a building.

The Court finds defendants' appraisal expert, Christopher Gaillard, credible. Gaillard testified that because of the unique challenges and costs of selling those artworks at 5Pointz which were the size of a building wall, they did not have a provable market value. The Court agrees and holds that plaintiffs failed to establish a reliable market value for their works.

Therefore, the Court does not award actual damages.

B. Statutory Damages

The Copyright Act affords the trial court "wide discretion . . . in setting the amount of statutory damages." *Fitzgerald Pub. Co., Inc. v. Baylor Pub. Co., Inc.,* 807 F.2d 1110, 1116 (2d Cir. 1986). … There need not be a correlation between statutory damages and actual damages. *Psihoyos v. John Wiley & Sons, Inc.,* 748 F.3d 120, 127 (2d Cir. —). As such, statutory damages are particularly appropriate "when no actual damages are proven or they are difficult to calculate." *Warner Bros. Inc. v. Dae Rim Trading, Inc.,* 877 F.2d 1120, 1126 (2d Cir. 1989). They are "not meant to be merely compensatory or restitutionary. The statutory award is also meant 'to discourage wrongful conduct.'" *Yurman Design, Inc. v. PAJ, Inc.,* 262 F.3d 101, 113 (2d Cir. 2001) (rejecting defendant's argument that statutory damages award should be overturned because it "bears little relationship" to actual damages) (citation omitted).

As previously explained, the factfinder may award between $750 and $30,000 per work, unless the infringement was committed willfully; if so, the award may be as high as $150,000 per work.

1. Willfulness

A copyright holder seeking to prove that a copier's infringement was willful must show that the infringer had knowledge that its conduct represented infringement or recklessly disregarded the possibility. In other words, it need not be proven directly but may be inferred from the defendant's conduct.

The jury found that in each case Wolkoff acted willfully. The Court could not agree more. Wolkoff knew from the moment the lawsuit was initiated that the artists were pressing their VARA claims. He admitted as much at trial:

Q: And you were aware that the artists were trying to apply under the Visual Artists Rights Act?

A: Yes.

. . .

THE COURT: You heard about VARA at that time?

A: Yes.

THE COURT: You have a generalized view—

A: At that time, yes.

. . .

Q: And you had hired Mr. Ebert's law firm at the time; correct?

A: Yes.

Q: You had a general counsel—an in-house lawyer advising you on legal matters; correct?

A: Yes.

As previously explained, under VARA, Wolkoff could have given the plaintiffs 90 days' notice to allow them the opportunity to salvage their works. And indeed, plaintiffs' expert conservator, Alden, convincingly testified that curation techniques had evolved to the point where removal of works of art from the wall of a building was feasible and had been done. As an example, she referenced the Berlin Wall, from which hundreds of works of graffiti on the wall have been preserved and sold, auctioned, or given as gifts, including five works which were successfully transported to New York City. Alden also testified that she had personally successfully removed a mural from a building.

And in respect to the plaintiffs' works at 5Pointz, Alden explained that many could have been totally or partially removed by the artists, at little cost, because the works were on "siding or plywood or sheetrock" or they "incorporated doors or windows from the building [which] could have been easily removed," Tr. at 1971:23-1972:4; and many others could be removed by a conservator and contractors. See Exhibit 1270 (identifying 12 "Works for Which Artists' Removal Was Possible"; 9 "Works Which Artists Were Able to Partially Remove," and 28 "Works Which Could Only Have Been Removed by Conservator and Contractors").

But Wolkoff could care less. As he callously testified:

I decided—I alone decided to hire people to whitewash it in one shot instead of *waiting for three months* and them going to do something irrational again and getting arrested. I will go and end it and whitewash it. I decided to do that. It was pretty much a spur-of-the-moment thing.

(Emphasis added).

Wolkoff's reference to the artists doing "something irrational again and getting arrested" is fanciful and unfounded. Plainly, the evidence does not support the notion that he cared much for what was best for the artists. After the whitewash, he refused to let them onto his property to recover what had survived and even attempted to have them arrested when they tried to do so.

And his claim that he was worried that the plaintiffs may do something reckless and illegal is also belied by the evidence. The plaintiffs operated within the law in attempting to protect their works: They sought legal advice, filed a claim with the Landmark Preservation Commission, sought to generate public pressure to preserve the site, raised money, and filed this lawsuit. Wolkoff's only justification

for his concern that the plaintiffs may attempt to break the law to preserve their work is that he heard nonspecific "rumblings." Id. at 2042:5. But he could not identify any particular source of the rumblings, nor had he ever personally had a problem with the artists:

Q: So this information that you received that the artists could be emotional is from someone you cannot identify; correct?

A: Yes.

Q: The artists were never violent; correct?

A: Correct.

Q: They always followed the law when then were on your property; correct?

A: Yes.

Q: You have never had any problems with the artists; right?

A: Absolutely correct.

As Cohen confirmed: "I followed the rules from day one. I went by my lawyer and he did not."

Wolkoff's recalcitrant behavior was consistent with the manner by which he testified in court. He was bent on doing it his way, and just as he ignored the artists' rights he also ignored the many efforts the Court painstakingly made to try to have him responsively answer the questions posed to him.

From his testimony, the only logical inference that the Court could draw from Wolkoff's precipitous conduct as soon as the Court denied the artists' preliminary injunction application was that it was an act of pure pique and revenge for the nerve of the plaintiffs to sue to attempt to prevent the destruction of their art. This was the epitome of willfulness.

It remains for the Court to fix the amount of statutory damages.

2. The Statutory Factors

"When determining the amount of statutory damages to award for copyright infringement, courts consider: (1) the infringer's state of mind; (2) the expenses saved, and profits earned, by the infringer; (3) the revenue lost by the copyright holder; (4) the deterrent effect on the infringer and third parties; (5) the infringer's cooperation in providing evidence concerning the value of the infringing material; and (6) the conduct and attitude of the parties." Bryant, 603 F.3d at 144.

Wolkoff rings the bell on each relevant factor.

a. The Infringer's State of Mind

Because Wolkoff acted willfully in destroying the works of art, this factor weighs in favor of a high statutory damages award. As noted, Wolkoff's two alleged justifications for the whitewash—that it would be better for the plaintiffs to lose their works quickly, and that he was concerned the plaintiffs might do something reckless and illegal in an attempt to save the works—are implausible.

The whitewash did not end the conflict in one go; the effects lingered for almost a year. The sloppy, half-hearted nature of the whitewashing left the works easily visible under thin layers of cheap, white paint, reminding the plaintiffs on a daily

basis what had happened. The mutilated works were visible by millions of people on the passing 7 train. One plaintiff, Miyakami, said that upon seeing her characters mutilated in that manner, it "felt like [she] was raped." Tr. at 1306:24-25. It is simply untenable that a rational person could view the whitewashing as being in the best interest of the artists.

b. The Expenses Saved, and Profits Earned, by the Infringer

This factor is not a clean fit for VARA since, unlike a traditional copyright infringement case, Wolkoff did not sell the plaintiffs' art; hence, there were no direct profits. However, he indirectly profited when the value of the site increased from $40 million to $200 million as soon as the variance was obtained. Destroying 5Pointz allowed Wolkoff to realize this gain. He also charged licensing fees to film at the site that netted him hundreds of thousands of dollars. Because Wolkoff realized significant profits by violating VARA, this factor cuts in favor of a high statutory damages award.

c. Revenue Lost by the Copyright Holder

While the plaintiffs were never able to place a dollar figure on how the whitewash of 5Pointz impacted their careers, it often had a negative effect. As plaintiff Takabayashi testified: "I would actually have clients . . . come by and observe the work to get an idea of what they would be getting if I was going to execute a mural on their property . . . . There were possibilities—there was business that I probably lost because of the fact that the artwork was eliminated." Tr. at 315:23-316:4. And plaintiff Del Valle testified: "It definitely took away a lot of opportunities that I would have had. I was consistently getting contacted about opportunities . . . all coming from me building my career from [5Pointz]." Id. at 131:15-22.

Furthermore, as Cohen testified, the salvageable artwork at 5Pointz "could have adorned a museum, a full wing of a museum. . . . I don't think you guys really get a full idea of the picture of this building and its property . . . . It was eight stories tall. We could have filled a wing, if not more, of a museum." Id. at 1466:18-23.

The value of 5Pointz to the artists' careers was significant, and its loss, though difficult to quantify, precluded future opportunities and acclaim. Therefore, this factor also supports a significant statutory damages award.

d. The Deterrent Effect on the Infringer and Third Parties

This is perhaps the most important factor in this case. Without a significant statutory damages award, the preservative goals of VARA cannot be met. If potential infringers believe that they can violate VARA at will and escape liability because plaintiffs are not able to provide a reliable financial valuation for their works, VARA will have no teeth. It will simply be cost-effective for infringers to violate the statute. This would not further its preservative goals.

Wolkoff has been singularly unrepentant. He was given multiple opportunities to admit the whitewashing was a mistake, show remorse, or suggest he would do things differently if he had another chance. He denied them all:

Q: Let me ask you a hypothetical question. Let's go back in time.

A: Yes.

Q: Would you have done it again?

A: Yes.

A: But that was the decision I made. I would make the same decision today if that happened today.

Thus, Wolkoff remains undeterred, and unrepentant that his thoughtless act violated the law and had a devastating impact on people he claims he was trying to help. This factor could not cut more strongly in favor of a high statutory damages award.

e. The Conduct and Attitude of the Parties

The Court has discussed at length the problematic conduct of Wolkoff during the whitewashing and on the witness stand. Needless to say, he has not helped his case. On the other hand, the plaintiffs have conducted themselves with dignity, maturity, respect, and at all times within the law. Therefore, this factor also cuts heavily in favor of a high statutory damages award.

3. The Statutory Damages Award

Collectively, all five relevant factors support the maximum award of statutory damages. Therefore, the Court awards $150,000 for each of the 45 works, for a total statutory damages award of $6,750,000.

If not for Wolkoff's insolence, these damages would not have been assessed. If he did not destroy 5Pointz until he received his permits and demolished it 10 months later, the Court would not have found that he had acted willfully. Given the degree of difficulty in proving actual damages, a modest amount of statutory damages would probably have been more in order.

The shame of it all is that since 5Pointz was a prominent tourist attraction the public would undoubtedly have thronged to say its goodbyes during those 10 months and gaze at the formidable works of aerosol art for the last time. It would have been a wonderful tribute for the artists that they richly deserved.

CONCLUSION

Judgment will be entered for each individual plaintiff in the following amounts:

Artist Total Award

Jonathan Cohen $1,325,000.00

Sandra Fabara $150,000.00

Luis Lamboy $800,000.00

Estaban Del Valle $150,000.00

Rodrigo Henter de Rezende $150,000.00

Thomas Lucero $200,000.00

Akiko Miyakami $375,000.00

Christian Cortes $600,000.00

Carlos Game $825,000.00

James Rocco $525,000.00

Steven Lew $150,000.00

Francisco Fernandez $150,000.00

Nicholai Khan $300,000.00

James Cochran $150,000.00

Luis Gomez $150,000.00

Richard Miller $300,000.00

Kenji Takabayashi $150,000.00

Maria Castillo $75,000.00

William Tramontozzi $75,000.00

Carlo Nieva $75,000.00

Bienbenido Guerra $75,000.00

Total $6,750,000.00

Notes and questions

(1) Who "owned" the graffiti murals in this case? In what sense did they own them?

(2) One of many interesting issues in the *5Pointz* case is what makes something a work of recognized stature. The district court in *Carter v. Helmsley-Spear, Inc.* held that the art must be (1) meritorious and (2) recognized by art experts and other members of the artistic community as such. Other courts have accepted letters, articles, and awards as evidence of recognized stature. See *Martin v. City of Indianapolis*, 982 F. Supp. 625, 630–31 (S.D. Ind. 1997).

In the *5Pointz* case, the district court agreed with the jury's finding that 45 out of 49 graffiti works were works of recognized stature based on the artistic recognition of the works outside of the graffiti site, the art world's academic and professional interest in the works, and the skill and craftsmanship inherent in the works. The court noted that to be a work of recognized stature, a work need not be a masterpiece. The *5Pointz* court was careful to consider the graffiti works at issue within the appropriate community and context for that particular medium.

(3) VARA is addressed to works of recognized stature, not artists of recognized stature. Thus a work that has never been publicly displayed will usually struggle to achieve that status, regardless of the fame of the artist.

(4) The Second Circuit affirmed in *Castillo v. G&M Realty L.P.*, 950 F.3d 155 (2d Cir. 2020), upholding both the finding that the works were of recognized stature and the award of the maximum statutory damages for each of the 45 works. In doing so it streamlined the *Carter* test discussed in note (2), holding "that a work is of recognized stature when it is one of high quality, status, or caliber that has been acknowledged as such by a relevant community." *Id.* at 166. That community is ordinarily the artistic one: art historians, critics, curators, gallerists, and other experts. Most courts now apply the *Carter–Castillo* formulation.

(5) *Hock v. Franconia Sculpture Park*, No. 0:24-cv-03546, 2026 WL 1552840 (D. Minn. June 2, 2026), shows VARA's two threshold requirements operating together. John Hock built *Prometheus III*, a fifty-three-foot steel sculpture, and displayed it at a park he had co-

founded and which then employed him. After the park terminated him he agreed to remove the work, did not do so, and the park, treating it as abandoned, disassembled it and sold it for scrap. The park moved for summary judgment on the grounds that the sculpture was a work made for hire and that in any event it lacked recognized stature. The court denied the motion. A reasonable jury could find that Hock was not acting within the scope of his employment when he built the piece, and there were genuine disputes on both the "stature" and the "recognized" elements. Note what the ruling does not do: denying summary judgment decides nothing on the merits, and a trial outcome may supersede it.

(6) In June 2026 the artist Wyland sued FIFA and the owners of the building carrying his mural "Whaling Wall 82, Ocean Life" in downtown Dallas, after most of the nearly thirty-year-old work was painted over in blue to make way for a World Cup promotion. The complaint, filed in the Northern District of Texas, pleads VARA and seeks $25 million. What does Wyland need to establish to prevail?

Different approaches to functional art

There is no question that copyright protects drawings, paintings, and sculptures. However, when aesthetic and creative choices are embodied in utilitarian or useful articles, such as the shape of a chair or the design of a piece of consumer electronics, the appropriate scope of copyright protection is a point of contention.

Consider, for example, the Aeron office chair designed in 1992 by Don Chadwick and Bill Stumpf. One of America's best-selling and most recognizable chairs in the late 1990s and 2000s, the Aeron chair is also featured in the Museum of Modern Art's permanent collection. Is the chair a functional object, an artistic design, or both?

Design Patents in the United States

In the United States, the ornamental design of a functional item is eligible for a design patent as long as it meets the threshold requirements of novelty and non-obviousness. The test for non-obviousness was reset in 2024. Sitting en banc in *LKQ Corp. v. GM Global Technology Operations LLC*, 102 F.4th 1280 (Fed. Cir. 2024), the Federal Circuit overruled the long-standing *Rosen*/*Durling* framework — which had required a primary reference "basically the same" as the claimed design — as too rigid to survive the Supreme Court's guidance in *KSR*, and held that the four *Graham* factors govern the obviousness of a design patent just as they govern a utility patent.

> **35 U.S. Code § 171 - Patents for designs**
>
> (a) Whoever invents any new, original and ornamental design for an article of manufacture may obtain a patent therefor, subject to the conditions and requirements of this title.
>
> (b) The provisions of this title relating to patents for inventions shall apply to patents for designs, except as otherwise provided.

Jewelry, furniture, the shapes of containers, and even computer icons have been patented as designs. A design patent confers the exclusive right to make, use, and sell objects embodying the design, regardless of whether the defendant's product was copied or independently conceived. However, design patents only last for 15 years from the date that they are issued.

Design patent applications are filed with the U.S. Patent and Trademark Office and rely heavily on detailed drawings or photographs that depict the claimed design from multiple angles, accompanied by a brief specification identifying the article and describing the design.

Remedies include injunctive relief, damages, and, under 35 U.S.C. § 289, the possibility of recovering the infringer's total profits from sales of infringing articles. Design patents differ from utility patents, which protect functional inventions — although a utility patent of one's own can be fatal to a trade dress claim over the same feature, as the Federal Circuit confirmed in *CeramTec GmbH v. CoorsTek Bioceramics LLC*, 124 F.4th 1358 (Fed. Cir. 2025), and *Focus Products Group International, LLC v. Kartri Sales Co.*, 156 F.4th 1259

(Fed. Cir. 2025) — from copyright, which protects certain two-dimensional or sculptural works but not functional articles, and from trade dress under trademark law, which may protect product appearance if it serves as an indicator of source.

Design patent infringement is determined under the "ordinary observer" test from *Gorham Co. v. White*, 81 U.S. 511 (1871), which asks whether an ordinary observer familiar with the prior art would find the accused design substantially the same as the patented design in overall visual impression. The key differences between design patents and copyrights in this regard are that design patent infringement is assessed by comparing the accused product to the patented design as a whole, without requiring proof of copying or access. Copyright infringement requires both substantial similarity in protectable expression and some evidence or inference of copying. In copyright law, independent creation is a complete defense, whereas in design patent law, independent creation does not excuse infringement if the accused design is substantially the same in overall visual impression.

The test for design patent infringement was modified in *Egyptian Goddess, Inc. v. Swisa, Inc.*, 543 F.3d 665 (Fed. Cir. 2008) (en banc). Before *Egyptian Goddess*, courts often applied a two-step test combining the "ordinary observer" standard from *Gorham Co. v. White* with a "point of novelty" requirement, which asked whether the accused design appropriated the novel features distinguishing the patented design from the prior art. In *Egyptian Goddess*, the Federal Circuit abandoned the point-of-novelty test as a separate requirement, holding that the ordinary observer test—viewed in light of the prior art—is the sole standard for determining design patent infringement.

The case involved a design patent for a nail buffer with a rectangular, hollow, tubular body and pads on certain sides. The accused product had a similar shape but placed abrasive pads on all sides. The Federal Circuit emphasized that when the claimed design and the accused design are compared, the ordinary observer's perception must be informed by the scope of the prior art; small differences may loom larger when the prior art is crowded. On the facts, the court found no infringement because, in light of the prior art, an ordinary observer would recognize the differences in pad placement and appearance. How does this compare to establishing infringement in copyright cases?

That test is no longer as settled as it looks. In *Range of Motion Products, LLC v. Armaid Co.*, 166 F.4th 981 (Fed. Cir. 2026), Chief Judge Moore wrote that *Egyptian Goddess* had "inadvertently inverted" the Supreme Court's test in *Gorham Co. v. White* — that in dispensing with the point of novelty as a separate step, the court had shifted the ordinary observer's attention away from what the patentee actually claimed. Rehearing en banc was denied on 11 August 2026 by a vote of six to four. A court divided that closely over whether its own leading test misreads the decision it purports to apply is not a court at rest, and students should treat the design patent standard as live rather than fixed.

Protecting industrial designs and other PGS works through copyright

PGS works

The subject matter of copyright as initially conceived related to things written, not just works of literature such as books, but also maps, charts, and tables. Over time, however, the subject matter of copyright expanded to include works of authorship of a non-literary

nature. One important classification of copyright subject matter under the US Copyright Act of 1976 is "pictorial, graphic, and sculptural works," usually abbreviated to PGS works. This category includes maps and diagrams as well as drawings, paintings, and photographs. It also includes three-dimensional objects, and "the design of a useful article," but only in some circumstances.

> **17 U.S. Code § 102(a)**
>
> Copyright protection subsists, in accordance with this title, in original works of authorship fixed in any tangible medium of expression[.] Works of authorship include the following categories: … (5) pictorial, graphic, and sculptural works;
>
> **17 U.S. Code § 101**
>
> "Pictorial, graphic, and sculptural works" include two-dimensional and three-dimensional works of fine, graphic, and applied art, photographs, prints and art reproductions, maps, globes, charts, diagrams, models, and technical drawings, [including architectural plans]. … Such works shall include works of artistic craftsmanship insofar as their form but not their mechanical or utilitarian aspects are concerned; *the design of a useful article*, as defined in this section, shall be considered a pictorial, graphic, or sculptural work only if, and only to the extent that, such design incorporates pictorial, graphic, or sculptural features that can be *identified separately from, and are capable of existing independently of*, the utilitarian aspects of the article. (emphasis added)

Useful Articles and Conceptual Severability

The expression "useful article" is a term of art in copyright law with some profound implications. Section 101 of the Copyright Act provides that PGS works include "works of artistic craftsmanship insofar as their form but not their mechanical or utilitarian aspects are concerned." It also provides that the design of a work that constitutes a "useful article" is protectable as a PGS work "only if, and only to the extent that, such design incorporates pictorial, graphic, or sculptural features that can be identified separately from, and are capable of existing independently of, the utilitarian aspects of the article."

The upshot of these provisions and the case law interpreting them is that a work of design is protectable under copyright where its expressive "pictorial, graphic, or sculptural features" are "separable" in some fashion from its "utilitarian aspects." How did we get here?

Mazer v. Stein, 347 U.S. 201 (1954)

> **Mr. Justice Reed delivered the opinion of the Court.**
>
> This case involves the validity of copyrights obtained by respondents for statuettes of male and female dancing figures made of semivitreous china. The controversy centers around the fact that although copyrighted as "works of art," the statuettes were intended for use and used as bases for table lamps, with electric wiring, sockets and lamp shades attached.
>
> Respondents are partners in the manufacture and sale of electric lamps. One of the respondents created original works of sculpture in the form of human figures by traditional clay-model technique. From this model, a production mold for casting

copies was made. The resulting statuettes, without any lamp components added, were submitted by the respondents to the Copyright Office for registration as "works of art" or reproductions thereof and certificates of registration issued. Thereafter, the statuettes were sold in quantity throughout the country both as lamp bases and as statuettes. The sales in lamp form accounted for all but an insignificant portion of respondents' sales.

Petitioners are partners and, like respondents, make and sell lamps. Without authorization, they copied the statuettes, embodied them in lamps and sold them. Petitioners, charged by the present complaint with infringement of respondents' copyrights of reproductions of their works of art, seek here a reversal of the Court of Appeals decree upholding the copyrights.

The case requires an answer, not as to a manufacturer's right to register a lamp base but as to an artist's right to copyright a work of art intended to be reproduced for lamp bases. Petitioners question the validity of a copyright of a work of art for "mass" production. Their position is that a copyright does not cover industrial reproduction of the protected article. Thus their reply brief states:

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

It is not the right to copyright an article that could have utility under §§ 5 (g) and (h) that petitioners oppose. … It is publication as a lamp and registration as a statue to gain a monopoly in manufacture that they assert is such a misuse of copyright as to make the registration invalid.

The successive acts, the legislative history of the 1909 Act and the practice of the Copyright Office unite to show that "works of art" and "reproductions of works of art" are terms that were intended by Congress to include the authority to copyright these statuettes. Individual perception of the beautiful is too varied a power to permit a narrow or rigid concept of art. As a standard we can hardly do better than the words of the present Regulation, § 202.8, naming the things that appertain to the arts. They must be original, that is, the author's tangible expression of his ideas. [The Court is referring to the then applicable 37 CFR, 1949, § 202.8: "Works of art (Class G)—(a) In General. This class includes works of artistic craftsmanship, in so far as their form but not their mechanical or utilitarian aspects are concerned, such as artistic jewelry, enamels, glassware, and tapestries, as well as all works belonging to the fine arts, such as paintings, drawings and sculpture. . . ."]

But petitioners assert that congressional enactment of the design patent laws should be interpreted as denying protection to artistic articles embodied or reproduced in manufactured articles. … Their argument is that design patents require the critical examination given patents to protect the public against monopoly. … Petitioner urges that overlapping of patent and copyright legislation so as to give an author or inventor a choice between patents and copyrights should not be permitted. We assume petitioner takes the position that protection for a statuette for industrial use can only be obtained by patent, if any protection can be given.

As we have held the statuettes here involved copyrightable, we need not decide the question of their patentability. Though other courts have passed upon the issue as to whether allowance by the election of the author or patentee of one bars a grant of the other, we do not. We do hold that the patentability of the statuettes, fitted as

> lamps or unfitted, does not bar copyright as works of art. Neither the Copyright Statute nor any other says that because a thing is patentable it may not be copyrighted. We should not so hold.
>
> Unlike a patent, a copyright gives no exclusive right to the art disclosed; protection is given only to the expression of the idea—not the idea itself. The copyright protects originality rather than novelty or invention—conferring only "the sole right of multiplying copies." Absent copying there can be no infringement of copyright. Thus, respondents may not exclude others from using statuettes of human figures in table lamps; they may only prevent use of copies of their statuettes as such or as incorporated in some other article. Regulation § 202.8 makes clear that artistic articles are protected in "form but not their mechanical or utilitarian aspects." The dichotomy of protection for the aesthetic is not beauty and utility but art for the copyright and the invention of original and ornamental design for design patents. We find nothing in the copyright statute to support the argument that the intended use or use in industry of an article eligible for copyright bars or invalidates its registration. We do not read such a limitation into the copyright law.
>
> … Nor do we think the subsequent registration of a work of art published as an element in a manufactured article, is a misuse of the copyright. This is not different from the registration of a statuette and its later embodiment in an industrial article.

Notes and questions

(1) Although the term "conceptual separability" does not appear in *Mazer*, later courts interpreted its reasoning to mean that if the aesthetic features of a useful article can be identified separately from, and exist independently of, its utilitarian function, they may be protected by copyright. This idea became the "conceptual separability" doctrine ultimately codified in 17 U.S.C. § 101 of the 1976 Copyright Act.

(2) If you copyright a lamp, should you be able to patent it as well? ¶ 15.55 of the USPTO's Manual of Patent Examining Procedure notes that

> There is an area of overlap between Copyright and Design Patent Statutes where an author/inventor can secure both a Copyright and a Design Patent. Thus, an ornamental design may be copyrighted as a work of art and may also be the subject matter of a Design Patent. The author/inventor may not be required to elect between securing a copyright or a design patent. See *In re Yardley,* 493 F. 2d 1389, 181 USPQ 331 (CCPA 1974). In *Mazer v. Stein*, 347 U.S. 201 (U.S. 1954), the Supreme Court noted the election of protection doctrine but did not express any view on it since a Design Patent had been secured in the case and the issue was not before the Court.
>
> It is the policy of the Patent and Trademark Office to permit the inclusion of a copyright notice in a Design Patent application, and thereby any patent issuing therefrom, under [certain] conditions…

The definition of "pictorial, graphic, and sculptural works" in the Copyright Act of 1976

The Supreme Court's ruling in *Mazer v. Stein* led directly to the definition of "pictorial, graphic, and sculptural works" in the Copyright Act of 1976. As noted above, Section 101 defines pictorial, graphic, and sculptural works to include two-dimensional and three-dimensional works of fine, graphic and applied art, and more. The definition distinguishes

between the form and the "mechanical or utilitarian aspects" of works of artistic craftsmanship and provides that the design of a useful article shall be considered a PGS work "only if, and only to the extent that, such design incorporates pictorial, graphic, or sculptural features that can be *identified separately from, and are capable of existing independently of*, the utilitarian aspects of the article."

Distinguishing Between Useful Articles and other PGS works

For a pictorial, graphical, or sculptural work to qualify as copyright subject matter it must meet the thresholds of originality and the requirement of fixation like any other work of authorship, but if it is a "useful article" it must also satisfy the requirement of "conceptual separability." However, not every PGS work is a useful article.

Section 101 also contains a definition of "useful article."

> **17 U.S. Code § 101.**
>
> A "useful article" is an article having an intrinsic utilitarian function that is not merely to portray the appearance of the article or to convey information. An article that is normally a part of a useful article is considered a "useful article".

Christopher Buccafusco and Mark Lemley provide a nice summary of this issue in their 2017 Virginia Law Review article, *Functionality Screens*:

> Many PGS works will have no intrinsic utilitarian function. Although a painting may serve to cover a hole in the wall or a sculpture may offer shade from the sun, we would not treat them as being intrinsically utilitarian. These works are not useful articles, are protectable to the extent that they are original, and, yet, any residual functional aspects of the works will not receive protection. If, however, the work does have an intrinsic utilitarian function, then it constitutes a useful article. For example, clothing garments, automobiles, personal electronics, and furniture all have some significant usefulness.
>
> [If a work] constitutes a useful article, the next step of the analysis has been to apply the separability criterion. As noted above, this requires the court to determine whether pictorial, graphic, or sculptural features of the work can be identified separately from, and are capable of existing independently of, the utilitarian aspects of the article. Thus, the court must determine which parts of the work are purely aesthetic features, which parts are purely utilitarian aspects, and which parts are dual-nature, those that simultaneously exhibit aesthetics and functionality. Although the nature of this inquiry is not entirely clear, the best reading of the statute treats as "utilitarian aspects" any components of the work that do not "merely ... portray the appearance of the article or ... convey information."
>
> Having analyzed the components of the work, the court can now apply the separability criterion by asking whether the aesthetic features can be identified separately from, and are capable of existing independently of, the utilitarian aspects of the article. That is, the court will ask whether the useful article exhibits any purely aesthetic features. These features, and only these features, can receive copyright protection. In some cases, this inquiry is easy, because the aesthetic features can be physically removed from the useful article. For example, the sculpted hood ornament on a Jaguar automobile can simply be removed from the car leaving both a sculpture and a car. Here, the aesthetic features are said to be "physically separable."

In other cases, however, the aesthetic features cannot be removed from an article. Nonetheless, courts typically hold that the aesthetic features of useful articles may still be copyrightable if they are "conceptually separable." Here, in particular, courts and scholars have struggled to understand how to make this determination. Although different formulations for the conceptual separability criterion exist, they all tend to ask a similar question: is the work (or its separable features) primarily aesthetic or utilitarian?

What is "conceptual separability" after *Star Athletica v. Varsity Brands*?

Tests for conceptual separability prior to Star Athletica

In 2017, the Supreme Court announced its decision in a case involving the copyrightability of designs for cheerleading uniforms, *Star Athletica v. Varsity Brands*, a case that squarely presented the question of how the concept of conceptual separability should be understood and applied. Since the 1976 Act came into effect, lower courts and the Copyright Office had proposed a variety of tests for conceptual separability, including:

- whether the aesthetic features and utilitarian aspects could exist side by side and be perceived as fully realized, separate works;
- whether the aesthetic features are primary to a subsidiary utilitarian function;
- whether the aesthetic features can be identified as reflecting the designer's artistic judgment exercised independently of functional influences; and
- whether there is a substantial likelihood that the aesthetic features would still be marketable to a significant segment of the community if the work had no utilitarian function. See 1-2 Nimmer on Copyright § 2.08.

The different formulations all appear to converge on a central question: how important are the aesthetic features relative to the utilitarian aspects of the article?

Star Athletica LLC v. Varsity Brands Inc., 137 S.Ct. 1002 (2017)

Justice Thomas delivered the opinion of the Court.

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

We granted certiorari to resolve widespread disagreement over the proper test for implementing §101's separate-identification and independent-existence requirements. We hold that a feature incorporated into the design of a useful article is eligible for copyright protection only if the feature (1) can be perceived as a two- or three-dimensional work of art separate from the useful article and (2) would qualify as a protectable pictorial, graphic, or sculptural work—either on its own or

fixed in some other tangible medium of expression—if it were imagined separately from the useful article into which it is incorporated. Because that test is satisfied in this case, we affirm.

Respondents Varsity Brands, Inc., Varsity Spirit Corporation, and Varsity Spirit Fashions & Supplies, Inc., design, make, and sell cheerleading uniforms. Respondents have obtained or acquired more than 200 U.S. copyright registrations for two-dimensional designs appearing on the surface of their uniforms and other garments. These designs are primarily "combinations, positionings, and arrangements of elements" that include "chevrons . . . , lines, curves, stripes, angles, diagonals, inverted [chevrons], coloring, and shapes." At issue in this case are Designs 299A, 299B, 074, 078, and 0815. See infra.

Figure 1 Varsity's Claimed Designs



Image description: A page showing six cheerleading uniform designs. At the top, two sleeveless tops: one red with diagonal white and blue stripes (Design 299A) and one navy with diagonal yellow and white stripes (Design 299B). Below are four full-length sketches: a green and black dress with white chevron stripes (Design 074), a purple dress with blue and red accents shown on two figures (Design 078), and a red dress with blue and white stripes (Design 0815). All feature bold chevron or diagonal stripe patterns.

Petitioner Star Athletica, L.L.C., also markets and sells cheerleading uniforms. Respondents sued petitioner for infringing their copyrights in the five designs.

The Copyright Act establishes a special rule for copyrighting a pictorial, graphic, or sculptural work incorporated into a "useful article," which is defined as "an article having an intrinsic utilitarian function that is not merely to portray the appearance of the article or to convey information." The statute does not protect useful articles as such. Rather, "the design of a useful article" is "considered a pictorial, graphical, or sculptural work only if, and only to the extent that, such design incorporates pictorial, graphic, or sculptural features that can be identified separately from, and are capable of existing independently of, the utilitarian aspects of the article." In this case, our task is to determine whether the arrangements of lines, chevrons, and colorful shapes appearing on the surface of respondents' cheerleading uniforms are eligible for copyright protection as separable features of the design of those cheerleading uniforms.

We must decide when a feature incorporated into a useful article "can be identified separately from" and is "capable of existing independently of" "the utilitarian aspects" of the article. This is not a free-ranging search for the best copyright policy, but rather "depends solely on statutory interpretation." "The controlling principle in this case is the basic and unexceptional rule that courts must give effect to the clear meaning of statutes as written." We thus begin and end our inquiry with the text, giving each word its "ordinary, contemporary, common meaning."

The statute provides that a pictorial, graphic, or sculptural feature incorporated into the design of a useful article is eligible for copyright protection if it (1) "can be identified separately from," and (2) is "capable of existing independently of, the utilitarian aspects of the article." §101. The first requirement—separate identification—is not onerous. The decisionmaker need only be able to look at the useful article and spot some two- or three-dimensional element that appears to have pictorial, graphic, or sculptural qualities.

The independent-existence requirement is ordinarily more difficult to satisfy. The decisionmaker must determine that the separately identified feature has the capacity to exist apart from the utilitarian aspects of the article. In other words, the feature must be able to exist as its own pictorial, graphic, or sculptural work as defined in §101 once it is imagined apart from the useful article. If the feature is not capable of existing as a pictorial, graphic, or sculptural work once separated from the useful article, then it was not a pictorial, graphic, or sculptural feature of that article, but rather one of its utilitarian aspects.

Of course, to qualify as a pictorial, graphic, or sculptural work on its own, the feature cannot itself be a useful article or "[a]n article that is normally a part of a useful article" (which is itself considered a useful article). §101. Nor could someone claim a copyright in a useful article merely by creating a replica of that article in some other medium—for example, a cardboard model of a car. Although the replica could itself be copyrightable, it would not give rise to any rights in the useful article that inspired it.

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

Applying this test to the surface decorations on the cheerleading uniforms is straightforward. First, one can identify the decorations as features having pictorial, graphic, or sculptural qualities. Second, if the arrangement of colors, shapes,

stripes, and chevrons on the surface of the cheerleading uniforms were separated from the uniform and applied in another medium—for example, on a painter's canvas—they would qualify as "two-dimensional … works of … art," §101. And imaginatively removing the surface decorations from the uniforms and applying them in another medium would not replicate the uniform itself. Indeed, respondents have applied the designs in this case to other media of expression—different types of clothing—without replicating the uniform. The decorations are therefore separable from the uniforms and eligible for copyright protection.[1]

Footnote 1: We do not today hold that the surface decorations are copyrightable. We express no opinion on whether these works are sufficiently original to qualify for copyright protection, see *Feist Publications, Inc. v. Rural Telephone Service Co*., 499 U.S. 340–359 (1991), or on whether any other prerequisite of a valid copyright has been satisfied.

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

This is not a bar to copyright. Just as two-dimensional fine art corresponds to the shape of the canvas on which it is painted, two-dimensional applied art correlates to the contours of the article on which it is applied. A fresco painted on a wall, ceiling panel, or dome would not lose copyright protection, for example, simply because it was designed to track the dimensions of the surface on which it was painted. Or consider, for example, a design etched or painted on the surface of a guitar. If that entire design is imaginatively removed from the guitar's surface and placed on an album cover, it would still resemble the shape of a guitar. But the image on the cover does not "replicate" the guitar as a useful article. Rather, the design is a two-dimensional work of art that corresponds to the shape of the useful article to which it was applied. The statute protects that work of art whether it is first drawn on the album cover and then applied to the guitar's surface, or vice versa. Failing to protect that art would create an anomaly: It would extend protection to two-dimensional designs that cover a part of a useful article but would not protect the same design if it covered the entire article. The statute does not support that distinction, nor can it be reconciled with the dissent's recognition that "artwork printed on a t-shirt" could be protected.

To be clear, the only feature of the cheerleading uniform eligible for a copyright in this case is the two-dimensional work of art fixed in the tangible medium of the uniform fabric. Even if respondents ultimately succeed in establishing a valid copyright in the surface decorations at issue here, respondents have no right to prohibit any person from manufacturing a cheerleading uniform of identical shape, cut, and dimensions to the ones on which the decorations in this case appear. They may prohibit only the reproduction of the surface designs in any tangible medium of expression—a uniform or otherwise.[2]

Footnote 2: The dissent suggests that our test would lead to the copyrighting of shovels. But a shovel, like a cheerleading uniform, even if displayed in an art gallery, is "an article having an intrinsic utilitarian function that is not merely to portray the appearance of the article or to convey information." 17 U.S.C. §101. It therefore cannot be copyrighted. A drawing of a shovel could, of course, be copyrighted. And, if the shovel included any artistic features that could be perceived as art apart from the shovel, and which would qualify as protectable pictorial, graphic, or sculptural

works on their own or in another medium, they too could be copyrighted. But a shovel as a shovel cannot.

According to petitioner, if a feature of a useful article "advances the utility of the article," then it is categorically beyond the scope of copyright. The designs here are not protected, it argues, because they are necessary to two of the uniforms' "inherent, essential, or natural functions"—identifying the wearer as a cheerleader and enhancing the wearer's physical appearance. Because the uniforms would not be equally useful without the designs, petitioner contends that the designs are inseparable from the "utilitarian aspects" of the uniform.

The Government suggests that the appropriate test is whether the useful article with the artistic feature removed would "remain similarly useful." In the view of the United States, however, a plain white cheerleading uniform is "similarly useful" to uniforms with respondents' designs.

The debate over the relative utility of a plain white cheerleading uniform is unnecessary. The focus of the separability inquiry is on the extracted feature and not on any aspects of the useful article that remain after the imaginary extraction. The statute does not require the decisionmaker to imagine a fully functioning useful article without the artistic feature. Instead, it requires that the separated feature qualify as a nonuseful pictorial, graphic, or sculptural work on its own.

Of course, because the removed feature may not be a useful article—as it would then not qualify as a pictorial, graphic, or sculptural work—there necessarily would be some aspects of the original useful article "left behind" if the feature were conceptually removed. But the statute does not require the imagined remainder to be a fully functioning useful article at all, much less an equally useful one.

Because we reject the view that a useful article must remain after the artistic feature has been imaginatively separated from the article, we necessarily abandon the distinction between "physical" and "conceptual" separability, which some courts and commentators have adopted based on the Copyright Act's legislative history.

The statutory text indicates that separability is a conceptual undertaking. Because separability does not require the underlying useful article to remain, the physical-conceptual distinction is unnecessary.

Petitioner next argues that we should incorporate two "objective" components into our test to provide guidance to the lower courts: (1) "whether the design elements can be identified as reflecting the designer's artistic judgment exercised independently of functional influence," and (2) whether "there is [a] substantial likelihood that the pictorial, graphic, or sculptural feature would still be marketable to some significant segment of the community without its utilitarian function."

We reject this argument because neither consideration is grounded in the text of the statute. The statute's text makes clear that our inquiry is limited to how the article and feature are perceived, not how or why they were designed. See *Brandir Int'l, Inc. v. Cascade Pacific Lumber Co.*, 834 F. 2d 1142, 1152 (CA2 1987) (Winter, J., concurring in part and dissenting in part) (The statute "expressly states that the legal test is how the final article is perceived, not how it was developed through various stages").

The same is true of marketability. Nothing in the statute suggests that copyrightability depends on market surveys. Moreover, asking whether some segment of the market would be interested in a given work threatens to prize popular art over other forms, or to substitute judicial aesthetic preferences for the policy choices embodied in the Copyright Act.

Finally, petitioner argues that allowing the surface decorations to qualify as a "work of authorship" is inconsistent with Congress' intent to entirely exclude industrial design from copyright. Petitioner notes that Congress refused to pass a provision that would have provided limited copyright protection for industrial designs, including clothing, when it enacted the 1976 Act and that it has enacted laws protecting designs for specific useful articles—semiconductor chips and boat hulls—while declining to enact other industrial design statutes. From this history of failed legislation petitioner reasons that Congress intends to channel intellectual property claims for industrial design into design patents. It therefore urges us to approach this question with a presumption against copyrightability

We do not share petitioner's concern. As an initial matter, "congressional inaction lacks persuasive significance" in most circumstances. Moreover, we have long held that design patent and copyright are not mutually exclusive. In any event, as explained above, our test does not render the shape, cut, and physical dimensions of the cheerleading uniforms eligible for copyright protection.

Justice Ginsburg, concurring in the judgment.

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

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

In short, Varsity's designs are standalone PGS works that may gain copyright protection as such, including the exclusive right to reproduce the designs on useful articles.

Justice Breyer, with whom Justice Kennedy joins, dissenting.

I agree with much in the Court's opinion. But I do not agree that the designs that Varsity Brands, Inc., submitted to the Copyright Office are eligible for copyright protection. Even applying the majority's test, the designs cannot "be perceived as … two- or three-dimensional works of art separate from the useful article."

Look at the designs that Varsity submitted to the Copyright Office. You will see only pictures of cheerleader uniforms. And cheerleader uniforms are useful articles. A picture of the relevant design features, whether separately "perceived" on paper or in the imagination, is a picture of, and thereby "replicate[s]," the

underlying useful article of which they are a part. Hence the design features that Varsity seeks to protect are not "capable of existing independently [of] the utilitarian aspects of the article." 17 U.S.C. §101.

The relevant statutory provision says that the "design of a useful article" is copyrightable "only if, and only to the extent that, such design incorporates pictorial, graphic, or sculptural features that can be identified separately from, and are capable of existing independently of, the utilitarian aspects of the article." But what, we must ask, do the words "identified separately" mean? The most direct, helpful aspect of the Court's opinion answers this question by stating:

Nor could someone claim a copyright in a useful article merely by creating a replica of that article in some other medium—for example, a cardboard model of a car. Although the replica could itself be copyrightable, it would not give rise to any rights in the useful article that inspired it.

Exactly so. These words help explain the Court's statement that a copyrightable work of art must be "perceived as a two- or three-dimensional work of art separate from the useful article." They help clarify the concept of separateness. They are consistent with Congress' own expressed intent.

Consider, for example, the explanation that the House Report for the Copyright Act of 1976 provides. It says:

"Unless the shape of an automobile, airplane, ladies' dress, food processor, television set, or any other industrial product contains some element that, *physically or conceptually*, can be identified as separable from the utilitarian aspects of that article, the design would not be copyrighted … ." House Report at 55 (emphasis added).

These words suggest two exercises, one physical, one mental. Can the design features (the picture, the graphic, the sculpture) be physically removed from the article (and considered separately), all the while leaving the fully functioning utilitarian object in place? If not, can one nonetheless conceive of the design features separately without replicating a picture of the utilitarian object? If the answer to either of these questions is "yes," then the design is eligible for copyright protection. Otherwise, it is not.

An example will help. Imagine a lamp with a circular marble base, a vertical 10-inch tall brass rod (containing wires) inserted off center on the base, a light bulb fixture emerging from the top of the brass rod, and a lampshade sitting on top. In front of the brass rod a porcelain Siamese cat sits on the base facing outward. Obviously, the Siamese cat is physically separate from the lamp, as it could be easily removed while leaving both cat and lamp intact. And, assuming it otherwise qualifies, the designed cat is eligible for copyright protection.

Now suppose there is no long brass rod; instead the cat sits in the middle of the base and the wires run up through the cat to the bulbs. The cat is not physically separate from the lamp, as the reality of the lamp's construction is such that an effort to physically separate the cat and lamp will destroy both cat and lamp. The two are integrated into a single functional object, like the similar configuration of the ballet dancer statuettes that formed the lamp bases at issue in *Mazer v. Stein*, 347 U.S. 201 (1954). But we can easily imagine the cat on its own, as did Congress when conceptualizing the ballet dancer. See House Report, at 55 (the statuette in Mazer was "incorporated into a product without losing its ability to exist

independently as a work of art"). In doing so, we do not create a mental picture of a lamp (or, in the Court's words, a "replica" of the lamp), which is a useful article. We simply perceive the cat separately, as a small cat figurine that could be a copyrightable design work standing alone that does not replicate the lamp. Hence the cat is conceptually separate from the utilitarian article that is the lamp. The pair of lamps pictured at Figures 1 and 2 illustrate this principle.

Justice Breyer's Figures 1 and 2 (Cat Lamps)



Fig. 1 Fig. 2

Image description: Two vintage cat-themed table lamps. Fig. 1 shows a lamp with a squat ceramic cat figurine at the base, white with dark points, wearing a black collar. The shade is conical with a glowing amber tone. Fig. 2 shows a taller lamp with a slender ceramic Siamese-style cat figurine forming the base, cream with brown points. It has a large beige conical shade and sits on a wooden surface.

By way of contrast, Van Gogh's painting of a pair of old shoes, though beautifully executed and copyrightable as a painting, would not qualify for a shoe design copyright. See fig. 3. Courts have similarly denied copyright protection to objects that begin as three-dimensional designs, such as measuring spoons shaped like heart-tipped arrows, candleholders shaped like sailboats, and wire spokes on a wheel cover. None of these designs could qualify for copyright protection that would prevent others from selling spoons, candleholders, or wheel covers with the same design. Why not? Because in each case the design is not separable from the utilitarian aspects of the object to which it relates. The designs cannot be physically separated because they themselves make up the shape of the spoon, candleholders, or wheel covers of which they are a part. One cannot easily imagine or otherwise conceptualize the design of the spoons or the candleholders or the shoes without that picture, or image, or replica being a picture of spoons, or candleholders, or wheel covers, or shoes. The designs necessarily bring along the underlying utilitarian object. Hence each design is not conceptually separable from the physical useful object.

Justice Breyer's Figure 3



Fig. 3: Vincent Van Gogh, "Shoes"

Image description: A painting by Vincent van Gogh titled *Shoes*. It depicts a worn, brown pair of lace-up work shoes resting on a tiled floor. The shoes appear scuffed and creased, with loose laces, rendered in Van Gogh's distinctive textured brushstrokes. The muted tones of tan, brown, and green give the scene a rugged, earthy feel.

To repeat: A separable design feature must be "capable of existing independently" of the useful article as a separate artistic work that is not itself the useful article. If the claimed feature could be extracted without replicating the useful article of which it is a part, and the result would be a copyrightable artistic work standing alone, then there is a separable design. But if extracting the claimed features would necessarily bring along the underlying useful article, the design is not separable from the useful article. In many or most cases, to decide whether a design or artistic feature of a useful article is conceptually separate from the article itself, it is enough to imagine the feature on its own and ask, "Have I created a picture of a (useful part of a) useful article?" If so, the design is not separable from the useful article. If not, it is.

In referring to imagined pictures and the like, I am not speaking technically. I am simply trying to explain an intuitive idea of what separation is about, as well as how I understand the majority's opinion. So understood, the opinion puts design copyrights in their rightful place. The law has long recognized that drawings or photographs of real world objects are copyrightable as drawings or photographs, but the copyright does not give protection against others making the underlying useful objects. That is why a copyright on Van Gogh's painting would prevent others from reproducing that painting, but it would not prevent others from reproducing and selling the comfortable old shoes that the painting depicts.

To ask this kind of simple question—does the design picture the useful article?—will not provide an answer in every case, for there will be cases where it is difficult to say whether a picture of the design is, or is not, also a picture of the useful

article. But the question will avoid courts focusing primarily upon what I believe is an unhelpful feature of the inquiry, namely, whether the design can be imagined as a "two- or three-dimensional work of art." That is because virtually any industrial design can be thought of separately as a "work of art": Just imagine a frame surrounding the design, or its being placed in a gallery. Consider Marcel Duchamp's "readymades" series, the functional mass-produced objects he designated as art. See fig. 4, [picture of shovel]. What design features could not be imaginatively reproduced on a painter's canvas?

Editor's note: "Readymades" were ordinary objects which the artist Marcel Duchamp chose and presented as art. The figure *In Advance of the Broken Arm* (1915) is an ordinary snow shovel. Duchamp's most famous work is Fountain (1917), a urinal signed with the pseudonym "R. Mutt" and declared as art. Fountain was selected in 2004 as "the most influential artwork of the 20th century" by 500 renowned artists and historians. See, *Duchamp's Urinal Tops Art Survey*, BBC News (Dec. 1, 2004, 5:56 PM), http://news.bbc.co.uk/2/hi/entertainment/4059997.stm.

Justice Breyer's Figure 4



Fig. 4: Marcel Duchamp,
"In Advance of the Broken Arm"

Image description: Marcel Duchamp's artwork *In Advance of the Broken Arm*. It is a plain snow shovel with a long wooden handle and a wide silver metal scoop. The shovel hangs vertically against a neutral background.

The conceptual approach that I have described reflects Congress' answer to a problem that is primarily practical and economic. Years ago Lord Macaulay drew attention to the problem when he described copyright in books as a "tax on readers for the purpose of giving a bounty to writers." He called attention to the main benefit of copyright protection, which is to provide an incentive to produce copyrightable works and thereby "promote the Progress of Science and useful Arts." But Macaulay also made clear that copyright protection imposes costs. Those costs include the higher prices that can accompany the grant of a copyright monopoly. They also can include (for those wishing to display, sell, or perform a

design, film, work of art, or piece of music, for example) the costs of discovering whether there are previous copyrights, of contacting copyright holders, and of securing permission to copy. Sometimes, as Thomas Jefferson wrote to James Madison, costs can outweigh "the benefit even of limited monopolies." And that is particularly true in light of the fact that Congress has extended the "limited Times" of protection, from the "14 years" of Jefferson's day to potentially more than a century today.

The Constitution grants Congress primary responsibility for assessing comparative costs and benefits and drawing copyright's statutory lines. Courts must respect those lines and not grant copyright protection where Congress has decided not to do so. And it is clear that Congress has not extended broad copyright protection to the fashion design industry.

Congress' decision not to grant full copyright protection to the fashion industry has not left the industry without protection. Patent design protection is available. A maker of clothing can obtain trademark protection under the Lanham Act for signature features of the clothing. And a designer who creates an original textile design can receive copyright protection for that pattern as placed, for example, on a bolt of cloth, or anything made with that cloth.

The fashion industry has thrived against this backdrop, and designers have contributed immeasurably to artistic and personal self-expression through clothing. But a decision by this Court to grant protection to the design of a garment would grant the designer protection that Congress refused to provide. It would risk increased prices and unforeseeable disruption in the clothing industry, which in the United States alone encompasses nearly $370 billion in annual spending and 1.8 million jobs. That is why I believe it important to emphasize those parts of the Court's opinion that limit the scope of its interpretation. That language, as I have said, makes clear that one may not "claim a copyright in a useful article merely by creating a replica of that article in some other medium," which "would not give rise to any rights in the useful article that inspired it."

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

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

Were I to accept the majority's invitation to "imaginatively remove" the chevrons and stripes as they are arranged on the neckline, waistline, sleeves, and skirt of each uniform, and apply them on a "painter's canvas," that painting would be of a cheerleader's dress. The esthetic elements on which Varsity seeks protection exist

only as part of the uniform design—there is nothing to separate out but for dress-shaped lines that replicate the cut and style of the uniforms. Hence, each design is not physically separate, nor is it conceptually separate, from the useful article it depicts, namely, a cheerleader's dress. They cannot be copyrighted.

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

But that is not the nature of Varsity's copyright claim. It has instead claimed ownership of the particular "treatment and arrangement" of the chevrons and lines of the design as they appear at the neckline, waist, skirt, sleeves, and overall cut of each uniform. The majority imagines that Varsity submitted something different—that is, only the surface decorations of chevrons and stripes, as in a textile design. As the majority sees it, Varsity's copyright claim would be the same had it submitted a plain rectangular space depicting chevrons and stripes, like swaths from a bolt of fabric. But considered on their own, the simple stripes are plainly unoriginal. Varsity, then, seeks to do indirectly what it cannot do directly: bring along the design and cut of the dresses by seeking to protect surface decorations whose "treatment and arrangement" are coextensive with that design and cut. As Varsity would have it, it would prevent its competitors from making useful three-dimensional cheerleader uniforms by submitting plainly unoriginal chevrons and stripes as cut and arranged on a useful article. But with that cut and arrangement, the resulting pictures on which Varsity seeks protection do not simply depict designs. They depict clothing. They depict the useful articles of which the designs are inextricable parts. And Varsity cannot obtain copyright protection that would give them the power to prevent others from making those useful uniforms, any more than Van Gogh can copyright comfortable old shoes by painting their likeness.

I fear that, in looking past the three-dimensional design inherent in Varsity's claim by treating it as if it were no more than a design for a bolt of cloth, the majority has lost sight of its own important limiting principle. One may not "claim a copyright in a useful article merely by creating a replica of that article in some other medium," such as in a picture. That is to say, one cannot obtain a copyright that would give its holder "any rights in the useful article that inspired it."

With respect, I dissent.

Questions & Comments

(1) Is it fair to say that Justice Breyer agreed with the majority's test, but not its application? If not, what exactly is the difference between the majority and the dissent?

(2) Even prior to *Star Athletica* it was well settled that printed designs on clothes are copyrightable because the ornamentation is separable from the useful aspects of the article. However, it was equally well settled that items of clothing *as such* are generally not eligible for copyright protection. They were considered useful articles in which any artistic element is hopelessly merged with the item's utilitarian function. As the Compendium III of U.S. Copyright Office Practices, § 924.3(A)(1) explains "… clothing provides utilitarian functions, such as warmth, protection, and modesty. As a result, the U.S. Copyright Office

will not register a claim in clothing or clothing designs." Did *Star Athletica* change the law with respect to the copyrightability of fashion?

(3) The plaintiff in the *Star Athletica* case, Varsity Brands, did not attempt to register the design of a cheerleading uniform *per se*, it registered five different sets of two-dimensional artwork to be embodied in a uniform. This is a tricky move, but Section 113(b) provides:

> This title does not afford, to the owner of copyright in a work that portrays a useful article as such, any greater or lesser rights with respect to the making, distribution, or display of the useful article so portrayed than those afforded to such works under [copyright law].

So, can you avoid the useful article doctrine simply by copyrighting a picture of a useful article? How do Justices Thomas, Ginsburg, and Breyer address this section in their respective opinions? How should we apply Section 113(b) after *Star Athletica*?

That question has now been litigated. In *Metro Light & Power LLC v. Furnlite, Inc.*, 2026 WL 686511 (S.D.N.Y. 2026), the plaintiff made bezel face plates designed to sit flush with a furniture surface around an electrical outlet. Judge Subramanian dismissed on the pleadings: "The face plates here cannot be perceived as a work of art separate from the useful article — the electrical and USB outlets. To the extent they have artistic value, it is from the role they play bordering the outlet." He added that even if they could be so perceived, "it is unlikely that a simple rectangular shape would qualify as protectable." The plaintiff then tried the maneuver this note describes: it held valid copyrights in *photographs* of the face plates on its website, and argued the defendants' products were derivative of the photographs. The court refused to let a copyright in a picture of a useful article do the work that a copyright in the article itself could not. Notice, though, how the court got there — through *Star Athletica* and the dictum about pictures, rather than through § 113(b), which is on its face the provision written for exactly this problem. Why might a court prefer the one to the other?

(4) In *DC Comics v. Towle*, 802 F.3d 1012 (9th Cir. 2015), the court ruled that copyright in the *Batmobile* as visually depicted in Batman comic books, television programs, and movies, was violated by a manufacturer of replica kits that attached to actual automobiles to make them look like the *Batmobile*. The court did not consider whether the copyright in the depiction of a useful article like an automobile could extend protection to the production of actual car parts. Should it have?

(5) Is clothing on a doll protectable under copyright law? See *Mattel, Inc. v. MGA Entertainment, Inc.*, 616 F.3d 904, 916 n.12 (9th Cir. 2010).

(6) The iconic *Noguchi Table* was designed by Isamu Noguchi in 1939. Noguchi was born in Los Angeles to an American mother and a Japanese father in 1904. He was placed in an internment camp in Arizona during WWII. The version of the table that is still current today was commissioned by the then president of the Museum of Modern Art in New York City; the original remains in the museum's permanent collection. Is the *Noguchi Table* copyrightable under *Star Athletica*? Would it have been copyrightable before *Star Athletica*? (this is a rhetorical question, see below).

The Noguchi Table, Isamu Noguchi



Image description: A modernist coffee table with a clear, irregularly shaped glass top. The base is sculptural, made of smooth, curved wood in a warm brown tone, forming two interlocking supports that balance the glass surface. The design is sleek and organic, combining functionality with artistic form.

Did Star Athletica change the law?

How does *Star Athletica* change the law? Perhaps *Star Athletica* really does not say anything at all. An excellent student note in the 2017 Harvard Law Review, *Copyright Act of 1976-Useful Articles-Star Athletica, L.L.C. v. Varsity Brands, Inc.*, argues that the Court's decision "invites various interpretations" because the "Court's test does little more than restate the statute's language."

> "Features that can be identified separately" becomes "features [that] can be perceived as a ... separate" work. "Features that ... are capable of existing independently" becomes "features ... [that] would qualify as a protectable ... work."
>
> Paraphrases are ordinarily helpful, as they provide other ways of thinking through a question. But the number of approaches developed by lower courts renders it "obvious" that there was no settled way to understand the statute's text, how it should be applied, or under what standard. A gloss on the text will likely not resolve those questions.

This might understate the impact of *Star Athletica*. For one thing, in addition to setting out the two-part test discussed above, Justice Thomas' majority opinion also explicitly disapproved of a number of other tests, including the physical separability test, the designer's perspective test, and the marketability test. So, at the very least, that is a change in the law of some circuits.

In addition, it is easy to read *Star Athletica* as a drastic change in the law. Prior to *Star Athletica* most courts would have agreed that a design element is not conceptually separable if removing it or replacing it with a less creative alternative changes the functional attributes of the product. In her 2018 NYU Law Review article, *Conceptual Separability As Conceivability: A Philosophical Analysis Of The Useful Articles Doctrine,* Professor Mala Chatterjee explains

> "When you conceive of the article as lacking the design element in question, is the article you imagine *functionally identical* to the actual article?" If the answer to this question is yes, then we can conclude that the design element is conceptually

> separable from the article's utilitarian aspects; if not, then the element has failed the test, and it is not entitled to copyright protection.

Thus, the *Aeron Chair* would not be copyrightable because none of its design features are conceptually separable from the useful article. There is no obvious substitute for the design features of the Aeron Chair that would not significantly change the utility of the chair. For the *Noguchi Table,* in contrast, one could replace the design elements with more standard table elements and the table function would be unchanged. This approach makes sense, but can it be reconciled with Justice Thomas' majority opinion (at 1013):

> The focus of the separability inquiry is on the extracted feature and not on any aspects of the useful article that remain after the imaginary extraction. The statute does not require the decisionmaker to imagine a fully functioning useful article without the artistic feature. Instead, it requires that the separated feature qualify as a nonuseful pictorial, graphic, or sculptural work on its own.
>
> Of course, because the removed feature may not be a useful article—as it would then not qualify as a pictorial, graphic, or sculptural work—there necessarily would be some aspects of the original useful article "left behind" if the feature were conceptually removed. But the statute does not require the imagined remainder to be a fully functioning useful article at all, much less an equally useful one .... The statute does not require that we imagine a nonartistic replacement for the removed feature to determine whether that feature is capable of an independent existence.

In this passage, Justice Thomas seems to suggest that so long as such a feature could be "imagined" in a different non-utilitarian context, it does not matter if what is left behind "after the imaginary extraction" is less useful. Justice Thomas arrived at this conclusion based on his reading of the statute, focusing on the words in Section 101 "… can be identified separately from, and are capable of existing independently of, the utilitarian aspects of the article." However, the majority opinion does not seem to have accounted for all of the language of Section 101. Section 101 provides that PGS works "shall include works of artistic craftsmanship *insofar as their form but not their mechanical or utilitarian aspects are concerned*; the design of a useful article, as defined in this section, shall be considered a pictorial, graphic, or sculptural work only if, and only to the extent that, such design incorporates pictorial, graphic, or sculptural features that can be identified separately from, and are capable of existing independently of, the utilitarian aspects of the article." The majority opinion in *Star Athletica* does not appear to give any weight to the words "*but not their mechanical or utilitarian aspects are concerned*" which suggest that protection should only be allowed for non-functional aspects of a given design. If these words mean anything, how can it not matter if what is left behind "after the imaginary extraction" is less useful?

To take Justice Thomas at his word in the above quoted extract would be to negate Congress' clearly expressed intention with respect to the useful article doctrine. The core holding of *Star Athletica* is that lines and chevrons on a cheerleader uniform outline are conceptually separable from the useful article of a cheerleader uniform and are thus copyrightable PGS elements (assuming they display sufficient originality). Perhaps the Copyright Office and lower courts should simply treat the rest of the opinion as dicta, and poorly reasoned dicta at that?

In "*What Is A 'Useful Article' in Copyright Law After Star Athletica?*," a 2017 article in the Pennsylvania Law Review Online, Professor Tyler Ochoa makes a strong case for simply ignoring the above quoted extract.

> This passage is, frankly, nonsensical. The removed feature either contributes to the utility of the useful article or it doesn't. If it does contribute to the utility of the useful article, then it is one of the "utilitarian aspects" of the article that are not protected by copyright. If it doesn't contribute to the utility of the useful article, then, by definition, the useful article would remain equally useful without it. The key to applying the "equally useful" argument is to remember that, because of the two statutory exclusions in the definition of a "useful article," certain types of utility are excluded and simply don't count when deciding whether the article remains "useful." In other words, the reason a blank cheerleading uniform is less useful than a colorful one is because it fails to convey information; but conveying information is a "utilitarian function" that is excluded from the definition of a "useful article." A blank cheerleading uniform remains equally useful in all of the ways that matter to the statutory definition.
>
> Fortunately, Justice Thomas' flawed reasoning should not affect the outcome of the separability analysis. He expressly recognizes that the removed feature cannot itself be a "useful article," and earlier in the opinion he expressly recognizes that the statutory definition of a "useful article" includes "[a]n article that is normally a part of a useful article," i.e., any functional component of a useful article. Thus, the majority's insistence that the "imagined remainder" need not be a fully functional useful article at all should be a null set, since any "utilitarian aspects" of the removed feature would necessarily disqualify the removed feature from being a separable pictorial, graphic, or sculptural work.

So, where are we now?

In *Star Athletica*, the majority held that a feature incorporated into the design of a useful article is eligible for copyright protection only if (1) the feature can be perceived or imagined as a two- or three-dimensional work of art separate from the useful article—i.e. the "separate-identification" requirement; and (2) the feature would qualify as a protectable pictorial, graphic, or sculptural work if it were imagined separately from the useful article into which it is incorporated—i.e. the "independent-existence" requirement.

Exactly how courts should implement this separate-identification requirement is still less than clear. To summarize:

1. Design elements are conceptually separable when they are literally separable without impairing function. Consider a hood ornament, for example.

2. Design elements are conceptually separable when the product in question would work just as well without them, even if it would be a different product in terms of its visual appeal.

3. Design elements are conceptually separable when the product in question would work just as well if one swapped out the design element for a less creative alternative element that fulfilled the same function. Thus, the design of the Noguchi coffee table or Justice Breyer's cat lamps are conceptually separable because they are fanciful ways of achieving ordinary ends.

4. Under a narrow reading of *Star Athletica* (one that discards some of the more troubling dicta in the decision), a design element is not conceptually separable if removing it or replacing it with a less creative alternative changes the functional attributes of the product. Thus, the Aeron Chair would not be copyrightable because there are no obvious substitutes for the design features of the Aeron Chair that would not significantly change the utility of the chair.

5. Under a maximalist reading of *Star Athletica,* design elements are conceptually separable, even if replacing them with less creative alternatives would change the functional attributes of the product in question. This follows, because any feature can be "imagined" in a non-utilitarian context, and one can read *Star Athletica* for the proposition that it does not matter if what is left behind "after the imaginary extraction" is less useful.

Star Athletica at the Copyright Office

Colosseum Flatware Artwork

In a 2019 decision the Review Board of the United States Copyright Office agreed that the work titled "Colosseum Flatware Artwork," pictured below, met the "separate-identification" requirement of the conceptual separability test, but failed the "independent-existence" requirement. See, Second Request for Reconsideration for Refusal to Register Colosseum Flatware Artwork; Correspondence ID: 1-3H7MI85; SR 1-6342140861

Figure: Colosseum Flatware Artwork

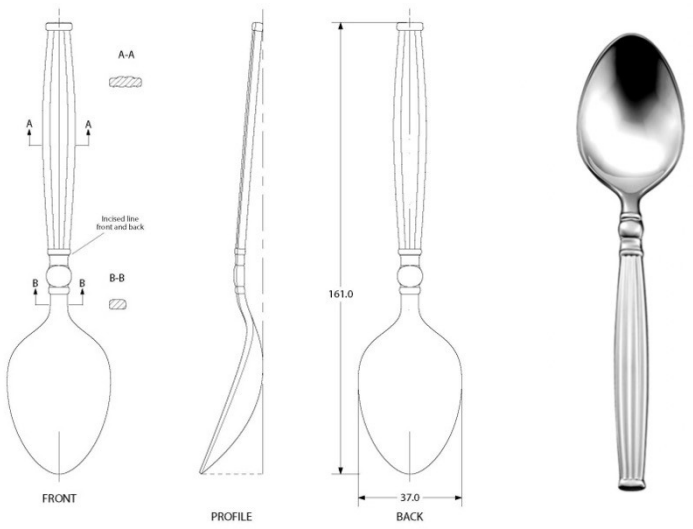


Image description: Left, a technical drawing of a large spoon shown in three views: front, profile, and back. Right, a metal spoon with a reflective oval bowl and a long handle. The handle has vertical grooves running its length, ending in a squared tip with simple decorative ridges.

The Board concluded that the separable features did not qualify as a protectable pictorial, graphic or sculptural work because they lacked, individually or in combination, the requisite minimum degree of creativity required for copyright protection.

In this decision, the Board analyzed the design features of the spoon separate from its intrinsic spoon shape and function and concluded that those remaining features—evenly

spaced stripes, a sphere and basic lines—were standard geometric shapes that are not copyrightable individually or in the "workaday combination" presented.

Kitchen Helper Children's Stool

In assessing the copyrightability of the Kitchen Helper Children's Stool, pictured below, the Board concluded that the only aspect of the design that made it through the separate-identification requirement was "the geometric cutouts—four stars, two circles, two squares, and a half-moon." Second Request for Reconsideration for Refusal to Register Kitchen Helper Children's Stool (Correspondence ID: 1-30JN911, SR # 1-6843395721)

Figure: Kitchen Helper Children's Stool



Image description: A white wooden step stool designed for children, with guard rails on all sides. The sides feature cut-out shapes including circles, stars, and rectangles. The stool has a wide base with flared feet for stability and an elevated platform inside for standing.

Once the work is reduced down to those basic geometric features, the conclusion that it failed the *Feist* threshold under the "independent-existence" requirement was inevitable.

The Board concluded that:

> … neither the Work's separable individual elements nor the combination of those elements meet this threshold. The individual separable elements—four stars, two circles, two squares, and a half-moon—are common and familiar shapes, and, as such, are not copyrightable. Moreover, viewed as a whole, the Board finds that the selection, coordination, and arrangement of these shapes are insufficient to render the Work sufficiently creative and original. Here, the arrangement of the stars, circles, and squares are evenly spaced and create a mirror image on either side of the stool. The shapes are each the same size and contain no variation. The half-moon is vertically centered below the step. While a sufficiently creative arrangement of shapes may provide a basis for copyrightability, a mirror image arrangement of evenly spaced shapes amounts to a garden variety pattern that falls short of the Copyright Act's requirements for protection.

Yeezy Boost

In contrast, in another decision the Copyright Office overturned an examination decision refusing to register "2-D artwork and sculpture claims" for two pairs of sneakers, the Yeezy Boost 350 Version 1 and Yeezy Boost 350 Version 2.

In Adidas' first request for reconsideration, the Copyright Office took the view that the works were useful articles. Applying the useful article doctrine, the Office argued that although the works contained separable designs, "those designs did not meet the originality requirement as they consisted of simple shapes arranged into common, expected patterns in very simple color schemes."

However, after Adidas' second request, the Copyright Office Review Board applied the law as follows:

> … The Board agrees that the Works can be perceived as two- or three-dimensional works of art separate from the useful article, that is, the sneaker. Thus, the only remaining issue is whether the Works are protectable as original works of authorship if imagined separately from the sneaker.
>
> The Board believes that the Works contain a sufficient amount of original and creative two- and three-dimensional authorship for registration. Our decision to register the Works is based on the low standard for copyrightability articulated in *Feist Publications v. Rural Telephone Service Co.*, 499 U.S. 340 (1991). But the Board's decision relates only to the Works as a whole, and does not extend individually to any of the standard and common elements depicted in the Works such as lines, stripes, or swirl designs. … When reviewed as a whole, the Works reflect that the common constituent shapes were "combined in a distinctive manner indicating some ingenuity." *Atari Games Corp. v. Oman*, 888 F.2d 878, 883 (D.C. Cir. 1989). Thus, the Board believes that the Works contain a sufficient amount of original and creative authorship.

Re: Second Request for Reconsideration for Refusal to Register Yeezy Boost 350 Version 1, Yeezy Boost 350 Version 2

Various Illustrations of the Yeezy Boost 350 Version 1 Included in the Copyright Office's Letter Granting Adidas' Second Request for Reconsideration



Image description: A collage of four views of a sneaker with a knitted, black-and-white patterned upper and thick white ribbed sole.

Compare *Artistic Features of Canyon Boot v1 and 9 Other Unpublished Works* (Review Board, March 20, 2026). Urban Outfitters sought to register three-dimensional artwork in the decorative features of ten western-style boot designs: stitching, nail heads, piping, cowhide, and the words "WE THE FREE" embossed on the sole. The Board split the analysis. Some features failed at the first stage — "the leather loops, or pull tabs, are not separable because they have an intrinsic utilitarian purpose" — but the decorative features generally satisfied separate identification. The claim then died on originality. The Board described the designs as "obvious and preordained configurations of unprotectable elements," most of them "stock or standard features within the boot industry."

Urban Outfitters pointed to earlier registrations of comparable footwear. The Board refused the comparison, quoting the *Compendium (Third)* § 309.3: "[a] decision to register a particular work has no precedential value."

***

How much work is the useful article doctrine doing in these cases?

Evaluated without reference to the useful article doctrine, the Kitchen Helper stool combines a few basic geometric and structural features and might still fail the originality threshold. But arguably there is just enough complexity here to satisfy the designedly low

threshold in *Feist*. However, after the application of the first prong of the conceptual separability test, the structural features of the stool vanish and all we are left with is clearly uncopyrightable geometric features. The same analysis probably holds for the Colosseum Flatware Artwork.

The Yeezy Boost decision illustrates that under a broad reading of *Star Athletica*, design features that are integrated into the product will allow the entire product to pass through the first stage of the conceptual separability test and thus leave more material to evaluate in terms of originality. The most intriguing part of the Board's decision in this case is what is left out. The Board does not explain at all how or why the Yeezy works can be "imagined separately from the sneaker." One is left with the suspicion that as long as a work is significantly different from conventional designs for the same utilitarian article, that difference will always satisfy the separate-identification requirement. If so, then conceptual separability becomes a test of significant novelty for integrated design features.

What the Office has done since

The *Yeezy Boost* decision is the strongest evidence that *Star Athletica* loosened the useful article doctrine, and it is the decision applicants cite. Subsequent practice points the other way. The pattern in the Review Board's letters is that separability is conceded or assumed, and the claim then dies on *Feist* originality. Every letter in the useful-article category issued in 2025 and 2026 (through September 2026) affirmed the refusal to register.

Moynihan Train Hall Clock (Review Board, May 22, 2026) is representative. Peter Pennoyer sought to register a sculptural claim in the four-faced clock that hangs in the main hall of New York's Moynihan Train Hall. The Board accepted that the work was separable — "The case surrounding the clock is a separable sculptural design that can be perceived notwithstanding the utilitarian aspects of the clock mechanism" — and then refused registration for want of creativity, describing the separable features as "regularly shaped and neatly arranged rectangles, trapezoids, and circles."

The applicant argued that the design was distinctive, striking, and inspired by art deco. The Board declined to weigh any of that, quoting *Star Athletica*: "[O]ur inquiry is limited to how the [work is] perceived, not how or why [it] was designed." The pattern is worth noticing. Since *Star Athletica* the Office concedes separability far more readily than it once did, and then refuses on originality instead. The gate has moved rather than opened, and a landmark clock in a landmark building does not get through it.

The Moynihan Train Hall Clock, from the Copyright Office Review Board letter



Image description: Two side-by-side photographs show the suspended clock inside Moynihan Train Hall at Pennsylvania Station. The clock is a tall, dark, rectangular structure with vertical, ribbed Art Deco-style detailing. Large round cream-colored clock faces with black numbers and hands are visible on multiple sides. The clock hangs from thin cables attached to exposed steel beams beneath the hall's high glass-and-metal roof.

Recent cases

(1) The district courts have gone on applying *Star Athletica* at the pleading stage, and the results have not been kind to designers. In *Young-Hwan Choi v. Urban Intelligence Inc.*, No. 25-cv-9496 (S.D.N.Y. 2026), the plaintiff had won the 2009 urbanSHED International Design Competition, run by New York City's Department of Buildings and the American Institute of Architects, with a redesigned sidewalk shed — the scaffolding that shrouds Manhattan pavements during construction. His design is now marketed as the Urban Umbrella, and he sued the company selling it. Judge Marrero worked the two prongs expressly and dismissed. The arch shapes, integrated lighting and transparent roofing passed the first prong, since the court could identify features "having pictorial, graphic, or sculptural qualities"; but they failed the second. "Simply put, arch shapes, integrated lighting, and transparent roofing features cannot be 'identified separately from' the useful aspects of the scaffolding structure." A design can win an architectural competition, be built across a city, and still not be a work of authorship.

(2) In *Silvertop Associates v. Kangaroo Manufacturing Inc.,* 931 F.3d 215 (3d Cir. 2019) the Third Circuit held under *Star Athletica* that a banana costume is (likely) copyrightable, i.e. original and non-utilitarian. Compare to *Lanard Toys Ltd. v. Dolgencorp LLC*, 958 F.3d 1337 (Fed. Cir. 2020) holding that a toy chalk holder designed to look like a pencil was not copyrightable because it was not capable of existing independently as a work of art.

Appendix A from Silvertop v. Kangaroo



Image description: Three men wearing banana costumes. Each costume is a large, bright yellow banana suit with a hole for the wearer's face near the top. The men wear black clothing underneath and strike playful poses with arms raised or outstretched.

International: the concept of "industrial property"

The European tradition of intellectual property protection draws a distinction between "artistic and literary works of authorship" on the one hand and "industrial property" on the other. Around the world, industrial designs are protected, variously, under sui generis design right regimes, as special types of patents, and/or under the umbrella of copyright. Articles 25 and 26 of the TRIPs Agreement require the protection of industrial designs for a minimum period of 10 years.

> **TRIPs Article 25(1)**
>
> Members shall provide for the protection of independently created industrial designs that are new or original. Members may provide that designs are not new or original if they do not significantly differ from known designs or combinations of known design features. Members may provide that such protection shall not extend to designs dictated essentially by technical or functional considerations.
>
> **TRIPs Article 26**
>
> (1) The owner of a protected industrial design shall have the right to prevent third parties not having the owner's consent from making, selling or importing articles bearing or embodying a design which is a copy, or substantially a copy, of the protected design, when such acts are undertaken for commercial purposes.
>
> (3) The duration of protection available shall amount to at least 10 years.

The Berne Convention (Paris 1971) requires that member nations protect "every production in the literary, scientific and artistic domain" as a literary work. However, Article 2(7) of the Berne Convention leaves it up to member countries to determine the extent to which copyright law should apply to "works of applied art and industrial designs and models, as well as the conditions under which such works, designs and models shall be protected." But note that subsection 7 also provides that if a country has no special protection for designs and models, they must be protected as artistic works.

Berne Convention (Paris 1971) Article 2

> (1) The expression "literary and artistic works" shall include every production in the literary, scientific and artistic domain, whatever may be the mode or form of its expression …
>
> (7) … it shall be a matter for legislation in the countries of the Union to determine the extent of the application of their laws to works of applied art and industrial designs and models, as well as the conditions under which such works, designs and models shall be protected. Works protected in the country of origin solely as designs and models shall be entitled in another country of the Union only to such special protection as is granted in that country to designs and models; however, if no such special protection is granted in that country, such works shall be protected as artistic works.

Accordingly, the TRIPs Agreement and the Berne Convention require some type of protection for applied art and industrial design, but they leave considerable discretion open to member nations.

The EU's single standard

In its judgment of 4 December 2025 in the joined cases *Mio and Others* (C-580/23 and C-795/23, the latter arising from the *Konektra* proceedings), the Court of Justice confirmed that works of applied art are subject to the same originality standard as other copyright works: they must be the author's own intellectual creation, expressed through free and creative choices that bear the imprint of the author's personality. There is no additional requirement of artistic merit or aesthetically significant effect, and Member States may not apply a separate national originality threshold. Although aesthetic considerations may form part of the creative process, aesthetic effect is not by itself determinative. Functional and other constraints matter to the extent that they dictate the choices embodied in the design; partial constraints do not preclude protection, but choices that remain available are not necessarily creative merely because they were not dictated by function. The Court added a third ruling that has no ready American analogue: to establish infringement it is necessary to ask whether creative elements of the protected work have been reproduced in a recognizable manner, and "[t]he same overall visual impression created by the subject matter in conflict and the degree of originality of the work concerned are irrelevant." American courts, by contrast, routinely put overall impression at the center of the infringement inquiry.

The contrast with United States law is instructive. Both systems exclude the purely functional, but they do so through differently structured inquiries. American law asks whether a pictorial, graphic, or sculptural feature can be identified separately from, and is capable of existing independently of, the utilitarian aspects of the article; the separately imagined feature must then satisfy the ordinary requirements for copyright protection, including originality. EU law imposes no corresponding separability requirement. In the case of a table, the inquiry is not whether its design yields a separable sculptural feature, but whether the protected shape itself embodies free and creative choices rather than choices dictated by technical or other constraints.

CHAPTER 20. COPYRIGHT IN COMPUTER SOFTWARE

Overview of copyright protection for computer software

Copyright protection for computer software makes sense for several reasons. First, source code is clearly a form of writing and usually contains phrases and comments that would be recognized as expressive—although much of what is recognizably expressive is actually unnecessary for the program to run. Second, like many other types of copyrighted works, computer software can take enormous time and effort to create, but once created it is easily copied. Third, at the time the TRIPs Agreement was being negotiated, the patentability of computer software was quite uncertain. That uncertainty has not entirely gone away: in the wake of *Alice Corp. v. CLS Bank* (2014) it seems that software that improves the functioning of a computer or provides a technological solution to a technical problem such as more efficient data storage would be patentable but business methods implemented in software would be deemed to be abstract ideas outside patentable subject matter.

Nonetheless, copyright protection for computer software raises some inherent contradictions. Writing software obviously involves considerable human ingenuity, however, no one buys software to appreciate the expressive attributes of its source code. See Pamela Samuelson, et al., *A Manifesto Concerning the Legal Protection of Computer Programs*, 94 COLUMBIA LAW REVIEW 2308, 2317 (1994) ("No one would want to buy a program that did not behave, i.e., that did nothing, no matter how elegant the source code 'prose' expressing that nothing.").

The difference between software and other forms of written communication can be demonstrated by asking the question, "what makes it good?" For most works of authorship, there really is no consensus. For example, many people would say the *DaVinci Code* was a good book, and many would not. The two sides of that debate have very different ideas about what makes something a good book. However, computer scientists and software engineers will inevitably respond that good code is simple, readable, efficient, and well structured. No one says that software should be expressive, moving, that it should speak to the human condition, or have emotional resonance. Software is primarily functional and good software is good because it functions well and does things that people want done. This creates a "paradox … in that software's value is usually measured precisely by its functionality and efficiency, aspects expressly excluded from copyright protection. In light of that disconnect, judges are faced with the prospect of having to fit a square peg into a round hole." Lothar Determann & David Nimmer, *Software Copyright's Oracle from the Cloud*, 30 BERKELEY TECHNOLOGY LAW JOURNAL 161, 169-70 (2015).

As the court noted in *Apple Computer, Inc. v. Franklin Computer Corp.*, 714 F.2d 1240 (3d Cir. 1983) "Although section 102(a) does not expressly list computer programs as works of authorship, the legislative history [for the 1976 Act] suggests that programs were considered copyrightable as literary works."

> **17 U.S. Code § 101**
>
> "Literary works" are works, other than audiovisual works, expressed in words, numbers, or other verbal or numerical symbols or indicia, regardless of the nature

> of the material objects, such as books, periodicals, manuscripts, phonorecords, film, tapes, disks, or cards, in which they are embodied.

That literary works should include computer software was later confirmed, obliquely by Pub. L. 96–517 in 1980 which inserted a definition of "computer program" into Section 101: A "computer program" is a set of statements or instructions to be used directly or indirectly in a computer in order to bring about a certain result.

But even if it is clear that Congress meant for software to be copyrightable, how exactly does this work in practice? The importance of function in software raises some obvious questions with respect to Section 102(b) of the Copyright Act which clearly states that copyright protection does not extend to any "process, system, [or] method of operation …" Indeed, exclusive rights in processes and methods of operation are generally left to the patent system. And yet, the Act now defines "computer programs," as "a set of statements or instructions to be used directly or indirectly in a computer in order to bring about a certain result" which appears to be the very essence of the "process, system, method of operation" exclusion under Section 102(b).

How should this contradiction be resolved? Copyright provides the software industry with a useful set of exclusive rights and robust remedies against infringement. Copyright is extremely useful in acting against blatant piracy where the entirety of a computer program is simply copied without authorization. Given that most software is only distributed in object code and that object code does not lend itself to partial reproduction, this may be the most important aspect of copyright law for the computer industry.

Software should not be denied copyright protection because it is functional—that would contradict Congress' clearly expressed legislative intent—but the scope of copyright protection for software must be carefully policed to ensure that it does not confer a patent-like exclusive right on particular functional features. The modern software industry has thrived on interoperability and open competition. Allowing copyright protection to confer exclusive rights on particular programming methods, functions, or conceptual elements such as the trashcan or pull-down menu in a graphical user interface would make the software industry far less dynamic and competitive.

Software copyright litigation in the 1980s and 1990s

From the early 1980s through the mid-1990s, U.S. courts wrestled with the extent to which copyright law should protect computer programs, application program interfaces (APIs), graphical user interfaces (GUIs), and menu command structures. This formative period began with decisions that extended broad copyright protection to software, often collapsing the distinction between ideas and expression, and concluded with a more calibrated approach that found a way to give some meaning to the statutory exclusions under 17 U.S.C. § 102(b), functional constraints, and interoperability considerations. By the mid-1990s, appellate decisions had moved toward an analytical framework that protected creative expression without granting monopolies over functional concepts, industry standards, or compatibility requirements. This shift helped set expectations in the software engineering community that copyright would not extend to high-level operational methods or interface specifications—a consensus that largely held until the API litigation in *Oracle*

v. Google that began in the 2010s. The early cases are summarized briefly to give you the necessary background to read more recent decisions.

Apple Computer, Inc. v. Franklin Computer Corp., 714 F.2d 1240 (3d Cir. 1983)

Apple sued Franklin Computer for copying the Apple II operating system and application programs in object code to produce Apple II–compatible computers. Franklin argued that object code was not copyrightable and that copying was justified to ensure compatibility.

The Third Circuit held that object code is protectable under copyright law and that wholesale duplication constitutes infringement. In what is arguably dicta, the opinion dismissed interoperability as a factor in determining copyrightability, suggesting that achieving compatibility was merely a commercial goal rather than a copyright concern. The court effectively sidestepped the need to separate protectable expression from unprotectable ideas, reinforcing broad protection at a time when the actual dispute involved complete, verbatim copying.

Whelan Assocs., Inc. v. Jaslow Dental Lab., Inc., 797 F.2d 1222 (3d Cir. 1986)

Whelan developed bookkeeping software for dental laboratories. Jaslow created a structurally similar program to perform the same function in another language without literally copying the original software.

The court defined a program's "idea" as its overall purpose or function, with all other elements treated as expression. If the same function could be achieved in various ways, the chosen method was protectable. This expansive test blurred the line between ideas and expression, risked granting protection over processes and methods of operation excluded by § 102(b), and conflated merger analysis with the idea–expression distinction. The decision became a focal point for criticism and spurred efforts in other circuits to limit such breadth.

Plains Cotton Coop. Ass'n v. Goodpasture Computer Serv., Inc., 807 F.2d 1256 (5th Cir. 1987)

Competing cotton industry software shared structural similarities driven by industry norms, standard forms, and market data formats.

The Fifth Circuit declined to adopt *Whelan*'s framework, holding that similarities dictated by external constraints were unprotectable ideas. This was an early, explicit rejection of the one-idea-per-program approach.

Computer Associates International Inc. v. Altai, Inc., 982 F.2d 693 (2d Cir. 1992)

A former employee copied portions of Computer Associates' job-scheduling software, including an interoperability module (ADAPTER). Altai rewrote the module using a "clean room" process, but structural similarities remained.

The Second Circuit rejected *Whelan*'s model and introduced the Abstraction–Filtration–Comparison test. Courts should: (a) Break a program into structural components. (b) Filter out ideas, elements dictated by external constraints (such as hardware specifications,

compatibility requirements, industry standards, and widely accepted programming practices), and public-domain material. (c) Compare only the remaining protectable expression. Abstraction, filtration, comparison. The court emphasized that compatibility requirements and other externalities are unprotectable, directly countering *Apple v. Franklin*'s dicta. This framework became the dominant approach nationwide, balancing protection with the need for interoperability.

Sega Enterprises Ltd. v. Accolade, Inc., 977 F.2d 1510 (9th Cir. 1992)

Accolade reverse-engineered Sega's Genesis lockout code to make compatible games, creating intermediate copies and incorporating only the minimal code necessary for interoperability.

The Ninth Circuit held that functional requirements for compatibility are unprotectable. It also held that the intermediate copying involved in reverse engineering to uncover those functional elements to achieve interoperability is fair use under § 107. This ruling legitimized reverse engineering to uncover unprotectable functional elements and strengthened legal protection for interoperability-focused development.

Apple Computer, Inc. v. Microsoft Corp., 35 F.3d 1435 (9th Cir. 1994)

In the mid-1980s, Apple had pioneered the Macintosh graphical user interface (GUI), introducing features such as overlapping windows, icons, pull-down menus, and a desktop metaphor that allowed users to interact with programs visually rather than through text-based commands. The GUI was widely seen as a key competitive differentiator. In 1985, Apple and Microsoft entered into a licensing agreement that allowed Microsoft to use certain Macintosh visual elements in developing Microsoft Windows 1.0. Over time, Microsoft released updated versions—Windows 2.0 and 3.0—that incorporated more sophisticated GUI features, some closely resembling those in the Macintosh interface.

Apple alleged that Microsoft had exceeded the scope of the license and copied numerous visual and structural elements from the Macintosh GUI. These included the arrangement and appearance of icons, window borders, scroll bars, menu bars, and other on-screen displays.

The litigation required the courts to disentangle which GUI components were original expression, which were covered by license, and which were unprotectable due to functionality, standardization, or prior art. The district court conducted a detailed "dissection" of GUI features before applying a high threshold ("virtual identity") for infringement of an audiovisual compilation. The Ninth Circuit affirmed this approach. The Ninth Circuit applied filtering to remove unprotectable elements and then applied a "virtual identity" standard to the compilation. It found no infringement. This reinforced the principle that functional or standard design elements in GUIs are outside copyright protection.

Lotus Dev. Corp. v. Borland Int'l, Inc., 49 F.3d 807 (1st Cir. 1995)

In the early 1980s, Lotus Development Corporation launched Lotus 1-2-3, a spreadsheet program for the IBM PC that quickly dominated the market, thanks in part to its innovative

features and its menu command hierarchy—a structured system of over 200 text-based commands that provided both a logical way to operate the program and a foundation for user-created macros. Lotus 1-2-3 benefited from a strong "lock-in" effect because after its users spent time and effort writing their own macros to work specifically with that software, they were less likely to want to move to a new spreadsheet program, even if it was better or cheaper.

Seeking to enter the spreadsheet market, Borland International developed Quattro Pro, a program with a graphical user interface and enhanced features. Borland recognized the need to support existing Lotus macros to attract users. To accomplish this, Borland implemented a 1-2-3 compatibility mode that replicated Lotus's menu command hierarchy, allowing macros to run seamlessly despite Quattro Pro's visually different interface.

Lotus sued Borland for copyright infringement, arguing that the duplication of the command structure was an unauthorized copy of their creative expression. Borland, however, countered that the menu hierarchy was a functional "method of operation," a utilitarian means of controlling the program that is explicitly excluded from copyright protection under 17 U.S.C. § 102(b), thereby raising the central legal question of whether a system of menu commands could be considered protectable expressive code or an unprotectable operational method.

The First Circuit held that the menu command hierarchy was a "method of operation" under § 102(b) and thus unprotectable. The Supreme Court affirmed without opinion due to a tie vote. See *Lotus Dev. Corp. v. Borland Int'l, Inc.,* 516 U.S. 233 (1996).

Notes and Review:

By the mid-1990s, courts had established that: Object code and literal expression are protectable, but functional constraints are not; compatibility requirements, interface specifications, and industry standards fall outside copyright; reverse engineering for interoperability can be a fair use; and that command hierarchies and GUIs are subject to filtering to exclude unprotectable functional elements. This framework preserved incentives for creative software development while safeguarding competition and interoperability in rapidly evolving technology markets. For more, see Peter S. Menell, *API Copyrightability Bleak House: Unraveling and Repairing the Oracle v. Google Jurisdictional Mess*, 31 BERKELEY TECHNOLOGY LAW JOURNAL 1515 (2016).

The Copyrightability and Infringement of APIs

An Application Programming Interface (API) serves as a critical mechanism enabling two distinct software components to communicate and exchange data seamlessly, without requiring human intervention. Essentially, an API functions as a "contract of service" between applications, meticulously defining how requests and responses are structured and exchanged. This framework is often detailed in comprehensive API documentation, providing developers with the necessary guidelines for interaction.

APIs are fundamental to modern software development, offering substantial benefits. They are indispensable for integrating new applications with existing software systems,

significantly accelerating development speed by allowing developers to leverage existing code rather than building every functionality from scratch. Furthermore, APIs foster innovation by enabling the rapid deployment of novel services, as changes can be implemented at the API level without necessitating a complete rewrite of the entire codebase. They also facilitate the expansion of services across diverse platforms, such as integrating map information across websites, Android, and iOS devices. Lastly, APIs contribute to ease of maintenance by acting as a gateway between systems, obliging each system to manage internal changes without impacting the API's functionality for the other party.

Key components of an API often include "declaring code" and "implementing code." Declaring code identifies and organizes prewritten software components and specifies how they communicate with other programs. In contrast, implementing code is the actual set of instructions that performs a specific task or function.

The inherent functionality of APIs presents a fundamental tension with traditional copyright law. APIs are defined as mechanisms that facilitate communication and integration between software components, serving a distinctly functional purpose. They are frequently described as "functional" in nature. Yet, their structure and organization also involve elements of expression.

*

The protracted legal battle between Oracle and Google began shortly after Oracle acquired Sun Microsystems in 2010, thereby gaining ownership of the Java platform. Oracle subsequently initiated a lawsuit against Google, alleging copyright infringement based on Google's Android mobile operating system. Google had copied approximately 11,500 lines of code from Oracle's Java SE Application Programming Interface (API) to develop Android.

The copied code primarily consisted of "declaring code" and the "structure, sequence, and organization" (SSO) of 37 Java API packages. It is important to note that Google did not copy the "implementing code," which performs the actual tasks. The dispute centered on whether this specific type of copying constituted copyright infringement.

The case endured a complex procedural history with multiple reversals through the lower courts. Initially, the District Court for the Northern District of California, under Judge William Alsup, ruled that APIs were not copyrightable as a matter of law. This decision was widely praised by the programming community. However, the U.S. Court of Appeals for the Federal Circuit reversed this ruling, holding that the declaring code and the SSO of the Java APIs were indeed copyrightable.

Following this, the case was remanded to the district court, where a jury found in Google's favor, determining that its use of the Java APIs constituted fair use. Oracle appealed again, and the Federal Circuit once more reversed the lower court's decision, concluding that Google's use was not fair use as a matter of law. This final Federal Circuit reversal set the stage for the U.S. Supreme Court's review.

Google LLC v. Oracle America, Inc., 141 S.Ct. 1183 (2021)

JUSTICE BREYER, delivered the opinion of the Court.

Oracle America, Inc., is the current owner of a copyright in Java SE, a computer program that uses the popular Java computer programming language. Google, without permission, has copied a portion of that program, a portion that enables a programmer to call up prewritten software that, together with the computer's hardware, will carry out a large number of specific tasks. The lower courts have considered (1) whether Java SE's owner could copyright the portion that Google copied, and (2) if so, whether Google's copying nonetheless constituted a "fair use" of that material, thereby freeing Google from copyright liability. The Federal Circuit held in Oracle's favor (i.e., that the portion is copyrightable and Google's copying did not constitute a "fair use"). In reviewing that decision, we assume, for argument's sake, that the material was copyrightable. But we hold that the copying here at issue nonetheless constituted a fair use. Hence, Google's copying did not violate the copyright law.

I

In 2005, Google acquired Android, Inc., a startup firm that hoped to become involved in smartphone software. Google sought, through Android, to develop a software platform for mobile devices like smartphones. A platform provides the necessary infrastructure for computer programmers to develop new programs and applications. One might think of a software platform as a kind of factory floor where computer programmers (analogous to autoworkers, designers, or manufacturers) might come, use sets of tools found there, and create new applications for use in, say, smartphones.

Google envisioned an Android platform that was free and open, such that software developers could use the tools found there free of charge. Its idea was that more and more developers using its Android platform would develop ever more Android-based applications, all of which would make Google's Android-based smartphones more attractive to ultimate consumers. Consumers would then buy and use ever more of those phones. *Oracle America, Inc. v. Google Inc.*, 872 F. Supp. 2d 974, 978 (ND Cal. 2012). That vision required attracting a sizeable number of skilled programmers.

At that time, many software developers understood and wrote programs using the Java programming language, a language invented by Sun Microsystems (Oracle's predecessor). About six million programmers had spent considerable time learning, and then using, the Java language. Many of those programmers used Sun's own popular Java SE platform to develop new programs primarily for use in desktop and laptop computers. That platform allowed developers using the Java language to write programs that were able to run on any desktop or laptop computer, regardless of the underlying hardware (i.e., the programs were in large part "interoperable"). Indeed, one of Sun's slogans was "write once, run anywhere."

Shortly after acquiring the Android firm, Google began talks with Sun about the possibility of licensing the entire Java platform for its new smartphone technology. But Google did not want to insist that all programs written on the Android platform be interoperable. As Android's founder explained, "the whole idea about [an] open source [platform] is to have very, very few restrictions on what people can do with

it," and Sun's interoperability policy would have undermined that free and open business model. Apparently, for reasons related to this disagreement, Google's negotiations with Sun broke down. Google then built its own platform.

The record indicates that roughly 100 Google engineers worked for more than three years to create Google's Android platform software. In doing so, Google tailored the Android platform to smartphone technology, which differs from desktop and laptop computers in important ways. A smartphone, for instance, may run on a more limited battery or take advantage of GPS technology. The Android platform offered programmers the ability to program for that environment. To build the platform, Google wrote millions of lines of new code. Because Google wanted millions of programmers, familiar with Java, to be able easily to work with its new Android platform, it also copied roughly 11,500 lines of code from the Java SE program. The copied lines of code are part of a tool called an Application Programming Interface, or API.

What is an API? The Federal Circuit described an API as a tool that "allow[s] programmers to use … prewritten code to build certain functions into their own programs, rather than write their own code to perform those functions from scratch." *Oracle America, Inc. v. Google, Inc.*, 750 F. 3d 1339, 1349 (2014). Through an API, a programmer can draw upon a vast library of prewritten code to carry out complex tasks. For lay persons, including judges, juries, and many others, some elaboration of this description may prove useful.

Consider in more detail just what an API does. A computer can perform thousands, perhaps millions, of different tasks that a programmer may wish to use. These tasks range from the most basic to the enormously complex. Ask the computer, for example, to tell you which of two numbers is the higher number or to sort one thousand numbers in ascending order, and it will instantly give you the right answer. An API divides and organizes the world of computing tasks in a particular way. Programmers can then use the API to select the particular task that they need for their programs. In Sun's API (which we refer to as the Sun Java API), each individual task is known as a "method." The API groups somewhat similar methods into larger "classes," and groups somewhat similar classes into larger "packages." This method-class-package organizational structure is referred to as the Sun Java API's "structure, sequence, and organization," or SSO.

For each task, there is computer code, known as "implementing code," that in effect tells the computer how to execute the particular task you have asked it to perform (such as telling you, of two numbers, which is the higher). The implementing code (which Google independently wrote) is not at issue here. For a single task, the implementing code may be hundreds of lines long. It would be difficult, perhaps impossible, for a programmer to create complex software programs without drawing on prewritten task-implementing programs to execute discrete tasks.

But how do you as the programmer tell the computer which of the implementing code programs it should choose, i.e., which task it should carry out? You do so by entering into your own program a command that corresponds to the specific task and calls it up. Those commands, known as "method calls," help you carry out the

task by choosing those programs written in implementing code that will do the trick, i.e., that will instruct the computer so that your program will find the higher of two numbers. If a particular computer might perform, say, a million different tasks, different method calls will tell the computer which of those tasks to choose. Those familiar with the Java language already know countless method calls that allow them to invoke countless tasks.

And how does the method call (which a programmer types) actually locate and invoke the particular implementing code that it needs to instruct the computer how to carry out a particular task? It does so through another type of code, which the parties have labeled "declaring code." Declaring code is part of the API. For each task, the specific command entered by the programmer matches up with specific declaring code inside the API. That declaring code provides both the name for each task and the location of each task within the API's overall organizational system (i.e., the placement of a method within a particular class and the placement of a class within a particular package). In this sense, the declaring code and the method call form a link, allowing the programmer to draw upon the thousands of prewritten tasks, written in implementing code. Without that declaring code, the method calls entered by the programmer would not call up the implementing code.

The declaring code therefore performs at least two important functions in the Sun Java API. The first, more obvious, function is that the declaring code enables a set of shortcuts for programmers. By connecting complex implementing code with method calls, it allows a programmer to pick out from the API's task library a particular task without having to learn anything more than a simple command. For example, a programmer building a new application for personal banking may wish to use various tasks to, say, calculate a user's balance or authenticate a password. To do so, she need only learn the method calls associated with those tasks. In this way, the declaring code's shortcut function is similar to a gas pedal in a car that tells the car to move faster or the QWERTY keyboard on a typewriter that calls up a certain letter when you press a particular key. As those analogies demonstrate, one can think of the declaring code as part of an interface between human beings and a machine.

The second, less obvious, function is to reflect the way in which Java's creators have divided the potential world of different tasks into an actual world, i.e., precisely which set of potentially millions of different tasks we want to have our Java-based computer systems perform and how we want those tasks arranged and grouped. In this sense, the declaring code performs an organizational function. It determines the structure of the task library that Java's creators have decided to build. To understand this organizational system, think of the Dewey Decimal System that categorizes books into an accessible system or a travel guide that arranges a city's attractions into different categories. Language itself provides a rough analogy to the declaring code's organizational feature, for language itself divides into sets of concepts a world that in certain respects other languages might have divided differently. The developers of Java, for example, decided to place a method called "draw image" inside of a class called "graphics."

Consider a comprehensive, albeit farfetched, analogy that illustrates how the API is actually used by a programmer. Imagine that you can, via certain keystrokes, instruct a robot to move to a particular file cabinet, to open a certain drawer, and to pick out a specific recipe. With the proper recipe in hand, the robot then moves to your kitchen and gives it to a cook to prepare the dish. This example mirrors the API's task-related organizational system. Through your simple command, the robot locates the right recipe and hands it off to the cook. In the same way, typing in a method call prompts the API to locate the correct implementing code and hand it off to your computer. And importantly, to select the dish that you want for your meal, you do not need to know the recipe's contents, just as a programmer using an API does not need to learn the implementing code. In both situations, learning the simple command is enough.

Now let us consider the example that the District Court used to explain the precise technology here. A programmer wishes, as part of her program, to determine which of two integers is the larger. To do so in the Java language, she will first write **java.lang.** Those words (which we have put in bold type) refer to the "package" (or by analogy to the file cabinet). She will then write **Math.** That word refers to the "class" (or by analogy to the drawer). She will then write max. That word refers to the "method" (or by analogy to the recipe). She will then make two parentheses (). And, in between the parentheses she will put two integers, say 4 and 6, that she wishes to compare. The whole expression—the method call—will look like this: "**java.lang.Math.max(4, 6).**" The use of this expression will, by means of the API, call up a task-implementing program that will determine the higher number.

In writing this program, the programmer will use the very symbols we have placed in bold in the precise order we have placed them. But the symbols by themselves do nothing. She must also use software that connects the symbols to the equivalent of file cabinets, drawers, and files. The API is that software. It includes both the declaring code that links each part of the method call to the particular task-implementing program, and the implementing code that actually carries it out.

Now we can return to the copying at issue in this case. Google did not copy the task-implementing programs, or implementing code, from the Sun Java API. It wrote its own task-implementing programs, such as those that would determine which of two integers is the greater or carry out any other desired (normally far more complex) task. This implementing code constitutes the vast majority of both the Sun Java API and the API that Google created for Android. For most of the packages in its new API, Google also wrote its own declaring code. For 37 packages, however, Google copied the declaring code from the Sun Java API. As just explained, that means that, for those 37 packages, Google necessarily copied both the names given to particular tasks and the grouping of those tasks into classes and packages.

In doing so, Google copied that portion of the Sun Java API that allowed programmers expert in the Java programming language to use the "task calling" system that they had already learned. As Google saw it, the 37 packages at issue included those tasks that were likely to prove most useful to programmers working on applications for mobile devices. In fact, "three of these packages were …

fundamental to being able to use the Java language at all." *Oracle*, 872 F. Supp. 2d, at 982. By using the same declaring code for those packages, programmers using the Android platform can rely on the method calls that they are already familiar with to call up particular tasks (e.g., determining which of two integers is the greater); but Google's own implementing programs carry out those tasks. Without that copying, programmers would need to learn an entirely new system to call up the same tasks.

We add that the Android platform has been successful. Within five years of its release in 2007, Android-based devices claimed a large share of the United States market. As of 2015, Android sales produced more than $42 billion in revenue.

In 2010 Oracle Corporation bought Sun. Soon thereafter Oracle brought this lawsuit in the United States District Court for the Northern District of California.

II

The case has a complex and lengthy history. At the outset Oracle complained that Google's use of the Sun Java API violated both copyright and patent laws. For its copyright claim, Oracle alleged that Google infringed its copyright by copying, for 37 packages, both the literal declaring code and the nonliteral organizational structure (or SSO) of the API, i.e., the grouping of certain methods into classes and certain classes into packages. For trial purposes the District Court organized three proceedings. The first would cover the copyright issues, the second would cover the patent issues, and the third would, if necessary, calculate damages. The court also determined that a judge should decide whether copyright law could protect an API and that the jury should decide whether Google's use of Oracle's API infringed its copyright and, if so, whether a fair use defense nonetheless applied. Ibid.

After six weeks of hearing evidence, the jury rejected Oracle's patent claims (which have since dropped out of the case). It also found a limited copyright infringement. It deadlocked as to whether Google could successfully assert a fair use defense. The judge then decided that, regardless, the API's declaring code was not the kind of creation to which copyright law extended its protection. The court noted that Google had written its own implementing code, which constituted the vast majority of its API. It wrote that "anyone is free under the Copyright Act to write his or her own code to carry out exactly the same" tasks that the Sun Java API picks out or specifies. Google copied only the declaring code and organizational structure that was necessary for Java-trained programmers to activate familiar tasks (while, as we said, writing its own implementing code). Hence the copied material, in the judge's view, was a "system or method of operation," which copyright law specifically states cannot be copyrighted. Id., at 977 (citing 17 U. S. C. § 102(b)).

On appeal, the Federal Circuit reversed. That court held that both the API's declaring code and its organizational structure could be copyrighted. *Oracle*, 750 F. 3d, at 1354. It pointed out that Google could have written its own declaring code just as it wrote its own implementing code. And because in principle Google might have created a whole new system of dividing and labeling tasks that could be called up by programmers, the declaring code (and the system) that made up the Sun Java API was copyrightable. Id., at 1361.

The Federal Circuit also rejected Oracle's plea that it decide whether Google had the right to use the Sun Java API because doing so was a "fair use," immune from copyright liability [and] it remanded the case for another trial on that question. On remand the District Court, sitting with a jury, heard evidence for a week. The court instructed the jury to answer one question: Has Google "shown by a preponderance of the evidence that its use in Android" of the declaring code and organizational structure contained in the 37 Sun Java API packages that it copied "constitutes a 'fair use' under the Copyright Act?" After three days of deliberation the jury answered the question in the affirmative. Google had shown fair use.

Oracle again appealed to the Federal Circuit. And the Circuit again reversed the District Court. The Federal Circuit assumed all factual questions in Google's favor. But, it said, the question whether those facts constitute a "fair use" is a question of law. Deciding that question of law, the court held that Google's use of the Sun Java API was not a fair use. It wrote that "there 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." It remanded the case again, this time for a trial on damages.

Google then filed a petition for certiorari in this Court. It asked us to review the Federal Circuit's determinations as to both copyrightability and fair use. We granted its petition.

III

A

Four provisions of the current Copyright Act are of particular relevance in this case. First, a definitional provision sets forth three basic conditions for obtaining a copyright. There must be a "work of authorship," that work must be "original," and the work must be "fixed in any tangible medium of expression." 17 U. S. C. § 102(a); see also *Feist Publications, Inc. v. Rural Telephone Service Co.*, 499 U.S. 340, 345 (1991) (explaining that copyright requires some original "creative spark" and therefore does not reach the facts that a particular expression describes).

Second, the statute lists certain kinds of works that copyright can protect. They include "literary," "musical," "dramatic," "motion picture," "architectural," and certain other works. § 102(a). In 1980, Congress expanded the reach of the Copyright Act to include computer programs. And it defined "computer program" as "a set of statements or instructions to be used directly or indirectly in a computer in order to bring about a certain result."

Third, the statute sets forth limitations on the works that can be copyrighted, including works that the definitional provisions might otherwise include. It says, for example, that copyright protection cannot be extended to "any idea, procedure, process, system, method of operation, concept, principle, or discovery. …" § 102(b). These limitations, along with the need to "fix" a work in a "tangible medium of expression," have often led courts to say, in shorthand form, that, unlike patents, which protect novel and useful ideas, copyrights protect "expression" but not the "ideas" that lie behind it.

Fourth, Congress, together with the courts, has imposed limitations upon the scope of copyright protection even in respect to works that are entitled to a copyright. … And directly relevant here, a copyright holder cannot prevent another person from making a "fair use" of copyrighted material. § 107. …

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., "processes," "systems," and "methods of operation." Google believes that the API's declaring code and organization fall into these latter categories and are expressly excluded from copyright protection. The second question asks us to determine whether Google's use of the API was a "fair use." Google believes that it was.

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

IV

The language of § 107, the "fair use" provision, reflects its judge-made origins. It is similar to that used by Justice Story in *Folsom v. Marsh*, 9 F. Cas. 342, 348 (No. 4,901) (CC Mass. 1841). See *Campbell*, 510 U. S., at 576 (noting how "Justice Story's summary [of fair use considerations] is discernable" in § 107). That background, as well as modern courts' use of the doctrine, makes clear that the concept is flexible, that courts must apply it in light of the sometimes conflicting aims of copyright law, and that its application may well vary depending upon context. Thus, copyright's protection may be stronger where the copyrighted material is fiction, not fact, where it consists of a motion picture rather than a news broadcast, or where it serves an artistic rather than a utilitarian function. See, e.g., *Stewart*, 495 U.S., at 237-238; *Harper & Row*, 471 U.S., at 563; see also Nimmer on Copyright ("Copyright protection is narrower, and the corresponding application of the fair use defense greater, in the case of factual works than in the case of works of fiction or fantasy"). Similarly, courts have held that in some circumstances, say, where copyrightable material is bound up with uncopyrightable material, copyright protection is "thin." See *Feist*, 499 U.S., at 349 (noting that "the copyright in a factual compilation is thin"); see also *Experian Information Solutions, Inc. v. Nationwide Marketing Servs. Inc.*, 893 F. 3d 1176, 1186 (CA9 2018) ("In the context of factual compilations, … there can be no infringement unless the works are virtually identical").

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 (CA1 1995) (Boudin, J., concurring).

These differences also led Congress to think long and hard about whether to grant computer programs copyright protection. In 1974, Congress established a National Commission on New Technological Uses of Copyrighted Works (CONTU) to look into the matter. §§ 201-208, 88 Stat. 1873-1875. After several years of research, CONTU concluded that the "availability of copyright protection for computer programs is desirable." Final Report 11 (July 31, 1978). At the same time, it recognized that computer programs had unique features. Mindful of not "unduly burdening users of programs and the general public," it wrote that copyright "should not grant anyone more economic power than is necessary to achieve the incentive to create." Id., at 12. And it believed that copyright's existing doctrines (e.g., fair use), applied by courts on a case-by-case basis, could prevent holders from using copyright to stifle innovation. Ibid. ("Relatively few changes in the Copyright Act of 1976 are required to attain these objectives"). Congress then wrote computer program protection into the law.

The upshot, in our view, is that fair use can play an important role in determining the lawful scope of a computer program copyright, such as the copyright at issue here. It can help to distinguish among technologies. It can distinguish between expressive and functional features of computer code where those features are mixed. It can focus on the legitimate need to provide incentives to produce copyrighted material while examining the extent to which yet further protection creates unrelated or illegitimate harms in other markets or to the development of other products. In a word, it can carry out its basic purpose of providing a context-based check that can help to keep a copyright monopoly within its lawful bounds. See House Report pp. 65-66 (1976) (explaining that courts are to "adapt the doctrine [of fair use] to particular situations on a case-by-case basis" and in light of "rapid technological change"); see, e.g., *Lexmark Int'l, Inc. v. Static Control Components, Inc.*, 387 F. 3d 522, 543-545 (CA6 2004) (discussing fair use in the context of copying to preserve compatibility); Sony *Computer Entertainment, Inc. v. Connectix Corp.*, 203 F. 3d 596, 603-608 (CA9 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, 1521-1527 (CA9 1992) (holding that wholesale copying of copyrighted code as a preliminary step to develop a competing product was a fair use).

Justice Thomas' thoughtful dissent offers a very different view of how (and perhaps whether) fair use has any role to play for computer programs. We are told that no attempt to distinguish among computer code is tenable when considering "the nature of the work," even though there are important distinctions in the ways that programs are used and designed, ("The declaring code is what attracted programmers"). We are told that no reuse of code in a new program will ever have a valid "purpose and character," even though the reasons for copying computer code may vary greatly and differ from those applicable to other sorts of works, ibid. (accepting that copying as part of "reverse engineer[ing] a system to ensure

compatibility" could be a valid purpose). And we are told that our fair use analysis must prioritize certain factors over others, even though our case law instructs that fair use depends on the context, see *Campbell*, 510 U.S., at 577-578.

We do not understand Congress, however, to have shielded computer programs from the ordinary application of copyright's limiting doctrines in this way. By defining computer programs in § 101, Congress chose to place this subject matter within the copyright regime. Like other protected works, that means that the owners of computer programs enjoy the exclusive rights set forth in the Act, including the right to "reproduce [a] copyrighted work" or to "prepare derivative works." 17 U.S.C. § 106. But that also means that exclusive rights in computer programs are limited like any other works. Just as fair use distinguishes among books and films, which are indisputably subjects of copyright, so too must it draw lines among computer programs. And just as fair use takes account of the market in which scripts and paintings are bought and sold, so too must it consider the realities of how technological works are created and disseminated. We do not believe that an approach close to "all or nothing" would be faithful to the Copyright Act's overall design.

VI

[The majority's fair use analysis is extracted in a previous chapter. In summary, the Court considered whether Google's copying of the declaring code and organizational structure for 37 packages of the Sun Java API was "fair use" under copyright law. The Sun Java API serves as a user interface, allowing programmers to call up implementing programs through method calls, and consists of implementing code (written by Google for Android), method calls, and declaring code that labels and organizes tasks into packages and classes. Oracle claimed copyright over the declaring code but not the implementing code written afresh by Google. The Court emphasized that declaring code is intertwined with uncopyrightable elements such as task organization and widely known commands, and its value often stems from programmers' investment in learning the system rather than the original author's creative contribution. Because declaring code, if copyrightable at all, is further from the "core" of copyright protection than implementing code, the second factor favored fair use.

In assessing the "purpose and character" of the use, the Court found Google's reimplementation transformative because it created a new smartphone platform allowing programmers to apply their existing Java skills without learning a new system. Google copied only what was necessary to achieve this and wrote new implementing code for Android. Testimony showed that reimplementation of interfaces facilitates interoperability, preserves industry practice, and can spur innovation, with Sun itself having reused preexisting interfaces and recognizing the benefits of Java's adoption on smartphones. Although Google's use was commercial, its transformative nature outweighed this consideration, and the Court found the first factor favored fair use.

Regarding "amount and substantiality," Google copied 11,500 lines—0.4% of the API's total code—which the Court deemed proportionate to its transformative

purpose, rejecting the view that only 170 lines were needed. On "market effects," evidence showed Android did not harm Java SE's actual or potential markets, as Sun's mobile efforts were unsuccessful, its products targeted different segments, and Android operated in a distinct market. Much of Android's benefit came from programmers' prior investment in learning Java, not from Sun's original creative work. The Court concluded that allowing Oracle to control the declaring code risked locking in programmer skills and restricting creativity.]

* * *

The fact that computer programs are primarily functional makes it difficult to apply traditional copyright concepts in that technological world. See *Lotus Development Corp.*, 49 F. 3d, at 820 (Boudin, J., concurring). In doing so here, we have not changed the nature of those concepts. We do not overturn or modify our earlier cases involving fair use—cases, for example, that involve "knockoff" products, journalistic writings, and parodies. Rather, we here recognize that application of a copyright doctrine such as fair use has long proved a cooperative effort of Legislatures and courts, and that Congress, in our view, intended that it so continue. As such, we have looked to the principles set forth in the fair use statute, § 107, and set forth in our earlier cases, and applied them to this different kind of copyrighted work.

We reach the conclusion that in this case, where Google reimplemented a user interface, taking only what was needed to allow users to put their accrued talents to work in a new and transformative program, Google's copying of the Sun Java API was a fair use of that material as a matter of law. The Federal Circuit's contrary judgment is reversed, and the case is remanded for further proceedings in conformity with this opinion.

It is so ordered.

JUSTICE 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.[1]

Footnote 1: A different company, Sun, created the library. But because Oracle later purchased Sun, for simplicity I refer to both companies as Oracle.

Google sought a license to use the library in Android, the operating system it was developing for mobile phones. But when the companies could not agree on terms, Google simply copied verbatim 11,500 lines of code from the library. As a result, it erased 97.5% of the value of Oracle's partnership with Amazon, made tens of billions of dollars, and established its position as the owner of the largest mobile operating system in the world. Despite this, the majority holds that this copying was fair use.

The Court reaches this unlikely result in large part because it bypasses the antecedent question clearly before us: Is the software code at issue here protected by the Copyright Act? The majority purports to assume, without deciding, that the code is protected. But its fair-use analysis is wholly inconsistent with the substantial protection Congress gave to computer code. By skipping over the copyrightability

question, the majority disregards half the relevant statutory text and distorts its fair-use analysis. Properly considering that statutory text, Oracle's code at issue here is copyrightable, and Google's use of that copyrighted code was anything but fair.

I

In the 1990s, Oracle created a programming language called Java. Like many programming languages, Java allows developers to prewrite small subprograms called "methods." Methods form the building blocks of more complex programs. This process is not unlike what legislatures do with statutes. To save space and time, legislatures define terms and then use those definitions as a shorthand. For example, the legal definition for "refugee" is more than 300 words long. 8 U.S.C. § 1101(42). Rather than repeat all those words every time they are relevant, the U.S. Code encapsulates them all with a single term that it then inserts into each relevant section. Java methods work similarly. Once a method has been defined, a developer need only type a few characters (the method name and relevant inputs) to invoke everything contained in the subprogram. A programmer familiar with prewritten methods can string many of them together to quickly develop complicated programs without having to write from scratch all the basic subprograms.

To create Java methods, developers use two kinds of code. The first, "declaring code," names the method, defines what information it can process, and defines what kind of data it can output. It is like the defined term in a statute. The second, "implementing code," includes the step-by-step instructions that make those methods run.[2] It is like the detailed definition in a statute.

Footnote 2: Consider what the relevant text of a simple method—designed to return the largest of three integers—might look like:

public static int MaxNum (int x, int y, int z) {if (x >= y && x >= z) return x; else if (y >= x && y >= z) return y; else return z;}

The first line is declaring code that defines the method, including what inputs (integers x, y, and z) it can process and what it can output (an integer). The remainder is implementing code that checks which of the inputs is largest and returns the result. Once this code is written, a programmer could invoke it by typing, for example, "MaxNum (4, 12, 9)."

Oracle's declaring code was central to its business model. Oracle profited financially by encouraging developers to create programs written in Java and then charging manufacturers a fee to embed in their devices the Java software platform needed to run those programs. To this end, Oracle created a work called Java 2 Platform, Standard Edition, which included a highly organized library containing about 30,000 methods. Oracle gave developers free access to these methods to encourage them to write programs for the Java platform. In return, developers were required to make their programs compatible with the Java platform on any device. Developers were encouraged to make improvements to the platform, but they were required to release beneficial modifications to the public. If a company wanted to customize the platform and keep those customizations secret for business purposes, it had to pay for a separate license.

By 2005, many companies were racing to develop operating systems for what would become modern smartphones. Oracle's strategy had successfully encouraged millions of programmers to learn Java. As a result, Java software platforms were in the vast majority of mobile phones. Google wanted to attract those programmers to Android by including in Android the declaring code with which they were now familiar. But the founder of Android, Andrew Rubin, understood that the declaring code was copyrighted, so Google sought a custom license from Oracle. At least four times between 2005 and 2006, the two companies attempted to negotiate a license, but they were unsuccessful, in part because of "trust issues."

When those negotiations broke down, Google simply decided to use Oracle's code anyway. Instead of creating its own declaring code—as Apple and Microsoft chose to do— Google copied verbatim 11,500 lines of Oracle's declaring code and arranged that code exactly as Oracle had done. It then advertised Android to device manufacturers as containing "Core Java Libraries." Oracle predictably responded by suing Google for copyright infringement. The Federal Circuit ruled that Oracle's declaring code is copyrightable and that Google's copying of it was not fair use.

II

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

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

The Copyright Act expressly protects computer code. It recognizes that a "computer program" is protected by copyright. See 17 U.S.C. §§ 109(b), 117, 506(a). And it defines "'computer program'" as "a set of statements or instructions to be used directly or indirectly in a computer in order to bring about a certain result." § 101. That definition clearly covers declaring code—sets of statements that indirectly perform computer functions by triggering prewritten implementing code.

Even without that express language, declaring code would satisfy the general test for copyrightability. "Copyright protection subsists . . . in original works of authorship fixed in any tangible medium of expression." § 102(a). "Works of authorship include . . . literary works," which are "works . . . expressed in words, numbers, or other verbal or numerical symbols." §§ 101, 102(a). And a work is "original" if it is "independently created by the author" and "possesses at least some minimal degree of creativity." *Feist Publications, Inc. v. Rural Telephone Service Co.*, 499 U.S. 340, 345 (1991). The lines of declaring code in the Java platform readily satisfy this "extremely low" threshold. Ibid. First, they are expressed in "words, numbers, or other verbal or numerical symbols" and are thus works of authorship. § 101. Second, as Google concedes, the lines of declaring code are original because Oracle could have created them any number of ways.

Google contends that declaring code is a "method of operation" and thus excluded from protection by § 102(b). That subsection excludes from copyright protection "any idea, procedure, process, system, method of operation, concept, principle, or discovery, regardless of the form in which it is described, explained, illustrated, or embodied." This provision codifies the "idea/expression dichotomy" that copyright protection covers only the "the author's expression" of an idea, not the idea itself. *Golan v. Holder*, 565 U.S. 302, 328 (2012). A property right in the idea itself "can only be secured, if it can be secured at all, by letters-patent." *Baker v. Selden*, 101 U. S. 99, 105 (1880). Thus, for example, a "method of book-keeping" is not protected by copyright, but the expression describing that accounting method is. Id., at 101-102. So too, a person who writes a book inventing the idea of declaring code has a copyright protection in the expression in the book, but not in the idea of declaring code itself. 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" outside the scope of protection.

That argument fails. As the majority correctly recognizes, declaring code and implementing code are "inextricably bound" together. 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. Implementing code is similar. Absent declaring code, developers would have to write every program from scratch, making complex programs prohibitively time consuming to create. The functionality of both declaring code and implementing code will thus typically rise and fall together.

Google's argument also cannot account for Congress' decision to define 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. When faced with general language barring protection for "methods of operation" and specific language protecting declaring code, the specific governs the general.

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. That interpretation does not, however, render "method of operation" meaningless. It is "given more precise content by the neighboring words with which it is associated." *United States v. Williams*, 553 U.S. 285, 294 (2008). Other terms in the same subsection such as "idea," "principle," and "concept" suggest that "method 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 declaring code is not copyrightable because 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. Even if

the doctrine exists, Google admits that it is merely an application of § 102(b). And, in any event, there 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. Certainly, Apple and Microsoft managed to create their own declaring code.

III

The Court inexplicably declines to address copyrightability. Its sole stated reason is that "technological, economic, and business-related circumstances" are "rapidly changing." That, of course, has been a constant where computers are concerned.

Rather than address this principal question, the Court simply assumes that declaring code is protected and then concludes that every fair-use factor favors Google. I agree with the majority that Congress did not "shield computer programs from the ordinary application" of fair use. But the majority's application of fair use is far from ordinary. By skipping copyrightability, the majority gets the methodology backward, causing the Court to sidestep a key conclusion that ineluctably affects the fair-use analysis: Congress rejected categorical distinctions between declaring and implementing code. But the majority creates just such a distinction. The result of this distorting analysis is an opinion that makes it difficult to imagine any circumstance in which declaring code will remain protected by copyright.

[Justice Thomas argued that three of the four statutory fair-use factors—market effect, purpose and character of use, and amount and substantiality—decisively favored Oracle, while the remaining factor, the nature of the work, could not by itself justify fair use. Justice Thomas thought that the majority's analysis was flawed from the outset because it draws a distinction between declaring and implementing code that Congress has rejected, treating declaring code as less worthy of protection. Declaring code is user-facing, creative in its design and organization, and inseparable from implementing code in value, much like how a book's structure cannot be divorced from its ideas. By undervaluing declaring code, the majority undermines Congress's intent and improperly tilts the fair-use analysis toward Google.

Justice Thomas cites *Harper & Row* for the proposition that the fourth factor is the most important one, without seeming to recognize that *Campbell* says something quite different. He would thus fail Professor Sag's copyright course. On the merits the dissent cites overwhelming evidence that Google's copying caused substantial actual and potential harm to Oracle's licensing business. On Justice Thomas' view, by releasing Android for free, Google destroyed Oracle's revenue model, leading to drastic drops in licensing fees from companies like Amazon and Samsung, and blocking Oracle from licensing its code to smartphone operating system developers. The dissent also notes Google's own market dominance and antitrust violations as the more pressing competitive concern.

Regarding purpose and character of use, the dissent emphasizes Android's massive commercial success—earning billions annually—and rejects the majority's conclusion that Google's use was transformative. Transformative use requires fundamentally new expression or purpose, not merely enabling others to create new products. Here, Google used Oracle's code for the exact same function in a

competing platform, making the use derivative, not transformative. On the amount and substantiality factor, Google copied verbatim the "heart" of Oracle's work—the declaring code that attracted programmers—both qualitatively and quantitatively substantial. Taken together, these points lead the dissent to conclude that fair use is not supported under the statutory framework.]

IV

The majority purports to save for another day the question whether declaring code is copyrightable. The only apparent reason for doing so is because the majority cannot square its fundamentally flawed fair-use analysis with a finding that declaring code is copyrightable. The majority has used fair use to eviscerate Congress' considered policy judgment. I respectfully dissent.

Notes and questions

(1) Why does Justice Breyer's majority opinion in *Oracle v. Google* sidestep the question of copyrightability and focus on fair use instead?

(2) How do Justice Breyer's obvious reservations about the copyrightability of declaring code impact his fair use analysis?

(3) In the wake of *Oracle v. Google*, what can we say about the copyrightability of APIs?

(4) Is "the copyrightability of APIs" even the correct way to frame the question?

SAS Institute, Inc. v. World Programming Ltd., 64 F.4th 1319 (Fed. Cir. 2023)

Reyna, Circuit Judge.

Appellant SAS Institute, Inc. ("SAS") creates and sells a suite of software ("SAS System") used for data access, data management, data analysis, and data presentation. The SAS System allows users to input user-written programs into the SAS System's graphical user interface to complete analytics tasks. Users of the SAS System write commands in a programming language (the "SAS Language"). An earlier version of the SAS System is in the public domain. SAS has copyright registrations that cover various aspects of the SAS System.

World Programming Limited ("WPL") created a competitor to the SAS System, the World Programming System ("WPS System"). The WPS System also uses the SAS Language to allow users to run user-written programs to complete analytics tasks such as data access, data management, data analysis, and data presentation.

On July 18, 2018, SAS filed suit against WPL in the district court for the Eastern District of Texas. The complaint alleged a number of claims, including copyright infringement of the SAS System and SAS user manuals. This appeal, however, is limited to three issues. First, SAS argues that the district court's copyrightability determination is erroneous as a matter of law. Next, SAS asserts that the district court abused its discretion in its use of a "special hearing" to determine copyrightability. Finally, SAS argues that the district court abused its discretion when it rejected SAS's expert report. As shown below, the resolution of the three issues rests on the question of copyrightability.

The term "copyrightability" has different meanings. A commonly accepted definition, and the one herein adopted, is whether the specific elements of a copyrighted work that are asserted in a copyright infringement action fall within the scope of protection extended to that particular work under copyright law. The fields of computer software and computer programs are recognized and addressed as a "literary work" in the U.S. Constitution and the Copyright Act.

U.S. CONSTITUTION AND THE COPYRIGHT ACT

Like the Patent and the Tariff, the Copyright enjoys a provenance stretching back to the birth of this nation. Article I, Section 8 of the U.S. Constitution secures "for limited Times to Authors and Inventors the exclusive Rights to their respective Writings and Discoveries." For purposes of this appeal, it is generally accepted that software coders are "authors" and that their respective works are "writings." See generally, *Oracle America, Inc. v. Google Inc.*, 750 F.3d 1339, 1368 (Fed. Cir. 2014).

The Copyright Act protects "original works of authorship fixed in any tangible medium of expression." 17 U.S.C. § 102(a). To explain the scope of the term "works of authorship," the Act sets forth a non-exclusive statutory list of categories of works of authorship covered by the Act. The first category on this non-exclusive list is "literary works." Id. at § 102(a)(1).

The statutory definition of "literary works" embraces computer programs:

> "Literary works" are works, other than audiovisual works, expressed in words, numbers, or other verbal or numerical symbols or indicia, regardless of the nature of the material objects, such as books, periodicals, manuscripts, phonorecords, film, tapes, disks, or cards, in which they are embodied.

17 U.S.C. § 101. Further, the House Report for the 1976 Act explicitly includes computer programs in its definition of "literary works."

> The term "literary works" does not connote any criterion of literary merit or qualitative value: it includes ... computer data bases, and computer programs to the extent that they incorporate authorship in the programmer's expression of original ideas, as distinguished from the ideas themselves.

As the House Report makes clear, copyright protection extends only to the expression of an idea, not to the underlying idea itself. See also *Mazer v. Stein*, 347 U.S. 201, 217 (1954) ("Unlike a patent, a copyright gives no exclusive right to the art disclosed; protection is given only to the expression of the idea—not the idea itself."). Thus, whether a particular component or element of a program is protected by a copyright depends on whether it qualifies as an expression of an idea, rather than the idea itself. *Gates Rubber Co. v. Bando Chem. Indus., Ltd.*, 9 F.3d 823, 836 (10th Cir. 1993).

Additionally, other doctrines of copyright law detail what elements are not protectable, including scènes à faire elements, material in the public domain, factual material, and elements under the merger doctrine. *Computer Assocs. Int'l, Inc. v. Altai, Inc.*, 982 F.2d 693, 703, 706-10 (2d Cir. 1992); *Gates Rubber Co.,* 9 F.3d at 837.

With these doctrines in mind, the court is tasked with determining the scope of copyright protection. For computer programs, this determination often involves assessing which input and output formats of a computer program are copyrightable, and which are not. *Eng'g Dynamics, Inc. v. Structural Software, Inc.*, 26 F.3d 1335, 1347 (5th Cir. 1994). The literal elements of computer programs, for example: source and object codes, can be the subject of copyright protection. See, e.g., *Altai*, 982 F.2d at 702. As a general matter, and to varying degrees, copyright protection can extend beyond literal elements to nonliteral elements. Id. at 701.

This appeal involves only nonliteral elements of the SAS System. The nonliteral elements of a computer program are those aspects that are not reduced to written code. These elements include the program architecture, structure, sequence and organization, operational modules, and user interface. Using a literary novel as an analogy, the novel's written words would be the literal elements (e.g., code) and the organization of the chapters, characters, and plot would be the nonliteral elements. But concluding that nonliteral elements of a computer program can be protected by copyright does not end a court's analysis: it must determine the scope of such protection. *Altai*, 982 F.2d at 703. The scope of protection is "not constant" across all literary works. *Eng'g Dynamics,* 26 F.3d at 1348. Nor is it necessarily constant across all elements in a single work.

As one moves away from the literal elements to more general levels of a computer program, it becomes more difficult to distinguish between unprotectible ideas, processes, methods or functions, on the one hand, and copyrightable expression, on the other.

Court decisions vary in the methods used to identify and analyze copyrightability for nonliteral elements of computer programs. The analytical framework utilized by the courts may vary to accommodate each case's facts.

Various circuits, including the Second, Fifth, and Tenth Circuits, have adopted the abstraction-filtration-comparison test, or method, to determine the scope of copyright protection for computer programs, including their nonliteral elements. As the name implies, the abstraction-filtration-comparison method involves three steps. First, a court breaks down the allegedly infringed program into its constituent structural parts—abstraction. This step helps a court separate ideas and processes from expression and eliminate those portions of the work that are not eligible for protection. Second, the court sifts out all non-protectable material—filtration. See also *Altai*, at 707-08 (describing this step as "examining the structural components at each level of abstraction" and "defining the scope of plaintiff's copyright"). And, third, the trier of fact compares any remaining "core of protectable expression" with the allegedly infringing program to determine if there is in fact a substantial similarity—comparison. *Altai* at 710-11.

Although the underling suit is a copyright infringement action, this appeal does not reach the final copyright infringement analysis, or the third step of the abstraction-filtration-comparison test. Rather, the focus of the appeal is on the question of copyrightability and, in particular, the filtration step of the abstraction-filtration-comparison test.

PROCEDURE

SAS's action initially involved multiple claims. However, the claims of patent infringement, copyright infringement of SAS user manuals, and copyright infringement as to the literal elements of the SAS System, were dismissed with prejudice by the parties' joint stipulation. Only SAS's claim for nonliteral copyright infringement of the SAS System remained, which is the only claim at issue on this appeal.

Both SAS and WPL moved for summary judgment on the nonliteral copyright infringement claim. As to this claim, SAS does not contend that WPL copied any line of SAS code or any other literal element of the SAS System. Instead, SAS contends that WPL infringes by copying the functions or results of its system. More specifically, SAS alleges WPL copied its "Input Formats," which are the fundamentals (vocabulary and syntax) used in the SAS System. SAS also claims WPL copied its "Output Designs," which are the result of applying Input Formats to user data.

Addressing the parties' cross-motions for summary judgment, the district court concluded that it first needed to determine the copyrightability of the asserted materials to avoid "injecting copyrightability into the jury trial and unavoidably making it part of the jury's infringement analysis." To assist in its inquiry, the district court requested additional briefing and argument on a narrow question: what is the "core protectable expression" of the SAS System that WPL allegedly copied. To clarify this issue, the parties were asked to put forward competing evidence directed to the abstraction and filtration steps of the abstraction-filtration-comparison test.

After the parties submitted the requested briefing, the district court held a "Copyrightability Hearing." In assessing the copyrightability of the nonliteral elements of the SAS System that SAS alleges were copied, the district court concluded that there was no clear guidance in the Fifth Circuit on the "burden of proof in the filtration analysis of copyrightability." As a result, the district court elected to adopt the framework established by the Eleventh Circuit in *Compulife Software Inc. v. Newman*, 959 F.3d 1288 (11th Cir. 2020). Within that framework, once a plaintiff establishes that he or she holds a "valid copyright and that the defendant engaged in factual copying," the defendant may come forward with evidence that the allegedly copied material is in fact copyright unprotectable. Id. at 1026-27 (citing *Compulife*, 959 F.3d at 1305-06). The defendant must identify the "species of unprotectability" alleged and present supporting evidence where appropriate. Id. Once done, the burden of proof shifts back to the copyright holder to establish precisely which parts of its asserted work are, in fact, protectable. Id. (citing *Compulife*, 959 F.3d at 1306).

Applying this framework, the district court determined that SAS satisfied its initial burden on copyrightability by presenting evidence of valid copyright registrations to the SAS System. Next, the district court determined that WPL satisfied its burden to show that elements of the SAS System were not protectable.

For example, WPL established that an earlier version of the SAS System, "SAS 76," was in the public domain. WPL also demonstrated that many of the Input Formats and Output Designs in the current SAS System are identical, or nearly identical, to those in SAS 76, and, as such, should be filtered. WPL demonstrated that the SAS Language should be filtered because it is open and free for public use. WPL's expert opined that the allegedly copied materials contained unprotectable open-source elements; factual and data elements; elements not original to SAS; mathematical and statistical elements; process, system, and method elements; well-known and conventional display elements, such as tables, graphs, plots, fonts, colors, and lines; material for which SAS is not the author; statistical analysis; scènes à faire elements; and short phrase elements. Accordingly, the district court found that WPL provided ample evidence to rebut SAS's prima facie evidence of duly issued copyright registrations and required SAS to show which specific elements of the SAS System that SAS alleged were copied are protectable.

The district court concluded that SAS failed to show that the elements WPL pointed to as unprotectable are indeed entitled to protection or to show the existence and extent of any remaining protectable expression that WPL copied. The district court found that SAS refused to engage in the filtration step and chose instead to simply argue that the SAS System was "creative." On this basis, the district court found that SAS had not met its burden to show protectability of the asserted materials.

The district court also excluded the opinion of SAS's expert, Dr. James Storer, as unreliable because he did not filter out any of the unprotectable elements of the SAS System. The district court reasoned that, at a minimum, Dr. Storer's failure to filter out any of the unprotectable elements resulted in an improper comparison of unprotectable elements to the accused products. The district court dismissed the case with prejudice.

SAS timely appealed. This Court has jurisdiction under 28 U.S.C. § 1295(a)(1).

STANDARD OF REVIEW

When addressing questions of copyright law, this court applies the law which would be applied by the relevant regional circuit—here, the Fifth Circuit. Under Fifth Circuit law, legal issues are reviewed de novo. Copyrightability is generally treated as a legal issue, or as a legal issue that may involve subsidiary factual findings. Treating copyrightability as a question of law is consistent with case law. Here, neither the district court nor the parties dispute that copyrightability is resolved as a question of law. We also note that the resolution of copyrightability rests on interpretation of whether the asserted materials are expressions that fall within the scope of copyright law—matters that belong to the court. On this basis, we hold that in this case the ultimate issue of copyrightability can be resolved as a question of law that we review under a de novo standard. To be clear, whether copyright infringement has occurred is a factual determination that generally can be reached only after the legal determination of copyrightability has been made.

DISCUSSION

SAS raises three main issues on appeal. First, SAS contends that the district court erred when it required SAS to prove that the elements it asserted were copied by WPL are entitled to copyright protection. Second, SAS argues that the district court erred when it used a "Copyrightability Hearing" to assist it reach a copyrightability determination. Third, SAS argues that the court erred in excluding the testimony of its technical expert. We address each issue in turn.

Copyrightability

SAS contends that the district court legally erred in its application of the abstraction-filtration-comparison test. According to SAS, it satisfied its evidentiary burden once it demonstrated that the SAS System was covered by registered copyrights. Further, SAS claims the district court erred when it shifted the burden to SAS to establish that its asserted elements are protected by copyright law. Appellant's Br. at 38-43. Alternatively, SAS argues that the overall selection and arrangement of the Input Format and Output Design was protectable. We disagree.

We conclude that the overall analytical framework adopted by the district court is consistent with established precedent. The plaintiff in a copyright action must respond to any proof advanced by the defendant. SAS's preliminary showing that it has valid, registered copyrights directed to aspects of the SAS System is not sufficient to establish that each nonliteral element of the SAS System is protectable. See *Feist Publications, Inc. v. Rural Tel. Serv. Co.,* 499 U.S. 340, 348 (1991) ("The mere fact that a work is copyrighted does not mean that *every element* of the work may be protected." (emphasis added)). Evidence of a timely obtained copyright registration only creates a rebuttable presumption of copyrightability and validity. The district court correctly determined that, through evidence of valid copyright registrations, SAS established a required threshold of protectability. Consequently, it became WPL's burden to establish what, if any, elements of the copyrighted work are not protected. WPL showed that at least a substantial portion of the allegedly infringed elements of the SAS System are not protectable by copyright. At that point, the district court correctly provided SAS with an opportunity to identify the constituent elements of the work that are protectable. But SAS apparently failed or refused to do so. Instead, SAS steadfastly asserted that the SAS works were creative and that it had provided "repeated evidence of factual copying," but SAS failed to rebut WPL's assertion and did not otherwise provide evidence in relation to the "filtration" step under the three-part test.

As the district court correctly explained, copyright protectability "consists of the absence of the various species of unprotectability." Id. at 1027 (quoting *Compulife*, 959 F.3d at 1305). To be clear, in some instances, as in factual compilations, the selection and arrangement of unprotectable elements may exhibit creative expression and be eligible for protection. As the district court found, SAS did not show that its program was eligible for protection at any level of abstraction.

The dissent contends that the district court and majority erroneously import an infringement analysis to determine copyrightability. We disagree. As demonstrated in this opinion, a key step prior to engaging in an infringement analysis is to determine which elements of the asserted material are copyrightable.

We hold that where the court has received persuasive evidence that the asserted elements are copyright unprotectable, SAS, as the copyright holder, was obligated to identify with specificity the elements of the SAS program that it asserts as copied and to establish that those elements fall within the scope of protection extended to such elements under copyright law. Under these circumstances, the district court correctly determined that SAS did not meet its burden.

Copyrightability Hearing

SAS contends that the district court erred by creating a novel procedure, a "Copyrightability Hearing." More precisely, SAS contends that the adopted procedure is inconsistent with at least Federal Rules of Civil Procedure ("FRCP") 52 and 56 because the district court was wrong to use the procedure as a basis to deny the cross motions for summary judgment and dismiss its case. We disagree.

The Copyrightability Hearing took the form of a pretrial conference, where the district court provided the parties notice and opportunity to brief, argue, and present evidence on the legal question of copyrightability. Such procedures are well-supported by the Federal Rules of Civil Procedure and within the district courts' discretion to manage pre-trial matters under Fifth Circuit case law.

Appellate courts have long held that district courts have discretion to conduct reasonable pretrial procedures and case management to narrow the issues and simplify the mechanics. This would include where "the issue of protectability can be more efficiently addressed" before determining copying. *Gates Rubber Co.*, 9 F.3d at 833. Since SAS failed to provide evidence on which of the challenged elements of the SAS System were copyrightable, the district court correctly found that a jury would be unable to conduct a proper infringement analysis. Accordingly, we discern no abuse of discretion in the procedural mechanism it used to understand and manage the copyrightability issue prior to trial.

Expert Testimony

SAS contends that the district court erred in excluding its experts' testimony.

An expert report that is unreliable or unhelpful to the jury may be excluded under Federal Rule of Evidence 702(a). Throughout this case, the district court insisted that SAS identify its infringement theory with specificity. Instead of identifying and asserting specific protectable elements of the SAS System, SAS relied on abstract definitions of Input Formats and Output Designs. In addition, SAS's expert's analysis also included clearly unprotectable elements.

SAS does not appear to dispute that its expert did not conduct the filtration analysis that the district court adopted. Indeed, SAS's expert either refused or was unable to assist the court in clarifying the core of protectable expression that SAS believed was entitled to copyright protection. SAS's repeated claims that the asserted elements were creative were insufficient.

It is not enough to simply point to asserted elements and declare them protectable because they are creative or because other choices exist. Such an interpretation turns the Copyright Act on its head because it renders superfluous the requirement to prove that material a defendant is alleged to have copied constitutes protected

expression. It ignores that the Act protects "original works of authorship fixed in any tangible medium of expression." 17 U.S.C. § 102(a).

Courts typically receive guidance from the parties' experts on the application of the abstraction-filtration-comparison test to the relevant computer programs. *Gates Rubber Co*., 9 F.3d at 834-35. A court may reasonably adopt an analysis to determine what the "core of protectable expression" is to provide the jury with accurate elements to compare in its role of determining whether infringement has occurred. *Oracle*, 750 F.3d at 1358. Here, the district court appropriately exercised its authority and discretion in finding that SAS's expert engaged in "egregious conduct" and his report was unreliable because it failed to filter out unprotectable elements as ordered by the court, thereby rendering the opinion "unhelpful" to the jury. Under these circumstances, as to the issue of copyrightability, the expert opinion amounted to no more than theoretical speculation.

The district court was correct to exercise its authority and require SAS to articulate a legally viable theory on which it expected to base its copyright infringement claims. Conversely, it would be improper for a district court to permit a matter to proceed to trial on the basis of vague and unidentified theories. Thus, when SAS declined to make any further showing on copyrightability, the district court properly dismissed SAS's claims. We see no basis to conclude that the district court's decision to strike the expert report was manifest or "plain and indisputable" error.

CONCLUSION

The district court correctly determined as a matter of law that SAS failed to establish that the elements it asserted to have been infringed were copyrightable expressions. The district court acted within its authority and discretion in its reliance on the abstraction-filtration-comparison test and Copyrightability Hearing to assist it in its analysis of the scope of copyright protection. The district court did not abuse its discretion in its rejection of SAS's expert. Accordingly, the judgment of the district court is affirmed.

AFFIRMED

Notes and questions

(1) Related litigation. This is just one case between SAS and WPL. In September 2009 SAS filed a copyright suit against WPL in the United Kingdom. The U.K. High Court referred questions about the legal protection of computer programs to the Court of Justice of the European Union. The court ultimately determined that neither the functionality of a computer program nor the format of its data files could be protected by copyright. See *SAS Institute Inc. v World Programming Ltd.*, C-406/10 (European Court of Justice 2 May 2012). As a result, the U.K. courts ruled that WPL had not violated European copyright law. SAS also brought a claim against WPL in the Eastern District of North Carolina on several grounds. The district court granted summary judgment in favor of WPL on copyright infringement and tortious interference claims. However, a jury found WPL liable for fraudulent inducement and violations of the North Carolina Unfair and Deceptive Trade Practices Act, awarding SAS a total of $79,129,905 in damages after trebling. The Fourth

Circuit Court of Appeals later affirmed the jury's verdict but vacated the copyright ruling as moot.

(2) Judge Newman dissented in *SAS v WPL*. She argued that the "SAS System" and "SAS Language" programs were protected by registered copyrights, were copyrightable under statute and long-standing precedent. She emphasized that Congress amended the Copyright Act in 1976 and 1980 to include computer programs as literary works, covering both literal code and nonliteral elements such as structure, sequence, organization, and interfaces, and that creative selection and arrangement of known elements is protectable under cases like *Feist*, *Atari*, *Engineering Dynamics*, and *Altai*. Newman argued that the district court erred by applying the abstraction–filtration–comparison test, intended for infringement analysis, to copyrightability, by excluding SAS's only technical expert, and by improperly shifting the burden of proof back to SAS despite the statutory presumption of validity under § 410(c). Judge Newman's criticism that the district court erred by applying the abstraction –filtration–comparison test, intended for infringement analysis, to copyrightability seems to be quite off-base. What the district court was doing was assessing the copyrightability of particular sub-features of the work in question, in order to determine how they should be treated under the standard abstraction filtration comparison test. It was not using that test to determine copyrightability. It was determining copyrightability in order to apply the AFC test.

(3) How does the Federal Circuit address the software square-peg, copyright round-hole problem in this case?

(4) What did the Federal Circuit make of the copyright owner's arguments that the district court had got the procedure wrong?

(5) Do you agree with Judge Newman's position that once the presumption of validity applies to a work that every aspect of the work is presumed copyrightable?

(6) While the court here does not use the word "API," the Input Formats and Output Designs in SAS's claim are functionally analogous to API specifications: they define how users (or programs) communicate with the system, including syntax, vocabulary, and output structure. Where does that leave us in relation to the copyrightability of APIs? Is the decision in *SAS* distinguishable from *Oracle v. Google* in that here, the only allegation of copying relates to non-literal elements of a computer program? Or, does the Federal Circuit's decision in *SAS Institute* indicate that the Federal Circuit's 2014 ruling in *Oracle v. Google* might be something of an outlier?

(7) The Eighth Circuit reached a compatible conclusion in *InfoDeli, LLC v. Western Robidoux, Inc.*, 136 F.4th 792 (8th Cir. 2025), affirming summary judgment that the nonliteral elements of the plaintiff's online marketplace platforms were not infringed. InfoDeli did not dispute that the individual elements were unprotectable, arguing instead that the district court had "ignored the sum total" and "over-dissected certain copied portions … without considering the protectability of what was copied as a whole," but it could not explain how the interrelationship among unprotected parts made the whole protectable. Nothing in the decision breaks new ground; it is simply a reminder that filtration is not over-dissection, and that a plaintiff who loses element by element does not win by adding the elements back up.

(8) *Oracle International Corp. v. Rimini Street, Inc.*, 123 F.4th 986 (9th Cir. 2024), extracted in Chapter 9, makes a related point about the boundary of the derivative work right in software. Rimini's support programs were held not to be derivative works of Oracle's merely because they interoperated with them: the Copyright Act contains no interoperability test, and a derivative work must actually incorporate the original's protected expression. Read together with *SAS*, the two decisions mark out the same territory from opposite directions — one asks what in a program is protectable at all, the other what it takes for a second program to be an infringing adaptation of the first.

International: Copyright in computer programs under Berne and TRIPs

The Berne Convention does not address the copyrightability of software. However, by 1994 several countries had included computer software within their concept of literary works— either through judicial decisions recognizing software as yet another written form and thus a type of literature, or through an explicit amendment to the copyright law.

Article 10 of the TRIPs Agreement, which was strongly championed by the United States, requires member nations to protect computer programs, whether in source code or object code, as literary works under the Berne Convention.

> **TRIPs Article 10(1)**
>
> Computer programs, whether in source or object code, shall be protected as literary works under the Berne Convention (1971).

What's the difference between source code and object code? The computer code that programmers and software engineers write is called source code. Source code is human-readable by those familiar with the relevant programming language. However, source code does not actually do anything inside a computer. For a computer to do anything, instructions written in source code must be translated into a series of ones and zeros called object code or machine code.

CHAPTER 21. DISTRIBUTION & FIRST SALE

In theory, an exclusive right of distribution would give the copyright owner the right to control any use of the copyrighted work that involved a reproduction of the work changing hands. This is a useful addition to the reproduction right because it regulates downstream conduct by people who might not be liable for infringing the reproduction right. For example, if A makes 100 unauthorized copies and sells them to B, B can be sued for violating the distribution right even if she was not responsible for A's initial violation. Of course, giving the sort of ongoing control over particular physical copies to the copyright owner could cause a host of practical problems. The transaction costs and information costs involved in checking back with rightsholders for every transfer of a copy of the work would make it impossible for individuals to know what to do with old books, movies, and CDs they no longer have any use for.

Every copyright jurisdiction around the world limits the exclusive right of distribution (or its equivalent) in some way. Most commonly, the distribution right is deemed to have been "exhausted" by the first sale of any particular physical embodiment of the work. In some jurisdictions, the distribution right is exhausted by a sale anywhere in the world; in others, a sale in that particular jurisdiction is required. The European Union takes a regional approach to exhaustion. The sale of the work in one member nation exhausts the distribution right for the whole European Union. Books sold in Belgium can be imported into France without the approval of the copyright owner, but books sold in Bolivia cannot. Whether the United States should take a national or an international approach to exhaustion is one of the issues discussed in the materials below.

The Distribution Right

The Copyright Act of 1909 expressly protected the right to "publish" and "vend"; the 1976 Act, in contrast, contains a right to "distribute copies or phonorecords of the copyrighted work to the public by sale or other transfer of ownership, or by rental, lease, or lending."

> **17 U.S. Code § 106**
>
> Subject to sections 107 through 122, the owner of copyright under this title has the exclusive rights to do and to authorize any of the following: …
>
> (3) to distribute copies or phonorecords of the copyrighted work to the public by sale or other transfer of ownership, or by rental, lease, or lending;

In a simpler technological age, the concept of distributing copies of works to the public was not complicated, however, digitization and the Internet have made the metaphysics of the distribution right a bit more interesting. The distribution right is entirely intuitive for what we tend to think of as "physical books", i.e., books printed on paper. In the words of the statute, one distributes a physical book through a transfer of title—"sale or other transfer of ownership"—or a transfer of possession—"by rental, lease, or lending." Arguably, abandonment falls outside the terms of the statute, but that does not seem to have led to much litigation. Moving from the physical to the digital, it is not immediately obvious whether a digital transmission, such as downloading an MP3 music file or a piece

of software from an online store, should be thought of as a distribution even though it certainly would have come within the concept of vending under the 1909 Act.

Distribution by digital transmission?

If we take the words of the Copyright Act at face value, it might seem that digital transmissions do not implicate the exclusive right to distribute the copyrighted work in "copies or phonorecords." But in copyright law, logic and first impressions from the text often take a backseat to more policy focused and less literal methods of interpretation.

Section 106(3) speaks to the distribution of "copies or phonorecords," which are defined in Section 101 as "*material objects* . . . in which a work is fixed by any method now known or later developed, and from which the [work/sounds] can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device."

> **17 U.S. Code § 101 – Definitions**
>
> "Copies" are material objects, other than phonorecords, in which a work is fixed by any method now known or later developed, and from which the work can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device. The term "copies" includes the material object, other than a phonorecord, in which the work is first fixed.

The transmission of bits over the Internet does not involve the distribution of a material object. After all, can you really say that something has been distributed if it still exists at its point of origin? Furthermore, note that Section 106(3) limits the scope of the right to distributions made "by sale or other transfer of ownership, or by rental, lease, or lending," all of which seem to require a change in ownership or possession of a material object. They all seem to indicate that something moves from transferor to transferee. This does not happen in digital transmissions. A digital transmission does not divest the sender of her copy of the relevant file; it merely creates a duplicate at the recipient's location—there is a reproduction, but not a change of ownership or possession as these terms are usually understood.

Courts have considered the argument that downloads are not distributions summarized above and rejected it. See e.g. *Atlantic Recording Corp. v. Serrano*, 2007 WL 4612921, at *3 (S.D. Cal. Dec. 28, 2007) (rejecting the argument as "unsupported by law and … contrary to the policies underlying the application of copyright law to internet communications.")

A sufficient number of courts have held that digital transmissions do in fact implicate the exclusive right to distribute the copyrighted work that the proposition should probably be regarded as settled. See e.g., *Capitol Records, LLC v. ReDigi Inc.*, 934 F. Supp. 2d 640, 651 (S.D.N.Y. 2013) ("ReDigi") ("[T]he sale of digital music files on ReDigi's website infringes Capitol's exclusive right of distribution."). This view is given further weight by the fact that in *New York Times Co. v. Tasini*, 533 U.S. 483, 498 (2001) the Court indicated in dicta that selling copies of news articles for download was a violation of the plaintiff's distribution right.

Why do courts think that file transmission implicates the distribution right?

The opinion in *London-Sire Records, Inc. v. Doe 1*, 542 F. Supp. 2d 153 (D. Mass. 2008) explains the logic of this broader interpretation of the distribution right. In *London-Sire*, the court noted that electronic files are "material objects" within the meaning of the Copyright Act, explaining that "any object in which a sound recording can be fixed"—including "the appropriate segment of [a] hard disk"—qualifies as such. The court held that electronic file transfers are "distributions" under Section 106(3) because *the purpose* of the distribution right is to "allow the author to control the rate and terms at which copies or phonorecords of the work become available to the public." Thus, "while the statute requires that distribution be of 'material objects,' there is no reason to limit 'distribution' to processes in which a material object exists throughout the entire transaction—as opposed to a transaction in which a material object is created elsewhere at its finish." In other words, the court concluded that it is enough that the action creates *a new possessor of a material object encoding the work*, there is no need that the distributor be dispossessed or that a material object literally pass between person A and person B. This is probably right. Under common law property symbolic delivery requires the passing of an object between A and B such that A 'feels the wrench of dispossession' but there is no reason why this is required to determine whether an act infringes on the copyright owner's distribution right which is rightly "concerned with the ability of a transferor to create ownership in someone else—not the transferor's ability simultaneously to retain his own ownership." *London-Sire Records, Inc. v. Doe 1*, 542 F. Supp. 2d 153 (D. Mass. 2008).

In addition to this recipient focused view of distribution, the argument is also supported by Section 115 of the Act. That provision establishes a compulsory license for making and distributing phonorecords of nondramatic musical works, repeatedly refers to distribution … "by means of a digital phonorecord delivery."

> **17 U.S. Code § 115. Scope of exclusive rights in nondramatic musical works: Compulsory license for making and distributing phonorecords**
>
> In the case of nondramatic musical works, the exclusive rights provided by clauses (1) and (3) of section 106, to make and to distribute phonorecords of such works, are subject to compulsory licensing under the conditions specified by this section.
>
> (a) (1) (A) Conditions for compulsory license.—A person may by complying with the provisions of this section obtain *a compulsory license to make and distribute* phonorecords of a nondramatic musical work, *including by means of digital phonorecord delivery*. … (emphasis added)
>
> …
>
> (e) (10) Digital phonorecord delivery.—
>
> The term "digital phonorecord delivery" means each individual delivery of a phonorecord by digital transmission of a sound recording that *results in a specifically identifiable reproduction* by or for any transmission recipient of a phonorecord of that sound recording, regardless of whether the digital transmission is also a public performance of the sound recording or any musical work embodied therein, and includes a permanent download, a limited download, or an interactive stream. … (emphasis added)

Distribution versus "Making Available"

Whether, to what extent, and how United States law recognizes a "making available right" has been the source of ongoing confusion. The confusion stems from the apparent contradiction between the treaty obligations the United States has undertaken on the one hand and the language of the distribution right expressed in the Copyright Act on the other hand.

In the mid-1990s the World Intellectual Property Organization ("WIPO") and its member states (including the United States) began discussions on the appropriate protection of copyrighted works in the newly emerging online environment. These discussions culminated in the WIPO Internet Treaties—the WIPO Copyright Treaty ("WCT") and the WIPO Performances and Phonograms Treaty ("WPPT").

Among other obligations, the WCT and WPPT both require that authors and performers respectively are to "enjoy the exclusive right of authorizing any communication to the public of their works, … including the making available to the public of their works[.]" The complete text of the relevant provision of the WCT follows, and the WPPT provision is virtually identical:

> **WIPO Copyright Treaty, Article 8 Right of Communication to the Public**
>
> Without prejudice to the provisions of Articles 11(1)(ii), 11bis(1)(i) and (ii), 11ter(1)(ii), 14(1)(ii) and 14bis(1) of the Berne Convention, authors of literary and artistic works shall enjoy the exclusive right of authorizing any communication to the public of their works, by wire or wireless means, *including the making available* to the public of their works in such a way that members of the public may access these works from a place and at a time individually chosen by them. (emphasis added)

Regardless of what the United States has agreed under the WIPO Internet Treaties, it has not chosen to implement the language of these treaties directly. There is no "Making Available" right under United States law *as such*. Rather, copyright owners in the United States have exclusive rights relating to reproduction, distribution, performance and display —these rights implement the primary substance of the United States' obligations under the WIPO Internet Treaties.

The language in the WIPO Internet Treaties is deliberately imprecise and is frequently referred to as an "umbrella solution" that gives treaty members flexibility in implementation. On this reading, it is little more than a matter of preference that in the European Union the rights of authors with respect to digital transmissions are protected by a broad right of "communication to the public" while in the United States digital transmissions implicate the reproduction right, the distribution right, and the performance right, depending on the circumstances. Moreover, various doctrines of secondary liability for copyright infringement probably fill any gap between the exclusive rights in Section 106 and the United States' international treaty obligations. For an extended discussion of the Copyright Office's 2016 Making Available Report, click here.

The first sale doctrine

For almost as long as there have been mass-produced books there have been publishers trying to guarantee that their books won't be resold at a discount (this is called "resale price maintenance" in the antitrust and competition law world). In 1908, the particular object of the publishers' ire was the Macy's department store. This dispute ultimately led to the Supreme Court case of *Bobbs-Merrill Co. v. Straus*.

Bobbs-Merrill Co. v. Straus, 210 U.S. 339 (1908)

Justice Day delivered the opinion of the court.

The complainant in the Circuit Court, appellant here, the Bobbs-Merrill Company, brought suit against the respondents, appellees here, Isidor Straus and Nathan Straus, partners trading as R.H. Macy & Company, in the Circuit Court of the United States for the Southern District of New York, to restrain the sale of a copyrighted novel, entitled "The Castaway," at retail at less than one dollar for each copy. The Circuit Court dismissed the bill on final hearing. The decree of the Circuit Court was affirmed on appeal by the Circuit Court of Appeals.

The appellant is the owner of the copyright upon "The Castaway," obtained on the eighteenth day of May, 1904, in conformity to the copyright statutes of the United States. Printed immediately below the copyright notice on the page in the book following the title page is inserted the following notice:

> The price of this book at retail is one dollar net. No dealer is licensed to sell it at a less price, and a sale at a less price will be treated as an infringement of the copyright.
>
> THE BOBBS-MERRILL COMPANY.

Macy & Company, before the commencement of the action purchased copies of the book for the purpose of selling the same at retail. Ninety per cent of such copies were purchased by them at wholesale at a price below the retail price by about forty per cent, and ten per cent of the books purchased by them were purchased at retail, and the full price paid therefor.

It is stipulated in the record:

> Defendants, at the time of their purchase of copies of the book, knew that it was a copyrighted book and were familiar with the terms of the notice printed in each copy thereof, as above set forth, and knew that this notice was printed in every copy of the book purchased by them.

The wholesale dealers, from whom defendants purchased copies of the book, obtained the same either directly from the complainant or from other wholesale dealers at a discount from the net retail price, and at the time of their purchase knew that the book was a copyrighted book and were familiar with the terms of the notice printed in each copy thereof, as described above, and such knowledge was in all wholesale dealers through whom the books passed from the complainants to defendants. But the wholesale dealers were under no agreement or obligation to

enforce the observance of the terms of the notice by retail dealers or to restrict their sales to retail dealers who would agree to observe the terms stated in the notice.

The defendants have sold copies of the book at retail at the uniform price of eighty-nine cents a copy, and are still selling, exposing for sale and offering copies of the book at retail at the price of eighty-nine cents per copy, without the consent of the complainant.

[After discussing and distinguishing analogous patent law cases, the Court disclaimed any intention to indicate its "views as to what would be the rights of parties in circumstances similar to the present case under the patent laws, that there are differences between the patent and copyright statutes in the extent of the protection granted by them."]

We therefore approach the consideration of this question as a new one in this court, and one that involves the extent of the protection which is given by the copyright statutes of the United States to the owner of a copyright under the facts disclosed in this record. Recent cases in this court have affirmed the proposition that copyright property under the Federal law is wholly statutory, and depends upon the right created under the acts of Congress passed in pursuance of the authority conferred under Article I, § 8, of the Federal Constitution: "To promote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries."

The learned counsel for the appellant in this case in the argument at bar disclaims relief because of any contract, and relies solely upon the copyright statutes, and rights therein conferred. The copyright statutes ought to be reasonably construed with a view to effecting the purposes intended by Congress. They ought not to be unduly extended by judicial construction to include privileges not intended to be conferred, nor so narrowly construed as to deprive those entitled to their benefit of the rights Congress intended to grant.

At common law an author had a property in his manuscript and might have redress against any one who undertook to realize a profit from its publication without authority of the author. *Wheaton v. Peters*, 8 Pet. 591, 659.

While the nature of the property and the protection intended to be given the inventor or author as the reward of genius or intellect in the production of his book or work of art is to be considered in construing the act of Congress, it is evident that to secure the author the right to multiply copies of his work may be said to have been the main purpose of the copyright statutes.

In order to secure this right it was provided in that statute, as it has been in subsequent ones, that the authors of books, their executors, administrators, or assigns, shall have the "sole right and liberty of printing, reprinting, publishing, and vending" such book for a term of years, upon complying with the statutory conditions set forth in the act as essential to the acquiring of a valid copyright. Each and all of these statutory rights should be given such protection as the act of Congress requires, in order to secure the rights conferred upon authors and others entitled to the benefit of the act.

> The precise question, therefore, in this case is, does the sole right to vend (named in § 4952) secure to the owner of the copyright the right, after a sale of the book to a purchaser, to restrict future sales of the book at retail, to the right to sell it at a certain price per copy, because of a notice in the book that a sale at a different price will be treated as an infringement, which notice has been brought home to one undertaking to sell for less than the named sum? We do not think the statute can be given such a construction, and it is to be remembered that this is purely a question of statutory construction. There is no claim in this case of contract limitation, nor license agreement controlling the subsequent sales of the book.
>
> In our view the copyright statutes, while protecting the owner of the copyright in his right to multiply and sell his production, do not create the right to impose, by notice, such as is disclosed in this case, a limitation at which the book shall be sold at retail by future purchasers, with whom there is no privity of contract. This conclusion is reached in view of the language of the statute, read in the light of its main purpose to secure the right of multiplying copies of the work, a right which is the special creation of the statute. True, the statute also secures, to make this right of multiplication effectual, the sole right to vend copies of the book, the production of the author's thought and conception. The owner of the copyright in this case did sell copies of the book in quantities and at a price satisfactory to it. It has exercised the right to vend. What the complainant contends for embraces not only the right to sell the copies, but to qualify the title of a future purchaser by the reservation of the right to have the remedies of the statute against an infringer because of the printed notice of its purpose so to do unless the purchaser sells at a price fixed in the notice. To add to the right of exclusive sale the authority to control all future retail sales, by a notice that such sales must be made at a fixed sum, would give a right not included in the terms of the statute, and, in our view, extend its operation, by construction, beyond its meaning, when interpreted with a view to ascertaining the legislative intent in its enactment.
>
> This conclusion renders it unnecessary to discuss other questions noticed in the opinion in the Circuit Court of Appeals, or to examine into the validity of the publisher's agreements, alleged to be in violation of the acts to restrain combinations creating a monopoly or directly tending to the restraint of trade.
>
> The decree of the Circuit Court of Appeals is affirmed.

Notes and questions

(1) Can you explain the distinction the Court draws between the right to vend and the right to control subsequent sales?

(2) The Court notes there was "no claim in this case of contract limitation, nor license agreement." Why might this matter? How might the case have been different if there had been a contractual relationship?

Statutory recognition of distribution right and first sale doctrine

Congress codified the *Bobbs-Merrill* decision in the text of the Copyright Act of 1909 and that same principle, the first sale doctrine, is now embodied in Section 109 of the Copyright

Act of 1976. At first glance, the Copyright Act gives the copyright owner an incredibly broad exclusive right "to distribute copies of the work to the public by sale or other transfer of ownership, or by rental, lease or lending." However, the distribution right is counterbalanced by the first sale doctrine—and some would argue, an even broader concept of copyright exhaustion. See Aaron Perzanowski & Jason Schultz, *Digital Exhaustion*, 58 UCLA LAW REVIEW 889 (2011).

> **17 U.S. Code § 106 - Exclusive rights in copyrighted works**
>
> Subject to sections 107 through 122, the owner of copyright under this title has the exclusive rights to do and to authorize any of the following: … (3) to distribute copies or phonorecords of the copyrighted work to the public by sale or other transfer of ownership, or by rental, lease, or lending;
>
> **17 U.S. Code § 109 - Limitations on exclusive rights: Effect of transfer of particular copy or phonorecord**
>
> (a) Notwithstanding the provisions of section 106 (3), the owner of a particular copy or phonorecord lawfully made under this title, or any person authorized by such owner, is entitled, without the authority of the copyright owner, to sell or otherwise dispose of the possession of that copy or phonorecord. …

What is the point of the distribution right if it is negated by the first sale doctrine?

The distribution right could be violated when the defendant merely distributes copies illegally made by a third party. It could also be infringed by a defendant who made copies under the terms of a license agreement but then distributed those copies beyond the scope of what was allowed under the agreement. In both of these examples, the defendant would not be liable (at least not directly) under any of the other rights of the copyright owner under Section 106.

Copyright Exhaustion and Parallel Importation

Kirtsaeng v. John Wiley & Sons, Inc., 133 S. Ct. 1351 (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

> "importation into the United States, without the authority of the owner of copyright under this title, of copies ... of a work that have been acquired outside the United States is an infringement of the exclusive right to distribute copies ... *under section 106*...." 17 U.S.C. § 602(a)(1) (emphasis added).

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

In *Quality King Distributors, Inc. v. L'anza Research Int'l, Inc.,* 523 U.S. 135, 145 (1998), we held that § 602(a)(1)'s reference to § 106(3)'s exclusive distribution right incorporates the later subsections' limitations, including, in particular, the "first sale" doctrine of § 109. Thus, it might seem that, § 602(a)(1) notwithstanding, one who buys a copy abroad can freely import that copy into the United States and dispose of it, just as he could had he bought the copy in the United States.

But *Quality King* considered an instance in which the copy, though purchased abroad, was initially manufactured in the United States (and then sent abroad and sold). This case is like *Quality King* but for one important fact. The copies at issue here were manufactured abroad. That fact is important because § 109(a) says that the "first sale" doctrine applies to "a particular copy or phonorecord *lawfully made under this title."* And we must decide here whether the five words, "lawfully made under this title," make a critical legal difference.

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

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

I

A

Respondent, John Wiley & Sons, Inc., publishes academic textbooks. Wiley obtains from its authors various foreign and domestic copyright assignments, licenses and permissions — to the point that we can, for present purposes, refer to Wiley as the relevant American copyright owner. Wiley often assigns to its wholly owned foreign subsidiary, John Wiley & Sons (Asia) Pte Ltd., rights to publish, print, and sell Wiley's English language textbooks abroad. Each copy of a Wiley Asia foreign edition will likely contain language making clear that the copy is to be sold only in a particular country or geographical region outside the United States. 654 F.3d, at 213.

For example, a copy of Wiley's American edition says, "Copyright © 2008 John Wiley & Sons, Inc. All rights reserved.... Printed in the United States of America." J. Walker, Fundamentals of Physics, p. vi (8th ed. 2008). A copy of Wiley Asia's Asian edition of that book says:

> Copyright © 2008 John Wiley & Sons (Asia) Pte Ltd. All rights reserved. This book is authorized for sale in Europe, Asia, Africa, and the Middle East only and may be not exported out of these territories. Exportation from or importation of this book to another region without the Publisher's authorization is illegal and is a violation of the Publisher's rights. The Publisher may take legal action to enforce its rights.... Printed in Asia.

Both the foreign and the American copies say:

> No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means ... except as permitted under Sections 107 or 108 of the 1976 United States Copyright Act.

The upshot is that 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. Thus, in his view, § 109(a)'s "first sale" doctrine permitted him to resell or otherwise dispose of the books without the copyright owner's further permission.

The District Court held that Kirtsaeng could not assert the "first sale" defense because, in its view, that doctrine does not apply to "foreign-manufactured goods" (even if made abroad with the copyright owner's permission). The jury then found that Kirtsaeng had willfully infringed Wiley's American copyrights by selling and importing without authorization copies of eight of Wiley's copyrighted titles. And it assessed statutory damages of $600,000 ($75,000 per work).

On appeal, a split panel of the Second Circuit agreed with the District Court. It pointed out that § 109(a)'s "first sale" doctrine applies only to "the owner of a particular copy ... *lawfully made under this title.*" And, in the majority's view, this language means that the "first sale" doctrine does not apply to copies of American copyrighted works manufactured abroad. A dissenting judge thought that the words "lawfully made under this title" do not refer "to a place of manufacture" but rather "focus on whether a particular copy was manufactured lawfully under" America's copyright statute, and that "the lawfulness of the manufacture of a particular copy should be judged by U.S. copyright law."

We granted Kirtsaeng's petition for certiorari to consider this question in light of different views among the Circuits.

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."

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. See § 106 (referring to the owner's right to authorize).

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

A

The language of § 109(a) read literally favors Kirtsaeng's nongeographical interpretation, namely, that "lawfully made under this title" means made "in accordance with" or "in compliance with" the Copyright Act. The language of § 109(a) says nothing about geography. The word "under" can mean "in accordance with." 18 Oxford English Dictionary 950 (2d ed. 1989). See also Black's Law Dictionary 1525 (6th ed. 1990) ("according to"). And a nongeographical interpretation provides each word of the five-word phrase with a distinct purpose. The first two words of the phrase, "lawfully made," suggest an effort to distinguish those copies that were made lawfully from those that were not, and the last three words, "under this title," set forth the standard of "lawful[ness]." Thus, the nongeographical reading is simple, it promotes a traditional copyright objective (combatting piracy), and it makes word-by-word linguistic sense.

The geographical interpretation, however, bristles with linguistic difficulties. It gives the word "lawfully" little, if any, linguistic work to do. (How could a book be *un* lawfully "made under this title"?) It imports geography into a statutory provision that says nothing explicitly about it. And it is far more complex than may at first appear.

To read the clause geographically, Wiley, like the Second Circuit and the Solicitor General, must first emphasize the word "under." Indeed, Wiley reads "under this title" to mean "in conformance with the Copyright Act *where the Copyright Act is*

applicable." Wiley must then take a second step, arguing that the Act "is applicable" only in the United States.

One difficulty is that neither "under" nor any other word in the phrase means "where." It might mean "subject to," but as this Court has repeatedly acknowledged, the word evades a uniform, consistent meaning.

A far more serious difficulty arises out of the uncertainty and complexity surrounding the second step's effort to read the necessary geographical limitation into the word "applicable" (or the equivalent). Where, precisely, is the Copyright Act "applicable"? The Act does not instantly *protect* an American copyright holder from unauthorized piracy taking place abroad. But that fact does not mean the Act is *inapplicable* to copies made abroad. As a matter of ordinary English, one can say that a statute imposing, say, a tariff upon "any rhododendron grown in Nepal" applies to *all* Nepalese rhododendrons. And, similarly, one can say that the American Copyright Act is *applicable* to *all* pirated copies, including those printed overseas. Indeed, the Act itself makes clear that (in the Solicitor General's language) foreign-printed pirated copies are "subject to" the Act.

The appropriateness of this linguistic usage is underscored by the fact that § 104 of the Act itself says that works *"subject to protection under this title"* include unpublished works "without regard to the nationality or domicile of the author," and works "first published" in any one of the nearly 180 nations that have signed a copyright treaty with the United States. Thus, ordinary English permits us to say that the Act "applies" to an Irish manuscript lying in its author's Dublin desk drawer as well as to an original recording of a ballet performance first made in Japan and now on display in a Kyoto art gallery.

… In sum, we believe that geographical interpretations create more linguistic problems than they resolve. And considerations of simplicity and coherence tip the purely linguistic balance in Kirtsaeng's, nongeographical, favor.

B

Both historical and contemporary statutory context indicate that Congress, when writing the present version of § 109(a), did not have geography in mind. [Discussion omitted.]

C

A relevant canon of statutory interpretation favors a nongeographical reading. "When 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." *Samantar v. Yousuf,* 130 S.Ct. 2278, 2289-2290, n. 13 (2010). See also *Isbrandtsen Co. v. Johnson,* 343 U.S. 779, 783 (1952) ("Statutes which invade the common law... are to be read with a presumption favoring the retention of long-established and familiar principles, except when a statutory purpose to the contrary is evident").

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. Referring to Littleton, who wrote

in the 15th century, Gray, *Two Contributions to Coke Studies*, 72 U. CHI. L.REV. 1127, 1135 (2005), 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 alienate the same, the condition is void, because his whole interest ... is out of him, so as he hath no possibility of a Reverter, and it is against Trade and Traffic, and bargaining and contracting between 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 Traffic, and bargaining and contracting." *Ibid.*

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. See, *e.g., Leegin Creative Leather Products, Inc. v. PSKS, Inc.,* 551 U.S. 877, 886 (2007) (restraints with "manifestly anticompetitive effects" are *per se* illegal; others are subject to the rule of reason).

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; nor can we find any in *Bobbs-Merrill* (where this Court first applied the "first sale" doctrine) or in § 109(a)'s predecessor provision, which Congress enacted a year later. See *supra,* at 1360. Rather, as the Solicitor General acknowledges, "a straightforward application of *Bobbs-Merrill*" would not preclude the "first sale" defense from applying to authorized copies made overseas. And we can find no language, context, purpose, or history that would rebut a "straightforward application" of that doctrine here.

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 promoting the Progress of Science and useful Arts. U.S. Constitution, Art. I, § 8, cl. 8.

The American Library Association tells us that library collections contain at least 200 million books published abroad (presumably, many were first published in one of the nearly 180 copyright-treaty nations and enjoy American copyright protection under 17 U.S.C. § 104, see *supra,* at 1359); 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. Brief for American Library Association 15 (many books lack indication of place of manufacture; "no practical way to learn where [a] book was printed"). 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. Brief for Powell's Books Inc. et al. as *Amici Curiae* (citing M. Stern, Antiquarian Bookselling in the United States (1985)). The dealers say that they have operated 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.

Retailers tell us that over $2.3 trillion worth of foreign goods were imported in 2011. Brief for Retail Litigation Center 8. American retailers buy many of these goods after a first sale abroad. And, many of these items bear, carry, or contain copyrighted "packaging, logos, labels, and product inserts and instructions for [the use of] everyday packaged goods from floor cleaners and health and beauty products to breakfast cereals." The retailers add that American sales of more traditional copyrighted works, "such as books, recorded music, motion pictures, and magazines" likely amount to over $220 billion. See also *id.,* at 10 (electronic game industry is $16 billion). A geographical interpretation would subject many, if not all, of them to the disruptive impact of the threat of infringement suits.

Art museum directors ask us to consider their efforts to display foreign-produced works by, say, Cy Twombly, Rene 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 Traffic, and bargaining and contracting," and they help explain *why* American copyright law has long applied that doctrine.

Neither Wiley nor any of its many *amici* deny that a geographical interpretation could bring about these "horribles" — at least in principle. Rather, Wiley essentially says that the list is artificially invented. It points out that a federal court first adopted a geographical interpretation more than 30 years ago. Yet, it adds, these problems have not occurred. Why not? Because, says Wiley, the problems and threats are purely theoretical; they are unlikely to reflect reality.

We are less sanguine. For one thing, the law has not been settled for long in Wiley's favor. The Second Circuit, in its decision below, is the first Court of Appeals to adopt a purely geographical interpretation. The Third Circuit has favored a nongeographical interpretation. The Ninth Circuit has favored a modified geographical interpretation with a nongeographical (but textually unsustainable) corollary designed to diminish the problem. And other courts have hesitated to adopt, and have cast doubt upon, the validity of the geographical interpretation.

For another thing, 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).

[Justice Breyer rejected arguments that the Court's *Quality King* decision and the Copyright Act's legislative history supported a geographical interpretation of Section 109.]

Wiley and the dissent claim that a nongeographical interpretation will make it difficult, perhaps impossible, for publishers (and other copyright holders) to divide foreign and domestic markets. We concede that is so. A publisher may find it more difficult to charge different prices for the same book in different geographic markets. But we do not see how these facts help Wiley, for we can find no basic principle of copyright law that suggests that publishers are especially entitled to such rights.

The Constitution describes the nature of American copyright law by providing Congress with the power to "secure" to "authors" "for limited times" the "*exclusive right to their ... writings.*" Art. I, § 8, cl. 8. The Founders, too, discussed the need to grant an author a limited right to exclude competition. But the Constitution's language nowhere suggests that its limited exclusive right should include a right to divide markets or a concomitant right to charge different purchasers different prices for the same book, say to increase or to maximize gain. Neither, to our knowledge, did any Founder make any such suggestion. We have found no precedent suggesting a legal preference for interpretations of copyright statutes that would provide for market divisions.

To the contrary, Congress enacted a copyright law that (through the "first sale" doctrine) limits copyright holders' ability to divide domestic markets. And that limitation is consistent with antitrust laws that ordinarily forbid market divisions. Cf. *Palmer v. BRG of Ga., Inc.,* 498 U.S. 46, 49-50 (1990) (*per curiam*) ("Agreements between competitors to allocate territories to minimize competition are illegal"). Whether copyright owners should, or should not, have more than ordinary commercial power to divide international markets is a matter for Congress to decide. We do no more here than try to determine what decision Congress has taken.

IV

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

[Justice Kagan concurred, joined by Justice Alito. Justice Ginsburg dissented, joined by Kennedy and by Scalia in part.]

Notes and questions

(1) Based on "§ 109(a)'s language, its context, and the common-law history of the 'first sale' doctrine," the majority of the Supreme Court declined to limit the first sale doctrine to works made in the United States. What does this mean for copies made unlawfully in other countries? What does this mean for copies made lawfully under the laws of Canberristan because of its broad educational use exemption if those same copies would not be considered lawful under the United States copyright law?

(2) What is the purpose of the first sale doctrine? How do Justice Breyer's views on the purpose of the first sale doctrine impact his reasoning in *Kirtsaeng?*

(3) What were the policy arguments favoring national versus international exhaustion and why did the majority find those in favor of international exhaustion more convincing?

Limits to the First Sale Doctrine in a Digital World

The conventional understanding of Copyright's first sale doctrine is that it prevents restraints on the transfer of lawfully acquired copies of works by limiting the scope of the distribution right (the modern equivalent of the right to "vend" in earlier incarnations of the Copyright Act). The first sale doctrine guaranteed significant freedom of action for the purchasers of copyrighted works in the print-era, but its relevance in the digital era is questionable.

The Copyright Act gives copyright owners the right to control the reproduction, distribution, public performance and public display of their works. It also gives the copyright owner the right to control the making of derivative works based upon the copyrighted works. The first sale doctrine—at least as embodied in Section 109 of the Act—substantially limits the distribution right, but it does not address any of these other rights.

Capitol Records, LLC v. ReDigi Inc., 910 F.3d 649 (2d Cir. 2018)

Circuit Judge Leval

Defendant ReDigi, Inc. and its founders, Defendants Larry Rudolph and John Ossenmacher, appeal from the judgment of the United States District Court for the Southern District of New York (Richard J. Sullivan, J.) in favor of Plaintiffs, Capitol Records, LLC, Capitol Christian Music Group, Inc., and Virgin Records IR Holdings, Inc. ("Plaintiffs"), finding copyright infringement. Defendants had created an Internet platform designed to enable the lawful resale, under the first sale doctrine, of lawfully purchased digital music files, and had hosted resales of such files on the platform. The district court concluded that, notwithstanding the "first sale" doctrine, codified in the Copyright Act of 1976, 17 U.S.C. § 109(a), ReDigi's Internet system version 1.0 infringed the Plaintiffs' copyrights by enabling the resale of such digital files containing sound recordings of Plaintiffs' copyrighted

music. We agree with the district court that ReDigi infringed the Plaintiffs' exclusive rights under 17 U.S.C. § 106(1) to reproduce their copyrighted works. We make no decision whether ReDigi also infringed the Plaintiffs' exclusive rights under 17 U.S.C. § 106(3) to distribute their works.

BACKGROUND

I. Facts

Plaintiffs are record companies, which own copyrights or licenses in sound recordings of musical performances. Plaintiffs distribute those sound recordings in numerous forms, of which the most familiar twenty years ago was the compact disc. Today, Plaintiffs also distribute their music in the form of digital files, which are sold to the public by authorized agent services, such as Apple iTunes, under license from Plaintiffs. Purchasers from the Apple iTunes online store download the files onto their personal computers or other devices.

ReDigi was founded by Defendants Ossenmacher and Rudolph in 2009 with the goal of creating enabling technology and providing a marketplace for the lawful resale of lawfully purchased digital music files. Ossenmacher served as ReDigi's Chief Executive Officer and Rudolph, who spent twelve years as a Principal Research Scientist at the Massachusetts Institute of Technology, served as ReDigi's Chief Technical Officer. During the period addressed by the operative complaint, ReDigi, through its system version 1.0, hosted resales of digital music files containing the Plaintiffs' music by persons who had lawfully purchased the files from iTunes.

Considering the evidence in the light most favorable to ReDigi, ReDigi's system version 1.0 operates as follows.

1. Music Manager: A person who owns a digital music file lawfully purchased from iTunes and intends to employ ReDigi's system to resell it (the "user") must first download and install onto her computer ReDigi's "Music Manager" software program ("Music Manager"). Once Music Manager has been installed, it analyzes the digital file intended for resale, verifies that the file was originally lawfully purchased from iTunes, and scans it for indications of tampering. If the file was lawfully purchased, Music Manager deems it an "Eligible File" that may be resold.[4]

Footnote 4: Music Manager will deem a file "Eligible" if it was purchased by the user from iTunes or it was purchased by the user through ReDigi, having been originally purchased lawfully by another from iTunes.

---

2. Data Migration: The ReDigi user must then cause the file to be transferred to ReDigi's remote server, known as the "Cloud Locker." To effectuate this transfer, ReDigi developed a new method that functions differently from the conventional file transfer. The conventional process is to reproduce the digital file at the receiving destination so that, upon completion of the transfer, the file exists simultaneously on both the receiving device and on the device from which it was transferred. If connectivity is disrupted during such a standard transfer, the process can be repeated because the file remains intact on the sender's device.

Under ReDigi's method—which it calls "data migration"—ReDigi's software begins by breaking the digital music file into small 'blocks' of data of roughly four thousand bytes in length. Once the file has been broken into blocks of data ("packets"), ReDigi's system creates a "transitory copy" of each packet in the initial purchaser's computer buffer. Upon copying (or "reading") a packet into the initial purchaser's computer buffer, ReDigi's software sends a command to delete that packet of the digital file from permanent storage on the initial purchaser's device. ReDigi's software then sends the packet to the ReDigi software to be copied into the buffer and deleted from the user's device. During the data migration process, the digital file cannot be accessed, played, or perceived. If connectivity is disrupted during the data migration process, the remnants of the digital file on the user's device are unusable, and the transfer cannot be re-initiated. In such circumstances, ReDigi (according to its brief) bears the cost of the user's loss.

Once all the packets of the source file have been transferred to ReDigi's server, the Eligible File has been entirely removed from the user's device. The packets are then re-assembled into a complete, accessible, and playable file on ReDigi's server.

ReDigi describes its primary technological innovation using the metaphor of a train (the digital file) leaving from one station (the original purchaser's device) and arriving at its destination (in the first instance, ReDigi's server). Under either the typical method or ReDigi's method, packets are sent sequentially, such that, conceptually, "each packet is a car" moving from the source to the destination device. Once all the packets arrive at the destination device, they are reassembled into a usable file. At that moment, in a typical transfer, the entire digital file in usable form exists on both devices. ReDigi's system differs in that it effectuates a deletion of each packet from the user's device immediately after the "transitory copy" of that packet arrives in the computer's buffer (before the packet is forwarded to ReDigi's server). In other words, as each packet "leaves the station," ReDigi deletes it from the original purchaser's device such that it "no longer exists" on that device. As a result, the entire file never exists in two places at once.

After the file has reached ReDigi's server but before it has been resold, the user may continue to listen to it by streaming audio from the user's Cloud Locker on ReDigi's server. If the user later re-downloads the file from her Cloud Locker to her computer, ReDigi will delete the file from its own server.

3. Resale: Once an Eligible File has "migrated" to ReDigi's server, it can be resold by the user utilizing ReDigi's market function. If it is resold, ReDigi gives the new purchaser exclusive access to the file. ReDigi will (at the new purchaser's option) either download the file to the new purchaser's computer or other device (simultaneously deleting the file from its own server) or will retain the file in the new purchaser's Cloud Locker on ReDigi's server, from which the new purchaser can stream the music. ReDigi's terms of service state that digital media purchases may be streamed or downloaded only for personal use.

4. Duplicates: ReDigi purports to guard against a user's retention of duplicates of her digital music files after she sells the files through ReDigi. To that end, Music Manager continuously monitors the user's computer hard drive and connected

devices to detect duplicates. When a user attempts to upload an Eligible File to ReDigi's server, ReDigi "prompt[s]" her to delete any pre-existing duplicates that Music Manager has detected. If ReDigi detects that the user has not deleted the duplicates, ReDigi blocks the upload of the Eligible File. After an upload is complete, Music Manager continues to search the user's connected devices for duplicates. If it detects a duplicate of a previously uploaded Eligible File, ReDigi will prompt the user to authorize ReDigi to delete that duplicate from her personal device and, if authorization is not granted, it will suspend her account.

Plaintiffs point out, and ReDigi does not dispute, that these precautions do not prevent the retention of duplicates after resale through ReDigi. Suspension of the original purchaser's ReDigi account does not negate the fact that the original purchaser has both sold and retained the digital music file after she sold it. So long as the user retains previously-made duplicates on devices not linked to the computer that hosts Music Manager, Music Manager will not detect them. This means that a user could, prior to resale through ReDigi, store a duplicate on a compact disc, thumb drive, or third-party cloud service unconnected to the computer that hosts Music Manager and access that duplicate post-resale.[6]

Footnote 6: Defendants do not dispute that, under Apple iCloud's present arrangements, a user could sell her digital music files on ReDigi, delete Music Manager, and then redownload the same files to her computer for free from the Apple iCloud. Apple's iCloud service allows one who has purchased a file from iTunes to re-download it without making a new purchase.

While ReDigi's suspension of the original purchaser's ReDigi account may be a disincentive to the retention of sold files, it does not prevent the user from retaining sold files.

II. Proceedings Below

On January 6, 2012, Plaintiffs brought this action, originally solely against ReDigi, Inc., alleging inter alia, that in the operation of ReDigi's system version 1.0, it infringed Plaintiffs' copyrights by unauthorized reproduction and distribution of Plaintiffs' copyrighted works. The parties cross-moved for summary judgment. On March 30, 2013, the district court granted partial summary judgment in Plaintiffs' favor finding infringement. On June 6, 2016, the district court entered a final judgment awarding damages to Plaintiffs in the amount of three million five hundred thousand dollars ($3,500,000) and permanently enjoining Defendants from operating the ReDigi system.

DISCUSSION

I. The First Sale Doctrine

The primary issue on appeal is whether ReDigi's system version 1.0 lawfully enables resales of its users' digital files. Sections 106(1) and (3) of the Copyright Act respectively grant the owner of a copyright the exclusive right to control the reproduction and the distribution of the copyrighted work. 17 U.S.C. § 106(1) & (3). Under the first sale doctrine, codified in § 109(a), the rights holder's control over the distribution of any particular copy or phonorecord that was lawfully made

effectively terminates when that copy or phonorecord is distributed to its first recipient. Section 109(a) provides:

> Notwithstanding the provisions of section 106(3), the owner of a particular copy or phonorecord lawfully made under this title, or any person authorized by such owner, is entitled, without the authority of the copyright owner, to sell or otherwise dispose of the possession of that copy or phonorecord.

17 U.S.C. § 109(a).

Under this provision, it is well established that the lawful purchaser of a copy of a book is free to resell, lend, give, or otherwise transfer that copy without violating the copyright holder's exclusive right of distribution. The copy so resold or re-transferred may be re-transferred again and again without violating the exclusive distribution right. It is undisputed that one who owns a digital file from iTunes of music that is fixed in a material object qualifies as "the owner of a particular . . . phonorecord lawfully made," 17 U.S.C. § 109(a), and is thus entitled under § 109(a) "to sell or otherwise dispose of the possession of *that* . . . phonorecord," id. (emphasis added), without violating § 106(3). On the other hand, § 109(a) says nothing about the rights holder's control under § 106(1) over reproduction of a copy or phonorecord.

The district court found that resales through ReDigi were infringing for two reasons. The first reason was that, in the course of ReDigi's transfer, the phonorecord has been reproduced in a manner that violates the Plaintiffs' exclusive control of reproduction under § 106(1); the second was that the digital files sold through ReDigi, being unlawful reproductions, are not subject to the resale right established by § 109(a), which applies solely to a "particular . . . phonorecord . . . lawfully made." 17 U.S.C. § 109(a). We agree with the first reason underlying the district court's finding of infringement. As that is a sufficient reason for affirmance of the judgment, we make no ruling on the district court's second reason.

ReDigi argues on appeal that its system effectuates transfer of the particular digital file that the user lawfully purchased from iTunes, that it should not be deemed to have reproduced that file, and that it should therefore come within the protection of 17 U.S.C. § 109(a). ReDigi makes two primary contentions in support of these arguments.

First, ReDigi asserts—as it must for its first sale argument to succeed— that the digital files should be considered "material objects" and therefore, under 17 U.S.C. § 101's definition of "phonorecords" as "material objects," should qualify as "phonorecords" eligible for the protection of § 109(a).

Second, ReDigi argues that from a technical standpoint, its process should not be seen as making a reproduction. ReDigi emphasizes that its system simultaneously "causes [packets] to be removed from the . . . file remaining in the consumer's computer" as those packets are copied into the computer buffer and then transferred to the ReDigi server, so that the complete file never exists in more than one place at the same time, and the "file on the user's machine continually shrinks in size while the file on the server grows in size."[9]

Footnote 9: From October 13, 2011 until March 2012, ReDigi's system sometimes made temporary archival copies that were deleted as soon as the migration process was complete. Those backup files have not been put at issue in this appeal.

ReDigi points out that the "sum of the size of the data" stored in the original purchaser's computer and in ReDigi's server never exceeds the "size of the original file," which, according to ReDigi, "confirms that no reproductions are made during the transfer process."

As for ReDigi's first argument, that the digital file it transfers is a phonorecord protected by § 109(a), we do not decide this issue because we find that ReDigi effectuates an unlawful reproduction even if the digital file itself qualifies as a phonorecord.[10]

Footnote 10: A conclusion that a digital file cannot be a phonorecord would have decisive implications for a system functioning like ReDigi's version 2.0, as well as its version 1.0. Because our understanding of the technology is limited, as is our ability to appreciate the economic implications, we find it preferable to rule more narrowly.

As for ReDigi's second argument, we reject it for the following reasons. The Copyright Act defines phonorecords as "material objects in which sounds. . . are fixed by any method now known or later developed, and from which the sounds can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device." 17 U.S.C. § 101. Accordingly, when the purchaser of a digital music file from iTunes possesses that file, embodied "for a period of more than transitory duration" in a computer or other physical storage device, *Cartoon Network LP v. CSC Holdings, Inc.*, 536 F.3d 121, 127 (2d Cir. 2008) (quoting 17 U.S.C. § 101), that device—or at least the portion of it in which the digital music file is fixed (e.g., the location on the hard drive)—becomes a phonorecord. See *London-Sire Records, Inc. v. Doe*, 542 F. Supp. 2d 153, 171 (D. Mass. 2008) (holding that the segment of a hard disc on which an electronic music file is encoded is a "phonorecord" under the Copyright Act). In the course of transferring a digital music file from an original purchaser's computer, through ReDigi, to a new purchaser, the digital file is first received and stored on ReDigi's server and then, at the new purchaser's option, may also be subsequently received and stored on the new purchaser's device.[11]

Footnote 11: The new purchaser at his option may alternatively choose to leave the digital file in the new purchaser's storage locker on ReDigi's server and stream it for access.

At each of these steps, the digital file is fixed in a new material object "for a period of more than transitory duration." *Cartoon Network*, 536 F.3d at 127. The fixing of the digital file in ReDigi's server, as well as in the new purchaser's device, creates a new phonorecord, which is a reproduction. ReDigi version 1.0's process for enabling the resale of digital files thus inevitably involves the creation of new phonorecords by reproduction, even if the standalone digital file is deemed to be a phonorecord.

As for the argument that, as ReDigi copies a packet of data, it deletes the equivalent packet in the user's device so that the amount of data extant in the transfer process remains constant, this does not rebut or nullify the fact that the eventual receipt and

storage of that file in ReDigi's server, as well as in the new purchaser's device (at his option), does involve the making of new phonorecords. Unless the creation of those new phonorecords is justified by the doctrine of fair use, which we discuss and reject in a later portion of this opinion, the creation of such new phonorecords involves unauthorized reproduction, which is not protected, or even addressed, by § 109(a).

ReDigi makes several additional arguments designed to characterize its process as involving the transfer of its users' lawfully made phonorecords, rather than the creation of new phonorecords. None of these arguments negates the crucial fact that each transfer of a digital music file to ReDigi's server and each new purchaser's download of a digital music file to his device creates new phonorecords. ReDigi argues, for example, that during a transfer through ReDigi's data migration technology, each packet of data from the original source file resides in a buffer "for less than a second" before being overwritten, and thus fails to satisfy the requirement that a sound recording must be embodied "for a period of more than transitory duration" to qualify as a phonorecord, 17 U.S.C. § 101; *Cartoon Network*, 536 F.3d at 127. Even if, during transfer, ReDigi's system retains each digital file in a computer buffer for a period of no more than transitory duration, those files subsequently become embodied in ReDigi's server and in the new purchaser's device, where they remain for periods of more than transitory duration. ReDigi's server and the resale purchaser's device on which the digital music files are fixed constitute or contain new phonorecords under the statute.

ReDigi next argues that, in the course of transferring a user's file to ReDigi's own server, and to the resale purchaser's device, ReDigi sees to it that all of the original purchaser's preexisting duplicates are destroyed. As an initial matter, as noted above, ReDigi here overclaims. It does not ensure against retention of duplicate phonorecords created by the original owner. ReDigi's assertion that "there is never an instance when an Eligible File could exist in more than one place or be accessed by more than one user" is simply not supported by ReDigi's own evidence. In addition, even if ReDigi effectively compensated (by offsetting deletions) for the making of unauthorized reproductions in violation of the rights holder's exclusive reproduction right under § 106(1), nonetheless ReDigi's process itself involves the making of unauthorized reproductions that infringe the exclusive reproduction right unless justified under fair use.[12]

Footnote 12: We recognize that the use of computers with digital files of protected matter will often result in the creation of innocuous copies which we would be loath to consider infringements because doing so would effectively bar society from using invaluable computer technology in relation to protected works. We believe this precedent will not have that undesirable effect for reasons discussed below in the section on fair use. What we consider here is that the making of unauthorized reproductions *in pursuit of an objective to distribute protected matter in competition with the rights holder.* The production of innocuous, unauthorized reproductions through the unavoidable function of a computer, when done for purposes that do not involve competing with the rights holder in its exclusive market, is outside the scope of this dispute.

We are not free to disregard the terms of the statute merely because the entity performing an unauthorized reproduction makes efforts to nullify its consequences by the counterbalancing destruction of the preexisting phonorecords.

ReDigi further argues, citing *ABKCO Music, Inc. v. Stellar Records, Inc.*, 96 F.3d 60 (2d Cir. 1996), that the computer hard drive into which the original purchaser's digital file is embedded cannot be her lawfully made phonorecord. A computer hard drive, ReDigi argues, cannot qualify as a phonorecord under § 101 because it contains more than a sound recording. This argument misinterprets *ABKCO*. We held in *ABKCO* that a license to publish a phonorecord did not authorize the publication of compact discs for use in karaoke that contained both sound recordings and visual depictions of song lyrics. 96 F.3d at 64. The *ABKCO* opinion undertook to construe the breadth of a compulsory license. The opinion does not support the conclusion that a compact disc that stores visual depictions of words as well as recorded music does not contain a phonorecord. To be sure, a license to distribute phonorecords of a particular song would not by its terms authorize the distribution of whatever other copyrighted content is contained in a computer hard drive that also contains the recording of the song. But it does not follow that a device or other "material object[] in which sounds . . . are fixed . . . and from which the sounds can be perceived, reproduced, or otherwise communicated," 17 U.S.C. § 101, is not a phonorecord, merely because it contains other matter as well. We reject ReDigi's argument.[13]

Footnote 13: ReDigi also draws our attention to the Ninth Circuit's decision in *Recording Industry Association of America v. Diamond Multimedia Systems, Inc.,* 180 F.3d 1072 (9th Cir. 1999). In *Diamond,* the Ninth Circuit held that "a hard drive is excluded from the definition of digital music recordings" under the Audio Home Recording Act ("AHRA") because § 1001(5)(B) expressly provides that a "digital music recording" does *not* include material objects "in which one or more computer programs are fixed," and "a hard drive is a material object in which one or more [computer] programs are fixed." *Id.* at 1076. Even if we were to accept the Ninth Circuit's construction of the term "digital music recording" under the AHRA, that would not alter the meaning of the term "phonorecord" under § 101 of the Copyright Act. *See id.* at 1077 n.4.

Finally, ReDigi argues that the district court's conclusion makes no sense because it would require a customer to sell her valuable computer in order to be able to sell an iTunes music file that was lawfully purchased for under $1.00. Of course it would make no economic sense for a customer to sell her computer or even a $5.00 thumb drive in order to sell an iTunes music file purchased for $1.00. But ReDigi far overstates its economic argument when it asserts that the "district court's ruling eliminates any meaningful competition from resellers" as "no secondary market can ever develop if consumers are required to give away their computer hard disks as part of any resale." A secondary market can readily be imagined for first purchasers who cost-effectively place 50 or 100 (or more) songs on an inexpensive device such as a thumb drive and sell it. See 4 *Patry on Copyright* § 13:23 (observing that § 109 permits the sale of an iPod that contains lawfully made digital music files). Furthermore, other technology may exist or be developed that could lawfully effectuate a digital first sale.

We conclude that the operation of ReDigi version 1.0 in effectuating a resale results in the making of at least one unauthorized reproduction. Unauthorized reproduction is not protected by § 109(a). It violates the rights holder's exclusive reproduction rights under § 106(1) unless excused as fair use. For reasons explained below, we conclude that the making of such reproductions is not a fair use.

Our conclusion is supported by the fact that the Copyright Office also concluded that the resale of digital files is infringing. In 1998, Congress mandated that the Register of Copyrights evaluate "the relationship between existing and emergent technology and the operation of section 109." The Copyright Office conducted a multi-year evaluation, including review of comments and testimony from the public, academia, libraries, copyright organizations and copyright owners. The Register concluded that § 109 does not apply to otherwise unauthorized digital transmissions of a copyrighted work, reasoning that such transmissions cause the recipient to obtain a new copy of the work. The Register reasoned that the creation of a new copy of the work would constitute an unauthorized reproduction falling outside the authorization of § 109(a).

ReDigi argues that the Register's 2001 report is obsolete because it presumed that the only way to transfer digital files over the Internet was by the traditional "copy and delete" method, whereas new technologies either have been or might be developed that transfer digital files over the Internet using a non-infringing method. Plaintiffs counter that, in 2016, the Register again asserted that "a digital file transfer creates a new copy or phonorecord on the transferee's computer" and thus does not qualify for first sale protection. U.S. Copyright Office, Library of Cong., *The Making Available Right in the United States* 22, n.94 (2016) (quoting the district court's decision in this action with approval). We need not pronounce upon the ongoing relevance of the Register's 2001 report, or decide whether all digital file transmissions over the Internet make reproductions, to determine that ReDigi's system version 1.0 does so.[14]

Footnote 14: Having rejected ReDigi's arguments for the reasons explained above, we have no need to consider whether an electronic digital music file, independent of any physical storage device in which the file is fixed, can qualify as a phonorecord in view of § 101's definition of phonorecords as "material objects." 17 U.S.C. §101.

---

* * *

We conclude by addressing policy-based arguments raised by ReDigi and its amici. They contend that ReDigi's version 1.0 ought to be validated as in compliance with § 109(a) because it allows for realization of an economically beneficial practice, originally authorized by the courts in the common law development of copyright, see *Bobbs-Merrill Co. v. Straus*, 210 U.S. 339 (1908), and later endorsed by Congress. They also contend that the Copyright Act must be read to vindicate purchasers' ability to alienate digital copyrighted works under the first sale doctrine —emphasizing that § 109(a) is styled as an entitlement rather than a defense to infringement—without regard to technological medium. See *Copyright Law Professors Brief* 4, 12, 14. On this score, they rely heavily on the breadth of the common law first sale doctrine, and on a purported imperative, described as the "principle of technological neutrality" by amici and the "equal treatment principle" by ReDigi, not to disadvantage purchasers of digital copyrighted works, as compared with purchasers of physical copyrighted works.

As for whether the economic consequences of ReDigi's program are beneficial and further the objectives of copyright, we take no position. Courts are poorly equipped to assess the inevitably multifarious economic consequences that would result from

such changes of law. So far as we can see, the establishment of ReDigi's resale marketplace would benefit some, especially purchasers of digital music, at the expense of others, especially rightsholders, who, in the sale of their merchandise, would have to compete with resellers of the same merchandise in digital form, which, although second hand, would, unlike second hand books and records, be as good as new.

Furthermore, as to the argument that we should read § 109(a) to accommodate digital resales because the first sale doctrine protects a fundamental entitlement, without regard to the terms of § 109(a) (and incorporated definitions), we think such a ruling would exceed the proper exercise of the court's authority. The copyright statute is a patchwork, sometimes varying from clause to clause, as between provisions for which Congress has taken control, dictating both policy and the details of its execution, and provisions in which Congress approximatively summarized common law developments, implicitly leaving further such development to the courts. The paradigm of the latter category is § 107 on fair use. In the provisions here relevant, Congress dictated the terms of the statutory entitlements. Notwithstanding the purported breadth of the first sale doctrine as originally articulated by the courts, see *Bobbs-Merrill Co.,* 210 U.S. at 350 ("The copyright statutes, while protecting the owner of the copyright in his right to multiply and sell his production, do not create the right to impose a limitation at which the book shall be sold at retail by future purchasers."); *Bureau of Nat'l Literature v. Sells*, 211 F. 379, 381-82 (W.D. Wash. 1914) (finding no infringement, in light of first sale doctrine, where reseller re-bound used books and held them out as new books), Congress, in promulgating § 109(a), adopted a narrower conception, which negates a claim of unauthorized distribution in violation of the author's exclusive right under § 106(3), but not a claim of unauthorized reproduction in violation of the exclusive right provided by § 106(1). If ReDigi and its champions have persuasive arguments in support of the change of law they advocate, it is Congress they should persuade. We reject the invitation to substitute our judgment for that of Congress.

CONCLUSION

We have considered ReDigi's remaining arguments against the district court's ruling and find them to be without merit. The judgment of the district court is AFFIRMED.

Notes and questions

(1) The Second Circuit's discussion of fair use is omitted from the extract above. The Second Circuit held that ReDigi's actions were not protected under the doctrine of fair use. The court held that ReDigi's use was not transformative (or otherwise supported under the first fair use factor) and its complete reproductions were sold in competition with the Plaintiffs' own authorized copies. The court concluded that

> Even if ReDigi is credited with some faint showing of a transformative purpose, that purpose is overwhelmed by the substantial harm ReDigi inflicts on the value of Plaintiffs' copyrights through its direct competition in the rights holders'

> legitimate market, offering consumers a substitute for purchasing from the rights holders. We find no fair use justification.

(2) Did the Second Circuit kill the first sale doctrine?

(3) The question in note (2) now has a sequel. *ReDigi* involved a commercial resale market; the closest non-commercial analogue was controlled digital lending, under which a library scans a print book it owns and lends the digital copy to one patron at a time, keeping the print copy off the shelf for the duration. The Internet Archive built its Free Digital Library on that owned-to-loaned ratio, and the same circuit rejected it in *Hachette Book Group, Inc. v. Internet Archive*, 115 F.4th 163 (2d Cir. 2024), which you have already read in the fair use materials. Note what the decision does and does not do. It is a fair use holding, not a first sale holding — § 109(a) was never available, because the Archive was making new copies rather than distributing the ones it owned. But the practical result is that the most disciplined attempt yet to construct a first-sale-like right in the digital environment failed, and it failed on fair use precisely because the copies were substitutes. If the first sale doctrine cannot reach digital copies and fair use will not fill the gap, what is left of the balance that § 109(a) was meant to strike?

Contractual restraints on the first sale doctrine

Contractual restraints on the first sale doctrine are addressed in the next chapter.

Rental Rights and Lending Rights

Rental Rights

The Record Rental Amendment of 1984, codified in 17 USC §109(b), prohibits an owner of a phonorecord that embodies a sound recording or musical work from renting it to the public for direct or indirect commercial advantage.

This exception to the first sale doctrine was designed to prevent music stores from renting records and thereby facilitating home copying. The provision does not apply to libraries and educational institutions.

The Computer Software Rental Amendments Act of 1990 amended §109(b) further to prohibit rentals of computer software for direct or indirect commercial advantage. The exception does not apply to lending of a copy by a nonprofit library for nonprofit purposes, provided the library affixes an appropriate warning.

The amendment also specifically excludes: A computer program which is embodied in a machine or product and which cannot be copied during the ordinary operation or use of the machine or product; or

A computer program embodied in or used in conjunction with a limited purpose computer that is designed for playing video games and may be designed for other purposes.

Library Lending, Printed Books versus eBooks

The first sale doctrine makes lending libraries possible. The majority of library activity is beyond the bounds of the copyright holder's rights because of the first sale doctrine in

Section 109(a) of the Copyright Act. The copyright holder's right of distribution is limited by the first sale doctrine and is exhausted upon the purchase of a legal copy. Whether the library obtains the work from the publisher, a secondary market, or a donor, the library is then free to lend, sell, repair, or destroy the book, limited only by the lifespan of the book's physical condition. Although publishers may attempt to entice libraries to purchase a more expensive and durable "library edition" copy, libraries are just as free to purchase any consumer edition.

However, the digital lending of e-books and audiobooks operates under a different legal framework. Even though digital rights management ("DRM") controls and library hosting programs approximate the lending experience for the patron whose borrowed book expires at the end of the lending period and becomes available again for lending by the library, the mechanics of e-book lending implicate different legal issues. Unlike with physical books, the lending of a digital work involves the creation and transmission of a copy of the work.

Whereas libraries could acquire a physical collection over time and weather budget shortfalls with the existing catalog, the e-book licensing model prevents libraries from utilizing consumer versions or secondary markets and revokes access to the licensed catalog when the library cannot afford licensing fees. Publishers differ in their licensing arrangements. For example, when this paragraph was first written in 2019, HarperCollins limited licensees to 26 loans per license before requiring renewal. Often, companies like Overdrive will act as intermediaries between the publisher and the public libraries and may impose their own conditions beyond those of the publisher.

Since 2025 the states have begun to legislate. Connecticut enacted the first of a new generation of library e-book statutes in 2025, and the District of Columbia and Rhode Island followed in 2026. These laws do not compel publishers to license to libraries. They regulate the terms libraries may agree to, targeting the features that make the licensing model expensive — expiry dates and caps on the number of checkouts — and each is drafted to take effect only once other states representing a threshold population have enacted comparable laws, so that no single state carries the burden of being first. None of those thresholds had been met by September 2026. Similar bills have been introduced in several other states. Whether a state may regulate the terms on which copyrighted works are licensed, or whether such a statute is preempted by federal copyright law, is a question for the next chapter.

Note that some other countries have handled the issue of the lending of physical books differently. The Australia Public Lending Rights (PLR) pays qualifying Australian citizen or resident creators and publishers an inalienable set amount for each library book holding. The European Union requires the member states to include noncommercial lending within the copyright holder's exclusive rights and thus the copyright owner's interest extends beyond the first sale to enable a rightsholder to permit or deny later noncommercial lending, unless the member state ensures that the authors receive remuneration for public lending. A number of European Union members have joined Australia, Canada, Israel, and New Zealand and also established PLR systems.

The "droit de suite" and resale royalties

Close v. Sotheby's, 894 F.3d 1061 (9th Cir. 2018)

Opinion by Judge Jay S. Bybee

Many nations recognize the *droit de suite*, under which artists receive a royalty each time the original, tangible embodiment of their work is resold. The practice was first recognized in France in 1920 and then adopted in other civil-law jurisdictions. More recently, a number of common-law jurisdictions have adopted some form of the *droit de suite*. In those countries that recognize it, the *droit de suite* is considered a moral right, albeit one with economic value.

The *droit de suite* protects visual artists, who face particular difficulty in capitalizing on their work. Literary and recording artists can generally profit from their efforts by controlling the reproduction of books or music. For visual artists such as painters and sculptors, however, the right to control reproduction is often not their principal source of income. Rather, it is often the sale of their original work that allows them to make a profit. The *droit de suite* gives these artists an economic interest in subsequent sales of their original work, thereby allowing them to capture some of its appreciation in value after the first sale.

The *droit de suite* also appears in international copyright law. Since 1948, the Berne Convention has recognized that artists possess an "inalienable right to an interest in any sale of the work subsequent to the first transfer by the author of the work." Berne Convention for the Protection of Literary and Artistic Works art. 14ter(1). Nevertheless, the Berne Convention does not obligate its signatories to adopt the *droit de suite*. Instead, the Berne Convention makes the recognition of such rights optional, but rewards such recognition with reciprocity: countries recognizing the right will protect the right of each others' artists.

The United States became a signatory to the Berne Convention in 1989, but to date, it has not adopted the *droit de suite*. As early as the 1970s, Congress considered adopting the *droit de suite* as part of U.S. copyright law, but those efforts have never proved successful. …

Under the California Resale Royalties Act of 1976 ("CRRA"), the seller of "a work of fine art" or the seller's agent must withhold 5% of the sale price and pay it to the artist. If the seller or agent is unable to locate and pay the artist within 90 days, the 5% royalty goes to the California Arts Council. In that event, the California Arts Council must attempt to locate and pay the artist. If the artist has not been located after seven years, the Council may then use the funds to acquire fine art for public buildings. If the seller or agent fails to pay the 5% royalty, the artist may bring an action for damages and attorneys' fees. Notably, the artist's right to the 5% royalty may not be waived or reduced by contract.

[Applying the statutory test for preemption under Section 301(a) of the Copyright Act, the court held that the subject matter of the CRRA fell within the subject matter of copyright; it then turned to the question of whether the statute granted "rights equivalent" to copyright.]

Although the CRRA's resale royalty right and § 106(3)'s distribution right are not coextensive, they are equivalent. The two rights differ in that one grants artists the right to receive a percentage payment on all sales of artwork after the first, while the other grants artists the right to receive full payment on the first (and only the first) sale. But, at root, both concern the distribution of copies of artwork and define artists' right (or lack thereof) to payment on downstream sales of those copies.

The equivalence of the two rights is further underscored by the manner in which the CRRA both expands and restricts the federal distribution right. The CRRA expands the federal distribution right because, whereas the first sale doctrine limits artists' right to payment to the first sale, the CRRA grants artists an unwaivable right to a 5% royalty on all downstream sales. Indeed, the CRRA is designed precisely to alter the first sale doctrine by affording artists a right to at least some measure of payment on every sale after the first. At the same time, the CRRA also restricts the federal distribution right by forbidding artists from fully alienating copies of their artwork. In effect, the CRRA creates an inalienable restraint on alienation.

In short, the CRRA does not merely grant an additional right beyond what federal copyright law already provides but fundamentally reshapes the contours of federal copyright law's existing distribution right. This runs counter to § 301(a), which precludes "all legal or equitable rights that are equivalent to any of the exclusive rights within the general scope of copyright," even if they are not precisely within the contemplation of the Copyright Act.

Notes and questions

(1) In *Close v. Sotheby's, Inc.*, 894 F.3d 1061 (9th Cir. 2018), the Ninth Circuit held that claims for resale royalties under the California Resale Royalties Act were expressly preempted by the 1976 Copyright Act. The court of appeals held that claims that arose before the effective date of the 1976 Copyright Act were preempted only if they conflicted with the 1909 Act. The court concluded that plaintiffs' claims concerning sales occurring between the CRRA's effective date of January 1, 1977, and the 1976 Act's effective date of January 1, 1978 were not preempted and remanded to the district court for further proceedings.

(2) The case for resale royalties laws is set out in the opinion above. Guy Rub and Christopher Sprigman argue that this view is wrong, resale royalties don't help artists, at least not most artists.

> **Christopher Sprigman and Guy Rub, *Resale Royalties Would Hurt Emerging Artists*, Artsy.net, Aug 8, 2018**
>
> There are a lot of problems with resale royalties schemes, and we have addressed some of them at length elsewhere. Here, we focus on one overriding difficulty: Resale royalties take real money from the entire art world, including young and struggling artists, and transfer most of it to a tiny group of famous and rich super-artists—the artistic one-percenters. … Resale royalties schemes are a regressive tax: they take from the poor and give to the rich. It's no surprise that rich artists

and their lawyers, agents, and heirs favor resale royalties laws. But the rest of the art world should not have to pay the price for it.

Do you agree?

Comparative: Copyright Exhaustion Under International Copyright Agreements

As noted earlier in this chapter, every copyright jurisdiction around the world limits the exclusive right of distribution (or its equivalent) in some way, but they diverge on whether exhaustion should be national, regional, or international. These different approaches to exhaustion partly explain why the Berne Convention does not include a general right of distribution. But note that Berne does recognize a right of distribution for cinematographic adaptations under Article 14(1). Likewise, the TRIPs Agreement expressly leaves the issue of exhaustion as a matter for individual member states. However, the TRIPs Agreement does recognize, in Article 11, a rental right for authors of computer programs and cinematographic works, subject to certain limitations.

Berne Convention, Article 14

(1) Authors of literary or artistic works shall have the exclusive right of authorizing:

(i) the cinematographic adaptation and reproduction of these works, and the distribution of the works thus adapted or reproduced;

(ii) the public performance and communication to the public by wire of the works thus adapted or reproduced.

(2) The adaptation into any other artistic form of a cinematographic production derived from literary or artistic works shall, without prejudice to the authorization of the author of the cinematographic production, remain subject to the authorization of the authors of the original works.

TRIPs Article 6 (Exhaustion)

For the purposes of dispute settlement under this Agreement … nothing in this Agreement shall be used to address the issue of the exhaustion of intellectual property rights.

TRIPs Article 11 (Rental Rights)

In respect of at least computer programs and cinematographic works, a Member shall provide authors and their successors in title the right to authorize or to prohibit the commercial rental to the public of originals or copies of their copyright works. A Member shall be excepted from this obligation in respect of cinematographic works unless such rental has led to widespread copying of such works which is materially impairing the exclusive right of reproduction conferred in that Member on authors and their successors in title. In respect of computer programs, this obligation does not apply to rentals where the program itself is not the essential object of the rental.

Comparative: Digital Exhaustion in the European Union

The European law regarding the application of the first sale doctrine to online activity continues to evolve.

In *UsedSoft GmbH v Oracle International Corp* (C-128/11) (2012) the CJEU held that the owner of copyright in software could not prevent a perpetual licensee who has downloaded the software from the Internet from selling his "used" license. The court held the principle of exhaustion applies to used software so long as the user was given the right to use the computer program for an unlimited in time and the consideration paid reflected the economic value of the copy. In other words, that the transaction had the economic realities of a sale.

In *Ranks v. Finanšu un ekonomisko noziegumu izmeklēšanas prokoratūra & Microsoft* (C-166/15) (2016), the CJEU held that the principle in *UsedSoft* did not apply to a backup copy of the software made by the user.

In the 2019 Tom Kabinet case—*Nederlands Uitgeversverbond and Groep Algemene Uitgevers* (C-263/18) (2019)—the CJEU held that an e-book lending service was not protected by the principle of exhaustion. The Tom Kabinet service made e-books available for unlimited periods of time via a download link. Contrary to the view that prevails in the United States, the European Court determined that this electronic file transfer was not a distribution. Under the applicable directives, this meant that the principle of exhaustion did not apply. It ruled instead that the file transfer was a "communication to the public" to which the rule of exhaustion did not apply.

A 2024 decision by the French Supreme Court (Cour de cassation) held that the principle of exhaustion does not apply to digitally downloaded video games, emphasizing that such games are "complex works" under the InfoSoc Directive rather than being governed by the Software Directive. This aligns with the reasoning in *Tom Kabinet*, discussed above, and in *Nintendo v. PC Box*, Case C-355/12 (CJEU 2014), which treated video games as complex works governed by the InfoSoc Directive, and suggests that exhaustion remains limited to pure software. See *UFC-Que Choisir v. Valve Corporation*, Court of Cassation [France], 1st Civil Chamber, 23 October 2024, no. 23-13.738.

CHAPTER 22. THE INTERSECTION OF COPYRIGHT AND STATE LAW RIGHTS

Copyright and Contract: Sale versus license

As discussed in a previous chapter, the first sale doctrine in Section 109(a) of the Copyright Act provides that notwithstanding the exclusive distribution right "the owner of a particular copy" of a work is entitled "to sell or otherwise dispose of the possession of that copy" without the authority of the copyright owner.

What then should we make of contractual restrictions that purport to limit that right? One possible answer is that when the copyright owner sells a copy of the work on the condition that it will not be resold, the condition is preempted by federal copyright law. But another approach is to simply recognize that the copyright owner may have valid contractual rights, but no cause of action for copyright infringement. This is a potentially significant difference: there are no statutory damages for breach of contract, nor is the prevailing party in a contract dispute likely to obtain attorneys' fees in the American civil litigation context.

Accordingly, a contract prohibiting the resale of a textbook may bind the original purchaser, but any subsequent purchaser would be free to sell, lend, or otherwise dispose of the book, consistent with copyright law's first sale doctrine. The subsequent purchaser has no contractual relationship with the copyright owner, and thus no obligation to respect the prohibition against resale.

Notice however, that the first sale doctrine is limited to "the owner" of a particular copy of a work. In light of this limitation, it is not surprising that copyright owners have attempted to circumvent the first sale doctrine by characterizing particular transactions as "licenses" as opposed to sales. The question of sale versus license is also vitally important in relation to another provision of the Copyright Act, the "essential step" defense in Section 117(a). Before considering the "sale versus license" cases in detail, it is useful to understand how the essential step defense provides a circuit breaker on attempts by copyright owners to combine idiosyncratic contractual restrictions with powerful copyright remedies.

Suppose that the author of the textbook on accounting sold the book on the condition that it would not be used on Wednesdays. This idiosyncratic restriction might be enforceable against original purchasers who agreed to be bound by it, but reading the book on a Wednesday would not constitute copyright infringement. Reading, as such, is not one of the exclusive rights of the copyright owner, it requires no permission. Thus, simply reading on Wednesdays does not violate copyright law, even if it exposes the reader to a cause of action in contract.

However, in the world of software and digital goods the same idiosyncratic contractual term could easily trigger copyright liability. The use of software or the display/performance of digital products such as an e-book or electronic music file typically involves the creation of a temporary copy in the short-term memory of a computer. The short-term memory is typically comprised of RAM (random access memory) and courts have consistently held that the creation of such "RAM copies" is an act of reproduction under the copyright act, at least if the copies last for more than a transitory duration. The "RAM copy" doctrine

began in 1993 with *MAI Systems Corporation v. Peak Computer, Inc.,* 991 F.2d 511, 517-18 (9th Cir.1993). The court in *MAI Systems* did not pay much attention to how long a program would have to be stored in RAM to qualify as copy, however in *Cartoon Network v. CSC Holdings,* 536 F.3d 121 (2d Cir. 2008), the Second Circuit added some nuance to the *MAI Systems* line of cases. In *Cartoon Network,* the Second Circuit held that copies of television programs were not capable of being perceived "for a period of more than transitory duration" when they existed in the defendant's data buffers for only 1.2 seconds. However, the court suggested that a work would exist for "more than transitory duration" if it was embodied in the data buffers for "at least several minutes."

In theory, every time a user launches her accounting book in an e-book reader she creates a temporary copy of the book. If the user's right to create such temporary copies—i.e., her right to read the book—was conditioned on her agreement not to read the book on Wednesdays, then any violation of that condition would trigger copyright liability.

In theory, the RAM copy doctrine allows copyright owners to control downstream uses of their works in ways that would be entirely impossible in the analog world. However, the theoretical prospect is mostly offset by the essential step defense in Section 117(a) of the Copyright Act. Section 117(a) of the Copyright Act was enacted at the recommendation of the Commission on New Technological Uses of Copyrighted Works (CONTU) which reported to Congress in 1978. It provides that "it is not an infringement for the owner of a copy of a computer program to make or authorize the making of another copy" if such a copy "is created as an essential step in the utilization of the computer program."

> **17 U.S. Code § 117. Limitations on exclusive rights: Computer programs**
>
> (a) Making of Additional Copy or Adaptation by Owner of Copy.— Notwithstanding the provisions of section 106, it is not an infringement for the owner of a copy of a computer program to make or authorize the making of another copy or adaptation of that computer program provided:
>
> (1) that such a new copy or adaptation is created as an essential step in the utilization of the computer program in conjunction with a machine and that it is used in no other manner, or
>
> (2) that such new copy or adaptation is for archival purposes only and that all archival copies are destroyed in the event that continued possession of the computer program should cease to be rightful.

As noted, the essential step defense provides a circuit breaker on attempts to combine idiosyncratic contractual restrictions with powerful copyright remedies. As long as the essential step defense applies, the copies that result from the ordinary use of a computer program do not trigger copyright liability, even if those uses violate a condition of the license. However, not every user gets the benefit of the Section 117 circuit breaker. Just like the statutory incarnation of the first sale doctrine in section 109(a) the essential step defense only applies to "owners" of the relevant copy of the work.

So, who is the owner of a work? And what should we make of contracts and notices that purport to characterize the end-user possessor of a piece of software as the licensee of the physical embodiment of the code rather than the owner? As Aaron Perzanowski and Jason Schultz, summarize in *The End Of Ownership: Personal Property In The Digital Economy*

(2016) (at 6-7), the shift from ownership to temporary conditional access has some profound implications:

> … The most immediate consequence of nonownership is the long list of substantive rights we lose … You can't resell a product you don't own. You can't lend it, give it away, or donate it. You can't read, watch, or listen on unapproved devices. You can't modify or repair the devices you use. … Nor is the impact of the shift from ownership to licensing limited to individuals; our educational and cultural institutions are dealing with the fallout as well. When a library buys a printed book, for example, it can lend it to as many patrons as it chooses, without asking the publisher for permission of paying additional fees. Library books can remain in circulation for decades, serving the needs of hundreds of readers. But when libraries acquire ebooks, licensing terms and software code often impose hard ceilings on lending.

Sale versus License: The Second Circuit's Economic Realities Approach

Krause v. Titleserv, Inc., 402 F.3d 119 (2d Cir. 2005)

LEVAL, Circuit Judge.

Plaintiff William Krause appeals from a judgment of the United States District Court for the Eastern District of New York granting defendants' motion for summary judgment. Krause brought this suit against Titleserv, its owner and CEO, three employees, and an affiliated company (collectively "Titleserv"). The complaint alleged that Titleserv infringed the plaintiff's copyright by modifying the source code of eight computer programs he authored for Titleserv.

BACKGROUND

Between 1986 and 1996 plaintiff Krause performed computer and communications work for Titleserv. He wrote over thirty-five computer programs for Titleserv. The eight programs at issue in this suit were designed to enable Titleserv to track and report on the status of client requests and other aspects of its operations. The programs were installed on Titleserv's computer network and were thus accessible to Titleserv employees.

Krause wrote the programs in Clipper, a DOS-based programming language. Code written in such a programming language is called source code. Source code becomes executable only when it is run through a compiler which converts it into the binary 1s and 0s of object, or executable, code.

In 1996, Krause and Titleserv began negotiating Krause's assignment of the copyright in his programs to Titleserv in exchange for a five-year consulting agreement. On July 10, 1996, before any agreement was reached, Krause terminated his relationship with Titleserv after learning that Titleserv intended that he take direction from its new Director of Information Technology. When Krause left, he took his notebook computer, which contained the only copies of the source code for two of the programs. He left copies of the source code for the other six disputed programs on the Titleserv file servers because Titleserv had backup tapes, so that in Krause's words, "removing the source from the file servers would have

been a meaningless gesture." Krause left executable versions of all eight programs at issue on Titleserv's file servers, but locked them with a command, which prevented a popular decompiler from converting the executable code back into source code.

Krause told Titleserv that it was free to continue using the executable code as it existed on the day Krause left, but asserted that Titleserv had no right to modify the source code. Inability to modify the source code would have severely limited the value of those programs to Titleserv. Many routine functions such as the addition of a new customer or a change of a customer address could be performed only by changing the source code. In addition, changes were required to fix bugs from time to time to keep the system from crashing.

On July 16, 1996, Titleserv filed suit against Krause in state court alleging, *inter alia,* misappropriation of its property. Employees of Titleserv subsequently circumvented the "lock" he had placed on the executable code and decompiled it back into source code. An employee then set about "cleaning up" the source code by formatting it, assigning proper variable names, and adding comments. Titleserv made further modifications, including the fixing of bugs, the addition of new customers, and changes in customer addresses, to keep the old programs functional while Titleserv developed a new, Windows-based system. Krause's system was then phased out at some point between late 1997 and early 1998.

Krause brought this suit in the Eastern District of New York. The complaint, as amended, states a single cause of action for copyright infringement based on Titleserv's alleged copying of his programs and its production of derivative works.

After discovery, Titleserv moved for summary judgment [which the district court granted]. Krause then brought this appeal.

DISCUSSION

This appeal turns on whether Titleserv was entitled to summary judgment on the basis of the affirmative defense provided in 17 U.S.C. § 117(a)(1), as the district court found. Section 117(a) allows the owner of a copy of a computer program to copy or modify the program for limited purposes without incurring liability for infringement. It states:

> Notwithstanding the provisions of section 106 [which generally provides, *inter alia,* that copying of a protected work is an infringement], it is not an infringement for the owner of a copy of a computer program to make or authorize the making of another copy or adaptation of that computer program provided:
>
> (1) that such a new copy or adaptation is created as an essential step in the utilization of the computer program in conjunction with a machine and that it is used in no other manner, or
>
> (2) that such new copy or adaptation is for archival purposes only and that all archival copies are destroyed in the event that continued possession of the computer program should cease to be rightful.

We are concerned only with subparagraph (1), as Titleserv has not alleged that it copied Krause's programs solely for archival purposes.

To come within the protection of § 117(a)(1) on these facts, Titleserv must demonstrate that the new adaptation of Krause's program (i) was made by the "owner of a copy of [the] computer program"; (ii) was "created as an essential step in the utilization of the computer program in conjunction with a machine"; and (iii) was "used in no other manner."

I. Owner of a copy of a computer program

Because § 117(a) protects only "the owner of a copy of a computer program," we must first determine whether Titleserv owned the copies of the computer programs at issue. Ownership of a copy is something distinct from copyright ownership. *See* 17 U.S.C. § 202 ("Ownership of a copyright, or of any of the exclusive rights under a copyright, is distinct from ownership of any material object in which the work is embodied."). For example, the author of a book, or her assignee, ordinarily owns the copyright in the book and thus the sole right to authorize copying; each purchaser of a copy of the book owns that copy, but is generally not entitled to make copies from it.

It is undisputed that Titleserv *possessed* executable copies of all the programs. The parties disagree whether Titleserv *owned* those copies within the meaning of § 117(a). Krause claims that Titleserv never owned the program copies saved on its file server, but rather possessed the copies as a licensee pursuant to an oral agreement. Titleserv asserts that it owns copies of the programs because it paid Krause a substantial sum to develop them and has an undisputed right to possess and use them permanently.

Interpreting the word "owner" is more complex than might first appear. Ownership of property is often described as a bundle of rights. It is not clear from the text of § 117(a) how many and what kind of sticks may be removed from the bundle before the possessor of a copy of a computer program is no longer considered its owner for purposes of § 117(a).

The legislative history of § 117(a) is sparse and provides limited guidance on this point. Section 117(a) was based on the recommendations of the National Commission on New Technological Uses of Copyrighted Works ("CONTU" or the "Commission"). Congress largely enacted the language proposed by the Commission, with one notable exception. The report originally proposed making the affirmative defense of § 117(a) available to the "*rightful possessor* of a copy of a computer program." *Final Report of the National Commission on New Technological Uses of Copyrighted Works* 12 (1978) (emphasis added) [hereinafter "*CONTU Report*"]. Congress changed the term "rightful possessor" to "owner" but did not explain its reason. *See* House Report at 23 (1980).

Krause contends that Congress's substitution of the word "owner" for the Commission's term, which would have accorded adaptation rights to any "rightful possessor," reveals that Congress intended to restrict the benefit of the statute to title owners. At least one district court has agreed. *See Applied Info. Mgmt. v. Icart,* 976 F.Supp. 149, 153 (E.D.N.Y.1997). Other courts have attached less importance to formal title, looking rather at the various incidents of ownership. The Federal Circuit followed this latter approach in *DSC Communications Corp. v. Pulse*

Communications, Inc., 170 F.3d 1354 (Fed.Cir.1999). *DSC Communications* involved a contributory infringement claim that required the court to determine whether the Regional Bell Operating Companies ("RBOCs") owned copies of the software they transferred regularly onto interface cards. The Federal Circuit concluded that the RBOCs were not owners within the meaning of § 117(a), not merely because the RBOCs did not have title, but rather because licensing agreements with the copyright holder "severely limited the rights of the RBOCs with respect to the ... software in ways that are inconsistent with the rights normally enjoyed by owners of copies of software." *Id.* at 1361. For example, the agreements prohibited the RBOCs from using DSC's software on hardware other than that provided by DSC. *Id.* The agreements also limited the authority of the RBOCs to transfer copies of the software, even though the "first sale" doctrine would have protected certain transfers if the RBOCs had owned copies of the software. *Id.*

In our view, Congress's decision to reject "rightful possessor" in favor of "owner" does not indicate an intention to limit the protection of the statute to those possessing formal title. The term "rightful possessor" is quite broad. Had that term been used, the authority granted by the statute would benefit a messenger delivering a program, a bailee, or countless others temporarily in lawful possession of a copy. Congress easily could have intended to reject so broad a category of beneficiaries without intending a narrow, formalistic definition of ownership dependent on title.

Several considerations militate against interpreting § 117(a) to require formal title in a program copy. First, whether a party possesses formal title will frequently be a matter of state law. The result would be to undermine some of the uniformity achieved by the Copyright Act. The same transaction might be deemed a sale under one state's law and a lease under another's. If § 117(a) required formal title, two software users, engaged in substantively identical transactions might find that one is liable for copyright infringement while the other is protected by § 117(a), depending solely on the state in which the conduct occurred. Such a result would contradict the Copyright Act's "express objective of creating national, uniform copyright law by broadly preempting state statutory and common-law copyright regulation." *Community for Creative Non-Violence v. Reid,* 490 U.S. 730, 740 (1989); *see also* 17 U.S.C. § 301(a).

Second, it seems anomalous for a user whose degree of ownership of a copy is so complete that he may lawfully use it and keep it forever, or if so disposed, throw it in the trash, to be nonetheless unauthorized to fix it when it develops a bug, or to make an archival copy as backup security.

We conclude for these reasons that formal title in a program copy is not an absolute prerequisite to qualifying for § 117(a)'s affirmative defense. Instead, courts should inquire into whether the party exercises sufficient incidents of ownership over a copy of the program to be sensibly considered the owner of the copy for purposes of § 117(a). The presence or absence of formal title may of course be a factor in this inquiry, but the absence of formal title may be outweighed by evidence that the possessor of the copy enjoys sufficiently broad rights over it to be sensibly considered its owner.

We conclude that Titleserv owned copies of the disputed programs within the meaning of § 117(a). We reach this conclusion in consideration of the following factors: Titleserv paid Krause substantial consideration to develop the programs for its sole benefit. Krause customized the software to serve Titleserv's operations. The copies were stored on a server owned by Titleserv. Krause never reserved the right to repossess the copies used by Titleserv and agreed that Titleserv had the right to continue to possess and use the programs forever, regardless whether its relationship with Krause terminated. Titleserv was similarly free to discard or destroy the copies any time it wished. In our view, the pertinent facts in the aggregate satisfy § 117(a)'s requirement of ownership of a copy.

Krause responds to this strong evidence of ownership by asserting that Titleserv, acting through its CEO, orally agreed to possess the copies as a mere licensee. He claims evidentiary support in six of his own prior statements. His reliance on these statements, however, confuses ownership of a copyright with ownership of a copy of the copyrighted material. Most of the cited passages, when read in context, relate to the ownership and/or right to use of the copyright, and not to ownership of the copies. Krause's ownership of the copyright in the programs is not disputed, but is irrelevant to Titleserv's rights under § 117(a), which depend on ownership of a copy of the copyrighted material. The final citation is to Krause's deposition in which he gave the conclusory answer "No" when asked "When you left on July 10, 1996, did Titleserv own the copies of the executables?" This conclusory assertion on an issue of law is not sufficient to raise a material issue of fact.

We conclude in the absence of other evidence that Titleserv's right, for which it paid substantial sums, to possess and use a copy indefinitely without material restriction, as well as to discard or destroy it at will, gave it sufficient incidents of ownership to make it the owner of the copy for purposes of applying § 117(a).

[The Second Circuit also concluded that the additional requirements of Section 117 were satisfied and that Titleserv was entitled to summary judgment.]

Notes and questions

(1) How does this case expand the meaning of "owner" under § 117? Why does the court take this approach?

(2) What "incidents of ownership" did the Second Circuit find most persuasive in concluding that Titleserv was the owner of the copies? Do these align with common-law notions of ownership?

(3) The court rejected the idea that "formal title" was necessary to qualify as an owner under § 117(a). What practical concerns motivated this rejection?

(4) How does the *Krause* decision interact with the Copyright Act's goal of national uniformity? Would a more formalistic approach risk reintroducing state-law variability?

(5) In *DSC Communications v. Pulse Communications, Inc.*, 170 F.3d 1354 (Fed. Cir. 1999), the Federal Circuit held that the Regional Bell Operating Companies were not "owners" of the software copies supplied by DSC, but merely licensees. Although the RBOCs had lawful possession of the programs, the licensing agreements imposed strict

limitations: they could use the software only on DSC hardware, could not transfer or modify it, and lacked the right to retain or dispose of it freely. How do the facts or the contractual limitations in *Krause* differ from *DSC*?

(6) Suppose Krause had expressly required Titleserv to return all copies of the programs upon termination of their relationship. Would that have changed the court's conclusion about ownership under § 117(a)? Why or why not?

Sale versus License: The Ninth Circuit's Vernor-MDY framework

Vernor v. Autodesk, Inc., 621 F.3d 1102 (9th Cir. 2010)

CALLAHAN, Circuit Judge:

[Autodesk, Inc. developed computer-aided design software and has distributed its AutoCAD software since 1982 under a Software License Agreement (SLA) that customers must accept before installation. The SLA explicitly stated that Autodesk retains title to all copies and grants customers only a nonexclusive, nontransferable license to use the software. The agreement prohibited customers from renting, leasing, or transferring the software without Autodesk's prior consent, restricts use to the Western Hemisphere, and forbade reverse engineering or modification. When customers upgrade to newer versions, the SLA required them to destroy previous versions within sixty days, with proof available upon request. Autodesk enforced these restrictions through serial numbers and activation codes that must be entered within a month of installation.

In 1999, Autodesk "licensed" ten copies of AutoCAD Release 14 to Cardwell/Thomas & Associates (CTA) as part of a settlement. CTA later upgraded to AutoCAD 2000, paying discounted upgrade prices ($495 versus $3,750 for new licenses). Despite the SLA's requirement to destroy the superseded software, CTA sold its Release 14 copies at an office sale. Timothy Vernor, an eBay seller, purchased several used Release 14 copies—one at a garage sale in 2005 and four from CTA in 2007. He never opened, installed, or agreed to the SLA. When Vernor listed the software on eBay, Autodesk filed DMCA takedown notices claiming copyright infringement, resulting in repeated auction removals and a month-long account suspension. Vernor sold some copies for approximately $600 each but retained two to avoid further suspensions. Instead, he brought a declaratory judgment action to establish that his resales did not infringe Autodesk's copyright. The district court granted summary judgment to Vernor as to copyright infringement in an unpublished decision.]

III.

This case requires us to decide whether Autodesk sold Release 14 copies to its customers or licensed the copies to its customers. If CTA owned its copies of Release 14, then both its sales to Vernor and Vernor's subsequent sales were non-infringing under the first sale doctrine. However, if Autodesk only licensed CTA to use copies of Release 14, then CTA's and Vernor's sales of those copies are not protected by the first sale doctrine and would therefore infringe Autodesk's exclusive distribution right.

A. The first sale doctrine

[The court began by explaining that the first sale doctrine, in light of the Supreme Court's decision in *Bobbs-Merrill Co. v. Straus* (1908)] in which a publisher attempted to control resale prices by placing notices in books declaring that sales below one dollar constituted copyright infringement. The Supreme Court rejected this, holding that the copyright owner's distribution right was exhausted after the first sale, though the Court noted it was not addressing situations involving license agreements. Congress codified this doctrine, which now permits the "owner of a particular copy" to sell or dispose of that copy without the copyright owner's authorization. Noting that the first sale doctrine only protects owners, not mere possessors such as licensees or bailees, the court continued …]

B. Owners vs. licensees

We turn to our precedents governing whether a transferee of a copy of a copyrighted work is an owner or licensee of that copy. We then apply those precedents to CTA's and Vernor's possession of Release 14 copies.

1. *United States v. Wise,* 550 F.2d 1180 (9th Cir.1977)

In *Wise*, a criminal copyright infringement case, we considered whether copyright owners who transferred copies of their motion pictures pursuant to written distribution agreements had executed first sales. The defendant was found guilty of copyright infringement based on his for-profit sales of motion picture prints. The copyright owners distributed their films to third parties pursuant to written agreements that restricted their use and transfer. On appeal, the defendant argued that the government failed to prove the absence of a first sale for each film. If the copyright owners' initial transfers of the films were first sales, then the defendant's resales were protected by the first sale doctrine and thus were not copyright infringement.

To determine whether a first sale occurred, we considered multiple factors pertaining to each film distribution agreement. Specifically, we considered whether the agreement (a) was labeled a license, (b) provided that the copyright owner retained title to the prints, (c) required the return or destruction of the prints, (d) forbade duplication of prints, or (e) required the transferee to maintain possession of the prints for the agreement's duration. Our use of these several considerations, none dispositive, may be seen in our treatment of each film print.

[For instance, when Warner Brothers provided a Camelot print to actress Vanessa Redgrave at cost with use restrictions but no return obligation, the court found the transaction "strongly resembled a sale with restrictions," despite the limitations imposed. Other circumstances created a license rather than a first sale.]

2. The "MAI trio" of cases

Over fifteen years after *Wise*, we again considered the distinction between owners and licensees of copies of copyrighted works in three software copyright cases, the "MAI trio". See *MAI Sys. Corp. v. Peak Computer, Inc.,* 991 F.2d 511 (9th Cir.1993); *Triad Sys. Corp. v. Se. Express Co.*, 64 F.3d 1330 (9th Cir.1995); *Wall Data, Inc. v. Los Angeles County Sheriff's Dep't*, 447 F.3d 769 (9th Cir.2006). In

the *MAI* trio, we considered which software purchasers were owners of copies of copyrighted works for purposes of a second affirmative defense to infringement, the essential step defense.

The enforcement of copyright owners' exclusive right to reproduce their work under the Copyright Act, 17 U.S.C. § 106(1), has posed special challenges in the software context. In order to use a software program, a user's computer will automatically copy the software into the computer's random access memory ("RAM"), which is a form of computer data storage. Congress enacted the essential step defense to codify that a software user who is the "owner of a copy" of a copyrighted software program does not infringe by making a copy of the computer program, if the new copy is "created as an essential step in the utilization of the computer program in conjunction with a machine and ... is used in no other manner." 17 U.S.C. § 117(a)(1).

The Copyright Act provides that an "owner of a copy" of copyrighted software may claim the essential step defense, and the "owner of a particular copy" of copyrighted software may claim the first sale doctrine. The *MAI* trio construed the phrase "owner of a copy" for essential step defense purposes. Neither Vernor nor Autodesk contends that the first sale doctrine's inclusion of the word "particular" alters the phrase's meaning, and we presume that words used more than once in the same statute have the same meaning throughout. Accordingly, we consider the *MAI* trio's construction of "owner of a copy" controlling in our analysis of whether CTA and Vernor became "owner[s] of a particular copy" of Release 14 software.

In *MAI* and *Triad*, the defendants maintained computers that ran the plaintiffs' operating system software. When the defendants ran the computers, the computers automatically loaded plaintiffs' software into RAM. The plaintiffs in both cases sold their software pursuant to restrictive license agreements, and we held that their customers were licensees who were therefore not entitled to claim the essential step defense. We found that the defendants infringed plaintiffs' software copyrights by their unauthorized loading of copyrighted software into RAM. In Triad, the plaintiff had earlier sold software outright to some customers. We noted that these customers were owners who were entitled to the essential step defense, and the defendant did not infringe by making RAM copies in servicing their computers.

In *Wall Data*, plaintiff sold 3,663 software licenses to the defendant. The licenses (1) were non-exclusive; (2) permitted use of the software on a single computer; and (3) permitted transfer of the software once per month, if the software was removed from the original computer. The defendant installed the software onto 6,007 computers via hard drive imaging, which saved it from installing the software manually on each computer. It made an unverified claim that only 3,663 users could simultaneously access the software.

The plaintiff sued for copyright infringement, contending that the defendant violated the license by "over-installing" the software. The defendant raised an essential step defense, contending that its hard drive imaging was a necessary step of installation. On appeal, we held that the district court did not abuse its discretion in denying the defendant's request for a jury instruction on the essential step

defense. Citing *MAI*, we held that the essential step defense does not apply where the copyright owner grants the user a license and significantly restricts the user's ability to transfer the software. Since the plaintiff's license imposed "significant restrictions" on the defendant's software rights, the defendant was a licensee and was not entitled to the essential step defense.

In *Wall Data*, we acknowledged that *MAI* had been criticized in a Federal Circuit decision, but declined to revisit its holding, noting that the facts of *Wall Data* led to the conclusion that any error in the district court's failure to instruct was harmless. Even if the defendant owned its copies of the software, its installation of the software on a number of computers in excess of its license was not an essential step in the software's use. (citing *DSC Commc'ns Corp. v. Pulse Commc'ns, Inc.*, 170 F.3d 1354, 1360 (Fed.Cir.1999) (criticizing *MAI*)).

We read *Wise* and the *MAI* trio to prescribe three considerations that we may use to determine whether a software user is a licensee, rather than an owner of a copy. First, we consider whether the copyright owner specifies that a user is granted a license. Second, we consider whether the copyright owner significantly restricts the user's ability to transfer the software. Finally, we consider whether the copyright owner imposes notable use restrictions. Our holding reconciles the MAI trio and Wise, even though the MAI trio did not cite Wise.

In response to *MAI*, Congress amended § 117 to permit a computer owner to copy software for maintenance or repair purposes. However, Congress did not disturb *MAI's* holding that licensees are not entitled to the essential step defense.

IV.

A. The district court's decision

The district court interpreted *Wise* to hold that a first sale occurs whenever the transferee is entitled to keep the copy of the work. Since Autodesk does not require its customers to return their copies of Release 14, the district court found that Autodesk had sold Release 14 to CTA. It reasoned that thus, CTA and Vernor were successive "owner[s] of a copy" of the software and were entitled to resell it under the first sale doctrine. The district court also found that Vernor's customers' copying of software during installation was protected by the essential step defense.

The district court acknowledged that were it to follow the *MAI* trio, it would conclude that Autodesk had licensed Release 14 copies to CTA, rather than sold them. However, it viewed *Wise* and the *MAI* trio as irreconcilable, and it followed *Wise* as the first-decided case.

B. Analysis

We hold today that a software user is a licensee rather than an owner of a copy where the copyright owner (1) specifies that the user is granted a license; (2) significantly restricts the user's ability to transfer the software; and (3) imposes notable use restrictions. Applying our holding to Autodesk's SLA, we conclude that CTA was a licensee rather than an owner of copies of Release 14 and thus was not entitled to invoke the first sale doctrine or the essential step defense.

Autodesk retained title to the software and imposed significant transfer restrictions: it stated that the license is non-transferable, the software could not be transferred or leased without Autodesk's written consent, and the software could not be transferred outside the Western Hemisphere. The SLA also imposed use restrictions against the use of the software outside the Western Hemisphere and against modifying, translating, or reverse-engineering the software, removing any proprietary marks from the software or documentation, or defeating any copy protection device. Furthermore, the SLA provided for termination of the license upon the licensee's unauthorized copying or failure to comply with other license restrictions. Thus, because Autodesk reserved title to Release 14 copies and imposed significant transfer and use restrictions, we conclude that its customers are licensees of their copies of Release 14 rather than owners.

CTA was a licensee rather than an "owner of a particular copy" of Release 14, and it was not entitled to resell its Release 14 copies to Vernor under the first sale doctrine. 17 U.S.C. § 109(a). Therefore, Vernor did not receive title to the copies from CTA and accordingly could not pass ownership on to others. Both CTA's and Vernor's sales infringed Autodesk's exclusive right to distribute copies of its work. Id. § 106(3).

Because Vernor was not an owner, his customers are also not owners of Release 14 copies. Therefore, when they install Release 14 on their computers, the copies of the software that they make during installation infringe Autodesk's exclusive reproduction right because they too are not entitled to the benefit of the essential step defense.

Although unnecessary to our resolution of the case, we address the legislative history in order to address the arguments raised by the parties and amici. That legislative history supports our conclusion that licensees such as CTA are not entitled to claim the first sale doctrine. The House Report for § 109 underscores Congress' view that the first sale doctrine is available only to a person who has acquired a copy via an "outright sale". The report also asserts that the first sale doctrine does not "apply to someone who merely possesses a copy or phonorecord without having acquired ownership of it."

Our conclusion that those who rightfully possess, but do not own, a copy of copyrighted software are not entitled to claim the essential step defense is also supported by the legislative history. Congress enacted § 117 following a report from the National Commission on New Technological Uses of Copyrighted Works ("CONTU") proposing Copyright Act amendments. CONTU's proposed version of § 117 was identical to the version that Congress enacted with one exception. Id. CONTU's version provided, "[I]t is not an infringement for the rightful possessor of a copy of a computer program to make or authorize the making of another copy or adaptation of that program...." Without explanation, Congress substituted "owner" for "rightful possessor." This modification suggests that more than rightful possession is required for § 117 to apply — i.e., that Congress did not intend licensees subject to significant transfer and use restrictions to receive the benefit of the essential step defense.

C. Vernor's four counterarguments are not persuasive

1. The district court's decision concerning indefinite possession

Vernor contends that the district court correctly concluded that (1) Wise is the controlling precedent and (2) under *Wise*, the key factor is whether transferees are entitled to indefinite possession of their copy of a copyrighted work. As explained supra, we disagree. In *Wise*, we utilized a multi-factor balancing test to distinguish between a first sale and a license of a copyrighted film print. We considered a transferee's ability to possess a print indefinitely as one factor in our analysis, but we did not treat it as dispositive. If we had, we would not have needed to consider other contractual provisions, such as retention of title, copying prohibitions, and lending restrictions. Moreover, we held in *Wise* that two agreements were licenses rather than first sales, even though those agreements did not describe any provision requiring the transferee to return the prints to the copyright owners.

2. Circuit split with the Federal and Second Circuits

Vernor contends that reversing the district court will create a circuit split with the Federal and Second Circuits. See *DSC Commc'ns Corp. v. Pulse Commc'ns, Inc.*, 170 F.3d 1354 (Fed.Cir.1999); *Krause v. Titleserv, Inc.*, 402 F.3d 119 (2nd Cir. 2005). We disagree.

In *DSC*, the Federal Circuit considered the essential step defense in a case in which the plaintiff and defendant sold competing telephone systems hardware cards. Rather than develop its own software, the defendant used its hardware to download plaintiff's software into RAM upon installation. The plaintiff argued that this constituted copyright infringement, and the defendant countered that the relevant customers owned plaintiff's software, entitling them to an essential step defense. The court rejected the defendant's essential step defense, holding that plaintiff licensed its customers' use of their copies of the software in the relevant license agreement's transfer and use restrictions. Although the Federal Circuit rejected *MAI's* "characterization of all licensees as non-owners," it deemed *MAI* "instructive" and determined that the agreements there in issue were licenses. Although *DSC* is thus narrower than *MAI*, it does not conflict with our holding today that a software customer bound by a restrictive license agreement may be a licensee of a copy not entitled to the first sale doctrine or the essential step defense.

The Second Circuit's decision in *Krause* is distinguishable. In *Krause*, the plaintiff-copyright owner was a software developer who sued his former employer for making allegedly infringing modifications to his software program. The Second Circuit considered the totality of the parties' agreement to determine that the defendant was entitled to an essential step defense. In *Krause*, unlike here, the parties did not have a written license agreement, the defendant-employer had paid the plaintiff-employee significant consideration to develop the programs for its sole benefit, and the plaintiff had agreed to allow the defendant to use the programs "forever," regardless of whether the parties' relationship terminated. Thus, the Second Circuit found that the defendant-employer owned its copies of the work. Id. The facts and the analysis in Krause are not contrary to our determination that CTA is a licensee rather than an owner.

3. The Supreme Court's holding in Bobbs-Merrill

Vernor contends that *Bobbs-Merrill* establishes his entitlement to a first sale defense. See Bobbs-Merrill Co. v. Straus, 210 U.S. 339 (1908). However, Bobbs-Merrill stands only for the proposition that a copyright owner's exclusive distribution right does not allow it to control sales of copies of its work after the first sale. Decided in 1908, Bobbs-Merrill did not and could not address the question of whether the right to use software is distinct from the ownership of copies of software. Moreover, the Supreme Court in Bobbs-Merrill made explicit that its decision did not address the use of restrictions to create a license. Id. ("There is no claim in this case of contract limitation, nor license agreement controlling the subsequent sales of the book.")

4. Economic realities of the transaction

Finally, Vernor contends that "economic realities" demonstrate that Autodesk makes "first sales" to its customers, because Autodesk allows its customers to possess their copies of the software indefinitely and does not require recurring license payments. We held supra that neither of these factors is dispositive. Vernor cites no first sale doctrine case in support of this proposition. Rather, he cites *In re DAK Indus.*, 66 F.3d 1091, 1095 (9th Cir. 1995), a case in which we interpreted the Bankruptcy Code to decide whether a particular transaction should be considered a pre-petition sale. We commented that "when applying the bankruptcy code to this transaction, we must look through its form to the economic realities of the particular arrangement." Nothing in *DAK* is contrary to our reconciliation of *Wise* and the *MAI* trio.

Although our holding today is controlled by our precedent, we recognize the significant policy considerations raised by the parties and amici on both sides of this appeal.

Autodesk, the Software & Information Industry Association ("SIIA"), and the Motion Picture Association of America ("MPAA") have presented policy arguments that favor our result. For instance, Autodesk argues in favor of judicial enforcement of software license agreements that restrict transfers of copies of the work. Autodesk contends that this (1) allows for tiered pricing for different software markets, such as reduced pricing for students or educational institutions; (2) increases software companies' sales; (3) lowers prices for all consumers by spreading costs among a large number of purchasers; and (4) reduces the incidence of piracy by allowing copyright owners to bring infringement actions against unauthorized resellers. SIIA argues that a license can exist even where a customer (1) receives his copy of the work after making a single payment and (2) can indefinitely possess a software copy, because it is the software code and associated rights that are valuable rather than the inexpensive discs on which the code may be stored. Also, the MPAA argues that a customer's ability to possess a copyrighted work indefinitely should not compel a finding of a first sale, because there is often no practically feasible way for a consumer to return a copy to the copyright owner.

Vernor, eBay, and the American Library Association ("ALA") have presented policy arguments against our decision. Vernor contends that our decision (1) does

not vindicate the law's aversion to restraints on alienation of personal property; (2) may force everyone purchasing copyrighted property to trace the chain of title to ensure that a first sale occurred; and (3) ignores the economic realities of the relevant transactions, in which the copyright owner permanently released software copies into the stream of commerce without expectation of return in exchange for upfront payment of the full software price. eBay contends that a broad view of the first sale doctrine is necessary to facilitate the creation of secondary markets for copyrighted works, which contributes to the public good by (1) giving consumers additional opportunities to purchase and sell copyrighted works, often at below-retail prices; (2) allowing consumers to obtain copies of works after a copyright owner has ceased distribution; and (3) allowing the proliferation of businesses.

The ALA contends that the first sale doctrine facilitates the availability of copyrighted works after their commercial lifespan, by inter alia enabling the existence of libraries, used bookstores, and hand-to-hand exchanges of copyrighted materials. The ALA further contends that judicial enforcement of software license agreements, which are often contracts of adhesion, could eliminate the software resale market, require used computer sellers to delete legitimate software prior to sale, and increase prices for consumers by reducing price competition for software vendors. It contends that Autodesk's position (1) undermines 17 U.S.C. § 109(b)(2), which permits non-profit libraries to lend software for non-commercial purposes, and (2) would hamper efforts by non-profits to collect and preserve out-of-print software. The ALA fears that the software industry's licensing practices could be adopted by other copyright owners, including book publishers, record labels, and movie studios.

These are serious contentions on both sides, but they do not alter our conclusion that our precedent from Wise through the MAI trio requires the result we reach. Congress is free, of course, to modify the first sale doctrine and the essential step defense if it deems these or other policy considerations to require a different approach.

VII.

We vacate the district court's grant of summary judgment in Vernor's favor and remand. We hold that because CTA is a licensee, not an owner, the "sale" of its Release 14 copies to Vernor did not convey ownership. Vernor is accordingly not entitled to invoke the first sale doctrine or the essential step defense, on behalf of his customers.

Notes and questions

(1) *Vernor* is the opposite of an economic realities approach. Do you agree that by allowing software companies to define what would otherwise be a sale as a license, the *Vernor* court invites them to attempt to opt out of both the first sale doctrine and the essential step defense?

(2) Which provisions of Autodesk's Software License Agreement were most decisive in the court's determination that CTA was a licensee rather than an owner? Could Autodesk

have achieved the same outcome with fewer restrictions, or was the combination essential to the result?

(3) Compare *Krause's* functional, economic-realities approach to ownership with the formal, contract-centered approach in *Vernor*. Why does the Ninth Circuit emphasize the parties' express language and restrictions, while the Second Circuit looks to the user's "incidents of ownership"?

(4) The Krause, DSC, and Vernor decisions collectively produce divergent definitions of "ownership" under federal law. How might this fragmentation undermine the Copyright Act's goal of national uniformity, and what risks does it pose for consumers and secondary markets?

MDY Industries v. Blizzard Entertainment, 629 F.3d 928 (9th Cir. 2010)

CALLAHAN, Circuit Judge:

Blizzard Entertainment, Inc. ("Blizzard") is the creator of World of Warcraft ("WoW"), a popular multiplayer online role-playing game in which players interact in a virtual world while advancing through the game's 70 levels. MDY Industries, LLC and its sole member Michael Donnelly ("Donnelly") (sometimes referred to collectively as "MDY") developed and sold Glider, a software program that automatically plays the early levels of WoW for players.

[Blizzard's user agreements prohibited bots and unauthorized third-party programs, and when Blizzard deployed its "Warden" software to detect Glider, MDY modified Glider to evade detection. After extensive litigation, the district court held MDY liable for secondary copyright infringement, DMCA violations, and tortious interference with contract. On appeal, the Ninth Circuit examined whether WoW players were licensees or owners of the game software, and whether violating the anti-bot provisions in Blizzard's Terms of Use exceeded the scope of the copyright license. The court concluded that WoW players were licensees, not owners.]

B. Contractual covenants vs. license conditions

"A copyright owner who grants a nonexclusive, limited license ordinarily waives the right to sue licensees for copyright infringement, and it may sue only for breach of contract." *Sun I*, 188 F.3d at 1121. However, if the licensee acts outside the scope of the license, the licensor may sue for copyright infringement. Enforcing a copyright license "raises issues that lie at the intersection of copyright and contract law."

We refer to contractual terms that limit a license's scope as "conditions," the breach of which constitute copyright infringement. We refer to all other license terms as "covenants," the breach of which is actionable only under contract law. We distinguish between conditions and covenants according to state contract law, to the extent consistent with federal copyright law and policy.

A Glider user commits copyright infringement by playing WoW while violating a ToU term that is a license condition. To establish copyright infringement, then, Blizzard must demonstrate that the violated term — ToU § 4(B) — is a condition

rather than a covenant. *Sun I*, 188 F.3d at 1122. Blizzard's EULAs and ToUs provide that they are to be interpreted according to Delaware law. Accordingly, we first construe them under Delaware law, and then evaluate whether that construction is consistent with federal copyright law and policy.

A covenant is a contractual promise, i.e., a manifestation of intention to act or refrain from acting in a particular way, such that the promisee is justified in understanding that the promisor has made a commitment. A condition precedent is an act or event that must occur before a duty to perform a promise arises. Conditions precedent are disfavored because they tend to work forfeitures. Wherever possible, equity construes ambiguous contract provisions as covenants rather than conditions. However, if the contract is unambiguous, the court construes it according to its terms.

Applying these principles, ToU § 4(B)(ii) and (iii)'s prohibitions against bots and unauthorized third-party software are covenants rather than copyright-enforceable conditions. See Greenwood v. CompuCredit Corp., 615 F.3d 1204, 1212, (9th Cir.2010) ("Headings and titles are not meant to take the place of the detailed provisions of the text," and ... "the heading of a section cannot limit the plain meaning of the text." Although ToU § 4 is titled, "Limitations on Your Use of the Service," nothing in that section conditions Blizzard's grant of a limited license on players' compliance with ToU § 4's restrictions. To the extent that the title introduces any ambiguity, under Delaware law, ToU § 4(B) is not a condition, but is a contractual covenant. Cf. *Sun Microsystems, Inc. v. Microsoft Corp.*, 81 F.Supp.2d 1026, 1031-32 (N.D.Cal.2000) ("Sun II") (where Sun licensed Microsoft to create only derivative works compatible with other Sun software, Microsoft's "compatibility obligations" were covenants because the license was not specifically conditioned on their fulfillment).

To recover for copyright infringement based on breach of a license agreement, (1) the copying must exceed the scope of the defendant's license and (2) the copyright owner's complaint must be grounded in an exclusive right of copyright (e.g., unlawful reproduction or distribution). Contractual rights, however, can be much broader:

> [C]onsider a license in which the copyright owner grants a person the right to make one and only one copy of a book with the caveat that the licensee may not read the last ten pages. Obviously, a licensee who made a hundred copies of the book would be liable for copyright infringement because the copying would violate the Copyright Act's prohibition on reproduction and would exceed the scope of the license. Alternatively, if the licensee made a single copy of the book, but read the last ten pages, the only cause of action would be for breach of contract, because reading a book does not violate any right protected by copyright law.

Id. at 1316. Consistent with this approach, we have held that the potential for infringement exists only where the licensee's action (1) exceeds the license's scope (2) in a manner that implicates one of the licensor's exclusive statutory rights. See, e.g., *Sun* I, 188 F.3d at 1121-22 (remanding for infringement determination where defendant allegedly violated a license term regulating the creation of derivative works).

Here, ToU § 4 contains certain restrictions that are grounded in Blizzard's exclusive rights of copyright and other restrictions that are not. For instance, ToU § 4(D) forbids creation of derivative works based on WoW without Blizzard's consent. A player who violates this prohibition would exceed the scope of her license and violate one of Blizzard's exclusive rights under the Copyright Act. In contrast, ToU § 4(C)(ii) prohibits a player's disruption of another player's game experience. Id. A player might violate this prohibition while playing the game by harassing another player with unsolicited instant messages. Although this conduct may violate the contractual covenants with Blizzard, it would not violate any of Blizzard's exclusive rights of copyright. The antibot provisions at issue in this case, ToU § 4(B)(ii) and (iii), are similarly covenants rather than conditions. A Glider user violates the covenants with Blizzard, but does not thereby commit copyright infringement because Glider does not infringe any of Blizzard's exclusive rights. For instance, the use does not alter or copy WoW software.

Were we to hold otherwise, Blizzard — or any software copyright holder — could designate any disfavored conduct during software use as copyright infringement, by purporting to condition the license on the player's abstention from the disfavored conduct. The rationale would be that because the conduct occurs while the player's computer is copying the software code into RAM in order for it to run, the violation is copyright infringement. This would allow software copyright owners far greater rights than Congress has generally conferred on copyright owners.

We conclude that for a licensee's violation of a contract to constitute copyright infringement, there must be a nexus between the condition and the licensor's exclusive rights of copyright. Here, WoW players do not commit copyright infringement by using Glider in violation of the ToU. MDY is thus not liable for secondary copyright infringement, which requires the existence of direct copyright infringement.

It follows that because MDY does not infringe Blizzard's copyrights, we need not resolve MDY's contention that Blizzard commits copyright misuse. Copyright misuse is an equitable defense to copyright infringement, the contours of which are still being defined. The remedy for copyright misuse is to deny the copyright holder the right to enforce its copyright during the period of misuse. Since MDY does not infringe, we do not consider whether Blizzard committed copyright misuse.

We thus reverse the district court's grant of summary judgment to Blizzard on its secondary copyright infringement claims. Accordingly, we must also vacate the portion of the district court's permanent injunction that barred MDY and Donnelly from "infringing, or contributing to the infringement of, Blizzard's copyrights in WoW software."

Notes and questions

(1) The Ninth Circuit draws a sharp line between license conditions, which define the scope of permission granted under copyright and can give rise to infringement, and contractual covenants, which merely create contractual duties enforceable in contract but not under

copyright. Why does the court view this distinction as important for preserving the limits of copyright remedies?

(2) Under Blizzard's Terms of Use, users agreed not to use "bots" such as Glider. Why did the court hold that these anti-bot provisions were covenants rather than conditions? What would have been required for the anti-bot restriction to qualify as a copyright-enforceable condition?

(3) The court emphasized that to trigger copyright liability, the breached license term must have a nexus to one of the copyright owner's exclusive rights (e.g., reproduction, distribution, derivative works). How does this nexus requirement limit the ability of licensors to convert ordinary contractual violations into copyright infringement?

(4) Professor Guy Rub critiques the *Vernor–MDY* framework for allowing copyright owners to use contract law to expand their control over works beyond what federal law permits. After *Vernor* held that software "licensees" are not owners, Blizzard attempted to enforce a "no bots" rule in its user agreement as a copyright condition. Under this theory, once a player used a bot, the license would automatically terminate, and the player's continued gameplay—creating temporary RAM copies—would constitute infringement. The Ninth Circuit recognized the danger of such private customization of copyright and introduced the nexus requirement, holding that a breach gives rise to infringement only when the violated term is connected to one of the copyright owner's exclusive statutory rights. Because the anti-bot rule lacked that nexus, Blizzard's claim failed. Rub argues, however, that the nexus test has proven incoherent and inconsistently applied. Courts interpreting MDY have reached conflicting results on similar facts, especially over whether failure to pay license fees constitutes infringement. He further contends that *Vernor* and *MDY* conflict with the Supreme Court's reasoning in *Impression Products v. Lexmark International* (2017), which rejected post-sale use restrictions in patent law.

> More importantly, the Supreme Court 2017 decision in *Impression Products v. Lexmark International*, is in clear tension with *Vernor*. In *Lexmark,* the Supreme Court reversed a well-established precedent of the Federal Circuit, which allowed patentees to impose any use-restriction, and back it up with patent law remedies, with a stroke of a pen: by simply stating the product is subject to a restrictive license. Vernor is quite similar as it allows software companies to impose any use-restriction, and back it up with copyright law remedies, with a stroke of a pen, by simply stating that the product is being licensed and not sold.

By allowing licensors to recharacterize sales as licenses, Rub warns, *Vernor* undermines the first sale doctrine, disrupts ownership expectations, and invites uncertainty about when contractual breaches should trigger the powerful remedies of copyright law. For more, see Guy A. Rub, *Against Copyright Customization,* 107 IOWA LAW REVIEW 677 (2022).

(5) In *Adobe Systems Inc. v. Christenson*, 809 F.3d 1071 (9th Cir. 2015), the Ninth Circuit refined the procedural aspects of this framework when defendants claimed first sale protection for Adobe software purchased from third parties. The court established a burden-shifting approach: defendants must first demonstrate lawful acquisition of ownership, but if the copyright holder claims the software was only licensed, the burden shifts to the copyright holder to produce evidence of the license terms. Adobe's failure to produce the actual license agreements during discovery proved fatal to its infringement claims, as it couldn't rebut defendants' showing of lawful acquisition.

The burden-shifting framework from *Adobe v. Christenson* provides some protection for good-faith purchasers in the secondary market, requiring copyright holders to maintain and produce documentation of their licensing schemes, but this is small comfort given how easy *Vernor* makes it to create enforceable licenses. The practical result is that consumers who "purchase" software rarely own anything transferable—they've bought only a non-transferable right to use, whether they realize it or not. This has accelerated the industry's shift toward subscription models and cloud-based software-as-a-service, where the license-not-sale nature of the transaction is more transparent, and has spillover effects for other digital goods like ebooks, digital music, and video games, all of which increasingly follow the software industry's licensing playbook.

(6) California has now legislated at the point of sale. Assembly Bill 2426, codified at California Business and Professions Code § 17500.6 and effective 1 January 2025, makes it unlawful to advertise a digital good using the words "buy" or "purchase" unless the seller discloses that the customer is receiving a licence rather than ownership, and states the conditions on which access may be terminated. Be careful about what this does. It is a consumer-disclosure and false-advertising statute; it does not touch the federal question of who owns a copy, and it does not disturb *Vernor*. If anything it runs the other way: by requiring sellers to say plainly at the moment of sale that the transaction is a licence, it makes the *Vernor* characterisation more explicit rather than harder to achieve. Does mandated transparency about licensing entrench *Vernor* or undermine it?

Preemption of State Law Claims

Express preemption under Section 301(a)

Prior to the Copyright Act of 1976, copyrightable works were covered by a dual system in which unpublished works were protected by state "common law copyrights" and published works were protected by federal statutory copyright. State "common law copyright" was generally limited to a right of first publication. The 1976 Act replaced the dual system with a single federal system under which copyrightable works would be protected from the moment of creation, regardless of publication or registration. To make this system effective, Congress expressly preempted state laws that overlap with federal copyright law.

> **17 U.S.C. § 301(a)**
>
> On and after January 1, 1978, all legal or equitable rights that are equivalent to any of the exclusive rights within the general scope of copyright as specified by section 106 in works of authorship that are fixed in a tangible medium of expression and come within the subject matter of copyright as specified by sections 102 and 103, whether created before or after that date and whether published or unpublished, are governed exclusively by this title. Thereafter, no person is entitled to any such right or equivalent right in any such work under the common law or statutes of any State.

In a nutshell, Section 301(a) preempts state-law rights that (1) are asserted in "works of authorship" that "come within the subject matter of copyright" and (2) "are equivalent to any of the exclusive rights within the general scope of copyright as specified by section 106."

Section 301 preemption sweeps more broadly than just common law copyright. All sorts of state laws may overlap with copyright, and these are potentially preempted as well. State laws that raise preemption issues include the following: right of publicity claims; contracts providing copyright-like rights in relation to uncopyrightable things (*Desney* claims, restricted use databases); and contracts changing the rights in relation to copyrightable things (e.g., no-reverse engineering clauses).

The scope of preemption includes copyright's negative spaces. The Copyright Act's "subject matter" for purposes of Section 301(a) is not limited to copyrightable works. Some works may fall within the general subject matter of copyright as set forth in Sections 102 and 103 of the Act, and yet be ineligible for copyright protection because of lack of originality, lack of creativity, or being uncopyrightable under Section 102(b). States are not free to protect these uncopyrightable works. So long as a work fits within one of the general subject matter categories of sections 102 and 103, Section 301(a) prevents the States from protecting it.

The search for an "extra element"

If a state law relates to copyright subject matter as discussed above, it survives preemption if it confers rights that are (sufficiently) different to those conferred on copyright works by Section 106, i.e., rights in relation to reproduction, making derivative works, distribution, public display and public performance. Courts generally approach this problem by looking for an extra element—something that is required to plead a state law cause of action that is not required under the analogous claim under the Copyright Act.

Not any token extra element will do; the extra element must be meaningful. As the court noted in *Computer Assocs. Int'l, Inc.* v. *Altai, Inc.*, 982 F.2d 693, 717 (2d Cir. 1992), "An action will not be saved from preemption by [extra] elements such as awareness or intent, which alter the action's scope but not its nature." The extra element needs to change the nature of the action so that it is qualitatively different from a copyright infringement claim to avoid preemption. See *OpenRisk, LLC v. Microstrategy Servs. Corp.*, 876 F.3d 518, 524-525 (4th Cir. 2017). As a result, simply narrowing the field of application of a state law claim, such as limiting it to commercial use or copying on a Wednesday, does not really add an extra element, it just narrows the scope of application. Commercial use is particularly redundant as an extra element because commercial uses have traditionally been the heartland of copyright enforcement. See e.g., *Jackson v. Roberts*, 972 F.3d 25, 53 (2d Cir. 2020). But see, *Toney v. L'Oreal USA, Inc.*, 406 F.3d 905, 910 (7th Cir. 2005) (finding that a "commercial purpose" element required to state a state-law claim helped the claim avoid preemption).

Are contract law claims ever preempted by Section 301? There is a circuit split as to when the Copyright Act preempts state law contractual claims. The canonical case in this regard is the Seventh Circuit's decision in *ProCD, Inc. v. Zeidenberg.*

ProCD, Inc. v. Zeidenberg, 86 F.3d 1447 (7th Cir. 1996)

ProCD was a software company that sold a database containing information compiled from telephone directories on compact disc. ProCD charged two different prices for its product: one low price for personal use, and a higher price for commercial use. To stop people

buying the consumer version and using it for commercial purposes, the software came with an end-user license whose terms were contained inside the software's packaging. These "shrinkwrap" licenses were once common when content was distributed on physical media like compact discs. The defendant in ProCD had clearly violated the terms of the shrinkwrap license by distributing the consumer version of the software on the internet for a fee. The question was whether there was a contract that bound the defendant and whether such a contract would be enforceable.

Writing for the court, Judge Easterbrook held that the terms of the shrinkwrap license were enforceable as a matter of contract law and that the Copyright Act did not preempt the software company's breach-of-contract claim. On the preemption question, the court explained (at 1455) that "a simple two-party contract is not 'equivalent to any of the exclusive rights within the general scope of copyright' and therefore may be enforced."

> Rights "equivalent to any of the exclusive rights within the general scope of copyright" are rights established *by law* — rights that restrict the options of persons who are strangers to the author. Copyright law forbids duplication, public performance, and so on, unless the person wishing to copy or perform the work gets permission; silence means a ban on copying. 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." Someone who found a copy of SelectPhone (trademark) on the street would not be affected by the shrinkwrap license — though the federal copyright laws of their own force would limit the finder's ability to copy or transmit the application program.

In sum, contracts are not equivalent to copyright because "a copyright is a right against the world" whereas contracts only bind the parties thereto and "strangers may do as they please." ProCD has been followed in the Fifth, Eighth, Eleventh, and Federal circuits, and also in some state courts, but not in the Sixth Circuit, see *Wrench LLC v. Taco Bell Corp.*, 256 F.3d 446 (6th Cir. 2001), *Ritchie v. Williams*, 395 F.3d 283 (6th Cir. 2005), and not in the Second Circuit, see *Briarpatch Ltd., L.P. v. Phoenix Pictures, Inc.*, 373 F.3d 296, 306 (2d Cir. 2004); *Jackson v. Roberts*, 972 F.3d 25, 42-43 (2d Cir. 2020).

ProCD holds that a contract claim is not equivalent to copyright because a contract binds only the parties to it. The next case asks what happens when the party asserting the contract is a platform, the terms are imposed on everyone who visits, and the material at issue is content the platform does not own.

X Corp. v. Bright Data Ltd., 733 F. Supp. 3d 832 (N.D. Cal. 2024)

> WILLIAM ALSUP, United States District Judge
>
> INTRODUCTION
>
> A social media company asserts breach-of-contract and tort claims against a data-scraping company. It seeks to bar the data-scraping company from extracting and copying public data from its social media platform, and from selling tools that enable others to extract and copy public data from its social media platform. Meanwhile, the social media company sells its own tools that enable others to extract and copy public data from its social media platform.

Our court of appeals has held that giving social media companies "free rein to decide, on any basis, who can collect and use data — data that the companies do not own, that they otherwise make publicly available to viewers, and that the companies themselves collect and use — risks the possible creation of information monopolies that would disserve the public interest." hiQ Labs, Inc. v. LinkedIn Corp., 31 F.4th 1180, 1202 (9th Cir. 2022). With that in mind, this district court carefully considered each of the claims asserted. It now concludes that none of the claims passes muster.

STATEMENT

Plaintiff X Corp. owns and operates the social media platform X, formerly known as Twitter. X has hundreds of millions of active users worldwide, with more than twenty-three million accounts registered from California.

Those who register for accounts on X can post comments, images, and videos, as well as interact with others who have registered for accounts on X by re-posting, liking, and commenting on their posts. Those who do not register for accounts on X can still access the platform, however. According to X Corp., "[a]ll users who register for a X account, and/or view the X website or application agree to a binding contract with X Corp. as outlined in X Corp.'s User Agreement, which is comprised of the Terms of Service, Privacy Policy, and the Rules and Policies (collectively the 'Terms')".

[The Terms distinguish between ownership of user content and X's contractual rights to use and regulate access to that content. Users retain ownership of the content they submit, post, or display—"what's yours is yours"—while granting X a worldwide, non-exclusive, royalty-free, sublicensable license to use, reproduce, process, publish, transmit, display, and distribute that content, including by making it available to others (Terms 4–5). "Content" is defined broadly to include information, text, links, graphics, photos, audio, videos, and other materials appearing on the Services (Terms 3).

At the same time, the Terms restrict how users may extract, use, and commercialize that content. Scraping the Services "in any form, for any purpose" without X's prior written consent is expressly prohibited (Terms 8), and users may not reproduce, distribute, sell, transfer, publicly display, transmit, or otherwise use the Services or Content except through X-provided interfaces or as otherwise authorized (Terms 6). X separately offers paid API access for developers seeking to retrieve or analyze its data, reinforcing the contractual distinction between authorized data access and unauthorized scraping or resale.]

PRESENT ALLEGATIONS

Defendant Bright Data Ltd. is a data-scraping company. According to Bright Data, "[i]ts suite of technologies and services help Fortune 500 companies, academic institutions, and small businesses retrieve and synthesize vast amounts of public information". There are three types of products that Bright Data offers: (1) datasets built from data that Bright Data scrapes itself, (2) scraping tools that enable their purchasers to scrape data themselves, and (3) proxy network services that enable

their purchasers to scrape data through proxy servers, using those servers' IP addresses.

In this lawsuit, X Corp. alleges that Bright Data scrapes data from X and sells data scraped from X, using elaborate technical measures to evade X Corp.'s anti-scraping technology, while facilitating its customers in and inducing them to scrape data from X — all in violation of the Terms to which Bright Data and its customers are bound. How so? X Corp. contends that Bright Data and its customers are bound as X users. Specifically, X Corp. contends that Bright Data is bound (1) by a "browser-wrap" or "browse-wrap" contract, having used X Corp. services in the act of scraping data from X, impliedly agreeing to the Terms in the process; and (2) by a "click-wrap" or "click-through" contract, having registered an account (@bright_data) to promote Bright Data products, expressly agreeing to the Terms as early as February 2016. Meanwhile, Bright Data customers are conceivably likewise bound by browser-wrap and click-wrap contracts, having used X Corp. services in the act of scraping data from X and, in some instances, having registered accounts.

X Corp. does not allege that Bright Data has used its own account, or any other account, to scrape data from X. Nor does X Corp. allege that Bright Data customers have used their own accounts, or any other accounts, to do so. All X Corp. alleges is that Bright Data and its customers have scraped data from X, violating the Terms to which they were bound due to their use of the services in scraping (forming browser-wrap contracts) and, in some cases, account registration prior to scraping (forming click-wrap contracts). These contracts will be discussed in greater detail below.

ANALYSIS

Fundamentally, X Corp. has two grievances that it seeks to redress by way of the instant complaint. First, according to X Corp., Bright Data has improperly accessed its systems and assisted others in improperly accessing its systems (e.g., servers, routers, networks). Second, according to X Corp., Bright Data has improperly scraped and sold its data, and assisted others in improperly scraping its data (e.g., comments, images, likes). Put another way, X Corp. seeks to vindicate an interest both in systems accessed and in data scraped and sold.

With its claims for trespass to chattels and fraudulent violation of Section 17200, X Corp. seeks to establish liability for access to systems. With its claims for misappropriation and unjust enrichment, X Corp. seeks to establish liability for scraping and selling of data. And, with its claims for tortious interference with contract and breach of contract, X Corp. seeks to establish liability for both access to systems and scraping and selling of data. A breach of contract is often framed as one claim for relief, with multiple theories supporting said breach, and access, scraping, and selling are all restricted by contract, X Corp.'s Terms.

The two-fold framing (accessing systems vs. scraping and selling data) will be used to help explain why the instant complaint fails to state a claim upon which relief can be granted. To the extent the claims are based on access to systems, they fail because X Corp. has alleged no more than threadbare recitals of elements supported

by conclusory statements. To the extent the claims are based on scraping and selling of data, they fail because they are preempted by federal law. Specifically, they fail because they stand as an obstacle to the accomplishment and execution of the full purposes and objectives of Congress in enacting the Copyright Act.

[The court rejected the access claims]

CLAIMS BASED ON SCRAPING AND SELLING OF DATA.

X Corp.'s interest in the data scraped and sold is fundamentally different from its interest in the systems accessed. Pursuant to the Terms, X users "own [their] Content" and "retain [their] rights to any Content [they] submit, post or display" on X, with "Content" broadly defined as "any information, text, links, graphics, photos, audio, videos, or other materials or arrangements of materials uploaded, downloaded or appearing on the Services" (Terms 3–4). According to X Corp., Bright Data and its customers scrape information, text, links, graphics, photos, audio, videos, or other materials or arrangements of materials that X users submit (e.g., "user name," "bio"), post (e.g., "comments," "images"), and display (e.g., "verified," "# of followers") on X. So, "X Corp. data" scraped and sold encompasses X users' content, which X users own and retain their rights in.

Meanwhile, X users grant X Corp. "a broad, royalty-free license to make [that] content available to the rest of the world and to let others do the same" (Terms 1). Specifically, they grant a "*non-exclusive*, royalty-free license" to X Corp. "to use, copy, reproduce, process, adapt, modify, publish, transmit, display and distribute such Content" (Terms 3–4) (emphasis added). As our court of appeals has explained, a non-exclusive licensee "has no more than a privilege that protects him from a claim of infringement," and "because such a licensee has been granted rights only vis-à-vis the licensor, not vis-à-vis the world, he or she has no legal right to exclude others." Minden Pictures, Inc. v. John Wiley & Sons, Inc., 795 F.3d 997, 1004 (9th Cir. 2015). Yet that is exactly what X Corp. seeks to do with its claims based on scraping and selling of data — to exclude others from using, copying, reproducing, processing, adapting, modifying, publishing, transmitting, displaying, and distributing X users' content.

Note the rights X Corp. acquires from X users under the non-exclusive license closely track the exclusive rights of copyright owners under the Copyright Act. The license gives X Corp. rights to reproduce and copy, to adapt and modify, and to distribute and display (Terms 3–4). Section 106 of the Act gives "the owner of copyright... the exclusive rights to do and to authorize any of the following": "to reproduce... in copies," "to prepare derivative works," "to distribute copies... to the public by sale," and "to display... publicly." 17 U.S.C. § 106. But X Corp. disclaims ownership of X users' content and does not acquire a right to exclude others from reproducing, adapting, distributing, and displaying it under the non-exclusive license.

So how does X Corp. purport to do this? The Terms separately state that "scraping the Services in any form, for any purpose without our prior written consent is expressly prohibited," and that "[i]f [a user] want[s] to reproduce, modify, create derivative works, distribute, sell, transfer, publicly display, publicly perform,

transmit, or otherwise use... Content on the Services, [they] must use the interfaces and instructions [X Corp.] provide[s].... Otherwise, all such actions are strictly prohibited" (Terms 6, 8). Although X Corp. does not acquire the right to exclude others from reproducing, adapting, distributing, and displaying X users' content under the Terms' non-exclusive license, X Corp. ostensibly acquires that right under the Terms. To the extent X Corp.'s claims are based on scraping and selling of data, they rest on these contractual provisions.4

One might ask why X Corp. does not just acquire ownership of X users' content or grant itself an exclusive license under the Terms. That would jeopardize X Corp.'s safe harbors from civil liability for publishing third-party content. Under Section 230(c)(1) of the Communications Decency Act, social media companies are generally immune from claims based on the publication of information "provided by another information content provider." 47 U.S.C. § 230(c)(1). Meanwhile, under Section 512(a) of the Digital Millenium Copyright Act ("DMCA"), social media companies can avoid liability for copyright infringement when they "act only as 'conduits' for the transmission of information." Columbia Pictures Indus., Inc. v. Fung, 710 F.3d 1020, 1041 (9th Cir. 2013); 17 U.S.C. § 512(a). X Corp. wants it both ways: to keep its safe harbors yet exercise a copyright owner's right to exclude, wresting fees from those who wish to extract and copy X users' content.

The upshot is that, invoking state contract and tort law, X Corp. would entrench its own private copyright system that rivals, even conflicts with, the actual copyright system enacted by Congress. X Corp. would yank into its private domain and hold for sale information open to all, exercising a copyright owner's right to exclude where it has no such right. We are not concerned here with an arm's length contract between two sophisticated parties in which one or the other adjusts their rights and privileges under federal copyright law. We are instead concerned with a massive regime of adhesive terms imposed by X Corp. that stands to fundamentally alter the rights and privileges of the world at large (or at least hundreds of millions of alleged X users). For the reasons that follow, this order holds that X Corp.'s state-law claims against Bright Data based on scraping and selling of data are preempted by the Copyright Act.

"A fundamental principle of the Constitution is that Congress has the power to preempt state law," deriving from the Supremacy Clause. Crosby v. Nat'l Foreign Trade Council, 530 U.S. 363, 372 (2000) (citing U.S. Const. art. VI, cl. 2). In exercise of that power, it leaves state law that conflicts with federal law "without effect." Altria Grp, Inc. v. Good, 555 U.S. 70, 76 (2008). The power to preempt "may be either expressed or implied." Gade v. Nat'l Solid Wastes Mgmt. Ass'n, 505 U.S. 88, 98 (1992).

Congress introduced express copyright preemption in Section 301(a) of the Copyright Act of 1976. By way of background, prior to that year, our country had a "dual system" of copyright protection, whereby unpublished works were protected by state "common law copyright" and published works were protected by federal "statutory copyright." H.R. Rep. No. 94-1476, at 129 (1976). The Copyright Act of 1976 eliminated the dual system in favor of "a single Federal system," with Section 301(a) as a "bedrock provision[ ]" facilitating the replacement. Ibid. That

provision expressly preempts state-law claims when a plaintiff's work "come[s] within the subject matter of copyright" and state law grants "legal or equitable rights that are equivalent to any of the exclusive rights within the general scope of copyright." 17 U.S.C. § 301(a); see, e.g., Best Carpet Values, Inc. v. Google, LLC, 90 F.4th 962, 970–71 (9th Cir. 2024).

As recognized by our court of appeals, however, "claims are not preempted if they fall outside the scope of [Section] 301(a)'s express preemption *and are not otherwise in conflict with the Act*." Ryan v. Editions Ltd. W., Inc., 786 F.3d 754, 760 (9th Cir. 2015) (emphasis added). Although conflict preemption has played second fiddle to express preemption in the caselaw as of late, it is the more appropriate consideration when the question presented is not whether rights created by state law are equivalent to rights created by federal copyright law but whether enforcement of state law undermines federal copyright law. As legal commentators have observed for decades, the question is often teed up where, as here, state-law claims draw upon a standard form contract. That rights created by contract law are not "equivalent" to rights created by copyright law does not mean that copyright law will never come into conflict with broad-based contractual terms.[6]

Footnote 6: See, e.g., Guy A. Rub, A Less-Formalistic Copyright Preemption, 24 J. INTELL. PROP. L. 327, 340 (2017); Jessica D. Litman & Pamela Samuelson, The Copyright Principles Project: Directions for Reform, 25 BERKELEY TECH L.J. 1175, 1238 (2010); Mark A. Lemley, Beyond Preemption: The Law and Policy of Intellectual Property Licensing, 87 CALIF. L. REV. 111, 125–26 (1999). Cf. ProCD, Inc. v. Zeidenberg, 86 F.3d 1447, 1455 (7th Cir. 1996) (thinking "it prudent to refrain from adopting a rule that anything with the label 'contract' is necessarily outside the [express] preemption clause" and noting with approval another circuit's "recogni[tion of] the possibility that some applications of the law of contract could interfere with the attainment of national objectives").

Conflict preemption bars state-law claims "to the extent of any conflict with a federal statute." Crosby, 530 U.S. at 372. According to the Supreme Court in its latest decision concerning conflict preemption by the Copyright Act, "[n]o simple formula can capture the complexities of this determination; the conflicts which may develop between state and federal action are as varied as the fields to which congressional action may apply." Goldstein v. California, 412 U.S. 546, 561 (1973). The Supreme Court has found conflict preemption where the enforcement of state law "stands as an obstacle to the accomplishment and execution of the full purposes and objectives of Congress." Crosby, 530 U.S. at 373. "What is a sufficient obstacle is a matter of judgment, to be informed by examining the federal statute as a whole and identifying its purpose and intended effects." Ibid.

Recall, our court of appeals has held that giving social media companies "free rein to decide, on any basis, who can collect and use data — data that the companies do not own, that they otherwise make publicly available to viewers, and that the companies themselves collect and use — risks the possible creation of information monopolies that would disserve the public interest." hiQ Labs, 31 F.4th at 1202. That said, it has not yet ruled on the issue here presented. Absent a controlling decision from this circuit, this district court looked to persuasive authorities. See, e.g., In re Jackson, 972 F.3d 25 (2d Cir. 2020). Applying general principles, this order concludes that the extent to which public data may be freely copied from

social media platforms, even under the banner of scraping, should generally be governed by the Copyright Act, not by conflicting, ubiquitous terms.

There are three ways in which X Corp.'s state-law claims based on scraping and selling of data undermine the purpose and intended effects of the Copyright Act.

First, these state-law claims interfere with the exploitation of copyright owners' exclusive rights, thereby "frustrat[ing] the operation of a provision of federal copyright law." See id. at 34 n.5. Section 106 of the Copyright Act empowers a copyright owner to exclude others from reproducing, adapting, distributing, and displaying their copyrighted works. 17 U.S.C. § 106. And, Section 101 of the Act makes clear that a non-exclusive license (unlike an exclusive license) does not transfer copyright ownership or any of a copyright owner's exclusive rights. Id. § 101. But X Corp.'s state-law claims based on scraping and selling of data would empower X Corp., as a non-exclusive licensee, to exclude others from reproducing, adapting, distributing, and displaying X users' copyrighted content — even though X users licensed their copyrighted content to X Corp. "to make [it] available to the rest of the world and to let others do the same" (Terms 5). Consider X users who have posted their original photographs on X. Under the Terms, X Corp. acquires a non-exclusive license from each of those X users to reproduce, adapt, distribute, and display their original photographs. Because non-exclusive licenses grant rights only vis-à-vis each copyright owner, X Corp. does not acquire a legal right to exclude others from reproducing, adapting, distributing, and displaying the original photographs under such licenses. Minden, 795 F.3d at 1004. Yet that is precisely what X Corp. seeks to do.[7]

Footnote 7: When X Corp. removes infringing content pursuant to a takedown request from a copyright owner under the DMCA (see Terms 4), it is not interfering with the exploitation of the copyright owner's exclusive rights and frustrating a provision of federal copyright law because it is acting on behalf of the copyright owner pursuant to federal copyright law. See 17 U.S.C. § 512(c)(3)(A)(vi).

Second, X Corp.'s state-law claims based on scraping and selling of data would frustrate the operation of another provision of federal copyright law by interfering with the exercise of the statutory privilege of fair use. Although Section 106 gives a copyright owner exclusive rights to do and to authorize the reproduction, adaptation, distribution, and display of their copyrighted works, Section 107 provides for the exception that anyone may make fair use of copyrighted works without permission or payment of money. 17 U.S.C. § 107. This statutory privilege may or may not apply in any given instance, but in all instances it would be obliterated by X Corp. Only by receiving permission and paying X Corp. could Bright Data, its customers, and other X users freely reproduce, adapt, distribute, and display what might (or might not) be available for taking and selling as fair use. Thus, Bright Data, its customers, and other X users who wanted to make fair use of copyrighted content would not be able to do so. This flouts Congress's intent that "[t]he *limited* scope of the *copyright holder's* statutory monopoly... reflect[ ] a balance of competing claims upon the public interest." Sony Corp. of Am. v. Universal City Studios, Inc., 464 U.S. 417, 431 (1984) (emphasis added).

Third, X Corp.'s state-law claims based on scraping and selling of data "attempt[ ] to protect that which Congress intended to be free from restraint." Goldstein, 412 U.S. at 559. Congress enacted a "scheme of carefully balanced property rights that give authors and their publishers sufficient inducements to produce and disseminate original creative works and, at the same time, allow others to draw on these works in their own creative and educational activities." Goldstein on Copyright § 1.14 (3d ed. 2023). X Corp. would upend the careful balance Congress struck between what copyright owners own and do not own, and what they leave for others to draw on. In addition to giving itself de facto copyright ownership in copyrighted content that X users designated for public use, X Corp. would give itself de facto copyright ownership over content that Congress declined to extend copyright protection to in the first place (e.g., likes, user names, short comments) when that content, "not 'original' in the constitutional sense[,]... may not be copyrighted." Feist Publications, Inc. v. Rural Tel. Serv. Co., 499 U.S. 340, 347–48 (1991). This shrinks the public domain, restricting free reproduction, adaptation, distribution, and display of publicly available, non-expressive material.

"It does not follow, however, that state law [ ] interests are inevitably preempted whenever their recognition would burden the enjoyment of the benefits of copyright." In re Jackson, 972 F.3d at 35. In evaluating whether the enforcement of state law stands as an obstacle to the accomplishment and execution of the full purposes and objectives of Congress, one must consider whether a "state-created right vindicates a substantial state law interest, i.e., an 'interest[ ] outside the sphere of congressional concern in the [copyright] laws,' that is 'distinct from the interests served by the federal law which may preempt the claim[s].' " Id. at 37 (quoting Bonito Boats, Inc. v. Thunder Craft Boats, Inc., 489 U.S. 141, 155 (1989)) (alterations in original). For example, the Copyright Act should not preempt analogous state-law claims asserted by a social media company to protect its users' privacy because "the protection of privacy is not a function of the copyright law," which "offers a limited monopoly to encourage ultimate public access to the creative work of the author." Garcia v. Google, Inc., 786 F.3d 733, 745 (9th Cir. 2015). X Corp., however, is not looking to protect X users' privacy. It contends that "improper scraping... interferes with *X Corp.'s own sale of its data* through a tiered subscription service" (emphasis added). X Corp. is happy to allow the extraction and copying of X users' content so long as it gets paid. To the extent X Corp.'s state-law claims are based on scraping and selling of data, they "amount[ ] to little more than camouflage for an attempt to exercise control over the exploitation of a copyright." In re Jackson, 972 F.3d at 38. Accordingly, to the extent X Corp.'s state-law claims are based on scraping and selling of data, they are preempted.

*

In closing, this order observes that X Corp. alleges one additional theory of breach that did not warrant discussion above. The Terms (now) provide that it is "a violation of these Terms to facilitate or assist others in violating these Terms, including by distributing products or services that enable or encourage violation of these Terms" (Terms 8). Yet, as Bright Data pointed out in its reply — and X Corp. did not contest at the hearing or in the supplemental briefing — X Corp. stuck this

> language into its Terms after it already filed an initial complaint against Bright Data alleging, inter alia, breach of contract. It then proceeded to file an amended complaint, enlarging its breach-of-contract claim to account for the additional theory of breach. X Corp. "has not cited any case, and our research has revealed none, where a party was permitted unilaterally to amend a contract midway through litigation concerning that contract." Al-Safin v. Cir. City Stores, Inc., 394 F.3d 1254, 1260 n.5 (9th Cir. 2005). No further analysis of this theory of breach is required.

ML Genius Holdings LLC v. Google LLC, No. 20-3113 (2d Cir. 2022) (Non-precedential)

In 2022, the Second Circuit held (in a non-precedential summary order) that ML Genius' breach of contract claim against Google for scraping its website in violation of the site's posted terms of use was preempted.

Genius runs an internet platform that provides transcribed song lyrics. The lyrics are mostly transcribed by Genius users, but Genius licenses the copyright from music publishers and others who own the relevant rights. Genius licenses its lyrics database to third parties and makes money from hosting advertising on the site.

In 2014, Google changed its search engine so that when a user searches for song lyrics, lyrics would be displayed in "information boxes" that appear above standard search results. At some point Genius began to suspect that Google was displaying lyrics scraped from its website without compensation, and without even directing users back to the source. Genius used hidden Morse code references in the lyrics to confirm its suspicion—at one point a sequence of irregular apostrophes would spell out "red-handed", at another irregular spaces spelled out "Genius"—but even confronted with this evidence, Google did not desist. Google maintained that it sourced its lyrics from a different vendor, LyricFind.

Genius did not hold any copyright interest in the lyrics posted to its site, so it was unable to sue Google for copyright infringement. Instead, Genius sued both LyricFind and Google for breach of contract, unfair competition, and unjust enrichment in state court.

The terms of service for the Genius website state that all website visitors "agree not to display, distribute, license, perform, publish, reproduce, duplicate, copy, create derivative works from, modify, sell, resell, exploit, transfer or transmit for any commercial purpose" any lyrics on the website, unless authorized by Genius. A link to those terms of service appears at the bottom of each webpage of the website.

Although Genius sued Google in state court, the action was removed to federal court where it was dismissed on the basis that the state law claims were preempted under Section 301(a).

SUMMARY ORDER …

1. Breach of contract claims

> Genius's breach of contract claims satisfy the general scope requirement. Genius's complaint alleges that Defendants "breached Genius's Terms of Service regarding the copying and reproduction of Genius content" [and alleged] that Defendants breached a provision of Genius's Terms of Service because they "accessed the

Genius website to copy, modify, sell and/or distribute content appearing on Genius's website." These allegations show that the right Genius seeks to protect is coextensive with an exclusive right already safeguarded by the Act—namely, control over reproduction and derivative use of copyrighted material. *Harper & Row Publishers, Inc. v. Nation Enters.*, 723 F.2d 195, 201 (2d Cir. 1983), rev'd on other grounds, 471 U.S. 539 (1985).

Genius argues that its breach of contract claims escape preemption because those claims require it to plead "mutual assent and valid consideration" and "assert[] rights only against the contractual counterparty, not the public at large." We disagree. Though Genius relies on our decision in *Forest Park v. Universal TV Network, Inc*., 683 F.3d 424 (2d Cir. 2012), we expressly declined to address there whether these elements sufficed to preclude preemption. 683 F.3d at 432. And they are not sufficient here to avoid preemption. See 5 Nimmer on Copyright § 19D.03[C][2][b] (suggesting that a contract that "does not purport to give the plaintiff any protection beyond that provided by copyright law itself" would be preempted); see also *Wrench Ltd. Liab. Co. v. Taco Bell Corp.*, 256 F.3d 446, 457-58 (6th Cir. 2001) ("If the promise [in a contract] amounts only to a promise to refrain from reproducing, performing, distributing or displaying the work, then the contract claim is preempted. The contrary result would clearly violate the rule that state law rights are preempted when they would be abridged by an act which in and of itself would infringe one of the exclusive rights of § 106.").

Genius argues, in effect, for a per se rule that all breach of contract claims are exempt from preemption. But such a rule would be in tension with our precedent holding that the general scope inquiry is "holistic." *Jackson v. Roberts (In re Jackson)*, 972 F.3d 25, 44 n.17 (2d Cir. 2020); see also *Canal+ Image UK Ltd. v. Lutvak*, 773 F. Supp. 2d 419, 444 (S.D.N.Y. 2011) (opining that a "categorical rule that the extra element that saves a contract claim from preemption is the promise itself provides mere lip service" to our precedent holding that "preemption turns on what the plaintiff seeks to protect, the theories in which the matter is thought to be protected and the rights sought to be enforced." Moreover, such a rule would be difficult to square with our precedent teaching that we should "take a restrictive view of what extra elements transform an otherwise equivalent claim into one that is qualitatively different from a copyright infringement claim." *Canal+*, 773 F. Supp. 2d at 444 (quoting *Briarpatch*, 373 F.3d at 306). To be sure, we do not hold that breach of contract claims concerning copyrighted material are never preempted. We hold only that, given the specific facts Genius pleaded in its complaint, its breach of contract claim is not qualitatively different from a copyright claim and is therefore preempted.

2. Unfair Competition Claims

[The court held the unfair competition claims preempted for the same reason. Under New York law the essence of such a claim is the bad-faith misappropriation of a commercial advantage belonging to another, and the advantage Genius identified was the lyrics themselves — so the claim protected nothing beyond the rights already secured by § 106. Genius's allegations of "bad faith," "fraud" and

"deception" supplied no extra element, because allegations going to a defendant's state of mind alter the scope of a claim but not its nature.]

Notes and questions

(1) Genius petitioned the Supreme Court for certiorari, unsuccessfully. At the Court's invitation, the Solicitor General filed an amicus brief, which argued that this case was not a good vehicle to resolve the circuit split as to whether contract claims automatically survive preemption. The Solicitor General's brief expressed some skepticism as to whether Genius' browse-wrap terms of use were enforceable as a matter of New York contract law. The brief also argued that, even if they were, preemption analysis for browse-wrap agreements might be different to contracts with less ambiguous or more express indications of agreement.

> Petitioner argues that, simply by accessing petitioner's website, respondents implicitly agreed not to copy petitioner's lyrics transcriptions. The contract claims in this case therefore are similar to a "right against the world," and are substantially different from more typical contracts that involve express manifestations of consent from both parties.

Does this distinction make sense? Should click-wraps that unilaterally impose terms that relate to "works of authorship" that "come within the subject matter of copyright" and "are equivalent to" any of the exclusive rights in Section 106 be preempted, or just browse-wraps? Should unilateral contracts that are not website or app terms of service be preempted?

(2) The unenforceability of website terms of service has profound implications for online business models that curate other people's content. Websites like Craigslist, Wikipedia, GitHub, Nextdoor, Pinterest, and many more provide access to user generated content over which they hold no copyright interest. On the other hand, if browse-wrap agreements that are inconsistent with copyright law were routinely enforceable, website owners would be able to sidestep important user rights including fair use.

(3) The Solicitor General also argued that the case was not a good vehicle for another reason. To resolve the dispute fully the Supreme Court would also have had to weigh in on the question of whether Section 301(a) was a complete-preemption statute that could provide a basis for federal removal jurisdiction. If the case had not been removed, the New York State court would have decided the preemption question.

(4) This issue is not going away. Note that the case extracted below, *Reddit v. Anthropic*, is a different suit; in October 2025 Reddit also filed a lawsuit in federal court in Manhattan (Case No. 25-cv-08736) against Perplexity AI Inc. (Perplexity) and three data-scraping firms—Oxylabs UAB, AWMProxy, and SerpApi, LLC—alleging they illegally harvested Reddit's user-generated content without permission. According to the complaint, Oxylabs, AWMProxy and SerpApi scraped Reddit data via Google search results on an "industrial scale" and then resold or provided it to downstream users. Reddit alleges that Perplexity purchased such scraped data rather than entering into a direct licensing agreement with Reddit, despite being aware of Reddit's policies. The platform claims it even planted a 'honeypot' post visible only via Google's crawler to test the harvesting, and within hours that post appeared in Perplexity's answer engine—an indication that the defendants scraped

Google Search Engine Results Pages (SERPs) rather than accessing Reddit's platform via approved channels. For more, see Riley Griffin & Kurt Wagner, *Reddit Sues Perplexity, Others Over Alleged Data Scraping*, Bloomberg News, Oct. 23, 2025, 3:03 AM EDT. In July 2026 the court largely denied the motions to dismiss. Reddit's claims under the DMCA's anti-circumvention provisions went forward, but its New York claims for unjust enrichment and unfair competition were held preempted: stripped of the circumvention, which the court treated as merely the means of access, they sought to stop the copying of copyrighted content. A civil conspiracy claim survived because its object was a violation of the DMCA, which supplied the extra element. *Reddit, Inc. v. SerpApi LLC*, No. 25 Civ. 8736 (PAE) (S.D.N.Y. July 31, 2026). The court distinguished *Reddit v. Anthropic*, extracted below, on the ground that Reddit had pleaded an implied-in-fact contract there but not here. Is that a satisfactory distinction? Is there a difference between scraping material from Reddit directly and obtaining it through Google search results?

The extra-element test came under pressure again when AI developers began scraping platforms at scale. The following decision applies it to five separate state law claims at once, on a motion to remand — so the question is not whether the claims succeed, but whether they belong in state court at all.

Reddit, Inc. v. Anthropic PBC, 826 F. Supp. 3d 1059 (N.D. Cal. 2026)

TRINA L. THOMPSON, United States District Judge

Before this Court is Plaintiff Reddit, Inc.'s Motion to Remand to San Francisco County Superior Court against Defendant Anthropic PBC.

Reddit alleges that Anthropic used unauthorized automated access to scrape Reddit's content to train and commercialize its AI chatbot, Claude, which gives rise to state law claims, including (1) breach of contract, (2) unjust enrichment, (3) trespass to chattels, (4) tortious interference with contract, and (5) unfair competition under California Business & Professions Code § 17200. Anthropic removed the suit to this Court, asserting that because the "essence" of this action concerns its unauthorized use of Reddit's information, Reddit's state law causes of action are preempted by the federal Copyright Act. Reddit asserts that its claims arise from violations of contractual, technical, and privacy-based obligations, not from infringement of exclusive rights under the Copyright Act, 17 U.S.C. § 106.

After reviewing the parties' briefs, oral arguments, and relevant legal authority, the Court GRANTS Reddit's Motion to Remand for the reasons set below.

LEGAL STANDARD

The Copyright Act, 17 U.S.C. § 301, establishes a two-part test to preempt claims under state law. The state law claims are preempted if (1) the work at issue comes within the subject matter of copyright, and (2) the state law rights are "equivalent to any of the exclusive rights within the general scope of copyright." Grosso v. Miramax Film Corp., 383 F.3d 965, 968 (9th Cir. 2004); 17 U.S.C. § 301. The second prong cannot be established when the state cause of action protects rights qualitatively different from those protected by copyright. Maloney v. T3Media, Inc., 853 F.3d 1004, 1019 (9th Cir. 2017). Therefore, to survive preemption, the

complaint "must have an "extra element" which changes the nature of the action." Id.

ANALYSIS

A. Reddit's content falls within the subject matter of copyright.

Sections 102 and 103 of the Copyright Act specify the subject matter of copyright, including, inter alia, literary, musical, and dramatic works, as well as compilations and derivative works. 17 U.S.C. §§ 102–03. "Copyright protection extends only to works that contain original expression." Gray v. Hudson, 28 F.4th 87, 96 (9th Cir. 2022); 17 U.S.C. § 102. Original expression means that "the work was independently created by the author" and "possesses at least some minimal degree of creativity." Feist Publications, Inc. v. Rural Tel. Serv. Co., 499 U.S. 340, 345 (1991). "To be sure, the requisite level of creativity is extremely low; even a slight amount will suffice." Feist Publications, Inc., 499 U.S. at 345. "The issue for the purpose of a preemption analysis is whether the work involved is a kind of work that comes within the subject matter of the Copyright Act. Even uncopyrightable ideas that are part of copyrighted works come within the subject matter of copyright." Firoozye v. Earthlink Network, 153 F. Supp. 2d 1115, 1125 (N.D. Cal. 2001).

Here, the Court finds that Reddit's content, at least, is the kind of work covered by the Copyright Act. Reddit is one of the largest online discussion platforms in the world, where users create and define "subreddit" communities with shared interests for discussion. Within each subreddit, users have the ability to post their own content, comment, and cast "upvote" or "downvote" on content contributed by others. Posts with more upvote counts move to the top of the subreddit page and, if they receive enough upvotes, ultimately on Reddit's front page. Submissions with more downvote counts become less visible and move away from the user's view altogether.

Reddit's content, represented through subreddit, upvote, and downvote counts, essentially serves as a repository of natural human language discussions in website format. Such content, taken as a whole, may be considered to have copyright protection features. See Best Carpet Values, Inc. v. Google, LLC, 90 F.4th 962, 971 (9th Cir. 2024) ("[C]ommercial websites are copyrightable."); Craigslist Inc. v. 3Taps Inc., 942 F. Supp. 2d 962, 972 (N.D. Cal. 2013) (finding a website displaying a compilation of existing materials demonstrates a minimal level of creativity under the Copyright Act).

Accordingly, Reddit's content likely satisfies the first prong of the preemption analysis.

B. Reddit alleges "extra elements" beyond the Copyright Act.

Anthropic contends that its removal to this Court is proper because the gravamen of this action is that Anthropic copied Reddit's content without its authorization for Anthropic's commercial gain. Therefore, Anthropic claims that this is a classic copyright infringement claim. Reddit counters that its claims are grounded in alleged violations of its User Agreement that restrict automated access, privacy

obligations owed to users, and interference with its platform infrastructure, as well as affirmative misrepresentations made by Anthropic.

The Court finds that Anthropic's alleged violations go beyond merely copying Reddit's content without permission. Anthropic allegedly misappropriated Reddit's content and data for its own use, in violation of contractual rights under Reddit's User Agreement, which are distinct from the rights granted by copyright law. See Altera Corp. v. Clear Logic, Inc., 424 F.3d 1079, 1089–90 (9th Cir. 2005) ("Most courts have held that the Copyright Act does not preempt the enforcement of contractual rights. A state law tort claim concerning the unauthorized use is not within the rights protected by the federal Copyright Act."). As explained below, each of Reddit's claims contains extra elements that defeat preemption.

Breach of Contract

Anthropic contends that Reddit's breach of contract claim is devoid of "extra element" that alters the nature of the action from a standard copyright infringement claim. Specifically, Anthropic claims that Reddit's allegations center on Anthropic's purported "commercial exploitation" of user content, and that violations of the User Agreement are merely incidental to the copyright infringement. Id. at 7–8. Anthropic also asserts that the User Agreement itself failed to establish a binding contract because, as a matter of law, it constitutes a "browsewrap agreement" that is insufficient to form a binding contract.

Reddit counters that parties formed a binding contract because Anthropic was both constructively and actually aware of Reddit's User Agreement through its affirmative activities. Reddit maintains that this binding contract imposes the requisite "extra obligations beyond those imposed by the Copyright Act" related to the use and access of Reddit's platform.

A breach of contract claim is preempted only when it amounts to nothing more than a promise not to infringe copyright. Firoozye, 153 F. Supp. 2d at 1126. "A contract providing a 'bargained-for right not to have certain information disclosed to others or used by a particular individual' does more than replicate the protections of copyright law." Azam Aliafgerad v. Bates, 783 F. Supp. 3d 1218, 1224 (C.D. Cal. 2025); see also Nw. Home Designing Inc. v. Sound Built Homes Inc., 776 F. Supp. 2d 1210, 1216 (W.D. Wash. 2011) (holding that a state law claim challenging unauthorized copies of home designs was not preempted). "If a website offers contractual terms to those who use the site, and a user engages in conduct that manifests her acceptance of those terms, an enforceable agreement can be formed." Berman v. Freedom Fin. Network, LLC, 30 F.4th 849, 856 (9th Cir. 2022).

The Court finds that Anthropic and Reddit are contractually bound by Reddit's User Agreement from Reddit's showing of Anthropic's constructive and actual knowledge. Reddit's User Agreement, which has been in force since October 15, 2020, notifies users via a hyperlink that "[b]y accessing or using [Reddit's] Services, you agree to be bound by these Terms. If you do not agree to these Terms, you may not access or use our Services." While this may be characterized as a "browsewrap agreement," Anthropic engaged in conduct sufficient to infer actual knowledge of the terms of the User Agreement and to form an implied-in-fact

contract with Reddit. It is undisputed that Anthropic or its automated bots accessed Reddit's platform despite the notice of the User Agreement on the website.

Moreover, there are plenty of alleged instances indicating that Anthropic formed an implied-in-fact contract with Reddit. In response to remarks by Reddit's CEO that Anthropic was unlawfully exploiting Reddit's content, an Anthropic spokesperson denied that it continued web crawling. However, Reddit discovered that Anthropic continued deploying automated bots to access the platform "more than one hundred thousand times" following the denial. Reddit approached Anthropic to engage in licensing negotiations, but Anthropic refused and continued scraping Reddit's content, indicating that Anthropic was aware of the existence of Reddit's restricted-access tiers. Conversely, Anthropic itself employs similar restrictions in its own user agreement to prevent unlawful crawling and publicly stated that it "honor[s] industry standard directives in robots.txt," mirroring the knowledge of anti-scraping measures. These understandings and conduct indicate that Anthropic formed an implied-in-fact contract with Reddit, obliging it to comply with various contractual, technical, and privacy duties under the User Agreement.

Given the contractual relationship between Reddit and Anthropic, the Court looks into the User Agreement to determine whether it imposes multiple duties and obligations that are "qualitatively different" from those under the Copyright Act. Courts have repeatedly held that violations of website terms of use are not preempted by the Copyright Act. *Craigslist, Inc. v. Autoposterpro, Inc.,* 2009 WL 890896 at 2 (N.D. Cal. Mar. 31, 2009) (holding that claims premised on scraping and automated access in violation of contractual restrictions contained the necessary extra elements to avoid preemption); *Yu v. ByteDance Inc.,* 2023 WL 5671932 at 6 (N.D. Cal. Sept. 1, 2023) (distinguishing between claims based purely on copying and those based on scraping in violation of terms of use).

The Court finds the instant matter is no different from this district's precedents because provisions in the User Agreement are to protect the right to conditional access to Reddit's platform and prevent "free-riding" on Reddit's content in ways that are not found in a classical copyright claim. For instance, by granting "a personal, non-transferable, non-exclusive, revocable, limited license to... access and use the [Reddit's] Services," Anthropic "may not, without [Reddit's] written agreement: license, sell, transfer, assign, distribute, host, or otherwise commercially exploit the Services or Content; modify, prepare derivative works of, disassemble, decompile, or reverse engineer any part of the Services or Content; or access the Services or Content in order to build a similar or competitive website, product, or service, except as permitted." Section 3. The User Agreement also restricts the method of access, prohibiting the "[u]se Services in any manner that could interfere with, disable, disrupt, overburden, or otherwise impair the Services... [and a]ccess, search, or collect data from the Services by any means (automated or otherwise) except as permitted in these Terms or in a separate agreement with Reddit (we conditionally grant permission to crawl the Services in accordance with the parameters set forth in our robots.txt file, but scraping the Services without Reddit's prior written consent is prohibited)." Section 7. Through

these provisions, Reddit imposes certain restrictions on specific uses and purposes and safeguards its service by prohibiting conduct that impairs its technical infrastructure.

Anthropic's reliance on Best Carpet Values is misplaced. 90 F.4th 962. There, the Ninth Circuit held that the plaintiffs' implied-in-law contract claim based on allegations that the defendant's program "superimposed advertisements on their websites' homepages and other landing pages" and reproduced their website on users' screens constitutes an act of "preparing derivative works" rather than creating an extra element that differs from claims protected by the Copyright Act. Id. at 973. Unlike Best Carpet Values, Reddit's breach of contract claim rests on Anthropic's methods of access, restricted purposes, and deceptive conduct on Reddit's platform, which are explicitly set forth in the User Agreement, and therefore provides "extra elements" that transform the action from one arising under the ambit of the Copyright Act to one sounding in contract. Grosso, 383 F.3d at 968.

Accordingly, the Court finds that the breach of contract claim in this instance is not preempted by the Copyright Act.

Unjust Enrichment

Anthropic contends that claims of unjust enrichment are generally precluded by the Copyright Act, and Reddit's effort to attach its unjust enrichment claim essentially amounts to unauthorized use of Reddit's content, which should be preempted under the Copyright Act.

Claims for unjust enrichment are generally preempted by the Copyright Act because the elements of a claim for unjust enrichment do not qualitatively change the rights at issue, the rights the plaintiff holds in the copyrighted work.

Here, Reddit's unjust enrichment theory is not simply that Anthropic copied content without paying for it. As stated above, the Court finds that an implied-in-fact contract exists. There are "extra elements" to Reddit's unjust enrichment claim because it is predicated on Anthropic allegedly bypassing technical safeguards, violating contractual access restrictions, misrepresenting its compliance, and exploiting Reddit's platform without authorization and compensation to train and power its AI chatbot Claude, which enriched Anthropic by billions of dollars. These elements are qualitatively different from a copyright claim. Cf. Daniher v. Pixar Animation Studios, 2022 WL 1470480, at 5 (N.D. Cal. May 10, 2022) (unjust enrichment claim solely based on the infringer's benefit, without remunerating the infringer for that use, is not qualitatively different from a copyright claim); *Kadrey v. Meta Platforms, Inc.,* 2023 WL 8039640, at 2 (N.D. Cal. Nov. 20, 2023) (unjust enrichment claim arising from the unauthorized copying of the plaintiff's book to train a language model, without alleging how the model incorporated it in any form, is essentially the same as the rights protected under copyright Act).

Accordingly, the Court finds that the unjust enrichment claim in this instance is not preempted.

[Anthropic did not dispute that the trespass to chattels claim escapes preemption, and the court treated the point as conceded. The court found that Reddit's tortious interference claim was not preempted by the Copyright Act because Reddit sufficiently alleged that Anthropic knowingly and intentionally disrupted Reddit's contractual obligations to protect user privacy and choices by scraping content, bypassing technical safeguards, and using user content to train its AI models. The court also found that Reddit's unfair competition claim was not preempted by the Copyright Act because its unlawful-prong theory was based on trespass to chattels and tortious interference claims that themselves survived preemption.]

CONCLUSION

While Reddit's content may be covered by the broad subject matter of copyright, the Court finds that there are doubts as to Reddit's right of removal. The Court finds that none of Reddit's causes of action in this instance asserts rights equivalent to those protected by the Copyright Act. Each claim arises from violations of contractual restrictions on the method and purpose of access, technical trespass and server impairment, interference with privacy covenants owed to users, and affirmative misrepresentations made by Anthropic. Therefore, the Court concludes that Reddit's claims allege extra elements that are qualitatively different from the rights protected by the Copyright Act.

Accordingly, Reddit's Motion to Remand is GRANTED, and this action should be returned to the San Francisco Superior Court.

Notes and questions

(1) Copyright is not the only lever a platform can pull against a scraper, and it is often not the first. Alongside the contract and tort theories in *X Corp* and *Reddit* sits the Computer Fraud and Abuse Act, which makes it unlawful to access a protected computer without authorization. In *Amazon.com Services, LLC v. Perplexity AI, Inc.* (9th Cir. Aug. 4, 2026), Amazon obtained a preliminary injunction against Perplexity's agentic web browser, whose optional AI "Assistant" shops on Amazon.com at a user's direction. The Ninth Circuit vacated it. The statute punishes "[w]hoever … intentionally accesses" a protected computer, and so "the CFAA contemplates access by a person. However advanced the Assistant currently is, it is a tool, not a person for statutory purposes." On the record before the court, "[i]t is the user who 'accesses' Amazon's computers, with the help of the Assistant to carry out specific acts on Amazon.com." Amazon's claim under California's Comprehensive Computer Data Access and Fraud Act failed for the same reason: whatever the differences between the two statutes, "the focus of the inquiry is still on the person accessing or causing the access." The court was careful about the limits of what it was doing — "We do not establish a new legal regime governing agentic AI" — and left open whether a developer that exercised more control over its agent might itself gain entry.

(2) Notice what the court had to decide in order to decide anything: whether an act performed by an automated system is attributed to the system, to the company that built it, or to the human who set it going. That is the same question copyright law works through in Chapter 27 under the heading of volitional conduct, from *Netcom* to *Cartoon Network*. The answer here matches the answer there — the human who directs the tool is the actor

— but the reasoning is statutory rather than doctrinal, resting on the word "whoever." Is volitional conduct a peculiarity of copyright, then, or a general principle about attributing machine acts that copyright happened to reach first? And if a platform cannot reach an AI agent through the CFAA, through contract after *X Corp*, or through copyright where the scraped material is user-generated content it does not own, what is left?

The "Hot News" Doctrine and Copyright Preemption: INS v. Associated Press and NBA v. Motorola

In *National Basketball Association v. Motorola, Inc.*, 105 F.3d 841 (2d Cir. 1997), the Second Circuit addressed whether a state-law "hot news" misappropriation claim could survive preemption under the federal Copyright Act. Motorola and STATS, Inc. operated a pager service called "SportsTrax" that transmitted real-time basketball scores, possession changes, and other play-by-play information to subscribers. The NBA, which offered a competing service known as "Gamestats," sued the defendants, alleging misappropriation of its game information. The key question was whether the NBA could use state law to prevent others from reporting factual data derived from its games in real time.

The *NBA* court began its analysis with § 301 of the 1976 Copyright Act, which codifies the preemption of state laws that grant "equivalent rights" to those protected by copyright. The preemption test has two parts: (1) whether the work falls within the "subject matter" of copyright and (2) whether the rights asserted under state law are "equivalent" to the exclusive rights granted by § 106 of the Act. The court found both conditions satisfied. Although the underlying facts of basketball games were not copyrightable, the NBA's broadcast fell within copyright's subject matter, and the defendants' acts—transmitting data about those games—resembled reproduction and distribution, both within copyright's general scope.

Nonetheless, state-law claims may escape preemption if they require "extra elements" beyond copying, such as breach of confidence or unfair competition involving additional misconduct. The "hot news" doctrine, if it adds such elements, may in principle survive. But the court emphasized that any surviving claim must be narrowly defined, so as not to undermine the Copyright Act's goal of national uniformity.

The "hot news" tort originated in *International News Service v. Associated Press*, 248 U.S. 215 (1918). There, two competing wire services—the Associated Press (AP) and International News Service (INS)—transmitted breaking stories to member newspapers. INS copied factual news from AP bulletins and early-edition papers, then transmitted those facts to its own members, allowing them to publish "scooped" versions on the West Coast before AP's own subscribers could. The Supreme Court condemned this as "reaping where [INS] had not sown," reasoning that AP's costly and organized efforts to gather the news gave rise to a quasi-property right in that information as between competitors. The Court thus enjoined INS from appropriating AP's stories until their commercial value as "hot news" had passed.

INS was decided under federal common law, a regime abolished two decades later by *Erie Railroad Co. v. Tompkins*, 304 U.S. 64 (1938), which held that there is no general federal common law. Thus, *INS* itself no longer supplies binding legal rules. However, Congress, in the legislative history of the 1976 Copyright Act, indicated that certain INS-like "hot

news" claims—based on the time-sensitive value of information and direct competitive injury—might survive preemption as state-law torts. The Act did not create such a claim, but it left states free to recognize it.

Drawing on prior cases and the legislative history of § 301, the Second Circuit in *NBA v. Motorola* articulated the narrow boundaries of a surviving "hot news" claim. The court reasoned that to escape preemption, the plaintiff must allege additional elements beyond copying. The NBA formulation was restated in slightly different versions in that case, but for our purposes can be summed up in a five-part test: to escape preemption the plaintiff must show (1) the plaintiff generates or gathers information at a cost; (2) the information is time-sensitive; (3) the defendant's use constitutes free-riding; (4) the parties are in direct competition; and (5) the defendant's conduct threatens the plaintiff's incentive to produce the information.

Applying this reasoning, the Second Circuit held that the NBA's claim was preempted. Although the game scores were time-sensitive and the parties competed directly, Motorola and STATS gathered the information independently, without copying or "free-riding" on the NBA's data feed. Because the defendants expended their own effort rather than misappropriating the NBA's work, the essential element of "free-riding" was absent. The decision thus confined the "hot news" doctrine to its narrow *INS*-like core—cases in which a competitor copies and resells another's time-sensitive data, threatening the incentive to gather news at all—while reaffirming the primacy of federal copyright law as the principal system for protecting creative and informational works.

The Narrowing of "Hot News" Misappropriation in Barclays v. Theflyonthewall.com

In *Barclays Capital Inc. v. Theflyonthewall.com,* 650 F.3d 876 (2d Cir. 2011), the Second Circuit revisited the viability of the "hot news" misappropriation doctrine in the wake of *NBA v. Motorola*. The plaintiffs—major investment banks including Barclays, Merrill Lynch, and Morgan Stanley—produced proprietary analyst reports recommending whether investors should buy, hold, or sell particular securities. These reports were distributed to clients before markets opened, giving them a temporary informational advantage that incentivized brokerage activity through the firms. The defendant, Theflyonthewall.com ("Fly"), an online financial news service, began publishing the firms' recommendations almost immediately after release, thereby undermining the firms' exclusivity and, allegedly, their ability to profit from the research. The district court found for the firms under the NBA five-factor test, reasoning that Fly had free-ridden on costly, time-sensitive research and threatened the firms' economic incentives. On appeal, however, the Second Circuit reversed, holding that the claims were preempted by the Copyright Act.

The Second Circuit's central concern in Barclays was to reaffirm and narrow the boundaries of the NBA decision. The court emphasized that "hot news" misappropriation survives federal preemption only in a very limited set of circumstances—essentially those closely resembling INS v. Associated Press. The NBA decision had articulated several possible multi-part tests for identifying a surviving claim, but the Barclays panel clarified that these were analytical guides, not rigid elements. Overly broad interpretations, it warned, would reintroduce the kind of patchwork of inconsistent state protection that Congress had sought to eliminate through § 301 of the 1976 Copyright Act. The opinion

thus positioned NBA as a high-water mark of tolerance for the doctrine, not an invitation to expand it.

In applying that principle, Judge Sack's opinion reasoned that Fly's activities did not amount to the "free-riding" condemned in INS. Unlike INS, which copied AP's news and sold it as its own, Fly gathered publicly available facts—namely, that certain firms had issued buy or sell recommendations—and attributed those facts to their sources. The court underscored that the firms were not "acquiring" facts through journalistic effort, but creating analytical opinions; once those recommendations entered the marketplace, they became facts about market conditions. Reporting such facts, with attribution, was indistinguishable from ordinary financial journalism, not misappropriation. Fly's conduct, the court explained, was analogous to reporters covering the results of a sporting event or the winners of an awards show—factual reporting that lies squarely within the public domain.

Finally, the Barclays court reaffirmed that "free-riding" remains the indispensable element of any surviving INS-type "hot news" claim, and that the firms had failed to establish it. Because Fly expended its own effort to collect and disseminate information, its conduct was not parasitic upon the plaintiffs' product in the manner of INS. The panel concluded that while the firms' business model had been economically disrupted by the speed of modern information dissemination, such harm was not legally cognizable under the narrow INS-derived doctrine. The Second Circuit thus confined "hot news" misappropriation to cases of direct copying and resale of time-sensitive data and rejected attempts to use the tort to shield business models from technological change. In doing so, Barclays effectively transformed NBA's qualified preservation of "hot news" into a doctrine of exceptional, almost theoretical, survival under modern copyright preemption.

The preemption of right of publicity claims

Many states, but not all, recognize a right of publicity that gives individuals control over the commercial use of their name, image, likeness, and other aspects of their identity. The scope and duration of these rights vary significantly from state to state. The case law on whether the Copyright Act preempts right of publicity claims tends to be quite fact specific (some might even say that it is a hot mess). In the absence of any unifying theory, some examples may elucidate:

Examples of no preemption:

- *Waits v. Frito-Lay, Inc.*, 978 F.2d 1093 (9th Cir. 1992) (defendants used imitator to impersonate plaintiff Tom Waits' voice in radio commercial for Doritos chips)
- *Midler v. Ford Motor Co.,* 849 F.2d 460 (9th Cir. 1988) (defendant used imitation of plaintiff Bette Midler's voice in car advertisement)
- *Brown v. Ames,* 201 F.3d 654, 656-57 (5th Cir. 2000) (defendant record company misappropriated the names and likenesses of individual blues musicians, songwriters, and music producers on company's CDs, tapes, catalogs, and posters)
- *Downing v. Abercrombie & Fitch*, 265 F.3d 994 (9th Cir. 2001) (defendant used photograph of plaintiffs in a catalog to sell t-shirts identical to those worn by plaintiffs in a photograph from thirty years earlier)

- *Facenda v. N.F.L. Films, Inc.*, 542 F.3d 1007 (3d Cir. 2008) (defendant used plaintiff NFL broadcaster's voice in production about football video game)
- *No Doubt v. Activision Publ'g, Inc.,* 702 F. Supp. 2d 1139, 1141-45 (C.D. Cal. 2010) (defendant distributed video game that went beyond its license to use plaintiff's band by allowing players to perform unapproved songs in unapproved ways)

Examples of preemption:

- *Laws v. Sony Music Ent., Inc.,* 448 F.3d 1134 (9th Cir. 2006) (rejecting singer's right of publicity claim against record company because the subject matter of the claim was a song recording, not her uncopyrightable persona or likeness in the form of her voice)
- *Ray v. ESPN, Inc.*, 783 F.3d 1140 (8th Cir. 2015) (finding right of publicity claim brought by wrestler against ESPN for re-telecasting copyrighted wrestling performances preempted because the performances were rebroadcasts of copyrighted film, not the use of his likeness or name to promote commercial products).
- *Dryer v. Nat'l Football League*, 814 F.3d 938 (8th Cir. 2016) (holding that right of publicity claim brought against NFL Films for using footage depicting plaintiffs during football games was preempted because plaintiffs did not challenge the NFL's use of their likenesses or identities in any context other than the publication of the game footage.)
- In *Maloney v. T3Media, Inc.*, 853 F.3d 1004 (9th Cir. 2017), the Ninth Circuit held that the right of publicity claims of two college athletes with respect to the distribution of photos celebrating their exploits were preempted by copyright law. The Ninth Circuit explained (at 1016) that although a publicity-right claim may proceed when a likeness is used non-consensually on merchandise or in advertising, "where a likeness has been captured in a copyrighted artistic visual work and the work itself is being distributed for personal use, a publicity-right claim is little more than a thinly disguised copyright claim because it seeks to hold a copyright holder liable for exercising his exclusive rights under the Copyright Act."

At a very general level, one could say that if a state law cause of action based on the right of publicity is seen as merely duplicating or standing in for a copyright infringement claim, federal copyright law will preempt it. However, if the state law cause of action is grounded in protecting a "persona" or some element distinct from the copyrighted work itself, it will not be preempted.

CHAPTER 23. PUBLIC PERFORMANCE, DISPLAY & TRANSMISSION

Performance and Display

Copyright was originally limited to rights of reproduction and distribution because by controlling the making and sale of copies, authors and publishers could control the primary channels through which their works were enjoyed by the public. The making and/or sale of copies were the main tolling points that allowed authors to achieve some reward for their labors, and publishers some reward for their investments. In the era of the printing press, an actual copy, once sold, became its own freestanding commodity, to be bought and sold, lent and used without further consultation to the copyright owner, so long as it was not copied. However, as the economic significance of performance and display unconnected to reproduction increased, copyright owners began to press for a broader scope of rights that would encompass these activities. Performance rights are particularly important in relation to audio-visual works and in the music industry.

As a result, Section 106 of the Copyright Act provides copyright owners with three different versions of what you could think of as a right to communicate to the public without making new copies: (1) a general public performance right, (2) a public display right, and (3) a narrowly tailored public performance "by means of a digital audio transmission" right.

> **17 U.S. Code § 106 - Exclusive rights in copyrighted works**
>
> Subject to sections 107 through 122, the owner of copyright under this title has the exclusive rights to do and to authorize any of the following:
>
> (4) in the case of literary, musical, dramatic, and choreographic works, pantomimes, and motion pictures and other audiovisual works, *to perform the copyrighted work publicly*;
>
> (5) in the case of literary, musical, dramatic, and choreographic works, pantomimes, and pictorial, graphic, or sculptural works, including the individual images of a motion picture or other audiovisual work, to *display the copyrighted work publicly*; and
>
> (6) in the case of sound recordings, *to perform the copyrighted work publicly by means of a digital audio transmission*.

However, the public performance right and the public display right can be implicated in two very different ways because of the two-part definition of what it means to perform or display a work publicly.

> **17 U.S. Code § 101 - Definitions**
>
> To perform or display a work "publicly" means—
>
> (1) to perform or display it at a place open to the public or at any place where a substantial number of persons outside of a normal circle of a family and its social acquaintances is gathered; or
>
> (2) to transmit or otherwise communicate a performance or display of the work to a place specified by clause (1) or to the public, by means of any device or process,

whether the members of the public capable of receiving the performance or display receive it in the same place or in separate places and at the same time or at different times.

The upshot of this two-part definition is that you can perform a work publicly by playing or reciting it live in front of a room full of strangers, or by transmitting it to the public even if those members of the public receive it one at a time, in separate places. So it might be more accurate to say that we have five different performance and display rights:

- a general public performance right for live in-person performance,
- a general public performance right for transmissions that amount to performances,
- a public display right for live in-person displays,
- a public display right for transmissions that amount to displays, and
- a narrowly tailored public performance "by means of a digital audio transmission" right.

The display right

Section 106(5) gives the copyright owner the exclusive right of public display for certain classes of works. The list of works includes almost every kind of work that would be worth displaying (literary, musical, dramatic, and choreographic works, pantomimes, and pictorial, graphic, or sculptural works, including the individual images of a motion picture or other audiovisual work), but not architectural works.

By and large the concept of display by itself is not hard to understand. The Copyright Act defines it in the following terms:

17 U.S. Code § 101 - Definitions

To "display" a work means to show a copy of it, either directly or by means of a film, slide, television image, or any other device or process or, in the case of a motion picture or other audiovisual work, to show individual images nonsequentially.

But of course, it takes more than a display to infringe Section 106(5), the display must be public as that term is defined in the Act. We will consider the implications of what it means to perform or display a work "publicly" in the context of the performance right.

Like the distribution right addressed in a previous chapter, the display right is also limited by the first sale doctrine. Section 109(c) gives the owner or authorized possessor of a particular copy of a work the right to display that copy publicly to viewers present at the place where the copy is located. Although in the absence of a written assignment, an artist retains copyright when she sells her painting, no license or permission is required to display that painting, either publicly or privately.

17 U.S. Code § 109(c)

Notwithstanding the provisions of section 106(5), the owner of a particular copy lawfully made under this title, or any person authorized by such owner, is entitled, without the authority of the copyright owner, to display that copy publicly, either

> directly or by the projection of no more than one image at a time, to viewers present at the place where the copy is located.

The display right is also subject to various other statutory exemptions such as the Section 110(1) exemption for face-to-face teaching activities.

> **17 U.S. Code § 110 - Limitations on exclusive rights: Exemption of certain performances and displays**
>
> Notwithstanding the provisions of section 106, the following are not infringements of copyright:
>
> (1) performance or display of a work by instructors or pupils in the course of face-to-face teaching activities of a nonprofit educational institution, in a classroom or similar place devoted to instruction, unless, in the case of a motion picture or other audiovisual work, the performance, or the display of individual images, is given by means of a copy that was not lawfully made under this title, and that the person responsible for the performance knew or had reason to believe was not lawfully made;
>
> (2) [a rather complicated provision amounting to a distance learning exception]
>
> (3) performance of a nondramatic literary or musical work or of a dramatico-musical work of a religious nature, or display of a work, in the course of services at a place of worship or other religious assembly; …

The display right has very limited independent economic significance. There are two reasons: first, for displays without technological assistance, i.e., live displays, Section 109(c) is an exception that virtually swallows the rule; second, most technologically enabled displays are also reproductions, so the display right does not add anything unless the right to reproduce and the right to display are owned or licensed separately.

The performance right

Understanding the Section 106(4) performance right in terms of live in-person performances is also fairly easy. If you recite a poem, act out a play, dance a choreographic work, play a musical work or a film, you perform those works. Do those things in public, and you publicly perform them.

> **17 U.S. Code § 101 - Definitions**
>
> To "perform" a work means to recite, render, play, dance, or act it, either directly or by means of any device or process or, in the case of a motion picture or other audiovisual work, to show its images in any sequence or to make the sounds accompanying it audible.

There is no equivalent to Section 109(c) for performances. As a result, there is much more caselaw on how to delineate between public and non-public performances than there is for public and non-public displays. For the most part, the definition of what it means to perform or display a work "publicly" (quoted in full at the beginning of this chapter) is self-explanatory with respect to live, in-person performances and displays. The key words that flesh out what Congress meant by public are, "at a place open to the public or at any place where a substantial number of persons outside of a normal circle of a family and its social

acquaintances is gathered." So, a birthday party in your own home is not public, but a Rotary Club meeting is public.

What is not self-explanatory is the remainder of the Section 101 definition dealing with the transmission of performances or displays. Transmission rights are discussed below.

Section 106(4) applies to most categories of works that could be performed—i.e., "literary, musical, dramatic, and choreographic works, pantomimes, and motion pictures and other audiovisual works"—but this list does not include sound recordings. Sound recordings only get the narrower public performance right under section 106(6) relating to digital audio transmissions.

Performance rights for sound recordings and musical works are different

Two distinct copyrights are implicated when music is publicly performed: whether that performance is live, over the radio, or via a digital stream.

Although a person listening to the Jimi Hendrix recording of Bob Dylan's *All Along the Watchtower* probably thinks that she is listening to a singular piece of music, copyright law treats the rights in "musical works" (words and composition) and rights in relation to "sound recordings" (the particular recorded performance) as two distinct things. Almost invariably, ownership of the musical work and ownership of the sound recording are held by different entities. Because musical works and sound recordings are separate things as far as copyright law is concerned, they get separate treatment in terms of the public performance right.

Under 17 U.S.C. § 106(4), the owner of a musical work has the exclusive right to perform the work publicly. That means the songwriter (and typically their music publisher) receives royalties when the song is publicly performed. Bob Dylan gets paid royalties for the public performance of *All Along the Watchtower* regardless of who sings it or who owns the copyright in the sound recording. These royalties are typically collected and distributed through performing rights organizations (PROs) such as ASCAP, BMI, and SESAC.

By contrast, sound recordings—the fixed performances of those compositions—are not covered by § 106(4). Traditionally, the public performance right did not extend to sound recordings at all. Indeed, sound recordings were not protected by federal copyright law until 1972, and even then, they were treated quite differently to musical works. Thus, terrestrial radio stations that broadcast recorded music pay royalties to songwriters and publishers, but not to the record labels or performing artists who own the sound recording. This means that not only do American record labels and performing artists miss out on revenue they could be collecting from radio stations here, but because of the way international copyright agreements work, they also miss out on revenues (in the hundreds of millions) they would otherwise earn overseas.

Congress partially changed this in 1995 with the Digital Performance Right in Sound Recordings Act (DPRA), codified at 17 U.S.C. § 106(6). This provision grants owners of sound recordings a limited public performance right "by means of a digital audio transmission." In practical terms, that means record labels and performing artists can earn royalties when their recordings are streamed digitally.

However, the scope of this right depends on the type of digital audio transmission. Certain "noninteractive" digital audio services—such as Internet radio streams that function more like traditional radio—qualify for a statutory (compulsory) license under 17 U.S.C. § 114(d). These services pay set rates, determined by the Copyright Royalty Board, to an organization called SoundExchange. SoundExchange, which is similar in many ways to ASCAP but with a different origin story, then distributes royalties to the recording copyright owners (typically record labels) and performing artists.

The Copyright Royalty Board sets these rates in five-year cycles. The most recent proceeding, known as Web VI (Docket 23-CRB-0012-WR), fixed the rates for 1 January 2026 through 31 December 2030; the determination was published in December 2025. For commercial broadcasters streaming their over-the-air signal, the rate rises from $0.0028 per performance in 2026 to $0.0032 in 2030, the product of a settlement negotiated between the National Association of Broadcasters and SoundExchange rather than a litigated determination.

A performance, for these purposes, is one listener hearing one recording once. Rates expressed in hundredths of a cent look trivial, and for any individual play they are. The point is the aggregate. SoundExchange distributed about $1.05 billion in 2024 and just under $1 billion in 2025, and early in 2026 it passed $13 billion in cumulative distributions to more than 800,000 recording artists and rights owners.

Other forms of digital transmission, such as interactive (on-demand) streaming or direct webcasts, fall outside the statutory license. These services must negotiate licenses directly with copyright owners, and payments go directly to those owners rather than through SoundExchange.

Performance Rights Organizations (PROs)

The 1909 Copyright Act included a provision that extended the relatively new public performance right to non-dramatic musical works. By 1913, prominent composers and songwriters had begun talking about organizing in order to collect royalties based on this new right. The composers maintained their concern about new media cutting into sales of sheet music. In 1914, the American Society of Composers, Authors, and Publishers ("ASCAP") was officially incorporated and over the next few years, the new organization used the judicial system to establish the meaning and extent of the public performance right. The earliest cases concerned hotels, restaurants, and cabarets, but ASCAP quickly moved on to target the movie industry, and then the radio and television broadcasting industries when they emerged.

Performance rights organizations (PROs) play an important role in the administration of copyright law. PROs such as ASCAP, BMI, and SESAC, offer blanket public performance licenses for vast catalogs of musical works to radio stations, stadiums, concert venues, bars, restaurants, etc. Copyright owners opt in to organizations such as these by granting them a nonexclusive license. The arrangement is efficient for copyright owners and it provides something close to a one-stop shop for broadcasting networks and music venues. ASCAP and BMI are private organizations, but they have been subject to various antitrust law consent decrees for over half a century. Issues with the current consent decree are beyond the scope of this chapter, but it is important to note that licensees who believe that ASCAP

is not offering reasonable terms can take their dispute to the federal District Court in the Southern District of New York.

To see the jurisdiction of the district court in action, consider *Broadcast Music, Inc. v. North American Concert Promoters Association*, 168 F.4th 86 (2d Cir. 2026). In that case, BMI and an association of concert promoters could not agree on a blanket license fee for live concerts, and BMI petitioned the rate court. The Second Circuit vacated the fee the district court had set and remanded. The rate court's task, it held, is to find the fair market value of the music rights on a "willing buyer-willing seller" basis. The court held that consent-decree rate courts were created because the PROs aggregate monopoly power over the works they license, so benchmarks drawn from what licensees have previously agreed to pay, or from rates in music-intensive industries such as commercial radio, cannot simply be transposed to a different kind of licensee.

ASCAP does not collect royalties for digital audio transmissions of sound recordings; these are administered by SoundExchange. SoundExchange plays a very similar role to ASCAP, except that it plays by a set of rules established under the statutory licensing scheme in the copyright act rather than an antitrust consent decree.

The parallel is not exact, however. SoundExchange's role is created by statute, and a statutory designation to collect and distribute is not the same thing as a right to sue. In *SoundExchange, Inc. v. Sirius XM Radio Inc.*, 796 F. Supp. 3d 1 (S.D.N.Y. 2025), SoundExchange sued Sirius XM for roughly $10 million in unpaid royalties and lost on the pleadings. The Copyright Act does not expressly give SoundExchange standing to sue for unpaid royalties because it is not the owner of an exclusive right. The court declined to create one by implication, noting that Congress provided other means of enforcing the statutory license, and that it has expressly created causes of action elsewhere in the Act where it wanted them. The court also held that SoundExchange could not sue on behalf of its members as an association. On this ruling SoundExchange may collect and distribute, but when a licensee simply does not pay, the right to sue belongs to the copyright owners rather than to the collective that administers their royalties. SoundExchange has appealed to the Second Circuit (No. 25-2150).

Note that the Music Modernization Act of 2018 changed a number of details about how the statutory licenses under the Copyright Act are determined. Most of these changes do not impact the core functions of ASCAP et al. in relation to collecting public performance royalties.

Transmission rights

As noted in the introduction to this chapter, the Section 101 definition of "to perform or display a work 'publicly'" has two components. The first refers to the ordinary meaning of public performance, i.e., performing "at a place open to the public" etc., the second is a separate concept related to transmission. As a reminder, part (2) of the definition of "to perform or display a work 'publicly'" reads as follows:

> To perform or display a work "publicly" means … (2) to *transmit or otherwise communicate a performance or display of the work* to a place specified by clause (1) or to the public, *by means of any device or process*, whether the members of

> the public capable of receiving the performance or display receive it in the same place or in separate places and at the same time or at different times. (emphasis added)

What does this mean? Section 101 also expands on what it means to "transmit" a performance: to "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." Does that make it any clearer?

Transmission and public performance under the 1909 Act

Three key Supreme Court cases decided in the twilight of the 1909 Act will help you understand the transmission component of the public performance right in the Copyright Act of 1976: *Fortnightly*, *Teleprompter*, and *Aiken*. The first two are discussed in the *Aereo* extract below, but it helps to unpack all three a bit before diving into that case.

In the late 1960s and early 1970s, community antenna television (CATV) systems challenged the incumbent television broadcasters by retransmitting television signals to CATV subscribers. The CATV provider in *Fortnightly Corp. v. United Artists Television, Inc.*, 392 U.S. 390 (1968) placed antennas on hills above certain cities and used coaxial cables to carry the signals received by the antennas to the home television sets of its subscribers. The CATV provider in *Teleprompter Corp. v. Columbia Broadcasting System, Inc.*, 415 U.S. 394 (1974) carried broadcast television programming into subscribers' homes from hundreds of miles away. In both these cases, the Supreme Court held that the CATV systems were more like a viewer than a broadcaster and thus were not themselves engaged in a public performance.

Illustration of Cable Rebroadcast Decisions Under the 1909 Act

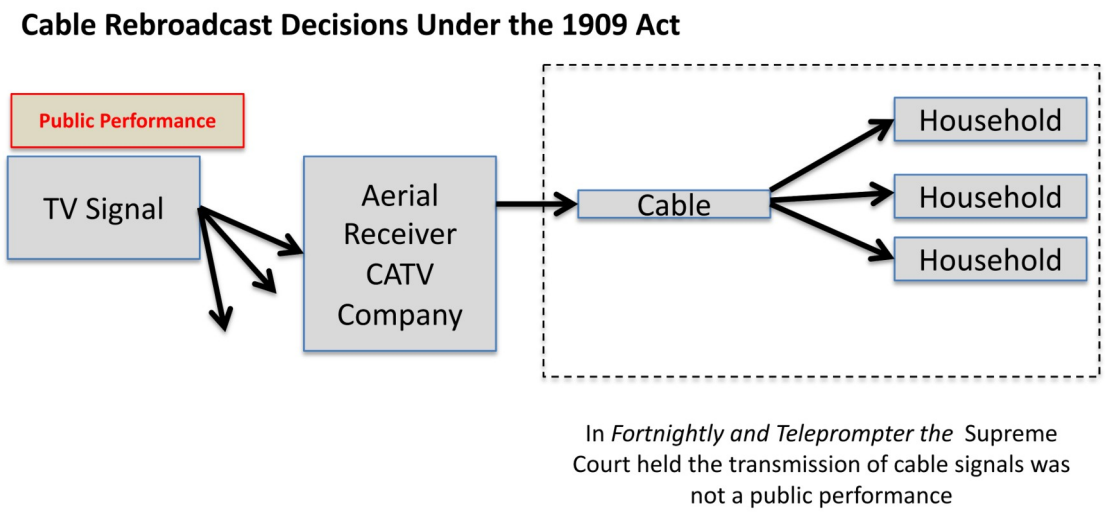


Image description: A flowchart showing how TV signals are transmitted by cable. A TV signal, labeled "Public Performance," sends arrows to an aerial receiver/CATV company. From there, the signal travels via cable to multiple households. A note below explains that in *Fortnightly* and *Teleprompter*, the Supreme Court ruled cable transmissions were not considered a public performance.

In *Twentieth Century Music Corp. v. Aiken,* 422 U.S. 151 (1975), the Supreme Court addressed whether the reception of a radio broadcast of a copyrighted musical composition can constitute copyright infringement, when the copyright owner has licensed the broadcaster to perform the composition publicly for profit. The defendant in this case was

George Aiken, owner/operator of "George Aiken's Chicken" in downtown Pittsburgh, Pennsylvania. Aiken's usual practice was to have the radio on all day. It is unlikely that his customers gave it a second thought as even those who ate in usually spent no more than 15 minutes in the store. The station that broadcast the petitioners' songs was licensed by ASCAP to broadcast them. Aiken, however, did not hold a license from ASCAP.

The Copyright Act of 1909 §1(e) gave the copyright owner the exclusive right "to perform the copyrighted work publicly for profit." It had long been established that the public performance right applied not only to musicians employed at dance halls, but also to the commercial radio broadcast. However, as it had done in *Fortnightly* and *Teleprompter* the Supreme Court drew a distinction between listening and performing:

> If, by analogy to a live performance in a concert hall or cabaret, a radio station "performs" a musical composition when it broadcasts it, the same analogy would seem to require the conclusion that those who listen to the broadcast through the use of radio receivers do not perform the composition.

The Court believed that

> to hold that Aiken "performed" the copyrighted works "would result in a regime of copyright law that would be both wholly unenforceable and highly inequitable."

The Court described the "futility of any evenhanded effort on the part of copyright holders to license even a substantial percentage of" the countless bars, beauty shops, cafeterias, car washes, dentists' offices, and drive-ins with radio or television sets on their premises.

The Court was concerned that even if people like Aiken had an ASCAP license they might still infringe if a radio station broadcast anything outside the ASCAP catalog—he would "have no sure way of protecting himself from liability for copyright infringement except by keeping his radio set turned off." The Court also saw the attempt to extract payment from the broadcaster and the receiver as "multiple tribute" going "far beyond what is required for the economic protection of copyright owners."

*

Congress disagreed. The definition of what it means to perform or display a work publicly under the 1976 Act seemed designed to contradict the holdings of *Fortnightly*, *Teleprompter*, and *Aiken*. However, the language Congress adopted to that end is anything but clear.

Cablevision

To fully appreciate *Aereo*, it is helpful to review the *Cablevision* case that preceded it. Sony began selling video-cassette recorders ("VCR") for home use in 1975 and in 1999 the first digital video recorders ("DVR") entered the market. Although a DVR is easier to program and more versatile than a VCR, both are essentially recording devices owned and operated by consumers in the privacy of their own homes. In *Cartoon Network LP v. CSC Holdings, Inc.*, 536 F.3d 121 (2d Cir. 2008), the court addressed the implications of a different version of the DVR, the remote storage digital video recorder system ("RS-DVR"). Today we would call this a cloud-based DVR. The defendant CSC Holdings was the parent company to the cable television broadcaster, Cablevision. Cablevision was licensed to transmit and

thus perform various television networks under the Section 111 statutory license, however Cablevision had no license to operate any kind of DVR service.

Cablevision's RS-DVR allowed its customers to record cable programming on central hard drives housed and maintained by Cablevision at a remote location. This technology was more efficient because customers did not need a stand-alone DVR in their own homes. RS-DVR customers could then receive playback of those programs through their home television sets, using only a remote control and standard cable box equipped with the RS-DVR software.

The television networks argued that although Cablevision had a statutory license to retransmit their television broadcasts through a cable system, the operation of the RS-DVR directly infringed their copyrights both by making unauthorized reproductions, and by engaging in public performances, of their copyrighted works. For tactical reasons the parties in the *Cablevision* case agreed that the defendant would not raise a defense of fair use and that the plaintiffs would not allege secondary liability. Thus, the only question in Cablevision was whether the defendant was liable as a direct infringer.

Plaintiffs argued that Cablevision infringed in three ways: (i) when it made temporary buffer copies of their works as part of the process of initiating copies at the direction of Cablevision's users (all works were buffered as they were received, but only those designated for recording survived for more than 1.2 seconds); (ii) when works were reproduced for later viewing at the direction of Cablevision's users; and (iii) when works were transmitted to Cablevision's users.

The Second Circuit disagreed. It held that Cablevision's RS-DVR service did not violate the Copyright Act because: (i) the transitory buffering of a data-stream did not "reproduce the work in copies" because under the terms of the Copyright Act to qualify as a copy a work must be fixed for more than a transitory duration; (ii) Cablevision was not a direct infringer of the reproduction right because it was not the 'maker', in the sense of the 'volitional copy' doctrine, of the fixed copies; (iii) Cablevision did not *publicly* perform the works within the meaning of the 'transmit clause' of the public performance right. These second two holdings seemed very much in question when the Supreme Court granted certiorari in *Aereo*.

Illustration of Remote DVR in Cablevision

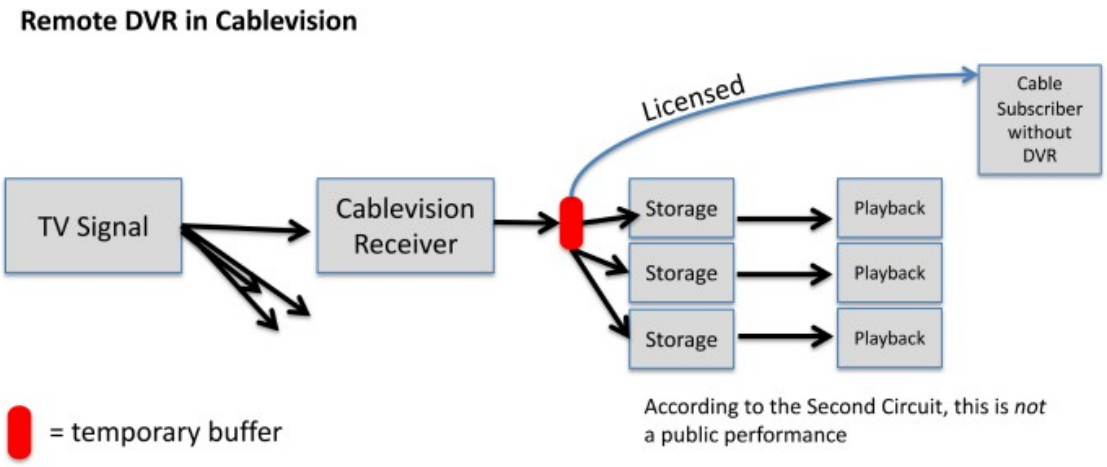


Image description: A flowchart illustrating Cablevision's system. A TV signal goes to a Cablevision receiver, then through a temporary buffer (marked in red) into storage units. Each storage unit links to playback for subscribers. A licensed path also connects the receiver to cable subscribers without DVR. A note explains that the Second Circuit ruled this process is *not* a public performance.

American Broadcasting Companies v. Aereo, Inc., 134 S.Ct. 2498 (2014)

Justice Breyer delivered the opinion of the Court.

I

The Copyright Act of 1976 gives a copyright owner the exclusive right 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.

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. See A Dictionary of Computing 494 (6th ed. 2008) (defining "streaming" as "[t]he process of providing a steady flow of audio or video data so that an Internet user is able to access it as it is transmitted").

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.

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. *WNET, Thirteen v. Aereo, Inc.*, 712 F.3d 676 (2013) (citing *Cartoon Network LP, LLLP v. CSC Holdings, Inc.*, 536 F.3d 121 (2008)). In the Second Circuit's view, Aereo does not perform publicly within the meaning of the Transmit Clause because it does not transmit "to the public." Rather, each time Aereo streams a program to a subscriber, it sends a private transmission that is available only to that subscriber. The Second Circuit denied rehearing en banc, over the dissent of two judges. We granted certiorari.

II

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

Does Aereo "perform"? See § 106(4) (The owner of a copyright has the exclusive right to perform the copyrighted work publicly); § 101 ("To perform ... a work 'publicly' means [among other things] to transmit... a performance ... of the work ... to the public ..."). 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 emulates 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, (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." The CATV provider "neither edited the programs received nor originated any programs of its own."

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." And a CATV provider "falls on the viewer's side of the line."

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.

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. "Essentially," the Court said, "a CATV system no more than enhances the viewer's capacity to receive the broadcaster's signals [by] provid[ing] a well-located antenna with an efficient connection to the viewer's television set." Viewers do not become performers by using "amplifying equipment," and a CATV

provider should not be treated differently for providing viewers the same equipment.

In *Teleprompter Corp. v. Columbia Broadcasting System, Inc.*, 415 U.S. 394 (1974), the Court considered the copyright liability of a CATV provider that carried broadcast television programming into subscribers' homes from hundreds of miles away. Although the Court recognized that a viewer might not be able to afford amplifying equipment that would provide access to those distant signals, it nonetheless found that the CATV provider was more like a viewer than a broadcaster. 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."

The Court also recognized that the CATV system exercised some measure of choice over what to transmit. But that fact did not transform the CATV system into a broadcaster. A broadcaster exercises significant creativity in choosing what to air, the Court reasoned. In contrast, the CATV provider makes an initial choice about which broadcast stations to retransmit, but then "simply carries, without editing, whatever programs it receives."

B

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; see ibid. (defining "audiovisual works" as "works that consist of a series of related images which are intrinsically intended to be shown by the use of machines..., together with accompanying sounds"). Under this new language, both the broadcaster and the viewer of a television program "perform," because they both show the program's images and make audible the program's sounds.

Congress also enacted the Transmit Clause, which specifies that an entity performs publicly when it "transmit[s] ... a performance ... to the public." § 101; see ibid. (defining "[t]o 'transmit' a performance" as "to communicate it by any device or process whereby images or sounds are received beyond the place from which they are sent"). Cable system activities, like those of the CATV systems in Fortnightly and Teleprompter, lie at the heart of the activities that Congress intended this language to cover. The House Report on the 1976 Act says that "a cable television system is performing when it retransmits [a network] broadcast to its subscribers" and that "the concept of public performance ... covers not only the initial rendition or showing, but also any further act by which that rendition or showing is transmitted or communicated to the public." The Clause thus makes clear that an entity that acts like a CATV system itself performs, even if when doing so, it simply enhances viewers' ability to receive broadcast television signals.

Congress further created a new section of the Act to regulate cable companies' public performances of copyrighted works. 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. House Report at 88 (Section 111 is primarily "directed at the operation of cable television systems and the terms and conditions of their liability for the retransmission of copyrighted works").

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

C

This history makes clear that Aereo is not simply an equipment provider. Rather, Aereo, and not just its subscribers, "perform[s]" (or "transmit[s]"). Aereo's activities are substantially similar to those of the CATV companies that Congress amended the Act to reach. See id., at 89 ("Cable systems are commercial enterprises whose basic retransmission operations are based on the carriage of copyrighted program material"). Aereo sells a service that allows subscribers to watch television programs, many of which are copyrighted, almost as they are being broadcast. In providing this service, Aereo uses its own equipment, housed in a centralized warehouse, outside of its users' homes. By means of its technology (antennas, transcoders, and servers), Aereo's system "receive[s] programs that have been released to the public and carr[ies] them by private channels to additional viewers." *Fortnightly*, 392 U.S., at 400. It "carr[ies] ... whatever programs [it] receive[s]," and it offers "all the programming" of each over-the-air station it carries.

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, select the copyrighted content that is performed, 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. See § 106(1) ("exclusive right ... to reproduce the copyrighted work"). And by the same token, Aereo should not be directly liable whenever its patrons use its equipment to "transmit" copyrighted television programs to their screens.

In our view, however, the dissent's copy shop argument, in whatever form, makes too much out of too little. Given Aereo's overwhelming likeness to the cable companies targeted by the 1976 amendments, this sole technological difference

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

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

III

Next, we must consider whether Aereo performs petitioners' works "publicly," within the meaning of the Transmit Clause. Under the Clause, an entity performs a work publicly when it "transmit[s]... a performance ... of the work ... to the public." § 101. Aereo denies that it satisfies this definition. It reasons as follows: First, the "performance" it "transmit[s]" is the performance created by its act of transmitting. And second, because each of these performances is capable of being received by one and only one subscriber, Aereo transmits privately, not publicly. Even assuming Aereo's first argument is correct, its second does not follow.

We begin with Aereo's first argument. What performance does Aereo transmit? Under the Act, "to '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 "to '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. Cf. *United States v. American Soc. of Composers, Authors and Publishers*, 627 F.3d 64, 73 (2nd Cir. 2010) (holding that a download of a work is not a performance because the data transmitted are not "contemporaneously perceptible"). When an Aereo subscriber selects a program to watch, Aereo streams the program over the Internet to that subscriber. Aereo thereby "communicate[s]" to the subscriber, by means of a "device or process," the work's images and sounds. § 101. And those images and sounds are contemporaneously visible and audible on the subscriber's computer (or other Internet-connected device). So under our assumed definition, Aereo transmits a performance whenever its subscribers watch a program.

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

In terms of the Act's purposes, these differences do not distinguish Aereo's system from cable systems, which do perform "publicly." Viewed in terms of Congress' 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.

The Transmit Clause must permit this interpretation, for it provides that one may transmit a performance to the public "whether the members of the public capable of receiving the performance ... receive it ... at the same time or at different times." § 101. Were the words "to transmit ... a performance" limited to a single act of communication, members of the public could not receive the performance communicated "at different times." Therefore, in light of the purpose and text of the Clause, we conclude that when an entity communicates the same contemporaneously perceptible images and sounds to multiple people, it transmits a performance to them regardless of the number of discrete communications it makes.

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

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

Neither the record nor Aereo suggests that Aereo's subscribers receive performances in their capacities as owners or possessors of the underlying works. This is relevant because when an entity performs to a set of people, whether they constitute "the public" often depends upon their relationship to the underlying work. When, for example, a valet parking attendant returns cars to their drivers, we would not say that the parking service provides cars "to the public." We would say that it provides the cars to their owners. We would say that a car dealership, on the other hand, does provide cars to the public, for it sells cars to individuals who lack a pre-existing relationship to the cars. Similarly, an entity that transmits a performance to individuals in their capacities as owners or possessors does not

perform to "the public," whereas an entity like Aereo that transmits to large numbers of paying subscribers who lack any prior relationship to the works does so perform.

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

IV

Aereo and many of its supporting amici argue that to apply the Transmit Clause to Aereo's conduct will impose copyright liability on other technologies, including new technologies, that Congress could not possibly have wanted to reach. We agree that Congress, while intending the Transmit Clause to apply broadly to cable companies and their equivalents, did not intend to discourage or to control the emergence or use of different kinds of technologies. But we do not believe that our limited holding today will have that effect.

For one thing, the history of cable broadcast transmissions that led to the enactment of the Transmit Clause informs our conclusion that Aereo "perform[s]," but it does not determine whether different kinds of providers in different contexts also "perform." For another, an entity only transmits a performance when it communicates contemporaneously perceptible images and sounds of a work. See Brief for Respondent 31 ("If a distributor ... sells [multiple copies of a digital video disc] by mail to consumers, ... [its] distribution of the DVDs merely makes it possible for the recipients to perform the work themselves — it is not a 'device or process' by which the *distributor* publicly performs the work" (emphasis in original)).

Further, we have interpreted the term "the public" to apply to a group of individuals acting as ordinary members of the public who pay primarily to watch broadcast television programs, many of which are copyrighted. We have said that it does not extend to those who act as owners or possessors of the relevant product. And we have not considered whether the public performance right is infringed when the user of a service pays primarily for something other than the transmission of copyrighted works, such as the remote storage of content. See Brief for United States as Amicus Curiae 31 (distinguishing cloud-based storage services because they "offer consumers more numerous and convenient means of playing back copies that the consumers have *already* lawfully acquired" (emphasis in original)). In addition, an entity does not transmit to the public if it does not transmit to a substantial number of people outside of a family and its social circle.

We also note that courts often apply a statute's highly general language in light of the statute's basic purposes. Finally, the doctrine of "fair use" can help to prevent

inappropriate or inequitable applications of the Clause. See *Sony Corp. of America v. Universal City Studios, Inc.*, 464 U.S. 417 (1984).

We cannot now answer more precisely how the Transmit Clause or other provisions of the Copyright Act will apply to technologies not before us. We agree with the Solicitor General that questions involving cloud computing, remote storage DVRs, and other novel issues not before the Court, as to which Congress has not plainly marked the course, should await a case in which they are squarely presented. And we note that, to the extent commercial actors or other interested entities may be concerned with the relationship between the development and use of such technologies and the Copyright Act, they are of course free to seek action from Congress.

* * *

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.

Notes and questions

(1) The Supreme Court's decision in *American Broadcasting Companies v. Aereo, Inc.* is consequential but confusing. Aereo built a system that allowed subscribers to watch broadcast television over the Internet by assigning each user an individual antenna and making an individualized copy of each program. The Second Circuit, relying on Cablevision, held that Aereo's transmissions were private, not public. The Supreme Court reversed, holding that Aereo "performed publicly" because its operation was functionally indistinguishable from a cable system—the very type of enterprise Congress intended to bring within the Act's reach when it added the Transmit Clause in 1976. Justice Breyer's majority opinion read the Transmit Clause broadly in light of congressional purpose, not narrowly in light of technological architecture. The Court's reasoning blurred the line between technical design and functional equivalence, emphasizing practical effect over formal structure. Justice Scalia's dissent, by contrast, accused the majority of adopting a "looks-like-cable-TV" test that abandoned the statutory text and the volitional conduct principles that ordinarily limit direct liability. The decision left several questions unresolved. What role does volition play in direct infringement after Aereo? How far does the analogy to cable systems extend in an age of cloud storage, remote DVRs, and peer-to-peer streaming? And how should courts interpret "to the public" in a digital environment where transmission, storage, and access are fluid and individualized?

(2) Both the Supreme Court majority and the dissenting opinion in the Court of Appeals below seemed to believe that if Aereo were not directly liable under the public performance right, it would fall through a loophole in copyright law. In fact, Aereo could only avoid public performance liability by infringing reproduction rights with each recorded copy, though the studios avoided that claim for fear a court might deem such time-shifting fair use under *Sony*. While a remote DVR arguably extends *Sony's* logic that technology enabling authorized viewing in a more convenient way is fair use, Aereo's "Rube Goldberg-like" design to evade the Copyright Act's retransmission rules undermined its position. Congress added those rules in 1976 to close precisely such loopholes, and fair use —rooted in purposive statutory interpretation—should not protect a service built to subvert the statute's clear purpose.

(3) Although the question of the "volitional conduct" doctrine seemed unavoidable in *Aereo*, Justice Breyer managed to avoid it. Justice Scalia, in dissent (joined by Thomas and Alito), argued that Aereo did not perform at all since it lacked the requisite volition. Scalia distinguished video-on-demand services from services like Aereo because, in the former case, the service provider chose the content and in Aereo's case the users chose the content. Scalia argued that the conduct of service providers like Aereo would be better regulated through doctrines of secondary liability. The majority in *Aereo* did not engage with the distinction between direct and contributory copyright liability, nor did it directly address the cases on the 'volitional conduct doctrine'. It simply held that (i) cable systems perform, (ii) Aereo is like a cable system, thus (iii) Aereo performs. We discuss the "volitional conduct" doctrine in detail in a later chapter.

Questions

(1) The *Aereo* Court analogized Aereo's service to a traditional cable system, concluding that Congress intended the 1976 Act's Transmit Clause to cover functionally equivalent technologies. How persuasive is this analogy? Should courts assess technological "likeness" by form, function, or market impact?

(2) The Court insists its holding is "limited" to Aereo-like services yet gives little guidance on where the line lies for other technologies (e.g., remote DVRs or cloud storage). What factors might future courts use to distinguish those cases? Does Aereo suggest that technological architecture is less important than commercial purpose?

(3) Did Aereo lose because it lost the battle of analogies? Aereo's system was intentionally designed to mimic user-specific recording and streaming, to fit within the Cablevision precedent. Should courts look past such formal design choices to the overall function of a service? If so, how does that affect predictability for innovators?

(4) The Transmit Clause. The *Aereo* decision turns on what it means to "transmit a performance ... to the public." How does the Court interpret this phrase, and how does that interpretation differ from the Second Circuit's in Cablevision? Why does the Court treat separate individualized transmissions as nonetheless "public"?

(5) Justice Breyer emphasized that Aereo's subscribers were members of "the public" because they lacked any "prior relationship" to the works. What kinds of relationships might remove a transmission from the "public" category? Consider cloud storage, personal backups, or in-home streaming across one's own devices.

(6) The majority assumes that only contemporaneously perceptible transmissions—i.e., streams—are performances, not downloads. Why might the law distinguish between the two? How would this distinction apply to hybrid technologies (for example, buffering or progressive downloads)?

(7) Who Performs? Aereo claimed it merely supplied equipment under user control—just as a home antenna or DVR does—while the Court found that Aereo "performs" by transmitting content to subscribers. What criteria might distinguish "performing" from "supplying equipment"? Does user initiation of a transmission (who clicks the play button) matter?

(8) TechCo develops "CableShare," a service that allows users to "gift" access to their home cable subscriptions to friends and family. When User A gifts access to User B, CableShare creates a virtual machine that mirrors A's cable box, allowing B to watch whatever A could watch, but only one person can watch at a time. Each stream is created from a separate temporary copy made for that session. Apply Aereo to determine: (i) Does CableShare "perform" the works? (ii) If so, are these performances "public"? (iii) What additional facts would you need to make this determination?

The "Homestyle" and other exceptions to the public performance right

The Copyright Act contains a number of specific exceptions to the performance right. There is an exception for performances by teachers or students in the classroom during the course of face-to-face teaching activities—Section 110(1). Performances during the course of services at a place of religious worship do not infringe the performance right—Section 110(3).

The copyright act also contains a broad exemption for public performances of nondramatic literary and musical works provided the performance is not made for the purpose of commercial advantage, the performers are not paid, and there is no admission charge etc. Section 110(4).

Although Congress overturned the court's reading of the performance right in *Aiken*, the ability of certain small businesses to play the radio for their customers is preserved under what is generally called the *Homestyle Exception*—Section 110(5). The European Union successfully challenged this exception in a WTO proceeding against the United States. The *Homestyle Exception* was found to be excessively broad, but remains part of U.S. law nonetheless.

Cable & satellite licenses

Just like in the aftermath to *White-Smith v. Apollo*, in the aftermath of the CATV cases discussed above Congress created a new section of the Act to regulate cable companies' public performances of copyrighted works. 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. There is also an

analogous compulsory license available to satellite carriers in Section 119 of the Copyright Act.

Section 118 of the copyright act gives noncommercial educational broadcast stations an antitrust exemption to bargain with copyright owners to determine royalty rates for the use of copyrighted works in their programming. Section 118 also provides a mechanism for determining a compulsory license for certain categories of work if no agreement is reached.

Note that the retransmission of broadcast television signals over the Internet has been held not to be a secondary transmission eligible for the compulsory license for secondary transmissions by cable systems under Section 111(c) of the Copyright Act.

This issue arose as a question of first impression in *WPIX, Inc. v. ivi, Inc.*, 691 F.3d 275 (2d Cir. 2012) and was answered in the negative by the Second Circuit. One district court held to the contrary but was overruled in *Fox Television Stations, Inc. v. Aereokiller, LLC*, 851 F.3d 1002 (9th Cir. 2017) (Internet-based retransmission service was not cable system, and thus it was ineligible for compulsory license for retransmission of broadcast television networks' copyrighted works). In May 2017, FilmOn settled with the broadcasters and withdrew its appeals in the Seventh Circuit and the DC Circuit.

Comparative: The Performance, Display and Transmission Rights in International Copyright Agreements

The Berne Convention contains a hodgepodge of provisions relating to what can loosely be termed public performance and communication to the public. Article 11 of the Berne Convention gives the authors of dramatic, dramatic-musical, and musical works the exclusive right to publicly perform their works "by any means or process", and, in a separate subsection, the exclusive right of communicating the performance of their works to the public.

> **Berne Convention Article 11. Certain Rights in Dramatic and Musical Works:**
>
> (1) Authors of dramatic, dramatico-musical and musical works shall enjoy the exclusive right of authorizing:
>
> (i) the public performance of their works, including such public performance by any means or process;
>
> (ii) any communication to the public of the performance of their works.
>
> (2) Authors of dramatic or dramatico-musical works shall enjoy, during the full term of their rights in the original works, the same rights with respect to translations thereof.

Berne Article 11*bis* gives the authors of literary and artistic works the exclusive right to broadcast their works, and to communicate the work to the public "by wire or rebroadcasting". For good measure, Article 11*bis*, adds a reference to the public communication by loudspeaker or any other analogous instrument transmitting the broadcast of the work. Article 11*bis*(2) specifically authorizes a system of compulsory licensing. This is common for cable retransmission.

Berne Convention Article 11*bis*. Broadcasting and Related Rights:

(1) Authors of literary and artistic works shall enjoy the exclusive right of authorizing:

(i) the broadcasting of their works or the communication thereof to the public by any other means of wireless diffusion of signs, sounds or images;

(ii) any communication to the public by wire or by rebroadcasting of the broadcast of the work, when this communication is made by an organization other than the original one;

(iii) the public communication by loudspeaker or any other analogous instrument transmitting, by signs, sounds or images, the broadcast of the work.

(2) It shall be a matter for legislation in the countries of the Union to determine the conditions under which the rights mentioned in the preceding paragraph may be exercised, but these conditions shall apply only in the countries where they have been prescribed. They shall not in any circumstances be prejudicial to the moral rights of the author, nor to his right to obtain equitable remuneration which, in the absence of agreement, shall be fixed by competent authority.

For the authors of literary works, Article 11*ter* adds a right of public recitation and communication to the public of recitation.

Berne Convention Article 11*ter*. Certain Rights in Literary Works:

(1) Authors of literary works shall enjoy the exclusive right of authorizing:

(i) the public recitation of their works, including such public recitation by any means or process;

(ii) any communication to the public of the recitation of their works.

(2) Authors of literary works shall enjoy, during the full term of their rights in the original works, the same rights with respect to translations thereof.

Finally, Article 14 provides a specific provision for cinematographic adaptations. The author of a literary or artistic work that has been adapted into cinematographic work shall enjoy the exclusive right of authorizing "the public performance and communication to the public by wire of the works thus adapted or reproduced."

Berne Convention Article 14 Cinematographic and Related Rights

(1) Authors of literary or artistic works shall have the exclusive right of authorizing:

(i) the cinematographic adaptation and reproduction of these works, and the distribution of the works thus adapted or reproduced;

(ii) the public performance and communication to the public by wire of the works thus adapted or reproduced.

The Berne Convention does not require member nations to recognize a distinct right of public display, although in Article 17, the convention clearly leaves that option open to the states. More importantly, although the Berne Convention requires the provision of various rights of public performance and public communication, it makes no attempt to define what is meant by public.

TRIPs Article 14(1) deals with what are generally referred to as anti-bootlegging laws. The right to prevent bootlegging is of great interest to performers, but it is not exactly a performance right.

Article 14(3) suggests to member nations that "broadcasting organizations" should have the right to prevent rebroadcasting of broadcasts by wireless means, as well as more general "communication to the public of television broadcasts." However, the broadcaster rights in 14(3) are not mandatory under TRIPs if owners of copyright in the subject matter of broadcasts are given those rights instead. This is the approach taken by the United States.

> **TRIPs Article 14 - Protection of Performers, Producers of Phonograms (Sound Recordings) and Broadcasting Organizations**
>
> 1. In respect of a fixation of their performance on a phonogram, performers shall have the possibility of preventing the following acts when undertaken without their authorization: the fixation of their unfixed performance and the reproduction of such fixation. Performers shall also have the possibility of preventing the following acts when undertaken without their authorization: the broadcasting by wireless means and the communication to the public of their live performance.
> 2. Broadcasting organizations shall have the right to prohibit the following acts when undertaken without their authorization: the fixation, the reproduction of fixations, and the rebroadcasting by wireless means of broadcasts, as well as the communication to the public of television broadcasts of the same. Where Members do not grant such rights to broadcasting organizations, they shall provide owners of copyright in the subject matter of broadcasts with the possibility of preventing the above acts, subject to the provisions of the Berne Convention (1971).

CHAPTER 24. SECONDARY LIABILITY FOR COPYRIGHT INFRINGEMENT

Copyright law has long recognized two branches of secondary liability, both borrowed from tort: contributory infringement, which has traditionally been understood as turning on a defendant's knowledge of, and contribution to, the infringing activity; and also vicarious liability, which turns on a defendant's financial stake in, and control over, that activity. A recent Supreme Court decision, *Cox Communications v. Sony*, 607 U.S. 583 (2026), has sharply narrowed at least one of those routes. To see what *Cox* changed, it is helpful to establish a baseline. We begin with *Gershwin*.

The Gershwin Era

Gershwin Pub. Corp. v. Columbia Artists Management, Inc., 443 F.2d 1159 (2d Cir. 1971)

Circuit Judge Anderson

The American Society of Composers, Authors, and Publishers (ASCAP) brought this copyright infringement action against Columbia Artists Management, Inc. (CAMI) to determine whether CAMI is liable for and can be compelled to pay license fees when musical compositions in the ASCAP repertory are performed at concerts sponsored by local community concert associations promoted by CAMI. In this test litigation CAMI concedes that on January 9, 1965 concert artists managed by it performed "Bess, You Is My Woman Now" publicly for profit at a concert sponsored by the Port Washington Community Concert Association without the permission of plaintiff Gershwin Publishing Company, the copyright proprietor, and that the performing artists and local association are, therefore, liable for infringement under the Copyright Act, 17 U.S.C. §§ 1(e), 101 (1964). CAMI takes the position that its participation in that infringing performance did not render it jointly and severally liable for copyright infringement. The district court granted summary judgment for the plaintiff upon its finding that CAMI had caused the copyright infringement by "organizing, supervising and controlling" the local organization and by "knowingly participating" in its infringement. We affirm.

The relevant facts and circumstances out of which the issue of law has arisen are the following.

CAMI engages in two business enterprises. One of them is acting as manager for concert artists, including booking them with professional impressarios. The other has to do with creating local organizations which produce the audiences for these artists in communities too small to support a commercial promoter. Its Community Concert Division, which is responsible for CAMI's second enterprise, organizes, nurtures and maintains hundreds of local non-profit organizations, called "Community Concert Associations," which sponsor annual concert series at which CAMI-managed artists appear.

The formation and operation of the unincorporated associations follow the same pattern throughout the country. After it is determined that community demand is sufficient to support at least three concerts each season, a CAMI field representative contacts local citizens and engineers the formation of an association.

As each concert season approaches, the field representative reviews with association officers a proposed budget, assists their tentative selection of artists, and helps to plan and carry through a one-week membership campaign during which memberships entitling the purchaser to attend the concert series are sold to the public. With local officials he also compiles a report of the campaign's proceeds, and prepares the actual budget and the artists' contracts. CAMI's involvement with the Port Washington association followed this pattern in 1964.

CAMI is compensated for its "audience creation" in two ways. Artists performing at community concerts, whether managed by CAMI or not, pay a "differential," which may amount to as much as twenty-five per cent of their gross fee, for services rendered by CAMI in the formation and direction of local associations. In addition artists managed by CAMI pay it a management charge of fifteen per cent of the artist's fee after deducting the "differential." CAMI therefore makes money through the reimbursement of its expenses, plus a percentage for profit for the nurturing of local associations; and artists who perform before the association's audiences pay a commission to CAMI for management.

Once an artist's community concert season has been so arranged, CAMI's "program girl" contacts him and obtains the titles of the musical compositions to be performed that season. CAMI then commissions the printing of concert programs, with its name prominently displayed on the cover, and sells them to the local associations on the artist's tour. CAMI stipulated that it deliberately made no effort to obtain copyright clearance for musical compositions included in the programs and performed at community concerts. Such clearance was, in its view, unnecessary because it claims no responsibility for any infringement which might occur.

Section 1(e) of the Copyright Act bestows upon the copyright proprietor "the exclusive right to perform the copyrighted work publicly for profit," an interest which is protected by § 101 of the Act which holds accountable "any person [who] shall infringe the copyright." Although the Act does not specifically delineate what kind or degree of participation in an infringement is actionable, it has long been held that one may be liable for copyright infringement even though he has not himself performed the protected composition.

[The court discussed *Shapiro, Bernstein & Co. v. H. L. Green Co.,* holding that even in the absence of an employer-employee relationship one may be vicariously liable if he has the right and ability to supervise the infringing activity and also has a direct financial interest in such activities.]

Similarly, one who, with knowledge of the infringing activity, induces, causes or materially contributes to the infringing conduct of another, may be held liable as a "contributory" infringer.

The district court properly held CAMI liable as a "vicarious" and a "contributory" infringer. With knowledge that its artists included copyrighted compositions in their performances, CAMI created the Port Washington audience as a market for those artists. CAMI's pervasive participation in the formation and direction of this association and its programming of compositions presented amply support the district court's finding that it "caused this copyright infringement." Although CAMI had no formal power to control either the local association or the artists for whom it served as agent, it is clear that the local association depended upon CAMI for direction in matters such as this, that CAMI was in a position to police the

infringing conduct of its artists, and that it derived substantial financial benefit from the actions of the primary infringers. CAMI knew that copyrighted works were being performed at the Port Washington concert and that neither the local association nor the performing artists would secure a copyright license. It was, therefore, responsible for, and vicariously liable as the result of, the infringement by those primary infringers.

Notes and questions

(1) The terms "contributory infringement" and "vicarious infringement" do not appear to have been used in a consistent way prior to *Gershwin*. Contributory liability is usually said to have roots in the tort-law concepts of enterprise liability and imputed intent. In contrast, vicarious liability is said to be derived from the agency principle of respondeat superior. However, if contributory copyright infringement is rooted in tort law concepts of enterprise liability and imputed intent, why doesn't it look more like those doctrines in modern tort law?

(2) As formulated in *Gershwin,* the basic test for contributory copyright infringement is a two-part requirement that the defendant (1) has *knowledge* of a third party's infringing activity, and (2) induces, causes, or *materially contributes* to the infringing conduct. Thus, contributory copyright infringement requires knowledge and material contribution, but knowledge of what exactly, and what degree of contribution qualifies as material?

(3) As formulated in *Shapiro,* vicarious liability requires *the right and ability to supervise* the infringing activity and also a *direct financial interest* in such activities. If an employee infringes copyright while acting within the scope of her employment it is clear that the employer has (1) the right and ability to supervise the infringing conduct and (2) a direct financial interest in the infringing activity. However, it is unclear outside that context how broadly the elements of vicarious liability should be stretched to render non-infringers liable for the infringing actions of others.

(4) The Second Circuit's expansion of the scope of liability in *Shapiro* makes sense—it found the policies of the copyright law would be best effectuated if Green were held liable for its failure to police the conduct of the primary infringer. But if that is the rule that emerges from Shapiro, it is hard to see a clear limiting principle on the failure to police rationale. In *Shapiro*, the department store had a very close relationship to the concessionaire and it had a "strong concern for [its] financial success." It is not clear from *Shapiro* where either of these lines should be drawn in future cases.

Liability of device manufacturers and service providers

The Sony Safe Harbor

Sony Corporation of America v. Universal City Studios, Inc., 464 U.S. 417 (1984)

Justice Stevens delivered the opinion of the Court

Petitioners manufacture and sell home video tape recorders. Respondents own the copyrights on some of the television programs that are broadcast on the public

airwaves. Some members of the general public use video tape recorders sold by petitioners to record some of these broadcasts, as well as a large number of other broadcasts. The question presented is whether the sale of petitioners' copying equipment to the general public violates any of the rights conferred upon respondents by the Copyright Act.

…

The respondents and Sony both conducted surveys of the way the Betamax machine was used by several hundred owners during a sample period in 1978. Although there were some differences in the surveys, they both showed that the primary use of the machine for most owners was "time-shifting" — the practice of recording a program to view it once at a later time, and thereafter erasing it. Time-shifting enables viewers to see programs they otherwise would miss because they are not at home, are occupied with other tasks, or are viewing a program on another station at the time of a broadcast that they desire to watch. Both surveys also showed, however, that a substantial number of interviewees had accumulated libraries of tapes.

The Copyright Act does not expressly render anyone liable for infringement committed by another. In contrast, the Patent Act expressly brands anyone who "actively induces infringement of a patent" as an infringer, 35 U.S. C. § 271(b), and further imposes liability on certain individuals labeled "contributory" infringers, § 271(c). The absence of such express language in the copyright statute does not preclude the imposition of liability for copyright infringements on certain parties who have not themselves engaged in the infringing activity.[17]

Footnote 17: As the District Court correctly observed, however, "the lines between direct infringement, contributory infringement and vicarious liability are not clearly drawn." The lack of clarity in this area may, in part, be attributable to the fact that an infringer is not merely one who uses a work without authorization by the copyright owner, but also one who authorizes the use of a copyrighted work without actual authority from the copyright owner.

We note the parties' statements that the questions of Sony's liability under the "doctrines" of "direct infringement" and "vicarious liability" are not nominally before this Court. We also observe, however, that reasoned analysis of respondents' unprecedented contributory infringement claim necessarily entails consideration of arguments and case law which may also be forwarded under the other labels, and indeed the parties to a large extent rely upon such arguments and authority in support of their respective positions on the issue of contributory infringement.

For vicarious liability is imposed in virtually all areas of the law, and the concept of contributory infringement is merely a species of the broader problem of identifying the circumstances in which it is just to hold one individual accountable for the actions of another.

[Justice Stevens noted that in *Kalem Co. v. Harper Brothers*, 222 U.S. 55 (1911) the Court held the producer of an unauthorized film dramatization of the copyrighted book Ben Hur liable for his sale of the motion picture to jobbers, who in turn arranged for the commercial exhibition of the film.] Respondents argue that *Kalem* stands for the proposition that supplying the "means" to accomplish an infringing activity and encouraging that activity through advertisement are sufficient to establish liability for copyright infringement. This argument rests on a gross generalization that cannot withstand scrutiny. The producer in *Kalem* did

not merely provide the "means" to accomplish an infringing activity; the producer supplied the work itself, albeit in a new medium of expression. Sony in the instant case does not supply Betamax consumers with respondents' works; respondents do. Sony supplies a piece of equipment that is generally capable of copying the entire range of programs that may be televised: those that are uncopyrighted, those that are copyrighted but may be copied without objection from the copyright holder, and those that the copyright holder would prefer not to have copied. The Betamax can be used to make authorized or unauthorized uses of copyrighted works, but the range of its potential use is much broader than the particular infringing use of the film Ben Hur involved in *Kalem*. *Kalem* does not support respondents' novel theory of liability.

Justice Holmes stated that the producer had "contributed" to the infringement of the copyright, and the label "contributory infringement" has been applied in a number of lower court copyright cases involving an ongoing relationship between the direct infringer and the contributory infringer at the time the infringing conduct occurred. In such cases, as in other situations in which the imposition of vicarious liability is manifestly just, the "contributory" infringer was in a position to control the use of copyrighted works by others and had authorized the use without permission from the copyright owner. This case, however, plainly does not fall in that category. The only contact between Sony and the users of the Betamax that is disclosed by this record occurred at the moment of sale.

If vicarious liability is to be imposed on Sony in this case, it must rest on the fact that it has sold equipment with constructive knowledge of the fact that its customers may use that equipment to make unauthorized copies of copyrighted material. There is no precedent in the law of copyright for the imposition of vicarious liability on such a theory. The closest analogy is provided by the patent law cases to which it is appropriate to refer because of the historic kinship between patent law and copyright law.

In the Patent Act both the concept of infringement and the concept of contributory infringement are expressly defined by statute. The prohibition against contributory infringement is confined to the knowing sale of a component especially made for use in connection with a particular patent. There is no suggestion in the statute that one patentee may object to the sale of a product that might be used in connection with other patents. Moreover, the Act expressly provides that the sale of a "staple article or commodity of commerce suitable for substantial noninfringing use" is not contributory infringement. 35 U.S.C. § 271(c).

When a charge of contributory infringement is predicated entirely on the sale of an article of commerce that is used by the purchaser to infringe a patent, the public interest in access to that article of commerce is necessarily implicated. A finding of contributory infringement does not, of course, remove the article from the market altogether; it does, however, give the patentee effective control over the sale of that item. Indeed, a finding of contributory infringement is normally the functional equivalent of holding that the disputed article is within the monopoly granted to the patentee.

For that reason, in contributory infringement cases arising under the patent laws the Court has always recognized the critical importance of not allowing the patentee to extend his monopoly beyond the limits of his specific grant. These cases deny the patentee any right to control the distribution of unpatented articles

> unless they are "unsuited for any commercial noninfringing use." *Dawson Chemical Co. v. Rohm & Haas Co.*, 448 U.S. 176, 198 (1980). Unless a commodity "has no use except through practice of the patented method," the patentee has no right to claim that its distribution constitutes contributory infringement.
>
> We recognize there are substantial differences between the patent and copyright laws. But in both areas the contributory infringement doctrine is grounded on the recognition that adequate protection of a monopoly may require the courts to look beyond actual duplication of a device or publication to the products or activities that make such duplication possible. The staple article of commerce doctrine must strike a balance between a copyright holder's legitimate demand for effective — not merely symbolic — protection of the statutory monopoly, and the rights of others freely to engage in substantially unrelated areas of commerce. Accordingly, the sale of copying equipment, like the sale of other articles of commerce, does not constitute contributory infringement if the product is widely used for legitimate, unobjectionable purposes. Indeed, it need merely be capable of substantial noninfringing uses.
>
> [Justice Stevens concluded that time-shifting broadcast television was fair use] The Betamax is, therefore, capable of substantial noninfringing uses. Sony's sale of such equipment to the general public does not constitute contributory infringement of respondents' copyrights.

Notes and questions

(1) In *Sony v. Universal City Studios*, 464 U.S. 417 (1984) the Supreme Court addressed the liability of a technology manufacturer for foreseeable infringement by users of the technology. The *Sony* majority concluded:

> Accordingly, the sale of copying equipment, like the sale of other articles of commerce, does not constitute contributory infringement if the product is widely used for legitimate, unobjectionable purposes. Indeed, it need merely be capable of substantial noninfringing uses.

The substantial noninfringing use test is commonly referred to as the "*Sony* safe harbor."

(2) The problem with the *Sony* safe harbor from the perspective of some copyright holders is that, once a substantial noninfringing use has been established, technology providers have no further incentive to discourage infringing uses. On the other hand, any other threshold of liability would be unworkable from the point of view of many technology developers.

(3) The advantage of the *Sony* safe harbor is that it is a clear rule that provides technology developers with an *ex ante* assurance that, as long as the substantial noninfringing use threshold has been met, distribution of their product will not trigger massive copyright liability.

Illustration of Sony Safe Harbor

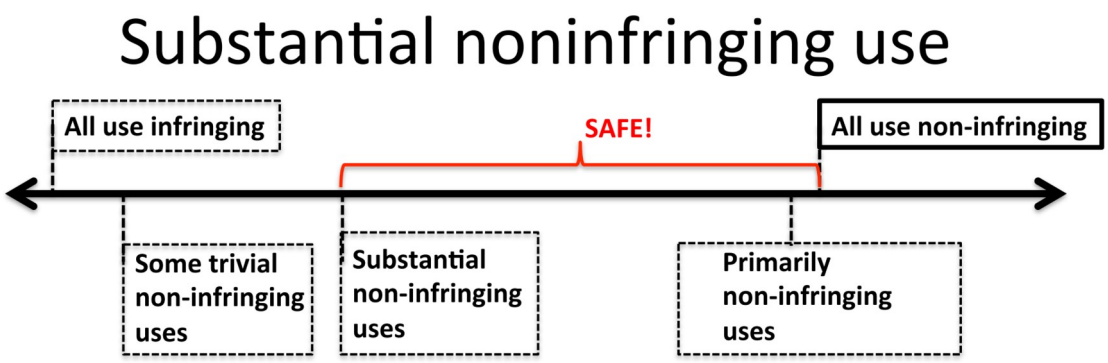


Image description: A horizontal spectrum showing different categories of use from left to right. On the far left: "All use infringing." Next: "Some trivial non-infringing uses." In the middle: "Substantial non-infringing uses," marked as "SAFE!" in red. Further right: "Primarily non-infringing uses." On the far right: "All use non-infringing." The diagram illustrates a continuum from infringing to non-infringing uses, with safety lying in the middle-to-right range.

Like every other concept in law, the exact boundary of the substantial noninfringing use test is debatable. However, not all uncertainties are created equal. New technology will almost inevitably pose unknowable future harms and benefits; any test requiring a technology developer to mitigate the former while maximizing the latter creates not just uncertainty, but profound uncertainty. In contrast, while the borderlands of the substantial noninfringing use test may be disputed, in most cases there is a clear field beyond the border where the legality of a new device cannot be seriously disputed. Who knows what the optimal design of the iPod was when it was launched in late 2001? There was no iTunes Music Store at the time and a large amount of music filling people's iPods probably was downloaded illegally. Perhaps Apple could have done more to make the iPod incompatible with music illegally downloaded from peer to peer filesharing sites, perhaps not. Under the substantial noninfringing use standard that exact calculation is immaterial; all that matters is that there was substantial noninfringing use. In the case of the iPod, the ability of consumers to play music ripped from their own legally purchased CDs met that standard. In practice, technology developers may have to over-shoot the substantial noninfringing use mark to be completely confident that they are on solid legal ground, but the point is that such confidence is possible.

(4) The *Sony* decision has significant implications for copyright policy *and* innovation policy. If the Supreme Court had held the Sony Corporation liable for user infringement, it could have given content owners an effective veto over the development of the VCR. The Court would have, in effect, asked potential new entrants to make their product design decisions as though they were vertically integrated subsidiaries of the entertainment industry.

(5) Justices Breyer and Ginsburg undertake an extended discussion of the merits and demerits of the *Sony* safe harbor in their concurring opinions in *Metro-Goldwyn-Mayer Studios Inc. v. Grokster, Ltd.*, 545 U.S. 913 (2005), the main holding of which is discussed below.

A&M Records v. Napster, Inc., 239 F.3d 1004 (9th Cir. 2001)

Napster was an online peer-to-peer file-sharing service launched in 1999 that enabled users to search for, download, and share digital audio files—primarily MP3s—directly from each other's computers through a central index maintained on Napster's servers. Napster was extraordinarily popular in its brief peak period (1999–2001). Within months of its launch, it attracted millions of users—by early 2001, estimates placed its active user base at around 60 million worldwide, making it one of the fastest-growing internet services in history at the time. It became a cultural phenomenon among college students and music fans, who could access vast libraries of songs for free, often within minutes, at a time when legal digital music distribution was almost nonexistent.

Major record companies, including A&M Records, alleged that Napster facilitated and encouraged widespread unauthorized copying and distribution of copyrighted sound recordings, resulting in massive infringement of their works.

The plaintiffs contended that Napster's system, which required user registration, maintained directories of available files, and provided technical support, was designed to exploit and promote access to infringing material, while Napster argued that its service was capable of substantial noninfringing uses and that it did not directly host or copy the files at issue.

The Ninth Circuit held that Napster was liable for contributory copyright infringement because it knew or had reason to know of infringing activity on its system and materially contributed to that infringement, and for vicarious copyright infringement because it had the right and ability to supervise the infringing conduct and derived a direct financial benefit from it. Specifically, the court of appeals said:

> … if a computer system operator learns of specific infringing material available on his system and fails to purge such material from the system, the operator knows of and contributes to direct infringement. Conversely, absent any specific information which identifies infringing activity, a computer system operator cannot be liable for contributory infringement merely because the structure of the system allows for the exchange of copyrighted material. To enjoin simply because a computer network allows for infringing use would, in our opinion, violate *Sony* and potentially restrict activity unrelated to infringing use.
>
> We nevertheless conclude that sufficient knowledge exists to impose contributory liability when linked to demonstrated infringing use of the Napster system. The record supports the district court's finding that Napster has actual knowledge that specific infringing material is available using its system, that it could block access to the system by suppliers of the infringing material, and that it failed to remove the material.

The court rejected Napster's defenses—including fair use and the Sony "substantial noninfringing use" doctrine—finding that the record supported preliminary injunctive relief to stop Napster from facilitating the exchange of copyrighted music without authorization.

Napster indicates that the *Sony* safe harbor may not be as effective for companies providing ongoing services rather than selling standalone products. The *Napster* decision also illustrates how important a technical architecture can be. Napster brokered direct file

exchange between Napster users, however it maintained a centralized index of the files being exchanged. This led the District Court to conclude that Napster had reasonable knowledge of specific infringing files. In contrast, later generation file sharing services used a decentralized index, and thus, did not have the knowledge required to establish contributory liability according to the Ninth Circuit in *Grokster*. But that is far from the end of the story.

Metro-Goldwyn-Mayer Studios Inc. v. Grokster, Ltd., 545 U.S. 913 (2005)

JUSTICE SOUTER delivered the opinion of the Court.

The question is under what circumstances the distributor of a product capable of both lawful and unlawful use is liable for acts of copyright infringement by third parties using the product. We hold that one who distributes a device with the object of promoting its use to infringe copyright, as shown by clear expression or other affirmative steps taken to foster infringement, is liable for the resulting acts of infringement by third parties.

I

Respondents, Grokster, Ltd., and StreamCast Networks, Inc., defendants in the trial court, distribute free software products that allow computer users to share electronic files through peer-to-peer networks, so called because users' computers communicate directly with each other, not through central servers. The advantage of peer-to-peer networks over information networks of other types shows up in their substantial and growing popularity. Because they need no central computer server to mediate the exchange of information or files among users, the high-bandwidth communications capacity for a server may be dispensed with, and the need for costly server storage space is eliminated. Since copies of a file (particularly a popular one) are available on many users' computers, file requests and retrievals may be faster than on other types of networks, and since file exchanges do not travel through a server, communications can take place between any computers that remain connected to the network without risk that a glitch in the server will disable the network in its entirety. Given these benefits in security, cost, and efficiency, peer-to-peer networks are employed to store and distribute electronic files by universities, government agencies, corporations, and libraries, among others.

Other users of peer-to-peer networks include individual recipients of Grokster's and StreamCast's software, and although the networks that they enjoy through using the software can be used to share any type of digital file, they have prominently employed those networks in sharing copyrighted music and video files without authorization. A group of copyright holders (MGM for short, but including motion picture studios, recording companies, songwriters, and music publishers) sued Grokster and StreamCast for their users' copyright infringements, alleging that they knowingly and intentionally distributed their software to enable users to reproduce and distribute the copyrighted works in violation of the Copyright Act, 17 U. S. C. § 101 et seq. (2000 ed. and Supp. II). MGM sought damages and an injunction.

[During litigation, it was revealed that Grokster's software, using licensed FastTrack technology, and StreamCast's Morpheus, using Gnutella technology, enabled peer-to-peer file sharing without central servers intercepting search requests or transfers. In FastTrack, file searches are routed through "supernodes" that index available files, while in Gnutella, peers may connect directly without supernodes. Both systems allow downloaded files to be shared in designated folders. Although Grokster and StreamCast claim substantial potential for lawful uses, MGM's commissioned study found that nearly 90% of files on FastTrack were copyrighted, suggesting that most downloads were infringing. The parties dispute these figures and note instances of authorized distribution, but evidence indicates large-scale infringement, with over 100 million copies of the software downloaded and billions of files shared monthly.]

[Grokster and StreamCast acknowledged that most downloads via their software were infringing and were aware of this use, sometimes directly assisting users seeking to play copyrighted material. Evidence showed both companies actively sought to capture Napster's user base after its legal troubles, using OpenNap networks, targeted advertising, and search engine tactics to attract those looking for copyrighted content. StreamCast's campaigns explicitly marketed Morpheus as the "#1 alternative to Napster" and monitored copyrighted song availability to appeal to infringing users, while Grokster used similar tactics, including its own Napster-like service. Their ad-driven business models depended on maximizing users—especially those seeking copyrighted works—and neither company implemented meaningful measures to block or filter such content, with StreamCast even obstructing monitoring efforts.]

[After discovery, both sides sought summary judgment. The District Court found that Grokster and StreamCast's users directly infringed MGM's copyrights but ruled the companies not liable for distributing their then-current software, as they lacked actual knowledge of specific infringements due to its decentralized design. The Ninth Circuit affirmed, applying Sony to hold that products capable of substantial noninfringing uses could not give rise to contributory liability absent such knowledge, and finding no material contribution since users—not the companies—initiated and carried out the infringing acts. It also rejected vicarious liability, noting the companies neither controlled nor had a duty to police use of their software. The Supreme Court granted certiorari.]

II

A

MGM and many of the amici fault the Court of Appeals' holding for upsetting a sound balance between the respective values of supporting creative pursuits through copyright protection and promoting innovation in new communication technologies by limiting the incidence of liability for copyright infringement. The more artistic protection is favored, the more technological innovation may be discouraged; the administration of copyright law is an exercise in managing the tradeoff.

The tension between the two values is the subject of this case, with its claim that digital distribution of copyrighted material threatens copyright holders as never before, because every copy is identical to the original, copying is easy, and many people (especially the young) use file-sharing software to download copyrighted works. This very breadth of the software's use may well draw the public directly into the debate over copyright policy, and the indications are that the ease of copying songs or movies using software like Grokster's and Napster's is fostering disdain for copyright protection. As the case has been presented to us, these fears are said to be offset by the different concern that imposing liability, not only on infringers but on distributors of software based on its potential for unlawful use, could limit further development of beneficial technologies.

The argument for imposing indirect liability in this case is, however, a powerful one, given the number of infringing downloads that occur every day using StreamCast's and Grokster's software. When a widely shared service or product is used to commit infringement, it may be impossible to enforce rights in the protected work effectively against all direct infringers, the only practical alternative being to go against the distributor of the copying device for secondary liability on a theory of contributory or vicarious infringement.

One infringes contributorily by intentionally inducing or encouraging direct infringement, see *Gershwin v. Columbia Artists Management*, and infringes vicariously by profiting from direct infringement while declining to exercise a right to stop or limit it, *Shapiro v. H. L. Green Co*.[9]

Footnote 9: We stated in *Sony v. Universal* (1984), that "the lines between direct infringement, contributory infringement and vicarious liability are not clearly drawn. Reasoned analysis of the plaintiffs' contributory infringement claim necessarily entails consideration of arguments and case law which may also be forwarded under the other labels, and indeed the parties rely upon such arguments and authority in support of their respective positions on the issue of contributory infringement." In the present case MGM has argued a vicarious liability theory, which allows imposition of liability when the defendant profits directly from the infringement and has a right and ability to supervise the direct infringer, even if the defendant initially lacks knowledge of the infringement. Because we resolve the case based on an inducement theory, there is no need to analyze separately MGM's vicarious liability theory.

Although the Copyright Act does not expressly render anyone liable for infringement committed by another, these doctrines of secondary liability emerged from common law principles and are well established in the law.

B

Despite the currency of these principles of secondary liability, this Court has dealt with secondary copyright infringement in only one recent case, and because MGM has tailored its principal claim to our opinion there, a look at our earlier holding is in order. In *Sony Corp. v. Universal City Studios*, this Court addressed a claim that secondary liability for infringement can arise from the very distribution of a commercial product. There, the product, novel at the time, was what we know today as the videocassette recorder or VCR. Copyright holders sued Sony as the manufacturer, claiming it was contributorily liable for infringement that occurred when VCR owners taped copyrighted programs because it supplied the means used

to infringe, and it had constructive knowledge that infringement would occur. At the trial on the merits, the evidence showed that the principal use of the VCR was for "time-shifting," or taping a program for later viewing at a more convenient time, which the Court found to be a fair, not an infringing, use. There was no evidence that Sony had expressed an object of bringing about taping in violation of copyright or had taken active steps to increase its profits from unlawful taping. Although Sony's advertisements urged consumers to buy the VCR to "record favorite shows" or "build a library" of recorded programs, neither of these uses was necessarily infringing.

On those facts, with no evidence of stated or indicated intent to promote infringing uses, the only conceivable basis for imposing liability was on a theory of contributory infringement arising from its sale of VCRs to consumers with knowledge that some would use them to infringe. But because the VCR was "capable of commercially significant noninfringing uses," we held the manufacturer could not be faulted solely on the basis of its distribution.

This analysis reflected patent law's traditional staple article of commerce doctrine, now codified, that distribution of a component of a patented device will not violate the patent if it is suitable for use in other ways. 35 U.S.C. § 271(c); *Aro Mfg. Co. v. Convertible Top Replacement Co.,* 377 U. S. 476, 485 (1964) (noting codification of cases). The doctrine was devised to identify instances in which it may be presumed from distribution of an article in commerce that the distributor intended the article to be used to infringe another's patent, and so may justly be held liable for that infringement. "One who makes and sells articles which are only adapted to be used in a patented combination will be presumed to intend the natural consequences of his acts; he will be presumed to intend that they shall be used in the combination of the patent." *New York Scaffolding Co. v. Whitney*, 224 F. 452, 459 (CA8 1915).

In sum, where an article is "good for nothing else" but infringement, *Canda v. Michigan Malleable Iron Co.*, at 489, there is no legitimate public interest in its unlicensed availability, and there is no injustice in presuming or imputing an intent to infringe, see *Henry v. A. B. Dick Co.,* 224 U.S. 1, 48 (1912), overruled on other grounds, *Motion Picture Patents Co. v. Universal Film Mfg. Co.*, 243 U. S. 502 (1917). Conversely, the doctrine absolves the equivocal conduct of selling an item with substantial lawful as well as unlawful uses, and limits liability to instances of more acute fault than the mere understanding that some of one's products will be misused. It leaves breathing room for innovation and a vigorous commerce. See *Sony Corp. v. Universal City Studios*, 464 U. S., at 442; *Dawson Chemical Co. v. Rohm & Haas Co.*, 448 U.S. 176, 221 (1980); *Henry v. A. B. Dick Co.*, at 48.

The parties and many of the amici in this case think the key to resolving it is the Sony rule and, in particular, what it means for a product to be "capable of commercially significant noninfringing uses." *Sony Corp. v. Universal City Studios*, at 442. MGM advances the argument that granting summary judgment to Grokster and StreamCast as to their current activities gave too much weight to the value of innovative technology, and too little to the copyrights infringed by users of their software, given that 90% of works available on one of the networks was

shown to be copyrighted. Assuming the remaining 10% to be its noninfringing use, MGM says this should not qualify as "substantial," and the Court should quantify *Sony* to the extent of holding that a product used "principally" for infringement does not qualify. As mentioned before, Grokster and StreamCast reply by citing evidence that their software can be used to reproduce public domain works, and they point to copyright holders who actually encourage copying. Even if infringement is the principal practice with their software today, they argue, the noninfringing uses are significant and will grow.

We agree with MGM that the Court of Appeals misapplied *Sony*, which it read as limiting secondary liability quite beyond the circumstances to which the case applied. *Sony* barred secondary liability based on presuming or imputing intent to cause infringement solely from the design or distribution of a product capable of substantial lawful use, which the distributor knows is in fact used for infringement. The Ninth Circuit has read *Sony's* limitation to mean that whenever a product is capable of substantial lawful use, the producer can never be held contributorily liable for third parties' infringing use of it; it read the rule as being this broad, even when an actual purpose to cause infringing use is shown by evidence independent of design and distribution of the product, unless the distributors had "specific knowledge of infringement at a time at which they contributed to the infringement, and failed to act upon that information." 380 F. 3d, at 1162 (internal quotation marks and brackets omitted). Because the Circuit found the StreamCast and Grokster software capable of substantial lawful use, it concluded on the basis of its reading of *Sony* that neither company could be held liable, since there was no showing that their software, being without any central server, afforded them knowledge of specific unlawful uses.

This view of *Sony*, however, was error, converting the case from one about liability resting on imputed intent to one about liability on any theory. Because *Sony* did not displace other theories of secondary liability, and because we find below that it was error to grant summary judgment to the companies on MGM's inducement claim, we do not revisit *Sony* further, as MGM requests, to add a more quantified description of the point of balance between protection and commerce when liability rests solely on distribution with knowledge that unlawful use will occur. It is enough to note that the Ninth Circuit's judgment rested on an erroneous understanding of *Sony* and to leave further consideration of the *Sony* rule for a day when that may be required.

C

Sony's rule limits imputing culpable intent as a matter of law from the characteristics or uses of a distributed product. But nothing in *Sony* requires courts to ignore evidence of intent if there is such evidence, and the case was never meant to foreclose rules of fault-based liability derived from the common law. *Sony Corp. v. Universal City Studios*, at 439 ("If vicarious liability is to be imposed on Sony in this case, it must rest on the fact that it has sold equipment with constructive knowledge" of the potential for infringement). Thus, where evidence goes beyond a product's characteristics or the knowledge that it may be put to infringing uses,

and shows statements or actions directed to promoting infringement, *Sony's* staple-article rule will not preclude liability.

The classic case of direct evidence of unlawful purpose occurs when one induces commission of infringement by another, or "entic[es] or persuad[es] another" to infringe, Black's Law Dictionary 790 (8th ed. 2004), as by advertising. Thus at common law a copyright or patent defendant who "not only expected but invoked [infringing use] by advertisement" was liable for infringement "on principles recognized in every part of the law." *Kalem Co. v. Harper Brothers,* 222 U. S., at 62-63 (copyright infringement). See also *Henry v. A. B. Dick Co.,* 224 U. S., at 48-49 (contributory liability for patent infringement may be found where a good's "most conspicuous use is one which will coöperate in an infringement when sale to such user is invoked by advertisement" of the infringing use); *Thomson-Houston Electric Co. v. Kelsey Electric R. Specialty Co.*, 75 F. 1005, 1007-1008 (CA2 1896) (relying on advertisements and displays to find defendant's "willingness . . . to aid other persons in any attempts which they may be disposed to make towards [patent] infringement"); *Rumford Chemical Works v. Hecker*, 20 F. Cas. 1342, 1346 (No. 12,133) (CC NJ 1876) (demonstrations of infringing activity along with "avowals of the [infringing] purpose and use for which it was made" supported liability for patent infringement).

The rule on inducement of infringement as developed in the early cases is no different today. Evidence of "active steps . . . taken to encourage direct infringement," *Oak Industries, Inc. v. Zenith Electronics Corp.,* 697 F. Supp. 988, 992 (ND Ill. 1988), such as advertising an infringing use or instructing how to engage in an infringing use, show an affirmative intent that the product be used to infringe, and a showing that infringement was encouraged overcomes the law's reluctance to find liability when a defendant merely sells a commercial product suitable for some lawful use, see, e. g., *Water Technologies Corp. v. Calco, Ltd*., 850 F. 2d 660, 668 (CA Fed. 1988) (liability for inducement where one "actively and knowingly aid[s] and abet[s] another's direct infringement"); *Fromberg, Inc. v. Thornhil*l, 315 F. 2d 407, 412-413 (CA5 1963) (demonstrations by sales staff of infringing uses supported liability for inducement); *Haworth Inc. v. Herman Miller Inc*., 37 USPQ 2d 1080, 1090 (WD Mich. 1994) (evidence that defendant "demonstrate[d] and recommend[ed] infringing configurations" of its product could support inducement liability); *Sims v. Mack Trucks, Inc.*, 459 F. Supp. 1198, 1215 (ED Pa. 1978) (finding inducement where the use "depicted by the defendant in its promotional film and brochures infringes the . . . patent"), overruled on other grounds, 608 F. 2d 87 (CA3 1979). Cf. W. Keeton, D. Dobbs, R. Keeton, & D. Owen, Prosser and Keeton on Law of Torts 37 (5th ed. 1984) ("There is a definite tendency to impose greater responsibility upon a defendant whose conduct was intended to do harm, or was morally wrong").

For the same reasons that *Sony* took the staple-article doctrine of patent law as a model for its copyright safe-harbor rule, the inducement rule, too, is a sensible one for copyright. We adopt it here, holding that one who distributes a device with the object of promoting its use to infringe copyright, as shown by clear expression or other affirmative steps taken to foster infringement, is liable for the resulting acts

of infringement by third parties. We are, of course, mindful of the need to keep from trenching on regular commerce or discouraging the development of technologies with lawful and unlawful potential. Accordingly, just as *Sony* did not find intentional inducement despite the knowledge of the VCR manufacturer that its device could be used to infringe, 464 U.S., at 439, n. 19, mere knowledge of infringing potential or of actual infringing uses would not be enough here to subject a distributor to liability. Nor would ordinary acts incident to product distribution, such as offering customers technical support or product updates, support liability in themselves. The inducement rule, instead, premises liability on purposeful, culpable expression and conduct, and thus does nothing to compromise legitimate commerce or discourage innovation having a lawful promise.

III

A

The only apparent question about treating MGM's evidence as sufficient to withstand summary judgment under the theory of inducement goes to the need on MGM's part to adduce evidence that StreamCast and Grokster communicated an inducing message to their software users. The classic instance of inducement is by advertisement or solicitation that broadcasts a message designed to stimulate others to commit violations. MGM claims that such a message is shown here. It is undisputed that StreamCast beamed onto the computer screens of users of Napster-compatible programs ads urging the adoption of its OpenNap program, which was designed, as its name implied, to invite the custom of patrons of Napster, then under attack in the courts for facilitating massive infringement. Those who accepted StreamCast's OpenNap program were offered software to perform the same services, which a factfinder could conclude would readily have been understood in the Napster market as the ability to download copyrighted music files. Grokster distributed an electronic newsletter containing links to articles promoting its software's ability to access popular copyrighted music. And anyone whose Napster or free file-sharing searches turned up a link to Grokster would have understood Grokster to be offering the same file-sharing ability as Napster, and to the same people who probably used Napster for infringing downloads; that would also have been the understanding of anyone offered Grokster's suggestively named Swaptor software, its version of OpenNap. And both companies communicated a clear message by responding affirmatively to requests for help in locating and playing copyrighted materials.

In StreamCast's case, of course, the evidence just described was supplemented by other unequivocal indications of unlawful purpose in the internal communications and advertising designs aimed at Napster users ("When the lights went off at Napster . . . where did the users go?". Whether the messages were communicated is not to the point on this record. The function of the message in the theory of inducement is to prove by a defendant's own statements that his unlawful purpose disqualifies him from claiming protection (and incidentally to point to actual violators likely to be found among those who hear or read the message). Proving that a message was sent out, then, is the preeminent but not exclusive way of showing that active steps were taken with the purpose of bringing about infringing

acts, and of showing that infringing acts took place by using the device distributed. Here, the summary judgment record is replete with other evidence that Grokster and StreamCast, unlike the manufacturer and distributor in *Sony*, acted with a purpose to cause copyright violations by use of software suitable for illegal use.

Three features of this evidence of intent are particularly notable. First, each company showed itself to be aiming to satisfy a known source of demand for copyright infringement, the market comprising former Napster users. StreamCast's internal documents made constant reference to Napster, it initially distributed its Morpheus software through an OpenNap program compatible with Napster, it advertised its OpenNap program to Napster users, and its Morpheus software functions as Napster did except that it could be used to distribute more kinds of files, including copyrighted movies and software programs. Grokster's name is apparently derived from Napster, it too initially offered an OpenNap program, its software's function is likewise comparable to Napster's, and it attempted to divert queries for Napster onto its own Web site. Grokster and StreamCast's efforts to supply services to former Napster users, deprived of a mechanism to copy and distribute what were overwhelmingly infringing files, indicate a principal, if not exclusive, intent on the part of each to bring about infringement.

Second, this evidence of unlawful objective is given added significance by MGM's showing that neither company attempted to develop filtering tools or other mechanisms to diminish the infringing activity using their software. While the Ninth Circuit treated the defendants' failure to develop such tools as irrelevant because they lacked an independent duty to monitor their users' activity, we think this evidence underscores Grokster's and StreamCast's intentional facilitation of their users' infringement.[12]

Footnote 12: Of course, in the absence of other evidence of intent, a court would be unable to find contributory infringement liability merely based on a failure to take affirmative steps to prevent infringement, if the device otherwise was capable of substantial noninfringing uses. Such a holding would tread too close to the Sony safe harbor.

Third, there is a further complement to the direct evidence of unlawful objective. It is useful to recall that StreamCast and Grokster make money by selling advertising space, by directing ads to the screens of computers employing their software. As the record shows, the more the software is used, the more ads are sent out and the greater the advertising revenue becomes. Since the extent of the software's use determines the gain to the distributors, the commercial sense of their enterprise turns on high-volume use, which the record shows is infringing.[13]

Footnote 13: Grokster and StreamCast contend that any theory of liability based on their conduct is not properly before this Court because the rulings in the trial and appellate courts dealt only with the present versions of their software, not "past acts . . . that allegedly encouraged infringement or assisted . . . known acts of infringement." This contention misapprehends the basis for their potential liability. It is not only that encouraging a particular consumer to infringe a copyright can give rise to secondary liability for the infringement that results. Inducement liability goes beyond that, and the distribution of a product can itself give rise to liability where evidence shows that the distributor intended and encouraged the product to be used to infringe. In such a case, the culpable act is not merely the encouragement of infringement but also the distribution of the tool intended for infringing use.

This evidence alone would not justify an inference of unlawful intent, but viewed in the context of the entire record its import is clear.

The unlawful objective is unmistakable.

B

In addition to intent to bring about infringement and distribution of a device suitable for infringing use, the inducement theory of course requires evidence of actual infringement by recipients of the device, the software in this case. As the account of the facts indicates, there is evidence of infringement on a gigantic scale, and there is no serious issue of the adequacy of MGM's showing on this point in order to survive the companies' summary judgment requests. Although an exact calculation of infringing use, as a basis for a claim of damages, is subject to dispute, there is no question that the summary judgment evidence is at least adequate to entitle MGM to go forward with claims for damages and equitable relief.

* * *

In sum, this case is significantly different from *Sony* and reliance on that case to rule in favor of StreamCast and Grokster was error. *Sony* dealt with a claim of liability based solely on distributing a product with alternative lawful and unlawful uses, with knowledge that some users would follow the unlawful course. The case struck a balance between the interests of protection and innovation by holding that the product's capability of substantial lawful employment should bar the imputation of fault and consequent secondary liability for the unlawful acts of others.

MGM's evidence in this case most obviously addresses a different basis of liability for distributing a product open to alternative uses. Here, evidence of the distributors' words and deeds going beyond distribution as such shows a purpose to cause and profit from third-party acts of copyright infringement. If liability for inducing infringement is ultimately found, it will not be on the basis of presuming or imputing fault, but from inferring a patently illegal objective from statements and actions showing what that objective was.

There is substantial evidence in MGM's favor on all elements of inducement, and summary judgment in favor of Grokster and StreamCast was error. On remand, reconsideration of MGM's motion for summary judgment will be in order.

Notes and questions

(1) How did the Ninth Circuit interpret *Sony* in relation to the requirement of "specific knowledge" for contributory liability? Why did the Supreme Court reject this reading of *Sony*? Does the Court's approach narrow or broaden *Sony's* safe harbor in practice?

(2) Why is "mere knowledge" of infringing uses insufficient to establish inducement liability? What kinds of conduct or expression did the Court identify as sufficient to prove purposeful intent to foster infringement? How does Footnote 12 limit the role of a defendant's failure to prevent infringement?

Summary of the pre-*Cox* landscape

Before *Cox*, a plaintiff suing an intermediary for the infringements of its users could draw on a well-developed body of doctrine. Under the principle of contributory copyright infringement, a service provider could be held responsible for user infringement if it had knowledge of, and made a material contribution to, a user's infringement. The main issue in applying this standard was always what counts as knowledge? As exemplified by the Supreme Court's decision in *Sony v. Universal,* general knowledge that a product might be used to infringe copyright falls well short of the mark. In *Sony*, the Court held that the manufacturer of a video cassette recorder was not liable for infringing recordings made by consumers because at least some of the uses of the VCR were lawful. The Court said it was enough that the copying equipment was "merely … *capable of substantial noninfringing uses*."

As the *Napster* case indicates, even having a substantial non-infringing use might not be enough. In *Napster*, as the service grew, record companies gave Napster detailed notices of sound recordings not authorized for online sharing. According to the Ninth Circuit, this took Napster outside the rule in *Sony* because there was no need to impute its knowledge of infringement from the circumstances—Napster had actual knowledge. The court held that control over the index, combined with concrete notice and a failure to remove identified works, satisfied the knowledge requirement, notwithstanding the system's potential for non-infringing use.

Another path to liability based on Ninth Circuit precedent, which we have not addressed thus far, is the doctrine of "simple measures." In the online-services context, courts in the Ninth Circuit sometimes evaluated material contribution by asking whether the defendant, after obtaining knowledge of specific infringement, could have taken "simple measures" or other reasonable and feasible steps to withhold its assistance yet continued providing access to the infringing activity. See *Perfect 10, Inc. v. Amazon.com, Inc.,* 508 F.3d 1146, 1172 (9th Cir. 2007); see also *VHT, Inc. v. Zillow Group, Inc.,* 918 F.3d 723, 745 (9th Cir. 2019).

The post-Gershwin Era

Cox Communications, Inc. v. Sony Music Entertainment, 607 U.S. 583 (2026)

> Justice THOMAS delivered the opinion of the Court.
>
> Countless people use the Internet for legal activities, but some use it to illegally share copyrighted works, such as songs and movies. The Copyright Act authorizes copyright owners to sue these copyright infringers. 17 U.S.C. §§ 501(a), 504(a). In this case, however, instead of suing those infringers, the copyright owners sued petitioners, Cox Communications, Inc., and its subsidiary, who provided the Internet connections that the infringers used. They contended that Cox was itself liable for copyright infringement because it continued to provide known infringers with Internet access.

Based on this theory of infringement, respondents, Sony Music Entertainment and other major copyright owners, secured a billion-dollar verdict against Cox. The United States Court of Appeals for the Fourth Circuit agreed that because Cox provided Internet service to known infringers, it was a willful infringer itself.

Under our precedents, a company is not liable as a copyright infringer for merely providing a service to the general public with knowledge that it will be used by some to infringe copyrights. Accordingly, we reverse.

I

A

Under the Copyright Act, copyright owners have the exclusive rights to copy, distribute, and digitally transmit their copyrighted works. § 106. So, for example, if a musician has a copyright for a song recording, others generally cannot copy and share that recording without the musician's permission. The Copyright Act provides that "[a]nyone who violates any of the exclusive rights of the copyright owner... is an infringer of the copyright." § 501(a). A willful infringer faces statutory damages of up to $150,000 per work. § 504(c)(2).

This Court has also recognized two categories of secondary copyright liability, which means liability for the copyright infringement of another. Those two categories are "contributory" liability and "vicarious" liability. *Metro-Goldwyn-Mayer Studios Inc. v. Grokster, Ltd.,* 545 U.S. 913, 930 (2005). This case concerns contributory liability.

The provider of a service is contributorily liable for a user's infringement if it intended its service to be used for infringement. To establish that a provider intended its service to be used for infringement, a copyright owner must show one of two things. First, it can show that a party affirmatively "induced" the infringement. *Ibid.* Or, second, it can show that the party sold a service tailored to infringement. *Id.,* at 942 (Ginsburg, J., concurring). Patent law, with which copyright law has a "historic kinship," *Sony Corp. of America v. Universal City Studios, Inc.,* 464 U.S. 417, 439 (1984), tracks these two requirements. See 35 U.S.C. §§ 271(b), (c).

In 1998, Congress passed the Digital Millennium Copyright Act, 17 U.S.C. § 1201 *et seq.,* which gave service providers a safe-harbor defense to secondary copyright liability. Under the DMCA safe-harbor defense, service providers cannot be secondarily liable for certain forms of copyright infringement if they have implemented "a policy that provides for the termination in appropriate circumstances of subscribers and account holders" who "are repeated infringers." § 512(i)(1)(A). At the same time, the DMCA specifies that failure to qualify for the safe-harbor defense "shall not bear adversely upon the consideration of a defense by the service provider that the service provider's conduct is not infringing." § 512(*l*).

B

Cox Communications, Inc., is an Internet service provider that serves about 6 million subscribers. Each subscriber's account is associated with a unique Internet

Protocol, or "IP," address. Many users can share a particular IP address. For example, a household, coffee shop, or college dormitory ordinarily has one IP address, but has multiple individual users.

Internet service providers, such as Cox, have limited knowledge about how their Internet services are used and who uses them. They do know which IP address corresponds to which subscriber's account, but they cannot distinguish one individual user from another. For instance, if an Internet service provider learns that someone illegally downloaded music from a coffee shop's IP address, the Internet service provider cannot determine which individual at the coffee shop infringed the copyright. And, more generally, Internet service providers also cannot directly control how their Internet services are used.

Sony Music Entertainment and the other plaintiffs in this case are major music copyright owners. They have struggled to protect their copyrights in the age of online music sharing. Today, anyone with an Internet connection and easily obtained software can upload digital copies of copyrighted music and make them available for others to download. This practice often infringes the owners' exclusive rights to copy and distribute their works. §§ 106(1), (3). Copyright owners can, and do, sue the individuals who infringe their copyrights in this manner. See, *e.g., Sony BMG Music Entertainment v. Tenenbaum,* 660 F.3d 487, 490 (1st Cir. 2011). However, because online infringement is so widespread, pursuing each individual infringer does little to stem the tide.

Given the difficulty of pursuing individual infringers, Sony attempted to enlist Internet service providers such as Cox to help it enforce its copyrights. It enlisted the services of an entity called MarkMonitor to track infringement of its copyrights across the Internet. MarkMonitor's software can detect when copyrighted works are illegally uploaded or downloaded and trace the infringing activity to a particular IP address. It can also identify the Internet service provider for the infringing IP address. When MarkMonitor detects apparently infringing activity, it sends notices to the Internet service provider, identifying the IP address at which the infringement occurred. In the roughly 2-year period at issue here, MarkMonitor sent Cox 163,148 such notices.

Cox states that it took steps to limit copyright infringement by those using its Internet services. According to Cox, it created a system of responding to the notices that it received from MarkMonitor. After the second MarkMonitor notice for a subscriber's account, Cox sent a warning to that subscriber. After additional notices, Cox terminated Internet access to that subscriber's IP address until the subscriber responded to the warning. If it continued to receive notices for that IP address, Cox suspended service until the subscriber called and received a warning over the phone. After 13 notices, the subscriber was subject to termination of all Internet service. Cox also contractually prohibits its subscribers from using their connection "to post, copy, transmit, or disseminate any content that infringes the patents, copyrights... or proprietary rights of any party."

The parties disagree about how to characterize Cox's efforts to protect Sony's copyrights. Sony points out that Cox terminated only 32 subscribers for

infringement during the claim period, even as it terminated hundreds of thousands of subscribers for nonpayment during the same period. Sony also points to statements from Cox employees expressing frustration with the notices and an unwillingness to act on them in favor of protecting revenue from subscriber payments. Cox resists this characterization by pointing out that its warning and suspension system ended 98% of identified infringement.

C

Sony sued Cox in the United States District Court for the Eastern District of Virginia. It advanced two theories of secondary copyright liability.

First, Sony alleged that Cox was contributorily liable for its users' infringement. Sony argued that Cox contributed to its users' infringement by continuing to provide Internet service to subscribers whose IP addresses it knew were associated with infringement. Second, Sony alleged that Cox was vicariously liable for its users' infringement. On Sony's telling, Cox "profited directly from the infringement and had a right and ability to supervise the direct infringers," *Grokster,* 545 U.S., at 930, n. 9, because it provided paying subscribers with Internet service that was then used to infringe. According to Sony's allegations, Cox was liable for willfully infringing 10,017 copyrighted works, subjecting it to up to $1.5 billion in statutory damages.

In the District Court, Sony prevailed as to both contributory and vicarious liability. The jury found in favor of Sony on both theories. It also found that Cox's infringement was willful, awarding $1 billion in statutory damages. The District Court denied Cox's post-trial motion for judgment as a matter of law in relevant part.

Cox could not invoke the DMCA safe-harbor defense based on its efforts to reduce infringement because an earlier decision had foreclosed that defense for the relevant period. See *BMG Rights Mgmt. (US) LLC v. Cox Communications, Inc.,* 881 F.3d 293, 301-305 (4th Cir. 2018).

The Fourth Circuit affirmed in part and reversed in part. It affirmed as to contributory liability because Cox continued to provide Internet service to known infringers. Applying Circuit precedent, it reasoned that "supplying a product with knowledge that the recipient will use it to infringe copyrights is exactly the sort of culpable conduct sufficient for contributory infringement." See *BMG Rights Mgmt. (US) LLC v. Cox Communications, Inc.,* 881 F.3d 293, 308 (4th Cir. 2018). The Fourth Circuit reversed as to vicarious liability because it concluded that Cox did not "receive a direct financial benefit from its subscribers' infringement." The court then vacated the damages award and remanded for the jury to reassess damages based on contributory liability alone.

We granted Cox's petition for a writ of certiorari as to contributory liability. 606 U. S. 930 (2025). We denied Sony's petition for a writ of certiorari regarding vicarious liability. 606 U. S. 931 (2025).

II

A

"The Copyright Act does not expressly render anyone liable for infringement committed by another." *Sony,* 464 U.S., at 434. Ordinarily, when Congress intends to impose secondary liability, it does so expressly. See *Central Bank of Denver, N. A. v. First Interstate Bank of Denver, N. A.,* 511 U.S. 164, 176-177 (1994). Although our precedents have recognized specific forms of secondary copyright liability that predated the Copyright Act, we are loath to expand such liability beyond those precedents.

B

The provider of a service is contributorily liable for the user's infringement only if it intended that the provided service be used for infringement. The intent required for contributory liability can be shown only if the party induced the infringement or the provided service is tailored to that infringement. *Grokster,* 545 U.S., at 930; *Sony,* 464 U.S., at 440-441.

A provider induces infringement if it actively encourages infringement through specific acts. *Grokster,* 545 U.S., at 942 (Ginsburg, J., concurring). For example, in *Grokster,* we held that a jury could find two file-sharing software companies liable for inducement. *Id.,* at 941 (majority opinion). The companies promoted and marketed their software as a tool to infringe copyrights. *Id.,* at 926. The "principal object" of their business models "was use of their software to download copyrighted works." *Ibid.* Other decisions have held providers liable for similar conduct. See *Kalem Co. v. Harper Brothers,* 222 U.S. 55, 62-63 (1911) (finding liability where "The defendant not only expected but invoked by advertisement the use of its films" for infringement of an author's copyright); *Henry v. A. B. Dick Co.,* 224 U.S. 1, 49 (1912) (finding liability because the sale was made "with the purpose and intent" that the object be used for patent infringement), overruled on other grounds, *Motion Picture Patents Co. v. Universal Film Mfg. Co.,* 243 U.S. 502, 518 (1917).

A service is tailored to infringement if it is "not capable of 'substantial' or 'commercially significant' noninfringing uses." *Grokster,* 545 U.S., at 942 (Ginsburg, J., concurring) (quoting *Sony,* 464 U.S., at 442). In *Sony,* copyright owners sued the maker and the retailers of the Betamax video tape recorder. *Id.,* at 422. The tape recorder could be used to record copyrighted television programs for later personal viewing, which would not constitute infringement. *Id.,* at 449. On the other hand, it could also be used to reproduce and sell copyrighted television programming, which would constitute infringement. *Ibid.* The lower court found the Betamax maker liable because the tape recorder was "not suitable for any substantial noninfringing use" and infringement "was either the most conspicuous use or the major use of the Betamax product." *Id.,* at 428 (internal quotation marks omitted). This Court reversed, concluding that "The Betamax is ... capable of substantial noninfringing uses"—like personal use—so "sale of such equipment to the general public does not constitute contributory infringement." *Id.,* at 456.

These two forms of contributory infringement track patent law. See *Grokster,* 545 U.S., at 942 (Ginsburg, J., concurring). Under 35 U.S.C. § 271(b), "whoever actively induces infringement of a patent shall be liable as an infringer." Such

liability requires that the party express "an affirmative intent that the product be used to infringe." *Grokster,* 545 U.S., at 936. Under § 271(c), a party is liable when it sells a product used for infringement "knowing the same to be especially made or especially adapted for use in an infringement of such patent."

This Court has repeatedly made clear that mere knowledge that a service will be used to infringe is insufficient to establish the required intent to infringe. In *Kalem Co.,* the Court explained that "mere indifferent supposition or knowledge on the part of the seller" that the buyer will use the product unlawfully is "not enough" to make the seller liable for the buyer's conduct. 222 U.S., at 62. In *Sony,* the Court explained that "There is no precedent in the law of copyright" for liability based only "on the fact that the defendant has sold equipment with constructive knowledge of the fact that its customers may use that equipment to make unauthorized copies of copyrighted material." 464 U.S., at 439. And, in *Grokster,* the Court confirmed that "a court would be unable to find contributory infringement liability merely based on a failure to take affirmative steps to prevent infringement." 545 U.S., at 939, n. 12.

III

Thus, Cox is not contributorily liable for the infringement of Sony's copyrights. Cox provided Internet service to its subscribers, but it did not intend for that service to be used to commit copyright infringement. Holding Cox liable merely for failing to terminate Internet service to infringing accounts would expand secondary copyright liability beyond our precedents.

Cox neither induced its users' infringement nor provided a service tailored to infringement. As for inducement, Cox did not "induce" or "encourage" its subscribers to infringe in any manner. Sony provided no "evidence of express promotion, marketing, and intent to promote" infringement. And, Cox repeatedly discouraged copyright infringement by sending warnings, suspending services, and terminating accounts. As for providing a service tailored to infringement, Cox's Internet service was clearly "capable of 'substantial' or 'commercially significant' non-infringing uses." *Id.,* at 942 (Ginsburg, J., concurring). Cox did not tailor its service to make copyright infringement easier. Cox simply provided Internet access, which is used for many purposes other than copyright infringement.

The Fourth Circuit found otherwise based only on its Circuit precedent establishing a new form of contributory liability. The court did not suggest that Cox induced its users to infringe. And, it did not deny that Cox's service was "capable of substantial lawful use and not designed to promote infringement." Rather, the court held that "supplying a product with knowledge that the recipient will use it to infringe copyrights is ... sufficient for contributory infringement." The Fourth Circuit's holding thus went beyond the two forms of liability recognized in *Grokster* and *Sony*. It also conflicted with this Court's repeated admonition that contributory liability cannot rest only on a provider's knowledge of infringement and insufficient action to prevent it. See *Kalem Co.,* 222 U.S., at 62; *Sony,* 464 U.S., at 439; *Grokster,* 545 U.S., at 939, n. 12.

IV

Finally, Sony argues that the DMCA safe harbor would have no effect if Internet service providers are not liable for providing Internet service to known infringers. The DMCA safe harbor protects Internet service providers that terminate repeat infringers "in appropriate circumstances." 17 U.S.C. § 512(i)(1)(A). Sony argues that Congress must have enacted the DMCA on the presumption that Internet service providers could be held liable in cases such as these.

Sony overreads the DMCA. Sony does not contend that the DMCA expressly imposes liability for Internet service providers who serve known infringers. It does not. The DMCA merely creates new *defenses* from liability for such providers. And, the DMCA made clear that failure to comply with the safe-harbor rules "shall not bear adversely upon ... a defense by the service provider that the service provider's conduct is not infringing." § 512(*l*).

V

The judgment of the Court of Appeals for the Fourth Circuit is reversed, and the case is remanded for further proceedings consistent with this opinion.

It is so ordered.

Notes and questions

(1) *Cox* was argued on 1 December 2025 and decided on 25 March 2026. Justice Thomas delivered the opinion of the Court, joined by Chief Justice Roberts and Justices Alito, Kagan, Gorsuch, Kavanaugh and Barrett. Justice Sotomayor, joined by Justice Jackson, concurred in the judgment. Justice Sotomayor agreed that Cox should not be liable on the record presented to the Court, but she objected that the majority had unnecessarily narrowed contributory liability further than the case required and had foreclosed common law theories, such as aiding and abetting, that the Court's earlier decisions had left open. Justice Sotomayor also noted the tension between the majority's reasoning and the requirements of the DMCA safe harbors. The Section 512 safe harbors are conditioned on adopting and reasonably implementing a program to terminate repeat infringers in appropriate circumstances. If the majority is right that supplying a service to known infringers is not enough for contributory infringement, why would a provider bother with the safe harbor at all? The chapter on internet safe harbors takes this up in more detail.

(2) In *Copyright's Jagged Frontier*, DUKE LAW JOURNAL (forthcoming 2026), Matthew Sag summarized the implications of *Cox* as follows:

> Justice Thomas's opinion makes three interventions in copyright's approach to secondary liability. First, it changes the mental state required for contributory liability from knowledge to intent. The standard formulation, traceable to the Second Circuit's 1971 decision in Gershwin Publishing v. Columbia Artists and quoted in countless cases since, was that contributory liability attaches to "one who, with knowledge of the infringing activity, induces, causes, or materially contributes to the infringing conduct of another." Rather than addressing the specificity of knowledge required to ground secondary liability, the majority decision in Cox implies that knowledge is, at best, evidence of intent and not a sufficient element by itself. Perhaps this was always the law—in the same way that the state could confidently declare in George Orwell's 1984 that "Oceania had

> always been at war with Eastasia"—but it is definitely not what many of us understood the law to be. Second, it effectively reads Grokster's inducement holding as a ceiling rather than a floor. Most lower courts and commentators had read Grokster as expanding the reach of secondary liability by adding inducement to capture bad actors who might have escaped under the Sony safe harbor. Thomas reads it the other way: Outside of inducement and tailoring, there is nothing. That reading is textually plausible, it's just surprising to those of us who read Grokster as adding to, rather than displacing, lower court precedents such as Gershwin. Third, the opinion forecloses the entire line of cases in which courts had imposed liability based on a defendant's failure to act on specific notices of infringement. That means that arguments premised on Napster or the failure to take "simple measures" discussed in the previous subsection are now likely unavailing.

Do you agree with this assessment? Which one of these changes do you think is most consequential? Consider also what *Cox* does to decisions handed down before it. In *New York Times Co. v. Microsoft Corp.*, 777 F. Supp. 3d 283 (S.D.N.Y. 2025), Judge Stein denied motions to dismiss contributory infringement claims against Microsoft and OpenAI, applying the Second Circuit's objective standard — knew or had reason to know — and expressly noting the circuit split with the Ninth Circuit's requirement of actual knowledge of specific acts. He reasoned that *Sony* and *Grokster* had addressed inducement but not material contribution, and so had left the latter theory open. That reading of *Sony* did not survive *Cox*. After the Supreme Court's decision, the Times and the other news plaintiffs agreed to dismiss, with prejudice, their "material contribution" claims against OpenAI and Microsoft based on infringement by end users, and Judge Stein refused to let the Times and the *Daily News* replead against Microsoft on inducement or "tailored services" theories so late in the litigation. *In re OpenAI, Inc. Copyright Infringement Litig.*, No. 25-md-3143 (S.D.N.Y. Aug. 6, 2026).

(3) Is it possible that lower courts will apply *Cox Communications* more narrowly than it is written, in an effort to preserve something of the *Gershwin*-era landscape?

There is, of course, the possibility that lower courts will interpret *Cox* more narrowly. In *Michael Grecco Productions v. Twitter*, 2026 WL 917606 (C.D. Cal. Mar. 31, 2026) the court distinguished the situation in *Cox* on the grounds that "Sony provided no evidence of promotion, marketing, or intent to promote infringement, and Cox 'repeatedly discouraged copyright infringement by sending warnings, suspending services, and terminating accounts.'" In contrast, in the *Grecco* case, the plaintiff had submitted "numerous DMCA takedown requests, which included the copyright and infringing material information" and Twitter had taken "no action to remove the infringing materials." This was a decision on a motion for judgment on the pleadings under Rule 12(c), and the court relegated its discussion of *Cox* to a footnote. It also held that inducement had **not** been adequately pleaded, and yet sustained the contributory claim anyway — which is only possible if something survives *Cox* beyond the two routes the Supreme Court described. This is not very convincing. If the point of the majority opinion in Cox was that affirmative steps to prevent infringement are not legally required, their absence cannot be evidence of intent, can it?

(4) The first substantial application of *Cox* points the other way. In *Nazemian v. NVIDIA Corp.*, No. 4:24-cv-01454 (N.D. Cal. May 5, 2026), authors alleged that NVIDIA had distributed scripts to customers designed to download and pre-process The Pile, an open-

source dataset of English text created to train large language models that includes material from shadow libraries. Judge Tigar allowed the contributory claim to proceed under both of *Cox*'s routes. On inducement, he held that "[a]dvertising or promotion … is an example of an inducing act, not a pre-requisite for alleging inducement." On tailoring, the question was what to measure: NVIDIA argued that its framework as a whole had substantial non-infringing uses, but the court looked instead at the specific component supplied, observing that the scripts "are alleged to have no other purpose than to speed up the process of infringement, unlike the digital video recorder systems at issue in *Sony Corp.* or the internet service provided in *Cox*." The vicarious claim was dismissed: the plaintiffs identified no legal right by which NVIDIA could prevent customers from obtaining The Pile elsewhere. If the unit of analysis is the component rather than the product, how much of the *Sony* safe harbor is left for a company that ships a general-purpose toolkit with one purpose-built piece inside it?

(5) Applied straight, *Cox* is a powerful defense. In *Barnes v. Sanchez*, 2026 WL 1912085 (N.D. Cal. July 2, 2026), a pro se plaintiff sued YouTube over videos posted by another user. The court dismissed both the contributory and the vicarious claims, finding no allegation that YouTube intended its service to be used for infringement, induced infringement, or tailored its service to it; on vicarious liability it required allegations that users came to YouTube specifically because the infringing material was there. Note that YouTube won without relying on the § 512(c) safe harbor, exactly as Justice Sotomayor predicted.

(6) The practical consequences arrived quickly. On 6 April 2026 the Supreme Court granted certiorari in *Grande Communications Networks, LLC v. UMG Recordings, Inc.*, 146 S. Ct. 2152 (2026), vacated the Fifth Circuit's judgment and remanded for reconsideration in light of *Cox*. The labels then told the Fifth Circuit that they did not intend to litigate the merits further under the new standard, abandoning a judgment of some $46.8 million. That was of a piece with what they had already done elsewhere: in April 2026 they stipulated to dismissal with prejudice of their suits against Verizon, in which some $2.6 billion was claimed, and against Altice. See Murray Stassen, *Record Labels' $2B+ Copyright Lawsuit Against Verizon Jointly Dismissed in Wake of Supreme Court's Cox Ruling*, Music Bus. Worldwide (Apr. 23, 2026). A campaign that had produced a billion-dollar verdict was effectively over within four months, and it was ended by the plaintiffs rather than by a court.

Significant Secondary Liability Cases

The court in *Perfect 10, Inc. v. Visa International Service Association*, 494 F.3d 788 (9th Cir. 2007) warned that "viewed in isolation, the language of the tests [for secondary liability] described is quite broad, but when one reviews the details of the actual "cases and controversies" before the relevant court in each of the test-defining cases and the actual holdings in those cases, it is clear that the factual circumstances in this case are not analogous." In that spirit, it is important to be familiar with those test-defining cases.

Fonovisa, Inc. v. Cherry Auction, Inc., 76 F.3d 259 (9th Cir. 1996)

Fonovisa, a music recording company, alleged that Cherry Auction operated a swap meet at which vendors regularly sold counterfeit recordings infringing Fonovisa's copyrights and trademarks. Cherry Auction did not sell counterfeit records, but it owned the premises, charged vendors for booth space, and collected admission fees from customers. Fonovisa claimed Cherry Auction knew about the infringing activity, had been notified by law enforcement, and continued to provide facilities and services such as parking, advertising, and utilities that facilitated the sales. Fonovisa argued that these actions constituted contributory and vicarious copyright infringement.

The Ninth Circuit held that Fonovisa had adequately stated claims for contributory and vicarious infringement. It reasoned that knowingly providing the site and facilities for infringing sales, coupled with direct financial benefit and the right and ability to supervise the infringing conduct, was sufficient to support secondary liability. The court reversed the district court's dismissal and allowed the case to proceed, emphasizing that a flea market operator could be held liable for infringing sales by vendors.

Perfect 10, Inc. v. Amazon.com, Inc., 508 F.3d 1146 (9th Cir. 2007)

Perfect 10 operated a subscription-based website offering copyrighted photographs of nude models. It sued Amazon.com and Google, alleging that Google's "Image Search" displayed infringing thumbnail images of Perfect 10's photos and linked to full-size infringing copies hosted by third-party websites. Perfect 10 claimed Google both directly and secondarily infringed its copyrights by creating and displaying the thumbnails and by linking to infringing material. Amazon was sued as the operator of A9.com, which incorporated Google's image search technology.

The Ninth Circuit held that Google's creation and display of thumbnail images constituted a prima facie case of direct infringement but that Google's linking to full-size images on third-party websites did not constitute direct infringement under the "server test." We discuss the "server test" in a later chapter. Note that the court also held the creation and display of thumbnail images was fair use. So the only issue that remained was the defendants' secondary liability for the infringements made by the third-party websites. The court found that Perfect 10 had raised triable issues of fact on contributory infringement because Google had knowledge of specific infringements and provided links that facilitated access. It remanded for further proceedings but rejected Perfect 10's vicarious liability claim due to insufficient evidence of a direct financial benefit tied to the infringing activity.

Perfect 10, Inc. v. Visa International Service Association, 494 F.3d 788 (9th Cir. 2007)

As noted above, Perfect 10 operated a subscription-based website offering copyrighted photographs of nude models. By the time this case was decided, Perfect 10 already had a long history of copyright litigation against search engines and this lawsuit was in some senses the logical next step. Perfect 10 sued Visa International Service Association, MasterCard International Inc., and several affiliated banks and data processing services, alleging secondary liability under federal copyright and trademark law, among other things. Perfect 10 argued that the credit card companies continued to process credit card payments to websites that it said infringed Perfect 10's intellectual property rights after being notified

by Perfect 10 of infringement by those websites. By continuing to process payments after being told that the websites were infringing its copyright and trademark rights, Perfect 10 argued that the credit card companies were indirectly liable for those copyright and trademark infringements.

The Ninth Circuit held that Perfect 10 failed to state a claim for secondary copyright infringement. The court reasoned that processing payments did not constitute "material contribution" to infringement because the infringement would still occur regardless of the payment system. Nor did defendants have the requisite right and ability to supervise infringing activity. The essence of the court's decision was that the defendants lacked a sufficiently direct connection to infringement to satisfy the requirement of material contribution under the standard test for contributory liability or the requirement for the right and ability to supervise the infringing activity under a theory of vicarious liability. The court emphasized that providing financial services, without more direct involvement in the infringing acts themselves, is insufficient for contributory or vicarious copyright liability.

Perfect 10, Inc. v. Giganews, Inc., 847 F.3d 657 (9th Cir. 2017)

Perfect 10 (yes the same one!) sued Giganews, a Usenet service provider, alleging that Giganews hosted and distributed infringing copies of its copyrighted images on its servers. Giganews provided subscribers with access to Usenet newsgroups and stored copies of articles and binaries posted there. Perfect 10 argued that Giganews was directly and secondarily liable because it continued to store and transmit infringing material despite being notified. Giganews countered that it merely provided infrastructure for users' postings and took down material when given proper notice.

The Ninth Circuit affirmed judgment for Giganews, holding that Perfect 10 failed to show volitional conduct necessary for direct infringement—merely providing an automated system to store and transmit user content is not enough. The court also rejected the contributory infringement claim because Perfect 10 had not shown Giganews had knowledge of specific infringing material and intentionally encouraged or induced infringement. On vicarious liability, the court found no evidence that infringing content drew subscribers or that Giganews profited directly from infringement.

One of the key aspects of the decision related to Perfect 10's argument that Giganews could be held liable for contributory infringement because it failed to take "simple measures" to prevent infringement. The court explained that under Perfect 10 v. Amazon.com and Napster, a defendant with knowledge of specific infringements may be liable if it fails to take "simple measures" to prevent further harm. But it stressed that this duty only arises when the defendant has knowledge of specific infringing material and the ability to take action to remove or block it. Perfect 10 had not provided Giganews with valid, DMCA-compliant takedown notices identifying specific infringing articles on its servers. Without such specific knowledge, Giganews had no obligation to act, and its failure to adopt broader filtering or monitoring systems did not amount to a failure to take "simple measures." The court emphasized that copyright law does not impose a general duty to monitor or affirmatively seek out infringement.

Cobbler Nevada, LLC v. Gonzales, 901 F.3d 1142 (9th Cir. 2018)

Cobbler Nevada, owner of the film The Cobbler, traced repeated unauthorized BitTorrent downloads and distributions of the movie to a single IP address in Oregon. That address was registered to Thomas Gonzales, who operated an adult foster care home where residents and visitors had internet access. Cobbler Nevada's counsel learned during the investigation that Gonzales was unlikely to be the infringer, but Gonzales refused to identify residents or staff without a court order. Although Gonzales received over 400 infringement notices, Cobbler Nevada's only factual allegation was that he was the account holder for the IP address used in the infringing activity and had failed to secure his connection. Gonzales testified that he attempted to stop the infringement after learning of it. The district court dismissed the direct infringement claim without prejudice and the contributory claim with prejudice, finding no facts connecting Gonzales to the infringement and no evidence of inducement or material contribution.

The Ninth Circuit affirmed. For direct infringement, the court held that merely being the registered subscriber of an IP address associated with infringing activity is insufficient to create a reasonable inference that the subscriber committed the infringement; plaintiffs must plead additional facts linking the defendant to the infringing acts. For contributory infringement, the court held that liability requires intentional inducement or material contribution to infringement, not mere inaction. Gonzales's alleged failure to "secure, police, and protect" his internet connection—without affirmative steps to foster infringement—could not support liability, especially given that providing internet access is capable of substantial noninfringing uses. The court rejected Cobbler Nevada's theory as one that would improperly impose an affirmative monitoring duty on all internet subscribers.

The Ninth Circuit's ruling in *Cobbler Nevada* was widely anticipated, but the case is important because it is the first federal court of appeals to hold that being the registered internet subscriber and receiving infringement notices does not establish that the account holder was (a) the infringer or (b) secondarily liable for infringement.

Sony Music Entertainment v. Cox Communications, Inc., 93 F.4th 222 (4th Cir. 2024), rev'd, 607 U.S. 583 (2026)

Sony Music Entertainment and other copyright holders sued Cox Communications for secondary copyright infringement, alleging that from 2013 to 2014 Cox's internet subscribers engaged in large-scale music piracy using peer-to-peer networks. Because Cox had previously been found ineligible for the DMCA safe harbor, the plaintiffs pursued two theories: vicarious liability—requiring proof that Cox profited directly from infringement and had the right and ability to supervise it—and contributory liability—requiring proof that Cox knew of specific infringement and materially contributed to it. A jury found Cox liable on both theories, determined the infringement was willful, and awarded $1 billion in statutory damages for 10,017 works. The district court denied Cox's post-trial motions, including efforts to reduce damages based on derivative works or compilations.

On appeal, the Fourth Circuit reversed the vicarious liability verdict, holding that plaintiffs failed to show Cox profited directly from subscriber infringement. Flat-fee revenue from all customers was not a financial benefit flowing from the infringement itself, and there

was no evidence that piracy attracted or retained customers or led them to pay higher rates. The court affirmed contributory liability, finding Cox had forfeited a new appellate argument on the knowledge standard and that evidence supported the jury's conclusion that Cox knowingly continued service to repeat infringers, materially enabling further infringement. Because the jury issued a single "global" damages figure for both liability theories, the court vacated the $1 billion award and remanded for a new damages trial limited to contributory liability.

The Supreme Court reversed on 25 March 2026, holding that supplying a service to the public with knowledge that some will use it to infringe is not enough for contributory liability, and that a plaintiff must show either inducement or a service tailored to infringement. The full decision is extracted above. Two questions the case might have settled were left open. The Court did not reach whether "willful" infringement requires proof that the defendant knew its own conduct was unlawful, which is taken up in the chapter on remedies. Nor did it reach vicarious liability, which was not before the Court.

Tertiary liability?

Where does the chain of responsibility for copyright infringement end? In a handful of cases, plaintiffs have asserted that management advisors, investors, executives, and the like can be held liable for copyright infringement that is at least two steps removed from their actions. In *In re Napster Inc.,* 2001 WL 36593841 (N.D. Cal. July 9, 2001), Matthew Katz, a music producer, alleged copyright infringement by Napster, Inc. ("Napster"), and individual defendants including Napster's CEO Hank Barry and its co-founder Sean Fanning. The court rejected what it characterized as a theory of tertiary liability:

> Katz asks this court to adopt what is best described as a "tertiary theory" of liability for contributory infringement. He argues that defendants are liable for contributory infringement on the basis of their relationship to Napster. Katz does not allege that Napster is a direct infringer, but would hold Napster liable for contributory infringement on the basis of the service Napster provides to its users. Under this formulation, Napster users are the direct infringers, Napster is the secondary infringer and the individual defendants are tertiary infringers. The court finds no support for this legal proposition. Rather, courts have consistently held that liability for contributory infringement requires substantial participation in a specific act of direct infringement. *See* e.g., *Cable/Home Communication Corp. v. Network Prod., Inc.,* 902 F.2d 829, 845 (11th Cir.1990) ("Contributory infringement necessarily must follow a finding or direct or primary infringement."); *Gershwin Publ'g Corp. v. Columbia Artists Mgmt., Inc.,* 443 F.2d 1159, 1162–63 (2nd Cir.1971); *see* also 3 *Nimmer on Copyright* § 12.04[A][2][a] at 12–73 ("in order to be deemed a contributory infringer, the authorization or assistance must bear some direct relationship to the infringing acts, and the person rendering such assistance or giving such authorization must be acting in concert with the infringer").

Another case in the Napster saga also raised the issue of tertiary liability, this time in relation to investors. In *UMG Recordings v. Bertelsmann AG*, 222 F.R.D. 408, 409 (N.D. Cal. 2004) the plaintiffs argued that Bertelsmann AG and the Venture Capital firm Hummer Winblad were contributorily and vicariously liable for copyright infringement

through their relationship with Napster. The claims survived a motion to dismiss and were not assessed on the merits because Bertelsmann and Hummer Winblad settled. Remarkably, Bertelsmann agreed to pay approximately $60 million as part of that settlement.

UMG Recordings, Inc. v. Shelter Capital Partners, 718 F.3d 1006 (9th Cir. 2013)

[UMG, and other record labels, sued a video sharing platform, Veoh, for copyright infringement with respect to user-generated content. The plaintiffs argued that Veoh's investors were also liable for these infringements. The court held that the application of the DMCA safe harbors to Veoh did not necessarily preclude secondary liability for the unshielded investors. The court agreed "that this would create an anomalous result," but it assumed without deciding that the suit against the investor defendants could properly proceed even though Veoh was protected from monetary liability by the DMCA.]

… UMG acknowledges that funding alone cannot satisfy the material assistance requirement. It thus argues that the Investor Defendants "provided Veoh's necessary funding *and* directed its spending" on "basic operations including ... hardware, software, and employees"—"elements" UMG argues "form 'the site and facilities' for Veoh's direct infringement." UMG thus attempts to liken its case to *UMG Recordings, Inc. v. Bertelsmann AG et al.,* 222 F.R.D. 408 (N.D.Cal.2004), where the district court denied an investor's motion to dismiss claims of contributory infringement. In *Bertelsmann,* however, the investor was Napster's "only available source of funding," and thus "held significant power and control over Napster's operations." Here, by contrast, there were multiple investors, and none of the Investor Defendants could individually control Veoh. Accordingly, UMG hinges its novel theory of secondary liability on the contention that the three Investor Defendants *together* took control of Veoh's operations by obtaining three of the five seats on Veoh's Board of Directors, and effectively provided the "site and facilities" for direct infringement by wielding their majority power to direct spending.

Even assuming that such joint control, not typically an element of contributory infringement, could satisfy *Fonovisa*'s site and facilities requirement, UMG's argument fails on its own terms, because the complaint nowhere alleged that the Investor Defendants agreed to work in concert to this end. UMG suggests that it did allege that the Investor Defendants agreed to operate Veoh jointly—UMG alleged that the Investor Defendants operated Veoh by seeking and obtaining seats on Veoh's Board of Directors as a condition of their investments. But three investors individually acquiring one seat apiece is not the same as agreeing to operate as a unified entity to obtain and leverage majority control. Unless the three independent investors were on some level working in concert, then none of them actually had sufficient control over the Board to direct Veoh in the way UMG contends. This missing allegation is critical because finding secondary liability without it would allow plaintiffs to sue any collection of directors making up 51 percent of the board on the theory that they constitute a majority, and therefore together they control the company. Without this lynchpin allegation, UMG's claim that the Investor Defendants had sufficient control over Veoh to direct its spending and operations in a manner that might theoretically satisfy the "site and facilities"

> test falls apart. We therefore affirm the dismissal of UMG's contributory infringement claim.
>
> This missing allegation likewise requires us to affirm the district court's dismissal of UMG's vicarious liability and inducement of infringement claims. Inducement liability is proper where "one distributes a device with the object of promoting its use to infringe copyright, as shown by clear expression or other affirmative steps taken to foster infringement." *Grokster,* 545 U.S. at 936–37. Vicarious liability is warranted if "the defendant profits directly from the infringement and has a right and ability to supervise the direct infringer." *Grokster,* 545 U.S. at 930 n. 9; *see also Visa,* 494 F.3d at 802. UMG's arguments that the Investor Defendants "distributed" Veoh's services and had the right and ability to supervise the infringing users are premised on the unalleged contention that the Investor Defendants agreed to act in concert, and thus *together* they held a majority of seats on the Board and "maintained operational control over the company." We therefore affirm the dismissal of the complaint against the Investor Defendants.

Notes and questions

(1) Holding investors liable for the copyright infringements by the entities they invest in seems like an end-run around limited liability. Cases like *UMG Recordings, Inc. v. Shelter Capital Partners*, 718 F.3d 1006 (9th Cir. 2013) have rejected this circumvention on particular facts, but the courts should probably reject it in theory as well.

(2) There is more support for holding key executives liable and thus piercing the corporate veil. In *Arista Records LLC v. Lime Grp. LLC*, 784 F.Supp.2d 398, 437–38 (S.D.N.Y.2011), the district court held that an individual defendant can be held personally liable for claims of direct *and* secondary liability of a corporation. See also, *Capitol Records, Inc. v. Wings Digital Corp.,* 218 F.Supp.2d 280, 284–85 (E.D.N.Y.2002). In *EMI Christian Music Group, Incorporated v. MP3tunes, LLC.*, 844 F.3d 79 (2d Cir. 2016), the Second Circuit upheld a jury verdict that MP3tunes's CEO, Michael Robertson, was liable for the copyright infringements of the users of MP3tunes.com. The controversial feature offered by MP3tunes was the "sideload" plug-in which enabled users to download music directly to their MP3tunes storage lockers from other sources on the Internet.

> Songs sideloaded into users' lockers were then added to sideload.com's index of searchable songs. This meant that the more songs users sideloaded from the internet, the more free music became available for sideload.com users to stream, download, or sideload into their own lockers.

The court of appeals held (at 99)

> … here there was ample evidence to support the jury's finding, … that Robertson was vicariously liable for copyright infringement. Among other things, an MP3tunes employee testified that she and other employees "used Sideload marketing efforts to try to get people to sign up for lockers" and emphasized the availability of free music on sideload.com "in connection with trying to get users to purchase lockers." Meanwhile, Robertson sought to use sideload.com to attract free users to MP3tunes whom MP3tunes could thereafter "upsell" to premium lockers. There was also evidence that Robertson, through a trust, was the near-exclusive funder of MP3tunes and thus had an "obvious and direct financial

> interest" in infringement that drew subscribers to MP3tunes.com. The jury thus had sufficient evidence to find Robertson vicariously liable in this case.

The court continued (at 99-100):

> Robertson's challenge to the jury's contributory liability finding fares no better. … Based on our review of the trial record, we reject Robertson's challenge to the jury's verdict finding him liable for contributory infringement based on the infringing activities of both MP3tunes executives and MP3tunes users. Robertson personally encouraged his employees to sideload songs to add to the index. Many of those songs were from sites that contained "pirated material." The entire point of sideloading to the index was to make more music available for user download—even though Robertson knew the music was generally not available for free in MP3 form. This, in turn, aided and abetted infringement by sideload.com users.
>
> Nor are we persuaded by Robertson's argument that the District Court should have instructed the jury that his participation needed to be substantial and to have had a direct relationship to the infringement in order to find him liable for contributory infringement. The District Court instructed the jury as follows: "A defendant is liable for contributory infringement if, one, with knowledge of the infringing activity, two, that defendant introduces, causes, or materially contributes to the infringing conduct of another." … We conclude that the District Court's use of the phrase "materially contributes" rather than "substantially contributes" was not misleading and adequately informed the jury of the law. We also think that the District Court was not required to instruct the jury specifically that there had to be a "direct relationship" between the contributor's activities and the infringement. We have never held that such an instruction was necessary. In any event, the District Court's instruction adequately captured the necessary relationship when it reminded the jury that a defendant "materially contributes to the infringing conduct of another if the defendant engages in personal conduct that is part of, encourages, or assists the infringement."

(3) The Ninth Circuit has held that a parent corporation can be held liable for the infringing acts of its subsidiary if there is a "substantial and continuing connection between the two with respect to infringing acts." *Frank Music Corp. v. Metro-Goldwyn-Mayer Inc.*, 886 F.2d 1545, 1553 (9th Cir. 1989). *Frank Music* does not hold that a parent company is *per se* vicariously liable for the infringing acts of its subsidiary. As the District Court for the Southern District of New York held in *Banff Ltd. v. Limited, Inc.*, 869 F.Supp. 1103 (S.D.N.Y. 1994), it must be shown, the parent

> has a direct financial interest in the infringing activity and that the parent has the right and ability to supervise the subsidiary, which is evidenced by some continuing connection between the two in regard to the infringing activity.

The court in *Banff Ltd.,* found that connection lacking where the subsidiary made its own day-to-day decisions linked to the infringement and because the parent had no "continuing connection" with the activities or people involved in the alleged infringement.

CHAPTER 25. INTERNET SAFE HARBORS FROM CLAIMS OF COPYRIGHT INFRINGEMENT

The Origins of the Section 512 Safe Harbors

Matthew Sag, *Internet Safe Harbors and the Transformation of Copyright Law*

Originally published in 93 NOTRE DAME LAW REVIEW 499 (2017), adapted with permission.

> The DMCA was intended to shepherd copyright into the digital age, but it was drafted at a time when the full implications of digitization and the global interconnectedness of the Internet could not have been fully anticipated. In 1998, only forty-one percent of American households were connected to the Internet, and an hour of television would take more than twenty-four hours to download, assuming you had the latest 56k modem. Google was founded on September 4, 1998, less than two months before the DMCA was signed into law.
>
> The DMCA's origin story begins in 1993 when President Clinton formed the Information Infrastructure Task Force to articulate and implement the Administration's vision for the National Information Infrastructure (i.e., the internet). The resulting White Paper was released in 1995 and eventually—after much lobbying, negotiation, forum shopping, and horse trading—morphed into the DMCA that we have today. Note that the White Paper's legislative proposal contained no relief whatsoever for online intermediaries with respect to infringing user conduct.
>
> The final text adopted in 1998 reflects a compromise between competing interests: Congress wanted to protect copyright owners from the prospect of massive digital piracy, but at the same time it sought to ensure quick access to movies, music, software, and literary works via the internet. Congress did not foresee user-generated content, Facebook posts, tweets, Vines (which used to be a thing), Snapchat videos, and the like; what it had in mind was a kind of "Celestial Jukebox," which would broadcast traditional content, made by traditional producers, on demand and via subscription.
>
> In the 1990s, traditional commercial copyright producers, such as movie studios, record labels, songwriters, publishing houses, and software companies, were understandably concerned that rapidly spreading digital networks would facilitate the unauthorized copying of perfect digital reproductions of their works on a scale never before seen. Because the Internet promised the dissemination of copyrighted works almost instantaneously, copyright owners were reluctant to make their works available in digital form or online without enhanced legal protection.
>
> On the flip side, the telecommunications providers that connected users to the Internet were concerned that they would be made liable for the infringing conduct of their users--conduct over which they had no real control. This liability could be direct or indirect. Cases in the 1990s, such as *Playboy Enterprises, Inc. v. Frena* 839 F. Supp. 1552 (M.D. Fla. 1993) and *Playboy Enterprises, Inc. v. Russ*

Hardenburgh, Inc. 982 F. Supp. 503 (N.D. Ohio 1997) suggested that online service providers, such as internet bulletin boards, would be held directly liable for unlawful material posted by their users. However, other cases, such as *Religious Technology Center v. Netcom On-Line Communication Services, Inc*. 907 F. Supp. 1361 (N.D. Cal. 1995) and *CoStar Group, Inc. v. LoopNet, Inc*. 373 F.3d 544, 550 (4th Cir. 2004), persuasively reached the opposite conclusion. In *Netcom*, the district court held that the defendant Internet service provider was not liable for the automatic reproduction of a copyrighted work by its computer system. The court refused to impose direct liability on the service provider, reasoning that "[a]lthough copyright is a strict liability statute, there should still be some element of volition or causation which is lacking where a defendant's system is merely used to create a copy by a third party." In *CoStar*, the Fourth Circuit likewise explained that direct copyright infringement required more than "mere ownership of a machine used by others to make illegal copies."

Even if it had been clear that courts would adopt the "volitional copy" doctrine from *Netcom*—as many subsequently have—service providers would still have faced the possibility of indirect liability under copyright law principles of contributory and vicarious liability. Under the principle of contributory copyright infringement, a service provider could be held responsible for user infringement if it had knowledge of, and made a material contribution to, a user's infringement. Under the principle of vicarious liability, a service provider that had the right and ability to supervise infringing conduct and a direct financial interest in the infringing activity would also be liable. In the *Sony Betamax* case in 1984, the Supreme Court held that the knowledge required for contributory copyright liability could be established by the sale of an item whose only practical use was to infringe copyright. The corollary of this position was that a manufacturer would not be liable for the infringing acts of end users if the technology in question was a product "widely used for legitimate, unobjectionable purposes. Indeed, it need *merely be capable of substantial noninfringing uses*." Nonetheless, subsequent cases have clarified that the fact that a service has a substantial noninfringing use will not shield the service provider if it has actual knowledge of infringement, (*Napster*) nor if it makes the service available "with the object of promoting its use to infringe copyright, as shown by clear expression or other affirmative steps taken to foster infringement." (*MGM v Grokster*)

In the 1990s, copyright's doctrines of secondary liability were seen as theoretically muddled and somewhat arbitrary in application. Accordingly, service providers had no way of predicting whether courts would apply key concepts, such as "knowledge," "material contribution," "the right and ability to supervise," "financial interest in the infringing activity," and "substantial noninfringing use" in a way that made them liable. Indeed, whether an Internet service provider that connects households to the Internet, such as Comcast or AT&T, could ever be held liable for the unauthorized transmission and/or storage of copyrighted material without their knowledge remains an open question even today. Likewise, the circumstances under which an online service provider, such as YouTube (a popular video-sharing website) or Flickr (a popular photo-sharing website), could actually be held liable for any infringing uploads by their users is unclear. In the mid-1990s,

the issues were sufficiently in doubt that telecommunications providers and would-be providers of other online services convinced Congress that they were reluctant to "make the necessary investment in the expansion of the speed and capacity of the Internet" without reasonable assurances of limited liability for copyright infringement. See Senate Report No. 105-190, at 8 (1998).

Although the Clinton administration initially focused on the reforms that Hollywood was demanding, principally anticircumvention rules now found in section 1201 of the Copyright Act, telecom companies and fledgling ISPs demanded and eventually received safe harbor protection as a quid pro quo. Eventually, Congress enacted a patchwork of reforms, concessions, and incentives tailored to the interests of the major participants. Traditional commercial copyright producers obtained a number of important concessions in exchange for the safe harbors, most notably anticircumvention rules.

Congress sought to preserve "strong incentives for service providers and copyright owners to cooperate" in dealing with online infringement. It also sought to provide "greater certainty to service providers concerning their legal exposure for infringements that may occur in the course of their activities." To achieve this balance, Internet and online service providers were given significant relief from prospective copyright liability under a set of provisions that are conventionally known as the DMCA safe harbors. Title II of the DMCA, also known as the Online Copyright Infringement Liability Limitation Act, now forms section 512 of the Copyright Act. As the term "safe harbor" suggests, Title II of the DMCA was intended to offer legal certainty to Internet service providers and online platforms if their conduct stayed within certain parameters. Title II was modeled, in part, on the district court decision in *Netcom*, which held that a service operating automatically at the direction of a user lacks the volitional element required for copyright infringement. But rather than confirming this view of the law, Congress left this and related questions open. That the direct and indirect liability of Internet and online service providers remains open to debate some twenty years later is a testament to the success to the safe harbor regime.

The DMCA safe harbors have been a tremendous benefit to the U.S. copyright system and to the U.S. economy. Together with the protection that Section 230 of the Communications Decency Act provides against state law claims, such as defamation, the Internet safe harbors have propelled the growth of social networking and other "Web 2.0" businesses. Some argue that the safe harbors give too much cover to online intermediaries and diminish their incentives to address online infringement.

Notes and questions

(1) What were the two main compromises that Congress attempted to balance when creating the Section 512 safe harbor provisions?

(2) What specific concern did traditional copyright producers have about the internet in the 1990s, and how did this influence the DMCA's development?

(3) What does the author mean by stating that ISPs would be "made liable for the infringing conduct of their users—conduct that they could not prevent"? Why was this considered problematic?

(4) For more, see Pamela Samuelson, *The U.S. Digital Agenda at WIPO*, 37 VIRGINIA JOURNAL OF INTERNATIONAL LAW 369 (1997); Jessica Litman, Digital Copyright 89-150 (2001); Timothy Wu, *Copyright's Communications Policy*, 103 MICHIGAN LAW REVIEW 278, 350-56 (2004); Edward Lee, *Decoding the DMCA Safe Harbors*, 32 COLUMBIA JOURNAL OF LAW & THE ARTS 233 (2009); Annemarie Bridy, *Graduated Response and the Turn to Private Ordering in Online Copyright Enforcement*, 89 OREGON LAW REVIEW 81 (2010); Eric Goldman, *How the DMCA's Online Copyright Safe Harbor Failed*, 3 NATIONAL TAIWAN UNIVERSITY OF TECHNOLOGY JOURNAL OF INTELLECTUAL PROPERTY LAW & MANAGEMENT 195 (2014).

The Section 512 Safe Harbors

Overview

There are four DMCA safe harbor provisions located in Section 512 of the Copyright Act. The safe harbors do not change the underlying law of copyright, and they do not impose any affirmative obligation on qualifying service providers. The safe harbors allow qualifying service providers to limit their liability for claims of copyright infringement based on (a) "transitory digital network communications," (b) "system caching," (c) "information residing on systems or networks at [the] direction of users," and (d) "information location tools."

Service Provider

To qualify for protection under any of the safe harbors, a party must be a "service provider," as that term is defined in Section 512(k)(1).

> **17 US Code §512 (k) Definitions.—**
>
> (1) Service provider.—
>
> (A) As used in subsection (a), the term "service provider" means an entity offering the transmission, routing, or providing of connections for digital online communications, between or among points specified by a user, of material of the user's choosing, without modification to the content of the material as sent or received.
>
> (B) As used in this section, other than subsection (a), the term "service provider" means a provider of online services or network access, or the operator of facilities therefor, and includes an entity described in subparagraph (A).

Note that service provider is defined differently for the "transitory digital network communications" safe harbor in subsection (a) than for the remaining three safe harbors. Generally, "service provider" means a provider of online services or network access and includes companies like Comcast that provide Internet connections as well as companies like Facebook and Google that provide services over the Internet.

Conditions for Eligibility–In General

Section 512, subsection (i) specifies certain conditions of eligibility including the adoption and reasonable implementation of a "repeat infringer" policy and the accommodation of the "standard technical measures" used by copyright owners to identify or protect copyrighted works.

> **17 US Code § 512 (i) Conditions for Eligibility.—**
>
> (1) Accommodation of technology.— The limitations on liability established by this section shall apply to a service provider only if the service provider—
>
> (A) has adopted and reasonably implemented, and informs subscribers and account holders of the service provider's system or network of, a policy that provides for the termination in appropriate circumstances of subscribers and account holders of the service provider's system or network who are repeat infringers; and
>
> (B) accommodates and does not interfere with standard technical measures.
>
> (2) Definition.— As used in this subsection, the term "standard technical measures" means technical measures that are used by copyright owners to identify or protect copyrighted works and—
>
> (A) have been developed pursuant to a broad consensus of copyright owners and service providers in an open, fair, voluntary, multi-industry standards process;
>
> (B) are available to any person on reasonable and nondiscriminatory terms; and
>
> (C) do not impose substantial costs on service providers or substantial burdens on their systems or networks.

Note that each particular safe harbor has its own additional requirements.

Conditions for eligibility–repeat infringer policies

The safe harbor conditions of eligibility require that service providers adopt and reasonably implement a policy for terminating the accounts of repeat infringers. See Section 512(i)(1)(A) extracted above.

Although Section 512(i)(1)(A) prescribes no particular form for a repeat-infringer policy, there are at least two foundational requirements. At minimum, a service provider must (a) independently maintain records of infringing activity, including activity identified through takedown notices, that it links to responsible subscribers; and (b) have an account termination process linked to infringement so identified. See, e.g., *Capitol Records, LLC v. Escape Media Grp., Inc.*, 2015 WL 1402049, at *5-6 (S.D.N.Y. Mar. 25, 2015). A service provider that does not use takedown notices to identify infringing users has not "reasonably implemented" a repeat-infringer policy.

As the district court in *Capitol Records, Inc. v. MP3tunes, LLC*, 821 F.Supp.2d 627, 637 (S.D.N.Y.2011) explained, the requirement that service providers implement a repeat-infringer policy is a "fundamental safeguard for copyright owners" and "essential to maintain the strong incentives for service providers to prevent their services from becoming safe havens or conduits for known repeat copyright infringers."

This requirement to reasonably implement a repeat infringer policy is an important condition on safe harbor eligibility, but has not been interpreted to be a particularly onerous

one. In *Capitol Records, LLC v. Vimeo, LLC*, 972 F. Supp. 2d 500, 513 (S.D.N.Y. 2013), the court indicated that a threshold obligation to adopt a repeat infringer policy "should not be an overly burdensome one to meet." Courts have not, for example, equated a repeat-infringer policy with a three-strikes policy of graduated response. However, recent litigation by BMG Rights Management has sought to test the boundaries of what it means to reasonably implement a repeat infringer policy.

A case study in how not to implement a repeat infringer policy: BMG Rights Management (US) LLC v. Cox Communications, Inc., 881 F.3d 293 (4th Cir. 2018)

Discovery in *BMG v. Cox* revealed that prior to September 2012 Cox had an elaborate 13-strike policy leading up to nominal termination and routine reactivation of identified infringers. As one internal email explained, "once the customer has been terminated for DMCA, we have fulfilled the obligation of the DMCA safe harbor and can start over." Another summarized more succinctly, "DMCA = reactivate." Until September 2012, Cox never terminated a subscriber for infringement without reactivating them. After September 2012 Cox changed its practice and in the words of an internal email: "we now terminate, for real." However the record showed that instead of terminating and then reactivating subscribers, Cox simply stopped terminating them in the first place.

In addition, at some point in time, Cox decided to delete automatically all infringement notices received from BMG's agent, Rightscorp. As a result, Cox received none of the millions of infringement notices that Rightscorp sent to Cox on BMG's behalf during the relevant period. The court of appeals took a dim view of this, "Cox's decision to categorically disregard all notices from Rightscorp provides further evidence that Cox did not reasonably implement a repeat infringer policy." Finally, the plaintiff was able to point to particular instances where Cox employees had identified a subscriber as a repeat infringer and yet failed to terminate. Cox might have had more success in minimizing isolated instances of failure were it not for internal emails directing an employee not to terminate an infringer and explicitly noting the access provider's financial incentive not to terminate. Remarkably, Cox was unable to produce any evidence of instances in which it did follow through on its policy and terminate subscribers after giving them a final warning to stop infringing.

The court of appeals agreed with the district court's grim assessment:

> Here, Cox formally adopted a repeat infringer "policy," but, both before and after September 2012, made every effort to avoid reasonably implementing that policy. Indeed, in carrying out its thirteen-strike process, Cox very clearly determined *not* to terminate subscribers who in fact repeatedly violated the policy.

The court of appeals concluded:

> Cox failed to qualify for the DMCA safe harbor because it failed to implement its policy in any consistent or meaningful way—leaving it essentially with no policy.

The *Cox* case raises more questions than it answers. To begin with, under Cox's policy, it never seemed to actually terminate any subscribers. The court of appeals indicated that a repeat infringer policy must trigger termination at some stage. However, the court of appeals did not actually address the adequacy of Cox's thirteen-strike policy if it had resulted in termination.

Cox's system escalated from no action for the first notice of infringement through a series of warning emails, suspensions with reactivation after a verbal warning delivered by a technician. At the 13th notice "the subscriber is again suspended, and, for the first time, considered for termination." As well as being gradual, Cox's policy restricted the number of notices it would process from any copyright holder or agent in one day; it only counted one notice per subscriber per day; and it reset each subscriber's thirteen-strike counter every six months.

How should such policies be judged? The Court of Appeals in *BMG v. Cox* did not elaborate on criteria to assess a repeat infringer policy, but it did make a passing reference to the "effectiveness of Cox's thirteen-strike policy as a deterrent to copyright infringement." Should policies be judged on their effectiveness at deterring copyright infringement?

Courts have been reluctant to be too prescriptive about repeat infringer policies, nor are they likely to insist that policies be followed perfectly in every case. As the court of appeals in *BMG v. Cox* explained:

> We are mindful of the need to afford ISPs flexibility in crafting repeat infringer policies, and of the difficulty of determining when it is "appropriate" to terminate a person's access to the Internet. At a minimum, however, an ISP has not "reasonably implemented" a repeat infringer policy if the ISP fails to enforce the terms of its policy in any meaningful fashion.

Was the problem with Cox's policy that it was too lenient, or too discretionary, or both?

Rightscorp, Inc., was hired by the plaintiffs to assist with copyright enforcement and it was not a party in *BMG v. Cox* (although it was represented by the same law firm), but it played a significant role in the case. Indeed the defendant's refusal to pass along Rightscorp's infringement notices to its subscribers was probably what precipitated the litigation. As the court of appeals explained,

> Rightscorp also asks the ISP to forward the notice to the allegedly infringing subscriber, since only the ISP can match the IP address to the subscriber's identity. For that purpose, the notice contains a settlement offer, allowing the alleged infringer to pay twenty or thirty dollars for a release from liability for the instance of infringement alleged in the notice. Cox has determined to refuse to forward or process notices that contain such settlement language. When Cox began receiving Rightscorp notices in the spring of 2011 (before Rightscorp had signed BMG as a client), Cox notified Rightscorp that it would process the notices only if Rightscorp removed the settlement language. Rightscorp did not do so. Cox never considered removing the settlement language itself or using other means to inform its subscribers of the allegedly infringing activity observed by Rightscorp.

Rightscorp's settlement offers can pose a trap for the unwary. A subscriber who accepts Rightscorp's offer for any single work is giving Rightscorp a vital piece of information, their identity. Once Rightscorp has made the link between the subscriber and their IP address for one work, it can then demand much larger settlements for other works the subscriber (or someone using their IP address) is believed to have infringed.

There is little substantive discussion in the *Cox* case of how Rightscorp identifies instances of infringement, how reliable their process is, whether their demands to convey their

settlement offers are reasonable, or whether merely refusing such a demand takes the ISP outside the scope of the safe harbors. In *Defense Against the Dark Arts of Copyright Trolling*, 103 IOWA LAW REVIEW 571 (2018), Matthew Sag and Jake Haskell argue that copyright litigation relating to alleged uses of the file sharing system BitTorrent has "victimized a substantial number of non-infringers" and they contend that "this seems to be a feature of the plaintiffs' business model, not a bug." They also argue that "although it would not be particularly difficult to amass credible and reliable evidence of online infringement over peer-to-peer networks, the plaintiffs [in the BitTorrent cases] do not appear to have done so." Sag and Haskell were not discussing Rightscorp, but that company's technology is similar to the classic copyright trolls at work in cases involving the disgraced Prenda law firm and the pornography company, Malibu Media. Should the concerns Sag and Haskell raise give the courts second thoughts about requiring ISPs to take Rightscorp infringement notifications on faith? Would an ISP ever be justified in blacklisting an entity like Rightscorp?

The end of the Cox litigation

The story that begins with the Fourth Circuit's 2018 safe harbor ruling ends at the Supreme Court. After the safe harbor was lost, the case went to trial on the underlying secondary liability claims and produced a billion-dollar verdict against Cox. In *Cox Communications, Inc. v. Sony Music Entertainment*, 607 U.S. 583 (2026), the Supreme Court reversed. The full decision is discussed in the chapter on secondary liability. For present purposes, it is enough to note that Sony argued that the safe harbor would have no work to do if an internet service provider could not be held liable for continuing to serve known infringers. After all, Section 512(i)(1)(A) conditions the safe harbor on terminating repeat infringers "in appropriate circumstances," and so Congress must have legislated against the background assumption that failing to terminate them creates exposure.

Justice Thomas responded that "Sony overreads the DMCA": the statute confers immunity, and a provision conferring immunity does not silently create the liability it protects against. Justice Sotomayor, concurring in the judgment and joined by Justice Jackson, saw things differently and expressed concern that if a provider incurs no liability for keeping known infringers connected, the incentive to run a meaningful repeat infringer policy disappears. The majority did not appear troubled by this. One way to read Justice Thomas's opinion is that it is not really about the DMCA at all. It begins from the premise that secondary liability in copyright should track secondary liability everywhere else in civil law, rather than being stretched to accommodate the particular structure Congress built for online intermediaries. On that premise, the Court had no reason to distort the ordinary meaning of contributory infringement in order to preserve a separation between common law liability and the statutory safe harbors that Congress never actually wrote into the statute.

Cox has already begun to reshape the surrounding litigation. In *Grande Communications Networks, LLC v. UMG Recordings, Inc.*, 146 S. Ct. 2152 (2026), the Supreme Court granted certiorari, vacated the Fifth Circuit's judgment, and remanded for reconsideration in light of *Cox*.

Who is a repeat infringer?

The court of appeals in *BMG v. Cox* rejected the argument that the term "repeat infringers" in § 512(i) applied only to that "narrow subset of those who have been so adjudicated by a court." (at 301). The court held instead that "use the term 'infringer' (and similar terms) to refer[s] to all who engage in infringing activity." But notice that the court did not say how credible or precise an allegation of infringement must be to fall within an ISP's repeat infringer policy. Some questions that the court left unanswered in *BMG v. Cox* include:

- What if an ISP had reason to doubt the accuracy of the infringement allegation?
- Would an ISP "reasonably implement" a repeat infringer policy if it set minimum requirements to ensure that accusations of infringement were accurate?
- What if a notifying entity like Rightscorp insisted on using a form of notice that made it difficult or expensive for an ISP to keep up with a large volume of notifications?
- Would an ISP "reasonably implement" a repeat infringer policy if it required notices (other than DMCA takedown notices) to be delivered in a particular format, subject to particular authentications, etc.?

Cox and BMG settled in 2018, but Cox faced a similar lawsuit from Sony that eventually resulted in a billion-dollar verdict and a decision of the Supreme Court, discussed above.

For an extended discussion on Section 512(i)(A) and what it means to *reasonably implement* a repeat infringer policy, click here.

Section 512(c) "storage at the direction of a user"

The statute

The most litigated of the DMCA safe harbors is Section 512(c) which covers infringement claims that arise "by reason of the storage at the direction of a user of material that resides on a system or network controlled or operated by or for the service provider."

> **17 US Code § 512 (c) Information Residing on Systems or Networks At Direction of Users.—**
>
> (1) In general.— A service provider shall not be liable for monetary relief, or, except as provided in subsection (j), for injunctive or other equitable relief, for infringement of copyright by reason of the storage at the direction of a user of material that resides on a system or network controlled or operated by or for the service provider, if the service provider—
>
> (A)
>
> (i) does not have actual knowledge that the material or an activity using the material on the system or network is infringing;
>
> (ii) in the absence of such actual knowledge, is not aware of facts or circumstances from which infringing activity is apparent; or
>
> (iii) upon obtaining such knowledge or awareness, acts expeditiously to remove, or disable access to, the material;

> (B) does not receive a financial benefit directly attributable to the infringing activity, in a case in which the service provider has the right and ability to control such activity; and
>
> (C) upon notification of claimed infringement as described in paragraph (3), responds expeditiously to remove, or disable access to, the material that is claimed to be infringing or to be the subject of infringing activity.

Section 512(c) has two further subsections. Subsection (2) sets out the requirement for a designated agent to receive notices of infringement. Subsection (3) sets out the requirements for an effective notification for the "notice and takedown" regime envisaged by the safe harbor.

What counts as knowledge of infringement under the DMCA safe harbors?

The most significant safe harbor requirement in the DMCA is that platforms must avoid knowledge of *specific and identifiable* instances of copyright infringement by their users —i.e., they must maintain plausible deniability.

For a service provider such as an Internet platform to remain eligible for the User Directed Content or Information Location Tools safe harbors it must avoid both actual knowledge and red flag knowledge of specific acts of infringement. See Sections 512(c)(1)(A)(i)–(ii), (d)(1)(A)–(B). The relevant provisions for both safe harbors provide that the service provider must "not have actual knowledge that the material or an activity using the material on the system or network is infringing"; or "in the absence of such actual knowledge," it must not be "aware of facts or circumstances from which infringing activity is apparent." If either of these knowledge thresholds are triggered, the service provider must "upon obtaining such knowledge or awareness, act[ ] expeditiously to remove, or disable access to, the material." See § 512(c)(1)(A)(iii).

Viacom International, Inc. v. YouTube, Inc., 676 F.3d 19 (2d Cir. 2012)

JOSÉ A. CABRANES, Circuit Judge:

This appeal requires us to clarify the contours of the "safe harbor" provision of the Digital Millennium Copyright Act (DMCA) that limits the liability of online service providers for copyright infringement that occurs "by reason of the storage at the direction of a user of material that resides on a system or network controlled or operated by or for the service provider." 17 U.S.C. § 512(c).

The plaintiffs-appellants in these related actions appeal from an August 10, 2010 judgment of the United States District Court for the Southern District of New York (Louis L. Stanton, Judge), which granted summary judgment to defendants-appellees YouTube, Inc., YouTube, LLC, and Google Inc. The plaintiffs alleged direct and secondary copyright infringement based on the public performance, display, and reproduction of approximately 79,000 audiovisual "clips" that appeared on the YouTube website between 2005 and 2008.

BACKGROUND

A. The DMCA Safe Harbors

The DMCA was enacted in 1998 to implement the World Intellectual Property Organization Copyright Treaty, and to update domestic copyright law for the digital age. Title II of the DMCA, separately titled the "Online Copyright Infringement Liability Limitation Act" (OCILLA), was designed to "clarify the liability faced by service providers who transmit potentially infringing material over their networks." S.Rep. No. 105-190 at 2 (1998). But "rather than embarking upon a wholesale clarification" of various copyright doctrines, Congress elected "to leave current law in its evolving state and, instead, to create a series of 'safe harbors[]' for certain common activities of service providers." Id. at 19. To that end, OCILLA established a series of four "safe harbors" that allow qualifying service providers to limit their liability for claims of copyright infringement based on (a) "transitory digital network communications," (b) "system caching," (c) "information residing on systems or networks at [the] direction of users," and (d) "information location tools." 17 U.S.C. § 512(a)-(d).

To qualify for protection under any of the safe harbors, a party must meet a set of threshold criteria. First, the party must in fact be a "service provider," defined, in pertinent part, as "a provider of online services or network access, or the operator of facilities therefor." 17 U.S.C. § 512(k)(1)(B). A party that qualifies as a service provider must also satisfy certain "conditions of eligibility," including the adoption and reasonable implementation of a "repeat infringer" policy that "provides for the termination in appropriate circumstances of subscribers and account holders of the service provider's system or network." Id. § 512(i)(1)(A). In addition, a qualifying service provider must accommodate "standard technical measures" that are "used by copyright owners to identify or protect copyrighted works." Id. § 512(i)(1)(B), (i)(2).

Beyond the threshold criteria, a service provider must satisfy the requirements of a particular safe harbor. In this case, the safe harbor at issue is § 512(c), which covers infringement claims that arise "by reason of the storage at the direction of a user of material that resides on a system or network controlled or operated by or for the service provider." Id. § 512(c)(1). The § 512(c) safe harbor will apply only if the service provider:

> (A) (i) does not have actual knowledge that the material or an activity using the material on the system or network is infringing;
>
> (ii) in the absence of such actual knowledge, is not aware of facts or circumstances from which infringing activity is apparent; or
>
> (iii) upon obtaining such knowledge or awareness, acts expeditiously to remove, or disable access to, the material;
>
> (B) does not receive a financial benefit directly attributable to the infringing activity, in a case in which the service provider has the right and ability to control such activity; and
>
> (C) upon notification of claimed infringement as described in paragraph (3), responds expeditiously to remove, or disable access to, the material that is claimed to be infringing or to be the subject of infringing activity.

Id. § 512(c)(1)(A)-(C). Section 512(c) also sets forth a detailed notification scheme that requires service providers to "designate[] an agent to receive notifications of claimed infringement," id. § 512(c)(2), and specifies the components of a proper notification, commonly known as a "takedown notice," to that agent, see id. § 512(c)(3). Thus, actual knowledge of infringing material, awareness of facts or circumstances that make infringing activity apparent, or receipt of a takedown notice will each trigger an obligation to expeditiously remove the infringing material.

With the statutory context in mind, we now turn to the facts of this case.

B. Factual Background

YouTube was founded in February 2005 by Chad Hurley, Steve Chen, and Jawed Karim, three former employees of the internet company Paypal. When YouTube announced the "official launch" of the website in December 2005, a press release described YouTube as a "consumer media company" that "allows people to watch, upload, and share personal video clips at www.YouTube.com." Under the slogan "Broadcast yourself," YouTube achieved rapid prominence and profitability, eclipsing competitors such as Google Video and Yahoo Video by wide margins. In November 2006, Google acquired YouTube in a stock-for-stock transaction valued at $1.65 billion. By March 2010, at the time of summary judgment briefing in this litigation, site traffic on YouTube had soared to more than 1 billion daily video views, with more than 24 hours of new video uploaded to the site every minute.

The basic function of the YouTube website permits users to "upload" and view video clips free of charge. Before uploading a video to YouTube, a user must register and create an account with the website. The registration process requires the user to accept YouTube's Terms of Use agreement, which provides, inter alia, that the user "will not submit material that is copyrighted... unless [he is] the owner of such rights or ha[s] permission from their rightful owner to post the material and to grant YouTube all of the license rights granted herein." When the registration process is complete, the user can sign in to his account, select a video to upload from the user's personal computer, mobile phone, or other device, and instruct the YouTube system to upload the video by clicking on a virtual upload "button."

Uploading a video to the YouTube website triggers a series of automated software functions. During the upload process, YouTube makes one or more exact copies of the video in its original file format. YouTube also makes one or more additional copies of the video in "Flash" format, a process known as "transcoding." The transcoding process ensures that YouTube videos are available for viewing by most users at their request. The YouTube system allows users to gain access to video content by "streaming" the video to the user's computer in response to a playback request. YouTube uses a computer algorithm to identify clips that are "related" to a video the user watches and display links to the "related" clips.

C. Procedural History

Plaintiff Viacom, an American media conglomerate, and various Viacom affiliates filed suit against YouTube on March 13, 2007, alleging direct and secondary

copyright infringement based on the public performance, display, and reproduction of their audiovisual works on the YouTube website. Plaintiff Premier League, an English soccer league, and Plaintiff Bourne Co. filed a putative class action against YouTube on May 4, 2007, alleging direct and secondary copyright infringement on behalf of all copyright owners whose material was copied, stored, displayed, or performed on YouTube without authorization. Specifically at issue were some 63,497 video clips identified by Viacom, as well as 13,500 additional clips (jointly, the "clips-in-suit") identified by the putative class plaintiffs.

At the close of discovery, the parties in both actions cross-moved for partial summary judgment with respect to the applicability of the DMCA safe harbor defense. The District Court denied the plaintiffs' motions and granted summary judgment to the defendants, finding that YouTube qualified for DMCA safe harbor protection with respect to all claims of direct and secondary copyright infringement. The District Court prefaced its analysis of the DMCA safe harbor by holding that, based on the plaintiffs' summary judgment submissions, "a jury could find that the defendants not only were generally aware of, but welcomed, copyright-infringing material being placed on their website." However, the District Court also noted that the defendants had properly designated an agent pursuant to § 512(c)(2), and "when they received specific notice that a particular item infringed a copyright, they swiftly removed it." Accordingly, the District Court identified the crux of the inquiry with respect to YouTube's copyright liability as follows:

> [T]he critical question is whether the statutory phrases "actual knowledge that the material or an activity using the material on the system or network is infringing," and "facts or circumstances from which infringing activity is apparent" in § 512(c)(1)(A)(i) and (ii) mean a general awareness that there are infringements (here, claimed to be widespread and common), or rather mean actual or constructive knowledge of specific and identifiable infringements of individual items.

After quoting at length from the legislative history of the DMCA, the District Court held that "the phrases 'actual knowledge that the material or an activity' is infringing, and 'facts or circumstances' indicating infringing activity, describe knowledge of specific and identifiable infringements of particular individual items." "Mere knowledge of [the] prevalence of such activity in general," the District Court concluded, "is not enough."

In a final section labeled "Other Points," the District Court rejected two additional claims. First, it rejected the plaintiffs' argument that the replication, transmittal and display of YouTube videos are functions that fall outside the protection § 512(c)(1) affords for "infringement of copyright by reason of ... storage at the direction of the user." Second, it rejected the plaintiffs' argument that YouTube was ineligible for safe harbor protection under the control provision, holding that the "right and ability to control" infringing activity under § 512(c)(1)(B) requires "item-specific" knowledge thereof, because "the provider must know of the particular case before he can control it."

Following the June 23 Opinion, final judgment in favor of YouTube was entered on August 10, 2010. These appeals followed.

DISCUSSION

We review an order granting summary judgment de novo, drawing all factual inferences in favor of the non-moving party.

A. Actual and "Red Flag" Knowledge: § 512(c)(1)(A)

The first and most important question on appeal is whether the DMCA safe harbor at issue requires "actual knowledge" or "awareness" of facts or circumstances indicating "specific and identifiable infringements," We consider first the scope of the statutory provision and then its application to the record in this case.

1. The Specificity Requirement

As in all statutory construction cases, we begin with the language of the statute. Under § 512(c)(1)(A), safe harbor protection is available only if the service provider:

> (i) does not have actual knowledge that the material or an activity using the material on the system or network is infringing;
>
> (ii) in the absence of such actual knowledge, is not aware of facts or circumstances from which infringing activity is apparent; or
>
> (iii) upon obtaining such knowledge or awareness, acts expeditiously to remove, or disable access to, the material....

17 U.S.C. § 512(c)(1)(A). As previously noted, the District Court held that the statutory phrases "actual knowledge that the material ... is infringing" and "facts or circumstances from which infringing activity is apparent" refer to "knowledge of specific and identifiable infringements." For the reasons that follow, we substantially affirm that holding.

Although the parties marshal a battery of other arguments on appeal, it is the text of the statute that compels our conclusion. In particular, we are persuaded that the basic operation of § 512(c) requires knowledge or awareness of specific infringing activity. Under § 512(c)(1)(A), knowledge or awareness alone does not disqualify the service provider; rather, the provider that gains knowledge or awareness of infringing activity retains safe-harbor protection if it "acts expeditiously to remove, or disable access to, the material." 17 U.S.C. § 512(c)(1)(A)(iii). Thus, the nature of the removal obligation itself contemplates knowledge or awareness of specific infringing material, because expeditious removal is possible only if the service provider knows with particularity which items to remove. Indeed, to require expeditious removal in the absence of specific knowledge or awareness would be to mandate an amorphous obligation to "take commercially reasonable steps" in response to a generalized awareness of infringement. Such a view cannot be reconciled with the language of the statute, which requires "expeditious[]" action to remove or disable "*the* material" at issue. 17 U.S.C. § 512(c)(1)(A)(iii) (emphasis added).

On appeal, the plaintiffs dispute this conclusion by drawing our attention to § 512(c)(1)(A)(ii), the so-called "red flag" knowledge provision. See id. § 512(c)(1)(A)(ii) (limiting liability where, "in the absence of such actual knowledge, [the

service provider] is not aware of facts or circumstances from which infringing activity is apparent"). In their view, the use of the phrase "facts or circumstances" demonstrates that Congress did not intend to limit the red flag provision to a particular type of knowledge. The plaintiffs contend that requiring awareness of specific infringements in order to establish "aware[ness] of facts or circumstances from which infringing activity is apparent," 17 U.S.C. § 512(c)(1)(A)(ii), renders the red flag provision superfluous, because that provision would be satisfied only when the "actual knowledge" provision is also satisfied. For that reason, the plaintiffs urge the Court to hold that the red flag provision "requires less specificity" than the actual knowledge provision.

This argument misconstrues the relationship between "actual" knowledge and "red flag" knowledge. It is true that we are required to disfavor interpretations of statutes that render language superfluous. But contrary to the plaintiffs' assertions, construing § 512(c)(1)(A) to require actual knowledge or awareness of specific instances of infringement does not render the red flag provision superfluous. The phrase "actual knowledge," which appears in § 512(c)(1)(A)(i), is frequently used to denote subjective belief. By contrast, courts often invoke the language of "facts or circumstances," which appears in § 512(c)(1)(A)(ii), in discussing an objective reasonableness standard. See, e.g., Maxwell v. City of New York, 380 F.3d 106, 108 (2d Cir.2004) ("Police officers' application of force is excessive ... if it is objectively unreasonable in light of the facts and circumstances confronting them, without regard to their underlying intent or motivation."

The difference between actual and red flag knowledge is thus not between specific and generalized knowledge, but instead between a subjective and an objective standard. In other words, the actual knowledge provision turns on whether the provider actually or "subjectively" knew of specific infringement, while the red flag provision turns on whether the provider was subjectively aware of facts that would have made the specific infringement "objectively" obvious to a reasonable person. The red flag provision, because it incorporates an objective standard, is not swallowed up by the actual knowledge provision under our construction of the § 512(c) safe harbor. Both provisions do independent work, and both apply only to specific instances of infringement.

The limited body of case law interpreting the knowledge provisions of the § 512(c) safe harbor comports with our view of the specificity requirement. [In particular, in *UMG Recordings, Inc. v. Shelter Capital Partners LLC* (9th Cir. 2011) the Ninth Circuit ruled that Veoh, a video-hosting service, qualified for the DMCA safe harbor. The court rejected a "broad conception" of the knowledge requirement, holding that §512(c) demands specific knowledge of particular infringing activity. The court held that the same standard applied to the "red flag" provision: service providers are not required to determine independently whether material is illegal.]

Based on the text of § 512(c)(1)(A), as well as the limited case law on point, we affirm the District Court's holding that actual knowledge or awareness of facts or circumstances that indicate specific and identifiable instances of infringement will disqualify a service provider from the safe harbor.

2. The Grant of Summary Judgment

The corollary question on appeal is whether, under the foregoing construction of § 512(c)(1)(A), the District Court erred in granting summary judgment to YouTube on the record presented. For the reasons that follow, we hold that although the District Court correctly interpreted § 512(c)(1)(A), summary judgment for the defendants was premature.

i. Specific Knowledge or Awareness

The plaintiffs argue that, even under the District Court's construction of the safe harbor, the record raises material issues of fact regarding YouTube's actual knowledge or "red flag" awareness of specific instances of infringement. To that end, the plaintiffs draw our attention to various estimates regarding the percentage of infringing content on the YouTube website. For example, Viacom cites evidence that YouTube employees conducted website surveys and estimated that 75-80% of all YouTube streams contained copyrighted material. The class plaintiffs similarly claim that Credit Suisse, acting as financial advisor to Google, estimated that more than 60% of YouTube's content was "premium" copyrighted content — and that only 10% of the premium content was authorized. These approximations suggest that the defendants were conscious that significant quantities of material on the YouTube website were infringing. See Viacom Int'l, 718 F.Supp.2d at 518 ("[A] jury could find that the defendants not only were generally aware of, but welcomed, copyright-infringing material being placed on their website."). But such estimates are insufficient, standing alone, to create a triable issue of fact as to whether YouTube actually knew, or was aware of facts or circumstances that would indicate, the existence of particular instances of infringement.

Beyond the survey results, the plaintiffs rely upon internal YouTube communications that do refer to particular clips or groups of clips. The class plaintiffs argue that YouTube was aware of specific infringing material because, inter alia, YouTube attempted to search for specific Premier League videos on the site in order to gauge their "value based on video usage." In particular, the class plaintiffs cite a February 7, 2007 e-mail from Patrick Walker, director of video partnerships for Google and YouTube, requesting that his colleagues calculate the number of daily searches for the terms "soccer," "football," and "Premier League" in preparation for a bid on the global rights to Premier League content. On another occasion, Walker requested that any "clearly infringing, official broadcast footage" from a list of top Premier League clubs — including Liverpool Football Club, Chelsea Football Club, Manchester United Football Club, and Arsenal Football Club — be taken down in advance of a meeting with the heads of "several major sports teams and leagues." YouTube ultimately decided not to make a bid for the Premier League rights — but the infringing content allegedly remained on the website.

The record in the Viacom action includes additional examples. For instance, YouTube founder Jawed Karim prepared a report in March 2006 which stated that, "as of today, episodes and clips of the following well-known shows can still be found [on YouTube]: Family Guy, South Park, MTV Cribs, Daily Show, Reno 911,

[and] Dave Chapelle [sic]." Karim further opined that, "although YouTube is not legally required to monitor content ... and complies with DMCA takedown requests, we would benefit from preemptively removing content that is blatantly illegal and likely to attract criticism." He also noted that "a more thorough analysis" of the issue would be required. At least some of the TV shows to which Karim referred are owned by Viacom. A reasonable juror could conclude from the March 2006 report that Karim knew of the presence of Viacom-owned material on YouTube, since he presumably located specific clips of the shows in question before he could announce that YouTube hosted the content "[a]s of today." A reasonable juror could also conclude that Karim believed the clips he located to be infringing (since he refers to them as "blatantly illegal"), and that YouTube did not remove the content from the website until conducting "a more thorough analysis," thus exposing the company to liability in the interim.

Furthermore, in a July 4, 2005 e-mail exchange, YouTube founder Chad Hurley sent an e-mail to his co-founders with the subject line "budlight commercials," and stated, "we need to reject these too." Steve Chen responded, "can we please leave these in a bit longer? another week or two can't hurt." Karim also replied, indicating that he "added back in all 28 bud videos." Similarly, in an August 9, 2005 e-mail exchange, Hurley urged his colleagues "to start being diligent about rejecting copyrighted / inappropriate content," noting that "there is a cnn clip of the shuttle clip on the site today, if the boys from Turner would come to the site, they might be pissed?" Again, Chen resisted:

> but we should just keep that stuff on the site. i really don't see what will happen. what? someone from cnn sees it? he happens to be someone with power? he happens to want to take it down right away. he gets in touch with cnn legal. 2 weeks later, we get a cease & desist letter. we take the video down.

And again, Karim agreed, indicating that "the CNN space shuttle clip, I like. we can remove it once we're bigger and better known, but for now that clip is fine."

Upon a review of the record, we are persuaded that the plaintiffs may have raised a material issue of fact regarding YouTube's knowledge or awareness of specific instances of infringement. The foregoing Premier League e-mails request the identification and removal of "clearly infringing, official broadcast footage." The March 2006 report indicates Karim's awareness of specific clips that he perceived to be "blatantly illegal." Similarly, the Bud Light and space shuttle e-mails refer to particular clips in the context of correspondence about whether to remove infringing material from the website. On these facts, a reasonable juror could conclude that YouTube had actual knowledge of specific infringing activity, or was at least aware of facts or circumstances from which specific infringing activity was apparent. See § 512(c)(1)(A)(i)-(ii). Accordingly, we hold that summary judgment to YouTube on all clips-in-suit, especially in the absence of any detailed examination of the extensive record on summary judgment, was premature.

ii. "Willful Blindness"

The plaintiffs further argue that the District Court erred in granting summary judgment to the defendants despite evidence that YouTube was "willfully blind" to

specific infringing activity. On this issue of first impression, we consider the application of the common law willful blindness doctrine in the DMCA context.

The principle that willful blindness is tantamount to knowledge is hardly novel. *Tiffany (NJ) Inc. v. eBay, Inc.*, 600 F.3d 93, 110 n. 16 (2d Cir.2010). A person is "willfully blind" or engages in "conscious avoidance" amounting to knowledge where the person "was aware of a high probability of the fact in dispute and consciously avoided confirming that fact." United States v. Aina-Marshall, 336 F.3d 167, 170 (2d Cir.2003); cf. Global-Tech Appliances, Inc. v. SEB S.A., 131 S.Ct. 2060 (2011) (applying the willful blindness doctrine in a patent infringement case). Writing in the trademark infringement context, we have held that "[a] service provider is not ... permitted willful blindness. When it has reason to suspect that users of its service are infringing a protected mark, it may not shield itself from learning of the particular infringing transactions by looking the other way." *Tiffany*, 600 F.3d at 109.

The DMCA does not mention willful blindness. As a general matter, we interpret a statute to abrogate a common law principle only if the statute speaks directly to the question addressed by the common law. The relevant question, therefore, is whether the DMCA speaks directly to the principle of willful blindness. The DMCA provision most relevant to the abrogation inquiry is § 512(m), which provides that safe harbor protection shall not be conditioned on "a service provider monitoring its service or affirmatively seeking facts indicating infringing activity, except to the extent consistent with a standard technical measure complying with the provisions of subsection (i)." 17 U.S.C. § 512(m)(1). Section 512(m) is explicit: DMCA safe harbor protection cannot be conditioned on affirmative monitoring by a service provider. For that reason, § 512(m) is incompatible with a broad common law duty to monitor or otherwise seek out infringing activity based on general awareness that infringement may be occurring. That fact does not, however, dispose of the abrogation inquiry; as previously noted, willful blindness cannot be defined as an affirmative duty to monitor. See Aina-Marshall, 336 F.3d at 170 (holding that a person is "willfully blind" where he "was aware of a high probability of the fact in dispute and consciously avoided confirming that fact"). Because the statute does not "speak directly" to the willful blindness doctrine, § 512(m) limits — but does not abrogate — the doctrine. Accordingly, we hold that the willful blindness doctrine may be applied, in appropriate circumstances, to demonstrate knowledge or awareness of specific instances of infringement under the DMCA.

The District Court cited § 512(m) for the proposition that safe harbor protection does not require affirmative monitoring, but did not expressly address the principle of willful blindness or its relationship to the DMCA safe harbors. As a result, whether the defendants made a "deliberate effort to avoid guilty knowledge," remains a fact question for the District Court to consider in the first instance on remand.

B. Control and Benefit: § 512(c)(1)(B)

Apart from the foregoing knowledge provisions, the § 512(c) safe harbor provides that an eligible service provider must "not receive a financial benefit directly

attributable to the infringing activity, in a case in which the service provider has the right and ability to control such activity." 17 U.S.C. § 512(c)(1)(B). The District Court addressed this issue in a single paragraph, quoting from § 512(c)(1)(B), the so-called "control and benefit" provision, and concluding that the right and ability to control the activity requires knowledge of it, which must be item-specific. For the reasons that follow, we hold that the District Court erred by importing a specific knowledge requirement into the control and benefit provision, and we therefore remand for further fact-finding on the issue of control.

1. "Right and Ability to Control" Infringing Activity

On appeal, the parties advocate two competing constructions of the "right and ability to control" infringing activity. 17 U.S.C. § 512(c)(1)(B). Because each is fatally flawed, we reject both proposed constructions in favor of a fact-based inquiry to be conducted in the first instance by the District Court.

The first construction, pressed by the defendants, is the one adopted by the District Court, which held that "the provider must know of the particular case before he can control it." The trouble with this construction is that importing a specific knowledge requirement into § 512(c)(1)(B) renders the control provision duplicative of § 512(c)(1)(A). Any service provider that has item-specific knowledge of infringing activity and thereby obtains financial benefit would already be excluded from the safe harbor under § 512(c)(1)(A) for having specific knowledge of infringing material and failing to effect expeditious removal. No additional service provider would be excluded by § 512(c)(1)(B) that was not already excluded by § 512(c)(1)(A). Because statutory interpretations that render language superfluous are disfavored, we reject the District Court's interpretation of the control provision.

The second construction, urged by the plaintiffs, is that the control provision codifies the common law doctrine of vicarious copyright liability. The general rule with respect to common law codification is that when Congress uses terms that have accumulated settled meaning under the common law, a court must infer, unless the statute otherwise dictates, that Congress means to incorporate the established meaning of those terms. Under the common law vicarious liability standard, "the ability to block infringers access to a particular environment for any reason whatsoever is evidence of the right and ability to supervise." Arista Records LLC v. Usenet.com, Inc., 633 F.Supp.2d 124, 157 (S.D.N.Y. 2009). To adopt that principle in the DMCA context, however, would render the statute internally inconsistent. Section 512(c) actually presumes that service providers have the ability to "block ... access" to infringing material. Indeed, a service provider who has knowledge or awareness of infringing material or who receives a takedown notice from a copyright holder is required to "remove, or disable access to, the material" in order to claim the benefit of the safe harbor. 17 U.S.C. § 512(c)(1)(A)(iii) & (C). But in taking such action, the service provider would — in the plaintiffs' analysis — be admitting the "right and ability to control" the infringing material. Thus, the prerequisite to safe harbor protection under § 512(c)(1)(A)(iii) & (C) would at the same time be a disqualifier under § 512(c)(1)(B).

Moreover, if Congress had intended § 512(c)(1)(B) to be coextensive with vicarious liability, the statute could have accomplished that result in a more direct manner.

In any event, the foregoing tension — elsewhere described as a "predicament" and a "catch-22" — is sufficient to establish that the control provision "dictates" a departure from the common law vicarious liability standard. Accordingly, we conclude that the "right and ability to control" infringing activity under § 512(c)(1)(B) requires something more than the ability to remove or block access to materials posted on a service provider's website. The remaining — and more difficult — question is how to define the "something more" that is required.

To date, only one court has found that a service provider had the right and ability to control infringing activity under § 512(c)(1)(B). In *Perfect 10, Inc. v. Cybernet Ventures, Inc.*, 213 F.Supp.2d 1146 (C.D.Cal.2002), the court found control where the service provider instituted a monitoring program by which user websites received "detailed instructions regard[ing] issues of layout, appearance, and content." Id. at 1173. The service provider also forbade certain types of content and refused access to users who failed to comply with its instructions. Id. Similarly, inducement of copyright infringement under *Metro-Goldwyn-Mayer Studios Inc. v. Grokster, Ltd.,* 545 U.S. 913, (2005), which "premises liability on purposeful, culpable expression and conduct," id. at 937, might also rise to the level of control under § 512(c)(1)(B). Both of these examples involve a service provider exerting substantial influence on the activities of users, without necessarily — or even frequently — acquiring knowledge of specific infringing activity.

In light of our holding that § 512(c)(1)(B) does not include a specific knowledge requirement, we think it prudent to remand to the District Court to consider in the first instance whether the plaintiffs have adduced sufficient evidence to allow a reasonable jury to conclude that YouTube had the right and ability to control the infringing activity and received a financial benefit directly attributable to that activity.

C. "By Reason of" Storage: § 512(c)(1)

The § 512(c) safe harbor is only available when the infringement occurs "by reason of the storage at the direction of a user of material that resides on a system or network controlled or operated by or for the service provider." 17 U.S.C. § 512(c)(1). In this case, the District Court held that YouTube's software functions fell within the safe harbor for infringements that occur "by reason of" user storage. Viacom, 718 F.Supp.2d at 526 (noting that a contrary holding would "confine[] the word 'storage' too narrowly to meet the statute's purpose"). For the reasons that follow, we affirm that holding with respect to three of the challenged software functions — the conversion (or "transcoding") of videos into a standard display format, the playback of videos on "watch" pages, and the "related videos" function. We remand for further fact-finding with respect to a fourth software function, involving the third-party syndication of videos uploaded to YouTube.

[The statute's structure and language make clear that service providers seeking protection under §512(c) are not confined to passive storage functions; unlike the narrower "conduit only" category in §512(a), §512(c) applies broadly to providers

of online services like YouTube and encompasses more than mere electronic storage lockers.]

The relevant case law makes clear that the § 512(c) safe harbor extends to software functions performed for the purpose of facilitating access to user-stored material. Two of the software functions challenged here — transcoding and playback — were expressly considered by our sister Circuit in *Shelter Capital*, which held that liability arising from these functions occurred "by reason of the storage at the direction of a user." 17 U.S.C. § 512(c); see Shelter Capital, 667 F.3d at 1027-28, 1031. Transcoding involves "making copies of a video in a different encoding scheme" in order to render the video "viewable over the Internet to most users." The playback process involves "delivering copies of YouTube videos to a user's browser cache" in response to a user request. The District Court correctly found that to exclude these automated functions from the safe harbor would eviscerate the protection afforded to service providers by § 512(c).

A similar analysis applies to the "related videos" function, by which a YouTube computer algorithm identifies and displays "thumbnails" of clips that are "related" to the video selected by the user. The plaintiffs claim that this practice constitutes content promotion, not "access" to stored content, and therefore falls beyond the scope of the safe harbor. Citing similar language in the Racketeer Influenced and Corrupt Organizations Act, and the Clayton Act, the plaintiffs argue that the statutory phrase "by reason of" requires a finding of proximate causation between the act of storage and the infringing activity. But even if the plaintiffs are correct that § 512(c) incorporates a principle of proximate causation — a question we need not resolve here — the indexing and display of related videos retain a sufficient causal link to the prior storage of those videos. The record makes clear that the related videos algorithm "is fully automated and operates solely in response to user input without the active involvement of YouTube employees." Furthermore, the related videos function serves to help YouTube users locate and gain access to material stored at the direction of other users. Because the algorithm is closely related to, and follows from, the storage itself, and is narrowly directed toward providing access to material stored at the direction of users, we conclude that the related videos function is also protected by the § 512(c) safe harbor.

The final software function at issue here — third-party syndication — is the closest case. In or around March 2007, YouTube transcoded a select number of videos into a format compatible with mobile devices and "syndicated" or licensed the videos to Verizon Wireless and other companies. The plaintiffs argue — with some force — that business transactions do not occur at the "direction of a user" within the meaning of § 512(c)(1) when they involve the manual selection of copyrighted material for licensing to a third party. The parties do not dispute, however, that none of the clips-in-suit were among the approximately 2,000 videos provided to Verizon Wireless. In order to avoid rendering an advisory opinion on the outer boundaries of the storage provision, we remand for fact-finding on the question of whether any of the clips-in-suit were in fact syndicated to any other third party.

Questions

(1) How did the court treat internal YouTube communications (e.g., emails discussing infringing clips) in assessing potential "actual" or "red flag" knowledge? For that matter, how does the court distinguish between "actual knowledge" and "red flag" knowledge? Is the court's interpretation convincing?

(2) According to the Second Circuit, how does the doctrine of willful blindness interact with the DMCA's safe harbor provisions?

(3) How did the court interpret the "right and ability to control" requirement under §512(c)(1)(B)? In what way did it differ from the District Court's approach? What is the "something more" the *Viacom* court was referring to when considering whether the service provider had "the right and ability to control infringing activity" under § 512(c)(1)(B)?

(4) Is it weird that the Ninth Circuit and the Second Circuit use inducement, a branch of contributory liability, to give content to the part of Section 512(c) that appears to have been modeled on vicarious liability (512(c)(1)(B))?

(5) Which YouTube software functions did the court find to be protected under §512(c), and why?

Notes and questions

(1) In another video sharing case, *Capitol Records, LLC v. Vimeo, LLC*, 826 F.3d 78 (2d Cir. 2016), the Second Circuit held that the fact that Vimeo employees viewed a video containing a recognizable copyrighted song was not sufficient to establish red flag knowledge. The court elaborated:

> The hypothetical "reasonable person" to whom infringement must be obvious is an ordinary person—not endowed with specialized knowledge or expertise concerning music or the laws of copyright. Furthermore, as noted above, § 512(m) makes clear that the service provider's personnel are under no duty to "affirmatively seek" indications of infringement. The mere fact that an employee of the service provider has viewed a video posted by a user (absent specific information regarding how much of the video the employee saw or the reason for which it was viewed), and that the video contains all or nearly all of a copyrighted song that is "recognizable," would be insufficient for many reasons to make infringement *obvious* to an ordinary reasonable person, who is not an expert in music or the law of copyright.

(2) On remand the district court found that the plaintiff could not establish willful blindness in the relevant DMCA sense because all of its arguments boiled down to an affirmative duty to monitor and were thus precluded by Section 512(m).

(3) On remand, the district court held that YouTube's knowledge of the prevalence of infringing activity, and welcoming the same, did not establish the kind of influence or participation in infringement that would meet the Second Circuit's "something more" test. Do you agree?

(4) In *UMG Recordings, Inc. v. Shelter Capital Partners LLC*, 718 F.3d 1006 (9th Cir. 2013) a group of music publishers sued the video sharing website Veoh for copyright

infringement. On the subject of the "right and ability to control" provisions of Section 512(c), the Ninth Circuit agreed with the Second Circuit:

> … in order to have the "right and ability to control," the service provider must exert substantial influence on the activities of users. "Substantial influence" may include, as the Second Circuit suggested, high levels of control over activities of users, as in *Cybernet.* Or it may include purposeful conduct, as in *Grokster.*

Applying this standard the court held that "Veoh's interactions with and conduct toward its users did not rise to such a level." The court recognized that Veoh could have implemented, and did in fact implement, filtering systems and it could have searched for potentially infringing content. But these facts alone did not amount to "substantial influence". In contrast, the Ninth Circuit found those elements in *Columbia Pictures Indus. v. Fung*, 710 F.3d 1020, 1043 (9th Cir. 2013), where the record was "replete with instances of Fung actively encouraging infringement, by urging his users to both upload and download particular copyrighted works, providing assistance to those seeking to watch copyrighted films, and helping his users burn copyrighted material onto DVD."

(5) Over the years since the DMCA was enacted, the common law doctrines of contributory liability and vicarious copyright liability and the analogous provisions of the 512(c) safe harbor have arguably converged. Christopher Cotropia and James Gibson argue that although:

> At first glance, this convergence seems unproblematic. After all, uniformity was the DMCA's goal, and convergence gets us closer to it. But a deeper look reveals that convergence has significantly changed the cost/benefit calculus for those whom the Act governs. The benefits of complying with the Act's regulatory requirements have decreased, because convergence means that one can ignore the statute and rely solely on the case law. And the costs of complying have increased, because convergence has paradoxically caused courts to conflate the two different sets of standards, mixing and matching them in unpredictable and counterproductive ways to create new, unintended forms of copyright liability and immunity. In short, convergence has led to conflation, which means that the best course for today's online community is to steer clear of the DMCA altogether.

For more, see Christopher Cotropia and James Gibson *Convergence and Conflation in Online Copyright*, 105 IOWA LAW REVIEW 1027 (2020). Does *Cox* reverse that convergence? Cotropia and Gibson's argument was that the case law and the statute had grown so alike that a service provider could safely ignore the DMCA and rely on the common law. After *Cox*, the common law of contributory infringement is narrower than it was, while the safe harbor's conditions are unchanged. If the two bodies of law are now diverging rather than converging, which of them is doing the real work of regulating online intermediaries?

(6) The Eleventh Circuit reached the same destination by a different route in *Athos Overseas Ltd. Corp. v. YouTube, Inc.* (11th Cir. 7 Jan. 2026). Athos, which owns a library of Mexican films, argued that YouTube lost the safe harbor because its copyright management tools could generate lists of potentially infringing uploads, which it said amounted to willful blindness. The court disagreed: tools capable of producing lists of *potential* infringement do not supply the knowledge the statute requires, and it saw no reason to read § 512 as stripping protection from a provider merely because it had learned

facts raising a suspicion of infringement. That would convert the safe harbor into a duty to investigate, which is close to the general monitoring obligation § 512(m) disclaims. The court also held, agreeing with the Second Circuit in *Vimeo*, that YouTube's moderation and content management features do not amount to a "right and ability to control" infringing activity, and so did not reach the direct financial benefit question. Read *Athos* against *Mavrix*: in both, the platform did more than store, and in both the question was whether doing more costs it the safe harbor. Why do they come out differently?

The status of pre-1972 sound recordings under the DMCA

Although sound recordings have existed since the 19th century, they were only brought within the scope of federal copyright protection on February 15, 1972. This change in the law was prospective only. The Music Modernization Act of 2018 (MMA) eventually established a new regime of protection for pre-1972 sound recordings (see below), but from 1972 to 2018, any protection against copying of pre-1972 sound recordings depended solely on state copyright laws (to the extent such laws are not pre-empted). In *Capitol Records, LLC v. Vimeo, LLC*, 826 F.3d 78 (2d Cir. 2016), discussed above, the Second Circuit held that the Section 512 safe harbors are effective against claims of infringement based on state copyright laws with respect to pre-1972 sound recordings.

The MMA established a new regime of protection for pre-1972 sound recordings and also applied the Section 512 safe harbors to those activities.

> **17 U.S. Code § 1401. Unauthorized use of pre-1972 sound recordings**
>
> (a) In General.—(1)Unauthorized acts.—Anyone who [] without the consent of the rights owner, engages in covered activity with respect to a sound recording fixed before February 15, 1972, shall be subject to the remedies provided in sections 502 through 505 and 1203 to the same extent as an infringer of copyright or a person that engages in unauthorized activity under chapter 13.
>
> …
>
> (l) Definitions.—In this section: (1)Covered activity.—The term "covered activity" means any activity that the copyright owner of a sound recording would have the exclusive right to do or authorize under section 106 or 602, or that would violate section 1201 or 1202, if the sound recording were fixed on or after February 15, 1972.
>
> …
>
> (f)(3) Material online.—Section 512 shall apply to a claim under subsection (a) with respect to a sound recording fixed before February 15, 1972.

Designating an agent to receive notifications of claimed infringement

Obtaining safe harbor protection under Section 512(c) also requires service providers to comply with the seemingly perfunctory step of designating an agent to receive notifications of claimed infringement and providing certain information to the Copyright Office, see Section 512(c)(2).

> 17 US Code § 512 (c) Information Residing on Systems or Networks At Direction of Users.—
>
> (2) Designated agent.— The limitations on liability established in this subsection apply to a service provider only if the service provider has designated an agent to receive notifications of claimed infringement described in paragraph (3), by making available through its service, including on its website in a location accessible to the public, and by providing to the Copyright Office, substantially the following information:
>
> (A) the name, address, phone number, and electronic mail address of the agent.
>
> (B) other contact information which the Register of Copyrights may deem appropriate.
>
> The Register of Copyrights shall maintain a current directory of agents available to the public for inspection, including through the Internet, and may require payment of a fee by service providers to cover the costs of maintaining the directory.

Note that a parent company's designation of an agent to address infringement claims did not extend to its subsidiary and also "A service provider cannot retroactively qualify for the safe harbor for infringements occurring before the proper designation of an agent under the statute." See, *BWP Media USA Inc. v. Hollywood Fan Sites LLC*, 2015 WL 3971750, at *3 (S.D.N.Y. June 30, 2015).

What activities are at the direction of the user for the purposes of Section 512(c)?

Mavrix Photographs, LLC v. LiveJournal, Inc., 873 F.3d 1045 (9th Cir. 2017)

Circuit Judge Richard A. Paez

> [Mavrix Photographs, LLC, a celebrity photography company brought an infringement action against the owner of a social media platform that allowed users to post content in user-created thematic communities. The case involved a LiveJournal blog called *Oh No They Didn't!* ("ONTD") that republishes reader submissions about celebrity gossip. The key issue in *Mavrix* was whether, in light of the role that moderators played, LiveJournal could establish that the infringing material the plaintiff complained of met the 512(c) threshold of being stored "at the direction of the user."]
>
> When ONTD was created, like other LiveJournal communities, it was operated exclusively by volunteer moderators. LiveJournal was not involved in the day-to-day operation of the site. ONTD, however, grew in popularity to 52 million page views per month in 2010 and attracted LiveJournal's attention. By a significant margin, ONTD is LiveJournal's most popular community and is the only community with a "household name." In 2010, LiveJournal sought to exercise more control over ONTD so that it could generate advertising revenue from the popular community. LiveJournal hired a then active moderator, Brendan Delzer, to serve as

the community's full time "primary leader." By hiring Delzer, LiveJournal intended to "take over" ONTD, grow the site, and run ads on it.

As the "primary leader," Delzer instructs ONTD moderators on the content they should approve and selects and removes moderators on the basis of their performance. Delzer also continues to perform moderator work, reviewing and approving posts alongside the other moderators whom he oversees. While Delzer is paid and expected to work full time, the other moderators are "free to leave and go and volunteer their time in any way they see fit." In his deposition, Mark Ferrell, the General Manager of LiveJournal's U.S. office, explained that Delzer "acts in some capacities as a sort of head maintainer" and serves in an "elevated status" to the other moderators. Delzer, on the other hand, testified at his deposition that he does not serve as head moderator and that ONTD has no "primary leader." …

LiveJournal must make a threshold showing that Mavrix's photographs were stored at the direction of the user. "Storage," in this context, has a unique meaning. Congress explained that "examples of such storage include providing server space for a user's web site, for a chatroom, or other forum in which material may be posted at the direction of users." S. Rep. 105-190, at 43 (1998). We have held that storage "encompasses the access-facilitating processes" in addition to storage itself. *UMG Recordings, Inc. v. Shelter Capital Partners LLC*, 718 F.3d 1006, 1016 (9th Cir.2013) (rejecting a claim that the safe harbor addresses mere storage lockers). We reasoned that rather than requiring "that the infringing conduct *be* storage," the statutory language allows for infringement "*by reason of the storage* at the direction of a user." The district court held that although moderators screened and publicly posted all of the ONTD posts, the posts were at the direction of the user. The district court focused on the users' submission of infringing photographs to LiveJournal rather than LiveJournal's screening and public posting of the photographs. A different safe harbor, § 512(a), protects service providers from liability for the passive role they play when users submit infringing material to them. 17 U.S.C. § 512(a). The § 512(c) safe harbor focuses on the service provider's role in making material stored by a user publicly accessible on its site. *See Shelter Capital*, 718 F.3d at 1018; S. Rep. No. 105-190, at 43-44 (1998). Contrary to the district court's view, public accessibility is the critical inquiry. In the context of this case, that inquiry turns on the role of the moderators in screening and posting users' submissions and whether their acts may be attributed to LiveJournal.

Mavrix, relying on the common law of agency, argues that the moderators are LiveJournal's agents, making LiveJournal liable for the moderators' acts. The district court erred in rejecting this argument.

Statutes are presumed not to disturb the common law, unless the language of a statute is clear and explicit for this purpose. Pursuant to this principle, the Supreme Court and this court have applied common law in cases involving federal copyright law, including the DMCA. … We therefore have little difficulty holding that common law agency principles apply to the analysis of whether a service provider like LiveJournal is liable for the acts of the ONTD moderators.

In light of the summary judgment record, we conclude that there are genuine issues of material fact as to whether the moderators are LiveJournal's agents. The factual dispute is evident when we apply common law agency principles to the evidentiary record.

"Agency is the fiduciary relationship that arises when one person (a 'principal') manifests assent to another person (an 'agent') that the agent shall act on the principal's behalf and subject to the principal's control, and the agent manifests assent or otherwise consents so to act." Restatement (Third) Of Agency § 1.01 (Am. Law Inst. 2006). For an agency relationship to exist, an agent must have authority to act on behalf of the principal and "the person represented [must have] a right to control the actions of the agent." Restatement (Third) Of Agency § 1.01, cmt. c (Am. Law Inst. 2006).

An agency relationship may be created through actual or apparent authority. Actual authority arises through "the principal's assent that the agent take action on the principal's behalf." Restatement (Third) of Agency § 3.01 (Am. Law Inst. 2006). LiveJournal argues that it did not assent to the moderators acting on its behalf. Mavrix, however, presented evidence that LiveJournal gave its moderators explicit and varying levels of authority to screen posts. Although LiveJournal calls the moderators "volunteers," the moderators performed a vital function in LiveJournal's business model. There is evidence in the record that LiveJournal gave moderators express directions about their screening functions, including criteria for accepting or rejecting posts. Unlike other sites where users may independently post content, LiveJournal relies on moderators as an integral part of its screening and posting business model. LiveJournal also provides three different levels of authority: moderators review posts to ensure they contain celebrity gossip and not pornography or harassment, maintainers delete posts and can remove moderators, and owners can remove maintainers. Genuine issues of material fact therefore exist regarding whether the moderators had actual authority.

Apparent authority arises by "a person's manifestation that another has authority to act with legal consequences for the person who makes the manifestation, when a third party reasonably believes the actor to be authorized and the belief is traceable to the manifestation." Restatement (Third) of Agency § 3.03 (Am. Law Inst. 2006); *see also Hawaiian Paradise Park Corp. v. Friendly Broad. Co.*, 414 F.2d 750, 756 (9th Cir. 1969). "The principal's manifestations giving rise to apparent authority may consist of direct statements to the third person, directions to the agent to tell something to the third person, or the granting of permission to the agent to perform acts under circumstances which create in him a reputation of authority." *Hawaiian Paradise Park*, 414 F.2d at 756.

LiveJournal selected moderators and provided them with specific directions. Mavrix presented evidence that LiveJournal users may have reasonably believed that the moderators had authority to act for LiveJournal. One user whose post was removed pursuant to a DMCA notice complained to LiveJournal "I'm sure my entry does not violate any sort of copyright law. ... I followed [ONTD's] formatting standards and the moderators checked and approved my post." The user relied on the moderators' approval as a manifestation that the post complied with copyright

law, and the user appeared to believe the moderators acted on behalf of LiveJournal. Such reliance is likely traceable to LiveJournal's policy of providing explicit roles and authority to the moderators. Accordingly, genuine issues of material fact exist regarding whether there was an apparent authority relationship.

Whether an agency relationship exists also depends on the level of control a principal exerts over the agent. Evidence presented by Mavrix shows that LiveJournal maintains significant control over ONTD and its moderators. Delzer gives the moderators substantive supervision and selects and removes moderators on the basis of their performance, thus demonstrating control. Delzer also exercises control over the moderators' work schedule. For example, he added a moderator from Europe so that there would be a moderator who could work while other moderators slept. Further demonstrating LiveJournal's control over the moderators, the moderators' screening criteria derive from rules ratified by LiveJournal.

On the other hand, ONTD moderators "are free to leave and go and volunteer their time in any way they see fit." In addition, the moderators can reject submissions for reasons other than those provided by the rules, which calls into question the level of control that LiveJournal exerts over their conduct. This evidence raises genuine issues of material fact regarding the level of control LiveJournal exercised over the moderators. From the evidence currently in the record, reasonable jurors could conclude that an agency relationship existed.

We turn briefly to a related issue that the fact finder must resolve in the event there is a finding that the moderators are agents of LiveJournal. In that event, the fact finder must assess whether Mavrix's photographs were indeed stored at the direction of the users in light of the moderators' role in screening and posting the photographs. Infringing material is stored at the direction of the user if the service provider played no role in making that infringing material accessible on its site or if the service provider carried out activities that were "narrowly directed" towards enhancing the accessibility of the posts. *See UMG Recordings, Inc. v. Veoh Networks, Inc.*, 620 F.Supp.2d 1081, 1092 (C.D. Cal. 2008); *see also Shelter Capital*, 718 F.3d at 1018. Accessibility-enhancing activities include automatic processes, for example, to reformat posts or perform some technological change. *Shelter Capital*, 718 F.3d at 1020 (referring to accessibility-enhancing activities as those where the service provider did "not actively participate in or supervise file uploading"). Some manual service provider activities that screen for infringement or other harmful material like pornography can also be accessibility-enhancing. Indeed, § 512(m) of the DMCA provides that no liability will arise from "a service provider monitoring its service or affirmatively seeking facts indicating infringing activity." *Id.* at 1022 (quoting 17 U.S.C. § 512(m)). [In a footnote the court explains that the district court did not assess whether the moderators' review of posts exceeded accessibility-enhancing activities because it focused on submission rather than public accessibility and did not determine whether the moderators were agents.]

The ONTD moderators manually review submissions and publicly post only about one-third of submissions. The moderators review the substance of posts; only those posts relevant to new and exciting celebrity gossip are approved. The question for

the fact finder is whether the moderators' acts were merely accessibility-enhancing activities or whether instead their extensive, manual, and substantive activities went beyond the automatic and limited manual activities we have approved as accessibility-enhancing.

Because the district court focused on the users' submission of Mavrix's photographs rather than on ONTD's role in making those photographs publicly accessible and rejected Mavrix's argument that unpaid moderators could be agents of LiveJournal, the district court erred in granting summary judgment to LiveJournal. Genuine issues of material fact exist as to whether the moderators were LiveJournal's agents. Accordingly, remand is warranted. In assessing LiveJournal's threshold eligibility for the § 512(c) safe harbor, the fact finder must resolve the factual dispute regarding the moderators' status as LiveJournal's agents and in light of that determination, whether LiveJournal showed that Mavrix's photographs were stored at the direction of the users.

Notes and questions

(1) According to Circuit Judge Paez, what specific issue regarding "ONTD" (Oh No They Didn't) prevented LiveJournal from claiming safe harbor protection under Section 512(c)?

(2) What distinction does the court make between LiveJournal's storage of user photographs that were posted directly versus those that were screened by moderators, and why is this distinction legally significant?

(3) How does the court's reference to the "red flag" knowledge standard relate to LiveJournal's potential liability, and what example does the text provide of content that might constitute such knowledge?

(4) *UMG Recordings, Inc. v. Shelter Capital Partners LLC*, 718 F.3d 1006 (9th Cir. 2013) held that accessibility-enhancing activities include automatic processes, for example, to reformat posts or perform some technological change. The same court would have also regarded some manual service provider activities that screen for infringement or other harmful material like pornography as accessibility-enhancing. Furthermore, Section 512(m) of the DMCA provides that no liability will arise from "a service provider monitoring its service or affirmatively seeking facts indicating infringing activity." Is *Mavrix Photographs* consistent with *Shelter Capital*? What are the risks inherent in different kinds of content moderation after the Ninth Circuit's opinion in *Mavrix Photographs?*

(5) The Second Circuit took up the same question in *McGucken v. Shutterstock, Inc.*, 2026 WL 364412 (2d Cir. 10 Feb. 2026), and the facts are a long way from a message board. Shutterstock is a curated stock-image marketplace: contributors upload, but Shutterstock reviews, tags, categorizes and prices what it accepts, and it built what the court called an image pipeline through which everything passes. McGucken's argument was that images therefore do not appear on the platform "at the direction of a user" at all — the platform decides what appears. The Second Circuit held that summary judgment for Shutterstock could not stand on this record. Two issues had to go to trial: whether the infringing activity occurred "by reason of the storage at the direction of a user," and whether Shutterstock had

the right and ability to control it. Shutterstock had otherwise satisfied the safe harbor's requirements, so everything turned on those two questions.

(6) *Mavrix* and *McGucken* are asking one question in two settings: how much curation can a platform perform before what it hosts stops being stored "at the direction of a user" and starts being its own editorial product? Moderators approving submissions to a fan community, and a stock agency reviewing and pricing images for sale, sit at very different points on that scale — and note that *Athos*, above, treats YouTube's moderation as not even raising the issue. Where would you put an algorithmic recommendation feed that decides which stored material anyone actually sees?

Liability for misrepresentation under 512(f)

For a rightsholder notification to be effective under the DMCA, it must identify the infringed work and provide enough information for the service provider to locate the material that should be blocked or removed. Under Section 512(c)(3)(A)(v-vi), a notification must also attest to the complaining party's "good faith belief that use of the material in the manner complained of is not authorized by the copyright owner, its agent, or the law," and it must further promise that "the information in the notification is accurate, and under penalty of perjury, that the complaining party is authorized to act on behalf of the owner of an exclusive right that is allegedly infringed."

Section 512(f) establishes a remedy for any user who is injured by a knowingly false representation in a takedown notice. The caselaw determining the scope of this potential liability begins with *Online Policy Group v. Diebold, Inc.*, 337 F. Supp. 2d 1195 (N.D. Cal. 2004). In the *Diebold* case, the district court applied an objective standard to section 512(f) and held that the term "knowingly" encompassed actual knowledge of falsity and also instances where a party "should have known if it acted with reasonable care or diligence, or would have had no substantial doubt had it been acting in good faith."

However, very shortly thereafter, the Ninth Circuit in *Rossi v. Motion Picture Ass'n of America*, 391 F.3d 1000 (9th Cir. 2004) held that the good faith belief requirement "encompasses a subjective, rather than objective, standard." Under a subjective standard, negligent, unreasonable, or overzealous assertions of infringement do not violate the good-faith requirement and do not constitute an actionable misrepresentation under section 512(f). This narrow reading of the DMCA's statutory misrepresentation remedy is doubly significant because *Diebold* held that the DMCA remedy preempts state law causes of action, such as tortious interference with contract, which might have otherwise provided a remedy. However, the Ninth Circuit's decision in *Lenz v. Universal Music Corp.,* 815 F.3d 1145 (9th Cir. 2015) suggests that the subjective standard for actionable misrepresentation under section 512(f) is less forgiving to sophisticated copyright owners than it may have first appeared.

The case of the dancing baby

Summary adapted from Matthew Sag, *Internet Safe Harbors and the Transformation of Copyright Law*, 93 NOTRE DAME LAW REVIEW 499 (2017).

Dancing Baby Video (Screenshot)



On February 7, 2007, Stephanie Lenz uploaded a twenty-nine second home video capturing her children dancing in the family's kitchen to the song *Let's Go Crazy* by Prince. The "dancing baby video" is utterly unremarkable except for the more than ten years of litigation that it provoked; the case finally settled in 2018. At the time, Universal Music Corporation administered the relevant copyrights on behalf of Prince. Universal issued a DMCA takedown notice to YouTube on June 4, 2007.

YouTube removed the video the following day. Lenz issued a counternotification, and her video was eventually restored some six weeks later. The dancing baby video was targeted for removal by Universal as part of a broader effort to purge unauthorized Prince titles from YouTube—Prince apparently had strong feelings on the subject, and Universal was keen to make him happy. This is how the legal assistant at Universal who reviewed the video described his process:

> I put a video on the list that embodied a Prince composition in some way if the—there was a significant use of it, of the composition, specifically if the song was recognizable, was in a significant portion of the video or was the focus of the video.

The assistant determined that the dancing baby video violated Prince's copyright because of its title, *Let's Go Crazy # 1*; because he recognized the song in the background "right off the bat," and because "the song was loud and played through the entire video." The assistant also based his decision on the fact that the audio track "included a voice asking the children whether they liked the music." When Universal issued its takedown notice, it attested that it had "*a good faith belief that the above-described activity is not authorized by the copyright owner, its agent, or the law*." However, at no stage did the legal assistant, nor anyone else in Universal's legal department, consider whether the dancing baby video qualified as fair use.

Universal's omission was unfortunate because it is beyond serious question that the dancing baby video qualifies as fair use. The video opens with the camera focused on a baby in a red jumper pushing a red cart along a kitchen floor in a cacophony of noise. The baby turns to the camera and, off screen, a woman asks "what do you think of the music?"

Another child briefly enters the frame and the sounds of Prince singing "c'mon baby let's get nuts" become audible and recognizable, at least to the average Prince fan. For the remaining seventeen seconds of the video, the baby stays in the center of the frame, not exactly dancing but apparently enjoying the music. In the background, there is adult laughter as another child does laps of the kitchen. Apart from the music, the general domestic background noise is loud throughout the video. The dancing baby video captures a child's reaction to a well-known pop song in an ordinary family setting.

The child and its reaction, not the music, are the focus of the video. Any objective observer could see this. Rightsholders place great value on so-called synchronization rights: the right to synchronize music with otherwise unrelated visual media. However, the dancing baby video could not be mistaken for an ordinary synchronization. Although the music is identifiable, only a relatively brief part of the song is featured, and the audio quality is poor. No one would watch or listen to this video in order to appreciate the Prince classic. Any objective observer familiar with the fair use doctrine should have recognized that the dancing baby video was fair use.

As a result, the dancing baby video set the stage for an important test case on the relationship between the DMCA notice-and-takedown procedures and fair use. The district court in *Lenz v. Universal Music Corp.,* 572 F. Supp. 2d 1150 (N.D. Cal. 2008) held, in denying a motion to dismiss, that an allegation that a copyright owner acted in bad faith by issuing a takedown notice without proper consideration of the fair use doctrine was sufficient to state a misrepresentation claim pursuant to section 512(f) of the DMCA.

Lenz v. Universal Music Corp., 815 F.3d 1145 (9th Cir. 2015)

Circuit Judge Tallman

Section 512(c) permits service providers, e.g., YouTube or Google, to avoid copyright infringement liability for storing users' content if — among other requirements — the service provider "expeditiously" removes or disables access to the content after receiving notification from a copyright holder that the content is infringing. Section 512(c)(3)(A) sets forth the elements that such a "takedown notification" must contain. These elements include identification of the copyrighted work, identification of the allegedly infringing material, and, critically, a statement that the copyright holder believes in good faith the infringing material "is not authorized by the copyright owner, its agent, or the law." Id. § 512(c)(3)(A). The procedures outlined in § 512(c) are referred to as the DMCA's "takedown procedures."

To avoid liability for disabling or removing content, the service provider must notify the user of the takedown. Id. § 512(g)(1)-(2). The user then has the option of restoring the content by sending a counter-notification, which must include a statement of "good faith belief that the material was removed or disabled as a result of mistake or misidentification...." Id. § 512(g)(3)(C). Upon receipt of a valid counter-notification, the service provider must inform the copyright holder of the counter-notification and restore the content within "not less than 10, nor more than 14, business days," unless the service provider receives notice that the copyright holder has filed a lawsuit against the user seeking to restrain the user's infringing

behavior. Id. § 512(g)(2)(B)-(C). The procedures outlined in § 512(g) are referred to as the DMCA's "put-back procedures."

If an entity abuses the DMCA, it may be subject to liability under § 512(f). That section provides: "Any person who knowingly materially misrepresents under this section — (1) that material or activity is infringing, or (2) that material or activity was removed or disabled by mistake or misidentification, shall be liable for any damages...." Id. § 512(f). Subsection (1) generally applies to copyright holders and subsection (2) generally applies to users. Only subsection (1) is at issue here.

B

We must first determine whether 17 U.S.C. § 512(c)(3)(A)(v) requires copyright holders to consider whether the potentially infringing material is a fair use of a copyright under 17 U.S.C. § 107 before issuing a takedown notification. Section 512(c)(3)(A)(v) requires a takedown notification to include a "statement that the complaining party has a good faith belief that the use of the material in the manner complained of is not authorized by the copyright owner, its agent, or the law." The parties dispute whether fair use is an authorization under the law as contemplated by the statute — which is so far as we know an issue of first impression in any circuit across the nation. "Canons of statutory construction dictate that if the language of a statute is clear, we look no further than that language in determining the statute's meaning.... A court looks to legislative history only if the statute is unclear." *United States v. Lewis*, 67 F.3d 225, 228-29 (9th Cir.1995) (citations omitted). We agree with the district court and hold that the statute unambiguously contemplates fair use as a use authorized by the law.

Fair use is not just excused by the law, it is wholly authorized by the law. In 1976, Congress codified the application of a four-step test for determining the fair use of copyrighted works:

> Notwithstanding the provisions of sections 106 and 106A, *the fair use of a copyrighted work*, ... for purposes such as criticism, comment, news reporting, teaching (including multiple copies for classroom use), scholarship, or research, *is not an infringement of copyright*. In determining whether the use made of a work in any particular case is a fair use the factors to be considered shall include —
>
> (1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;
>
> (2) the nature of the copyrighted work;
>
> (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and
>
> (4) the effect of the use upon the potential market for or value of the copyrighted work.
>
> The fact that a work is unpublished shall not itself bar a finding of fair use if such finding is made upon consideration of all the above factors.

17 U.S.C. § 107 (emphasis added). The statute explains that the fair use of a copyrighted work is permissible because it is a non-infringing use.

While Title 17 of the United States Code ("Copyrights") does not define the term "authorize" or "authorized," "[w]hen there is no indication that Congress intended a specific legal meaning for the term, the court may look to sources such as dictionaries for a definition." *United States v. Mohrbacher*, 182 F.3d 1041, 1048 (9th Cir.1999). Black's Law Dictionary defines "authorize" as "1. To give legal authority; to empower" and "2. To formally approve; to sanction." Authorize, *Black's Law Dictionary* (10th ed. 2014). Because 17 U.S.C. § 107 both "empowers" and "formally approves" the use of copyrighted material if the use constitutes fair use, fair use is "authorized by the law" within the meaning of § 512(c). See also 17 U.S.C. § 108(f)(4) ("Nothing in this section in any way affects *the right of fair use* as provided by section 107...." (emphasis added)).

Universal's sole textual argument is that fair use is not "authorized by the law" because it is an affirmative defense that excuses otherwise infringing conduct. Universal's interpretation is incorrect as it conflates two different concepts: an affirmative defense that is labeled as such due to the procedural posture of the case, and an affirmative defense that excuses impermissible conduct. Supreme Court precedent squarely supports the conclusion that fair use does not fall into the latter camp: "anyone who ... makes a fair use of the work is not an infringer of the copyright with respect to such use." *Sony Corp. of Am. v. Universal City Studios*, Inc., 464 U.S. 417, 433 (1984).

Given that 17 U.S.C. § 107 expressly authorizes fair use, labeling it as an affirmative defense that excuses conduct is a misnomer:

> Although the traditional approach is to view "fair use" as an affirmative defense, this writer, speaking only for himself, is of the opinion that it is better viewed as a right granted by the Copyright Act of 1976. Originally, as a judicial doctrine without any statutory basis, fair use was an infringement that was excused — this is presumably why it was treated as a defense. As a statutory doctrine, however, fair use is not an infringement. Thus, since the passage of the 1976 Act, fair use should no longer be considered an infringement to be excused; instead, it is logical to view fair use as a right. Regardless of how fair use is viewed, it 1153*1153 is clear that the burden of proving fair use is always on the putative infringer.

Bateman v. Mnemonics, Inc., 79 F.3d 1532, 1542 n. 22 (11th Cir.1996) (Birch, J.). We agree. Cf. Lydia Pallas Loren, *Fair Use: An Affirmative Defense?*, 90 WASH. L. REV. 685, 688 (2015) ("Congress did not intend fair use to be an affirmative defense — a defense, yes, but not an affirmative defense."). Fair use is therefore distinct from affirmative defenses where a use infringes a copyright, but there is no liability due to a valid excuse, e.g., misuse of a copyright, *Practice Management Information Corp. v. American Medical Ass'n*, 121 F.3d 516, 520 (9th Cir.1997), and laches, *Danjaq LLC v. Sony Corp.*, 263 F.3d 942, 950-51 (9th Cir.2001).

Universal concedes it must give due consideration to other uses authorized by law such as compulsory licenses. The introductory language in 17 U.S.C. § 112 for compulsory licenses closely mirrors that in the fair use statute. Compare 17 U.S.C. § 112(a)(1) ("Notwithstanding the provisions of section 106, ... it is not an infringement of copyright for a transmitting organization entitled to transmit to the public a performance or display of a work... to make no more than one copy or

phonorecord of a particular transmission program embodying the performance or display...."), with id. § 107 ("Notwithstanding the provisions of sections 106 and 106A, the fair use of a copyrighted work... is not an infringement of copyright."). That fair use may be labeled as an affirmative defense due to the procedural posture of the case is no different than labeling a license an affirmative defense for the same reason. Compare *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 573 & n. 3, 590 (1994) (stating that "fair use is an affirmative defense" where the district court converted a motion to dismiss based on fair use into a motion for summary judgment), with *A & M Records, Inc. v. Napster, Inc.*, 239 F.3d 1004, 1025-26 (9th Cir.2001) ("Napster contends that ... the district court improperly rejected valid affirmative defenses of ... implied license...."). Thus, Universal's argument that it need not consider fair use in addition to compulsory licenses rings hollow.

Even if, as Universal urges, fair use is classified as an "affirmative defense," we hold — for the purposes of the DMCA — fair use is uniquely situated in copyright law so as to be treated differently than traditional affirmative defenses. We conclude that because 17 U.S.C. § 107 created a type of non-infringing use, fair use is "authorized by the law" and a copyright holder must consider the existence of fair use before sending a takedown notification under § 512(c).

C

We must next determine if a genuine issue of material fact exists as to whether Universal knowingly misrepresented that it had formed a good faith belief the video did not constitute fair use. This inquiry lies not in whether a court would adjudge the video as a fair use, but whether Universal formed a good faith belief that it was not. Contrary to the district court's holding, Lenz may proceed under an actual knowledge theory, but not under a willful blindness theory.

1

Though Lenz argues Universal should have known the video qualifies for fair use as a matter of law, we have already decided a copyright holder need only form a subjective good faith belief that a use is not authorized. *Rossi v. Motion Picture Ass'n of Am. Inc.*, 391 F.3d 1000 (9th Cir.2004). In Rossi, we explicitly held that "the 'good faith belief' requirement in § 512(c)(3)(A)(v) encompasses a subjective, rather than objective standard," and we observed that "Congress understands this distinction." Id. at 1004. We further held:

> When enacting the DMCA, Congress could have easily incorporated an objective standard of reasonableness. The fact that it did not do so indicates an intent to adhere to the subjective standard traditionally associated with a good faith requirement....
>
> In § 512(f), Congress included an expressly limited cause of action for improper infringement notifications, imposing liability only if the copyright owner's notification is a knowing misrepresentation. A copyright owner cannot be liable simply because an unknowing mistake is made, even if the copyright owner acted unreasonably in making the mistake. Rather, there must be a demonstration of some actual knowledge of misrepresentation on the part of the copyright owner.

Id. at 1004-05 (citations omitted). Neither of these holdings are dictum. See *United States v. Johnson*, 256 F.3d 895, 914 (9th Cir.2001) (en banc) ("[W]here a panel confronts an issue germane to the eventual resolution of the case, and resolves it after reasoned consideration in a published opinion, that ruling becomes the law of the circuit, regardless of whether doing so is necessary in some strict logical sense."). We therefore judge Universal's actions by the subjective beliefs it formed about the video.

2

Universal faces liability if it knowingly misrepresented in the takedown notification that it had formed a good faith belief the video was not authorized by the law, i.e., did not constitute fair use. Here, Lenz presented evidence that Universal did not form any subjective belief about the video's fair use — one way or another — because it failed to consider fair use at all, and knew that it failed to do so. Universal nevertheless contends that its procedures, while not formally labeled consideration of fair use, were tantamount to such consideration. Because the DMCA requires consideration of fair use prior to sending a takedown notification, a jury must determine whether Universal's actions were sufficient to form a subjective good faith belief about the video's fair use or lack thereof.[3]

Footnote 3: Although the panel agrees on the legal principles we discuss herein, we part company with our dissenting colleague over the propriety of resolving on summary judgment Universal's claim to subjective belief that the copyright was infringed. The dissent would find that no triable issue of fact exists because Universal did not specifically and expressly consider the fair-use elements of 17 U.S.C. § 107. But the question is whether the analysis Universal did conduct of the video was sufficient, not to conclusively establish as a matter of law that the video's use of *Let's Go Crazy* was fair, but to form a subjective good faith belief that the video was infringing on Prince's copyright. And under the circumstances of this case, that question is for the jury, not this court, to decide.

To be clear, if a copyright holder ignores or neglects our unequivocal holding that it must consider fair use before sending a takedown notification, it is liable for damages under § 512(f). If, however, a copyright holder forms a subjective good faith belief the allegedly infringing material does not constitute fair use, we are in no position to dispute the copyright holder's belief even if we would have reached the opposite conclusion. A copyright holder who pays lip service to the consideration of fair use by claiming it formed a good faith belief when there is evidence to the contrary is still subject to § 512(f) liability. Cf. *Disney Enters., Inc. v. Hotfile Corp.*, No. 11-cv-20427, 2013 WL 6336286, at *48 (S.D.Fla. Sept. 20, 2013) (denying summary judgment of § 512(f) counterclaim due to "sufficient evidence in the record to suggest that [Plaintiff] Warner intentionally targeted files it knew it had no right to remove"); *Rosen v. Hosting Servs., Inc.*, 771 F.Supp.2d 1219, 1223 (C.D.Cal.2010) (denying summary judgment of § 512(f) counterclaim where the takedown notification listed four URL links that did not contain content matching the description of the purportedly infringed material); *Online Policy Grp. v. Diebold, Inc.*, 337 F.Supp.2d 1195, 1204-05 (N.D.Cal.2004) ("[T]here is no genuine issue of fact that Diebold knew — and indeed that it specifically intended — that its letters to OPG and Swarthmore would result in prevention of publication of that content.... The fact that Diebold never actually brought suit against any

alleged infringer suggests strongly that Diebold sought to use the DMCA's safe harbor provisions — which were designed to protect ISPs, not copyright holders — as a sword to suppress publication of embarrassing content rather than as a shield to protect its intellectual property.").

3

We hold the willful blindness doctrine may be used to determine whether a copyright holder "knowingly materially misrepresent[ed]" that it held a "good faith belief" the offending activity was not a fair use. See 17 U.S.C. § 512(c)(3)(A)(v), (f). "[T]he willful blindness doctrine may be applied, in appropriate circumstances, to demonstrate knowledge or awareness of specific instances of infringement under the DMCA." *Viacom Int'l, Inc. v. YouTube, Inc.*, 676 F.3d 19, 35 (2d Cir.2012) (interpreting how a party can establish the "actual knowledge" — a subjective belief — required by § 512(c)(1)(A)(i)); see also *UMG Recordings, Inc. v. Shelter Capital Partners LLC*, 718 F.3d 1006, 1023 (9th Cir.2013) ("Of course, a service provider cannot willfully bury its head in the sand to avoid obtaining such specific knowledge." (citing *Viacom*, 676 F.3d at 31)). But, based on the specific facts presented during summary judgment, we reject the district court's conclusion that Lenz may proceed to trial under a willful blindness theory.

To demonstrate willful blindness a plaintiff must establish two factors: "(1) the defendant must subjectively believe that there is a high probability that a fact exists and (2) the defendant must take deliberate actions to avoid learning of that fact." *Global-Tech Appliances, Inc. v. SEB S.A.*, 563 U.S. 754 (2011). "Under this formulation, a willfully blind defendant is one who takes deliberate actions to avoid confirming a high probability of wrongdoing and who can almost be said to have actually known the critical facts." To meet the Global-Tech test, Lenz must demonstrate a genuine issue as to whether — before sending the takedown notification — Universal (1) subjectively believed there was a high probability that the video constituted fair use, and (2) took deliberate actions to avoid learning of this fair use.

On summary judgment Lenz failed to meet a threshold showing of the first factor. To make such a showing, Lenz must provide evidence from which a juror could infer that Universal was aware of a high probability the video constituted fair use. See *United States v. Yi*, 704 F.3d 800, 805 (9th Cir.2013). But she failed to provide any such evidence. The district court therefore correctly found that "Lenz does not present evidence suggesting Universal subjectively believed either that there was a high probability any given video might make fair use of a Prince composition or her video in particular made fair use of Prince's song 'Let's Go Crazy.'" Yet the district court improperly denied Universal's motion for summary judgment on the willful blindness theory because Universal "has not shown that it lacked a subjective belief." By finding blame with Universal's inability to show that it "lacked a subjective belief," the district court improperly required Universal to meet its burden of persuasion, even though Lenz had failed to counter the initial burden of production that Universal successfully carried. Lenz may not therefore proceed to trial on a willful blindness theory.

V

Section 512(f) provides for the recovery of "any damages, including costs and attorneys[‘] fees, incurred by the alleged infringer ... who is injured by such misrepresentation, as the result of the service provider relying upon such misrepresentation in removing or disabling access to the material or activity claimed to be infringing...." 17 U.S.C. § 512(f). We hold a plaintiff may seek recovery of nominal damages for an injury incurred as a result of a § 512(f) misrepresentation.

Universal incorrectly asserts that Lenz must demonstrate she incurred "actual monetary loss." Section 512(k) provides a definition for "monetary relief" as "damages, costs, attorneys[‘] fees, and any other form of monetary payment." The term "monetary relief" appears in § 512(a), (b)(1), (c)(1), and (d), but is notably absent from § 512(f). As a result, the damages an alleged infringer may recover under § 512(f) from "any person" are broader than monetary relief. Because Congress specified the recovery of "any damages," we reject Universal's contention that Congress did not indicate its intent to depart from the common law presumption that a misrepresentation plaintiff must have suffered a monetary loss.

Lenz may seek recovery of nominal damages due to an unquantifiable harm suffered as a result of Universal's actions. The DMCA is akin to a statutorily created intentional tort whereby an individual may recover nominal damages for a "knowingly material misrepresent[ation] under this section [512]." 17 U.S.C. § 512(f); cf. *Memphis Cmty. Sch. Dist. v. Stachura*, 477 U.S. 299, 305 (1986) ("We have repeatedly noted that 42 U.S.C. § 1983 creates a species of tort liability in favor of persons who are deprived of rights, privileges, or immunities secured to them by the Constitution. Accordingly, when § 1983 plaintiffs seek damages for violations of constitutional rights, the level of damages is ordinarily determined according to principles derived from the common law of torts." (quotation and citations omitted)).

"In a number of common law actions associated with intentional torts, the violation of the plaintiff's right has generally been regarded as a kind of legal damage in itself. The plaintiff who proves an intentional physical tort to the person or to property can always recover nominal damages." 3 Dan B. Dobbs et al., *The Law of Torts* § 480 (2d ed. 2011). The tort need not be physical in order to recover nominal damages. Defamation, for example, permits the recovery of nominal damages:

> A nominal damage award can be justified in a tort action only if there is some reason for awarding a judgment in favor of a claimant who has not proved or does not claim a compensable loss with sufficient certainty to justify a recovery of compensatory or actual damages. There may be such a reason in an action for defamation, since a nominal damage award serves the purpose of vindicating the plaintiff's character by a verdict of the jury that establishes the falsity of the defamatory matter.

W. Page Keeton et al., *Prosser and Keeton on Torts* § 116A, at 845 (5th ed. 1984). Also, individuals may recover nominal damages for trespass to land, even though

the trespasser's "presence on the land causes no harm to the land [or] its possessor...." *Restatement (Second) of Torts* § 163 & comments d, e (1965).

The district court therefore properly concluded in its 2010 order:

> The use of "any damages" suggests strongly Congressional intent that recovery be available for damages even if they do not amount to ... substantial economic damages.... Requiring a plaintiff who can [show that the copyright holder knowingly misrepresented its subjective good faith] to demonstrate in addition not only that she suffered damages but also that those damages were economic and substantial would vitiate the deterrent effect of the statute.

Lenz v. Universal Music Corp., 2010 WL 702466, at *10 (N.D.Cal., Feb. 25, 2010). Relying on this opinion, the Southern District of Florida held the same. *Hotfile*, 2013 WL 6336286, at *48 ("The Court observes that the quantity of economic damages to Hotfile's system is necessarily difficult to measure with precision and has led to much disagreement between the parties and their experts. Notwithstanding this difficulty, the fact of injury has been shown, and Hotfile's expert can provide the jury with a non-speculative basis to assess damages.").

We agree that Lenz may vindicate her statutorily created rights by seeking nominal damages. Because a jury has not yet determined whether Lenz will prevail at trial, we need not decide the scope of recoverable damages, i.e., whether she may recover expenses following the initiation of her § 512(f) suit or pro bono costs and attorneys' fees, both of which arose as a result of the injury incurred.

VI

Copyright holders cannot shirk their duty to consider — in good faith and prior to sending a takedown notification — whether allegedly infringing material constitutes fair use, a use which the DMCA plainly contemplates as authorized by the law. That this step imposes responsibility on copyright holders is not a reason for us to reject it. We affirm the district court's order denying the parties' cross-motions for summary judgment.

AFFIRMED.

Notes and questions

(1) What is the central holding of the court regarding a copyright holder's obligations before sending a DMCA takedown notice, and why does the court reject Universal's argument that fair use is merely an "affirmative defense"?

In *Lenz v. Universal Music Corp.*, 815 F.3d 1145 (9th Cir. 2015), the Ninth Circuit held that because the fair use of a copyrighted work is indeed "authorized by the law" a person may *knowingly* materially misrepresent under Section 512(f) by making a statement in support of a 512(c) takedown notice that it has "a *good faith* belief that use of the material … is not authorized by the copyright owner, its agent, or the law" when that person has not considered the application of the fair use doctrine.

Since the fair use of a copyrighted work is authorized by law, the court concluded (at 1154) that

> Universal faces liability if it knowingly misrepresented in the takedown notification that it had formed a good faith belief the video was not authorized by the law, i.e., did not constitute fair use.

In other words, before issuing a takedown notice, a rightsholder must at least form a view about whether the accused work is infringing, and that process includes forming a view as to whether the accused work is fair use.

Was the court correct in characterizing fair use as a right?

The argument is that fair use is no mere defense, such as laches or lack of personal jurisdiction; rather, fair use is a fundamental part of the copyright system that confers rights on the public and defines the outer limits of the copyright owner's enumerated exclusive rights. This view seems inescapable based on the text of section 107: "Notwithstanding the provisions of sections 106 and 106A, the fair use of a copyrighted work . . . is not an infringement of copyright." The fact that, procedurally, fair use must usually be pleaded as a defense does not alter its substance. As the court stated, "fair use is not just excused by the law, it is wholly authorized by the law."

(2) According to the court, what is the difference between the "actual knowledge" standard and the "willful blindness" standard for Section 512(f) liability, and why did Lenz fail to proceed under the willful blindness theory?

(3) What type of damages does the court hold are recoverable under Section 512(f), and how does the court's interpretation differ from Universal's argument about "actual monetary loss"?

(4) Note that Circuit Judge M. Smith disagreed with the majority as to whether Lenz was entitled to summary judgment. The majority held that whether Universal's actions were sufficient to form a subjective good faith belief about the video's fair use or lack thereof presented a triable issue of fact. Smith saw the issue differently:

> Universal admittedly did not consider fair use before notifying YouTube to take down Lenz's video. It therefore could not have formed a good faith belief that Lenz's video was infringing, and its notification to the contrary was a knowing material misrepresentation. Accordingly, I would hold that Lenz is entitled to summary judgment.

(5) The version of the *Lenz* decision extracted above is a little different to the Ninth Circuit's original decision. As Dan Burk summarizes in his 2019 UNIVERSITY OF CHICAGO LAW REVIEW article, *Algorithmic Fair Use, …*

> But clearly with the use of automated detection and removal algorithms in mind, the court continued: "We note, without passing judgment, that the implementation of computer algorithms appears to be a valid and good faith middle ground for processing a plethora of content while still meeting the DMCA's requirements to somehow consider fair use."
>
> Perhaps not surprisingly, the court later withdrew this particular passage of dicta from the published opinion. The record label's copyright enforcement search and judgment in *Lenz* was done manually, and it is unclear whether fair use consideration can in fact be automated.

The critical question in the wake of *Lenz* is whether rightsholders can rely on the same algorithms they use to identify potential infringement to make a judgment about fair use. As many have noted, identifying fair use is a hard problem for any automated system. For more see Matthew Sag, *Internet Safe Harbors and the Transformation of Copyright Law*, 93 NOTRE DAME LAW REVIEW 499 (2017), Dan L. Burk, *Algorithmic Fair Use*, 86 UNIVERSITY OF CHICAGO LAW REVIEW 283 (2019).

(6) In *Internet Safe Harbors and the Transformation of Copyright Law*, Matthew Sag argues:

> … the Ninth Circuit's decision in *Lenz* may have ramifications for the broader public debate on the future of fair use in the United States and overseas. Interest groups advocating for the abolition of fair use, or for a scaling back of the doctrine, frequently buttress their opposition with the argument that fair use is fundamentally uncertain and unpredictable. If fair use doctrine were genuinely as volatile as many insist, then it seems unlikely that a rightsholder could rely on an algorithm to identify potential fair uses without risking section 512(f) liability. Consequently, it is very hard to see how rightsholders' notice-and-takedown operations could ever scale up to deal with the massive volume of online infringement. But then again, if a rightsholder truly believes that fair use is fundamentally uncertain, could it even attest to its good faith belief that an accused work is not "authorized by ... law" in an individual case, as the statute requires? If I assume that a coin is equally weighted between heads and tails, I cannot in good faith express the belief that it will land on heads. Following *Lenz*, the radical uncertainty critique of fair use seems to pose a problem for rightsholders. The easiest way for copyright owner representatives such as the Recording Industry Association of America (RIAA) and the Motion Picture Association of America (MPAA) to get out of this conundrum would be to articulate and defend their views on the scope of fair use, rather than simply throwing their hands in the air and pronouncing the whole question an unknowable mystery.

Comparative: European Union Internet safe harbors

The European Union first adopted internet safe harbors in the 2000 E-Commerce Directive. Like the DMCA's Section 512, these rules were designed to shield online intermediaries from liability for user-posted content—so long as they acted as passive conduits, stored material at a user's direction, and removed infringing works when notified. Those provisions, Articles 12 to 14 of the E-Commerce Directive, have since been replaced by Articles 4 to 6 of the Digital Services Act, which carries the same three-part structure forward largely unchanged. In practice, the safe harbors covered three main functions:

- Mere conduit – passing along data without altering it;
- Caching – temporary storage for efficiency; and
- Hosting – long-term storage at the request of users.

As in the DMCA, providers were not subject to a general obligation to monitor all user activity. However, the EU framework lacked a formal "counter-notice" process, and implementation varied among member states.

By 2019, critics argued that these safe harbors gave large platforms like YouTube too much leverage over rightsholders, especially in music licensing. This "value gap" concern led to the Digital Single Market Directive (DSM Directive), and its most controversial feature—Article 17. Article 17 changes the safe harbor model for "online content-sharing service providers"—profit-oriented platforms whose main purpose is to host and give public access to large amounts of copyrighted works uploaded by users. For these services, the old "hosting" safe harbor no longer applies. Instead, platforms are directly liable for infringing uploads unless they can show that they have:

- Made best efforts to obtain licenses from rightsholders;
- Made best efforts to block unlicensed works once identified; and
- Acted quickly to remove infringing material and prevent its re-upload.

This shifts the regime from reactive notice and takedown to proactive notice and stay-down. While the directive does not explicitly require "upload filters," in practice most large platforms will need automated content-recognition systems to comply.

Article 17 also includes safeguards. Member states must ensure that filtering does not block lawful uses, such as quotation, criticism, review, parody, and similar exceptions. Platforms must provide complaint and dispute-resolution procedures, and some small or new services get lighter obligations.

The EU has not fully closed the "value gap" that Article 17 of the Digital Single Market Directive was intended to address. The provision aimed to rebalance bargaining power between online platforms and copyright holders, particularly in the music sector, by making platforms directly liable for infringing user uploads unless they obtained licenses or implemented robust prevention measures. Transposition was slow. The deadline was June 2021; in February 2023 the Commission referred six member states to the Court of Justice for failing to transpose the Directive in full, and Poland, the last to act, did not do so until September 2024. Member states have also implemented Article 17 in different ways. The result is a fragmented legal landscape in which the impact on rights holders varies significantly across the EU. In jurisdictions where enforcement is more developed, music rights holders have seen increased licensing activity, often through collective management organizations, but visual artists and smaller creators have experienced fewer tangible benefits.

Practical and legal challenges continue to complicate the Directive's effectiveness. Platforms have turned to automated content-recognition systems, such as YouTube's Content ID, to meet compliance obligations, but these tools raise concerns about over-blocking lawful material, lack of transparency, and burdens on smaller services. The design of Article 17 has also been criticized for lacking a clear framework to measure whether the value gap has actually narrowed, and for relying heavily on assumptions about the market power of dominant platforms. While the law has clearly shifted the balance toward more active licensing and monitoring, the combination of inconsistent national implementation, technological and legal uncertainties, and sector-specific disparities means the value gap remains only partially addressed, with its long-term resolution still uncertain.

Other EU laws reinforce and constrain these obligations. In effect since 2018, the General Data Protection Regulation (GDPR) sets strict limits on the collection, storage, and use of

personal data. Any filtering or monitoring system used to enforce Article 17 must comply with GDPR principles—such as data minimization, transparency, and security. This means copyright enforcement tools cannot process user data unnecessarily or without a lawful basis.

The EU AI Act (taking effect in stages beginning in 2025) regulates artificial intelligence systems, including some used for content filtering and recommendation. Systems that significantly affect users' rights—such as filters that may block lawful expression—could be classified as "high-risk," triggering extra transparency, accuracy, and human oversight requirements.

When does a platform stop merely hosting?

The hosting safe harbor has always depended on the platform being, in some sense, neutral about what it stores. In June 2026 the Grand Chamber of the Court of Justice gave that requirement real teeth. In Joined Cases C-188/24 *WebGroup Czech Republic and NKL Associates* and C-190/24 *Coyote System*, decided on 16 June 2026, the Court held that a provider which controls the information it stores falls outside the hosting exemption — and, critically, that this is so even where the provider never subjectively becomes aware of the material because the processing is entirely automated. Control of that kind may be exercised through the algorithm the provider uses to organize and distribute what it holds.

That is a significant narrowing. On the older understanding, a platform lost neutrality by having actual knowledge of specific content, which is why automation was protective: what no human at the company had seen, the company could not be said to know. After *Coyote System*, the architecture itself can be disqualifying, regardless of knowledge.

It is worth setting this alongside *Mavrix* and *McGucken*. American courts and the Court of Justice have arrived at more or less the same question — at what point does a platform's own organization of user material stop being storage at the direction of a user? — from opposite directions. The United States gets there through the statutory phrase "at the direction of a user" and the separate "right and ability to control" condition, developed case by case on the facts of moderation and curation. The European Union gets there through a general principle of neutrality now applied to algorithmic control. Neither system has settled how much curation is too much. But note which way each is moving: § 512(c) has been read to tolerate a good deal of moderation, as *Athos* shows, while the European position has just tightened. Convergence is not the same as agreement.

CHAPTER 26. DIGITAL RIGHTS MANAGEMENT, COPYRIGHT MANAGEMENT INFORMATION, AND WEB SCRAPING

The Circumvention of technological protection measures

An overview of the DMCA

In theory, the DMCA was enacted in 1998 to implement the United States' obligations under the WIPO Copyright Treaty. In reality, those obligations only came into existence because the executive branch of the United States government had actively championed their inclusion in international agreements.

The DMCA contains three provisions targeted at the circumvention of technological protections. The first is subsection 1201(a)(1)(A), the anticircumvention provision. This provision prohibits a person from circumventing a technological measure that effectively controls access to a work protected under the copyright act.

> **17 U.S. Code § 1201 - Circumvention of copyright protection systems**
>
> (a) Violations Regarding Circumvention of Technological Measures.—
>
> (1)
>
> (A) No person shall circumvent a technological measure that effectively controls access to a work protected under this title. The prohibition contained in the preceding sentence shall take effect at the end of the 2-year period beginning on the date of the enactment of this chapter.

The second and third provisions are subsections 1201(a)(2) and 1201(b)(1) the anti-trafficking provisions. Subsection 1201(a)(1) differs from both of these anti-trafficking subsections in that it targets the use of a circumvention technology, not the trafficking in such a technology. The anti-trafficking provisions are targeted to both access and copy control, but it is important to note that the DMCA does not contain a ban on the act of circumventing copy controls themselves.

> **17 U.S. Code § 1201 - Circumvention of copyright protection systems**
>
> (a) Violations Regarding Circumvention of Technological Measures.— …
>
> (2) No person shall manufacture, import, offer to the public, provide, or otherwise traffic in any technology, product, service, device, component, or part thereof, that —
>
> (A) is primarily designed or produced for the purpose of circumventing a technological measure that effectively controls access to a work protected under this title;
>
> (B) has only limited commercially significant purpose or use other than to circumvent a technological measure that effectively controls access to a work protected under this title; or
>
> (C) is marketed by that person or another acting in concert with that person with that person's knowledge for use in circumventing a technological measure that effectively controls access to a work protected under this title.

17 U.S. Code § 1201 - Circumvention of copyright protection systems

(b) Additional Violations.—

(1) No person shall manufacture, import, offer to the public, provide, or otherwise traffic in any technology, product, service, device, component, or part thereof, that —

(A) is primarily designed or produced for the purpose of circumventing protection afforded by a technological measure that effectively protects a right of a copyright owner under this title in a work or a portion thereof;

(B) has only limited commercially significant purpose or use other than to circumvent protection afforded by a technological measure that effectively protects a right of a copyright owner under this title in a work or a portion thereof; or

(C) is marketed by that person or another acting in concert with that person with that person's knowledge for use in circumventing protection afforded by a technological measure that effectively protects a right of a copyright owner under this title in a work or a portion thereof.

These sections also contain embedded definitions relating to "circumvention" and "effective control" that the courts have found important to construing the scope of the anti-circumvention and anti-trafficking prohibitions.

17 U.S. Code § 1201 (a)(3)

As used in this subsection—

(A) to "circumvent a technological measure" means to descramble a scrambled work, to decrypt an encrypted work, or otherwise to avoid, bypass, remove, deactivate, or impair a technological measure, without the authority of the copyright owner; and

(B) a technological measure "effectively controls access to a work" if the measure, in the ordinary course of its operation, requires the application of information, or a process or a treatment, with the authority of the copyright owner, to gain access to the work.

17 U.S. Code § 1201(b)(2)

As used in this subsection—

(A) to "circumvent protection afforded by a technological measure" means avoiding, bypassing, removing, deactivating, or otherwise impairing a technological measure; and

(B) a technological measure "effectively protects a right of a copyright owner under this title" if the measure, in the ordinary course of its operation, prevents, restricts, or otherwise limits the exercise of a right of a copyright owner under this title.

To recap in general terms, Section 1201 of the DMCA prohibits the circumvention of technological measures that restrict access to or copying of copyrighted works. It also prohibits the creation or distribution of tools that facilitate circumvention. The DMCA creates civil remedies and criminal sanctions (§1203, §1204) and it specifically authorizes

a court to grant temporary and permanent injunctions on such terms as it deems reasonable to prevent or restrain a violation. §1203(b)(1).

Understanding Access Control vs. Rights Control

Access control measures function as digital gatekeepers—like the login screen that blocks Netflix content from non-subscribers or the encryption that prevents unauthorized DVD playback. These technologies answer the question: "Can I get to the content at all?"

Rights control measures, by contrast, operate after legitimate access has been granted, restricting specific uses like the copy-protection on streaming music that allows listening but prevents downloading, or PDF restrictions that permit viewing but disable printing.

This distinction matters. Under the DMCA, circumventing access controls violates §1201(a)(1) directly, while circumventing copy controls does not—though acquiring tools to circumvent either type remains illegal under the anti-trafficking provisions. The *MDY v. Blizzard* case extracted below explains why we have this apparent asymmetry.

DMCA exceptions and limitations

The DMCA contains a number of exceptions to these prohibitions, including specific provisions relating to nonprofit libraries, archives, and educational institutions (§1201(d)), law enforcement, intelligence, and other government activities (§1201(e)), reverse engineering (§1201(f)), encryption research (§1201(g)), and security testing (§1201(j)). There are also exceptions relating to the protection of personally identifying information and technology designed to restrict the access of minors to the Internet (§1201(i) and (h), respectively). Section 1201(k) makes it illegal to sell any VHS VCR, 8 mm analogue video tape recorder, Beta video recorder or other analogue video cassette recorder which is not affected by automatic gain control copy protection.

The exact terms of these provisions need to be read carefully and although they provide some useful exceptions they are not as broad as many users would like them to be.

Furthermore Section 1201(c) contains, among other things, a fair use savings clause and a "no mandate" clause.

> **17 U.S. Code § 1201(c) Other Rights, Etc., Not Affected.—**
>
> (1) Nothing in this section shall affect rights, remedies, limitations, or defenses to copyright infringement, including fair use, under this title.
>
> (2) Nothing in this section shall enlarge or diminish vicarious or contributory liability for copyright infringement in connection with any technology, product, service, device, component, or part thereof.
>
> (3) Nothing in this section shall require that the design of, or design and selection of parts and components for, a consumer electronics, telecommunications, or computing product provide for a response to any particular technological measure, so long as such part or component, or the product in which such part or component is integrated, does not otherwise fall within the prohibitions of subsection (a)(2) or (b)(1).

> (4) Nothing in this section shall enlarge or diminish any rights of free speech or the press for activities using consumer electronics, telecommunications, or computing products.

The "no mandate" limitation in subsection (3) makes it clear that the makers of technology such as personal computers or televisions do not have to design these devices to respond to any particular TPM.

Administrative Exemptions

In addition to the exceptions and limitations noted above, the DMCA sets out a rulemaking process which allows the Copyright Office to determine specific exceptions to the DMCA for three-year periods. The purpose of the rulemaking proceeding is to determine whether current technologies that control access to copyrighted works are diminishing the ability of individuals to use works in lawful, noninfringing ways. The relevant provision is Section 1201(a)(1)(B).

The triennial rulemaking process is conducted by the Librarian of Congress, upon the recommendation of the Register of Copyrights, following a public notice-and-comment procedure. During each three-year cycle, the Copyright Office solicits proposals from the public for exemptions to the prohibition on circumventing technological measures that control access to copyrighted works. These proposals are evaluated based on evidence showing that the prohibition adversely affects—or is likely to adversely affect—noninfringing uses of such works. Hearings may be held to gather testimony from stakeholders, including creators, technology developers, educators, libraries, and advocacy groups. The resulting exemptions are narrowly tailored, applying only to specific classes of works and uses, and are valid for three years, after which they must be reconsidered and reauthorized through the same process. This periodic review ensures that the exemptions remain responsive to technological changes and evolving patterns of lawful use.

Since the first rulemaking in 2000, the Copyright Office has granted exemptions in a variety of contexts. Early cycles recognized allowances for circumvention to enable access to works in obsolete computer programs and to repair malfunctioning dongles. Later cycles expanded exemptions to include jailbreaking smartphones to install legally acquired software, circumventing encryption on DVDs for educational uses in documentary filmmaking and classroom teaching, and enabling accessibility tools for the visually impaired. More recent cycles have permitted circumvention to repair and maintain motor vehicles, agricultural equipment, and consumer electronics, reflecting the growing relevance of "right to repair" concerns.

Of particular interest in the age of AI, the Ninth Triennial Section 1201 Rulemaking expanded the exemption relating to text and data mining (TDM); the final rule took effect on 28 October 2024. Under the exemption, institutions of higher education may circumvent TPMs to access copyrighted works solely for TDM research or teaching. Access must be tightly controlled through secure authenticated connections and limited to individuals meeting specific criteria. The exemption applies only to qualified institutions of higher education, defined by criteria designed to ensure the exemption is limited to legitimate, credentialed academic institutions. The Tenth triennial proceeding opened on 9 June 2026 and will set the exemptions that run from October 2027 to 2030.

Under the exemption, access to the relevant copyrighted corpus must be limited strictly to specified researchers, although this includes researchers affiliated with other nonprofit higher-education institutions. Access must occur via authenticated, secure connections, ensuring strong control over who can use the material. To comply with the exemption, the institution must ensure that "effective security measures" are taken, these may include either: security protocols agreed to by both all relevant copyright owners and the eligible academic institutions, or security protocols that an institution already uses "to keep its own highly confidential information secure." See 37 C.F.R. 201.40(b)(4) and (b)(5). For additional materials on academic TDM, see *Text and Data Mining*, Authors Alliance (Apr. 2025), https://www.authorsalliance.org/resources/text-and-data-mining/.

Judicial interpretation of the anti-circumvention provisions

MDY Industries, LLC v. Blizzard Entertainment, Inc., 629 F.3d 928 (9th Cir. 2010)

Circuit Judge Callahan

Blizzard Entertainment, Inc. ("Blizzard") is the creator of World of Warcraft ("WoW"), a popular multiplayer online role-playing game in which players interact in a virtual world while advancing through the game's 70 levels. MDY Industries, LLC and its sole member Michael Donnelly ("Donnelly") (sometimes referred to collectively as "MDY") developed and sold Glider, a software program that automatically plays the early levels of WoW for players.

MDY brought this action for a declaratory judgment to establish that its Glider sales do not infringe Blizzard's copyright or other rights, and Blizzard asserted counterclaims under the Digital Millennium Copyright Act ("DMCA"), 17 U.S.C. § 1201 et seq., and for tortious interference with contract under Arizona law. The district court found MDY and Donnelly liable for secondary copyright infringement, violations of DMCA § 1201(a)(2) and (b)(1), and tortious interference with contract.

A. World of Warcraft

In November 2004, Blizzard created WoW, a "massively multiplayer online role-playing game" in which players interact in a virtual world. WoW has ten million subscribers, of which two and a half million are in North America. The WoW software has two components: (1) the game client software that a player installs on the computer; and (2) the game server software, which the player accesses on a subscription basis by connecting to WoW's online servers. WoW does not have single-player or offline modes.

WoW players roleplay different characters, such as humans, elves, and dwarves. A player's central objective is to advance the character through the game's 70 levels by participating in quests and engaging in battles with monsters. As a player advances, the character collects rewards such as in-game currency, weapons, and armor. WoW's virtual world has its own economy, in which characters use their virtual currency to buy and sell items directly from each other, through vendors, or using auction houses. Some players also utilize WoW's chat capabilities to interact with others.

B. Blizzard's use agreements

Each WoW player must read and accept Blizzard's End User License Agreement ("EULA") and Terms of Use ("ToU") on multiple occasions. The EULA pertains to the game client, so a player agrees to it both before installing the game client and upon first running it. The ToU pertains to the online service, so a player agrees to it both when creating an account and upon first connecting to the online service. Players who do not accept both the EULA and the ToU may return the game client for a refund.

C. Development of Glider and Warden

Donnelly is a WoW player and software programmer. In March 2005, he developed Glider, a software "bot" (short for robot) that automates play of WoW's early levels, for his personal use. A user need not be at the computer while Glider is running. As explained in the Frequently Asked Questions ("FAQ") on MDY's website for Glider:

> Glider ... moves the mouse around and pushes keys on the keyboard. You tell it about your character, where you want to kill things, and when you want to kill. Then it kills for you, automatically. You can do something else, like eat dinner or go to a movie, and when you return, you'll have a lot more experience and loot.

Glider does not alter or copy WoW's game client software, does not allow a player to avoid paying monthly subscription dues to Blizzard, and has no commercial use independent of WoW. Glider was not initially designed to avoid detection by Blizzard.

The parties dispute Glider's impact on the WoW experience. Blizzard contends that Glider disrupts WoW's environment for non-Glider players by enabling Glider users to advance quickly and unfairly through the game and to amass additional game assets. MDY contends that Glider has a minimal effect on non-Glider players, enhances the WoW experience for Glider users, and facilitates disabled players' access to WoW by auto-playing the game for them.

In summer 2005, Donnelly began selling Glider through MDY's website for fifteen to twenty-five dollars per license. Prior to marketing Glider, Donnelly reviewed Blizzard's EULA and client-server manipulation policy. He reached the conclusion that Blizzard had not prohibited bots in those documents.

In September 2005, Blizzard launched Warden, a technology that it developed to prevent its players who use unauthorized third-party software, including bots, from connecting to WoW's servers. Warden was able to detect Glider, and Blizzard immediately used Warden to ban most Glider users. MDY responded by modifying Glider to avoid detection and promoting its new anti-detection features on its website's FAQ. It added a subscription service, Glider Elite, which offered "additional protection from game detection software" for five dollars a month.

Thus, by late 2005, MDY was aware that Blizzard was prohibiting bots. MDY modified its website to indicate that using Glider violated Blizzard's ToU. In November 2005, Donnelly wrote in an email interview, "Avoiding detection is rather exciting, to be sure. Since Blizzard does not want bots running at all, it's a

violation to use them." Following MDY's anti-detection modifications, Warden only occasionally detected Glider. As of September 2008, MDY had gross revenues of $3.5 million based on 120,000 Glider license sales.

D. Financial and practical impact of Glider

Blizzard claims that from December 2004 to March 2008, it received 465,000 complaints about WoW bots, several thousand of which named Glider. Blizzard spends $940,000 annually to respond to these complaints, and the parties have stipulated that Glider is the principal bot used by WoW players. Blizzard introduced evidence that it may have lost monthly subscription fees from Glider users, who were able to reach WoW's highest levels in fewer weeks than players playing manually. Donnelly acknowledged in a November 2005 email that MDY's business strategy was to make Blizzard's anti-bot detection attempts financially prohibitive:

The trick here is that Blizzard has a finite amount of development and test resources, so we want to make it bad business to spend that much time altering their detection code to find Glider, since Glider's negative effect on the game is debatable.... [W]e attack th[is] weakness and try to make it a bad idea or make their changes very risky, since they don't want to risk banning or crashing innocent customers.

IV.

[The court found that although Glider violated the game's terms of service, specifically the prohibitions against bots and unauthorized third-party software, these terms were "covenants rather than copyright-enforceable conditions." As such violation of the terms of service could only trigger copyright liability if the licensee's action (1) exceeded the license's scope (2) in a manner that implicated one of the licensor's exclusive statutory rights. No such violation was present, thus there was no direct copyright infringement and no secondary copyright by MDY.]

After MDY began selling Glider, Blizzard launched Warden, its technology designed to prevent players who used bots from connecting to the WoW servers. Blizzard used Warden to ban most Glider users in September 2005. Blizzard claims that MDY is liable under DMCA § 1201(a)(2) and (b)(1) because it thereafter programmed Glider to avoid detection by Warden.

A. The Warden technology

Warden has two components. The first is a software module called "scan.dll," which scans a computer's RAM prior to allowing the player to connect to WoW's servers. If scan.dll detects that a bot is running, such as Glider, it will not allow the player to connect and play. After Blizzard launched Warden, MDY reconfigured Glider to circumvent scan.dll by not loading itself until after scan.dll completed its check. Warden's second component is a "resident" component that runs periodically in the background on a player's computer when it is connected to WoW's servers. It asks the computer to report portions of the WoW code running in RAM, and it looks for patterns of code associated with known bots or cheats. If it detects a bot or cheat, it boots the player from the game, which halts the computer's copying of copyrighted code into RAM.

B. The Digital Millennium Copyright Act

Congress enacted the DMCA in 1998 to conform United States copyright law to its obligations under two World Intellectual Property Organization ("WIPO") treaties, which require contracting parties to provide effective legal remedies against the circumvention of protective technological measures used by copyright owners. See *Universal City Studios, Inc. v. Corley*, 273 F.3d 429, 440 (2d Cir.2001). In enacting the DMCA, Congress sought to mitigate the problems presented by copyright enforcement in the digital age. The DMCA contains three provisions directed at the circumvention of copyright owners' technological measures. The Supreme Court has yet to construe these provisions, and they raise questions of first impression in this circuit.

The first provision, 17 U.S.C. § 1201(a)(1)(A), is a general prohibition against "circumventing a technological measure that effectively controls access to a work protected under [the Copyright Act]." The second prohibits trafficking in technology that circumvents a technological measure that "effectively controls access" to a copyrighted work. 17 U.S.C. § 1201(a)(2). The third prohibits trafficking in technology that circumvents a technological measure that "effectively protects" a copyright owner's right. 17 U.S.C. § 1201(b)(1).

C. The district court's decision

The district court assessed whether MDY violated DMCA § 1201(a)(2) and (b)(1) with respect to three WoW components. First, the district court considered the game client software's literal elements: the source code stored on players' hard drives. Second, the district court considered the game client software's individual non-literal elements: the 400,000+ discrete visual and audible components of the game, such as a visual image of a monster or its audible roar. Finally, it considered the game's dynamic non-literal elements: that is, the "real-time experience of traveling through different worlds, hearing their sounds, viewing their structures, encountering their inhabitants and monsters, and encountering other players."

The district court granted MDY partial summary judgment as to Blizzard's § 1201(a)(2) claim with respect to WoW's literal elements. The district court reasoned that Warden does not effectively control access to the literal elements because WoW players can access the literal elements without connecting to a game server and encountering Warden; they need only install the game client software on their computers. The district court also ruled for MDY following trial as to Blizzard's § 1201(a)(2) claim with respect to WoW's individual non-literal elements, reasoning that these elements could also be accessed on a player's hard drive without encountering Warden.

The district court, however, ruled for Blizzard following trial as to its § 1201(a)(2) and (b)(1) claims with respect to WoW's dynamic non-literal elements, or the "real-time experience" of playing WoW. It reasoned that Warden effectively controlled access to these elements, which could not be accessed without connecting to Blizzard's servers. It also found that Glider allowed its users to circumvent Warden by avoiding or bypassing its detection features, and that MDY marketed Glider for use in circumventing Warden.

We turn to consider whether Glider violates DMCA § 1201(a)(2) and (b)(1) by allowing users to circumvent Warden to access WoW's various elements. MDY contends that Warden's scan.dll and resident components are separate, and only scan.dll should be considered as a potential access control measure under § 1201(a)(2). However, in our view, an access control measure can both (1) attempt to block initial access and (2) revoke access if a secondary check determines that access was unauthorized. Our analysis considers Warden's scan.dll and resident components together because the two components have the same purpose: to prevent players using detectable bots from continuing to access WoW software.

D. Construction of § 1201

One of the issues raised by this appeal is whether certain provisions of § 1201 prohibit circumvention of access controls when access does not constitute copyright infringement. To answer this question and others presented by this appeal, we address the nature and interrelationship of the various provisions of § 1201 in the overall context of the Copyright Act.

We begin by considering the scope of DMCA § 1201's three operative provisions, §§ 1201(a)(1), 1201(a)(2), and 1201(b)(1). We consider them side-by-side, because "[w]e do not ... construe statutory phrases in isolation; we read statutes as a whole. Thus, the [term to be construed] must be read in light of the immediately following phrase...." *United States v. Morton*, 467 U.S. 822, 828.

1. Text of the operative provisions

We begin, as always, with the text of the statute. Section 1201(a)(1)(A) prohibits "circumvent[ing] a technological measure that effectively controls access to a work protected under this title." Sections 1201(a)(2) and (b)(1) provide that "no person shall manufacture, import, offer to the public, provide, or otherwise traffic in any technology, product, service, device, component, or part thereof, that —

§1201(a)(2)	§ 1201(b)(1)
(A)	(A)
is primarily designed or produced	is primarily designed or produced
for the purpose of	for the purpose of
circumventing a technological measure	**circumventing protection afforded by a technological measure**
that effectively controls access	that effectively protects
to **a work protected under this title;**	**a right of a copyright owner**;
(B)	(B)
has only limited commercially significant	has only limited commercially significant
purpose or use other than	purpose of use other than
to circumvent a technological measure	to circumvent protection afforded by a technological measure
that effectively controls access	that effectively protects a
to a work protected under this title;	right of a copyright owner under this title in a work or portion thereof;
(C)	(C)
is marketed by a person or another acting	is marketed by that person or another acting
in concert with that person	in concert with that person
with that person's knowledge for use	with that person's knowledge for use
in circumventing	in circumventing protection afforded by
a technological measure that	a technological measure that
effectively controls access to	effectively protects a
a work protected under this title.	right of a copyright owner under this title in
a	portion or work thereof."

(emphasis added).

Image description: The court reproduced the operative provisions of the statute side by side with certain words bolded for emphasis. Section § 1201(a)(2)(A) (the access provision) and § 1201(b)(1)(A) (the control provision) begin with parallel language: "is primarily designed or produced for the purpose of" and then the access provision reads "circumventing a technological measure that effectively controls access to a work protected under this title" whereas the control provision reads "circumventing protection afforded by a technological measure that effectively protects a right of a copyright owner." the remaining subsections (B) and (C) of the access provision and the control provision are fairly similar.

2. Our harmonization of the DMCA's operative provisions

For the reasons set forth below, we believe that § 1201 is best understood to create two distinct types of claims. First, § 1201(a) prohibits the circumvention of any technological measure that effectively controls access to a protected work and grants copyright owners the right to enforce that prohibition. Second, and in contrast to § 1201(a), § 1201(b)(1) prohibits trafficking in technologies that circumvent technological measures that effectively protect "a right of a copyright owner." Section 1201(b)(1)'s prohibition is thus aimed at circumventions of

measures that protect the copyright itself: it entitles copyright owners to protect their existing exclusive rights under the Copyright Act. Those exclusive rights are reproduction, distribution, public performance, public display, and creation of derivative works. 17 U.S.C. § 106. Historically speaking, preventing "access" to a protected work in itself has not been a right of a copyright owner arising from the Copyright Act.

Our construction of § 1201 is compelled by the four significant textual differences between § 1201(a) and (b). First, § 1201(a)(2) prohibits the circumvention of a measure that "effectively controls access to *a work protected under this title*," whereas § 1201(b)(1) concerns a measure that "effectively protects *a right of a copyright owner under this title in a work or portion thereof.*" (emphasis added). We read § 1201(b)(1)'s language — "right of a copyright owner under this title" — to reinforce copyright owners' traditional exclusive rights under § 106 by granting them an additional cause of action against those who traffic in circumventing devices that facilitate infringement. Sections 1201(a)(1) and (a)(2), however, use the term "work protected under this title." Neither of these two subsections explicitly refers to traditional copyright infringement under § 106. Accordingly, we read this term as extending a new form of protection, i.e., the right to prevent circumvention of access controls, broadly to works protected under Title 17, i.e., copyrighted works.

Second, as used in § 1201(a), to "circumvent a technological measure" means "to descramble a scrambled work, to decrypt an encrypted work, or otherwise to avoid, bypass, remove, deactivate, or impair a technological measure, without the authority of the copyright owner." 17 U.S.C. § 1201(a)(3)(A). These two specific examples of unlawful circumvention under § 1201(a) — descrambling a scrambled work and decrypting an encrypted work — are acts that do not necessarily infringe or facilitate infringement of a copyright.[6]

Footnote 6: Perhaps for this reason, Congress did not list descrambling and decrypting as circumventing acts that would violate § 1201(b)(1). See 17 U.S.C. § 1201(b)(2)(A).

Descrambling or decrypting only enables someone to watch or listen to a work without authorization, which is not necessarily an infringement of a copyright owner's traditional exclusive rights under § 106. Put differently, descrambling and decrypting do not necessarily result in someone's reproducing, distributing, publicly performing, or publicly displaying the copyrighted work, or creating derivative works based on the copyrighted work.

The third significant difference between the subsections is that § 1201(a)(1)(A) prohibits circumventing an effective access control measure, whereas § 1201(b) prohibits trafficking in circumventing devices, but does not prohibit circumvention itself because such conduct was already outlawed as copyright infringement. The Senate Judiciary Committee explained:

> This ... is the reason there is no prohibition on conduct in 1201(b) akin to the prohibition on circumvention conduct in 1201(a)(1). The prohibition in 1201(a)(1) is necessary because prior to this Act, the conduct of circumvention was never before made unlawful. The device limitation on 1201(a)(2) enforces this new

> prohibition on conduct. The copyright law has long forbidden copyright infringements, so no new prohibition was necessary.

Senate Report No. 105-90, at 11 (1998). This difference reinforces our reading of § 1201(b) as strengthening copyright owners' traditional rights against copyright infringement and of § 1201(a) as granting copyright owners a new anti-circumvention right.

Fourth, in § 1201(a)(1)(B)-(D), Congress directs the Library of Congress ("Library") to identify classes of copyrighted works for which "noninfringing uses by persons who are users of a copyrighted work are, or are likely to be, adversely affected, and the [anti-circumvention] prohibition contained in [§ 1201(a)(1)(A)] shall not apply to such users with respect to such classes of works for the ensuing 3-year period." There is no analogous provision in § 1201(b). We impute this lack of symmetry to Congress' need to balance copyright owners' new anti-circumvention right with the public's right to access the work. Sections 1201(a)(1)(B)-(D) thus promote the public's right to access by allowing the Library to exempt circumvention of effective access control measures in particular situations where it concludes that the public's right to access outweighs the owner's interest in restricting access. In limiting the owner's right to control access, the Library does not, and is not permitted to, authorize infringement of a copyright owner's traditional exclusive rights under the copyright. Rather, the Library is only entitled to moderate the new anti-circumvention right created by, and hence subject to the limitations in, DMCA § 1201(a)(1).

Our reading of § 1201(a) and (b) ensures that neither section is rendered superfluous. A violation of § 1201(a)(1)(A), which prohibits circumvention itself, will not be a violation of § 1201(b), which does not contain an analogous prohibition on circumvention. A violation of § 1201(a)(2), which prohibits trafficking in devices that facilitate circumvention of access control measures, will not always be a violation of § 1201(b)(1), which prohibits trafficking in devices that facilitate circumvention of measures that protect against copyright infringement. Of course, if a copyright owner puts in place an effective measure that both (1) controls access and (2) protects against copyright infringement, a defendant who traffics in a device that circumvents that measure could be liable under both § 1201(a) and (b). Nonetheless, we read the differences in structure between § 1201(a) and (b) as reflecting Congress's intent to address distinct concerns by creating different rights with different elements.

3. Our construction of the DMCA is consistent with the legislative history

Although the text suffices to resolve the issues before us, we also consider the legislative history in order to address the parties' arguments concerning it. Our review of that history supports the view that Congress created a new anticircumvention right in § 1201(a)(2) independent of traditional copyright infringement and granted copyright owners a new weapon against copyright infringement in § 1201(b)(1). For instance, the Senate Judiciary Committee report explains that § 1201(a)(2) and (b)(1) are "not interchangeable": they were "designed to protect two distinct rights and to target two distinct classes of devices,"

and "many devices will be subject to challenge only under one of the subsections." Senate Report No. 105-190, at 12 (1998). That is, § 1201(a)(2) "is designed to protect access to a copyrighted work," while § 1201(b)(1) "is designed to protect the traditional copyright rights of the copyright owner." Id. Thus, the Senate Judiciary Committee understood § 1201 to create the following regime:

> If an effective technological protection measure does nothing to prevent access to the plain text of the work, but is designed to prevent that work from being copied, then a potential cause of action against the manufacturer of a device designed to circumvent the measure lies under § 1201(b)(1), but not under § 1201(a)(2). Conversely, if an effective technological protection measure limits access to the plain text of a work only to those with authorized access, but provides no additional protection against copying, displaying, performing or distributing the work, then a potential cause of action against the manufacturer of a device designed to circumvent the measure lies under § 1201(a)(2), but not under § 1201(b).

Id. The Senate Judiciary Committee proffered an example of § 1201(a) liability with no nexus to infringement, stating that if an owner effectively protected access to a copyrighted work by use of a password, it would violate § 1201(a)(2)(A)

> To defeat or bypass the password and to make the means to do so, as long as the primary purpose of the means was to perform this kind of act. This is roughly analogous to making it illegal to break into a house using a tool, the primary purpose of which is to break into houses.

Id. at 12. The House Judiciary Committee similarly states of § 1201(a)(2), "The act of circumventing a technological protection measure put in place by a copyright owner to control access to a copyrighted work is the electronic equivalent of breaking into a locked room in order to obtain a copy of a book." See House Report No. 105-551, pt. 1, at 17 (1998). We note that bypassing a password and breaking into a locked room in order to read or view a copyrighted work would not infringe on any of the copyright owner's exclusive rights under § 106.

We read this legislative history as confirming Congress's intent, in light of the current digital age, to grant copyright owners an independent right to enforce the prohibition against circumvention of effective technological access controls. In § 1201(a), Congress was particularly concerned with encouraging copyright owners to make their works available in digital formats such as "on-demand" or "pay-per-view," which allow consumers effectively to "borrow" a copy of the work for a limited time or a limited number of uses. As the House Commerce Committee explained:

> An increasing number of intellectual property works are being distributed using a "client-server" model, where the work is effectively "borrowed" by the user (e.g., infrequent users of expensive software purchase a certain number of uses, or viewers watch a movie on a pay-per-view basis). To operate in this environment, content providers will need both the technology to make new uses possible and the legal framework to ensure they can protect their work from piracy.

See House Report No. 105-551 pt. 2, at 23 (1998).

Our review of the legislative history supports our reading of § 1201: that section (a) creates a new anticircumvention right distinct from copyright infringement,

while section (b) strengthens the traditional prohibition against copyright infringement.[10]

Footnote 10: The Copyright Office has also suggested that § 1201(a) creates a new access control right independent from copyright infringement, by expressing its view that the fair use defense to traditional copyright infringement does not apply to violations of § 1201(a)(1). U.S. Copyright Office, The Digital Millennium Copyright Act of 1998: U.S. Copyright Office Summary 4 (1998) ("Since the fair use doctrine is not a defense to the act of gaining unauthorized access to a work, the act of circumventing a technological measure in order to gain access is prohibited.").

We now review the decisions of the Federal Circuit that have interpreted § 1201 differently.

4. The Federal Circuit's decisions

The Federal Circuit has adopted a different approach to the DMCA. In essence, it requires § 1201(a) plaintiffs to demonstrate that the circumventing technology infringes or facilitates infringement of the plaintiff's copyright (an "infringement nexus requirement").

The seminal decision is *Chamberlain Group, Inc. v. Skylink Techs., Inc.*, 381 F.3d 1178 (Fed.Cir.2004). In *Chamberlain*, the plaintiff sold garage door openers ("GDOs") with a "rolling code" security system that purportedly reduced the risk of crime by constantly changing the transmitter signal necessary to open the door. Customers used the GDOs' transmitters to send the changing signal, which in turn opened or closed their garage doors.

Plaintiff sued the defendant, who sold "universal" GDO transmitters for use with plaintiff's GDOs, under § 1201(a)(2). The plaintiff alleged that its GDOs and transmitters both contained copyrighted computer programs and that its rolling code security system was a technological measure that controlled access to those programs. Accordingly, plaintiff alleged that the defendant — by selling GDO transmitters that were compatible with plaintiff's GDOs — had trafficked in a technology that was primarily used for the circumvention of a technological measure (the rolling code security system) that effectively controlled access to plaintiff's copyrighted works.

The Federal Circuit rejected the plaintiff's claim, holding that the defendant did not violate § 1201(a)(2) because, inter alia, the defendant's universal GDO transmitters did not infringe or facilitate infringement of the plaintiff's copyrighted computer programs. The linchpin of the *Chamberlain* court's analysis is its conclusion that DMCA coverage is limited to a copyright owner's rights under the Copyright Act as set forth in § 106 of the Copyright Act. Id. at 1192-93. Thus, it held that § 1201(a) did not grant copyright owners a new anti-circumvention right, but instead, established new causes of action for a defendant's unauthorized access of copyrighted material when it infringes upon a copyright owner's rights under § 106. Id. at 1192, 1194. Accordingly, a § 1201(a)(2) plaintiff was required to demonstrate a nexus to infringement — i.e., that the defendant's trafficking in circumventing technology had a "reasonable relationship" to the protections that the Copyright Act affords copyright owners. Id. at 1202-03. The Federal Circuit explained:

> Defendants who traffic in devices that circumvent access controls in ways that facilitate infringement may be subject to liability under § 1201(a)(2). Defendants who use such devices may be subject to liability under § 1201(a)(1) whether they infringe or not. Because all defendants who traffic in devices that circumvent rights controls necessarily facilitate infringement, they may be subject to liability under § 1201(b). Defendants who use such devices may be subject to liability for copyright infringement. *And finally, defendants whose circumvention devices do not facilitate infringement are not subject to § 1201 liability.*

Id. at 1195 (emphasis added). *Chamberlain* concluded that § 1201(a) created a new cause of action linked to copyright infringement, rather than a new anti-circumvention right separate from copyright infringement, for six reasons.

First, *Chamberlain* reasoned that Congress enacted the DMCA to balance the interests of copyright owners and information users, and an infringement nexus requirement was necessary to create an anti-circumvention right that truly achieved that balance. Id. at 1196. Second, *Chamberlain* feared that copyright owners could use an access control right to prohibit exclusively fair uses of their material even absent feared foul use. Id. at 1201. Third, *Chamberlain* feared that § 1201(a) would allow companies to leverage their sales into aftermarket monopolies, in potential violation of antitrust law and the doctrine of copyright misuse. Fourth, *Chamberlain* viewed an infringement nexus requirement as necessary to prevent "absurd and disastrous results," such as the existence of DMCA liability for disabling a burglary alarm to gain access to a home containing copyrighted materials. Id.

Fifth, *Chamberlain* stated that an infringement nexus requirement might be necessary to render Congress's exercise of its Copyright Clause authority rational. Id. at 1200. The Copyright Clause gives Congress "the task of defining the scope of the limited monopoly that should be granted to authors ... in order to give the public appropriate access to their work product." Id. (citing *Eldred v. Ashcroft*, 537 U.S. 186, 204-05 (2003) (internal citation omitted)). Without an infringement nexus requirement, Congress arguably would have allowed copyright owners in § 1201(a) to deny all access to the public by putting an effective access control measure in place that the public was not allowed to circumvent.

Finally, the *Chamberlain* court viewed an infringement nexus requirement as necessary for the Copyright Act to be internally consistent. It reasoned that § 1201(c)(1), enacted simultaneously, provides that "nothing in this section shall affect rights, remedies, limitations, or defenses to copyright infringement, including fair use, under this title." The *Chamberlain* court opined that if § 1201(a) creates liability for access without regard to the remainder of the Copyright Act, it "would clearly affect rights and limitations, if not remedies and defenses." Id.

Accordingly, the Federal Circuit held that a DMCA § 1201(a)(2) action was foreclosed to the extent that the defendant trafficked in a device that did not facilitate copyright infringement.

5. We decline to adopt an infringement nexus requirement

While we appreciate the policy considerations expressed by the Federal Circuit in *Chamberlain*, we are unable to follow its approach because it is contrary to the plain language of the statute. In addition, the Federal Circuit failed to recognize the rationale for the statutory construction that we have proffered. Also, its approach is based on policy concerns that are best directed to Congress in the first instance, or for which there appear to be other reasons that do not require such a convoluted construction of the statute's language.

i. Statutory inconsistencies

Were we to follow *Chamberlain* in imposing an infringement nexus requirement, we would have to disregard the plain language of the statute. Moreover, there is significant textual evidence showing Congress's intent to create a new anticircumvention right in § 1201(a) distinct from infringement. As set forth supra, this evidence includes: (1) Congress's choice to link only § 1201(b)(1) explicitly to infringement; (2) Congress's provision in § 1201(a)(3)(A) that descrambling and decrypting devices can lead to § 1201(a) liability, even though descrambling and decrypting devices may only enable non-infringing access to a copyrighted work; and (3) Congress's creation of a mechanism in § 1201(a)(1)(B)-(D) to exempt certain non-infringing behavior from § 1201(a)(1) liability, a mechanism that would be unnecessary if an infringement nexus requirement existed.

Though unnecessary to our conclusion because of the clarity of the statute's text, we also note that the legislative history supports the conclusion that Congress intended to prohibit even non-infringing circumvention and trafficking in circumventing devices. Moreover, in mandating a § 1201(a) nexus to infringement, we would deprive copyright owners of the important enforcement tool that Congress granted them to make sure that they are compensated for valuable non-infringing access — for instance, copyright owners who make movies or music available online, protected by an access control measure, in exchange for direct or indirect payment.

The *Chamberlain* court reasoned that if § 1201(a) creates liability for access without regard to the remainder of the Copyright Act, it "would clearly affect rights and limitations, if not remedies and defenses." 381 F.3d at 1200. This perceived tension is relieved by our recognition that § 1201(a) creates a new anti-circumvention right distinct from the traditional exclusive rights of a copyright owner. It follows that § 1201(a) does not limit the traditional framework of exclusive rights created by § 106, or defenses to those rights such as fair use.[12] We are thus unpersuaded by Chamberlain's reading of the DMCA's text and structure.

Footnote 12: Like the *Chamberlain* court, we need not and do not reach the relationship between fair use under § 107 of the Copyright Act and violations of § 1201. Chamberlain, 381 F.3d at 1199 n. 14. MDY has not claimed that Glider use is a "fair use" of WoW's dynamic non-literal elements. Accordingly, we too leave open the question whether fair use might serve as an affirmative defense to a prima facie violation of § 1201. Id.

ii. Additional interpretive considerations

Though we need no further evidence of Congress's intent, the parties, citing *Chamberlain*, proffer several other arguments, which we review briefly in order to

address the parties' contentions. Chamberlain relied heavily on policy considerations to support its reading of § 1201(a). As a threshold matter, we stress that such considerations cannot trump the statute's plain text and structure. Even were they permissible considerations in this case, however, they would not persuade us to adopt an infringement nexus requirement. *Chamberlain* feared that § 1201(a) would allow companies to leverage their sales into aftermarket monopolies, in tension with antitrust law and the doctrine of copyright misuse.[13]

Footnote 13: Copyright misuse is an equitable defense to copyright infringement that denies the copyright holder the right to enforce its copyright during the period of misuse. Practice Mgmt. Info. Corp. v. Am. Med. Ass'n, 121 F.3d 516, 520 (9th Cir.1997). Since we have held that § 1201(a) creates a right distinct from copyright infringement, we conclude that we need not address copyright misuse in this case.

Concerning antitrust law, we note that there is no clear issue of anti-competitive behavior in this case because Blizzard does not seek to put a direct competitor who offers a competing role-playing game out of business and the parties have not argued this issue. If a § 1201(a)(2) defendant in a future case claims that a plaintiff is attempting to enforce its DMCA anti-circumvention right in a manner that violates antitrust law, we will then consider the interplay between this new anti-circumvention right and antitrust law.

Chamberlain also viewed an infringement nexus requirement as necessary to prevent "absurd and disastrous results," such as the existence of DMCA liability for disabling a burglary alarm to gain access to a home containing copyrighted materials. 381 F.3d at 1201. In addition, the Federal Circuit was concerned that, without an infringement nexus requirement, § 1201(a) would allow copyright owners to deny all access to the public by putting an effective access control measure in place that the public is not allowed to circumvent. 381 F.3d at 1200. Both concerns appear to be overstated, but even accepting them, arguendo, as legitimate concerns, they do not permit reading the statute as requiring the imposition of an infringement nexus. As § 1201(a) creates a distinct right, it does not disturb the balance between public rights and the traditional rights of owners of copyright under the Copyright Act. Moreover, § 1201(a)(1)(B)-(D) allows the Library of Congress to create exceptions to the § 1201(a) anticircumvention right in the public's interest. If greater protection of the public's ability to access copyrighted works is required, Congress can provide such protection by amending the statute.

In sum, we conclude that a fair reading of the statute (supported by legislative history) indicates that Congress created a distinct anti-circumvention right under § 1201(a) without an infringement nexus requirement. Thus, even accepting the validity of the concerns expressed in Chamberlain, those concerns do not authorize us to override congressional intent and add a non-textual element to the statute. Accordingly, we reject the imposition of an infringement nexus requirement. We now consider whether MDY has violated § 1201(a)(2) and (b)(1).

E. Blizzard's § 1201(a)(2) claim

1. WoW's literal elements and individual non-literal elements

We agree with the district court that MDY's Glider does not violate DMCA § 1201(a)(2) with respect to WoW's literal elements and individual non-literal elements, because Warden does not effectively control access to these WoW elements. First, Warden does not control access to WoW's literal elements because these elements — the game client's software code — are available on a player's hard drive once the game client software is installed. Second, as the district court found:

> [WoW's] individual nonliteral components may be accessed by a user without signing on to the server. As was demonstrated during trial, an owner of the game client software may use independently purchased computer programs to call up the visual images or the recorded sounds within the game client software. For instance, a user may call up and listen to the roar a particular monster makes within the game. Or the user may call up a virtual image of that monster.

Since a player need not encounter Warden to access WoW's individual non-literal elements, Warden does not effectively control access to those elements.

Our conclusion is in accord with the Sixth Circuit's decision in *Lexmark International v. Static Control Components*, 387 F.3d 522 (6th Cir.2004). In *Lexmark*, the plaintiff sold laser printers equipped with an authentication sequence, verified by the printer's copyrighted software, that ensured that only plaintiff's own toner cartridges could be inserted into the printers. The defendant sold microchips capable of generating an authentication sequence that rendered other manufacturers' cartridges compatible with plaintiff's printers.

The Sixth Circuit held that plaintiff's § 1201(a)(2) claim failed because its authentication sequence did not effectively control access to its copyrighted computer program. Rather, the mere purchase of one of plaintiff's printers allowed "access" to the copyrighted program. Any purchaser could read the program code directly from the printer memory without encountering the authentication sequence. The authentication sequence thus blocked only one form of access: the ability to make use of the printer. However, it left intact another form of access: the review and use of the computer program's literal code. The Sixth Circuit explained:

> Just as one would not say that a lock on the back door of a house "controls access" to a house whose front door does not contain a lock and just as one would not say that a lock on any door of a house "controls access" to the house after its purchaser receives the key to the lock, it does not make sense to say that this provision of the DMCA applies to otherwise-readily-accessible copyrighted works. Add to this the fact that the DMCA not only requires the technological measure to "control access" but requires the measure to control that access "effectively," 17 U.S.C. § 1201(a)(2), and it seems clear that this provision does not naturally extend to a technological measure that restricts one form of access but leaves another route wide open.

Id. at 547.

Here, a player's purchase of the WoW game client allows access to the game's literal elements and individual non-literal elements. Warden blocks one form of access to these elements: the ability to access them while connected to a WoW server. However, analogously to the situation in Lexmark, Warden leaves open the

ability to access these elements directly via the user's computer. We conclude that Warden is not an effective access control measure with respect to WoW's literal elements and individual non-literal elements, and therefore, that MDY does not violate § 1201(a)(2) with respect to these elements.

2. WoW's dynamic non-literal elements

We conclude that MDY meets each of the six textual elements for violating § 1201(a)(2) with respect to WoW's dynamic non-literal elements. That is, MDY (1) traffics in (2) a technology or part thereof (3) that is primarily designed, produced, or marketed for, or has limited commercially significant use other than (4) circumventing a technological measure (5) that effectively controls access (6) to a copyrighted work. See 17 U.S.C. § 1201(a)(2).

The first two elements are met because MDY "traffics in a technology or part thereof" — that is, it sells Glider. The third and fourth elements are met because Blizzard has established that MDY markets Glider for use in circumventing Warden, thus satisfying the requirement of § 1201(a)(2)(C).[16]

Footnote 16: To "circumvent a technological measure" under § 1201(a) means to "descramble a scrambled work, to decrypt an encrypted work, or otherwise to avoid, bypass, remove, deactivate, or impair a technological measure, *without the authority of the copyright owner*." 17 U.S.C. § 1201(a)(3)(A) (emphasis added). A circuit split exists with respect to the meaning of the phrase "without the authority of the copyright owner." The Federal Circuit has concluded that this definition imposes an additional requirement on a § 1201(a)(2) plaintiff: to show that the defendant's circumventing device enables third parties to access the copyrighted work without the copyright owner's authorization. See Chamberlain, 381 F.3d at 1193. The Second Circuit has adopted a different view, explaining that § 1201(a)(3)(A) plainly exempts from § 1201(a) liability those whom a copyright owner authorizes to circumvent an access control measure, not those whom a copyright owner authorizes to access the work. Corley, 273 F.3d at 444 & n. 15; see also 321 Studios v. MGM Studios, Inc., 307 F.Supp.2d 1085, 1096 (N.D.Cal.2004) (same).

We find the Second Circuit's view to be the sounder construction of the statute's language, and conclude that § 1201(a)(2) does not require a plaintiff to show that the accused device enables third parties to access the work without the copyright owner's authorization. Thus, Blizzard has satisfied the "circumvention" element of a § 1201(a)(2) claim, because Blizzard has demonstrated that it did not authorize MDY to circumvent Warden.

Indeed, Glider has no function other than to facilitate the playing of WoW. The sixth element is met because, as the district court held, WoW's dynamic non-literal elements constitute a copyrighted work. See, e.g., *Atari Games Corp. v. Oman*, 888 F.2d 878, 884-85 (D.C.Cir.1989) (the audiovisual display of a computer game is copyrightable independently from the software program code, even though the audiovisual display generated is partially dependent on user input).

The fifth element is met because Warden is an effective access control measure. To "effectively control access to a work," a technological measure must "in the ordinary course of its operation, require[] the application of information, or a process or a treatment, with the authority of the copyright owner, to gain access to the work." 17 U.S.C. § 1201(a)(3)(B). Both of Warden's two components "require[] the application of information, or a process or a treatment ... to gain access to the work." For a player to connect to Blizzard's servers which provide access to WoW's dynamic non-literal elements, scan.dll must scan the player's

computer RAM and confirm the absence of any bots or cheats. The resident component also requires a "process" in order for the user to continue accessing the work: the user's computer must report portions of WoW code running in RAM to the server. Moreover, Warden's provisions were put into place by Blizzard, and thus, function "with the authority of the copyright owner." Accordingly, Warden effectively controls access to WoW's dynamic non-literal elements.[17]

Footnote 17: The statutory definition of the phrase "effectively control access to a work" does not require that an access control measure be strong or circumvention-proof. Rather, it requires an access control measure to provide some degree of control over access to a copyrighted work. As one district court has observed, if the word "effectively" were read to mean that the statute protects "only successful or efficacious technological means of controlling access," it would "gut" DMCA § 1201(a)(2), because it would "limit the application of the statute to access control measures that thwart circumvention, but withhold protection for those measures that can be circumvented." See Universal City Studios v. Reimerdes, 111 F.Supp.2d 294, 318 (S.D.N.Y. 2000) ("Defendants would have the Court construe the statute to offer protection where none is needed but to withhold protection precisely where protection is essential.").

We hold that MDY is liable under § 1201(a)(2) with respect to WoW's dynamic non-literal elements. Accordingly, we affirm the district court's entry of a permanent injunction against MDY to prevent future § 1201(a)(2) violations.[19]

Footnote 19: For the first time in its petition for rehearing, MDY raises the applicability of Section 1201(f) and the question whether Glider is an "independently created computer program" under that subsection and thus exempt from the coverage of Section 1201(a). Because this argument was not raised to the district court or presented in the parties' briefs on appeal, we decline to reach it.

F. Blizzard's § 1201(b)(1) claim

Blizzard may prevail under § 1201(b)(1) only if Warden "effectively protect[s] a right" of Blizzard under the Copyright Act. Blizzard contends that Warden protects its reproduction right against unauthorized copying. We disagree.

First, although WoW players copy the software code into RAM while playing the game, Blizzard's EULA and ToU authorize all licensed WoW players to do so. We have explained that ToU § 4(B)'s bot prohibition is a license covenant rather than a condition. Thus, a Glider user who violates this covenant does not infringe by continuing to copy code into RAM. Accordingly, MDY does not violate § 1201(b)(1) by enabling Glider users to avoid Warden's interruption of their authorized copying into RAM.

Second, although WoW players can theoretically record game play by taking screen shots, there is no evidence that Warden detects or prevents such allegedly infringing copying. This is logical, because Warden was designed to reduce the presence of cheats and bots, not to protect WoW's dynamic non-literal elements against copying. We conclude that Warden does not effectively protect any of Blizzard's rights under the Copyright Act, and MDY is not liable under § 1201(b)(1) for Glider's circumvention of Warden.

[The court of appeals reversed the district court except as to MDY's liability for violation of DMCA § 1201(a)(2) and remanded for trial on Blizzard's claim for tortious interference with contract.]

Notes and questions

(1) What are the three main provisions of DMCA § 1201, and how do they differ from each other?

(2) Why does the court think that the anti-circumvention rules apply differently to WoW's "literal elements," "individual non-literal elements," and its "dynamic non-literal elements"? Also, why did the court find that MDY violated § 1201(a)(2) but not § 1201(b)(1)?

(3) The Ninth Circuit rejected the Federal Circuit's "infringement nexus requirement" from the *Chamberlain* case. What is this requirement, and why did the Ninth Circuit reject it?

(4) Under this court's interpretation, would a company that sells devices to bypass Netflix's password protection be liable under § 1201(a)(2)? What about a company that provides a password manager service so that people don't need to remember their own Netflix password?

(5) Do you agree with the court's interpretation that § 1201(a) creates liability even without any connection to copyright infringement? What are the potential benefits and dangers of this approach?

Copyright management information

In addition to the prohibitions against circumventing technological protection measures addressed above, the DMCA also introduced a new cause of action with respect to "Copyright Management Information."

Under Section 1202(a) of the copyright act it is unlawful—subject to certain knowledge and intent requirements discussed below—to provide, distribute, or import for distribution, false copyright management information. Likewise, Section 1202(b) prohibits the removal or alteration of copyright management information, again subject to certain knowledge and intent requirements.

> **17 U.S. Code § 1202. Integrity of copyright management information**
>
> (a) False Copyright Management Information.—No person shall knowingly and with the intent to induce, enable, facilitate, or conceal infringement—
>
> (1) provide copyright management information that is false, or
>
> (2) distribute or import for distribution copyright management information that is false.
>
> (b) Removal or Alteration of Copyright Management Information.—No person shall, without the authority of the copyright owner or the law—
>
> (1) intentionally remove or alter any copyright management information,
>
> (2) distribute or import for distribution copyright management information knowing that the copyright management information has been removed or altered without authority of the copyright owner or the law, or

(3) distribute, import for distribution, or publicly perform works, copies of works, or phonorecords, knowing that copyright management information has been removed or altered without authority of the copyright owner or the law,

knowing, or, with respect to civil remedies under section 1203, having reasonable grounds to know, that it will induce, enable, facilitate, or conceal an infringement of any right under this title.

(c) Definition.—As used in this section, the term "copyright management information" means any of the following information conveyed in connection with copies or phonorecords of a work or performances or displays of a work, including in digital form, except that such term does not include any personally identifying information about a user of a work or of a copy, phonorecord, performance, or display of a work:

(1) The title and other information identifying the work, including the information set forth on a notice of copyright.

(2) The name of, and other identifying information about, the author of a work.

(3) The name of, and other identifying information about, the copyright owner of the work, including the information set forth in a notice of copyright.

(4) With the exception of public performances of works by radio and television broadcast stations, the name of, and other identifying information about, a performer whose performance is fixed in a work other than an audiovisual work.

(5) With the exception of public performances of works by radio and television broadcast stations, in the case of an audiovisual work, the name of, and other identifying information about, a writer, performer, or director who is credited in the audiovisual work.

(6) Terms and conditions for use of the work.

(7) Identifying numbers or symbols referring to such information or links to such information.

(8) Such other information as the Register of Copyrights may prescribe by regulation, except that the Register of Copyrights may not require the provision of any information concerning the user of a copyrighted work.

Not surprisingly, the key interpretive questions relating to Section 1202 have centered on the breadth of the term copyright management information and the limits of the knowledge and intent requirements.

Stevens v. Corelogic, Inc., 899 F.3d 666 (9th Cir. 2018)

Circuit Judge Berzon,

Residential real estate sales today depend largely on online sites displaying properties for sale. Plaintiffs Robert Stevens and Steven Vandel ("the Photographers") are professional real estate photographers who take photographs of listed properties and license them to real estate agents. The real estate agents, in turn, upload such photographs to Multiple Listing Services ("MLS") — computerized databases of listed properties — using Defendant CoreLogic's software.

In this action against CoreLogic, the Photographers allege that CoreLogic removed copyright management information from their photographs and distributed their photographs with the copyright management information removed, in violation of 17 U.S.C. § 1202(b)(1)-(3). We affirm the grant of summary judgment in favor of CoreLogic.

FACTS AND PROCEEDINGS BELOW

A. Metadata

Stevens and Vandel are hired by real estate agents to take digital photographs of houses for sale. The Photographers retain the copyright in those photographs and license them to the agents. Like most digital photographs, at least some of Stevens' and Vandel's photographs contain metadata — i.e., data about the image file itself. Metadata is not visible on the face of the image. Rather, it is either embedded in the digital file or stored outside the image file, such as in a "sidecar" file, and can be viewed using computer programs.

Some metadata is generated automatically by cameras. The Exchangeable Image File Format ("EXIF") is used by virtually all digital cameras to store information about the settings used to capture a digital image. EXIF information can include the make, model, and serial number of the camera taking the photograph; the shutter speed; the aperture settings; light sensitivity; the focal length of the lens; and even, in some cases, the location at which the photo was captured. Essentially, EXIF metadata provides information about when the image was taken and under what technical conditions.

Other metadata may be added manually, either by programming the camera or by adding information after taking the picture, using photo editing software. Such metadata is often stored in IPTC format, named for the International Press Telecommunications Council, which developed metadata standards to facilitate the exchange of news. IPTC metadata can include, for example, the title of the image, a caption or description, keywords, information about the photographer, and copyright restrictions. It may be used to check copyright information, to sort images, and to provide accurate search results in an image database or search engine. A small number of fields such as Author/Creator, Copyright, and Caption/Description exist in both EXIF and IPTC formats.

Copyright law restricts the removal or alteration of copyright management information ("CMI") — information such as the title, the author, the copyright owner, the terms and conditions for use of the work, and other identifying information set forth in a copyright notice or conveyed in connection with the work. See 17 U.S.C. § 1202(b)-(c). Both EXIF and IPTC metadata can contain "copyright management information."

B. CoreLogic Software

CoreLogic is a California-based corporation that develops and provides software to Multiple Listing Services. Known as one of the "Big 3" real estate software vendors nationally, CoreLogic currently markets, or has previously marketed, several MLS software platforms, including Matrix, InnoVia, Fusion, MLXchange, Tempo 4, and

Tempo 5. The Photographers allege that CoreLogic's software removed CMI metadata from their photographs, in violation of 17 U.S.C. § 1202(b).

Because image files can be very large, CoreLogic's MLS software resizes or "downsamples" images. Downsampling entails creating and saving a copy of an uploaded image in a smaller number of pixels and deleting the original image; the process reduces storage size, facilitates computer display, and helps images load faster on web pages.

The image processing aspect of CoreLogic's software was not developed by CoreLogic entirely on its own. Like virtually all software, CoreLogic's software incorporated "libraries" — pre-written code that can be used by a computer program and that enables software to develop in a modular fashion. These libraries are unable to read EXIF data from image files or to write EXIF data to image files. Thus, when images are copied or resized using the code from these pre-existing libraries, metadata attached to those images is not retained.[1]

Footnote 1: It is not uncommon for image processing software to fail to preserve metadata. Tests conducted by the Embedded Metadata Group in 2015 revealed that, of fifteen social media websites studied, eight preserved EXIF metadata and seven, including, Facebook, Instagram, and Twitter, did not. Some image-processing libraries, however, such as "ImageMagick," do read and write EXIF data, and thus transfer EXIF metadata to the new image file when resizing.

The Photographers filed this action in May 2014. Significantly, the dispute is limited to metadata. The Photographers do not allege that CoreLogic's software removed visible CMI, such as digital watermarks, from their photographs, and indeed, CoreLogic's software does not detect, recognize, or remove visible CMI. Cf. *Murphy v. Millennium Radio Grp. LLC*, 650 F.3d 295, 305 (3d Cir. 2011) (imposing liability on a defendant who cropped out the photographer's name from the "gutter" copyright credit before posting a photograph online).

After receiving the Photographers' initial complaint, CoreLogic modified its software to ensure that EXIF metadata is copied and restored to images processed by CoreLogic's MLS software. These modifications were made within a few months of receiving the initial complaint, although testing and installation of the revised version on all MLSs using CoreLogic software took several more months. The Photographers contend that, even after these changes, CoreLogic software continues to remove IPTC metadata.

In addition to providing MLS software — which, again, real estate agents use to share information about properties with other agents — CoreLogic also operates the Partner InfoNet program, which allows MLSs to license their aggregated real estate listing data to mortgage lenders and servicers, in exchange for a share of the licensees' revenue. CoreLogic used photographs taken and owned by the Photographers on Partner InfoNet products.

[The district court granted summary judgment in favor of CoreLogic.]

DISCUSSION

A. Violation of 17 U.S.C. § 1202(b)

The Photographers allege that CoreLogic's software removed CMI metadata, in violation of 17 U.S.C. § 1202(b)(1), and that CoreLogic distributed images knowing that copyright management information was removed, in violation of 17 U.S.C. § 1202(b)(3). Reviewing de novo the district court's decision to grant summary judgment to CoreLogic, we affirm the grant of summary judgment.

1. Section 1202(b) Requires an Affirmative Showing That the Defendant Knew the Prohibited Act Would "Induce, Enable, Facilitate, or Conceal" Infringement

Section 1202(b)(1) provides: "No person shall, without the authority of the copyright owner or the law ... intentionally remove or alter any copyright management information ... knowing, or ... having reasonable grounds to know, that it will induce, enable, facilitate, or conceal an infringement of any" copyright. 17 U.S.C. § 1202(b)(1). Section 1202(b)(3) provides: "No person shall, without the authority of the copyright owner or the law ... distribute, import for distribution, or publicly perform works, copies of works, or phonorecords, knowing that copyright management information has been removed or altered without authority of the copyright owner or the law, knowing, or ... having reasonable grounds to know, that it will induce, enable, facilitate, or conceal an infringement of any" copyright. Id. § 1202(b)(3).[3]

Footnote 3: The Photographers' complaint also alleges a violation of 17 U.S.C. § 1202(b)(2). Section 1202(b)(2) refers to the "distribution or import for distribution [of] *copyright management information* knowing that the copyright management information has been removed or altered without authority of the copyright owner or the law." 17 U.S.C. § 1202(b)(2) (emphasis added). The Photographers do not specifically allege any instances involving the distribution of altered CMI separate from the distribution of the copyrighted photographs. As the elements of the two statutory provisions are otherwise indistinguishable, the Photographers have not plausibly stated a claim under Section 1202(b)(2) different from their claim under Section 1202(b)(3). We therefore discuss in the text only the Section 1202(b)(3) claim.

Both provisions thus require the defendant to possess the mental state of knowing, or having a reasonable basis to know, that his actions "will induce, enable, facilitate, or conceal" infringement.

The Photographers have not offered any evidence to satisfy that mental state requirement. Their primary argument is that, because one method of identifying an infringing photograph has been impaired, someone might be able to use their photographs undetected. That assertion rests on no affirmative evidence at all; it simply identifies a general possibility that exists whenever CMI is removed.

As we interpret Section 1202(b), this generic approach won't wash. It is a fundamental principle of statutory interpretation that we must "give effect, if possible, to every clause and word of a statute," *Montclair v. Ramsdell*, 107 U.S. 147, 152 (1883), "so that no part will be inoperative or superfluous, void or insignificant," *Corley v. United States*, 556 U.S. 303 (2009). To avoid superfluity, the mental state requirement in Section 1202(b) must have a more specific application than the universal possibility of encouraging infringement; specific allegations as to how identifiable infringements "will" be affected are necessary.

At the same time, as the statute is written in the future tense, the Photographers need not show that any specific infringement has already occurred. Also,

recognizing that "nothing is completely stable, no plan is beyond alteration," we have previously observed that statutes requiring knowledge that a future action "will" occur do not "require knowledge in the sense of certainty as to a future act." *United States v. Todd*, 627 F.3d 329, 334 (9th Cir. 2010). Rather, knowledge in the context of such statutes signifies "a state of mind in which the knower is familiar with a pattern of conduct" or "aware of an established modus operandi that will in the future cause a person to engage in" a certain act. Id. Applying that concept here, we hold that a plaintiff bringing a Section 1202(b) claim must make an affirmative showing, such as by demonstrating a past "pattern of conduct" or "modus operandi", that the defendant was aware or had reasonable grounds to be aware of the probable future impact of its actions.

Our conclusion about the import of the "induce[d], enable[d], facilitate[d], or conceal[ed]" prong is supported by the legislative history of Section 1202. That provision was enacted to implement obligations of parties to the WIPO Copyright Treaty ("WCT") and the WIPO Performances and Phonograms Treaty. See S. Rep. No. 105-190, at 5, 9 (1998). The initial draft of the WCT provision regarding CMI provided:

> Contracting parties shall make it unlawful for any person knowingly ... (i) to remove or alter any electronic rights management information without authority; [or] (ii) to distribute, import for distribution or communicate to the public, without authority, copies of works from which electronic rights management information has been removed or altered without authority.

World Intellectual Property Organization [WIPO], Basic Proposal for the Substantive Provisions of the Treaty on Certain Questions Concerning the Protection of Literary and Artistic Works to Be Considered by the Diplomatic Conference, art. 14(1), WIPO Doc. CRNR/DC/4 (Aug. 30, 1996).

In response to requests from delegates that the provision be modified to require a connection to an infringing purpose, the provision was redrafted as follows:

> Contracting Parties shall provide adequate and effective legal remedies against any person knowingly performing any of the following acts *knowing or, with respect to civil remedies having reasonable grounds to know, that it will induce, enable, facilitate or conceal an infringement of any right covered by this Treaty or the Berne Convention*: (i) to remove or alter any electronic rights management information without authority; (ii) to distribute, import for distribution, broadcast or communicate to the public, without authority, works or copies of works knowing that electronic rights management information has been removed or altered without authority.

WIPO Copyright Treaty art. 12, Dec. 20 1996 (emphasis added). The revision thus makes clear that the "induce, enable, facilitate or conceal" requirement is intended to limit liability in some fashion — specifically, to instances in which the defendant knows or has a reasonable basis to know that the removal or alteration of CMI or the distribution of works with CMI removed will aid infringement.

When Congress was considering the WIPO Copyright Treaties Implementation Act — a part of the Digital Millennium Copyright Act ("DMCA") that included the new Section 1202 — the Register of Copyrights emphasized that Section 1202's

provisions "do not apply to those who act innocently.... Liability for the removal or alteration of information requires the actor to know or have reason to know that his acts 'will induce, enable, facilitate or conceal' infringement." WIPO Copyright Treaties Implementation Act, and Online Copyright Liability Limitation Act: Hearing Before the House Subcommittee on Courts and Intellectual Property of the House Committee on the Judiciary, 105th Cong. 51 (1997) (statement of Marybeth Peters, Register of Copyrights, Copyright Office of the United States).

In short, to satisfy the knowledge requirement, a plaintiff bringing a Section 1202(b)(1) claim must offer more than a bare assertion that "when CMI metadata is removed, copyright infringement plaintiffs... lose an important method of identifying a photo as infringing." Instead, the plaintiff must provide evidence from which one can infer that future infringement is likely, albeit not certain, to occur as a result of the removal or alteration of CMI.

2. The Photographers Have Failed to Make the Required Affirmative Showing

The Photographers have not offered any specific evidence that removal of CMI metadata from their real estate photographs will impair their policing of infringement. There are no allegations, for example, of a "pattern of conduct" or "modus operandi" involving policing infringement by tracking metadata. *Todd*, 627 F.3d at 334. Indeed, the evidence presented cuts against any inference that CMI metadata is of any practical significance to the Photographers in policing copyright infringement of their images.

The Photographers have not, for example, averred that they have ever used CMI metadata to prevent or detect copyright infringement, much less how they would do so. Vandel testified that, before this lawsuit began, he had never "looked at any metadata information on any photograph in an MLS system." On the only two occasions Vandel became aware of unauthorized use of his photographs, he learned about the unauthorized use from the real estate agent who commissioned the photographs. The agent saw the image elsewhere and contacted Vandel to ask if he had permitted the use. Stevens similarly testified that he had "never tried to download a photo off an MLS listing ... and look at its properties, its metadata," that he "didn't think you can pull up metadata off of an MLS listing," and that he "didn't even realize you could click on a picture off the Internet, right-click it, and get metadata off of it." The testimony of both Stevens and Vandel undermines any ostensible relationship between the removal of CMI metadata and their policing of infringement.

Nor have the Photographers brought forward any evidence indicating that CoreLogic's distribution of real estate photographs ever "induce[d], enable[d], facilitate[d], or conceal[ed]" any particular act of infringement by anyone, let alone a pattern of such infringement likely to recur in the future. They identify no instance in which the removal of CMI metadata from any photograph "induce[d], enable[d], facilitate[d] or conceal[ed] an infringement." Moreover, a party intent on using a copyrighted photograph undetected can itself remove any CMI metadata, precluding detection through a search for the metadata. So on the record here, one cannot plausibly say that removal by a third party "will" make it easier to use a

copyrighted photograph undetected, using "will" in the predictive sense we have indicated.

Because the Photographers have not put forward any evidence that CoreLogic knew its software carried even a substantial risk of inducing, enabling, facilitating, or concealing infringement, let alone a pattern or probability of such a connection to infringement, CoreLogic is not liable for violating 17 U.S.C. § 1202(b).

Notes and questions

(1) What kind of mental state is required to bring a Section 1202(b) claim? How strong does the link to future infringement need to be?

(2) What specific type of evidence did the Ninth Circuit require plaintiffs to provide to satisfy the mental state requirement? Why did the court reject the photographers' argument that removing CMI metadata automatically satisfies this requirement?

(3) In *Mango v. BuzzFeed, Inc.*, 970 F.3d 167 (2d Cir. 2020), freelance photographer Gregory Mango licensed a photo of Raymond Parker to the *New York Post*, which published it with proper credit. Three months later, BuzzFeed journalist Michael Hayes used the same photo in an article without seeking Mango's permission and replaced Mango's credit with that of Parker's attorneys' law firm. Hayes had downloaded the image from the *Post*'s website, claimed he was told by an attorney to use it (which the attorney disputed), and knew from industry practice that permission was required. Mango sued under the DMCA for removal or alteration of copyright management information, and the district court found BuzzFeed liable and awarded statutory damages. The Second Circuit held that § 1202(b)(3) of the DMCA does not require proof that a defendant knew its conduct would cause future third-party infringement; knowledge that the removal or alteration of copyright management information would conceal the defendant's own infringement is sufficient. Applying this standard, the court affirmed the district court's finding that BuzzFeed, through journalist Michael Hayes, knowingly removed Mango's attribution and replaced it with false credit in a way that concealed its unauthorized use of the photograph, thereby violating the DMCA.

CMI Claims in Relation to Training Generative AI

Doe v. GitHub, Inc., No. 24-7700 (9th Cir. Sept. 16, 2026)

Eric D. Miller, Circuit Judge

GitHub is a platform that allows developers to store, manage, and share their code. GitHub Copilot (Copilot) and Codex are tools that help programmers write code using artificial intelligence—specifically, large language models that were trained on millions of software projects on GitHub. Plaintiffs are programmers who published open-source code on GitHub. They believe that Copilot and Codex may reproduce their code without attribution and allege that, were that to happen, it would violate 17 U.S.C. § 1202(b), enacted as part of the Digital Millennium Copyright Act (DMCA). Plaintiffs brought this action under the DMCA, and the

district court dismissed plaintiffs' DMCA claims. We agree with the district court that plaintiffs do not state a claim under the DMCA because their allegations show that Copilot and Codex do not "remove or alter" copyright management information (CMI) from a copy of an existing protected work but instead create new works that never contained that information. *See* 17 U.S.C. § 1202(b)(1). We therefore affirm.

I.

Microsoft owns and operates GitHub, which is the world's largest hosting service for open-source software—that is, software whose creators choose to make its source code publicly available. Much of the code in public repositories on GitHub is made available under open-source licenses that permit other developers to use or modify that code subject to certain conditions. One of the most common conditions is attribution, meaning that a copy of the license—including the author's name and copyright notice—must be included with any copy or derivative of the code.

Microsoft is also a major investor in OpenAI, a company that develops and sells artificial intelligence models. One of OpenAI's projects is Codex, a generative AI tool that works autonomously to draft code based on a programmer's prompts. Copilot is a paid subscription service jointly developed by GitHub and OpenAI that uses a modified version of Codex to produce blocks of code in response to a user's prompts. In all respects relevant to this case, Codex and Copilot function similarly, so for simplicity, we will refer solely to Copilot.

As described in the complaint, Copilot is a large language model that works by identifying statistical patterns in the structure of code. The model relies on those patterns to identify the "most statistically likely completion, based on the examples it reviewed in training," to a particular prompt or snippet of code. To identify relevant statistical patterns, Copilot was trained on billions of lines of publicly available code, including code from "all available public GitHub repositories."

Plaintiffs are programmers who have published copyrighted code, subject to various licenses, on public GitHub repositories. They brought this putative class action against GitHub, Microsoft, and OpenAI in the Northern District of California. After two rounds of dismissals and amendments, the complaint has been whittled down to three claims: one claim under the DMCA and two claims for breach of contract.

Plaintiffs' DMCA claim rests on their allegation that Copilot will sometimes produce "identical copies of code Copilot was trained on," a possibility that "is only increasing as the model scales." The operative complaint includes examples of cases in which Copilot reproduced "essentially verbatim" copies of code written by the proposed class representatives. Plaintiffs allege that when Copilot reproduces code from its training materials, it does not include the attribution, copyright notices, or other license terms that were included with the code when it was published on GitHub. Plaintiffs claim that this omission violates section 1202(b) of the DMCA.

[The court set out the text of § 1202(b) and the definition of copyright management information in § 1202(c), observing that the DMCA does not require works to include CMI, but that if a work does contain CMI, § 1202(b) protects it from deliberate removal or alteration.]

The district court dismissed the DMCA claim under Federal Rule of Civil Procedure 12(b)(6). The court reasoned "that Section 1202(b) claims require that copies be 'identical.'" It emphasized plaintiffs' allegations that Copilot's output is often a "near-identical copy" or "modified copy" of code on GitHub, explaining that the complaint's examples all involved instances in which "the Copilot output is a 'modified format,' 'variation[],' or the 'functional[] equivalent' of the licensed code." The court concluded that those allegations were not sufficient to state a claim under the DMCA because plaintiffs' code and Copilot's output "were not identical."

[The court held that the plaintiffs had forfeited their "input theory" that the defendants had unlawfully removed CMI by stripping it from code fed into the training process. However, the plaintiffs earned a reprieve on the standing issue despite the defendants' argument that the chance Copilot would reproduce these plaintiffs' code in output was pure conjecture.]

IV.

Turning to the merits of the output theory, we agree with the district court that the complaint does not state a claim under the DMCA. The complaint describes an AI tool that does not look up and reproduce stored work but rather creates new work. That new work may or may not infringe plaintiffs' copyrights in their code, but it cannot reasonably be described as a copy of that code from which CMI has been "removed" or "altered."

"[W]e start where we always do: with the text of the statute." *Van Buren v. United States*, 593 U.S. 374, 381 (2021). Section 1202(b) provides that "[n]o person shall, without the authority of the copyright owner or the law," "intentionally remove or alter any copyright management information" or "distribute . . . works [or] copies of works, . . . knowing that copyright management information has been removed or altered without authority of the copyright owner or the law." 17 U.S.C. § 1202(b)(1), (3). The verb "remove" means "to get rid of," while "alter" means "to cause to become different in some particular characteristic." *Webster's Third New International Dictionary* 63, 1921 (1993). In context, both verbs imply taking an affirmative act with respect to CMI connected to a work that already exists. [Citing the Nimmer treatise's reference to "defacing the title page of a book" or "deleting the electronic information that may accompany a computer file" as paradigmatic section 1202(b) violations.] One who creates a new work and fails to include CMI cannot be said to have "removed" or "altered" anything. *See Falkner v. General Motors LLC*, 393 F. Supp. 3d 927, 938 (C.D. Cal. 2018) (explaining that mere "failure to include" CMI does not "constitute[] removal or alteration" of CMI). Instead, removal or alteration requires taking away or changing attribution information from an existing work.

The statutory definition of CMI reinforces this reading. CMI is "information conveyed in connection with copies . . . *of a work*," not in connection with excerpts or derivative works. 17 U.S.C. § 1202(c) (emphasis added). A "copy" of a work is a "material object[] . . . in which a work is fixed," *id.* § 101, so CMI is information that exists in connection with those material objects. Violating section 1202(b) requires removing or altering the CMI on those material objects, such as by reprinting an image while cropping out the "printed gutter credit near the [i]mage" identifying the photographer. *Murphy v. Millennium Radio Grp.*, 650 F.3d 295, 305 (3d Cir. 2011); *see also Falkner*, 393 F. Supp. 3d at 938–39 (photographer did not remove or alter CMI when he photographed a mural from an angle that rendered the artist's signature not visible). To state a claim under section 1202, plaintiffs must therefore allege that defendants removed or altered CMI from copies of existing protected works; merely alleging that a similar or derivative work does not include the CMI, without facts showing its removal or alteration, is insufficient.

The district court and defendants characterize this principle as the DMCA's "identicality" requirement. But "identicality" is something of a misnomer because the DMCA does not require literal identicality between the plaintiff's work and the allegedly infringing work. The concept of "identicality" is best understood as a gloss on the statutory terms "remove," "alter," and "copies" rather than an independent (and atextual) element of a section 1202(b) claim.

To the extent identicality is relevant, it is because one way to determine whether CMI has been "remove[d]" from a copyrighted work is to compare the allegedly infringing copy with the original. If the two works are otherwise identical—sharing, for example, the same composition, cropping, or other distinctive features—but the allegedly infringing version omits the CMI that accompanied the original, a factfinder may reasonably infer that the defendant removed CMI from the copied work. We relied on just such a comparison in *Friedman v. Live Nation Merchandise, Inc.*, where we held that because the allegedly infringing photographs were "exact copies" of the images as they appeared in the copyright owner's book, and "[b]ecause the *only* material difference" in the allegedly infringing versions "was that the CMI was missing, it was necessarily the case that the CMI had been removed on the copied version." 833 F.3d 1180, 1188 (9th Cir. 2016). Although substantial reproduction of a plaintiff's existing work without CMI is not always dispositive, it will often be strong circumstantial evidence that the defendant removed CMI from a copy of the plaintiff's work. On the other hand, material differences between the works may suggest that the defendant instead created a new, derivative work to which the plaintiff's CMI was never attached and from which the defendant could not have "removed" or "altered" CMI.

Plaintiffs observe that requiring literal identicality would make it easy to circumvent the DMCA: So long as the defendant changed one word on one page of a book, in addition to deleting the CMI, that person would avoid violating section 1202(b) because the original and allegedly infringing versions would not be identical. But as defendants concede, the two works need not be literally identical to support an inference that CMI has been removed. *See Real World Media LLC v. Daily Caller, Inc.*, 744 F. Supp. 3d 24, 40 (D.D.C. 2024) ("[I]t would be odd if a

defendant could evade DMCA liability by removing or altering CMI in a copied work but only disseminating 99% rather than 100% of that work."). Minor cosmetic changes will not necessarily protect a defendant who substantially or entirely reproduces the protected work and removes CMI. *See New York Times Co. v. Microsoft Corp.*, 777 F. Supp. 3d 283, 317 (S.D.N.Y. 2025).

But that concession does not help plaintiffs because they have not alleged removal of CMI from a copy of their work, even one with minor alterations. In reaching that conclusion, we recognize the limitation of relying on examples involving traditional print media, such as when a defendant has defaced the title page of a book. While such examples may provide a useful starting point for reasoning by analogy, they do not map neatly onto the emerging digital technologies like artificial intelligence to which the DMCA's protections also apply. Even so, plaintiffs' own allegations about Copilot show that it is best understood as learning from existing works and then creating new works based on that learning process, not as making copies of existing works.

According to the complaint, Copilot relies on a "complex probabilistic process" to predict "the most likely solution to a given prompt," based on "the solution it has found in the most projects" answering similar questions. Sometimes, plaintiffs allege, that output may match snippets of "code from the training data." But their account of the algorithm's internal process—inferring "statistical patterns governing the structure of code" and identifying the most likely completion—does not describe an action taken with respect to CMI attached to an existing work. Instead, it describes a process through which Copilot generates new works. In that respect, it differs from a traditional search engine, which, in response to a user's query, retrieves and displays stored information—that is, copies of materials that already exist. If Copilot functioned like a search engine and produced outputs that were identical to plaintiffs' code but did not contain CMI, then plaintiffs might have a stronger claim that Copilot had removed their CMI. But that is not what plaintiffs have alleged.

To be sure, Copilot's output may in some cases be substantially similar to existing code. As the district court observed, Copilot may produce "a 'modified format,' 'variation[],' or the 'functional[] equivalent' of the licensed code" without the CMI. We express no view on whether that similarity would allow plaintiffs to assert a claim for copyright infringement. But we note that many copyright cases involve the creation of a work that is substantially similar to the plaintiff's without attribution. If that were all it took to violate section 1202(b), the DMCA would supplant traditional copyright protections and subject defendants to potentially ruinous liability under the DMCA's enhanced statutory damages. *Compare* 17 U.S.C. § 1203(c)(3) (permitting up to $25,000 *per violation*) *with* 17 U.S.C. § 504(c)(1) (capping traditional copyright statutory damages at $30,000 *per work*). We decline plaintiffs' invitation to transform run-of-the-mill copyright-infringement claims into DMCA claims.

AFFIRMED.

Notes and questions

(1) One reason that CMI claims in relation to unauthorized training of Generative AI models appeal to class action lawyers is that violations of the CMI provisions qualify plaintiffs for awards of statutory damages without any need to register copyright claims. The awardable damages range from a minimum of $2500 to a maximum of $25,000 per violation. 17 U.S.C. § 1203(c)(3)(B). With millions or billions of works alleged to violate § 1202 in the Generative AI cases, the potential statutory damages would be staggering.

(2) Generative AI models very rarely produce complete copies of works in the training data. Not literally never, but rarely. This is by design, the point of training a Generative AI model is to enable the creation of new digital artifacts that are implied by the latent features of the training data, not to simply recreate the training data. Accordingly, another difficulty for the plaintiffs in Generative AI cases, as seen in *Doe v. GitHub, Inc.*, extracted above, is that the text of § 1202 refers to removal or alteration being from "copies" of protected works, suggesting that § 1202 violations must involve identical copies, not derivative works. The court in *Doe v. GitHub* rejected "identicality" as a freestanding element of a § 1202(b) claim: a defendant who substantially reproduces a work and strips its CMI will not necessarily escape liability through minor cosmetic changes. But on the plaintiffs' own description, Copilot generates new code rather than retrieving stored copies, and a tool that creates a new work has not "removed" or "altered" CMI from anything, even if its output resembles the plaintiffs' code. The court did not decide whether stripping CMI from works before using them as training data violates § 1202(b)(1); the plaintiffs had forfeited that theory. Other cases imposing an identicality or near-identicality requirement include: *Robert L. Stark Enter., Inc. v. Neptune Design Group, LLC*, 2017 WL 1345195 (N.D. Ohio) (§ 1202 not violated by new architectural plans alleged to infringe that do not include CMI); *The New York Times Co. v. Microsoft Corp.*, 777 F. Supp. 3d 283 (S.D.N.Y. 2025) (holding that a § 1202(b)(3) claim requires the underlying work to have been "substantially or entirely reproduced").

(3) The question *Doe* left open, whether stripping CMI from works in the course of training violates § 1202(b)(1), had already arisen in *Tremblay v. OpenAI, Inc.*, 2024 WL 557720 (N.D. Cal. Feb. 12, 2024). The authors there alleged that "by design, the training process does not preserve any CMI." The court dismissed the claim, with leave to amend, for two reasons. The allegation was conclusory, and the complaints undercut it by quoting ChatGPT outputs that named the authors. And even if CMI had been knowingly removed from the training copies, the plaintiffs had not shown that the defendants had reasonable grounds to know that its absence would induce, enable, facilitate, or conceal infringement, the mental state that *Stevens v. Corelogic*, extracted above, requires. *Andersen v. Stability AI Ltd.*, 700 F. Supp. 3d 853 (N.D. Cal. 2023), dismissed a similar claim against an image generator because the artists had not identified the CMI allegedly removed from their works. Between *Tremblay* and *Doe v. GitHub*, what exactly is left of § 1202 claims against generative AI producers?

(4) The double mental state requirement of Section 1202.

Section 1202(a) and (b) each involve a double mental state. Section 1202(a) states that no person shall provide or distribute false CMI "knowingly *and* with the intent to induce, enable, facilitate, or conceal infringement." The three parts of Section 1202(b) also require

deliberate actions coupled with "knowing, or, … having reasonable grounds to know, that it will induce, enable, facilitate, or conceal an infringement of any right under this title." Those deliberate actions are either intentionally removing or altering CMI, or knowingly distributing a product with removed or altered CMI, depending on the subsection.

Under the first knowledge requirement it is clear that the defendant must know and intend that its actions will cause removal/alteration of CMI or the distribution of a work with altered or removed CMI. Accidental or inadvertent removal of any form of CMI is not knowing or intentional. But even if the action is deliberate, it seems clear from the text that some kind of nexus to copyright infringement is required: there is really no other way to read the words: "knowing or having reasonable grounds to know, that it *will* induce, enable, facilitate, or conceal an infringement."

(5) How direct must the relationship between CMI removal/alteration and infringement be? The nexus to infringement need not be causal, however. Removal of CMI could be after the event so as to lower the risk of detection, but there has to be a *direct relationship* between the removal/alteration of the CMI and copyright infringement. The words "induce, enable, facilitate, or conceal" all describe a proximate and tangible connection to copyright infringement that either has occurred or will likely occur. The use of "*will*" rather than "may" or "might" seems to demand that the underlying copyright infringement is not a matter of speculation.

(6) Can there be a violation of Section 1202(b) without an underlying copyright violation?

Yes, but it requires either an actual violation or a planned or attempted violation. The statute requires a critical nexus between the removal/alteration of the CMI and copyright infringement. The use of the word "will" could be read as requiring an actual underlying copyright infringement, but it could also be read broadly enough to include attempted infringement that the remover planned to "induce, enable, facilitate, or conceal," even if it never transpired. Removal of CMI in pursuit of a scheme or conspiracy to infringe copyright would be enough to violate Section 1202(b).

(7) What is the significance of the second knowledge requirement, that the defendant has *"reasonable grounds to know"* that the removal/alteration will "induce, enable, facilitate, or conceal" copyright infringement? A defendant who intentionally removes CMI for some reason other than to "induce, enable, facilitate, or conceal" copyright infringement cannot be liable under Section 1202(b). So, intentional removal that leads to copyright infringement is not enough—the defendant must have "reasonable grounds to know" that one will lead to the other. "Reasonable grounds to know" means a specific and direct connection, not just marginal propensity.

These limitations are important because CMI is regularly altered/removed for perfectly good reasons. The intentionality requirement, the critical nexus to actual infringement and the defendant's knowledge thereof are essential to ensure that harmless, innocent and productive actions are not criminalized or made the subject of civil penalties.

(8) Who has standing to bring an action under Section 1202?

> **17 U.S. Code § 1203. Civil remedies**
>
> (a) Civil actions. Any person injured by a violation of section 1201 or 1202 may bring a civil action in an appropriate United States district court for such violation.

There are several cases holding that an entity which controls access to the copyright material has standing under Section 1203 as a "person injured" by a violation of the anti-circumvention provisions of Section 1201. However, it does not follow automatically that standing to bring a claim for violation of 1202 should be extended so liberally because the interests at stake in Section 1202 are quite different. Courts should be cautious before granting non-copyright owners a remedy for alleged violations of provisions designed to ensure the integrity of copyright management information.

There is an interesting division of opinion within the Southern District of New York as to whether these kinds of CMI claims even present the case or controversy required for Article III standing. In *Raw Story Media, Inc. v. OpenAI, Inc.*, Judge McMahon held that the plaintiffs lacked Article III standing for either retrospective or injunctive relief: a bare statutory violation is not a concrete injury. Three months later, in *The Intercept Media, Inc. v. OpenAI, Inc.*, 2025 WL 556019 (S.D.N.Y. Feb. 20, 2025), Judge Rakoff held that the plaintiff had pleaded a concrete injury "of the kind long protected by American courts," and allowed both the removal and the scienter elements to proceed. Judge Stein took the same view in *New York Times v. Microsoft*, reasoning that a DMCA claim protects interests closely analogous to those protected by an infringement claim, both being grounded in property rights. Three judges of the same court, three different answers on whether the statutory right Congress created is one a federal court can vindicate.

(9) These cases have reached the courts of appeals on different questions. *Doe v. GitHub*, extracted above, was about whether § 1202(b) requires the copies to be identical to the originals — the "identicality" requirement the district court applied — and the Ninth Circuit decided it on 16 September 2026. *Raw Story* is about Article III standing, and was argued in the Second Circuit on 18 March 2026. *Intercept*, which came out the other way on standing in the same district, is proceeding. Further appellate decisions may bring clarity, or may simply relocate the disagreement from the district courts to the circuits.

(10) The most consequential recent CMI ruling arguably took place in a different generative AI copyright litigation. Two days after granting Meta summary judgment on fair use in *Kadrey v. Meta Platforms, Inc.*, Judge Chhabria disposed of the plaintiffs' § 1202(b)(1) claim in a separate order, and the reasoning was very short: "The plaintiffs' DMCA claim fails because, as held in the previous order, Meta's copying must be deemed fair use as a matter of law based on the evidence presented at summary judgment." Section 1202(b)(1) requires that the defendant know or have reason to know that removing CMI will "induce, enable, facilitate, or conceal an infringement." If the copying is fair use, there is no infringement to induce, enable, facilitate or conceal, and the claim collapses.

(11) *Kadrey* confirms the position argued above. Pleading a CMI violation does not let a plaintiff work around the fair use question at the heart of the AI training dispute. If the training is fair use, then axiomatically there is no CMI violation. One might go further: even where the training is not fair use, a defendant who genuinely believed it would be should not be said to have known, or to have had reasonable grounds to know, that stripping CMI would facilitate an infringement. The CMI provisions were introduced into the DMCA to deal with knowing bad actors, not to punish technology companies for inadvertently crossing over the line separating fair use from infringement.

(12) Relatedly, the treatment of technological access controls in recent scraping cases may depend heavily on how the relevant technology actually operates. In *In re OpenAI, Inc. Copyright Infringement Litigation*, No. 25-md-3143 (S.D.N.Y. Dec. 15, 2025), Ziff Davis alleged that its robots.txt files were technological measures controlling access to its websites and that OpenAI circumvented them. Judge Stein dismissed the claim, holding that the complaint did not plausibly allege either an "effective" technological measure controlling access to a copyrighted work or circumvention of such a measure. The result reflects the nature of robots.txt: it ordinarily communicates a machine-readable request that compliant crawlers refrain from accessing specified pages, but it does not itself prevent a noncompliant crawler from requesting and receiving those pages. Ignoring the instruction is therefore different from bypassing a technological barrier.

Google LLC v. SerpApi, LLC, No. 4:25-cv-10826 (N.D. Cal. July 20, 2026), involved a materially different system. Google alleged that its "SearchGuard" technology subjected suspected automated users to JavaScript challenges and blocked access when those challenges were not successfully completed. SerpApi allegedly evaded the system by disguising automated requests as human traffic and by reusing authorization obtained through other browser sessions. Judge Gonzalez Rogers held those allegations sufficient to plead circumvention of a technological measure; Google's § 1201 claims were nevertheless dismissed on other grounds. As to some search results, Google had not identified any copyrighted work to which access was controlled. As to third-party copyrighted material appearing in Knowledge Panels, Google had not adequately alleged that the copyright owners had authorized Google to deploy SearchGuard as an access control over their works. The latter dismissal was with leave to amend. *SerpApi* thus suggests that defeating a genuine anti-bot gate can constitute circumvention even when the § 1201 claim fails because the requisite connection between the measure and a protected work has not been adequately pleaded.

A third architecture was at issue in *UMG Recordings, Inc. v. Uncharted Labs, Inc.*, No. 24 Civ. 4777 (S.D.N.Y. Apr. 15, 2026). There, record companies alleged that Udio had used stream-ripping software to obtain recordings from YouTube by defeating its "rolling cipher" and related protections. Judge Hellerstein denied the motion to dismiss, concluding that whether those measures qualified as access controls under § 1201 required a fuller factual record. The central difficulty was functional: if the cipher conditions access to the encrypted media itself, defeating it resembles the circumvention of encryption traditionally covered by § 1201(a); if, however, ordinary users already have access to the work and the measure merely impedes copying or extraction, the analysis may be different.

Taken together, the cases are not necessarily inconsistent. They instead illustrate a spectrum of technological measures. A robots.txt file may function principally as a request for voluntary compliance; an anti-bot challenge may condition delivery on successful authentication or verification; and an encryption-based system may regulate access to the underlying media, copying of that media, or both. Section 1201 analysis therefore turns not simply on whether a defendant disregarded a website owner's restrictions, but on what the measure actually does, what copyrighted work it protects, whether it was deployed with the copyright owner's authority, and how the defendant allegedly defeated it.

Web Scraping

Web scraping is a technique used to extract large amounts of data from websites for other uses. Web scraping is essential for comparing prices offered at different websites, collecting data from social media websites such as X and Bluesky, gathering large sets of training data for machine learning and large language models, tracking news and popular sentiment online, and many other activities. Web scraping is used by legitimate businesses and academic researchers, technology companies of all sorts, unscrupulous copycats, and nefarious criminals alike. Internet search engines rely on web scraping to routinely copy billions of webpages without express permission. You might think that this would expose companies like Google and Microsoft to massive copyright liability. It doesn't. Partly because this kind of nonexpressive use is generally regarded as fair use (see the chapter on non-expressive use). And partly because all of the major search engine companies go out of their way to respect opt out notices found in website metadata. These opt-out notices come in the form of a robots.txt file.

As a matter of basic copyright law, assuming the material being copied is copyrightable in the first place, web scraping almost invariably involves making a copy and thus requires express or implied permission, or justification under the fair use doctrine. One exception worth noting here is that if a computer program is set up to copy small chunks of data, evaluate those chunks in real-time, and then delete the chunks, the copying may be too fragmentary and too temporary to meet the copyright act definition of a copy. See *Cartoon Network LP v. CSC Holdings, Inc.*, 536 F.3d 121 (2d Cir. 2008).

If web scraping modifies or deletes Copyright Management Information that could also violate the Copyright Act, see Section 1202, but as discussed above, only if there is a nexus to copyright infringement. Furthermore, web scraping that involves defeating or circumventing technological protection measures may violate the DMCA's anti-circumvention provisions, see Section 1201. We addressed these issues earlier in this chapter.

However, the legal issues in relation to web scraping go well beyond the Copyright Act. The main issues relating to web scraping arise under privacy laws, breach of contract claims and the Computer Fraud and Abuse Act. But note that, in the right circumstances, web scraping could also give rise to a claim sounding in unfair competition, unfair and deceptive trade practices, trespass to chattels, conversion, trade secret claims, tortious interference with a contract, tortious interference with a prospective economic advantage, unjust enrichment, and misappropriation.

Web scraping can implicate people's privacy rights. There is no broadly applicable federal privacy law, and most of the state statutes are recent. More than twenty states have now enacted comprehensive privacy statutes, most notably the California Consumer Privacy Act (as amended by the California Privacy Rights Act) and the Colorado Privacy Act.

Web scraping is often a violation of the terms of service of the relevant site. Whether terms of service are enforceable contracts is a question of state law. There is some doubt as to the enforceability of terms that are merely posted on a website without requiring some express affirmation or agreement. Moreover, as *ML Genius Holdings LLC v. Google LLC*, No. 20-3113 (2d Cir. 2022) illustrates, terms of service claims may be preempted by the Copyright

Act. That question is contested rather than settled: in *Reddit, Inc. v. Anthropic PBC*, 826 F. Supp. 3d 1059 (N.D. Cal. 2026), extracted in the chapter on state law rights, the court held that none of Reddit's five state law claims against an AI developer that had scraped its platform was preempted, and remanded the case to state court. Whether a scraping defendant faces state law liability may now depend a good deal on which court it finds itself in. (Preemption is addressed in a different chapter of this book.)

There has been some uncertainty as to how the Computer Fraud and Abuse Act applies to web scraping. The CFAA provides criminal and civil penalties for accessing a computer without authorization or in excess of authorization, but courts have disagreed as to how broadly or narrowly to interpret those provisions. In particular it was unclear until relatively recently whether merely violating a website's terms of service was enough for civil and criminal liability under the CFAA to attach.

hiQ Labs, Inc. v. LinkedIn Corp., 31 F.4th 1180 (9th Cir. 2022)

> [hiQ Labs was a data analytics company that used web scraping to collect publicly available information from LinkedIn profiles to predict employee behavior, such as when an employee might quit their job. LinkedIn sent a cease-and-desist letter to hiQ Labs and several rounds of litigation followed. The Ninth Circuit initially decided this case in *hiQ Labs, Inc. v. LinkedIn Corp.*, 938 F.3d 985 (9th Cir. 2019), however the Supreme Court granted LinkedIn's petition for writ of certiorari, vacated the court of appeals judgment, and remanded this case for further consideration in light of *Van Buren v. United States*, 141 S. Ct. 1648 (2021), a case where the Court addressed the interpretation of the CFAA.]
>
> … The CFAA states that "whoever ... intentionally accesses a computer without authorization or exceeds authorized access, and thereby obtains ... information from any protected computer ... shall be punished" by fine or imprisonment. 18 U.S.C. § 1030(a)(2)(C). The term "protected computer" refers to any computer "used in or affecting interstate or foreign commerce or communication," 18 U.S.C. § 1030(e)(2)(B)—effectively any computer connected to the Internet,—including servers, computers that manage network resources and provide data to other computers. LinkedIn's computer servers store the data members share on LinkedIn's platform and provide that data to users who request to visit its website. Thus, to scrape LinkedIn data, hiQ must access LinkedIn servers, which are "protected computers."
>
> The pivotal CFAA question here is whether once hiQ received LinkedIn's cease-and-desist letter, any further scraping and use of LinkedIn's data was "without authorization" within the meaning of the CFAA and thus a violation of the statute. 18 U.S.C. § 1030(a)(2). If so, LinkedIn maintains, hiQ could have no legal right of access to LinkedIn's data and so could not succeed on any of its state law claims, including the tortious interference with contract claim we have held otherwise sufficient for preliminary injunction purposes.
>
> We have held in another context that the phrase "'without authorization' is a non-technical term that, given its plain and ordinary meaning, means accessing a protected computer without permission." *United States v. Nosal* (Nosal II), 844 F.3d 1024, 1028 (9th Cir. 2016). *Nosal II* involved an employee accessing without

permission an employer's private computer for which access permissions in the form of user accounts were required. Id. at 1028-29. *Nosal II* did not address whether access can be "without authorization" under the CFAA where, as here, prior authorization is not generally required, but a particular person—or bot—is refused access. HiQ's position is that Nosal II is consistent with the conclusion that where access is open to the general public, the CFAA "without authorization" concept is inapplicable. At the very least, we conclude, hiQ has raised a serious question as to this issue.

First, the wording of the statute, forbidding "access[ ] ... without authorization," 18 U.S.C. § 1030(a)(2), suggests a baseline in which access is not generally available and so permission is ordinarily required. "Authorization" is an affirmative notion, indicating that access is restricted to those specially recognized or admitted. See, e.g., Black's Law Dictionary (11th ed. 2019) (defining "authorization" as "official permission to do something; sanction or warrant"). Where the default is free access without authorization, in ordinary parlance one would characterize selective denial of access as a ban, not as a lack of "authorization." Cf. *Blankenhorn v. City of Orange*, 485 F.3d 463, 472 (9th Cir. 2007) (characterizing the exclusion of the plaintiff in particular from a shopping mall as "banning").

Second, even if this interpretation is debatable, the legislative history of the statute confirms our understanding. "If a statute's terms are ambiguous, we may use... legislative history and the statute's overall purpose to illuminate Congress's intent." *Jonah R. v. Carmona*, 446 F.3d 1000, 1005 (9th Cir. 2006).

The CFAA was enacted to prevent intentional intrusion onto someone else's computer—specifically, computer hacking. See *United States v. Nosal (Nosal I)*, 676 F.3d 854, 858 (9th Cir. 2012) (citing S. Rep. No. 99-432, at 9 (1986) (Conf. Rep.)).

The 1984 House Report on the CFAA explicitly analogized the conduct prohibited by section 1030 to forced entry: "It is noteworthy that section 1030 deals with an 'unauthorized access' concept of computer fraud rather than the mere use of a computer. Thus, the conduct prohibited is analogous to that of 'breaking and entering' ....'" H.R. Rep. No. 98-894, at 20 (1984); see also id. at 10 (describing the problem of "'hackers' who have been able to access (trespass into) both private and public computer systems"). Senator Jeremiah Denton similarly characterized the CFAA as a statute designed to prevent unlawful intrusion into otherwise inaccessible computers, observing that "the bill makes it clear that unauthorized access to a Government computer is a trespass offense, as surely as if the offender had entered a restricted Government compound without proper authorization." 132 Cong. Rec. 27639 (1986). And when considering amendments to the CFAA two years later, the House again linked computer intrusion to breaking and entering. See H.R. Rep. No. 99-612, at 5-6 (1986) (describing "the expanding group of electronic trespassers," who trespass "just as much as if they broke a window and crawled into a home while the occupants were away").

In recognizing that the CFAA is best understood as an anti-intrusion statute and not as a "misappropriation statute," *Nosal I*, 676 F.3d at 857-58, we rejected the

contract-based interpretation of the CFAA's "without authorization" provision adopted by some of our sister circuits. Compare *Facebook, Inc. v. Power Ventures, Inc.*, 844 F.3d 1058, 1067 (9th Cir. 2016) ("A violation of the terms of use of a website— without more—cannot establish liability under the CFAA."); *Nosal I*, 676 F.3d at 862 ("We remain unpersuaded by the decisions of our sister circuits that interpret the CFAA broadly to cover violations of corporate computer use restrictions or violations of a duty of loyalty."), with *EF Cultural Travel BV v. Explorica, Inc.,* 274 F.3d 577, 583-84 (1st Cir. 2001) (holding that violations of a confidentiality agreement or other contractual restraints could give rise to a claim for unauthorized access under the CFAA); *United States v. Rodriguez*, 628 F.3d 1258, 1263 (11th Cir. 2010) (holding that a defendant "exceeds authorized access" when violating policies governing authorized use of databases). *Van Buren*, interpreting the CFAA's "exceeds authorized access" clause, approved of *Nosal I* and abrogated *EF Cultural Travel* and *Rodriguez*. 141 S. Ct. at 1653-54 & n.2.

We therefore look to whether the conduct at issue is analogous to "breaking and entering." H.R. Rep. No. 98-894, at 20. Significantly, the version of the CFAA initially enacted in 1984 was limited to a narrow range of computers—namely, those containing national security information or financial data and those operated by or on behalf of the government. None of the computers to which the CFAA initially applied were accessible to the general public; affirmative authorization of some kind was presumptively required.

When section 1030(a)(2)(C) was added in 1996 to extend the prohibition on unauthorized access to any "protected computer," the Senate Judiciary Committee explained that the amendment was designed "to increase protection for the privacy and confidentiality of computer information." S. Rep. No. 104-357, at 7. The legislative history of section 1030 thus makes clear that the prohibition on unauthorized access is properly understood to apply only to private information—information delineated as private through use of a permission requirement of some sort. As one prominent commentator has put it, "an authentication requirement, such as a password gate, is needed to create the necessary barrier that divides open spaces from closed spaces on the Web." Orin S. Kerr, *Norms of Computer Trespass*, 116 Colum. L. Rev. 1143, 1161 (2016). Moreover, elsewhere in the statute, password fraud is cited as a means by which a computer may be accessed without authorization, see 18 U.S.C. § 1030(a)(6), bolstering the idea that authorization is only required for password-protected sites or sites that otherwise prevent the general public from viewing the information.

We therefore conclude that hiQ has raised a serious question as to whether the reference to access "without authorization" limits the scope of the statutory coverage to computers for which authorization or access permission, such as password authentication, is generally required. Put differently, the CFAA contemplates the existence of three kinds of computer systems: (1) computers for which access is open to the general public and permission is not required, (2) computers for which authorization is required and has been given, and (3) computers for which authorization is required but has not been given (or, in the case of the prohibition on exceeding authorized access, has not been given for the

part of the system accessed). Public LinkedIn profiles, available to anyone with an Internet connection, fall into the first category. With regard to websites made freely accessible on the Internet, the "breaking and entering" analogue invoked so frequently during congressional consideration has no application, and the concept of "without authorization" is inapt.

The reasoning of *Van Buren* reinforces our interpretation of the CFAA, although it did not directly address the statute's "without authorization" clause. *Van Buren* held that a police sergeant did not violate the CFAA when he "ran a license-plate search in a law enforcement computer database in exchange for money." 141 S. Ct. at 1652. Interpreting the "exceeds authorized access" clause of section 1030(a)(2), the Court held that the CFAA "covers those who obtain information from particular areas in the computer—such as files, folders, or databases—to which their computer access does not extend. It does not cover those who, like Van Buren, have improper motives for obtaining information that is otherwise available to them." Id.

Van Buren found the "interplay between the 'without authorization' and 'exceeds authorized access' clauses of subsection (a)(2) ... particularly probative." Id. at 1658. "The without authorization clause ... protects computers themselves by targeting so-called outside hackers—those who access a computer without any permission at all." Id. The "'exceeds authorized access' clause ... provide[s] complementary protection for certain information within computers ... by targeting so-called inside hackers— those who access a computer with permission, but then 'exceed' the parameters of authorized access by entering an area of the computer to which [that] authorization does not extend.'" Id. (quoting United States v. Valle, 807 F.3d 508, 524 (2d Cir. 2015)). "Liability under both clauses stems from a gates-up-or-down inquiry—one either can or cannot access a computer system, and one either can or cannot access certain areas within the system." Id. at 1658-59.

Van Buren's "gates-up-or-down inquiry" is consistent with our interpretation of the CFAA as contemplating three categories of computer systems. Discussing the "without authorization" clause, *Van Buren* explained that a computer user who has "authorization" is one who "can ... access a computer system," 141 S. Ct. at 1658, where "access" means "the act of entering a computer 'system itself,'" id. at 1657 (citation omitted). In other words, a user with "authorization" is not subject to "limitations on access," whether those limitations are "code-based" or "contained in contracts or policies." Id. at 1659 n.8. *Van Buren* stated that the CFAA's password-trafficking provision, section 1030(a)(6), which also uses the word "authorization," "contemplates a 'specific type of authorization—that is, authentication,' which turns on whether a user's credentials allow him to proceed past a computer's access gate, rather than on other, scope-based restrictions." Id. at 1659 n.9.

Van Buren's distinction between computer users who "can or cannot access a computer system," id. at 1658, suggests a baseline in which there are "limitations on access" that prevent some users from accessing the system (i.e., a "gate" exists, and can be either up or down). The Court's "gates-up-or-down inquiry" thus applies to the latter two categories of computers we have identified: if authorization is required and has been given, the gates are up; if authorization is required and has

not been given, the gates are down. As we have noted, however, a defining feature of public websites is that their publicly available sections lack limitations on access; instead, those sections are open to anyone with a web browser. In other words, applying the "gates" analogy to a computer hosting publicly available webpages, that computer has erected no gates to lift or lower in the first place.[17] Van Buren therefore reinforces our conclusion that the concept of "without authorization" does not apply to public websites.

Footnote 17: Of course, even computers and servers hosting public websites may contain areas that require authorization to access. Accessing those areas "without authorization" would violate the CFAA. 18 U.S.C. § 1030(a)(2)(C).

Additionally, neither of the cases LinkedIn principally relies upon casts doubt on our interpretation of the statute. LinkedIn first cites *Nosal II*, 844 F.3d 1024. As we have already stated, *Nosal II* held that a former employee who used current employees' login credentials to access company computers and collect confidential information had acted "'without authorization' in violation of the CFAA." 844 F.3d at 1038. The computer information the defendant accessed in Nosal II was thus plainly one which no one could access without authorization.

So too with regard to the system at issue in *Power Ventures*, 844 F.3d 1058, the other precedent upon which LinkedIn relies. In that case, Facebook sued Power Ventures, a social networking website that aggregated social networking information from multiple platforms, for accessing Facebook users' data and using that data to send mass messages as part of a promotional campaign. Id. at 1062-63. After Facebook sent a cease-and-desist letter, Power Ventures continued to circumvent IP barriers and gain access to password-protected Facebook member profiles. Id. at 1063. We held that after receiving an individualized cease-and-desist letter, Power Ventures had accessed Facebook computers "without authorization" and was therefore liable under the CFAA. Id. at 1067-68. But we specifically recognized that "Facebook has tried to limit and control access to its website" as to the purposes for which Power Ventures sought to use it. Id. at 1063. Indeed, Facebook requires its users to register with a unique username and password, and Power Ventures required that Facebook users provide their Facebook username and password to access their Facebook data on Power Ventures' platform. *Facebook, Inc. v. Power Ventures, Inc.*, 844 F. Supp. 2d 1025, 1028 (N.D. Cal. 2012). While Power Ventures was gathering user data that was protected by Facebook's username and password authentication system, the data hiQ was scraping was available to anyone with a web browser.

In sum, *Nosal II* and *Power Ventures* control situations in which authorization generally is required and has either never been given or has been revoked. As *Power Ventures* indicated, the two cases do not control the situation present here, in which information is "presumptively open to all comers." *Power Ventures*, 844 F.3d at 1067 n.2. As to the computers at issue in those cases, the authorization gate was "down."

Our understanding that the CFAA is premised on a distinction between information presumptively accessible to the general public and information for which authorization is generally required is consistent with our interpretation of a

provision of the Stored Communications Act ("SCA"), 18 U.S.C. § 2701 et seq., nearly identical to the CFAA provision at issue. … Both the legislative history of section 1030 of the CFAA and the legislative history of section 2701 of the SCA, with its similar "without authorization" provision, then, support the district court's distinction between "private" computer networks and websites, protected by a password authentication system and "not visible to the public," and websites that are accessible to the general public.

Finally, the rule of lenity favors our narrow interpretation of the "without authorization" provision in the CFAA. The statutory prohibition on unauthorized access applies both to civil actions and to criminal prosecutions—indeed, § 1030 is primarily a criminal statute. "Because we must interpret the statute consistently, whether we encounter its application in a criminal or noncriminal context, the rule of lenity applies." *Leocal v. Ashcroft*, 543 U.S. 1, 11 n.8 (2004). As we explained in *Nosal I*, we therefore favor a narrow interpretation of the CFAA's "without authorization" provision so as not to turn a criminal hacking statute into a "sweeping Internet-policing mandate." 676 F.3d at 858; see also id. at 863.[19]

Footnote 19: *Van Buren* identified similar concerns, stating that "[i]f the 'exceeds authorized access' clause criminalizes every violation of a computer-use policy, then millions of otherwise law-abiding citizens are criminals." 141 S. Ct. at 1661.

For all these reasons, it appears that the CFAA's prohibition on accessing a computer "without authorization" is violated when a person circumvents a computer's generally applicable rules regarding access permissions, such as username and password requirements, to gain access to a computer. It is likely that when a computer network generally permits public access to its data, a user's accessing that publicly available data will not constitute access without authorization under the CFAA. The data hiQ seeks to access is not owned by LinkedIn and has not been demarcated by LinkedIn as private using such an authorization system. HiQ has therefore raised serious questions about whether LinkedIn may invoke the CFAA to preempt hiQ's possibly meritorious tortious interference claim.

Entities that view themselves as victims of data scraping are not without resort, even if the CFAA does not apply: state law trespass to chattels claims may still be available.[21]

Footnote 21: LinkedIn's cease-and-desist letter also asserted a state common law claim of trespass to chattels. Although we do not decide the question, it may be that web scraping exceeding the scope of the website owner's consent gives rise to a common law tort claim for trespass to chattels, at least when it causes demonstrable harm. Compare *eBay, Inc. v. Bidder's Edge, Inc.*, 100 F. Supp. 2d 1058, 1070 (N.D. Cal. 2000) (finding that eBay had established a likelihood of success on its trespass claim against the auction-aggregating site Bidder's Edge because, although eBay's "site is publicly accessible," "eBay's servers are private property, conditional access to which eBay grants the public," and Bidder's Edge had exceeded the scope of any consent, even if it did not cause physical harm); *Register.com, Inc. v. Verio, Inc.*, 356 F.3d 393, 437-38 (2d Cir. 2004) (holding that a company that scraped a competitor's website to obtain data for marketing purposes likely committed trespass to chattels, because scraping could—although it did not yet—cause physical harm to the plaintiff's computer servers); *Sw. Airlines Co. v. Farechase, Inc.*, 318 F. Supp. 2d 435, 442 (N.D. Tex. 2004) (holding that the use of a scraper to glean flight information was unauthorized as it interfered with Southwest's use and possession of its site, even if the scraping did not cause

physical harm or deprivation), with *Ticketmaster Corp. v. Tickets.Com, Inc.*, No. 2:99-cv-07654-HLH-VBK, 2003 WL 21406289, at *3 (C.D. Cal. Mar. 7, 2003) (holding that the use of a web crawler to gather information from a public website, without more, is insufficient to fulfill the harm requirement of a trespass action); *Intel Corp. v. Hamidi*, 30 Cal. 4th 1342, 1364, 1 Cal.Rptr.3d 32, 71 P.3d 296 (2003) (holding that "trespass to chattels is not actionable if it does not involve actual or threatened injury" to property and the defendant's actions did not damage or interfere with the operation of the computer systems at issue).

And other causes of action, such as copyright infringement, misappropriation, unjust enrichment, conversion, breach of contract, or breach of privacy, may also lie. See, e.g., *Associated Press v. Meltwater U.S. Holdings, Inc.*, 931 F. Supp. 2d 537, 561 (S.D.N.Y. 2013) (holding that a software company's conduct in scraping and aggregating copyrighted news articles was not protected by fair use).

Notes and questions

(1) Why does the court think that people who violate terms of services on public-facing websites shouldn't be liable under the Computer Fraud and Abuse Act? Note also that even where the CFAA does apply, a private plaintiff must clear a threshold that has nothing to do with authorization. Section 1030(g) permits a civil action only where the conduct involves one of the factors in § 1030(c)(4)(A)(i), and in scraping cases the only realistic candidate is loss "aggregating at least $5,000 in value" over a one-year period. In *Ryanair DAC v. Booking.com B.V.*, No. 1:20-cv-01191 (D. Del. 2025), a jury found for Ryanair and awarded exactly $5,000; the court then granted judgment as a matter of law for Booking.com, holding the evidence insufficient to establish the statutory loss. The CFAA is a poor instrument for policing scraping even when its access provisions are satisfied.

(2) Note that hiQ Labs won the battle and lost the war. LinkedIn won its summary judgment motion against hiQ Labs on its breach of contract claim, with the court finding that "LinkedIn's User Agreement unambiguously prohibits scraping and the unauthorized use of scraped data." The parties settled, and hiQ Labs agreed to a permanent injunction that it would never again access LinkedIn data.

Comparative: Anti-circumvention Rules in International Agreements

The 1996 WIPO Copyright Treaty and the 1996 WIPO Performances and Phonograms Treaty (collectively, the WIPO Internet Treaties) marked a significant change in the international landscape of copyright. These treaties mandated legal protection, not just for copyright works themselves, but also for the digital locks on copyrighted works—technological measures that can be used to restrict access to, and use of copyrighted works.

Article 11 of the WIPO Copyright Treaty sets out the obligation to provide legal protection for rightsholders' *technological protection measures* (or TPMs). Article 11 of the WCT provides:

> **WIPO Copyright Treaty. Article 11. Obligations concerning Technological Measures**
>
> Contracting Parties shall provide adequate legal protection and effective legal remedies against the circumvention of effective technological measures that are

> used by authors in connection with the exercise of their rights under this Treaty or the Berne Convention and that restrict acts, in respect of their works, which are not authorized by the authors concerned or permitted by law.

Article 18 of the WIPO Performances and Phonograms Treaty contains a similar obligation for phonograms (sound recordings) and performances (related rights).

The United States Digital Millennium Copyright Act (DMCA) protects TPMs used to control access to a work and TPMs used to control the copying of a work. The terms "access control" and "copy control" do not appear in either the WIPO Internet Treaties, however, the United States has made the effective protection of both access and copy control TPMs a key part of various bilateral and regional trade agreements that have come into effect since the mid-1990s. The requirements of these bilateral and regional free-trade agreements in relation to the effective protection of TPMs often exceed those of the WIPO Treaties.

CHAPTER 27. VOLITIONAL CONDUCT

New technologies expose latent ambiguities in copyright law

In a world of analog technology determining who should be directly liable for copyright infringement, as opposed to indirectly liable on the basis of contributory or vicarious infringement, was relatively straightforward. If a customer used the machine at a photocopy store herself, it made sense to regard her as "making" the copy and to regard the store as potentially liable depending on whether it had knowledge that the customer was infringing (material contribution seems like a given).

In his dissenting opinion in *American Broadcasting Companies, Inc. v. Aereo, Inc.*, 134 S. Ct. 2498, 2513 (2014), Justice Scalia expanded on this example:

> A copy shop rents out photocopiers on a per-use basis. One customer might copy his 10–year–old's drawings—a perfectly lawful thing to do—while another might duplicate a famous artist's copyrighted photographs—a use clearly prohibited by § 106(1). Either way, *the customer* chooses the content and activates the copying function; the photocopier does nothing except in response to the customer's commands. Because the shop plays no role in selecting the content, it cannot be held directly liable when a customer makes an infringing copy. (emphasis original)

Note the key points in this description: (i) the customer's use may be either infringing or non-infringing, (ii) the customer, not the copy shop, chooses the content and (iii) activates the copying function, and (iv) the machinery used by the customer is passive—"the photocopier does nothing except in response to the customer's commands."

In contrast, where the store clerk undertakes the copying on behalf of the customer, it is the store that is directly liable and the customer who would be subject to contributory liability. As above, the customer's use may be either infringing or non-infringing and the customer chooses the content, but critically the copy shop activates the copying function and the machinery is not merely dependent on the customer's will.

In the concluding sentence of the above quoted passage Justice Scalia restated the importance of selection of content (at 2513):

> Because the shop plays no role in selecting the content, it cannot be held directly liable when a customer makes an infringing copy.

However, the customer's role in activating the copying function and the passivity of the machinery otherwise is arguably just as important. Indeed, it is because the customer activates the copying that we can truly say the shop plays no role in selecting the content. If the copy shop employee activated the copying function he would be in a position to review the customer's selection and make the ultimate choice whether to copy or not to copy.

Even if the division between primary and secondary liability is clear in the photocopying scenarios above, it can quickly become less clear as we transition from analog copying machines to digital copying services.

In *Sony v. Universal Studios*, the Supreme Court considered the copyright implications of the videocassette recorder and found that consumer time shifting broadcast television was fair use and thus not infringing. However, other uses of the VCR, such as building a permanent video library, may have been infringing. The *Sony Betamax* litigation lasted from the mid-1970s to the mid-1980s. At no stage in this litigation did anyone suggest that the manufacturer of the VCR could be directly liable for the recording decisions made by its customers.

In fact, in *Sony* the Supreme Court held that a manufacturer of copy machines, possessing constructive knowledge that purchasers of its machine *may be* using them to engage in copyright infringement, is not strictly liable for infringement. *Sony v. Universal City Studios*, 464 U.S. at 439-42. Fast-forward 40 years and the same functionality can now be delivered to consumers as a service called a remote digital video recorder (R-DVR), rather than as a product. Suddenly the dividing line between direct and indirect liability is more contentious. An R-DVR is more or less the same as the old VCR, except that the recordings are digital rather than analog, and rather than residing in the user's home the recording device is maintained at a central location by the service provider. In either case, it is the consumer who decides what to record and what to watch.

As Justice Scalia noted in his *Aereo* dissent (at 2512), the volitional conduct requirement is "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." As Scalia explained (at 2513), although volitional conduct is an element of the cause of action for copyright infringement, it has often been left unstated because it is not in doubt in most scenarios:

> The volitional-conduct requirement is not at issue in most direct-infringement cases; the usual point of dispute is whether the defendant's conduct is infringing (*e.g.,* Does the defendant's design copy the plaintiff's?), rather than whether the defendant has acted at all (*e.g.,* Did this defendant create the infringing design?). But it comes right to the fore when a direct-infringement claim is lodged against a defendant who does nothing more than operate an automated, user-controlled system.

The volitional conduct requirement may have been of marginal relevance to copyright law in earlier times, but it is of critical importance now as we move more and more activity into the cloud and consumers buy services rather than software and machines.

The question is now being litigated on a full record. In *Concord Music Group, Inc. v. Anthropic PBC*, No. 5:24-cv-03811 (N.D. Cal.), music publishers allege that Anthropic's models reproduce song lyrics in response to user prompts. Anthropic's answer is, in substance, that the user does the prompting: after discovery it moved for summary judgment on the ground, among others, that it did not engage in the volitional conduct required for direct infringement. (The publishers have dropped their claims for contributory and vicarious infringement.) The cross-motions for summary judgment were set for hearing in October 2026. Whether a generative model that outputs protected expression on request is more like Netcom's server or more like the copy shop is a question no American court had answered on a developed factual record when this edition went to press. For updates on this case and the generative AI copyright litigation more generally, see Professor Ed Lee's blog, *ChatGPT is eating the world*, https://chatgptiseatingtheworld.com/concord-music-group-v-anthropic-i/.

The emergence of volitional conduct

In a series of cases beginning in the mid-1990s, courts in the United States began to clearly articulate a requirement of volitional action for copyright infringement. As Justice Scalia explained in *Aereo,* (at 2514):

> The distinction between direct and secondary liability would collapse if there were not a clear rule for determining whether *the defendant* committed the infringing act. The volitional-conduct requirement supplies that rule; its purpose is not to excuse defendants from accountability, but to channel the claims against them into the correct analytical track.

The volitional act requirement is not a mechanism to absolve parties of their responsibility for copyright infringement, but it channels the question of responsibility to the appropriate doctrines: direct liability for copyright infringement is often said to be a question of strict liability and the question of whether the infringer knew or intended the infringement is irrelevant; whereas, copyright's doctrines of secondary liability require either knowledge of infringement, inducement of infringement, or the right and ability to control the infringing activity as might be found in the employer-employee context.

Netcom

Our discussion of copyright's volitional act requirement begins with *Religious Technology Center v. Netcom On-Line Communication Services, Inc.*, 907 F. Supp. 1361 (N.D. Cal. 1995), possibly the most influential district court decision in modern American copyright law.

The *Netcom* case concerns an online bulletin board service and the secrets of the Church of Scientology. A bulletin board system, or BBS, allows multiple users to connect to a single server using a terminal program. In this configuration, all content resides on the central server and the user's terminal is little more than a screen and a keyboard. Bulletin board systems were often networked such that several hosts in different locations would mirror the same content—this made dialing into a BBS cheaper and interacting with a BBS faster as well.

Bulletin board systems predate the World Wide Web although they are still used in various contexts today. Bulletin board systems were generally text-based, rather than graphical user interface-based (to sound knowledgeable, one says "gooey" for GUI, rather than "graphical user interface").

An AI drawing of old-style Bulletin Board System



The image above depicts a simulated old-style Bulletin Board System (BBS) screen, with text displayed in blocky, fixed-width characters on a black background. At the top, "AUSTIN BBS" appears in large ASCII-art letters. Below, yellow text says "Welcome to Austin BBS!" and lists "Users Logged In: 12" and "System load: 0.94." Menu options are numbered and include "bulletin," "chat," and "files."

In *Netcom*, a disgruntled former Scientology minister posted allegedly infringing copies of Scientological works on an electronic BBS. The messages were stored on the bulletin board operator's computer, then automatically copied onto Netcom's computer, and from there, copied onto other computers comprising "a worldwide community of electronic bulletin board systems." The plaintiff, Religious Technology Center ("RTC") controlled the copyrights, trademarks, and other IP rights of the Church of Scientology. RTC brought an infringement action against operator of computer bulletin board service (BBS) and Netcom, an Internet access provider.

In *Netcom*, the district court held that the defendant Internet service provider was not liable for the automatic reproduction of a copyrighted work by its computer system. The court refused to impose direct liability on the service provider, reasoning (at 1370) that:

> Although copyright is a strict liability statute, there should still be some element of volition or causation which is lacking where a defendant's system is merely used to create a copy by a third party.

Rather than holding Netcom, the Internet service provider, liable as a direct infringer, the district court put it in the same position as the owner of a copying machine used by a customer. Thus, its liability turned on the existence of an underlying infringement *plus* the elements of contributory liability or vicarious liability. The *Netcom* court thought that it was significant that the service provider did not take any affirmative action that directly resulted in copying plaintiffs' works other than by installing and maintaining a system whereby software automatically forwarded messages received from subscribers onto the Usenet, and temporarily stored copies on its system. The court explained (at 1369):

> Netcom's act of designing or implementing a system that automatically and uniformly creates temporary copies of all data sent through it is not unlike that of the owner of a copying machine who lets the public make copies with it. Although some of the people using the machine may directly infringe copyrights, courts

> analyze the machine owner's liability under the rubric of contributory infringement, not direct infringement.

Why did the court draw this distinction? Confronted with electronic communication systems whose content was determined by the end users the court recognized that holding service providers directly liable would create a multiplicity of infringements and lead to an unreasonable expansion of copyright liability. From the court's point of view, propagating direct liability in this technological context would create an unworkable situation: it would not just make Netcom the ISP liable regardless of knowledge of infringement, it would make every server in the BBS network liable as well. At 1369, the court explained:

> Plaintiffs' theory would create many separate acts of infringement and, carried to its natural extreme, would lead to unreasonable liability.
>
> It would also result in liability for every single Usenet server in the worldwide link of computers transmitting Erlich's message to every other computer. These parties, who are liable under plaintiffs' theory, do no more than operate or implement a system that is essential if Usenet messages are to be widely distributed. There is no need to construe the Act to make all of these parties infringers. *Although copyright is a strict liability statute, there should still be some element of volition or causation which is lacking where a defendant's system is merely used to create a copy by a third party.* (emphasis added)

The court reiterated the unworkability of imposing direct "liability of countless parties whose role in the infringement is nothing more than setting up and operating a system that is necessary for the functioning of the Internet." At 1372-73 the court said:

> Where the infringing subscriber is clearly directly liable for the same act, it does not make sense to adopt a rule that would lead to the liability of countless parties whose role in the infringement is nothing more than setting up and operating a system that is necessary for the functioning of the Internet.
>
> The court does not find workable a theory of infringement that would hold the entire Internet liable for activities that cannot reasonable be deterred. Billions of bits of data flow through the Internet and are necessarily stored on servers throughout the network and it is thus practically impossible to screen out infringing bits from noninfringing bits. Because the court cannot see any meaningful distinction (without regard to knowledge) between what Netcom did and what every other Usenet server does, the court finds that Netcom cannot be held liable for direct infringement.

Netcom is significant in at least two ways. It was the first copyright case in the U.S. to clearly explain that copyright infringement involves "some element of volition or causation" and that this volitional conduct "is lacking where a defendant's system is merely used to create a copy by a third party." Additionally, the decision in *Netcom* significantly influenced the eventual design of the Internet safe harbors of the Digital Millennium Copyright Act of 1998, *see* Section 512 of the Copyright Act. As one account puts it, *Netcom* became "a pivotal development in the legislative drama that spawned the DMCA safe harbors." Jerome H. Reichman et al., *A Reverse Notice and Takedown Regime to Enable Public Interest Uses of Technically Protected Copyrighted Works*, 22 BERKELEY TECHNOLOGY LAW JOURNAL 981, 990 (2007).

CoStar

CoStar Group, Inc., and a related company owned the rights in a number of photographs of commercial real estate. These photos had been posted on LoopNet's website by LoopNet's subscribers — generally real estate brokers — without CoStar's consent. LoopNet did not post real estate listings on its own account. Rather it provided a "web hosting service that enables users who wish to display real estate over the Internet to post listings for those properties on LoopNet's web site." CoStar sued LoopNet for copyright infringement.

Adopting the reasoning in *Netcom*, the Fourth Circuit held in *CoStar Group, Inc. v. LoopNet, Inc.*, 373 F.3d 544 (4th Cir. 2004), that because LoopNet was simply the owner and manager of a system used by others who were violating CoStar's copyrights and not an actual duplicator itself, it was not *directly* liable for copyright infringement. As the Fourth Circuit explained (at 550):

> But to establish direct liability under §§ 501 and 106 of the Act, something more must be shown than mere ownership of a machine used by others to make illegal copies. *There must be actual infringing conduct with a nexus sufficiently close and causal to the illegal copying* that one could conclude that the machine owner himself trespassed on the exclusive domain of the copyright owner. The *Netcom* court described this nexus as requiring some aspect of volition or causation. (emphasis added)

The Fourth Circuit focused on the text of the Copyright Act and noted that to violate the reproduction right under § 106(1) one must, without the copyright owner's consent "reproduce the work in copies" and the term "copies" in this context is defined in Section 101 as "material objects ... in which a work is fixed." Moreover, Section 101 also instructs that a work is "fixed," in the relevant sense, when it is embodied in a material form "sufficiently permanent or stable to permit it to be perceived, reproduced, or otherwise communicated for a period of more than transitory duration." The Fourth Circuit concluded (at 550-551) that as a mere conduit of data, it was wrong to say that the defendant copied the work:

> When an electronic infrastructure is designed and managed as a conduit of information and data that connects users over the Internet, the owner and manager of the conduit hardly "copies" the information and data in the sense that it fixes a copy in its system of more than transitory duration.

In other words, the service provider may set up the system, but it is the user who undertakes the action of copying the work.

The court of appeals reprised the policy argument from *Netcom* in the following terms:

> … we conclude that *Netcom* made a particularly rational interpretation of § 106 when it concluded that a person had to engage in volitional conduct — specifically, the act constituting infringement — to become a direct infringer. As the court in *Netcom* concluded, such a construction of the Act is especially important when it is applied to cyberspace. There are thousands of owners, contractors, servers, and users involved in the Internet whose role involves the storage and transmission of data in the establishment and maintenance of an Internet facility. Yet their conduct is not truly "copying" as understood by the Act; rather, they are conduits from or to would-be copiers and have no interest in the copy itself.

In a later passage the Fourth Circuit summarized its holding (at 555):

> At bottom, we hold that ISPs, when passively storing material at the direction of users in order to make that material available to other users upon their request, do not "copy" the material in direct violation of § 106 of the Copyright Act.
>
> Agreeing with the analysis in *Netcom*, we hold that the automatic copying, storage, and transmission of copyrighted materials, when instigated by others, does not render an ISP strictly liable for copyright infringement under §§ 501 and 106 of the Copyright Act.
>
> An ISP, however, can become liable indirectly upon a showing of additional involvement sufficient to establish a contributory or vicarious violation of the Act. In that case, the ISP could still look to the DMCA for a safe harbor if it fulfilled the conditions therein.

In their 2020 Iowa Law Review article, *Convergence and Conflation in Online Copyright*, Professors Christopher Cotropia and James Gibson argue that *CoStar Group v. LoopNet* illustrates how in some respects at least, the DMCA safe harbor rules and the substantive liability doctrines in copyright have merged.

> … the *CoStar* case presented the typical System Storage scenario, with service provider LoopNet operating a server onto which its users copied CoStar's copyrighted photographs without a license. The twist here was that LoopNet had not met the threshold conditions for the DMCA safe harbor (having failed to implement a repeat-infringer policy), which made this a case purely about the ultimate liability standards.
>
> Because the DMCA was unavailable to LoopNet, CoStar argued that *Netcom* should also be unavailable. In other words, it asserted that the statute "supplanted and preempted *Netcom*," making the safe harbors the sole determinant of liability and thus finding infringement whenever they did not apply. The Fourth Circuit rejected this claim, embraced *Netcom* as the governing standard, and "held that the automatic copying, storage, and transmission of copyrighted materials, when instigated by others, does not render [a service provider] strictly liable for copyright infringement." The substance of the safe harbors and the direct infringement liability standard were therefore viewed as identical, even when the DMCA defenses were technically unavailable. … This is textbook convergence. Christopher A. Cotropia & James Gibson, *Convergence and Conflation in Online Copyright*, 105 IOWA LAW REVIEW 1027, 1055–56 (2020).

* * *

The volitional act requirement has also been endorsed by the Third Circuit in *Parker v. Google, Inc.*, 242 F.App'x 833, 837 (3d Cir. 2007) (per curiam) ("To state a direct copyright infringement claim, a plaintiff must allege volitional conduct on the part of the defendant.").

Cablevision

As noted previously in this book, the Second Circuit's *Cablevision* ruling rests on three essential pillars. First, that temporary buffer storage does not meet the definition of creating a 'copy' as that term is defined in the Act because to qualify as a copy a work must be fixed for more than a transitory duration. Second, Cablevision was not a direct infringer of the

reproduction right because it was not the 'maker', in the sense of the 'volitional copy' doctrine, of the fixed copies. Third, Cablevision did not *publicly* perform the works within the meaning of the 'transmit clause' of the public performance right. We will now focus on the second holding: that Cablevision was not a direct infringer of the reproduction right because it was not the 'maker', in the sense of the 'volitional copy' doctrine, of the fixed copies.

Cartoon Network LP v. CSC Holdings, Inc., 536 F.3d 121 (2d Cir. 2008)

Opinion by Circuit Judge John M. Walker, Jr.

… Direct Liability for Creating the Playback Copies

In most copyright disputes, the allegedly infringing act and the identity of the infringer are never in doubt. These cases turn on whether the conduct in question does, in fact, infringe the plaintiff's copyright. In this case, however, the core of the dispute is over the authorship of the infringing conduct. After an RS-DVR subscriber selects a program to record, and that program airs, a copy of the program — a copyrighted work — resides on the hard disks of Cablevision's Arroyo Server, its creation unauthorized by the copyright holder. The question is *who* made this copy. If it is Cablevision, plaintiffs' theory of direct infringement succeeds; if it is the customer, plaintiffs' theory fails because Cablevision would then face, at most, secondary liability, a theory of liability expressly disavowed by plaintiffs.

Few cases examine the line between direct and contributory liability. Both parties cite a line of cases beginning with *Religious Technology Center v. Netcom On-Line Communication Services*, 907 F. Supp. 1361 (N.D. Cal.1995). In *Netcom,* a third-party customer of the defendant Internet service provider ("ISP") posted a copyrighted work that was automatically reproduced by the defendant's computer. The district court refused to impose direct liability on the ISP, reasoning that "although copyright is a strict liability statute, there should still be some element of volition or causation which is lacking where a defendant's system is merely used to create a copy by a third party." Recently, the Fourth Circuit endorsed the *Netcom* decision, noting that

to establish *direct* liability under ... the Act, something more must be shown than mere ownership of a machine used by others to make illegal copies. There must be actual infringing conduct with a nexus sufficiently close and causal to the illegal copying that one could conclude that the machine owner himself trespassed on the exclusive domain of the copyright owner."

CoStar Group, Inc. v. LoopNet, Inc., 373 F.3d 544, 550 (4th Cir.2004).

Here, the district court pigeon-holed the conclusions reached in *Netcom* and its progeny as "premised on the unique attributes of the Internet." While the *Netcom* court was plainly concerned with a theory of direct liability that would effectively "hold the entire Internet liable" for the conduct of a single user, its reasoning and conclusions, consistent with precedents of this court and the Supreme Court, and with the text of the Copyright Act, transcend the Internet. Like the Fourth Circuit, we reject the contention that "the *Netcom* decision was driven by expedience and that its holding is inconsistent with the established law of copyright," and we find it "a particularly rational interpretation of § 106," rather than a special-purpose rule applicable only to ISPs.

When there is a dispute as to the author of an allegedly infringing instance of reproduction, *Netcom* and its progeny direct our attention to the volitional conduct that causes the copy to be made. There are only two instances of volitional conduct in this case: Cablevision's conduct in designing, housing, and maintaining a system that exists only to produce a copy, and a customer's conduct in ordering that system to produce a copy of a specific program. In the case of a VCR, it seems clear — and we know of no case holding otherwise — that the operator of the VCR, the person who actually presses the button to make the recording, supplies the necessary element of volition, not the person who manufactures, maintains, or, if distinct from the operator, owns the machine. We do not believe that an RS-DVR customer is sufficiently distinguishable from a VCR user to impose liability as a direct infringer on a different party for copies that are made automatically upon that customer's command.

The district court emphasized the fact that copying is "instrumental" rather than "incidental" to the function of the RS-DVR system. While that may distinguish the RS-DVR from the ISPs in *Netcom* and *CoStar*, it does not distinguish the RS-DVR from a VCR, a photocopier, or even a typical copy shop. And the parties do not seem to contest that a company that merely makes photocopiers available to the public on its premises, without more, is not subject to liability for direct infringement for reproductions made by customers using those copiers. They only dispute whether Cablevision is similarly situated to such a proprietor.

The district court found Cablevision analogous to a copy shop that makes course packs for college professors. In the leading case involving such a shop, for example, "the professor gave the copyshop the materials of which the coursepack was to be made up, and the copyshop did the rest." *Princeton Univ. Press v. Mich. Document Servs.*, 99 F.3d 1381, 1384 (6th Cir.1996) (en banc). There did not appear to be any serious dispute in that case that the shop itself was directly liable for reproducing copyrighted works. The district court here found that Cablevision, like this copy shop, would be "doing" the copying, albeit "at the customer's behest."

But because volitional conduct is an important element of direct liability, the district court's analogy is flawed. In determining who actually "makes" a copy, a significant difference exists between making a request to a human employee, who then volitionally operates the copying system to make the copy, and issuing a command directly to a system, which automatically obeys commands and engages in no volitional conduct. In cases like *Princeton University Press*, the defendants operated a copying device and sold the product they made using that device. See 99 F.3d at 1383 ("The corporate defendant is a commercial copyshop that reproduced substantial segments of copyrighted works of scholarship, bound the copies into coursepacks, and sold the coursepacks to students."). Here, by selling access to a system that automatically produces copies on command, Cablevision more closely resembles a store proprietor who charges customers to use a photocopier on his premises, and it seems incorrect to say, without more, that such a proprietor "makes" any copies when his machines are actually operated by his customers. Some courts have held to the contrary, but they do not explicitly explain why, and we find them unpersuasive. See, e.g., *Elektra Records Co. v. Gem Elec. Distribs., Inc.*, 360 F.Supp. 821, 823 (E.D.N.Y.1973) (concluding that, "regardless" of whether customers or defendants' employees operated the tape-

copying machines at defendants' stores, defendant had actively infringed copyrights).

The district court also emphasized Cablevision's "unfettered discretion in selecting the programming that it would make available for recording." This conduct is indeed more proximate to the creation of illegal copying than, say, operating an ISP or opening a copy shop, where all copied content was supplied by the customers themselves or other third parties. Nonetheless, we do not think it sufficiently proximate to the copying to displace the customer as the person who "makes" the copies when determining liability under the Copyright Act. Cablevision, we note, also has subscribers who use home VCRs or DVRs (like TiVo), and has significant control over the content recorded by these customers. But this control is limited to the channels of programming available to a customer and not to the programs themselves. Cablevision has no control over what programs are made available on individual channels or when those programs will air, if at all. In this respect, Cablevision possesses far less control over recordable content than it does in the [video on demand] context, where it actively selects and makes available beforehand the individual programs available for viewing. For these reasons, we are not inclined to say that Cablevision, rather than the user, "does" the copying produced by the RS-DVR system. As a result, we find that the district court erred in concluding that Cablevision, rather than its RS-DVR customers, makes the copies carried out by the RS-DVR system.

Our refusal to find Cablevision directly liable on these facts is buttressed by the existence and contours of the Supreme Court's doctrine of contributory liability in the copyright context. After all, the purpose of any causation-based liability doctrine is to identify the actor (or actors) whose "conduct has been so significant and important a cause that [he or she] should be legally responsible." W. Page Keeton et al., *Prosser and Keeton on Torts* § 42, at 273 (5th ed.1984). But here, to the extent that we may construe the boundaries of direct liability more narrowly, the doctrine of contributory liability stands ready to provide adequate protection to copyrighted works.

Most of the facts found dispositive by the district court — e.g., Cablevision's "continuing relationship" with its RS-DVR customers, its control over recordable content, and the "instrumentality" of copying to the RS-DVR system, — seem to us more relevant to the question of contributory liability. In *Sony Corp. of America v. Universal City Studios, Inc.,* the lack of an "ongoing relationship" between Sony and its VCR customers supported the Court's conclusion that it should not impose contributory liability on Sony for any infringing copying done by Sony VCR owners. 464 U.S. 417, 437-38 (1984). The *Sony* Court did deem it "just" to impose liability on a party in a "position to control" the infringing uses of another, but as a contributory, not direct, infringer. Id. at 437. And asking whether copying copyrighted material is only "incidental" to a given technology is akin to asking whether that technology has "commercially significant noninfringing uses," another inquiry the Sony Court found relevant to whether imposing contributory liability was just. Id. at 442.

The Supreme Court's desire to maintain a meaningful distinction between direct and contributory copyright infringement is consistent with congressional intent. If Congress had meant to assign direct liability to both the person who actually commits a copyright-infringing act and any person who actively induces that infringement, the Patent Act tells us that it knew how to draft a statute that would

have this effect. Because Congress did not do so, the *Sony* Court concluded that "the Copyright Act does not expressly render anyone liable for infringement committed by another." 464 U.S. at 434. Furthermore, in cases like *Sony*, the Supreme Court has strongly signaled its intent to use the doctrine of contributory infringement, not direct infringement, to "identify[] the circumstances in which it is just to hold one individual accountable for the actions of another." Id. at 435. Thus, although *Sony* warns us that "the lines between direct infringement, contributory infringement, and vicarious liability are not clearly drawn," id. at 435 n. 17, that decision does not absolve us of our duty to discern where that line falls in cases, like this one, that require us to decide the question.

The district court apparently concluded that Cablevision's operation of the RS-DVR system would contribute in such a major way to the copying done by another that it made sense to say that Cablevision was a direct infringer, and thus, in effect, was "doing" the relevant copying. There are certainly other cases, not binding on us, that follow this approach. See, e.g., *Playboy Enters. v. Russ Hardenburgh, Inc.*, 982 F.Supp. 503, 513 (N.D.Ohio 1997) (noting that defendant ISP's encouragement of its users to copy protected files was "crucial" to finding that it was a direct infringer). We need not decide today whether one's contribution to the creation of an infringing copy may be so great that it warrants holding that party directly liable for the infringement, even though another party has actually made the copy. We conclude only that on the facts of this case, copies produced by the RS-DVR system are "made" by the RS-DVR customer, and Cablevision's contribution to this reproduction by providing the system does not warrant the imposition of direct liability. Therefore, Cablevision is entitled to summary judgment on this point, and the district court erred in awarding summary judgment to plaintiffs.

…

[With respect to the public performance right] Cablevision contends that (1) the RS-DVR customer, rather than Cablevision, does the transmitting and thus the performing and (2) the transmission is not "to the public" under the transmit clause.

As to Cablevision's first argument, we note that our conclusion [above] that the customer, not Cablevision, "does" the copying does not dictate a parallel conclusion that the customer, and not Cablevision, "performs" the copyrighted work. The definitions that delineate the contours of the reproduction and public performance rights vary in significant ways. For example, the statute defines the verb "perform" and the noun "copies," but not the verbs "reproduce" or "copy." We need not address Cablevision's first argument further because, even if we assume that Cablevision makes the transmission when an RS-DVR playback occurs, we find that the RS-DVR playback, as described here, does not involve the transmission of a performance "to the public."

Notes and questions

(1) Why does the court think that Cablevision's customers *made* the copies using the RS-DVR system? What are the key facts pointing toward this conclusion?

(2) Can you see why the Second Circuit suggests that the volitional act requirement might work differently in the context of the performance right than in reproduction right cases?

(3) *Cablevision* reasoned that a narrow rule of direct liability was safe because contributory liability stood behind it: the court's "refusal to find Cablevision directly liable on these facts is buttressed by the existence and contours of the Supreme Court's doctrine of contributory liability." That assumption is worth revisiting after *Cox Communications, Inc. v. Sony Music Entertainment*, 607 U.S. 583 (2026), discussed at length in the chapter on secondary liability, where the Court held that "a company is not liable as a copyright infringer for merely providing a service to the general public with knowledge that it will be used by some to infringe copyrights." If the backstop is narrower than *Cablevision* supposed, does that change how hard the volitional conduct line should work? Or does it simply mean that some conduct now falls outside both doctrines?

How did the Supreme Court decision in Aereo affect the Cablevision ruling?

This is a difficult question to answer because Justice Breyer's majority opinion in *Aereo* can be read in different ways. In *Aereo*, the majority of the Supreme Court held that the defendant Internet retransmission service did *publicly* perform works initially broadcast by various television networks within the meaning of the 'transmit clause' of the public performance right. At its narrowest, *Aereo* holds that, regardless of the source of the transmission or whether the user initiated the transmission, a service provider that is indistinguishable from a cable retransmission service from the point of view of the end-user publicly performs whenever it makes a transmission to the end-user. More broadly, one could read *Aereo* as holding that *any transmission* of the same work to multiple people is potentially a public performance, regardless of whether it is sourced from the same copy, depending on the "relationship" those people have to the work, particularly, whether they receive the work "in *their capacities as owners or possessors*" thereof.

Aereo's system combined the features of an RS-DVR and Internet retransmission service. Aereo's customers predominantly used it to watch broadcast television in close-to-real-time as a substitute for using their own antenna or subscribing to a traditional cable system. The Aereo service was clearly designed to take as much advantage of the Second Circuit's *Cablevision* holding as possible. Rather than using a single receiver and recording only one copy of each work that might be required, Aereo supposedly dedicated an individual dime-sized antenna and an individual hard drive allocation to each user. Broadcast television was only received, recorded, and transmitted to the end-user if that end-user so specified.

In the *Aereo* case, the defendant argued that given the individualized and automated nature of its system, the individual users and not the service provider 'made' the transmissions at issue. It also argued that these same design choices made any transmissions to end-users private, rather than public. These arguments resonated with Justice Scalia, but found no traction with the majority. Indeed, it is striking that the majority decision barely addressed the volitional conduct question at all. The majority simply held that, in view of the legislative history and the manifest intention of Congress to make cable retransmission services liable for copyright infringement, "*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." *Aereo* at 2506 (emphasis added).

In his detailed exposition of the volitional act requirement, Justice Scalia argued that cable systems perform because they send a constant transmission stream to their subscribers. The Aereo system, in contrast, remained inert until a subscriber sent the 'watch' command.

Only then, and quite automatically, would the Aereo system activate an antenna and begin to transmit the requested program. In Scalia's view, even though both sender and receiver of a conventional broadcast could be said to 'perform' because both engage in an affirmative volitional act, only the user of an automated system performs when she alone initiates and receives a transmission.

Writing for the majority, Justice Breyer dismissed this argument, noting that the "sole technological difference between Aereo and traditional cable companies" was invisible and meaningless to Aereo's subscribers and to Aereo itself. Breyer's commitment to purposivism brushed aside Scalia's commitment to formalism, (at 2507):

> 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.'

The majority in *Aereo* did not reject the volitional act requirement across the board, not even necessarily in the context of the performance right. The contours of the cable system analogy are far from clear; all that can be said without fear of contradiction is that transmissions that "look like a cable system" to the Supreme Court are deemed volitional.

Is there a textual basis in the Copyright Act for the volitional act requirement?

In *Aereo*, Justice Scalia observed:

> The Networks' claim is governed by a simple but profoundly important rule: A defendant may be held directly liable only if it has engaged in volitional conduct that violates the Act. This requirement is firmly grounded in the Act's text, which defines "perform" in active, affirmative terms: One "perform[s]" a copyrighted "audiovisual work," such as a movie or news broadcast, by "show[ing] its images in any sequence" or "mak[ing] the sounds accompanying it audible." § 101. And since the Act makes it unlawful to copy or perform copyrighted works, not to copy or perform in general, see § 501(a), the volitional-act requirement demands conduct directed to the plaintiff's copyrighted material.

Are you convinced?

Fox Broadcasting Co., Inc. v. Dish Network L.L.C., 747 F.3d 1060 (9th Cir. 2014)

Opinion by Circuit Judge Thomas:

[Fox sued Dish Network for copyright infringement and breach of contract after the satellite broadcaster began offering a DVR said to automatically record the primetime programming of the major commercial networks combined with the feature called AutoHop that allowed users to automatically skip the commercials in those primetime blocks. Notably, AutoHop did not create a new copy of the primetime broadcasts with the ads edited out; the ads were simply passed over during playback.]

> The district court did not abuse its discretion in holding that Fox was unlikely to succeed on its claim of direct copyright infringement regarding PrimeTime Anytime. To establish a claim of copyright infringement by reproduction, the

plaintiff must show ownership of the copyright and copying by the defendant. In this case, the district court determined that Fox had demonstrated ownership of the copyrights of some of the shows. The court then focused on who made the copies of Fox programs using PrimeTime Anytime: Dish or its customers. The district court noted that the Second Circuit had considered a similar question in *Cartoon Network LP v. CSC Holdings, Inc.* ("Cablevision"), 536 F.3d 121 (2d Cir.2008). The Second Circuit concluded that Cablevision's remote-storage DVR system did not directly infringe the plaintiffs' copyrights. Unlike a typical DVR system, in which a customer's remote sends signals to the set-top box in her home, users of Cablevision's remote-storage DVR system sent signals to Cablevision's central facility, where a copy of the program the viewer selected was created and stored on Cablevision's central servers. The question was "who made this copy" — the viewer or Cablevision? Id. at 130. The Second Circuit held that much like a VCR user makes the copy, so did the Cablevision customer.

In this case, the district court found that "Dish exercises a degree of discretion over the copying process beyond that which was present in Cablevision." It pointed to the facts that Dish decides how long copies are available for viewing, Dish maintains the authority to modify the start and end times of the primetime block, and a user cannot stop a copy from being made once the recording has started. Yet the court held that "at this stage of the proceedings," it was "not satisfied" that PrimeTime Anytime had "crossed over the line that leads to direct liability." The court held that the "user, not Dish, must take the initial step of enabling" PrimeTime Anytime. "The user, then, and not Dish, is the most significant and important cause of the copy."

The district court did not abuse its discretion in concluding that Fox had not established a likelihood of success on this claim. Infringement of the reproduction right requires copying by the defendant, which comprises a requirement that the defendant cause the copying. See *Cablevision*, 536 F.3d at 130 (explaining that direct infringement claim turned on "who made" the copies). Fox argues that because Dish participates in the operation of PrimeTime Anytime on a daily basis, Dish made the copies, either alone or concurrently with its users. However, operating a system used to make copies at the user's command does not mean that the system operator, rather than the user, caused copies to be made. Here, Dish's program creates the copy only in response to the user's command. Therefore, the district court did not err in concluding that the user, not Dish, makes the copy.

That Dish decides how long copies are available for viewing, modifies the start and end times of the primetime block, and prevents a user from stopping a recording might be relevant to a secondary or perhaps even a direct infringement claim. Cf. *Cablevision*, 536 F.3d at 132-33 (finding that factors evidencing Cablevision's control over copying process seemed "more relevant to the question of contributory liability" but reserving the question "whether one's contribution to the creation of an infringing copy may be so great that it warrants holding that party directly liable for the infringement, even though another party has actually made the copy"). But these facts do not establish that Dish made the copies. Therefore, the district court did not err in holding that Fox did not establish a likelihood of success on its direct infringement claim.

Notes and questions

(1) In *Fox v. Dish Network,* the Ninth Circuit followed earlier decisions such as *Netcom*, *CoStar*, and *Cablevision* and held: "Infringement of the reproduction right requires copying by the defendant, which comprises a requirement that the defendant cause the copying." It elaborated that "operating a system used to make copies at the user's command does not mean that the system operator, rather than the user, caused copies to be made." Is *Fox Broadcasting* a significant extension of *Cablevision?* At what point should the "degree of discretion over the copying process" make a service provider directly liable for copyright infringement? In *Fox Broadcasting*, the service provider decided how long copies were available for viewing, it modified the start and end times of the primetime block according to the networks' own schedules, and it did not allow users to stop a recording of the primetime blocks once it had begun. How significant were these features?

(2) Some overseas jurisdictions treat a service provider like Dish as jointly making copies along with its customers. Does that make sense? Fox argued that because the defendant participated in the operation of its PrimeTime Anytime feature on a daily basis, the defendant service provider *made* the copies, either alone or concurrently with its users. In Fox's view, the conclusion that the users made the copies does not negate a finding that the service provider did too — the copies could be considered jointly made by both service provider and end-user. What did the court of appeals make of that argument?

(3) Note that not everything turns on who made the copy. The court of appeals noted several factors indicating Dish's degree of involvement with the copying and noted that these "might be relevant to a secondary or *perhaps even a direct infringement claim*" (emphasis added). The court cited the passage in *Cablevision* where the Second Circuit reserved the question "whether one's contribution to the creation of an infringing copy may be so great that it warrants holding that party directly liable for the infringement, even though another party has actually made the copy …" See *Cablevision* 536 F.3d at 132-33. What degree of involvement might justify holding a service provider liable as a direct infringer even if the service provider did not perform the infringing act?

(4) In addition to holding that the district court had not abused its discretion in holding that Fox was unlikely to succeed on its claim of direct copyright infringement regarding Dish Network's new DVR features, the court of appeals also found that Fox was unlikely to succeed on its claim of secondary copyright infringement for the PrimeTime Anytime and AutoHop programs because the copying by the consumers was fair use.

(5) More recent cases on the volitional act requirement include *Perfect 10, Inc. v. Giganews, Inc.,* 847 F.3d 657 (9th Cir. 2017), *BWP Media USA, Inc. v. T & S Software Assocs., Inc.,* 852 F.3d 436 (5th Cir. 2017), *VHT, Inc. v. Zillow Group, Inc.* (9th Cir. 2019) (March 15, 2019) and *BWP Media USA Inc. v. Polyvore, Inc.* (2d Cir. 2019); *Oracle America, Inc. v. Hewlett Packard Enterprises Co.*, 971 F.3d 1042, 1053 (9th Cir. 2020). Some of these are discussed below.

Volition as proximate cause?

Perfect 10, Inc. v. Giganews, Inc., 847 F.3d 657 (9th Cir. 2017) is a good place to pick up the debate about whether volition means an act of deciding/choosing or something like proximate cause in tort law. The 2017 Ninth Circuit decision in *Giganews* is in some ways

a replay of the *Netcom* decision that first articulated the volitional conduct requirement in 1995. The USENET group that is the subject of the *Giganews* case is essentially the same thing as the Internet BBS in *Netcom*. The extract below is confined to the volition as an act of deciding versus volition as causation issue.

Perfect 10, Inc. v. Giganews, Inc., 847 F.3d 657 (9th Cir. 2017)

Circuit Judge D.W. Nelson

> … To establish a prima facie case of direct infringement, a plaintiff "must show ownership of the allegedly infringed material" and "demonstrate that the alleged infringers violated at least one exclusive right granted to copyright holders under 17 U.S.C. § 106." *A&M Records, Inc. v. Napster, Inc.,* 239 F.3d 1004, 1013 (9th Cir. 2001). In addition, direct infringement requires the plaintiff to show causation (also referred to as "volitional conduct") by the defendant. See *Fox Broad. Co., Inc. v. Dish Network L.L.C.*, 747 F.3d 1060, 1067 (9th Cir. 2013).
>
> We wish to emphasize that the word "volition" in this context does not really mean an "act of willing or choosing" or an "act of deciding," which is how the dictionary defines the term. Volition, Webster's Third New International Dictionary (1986). Rather, as used by the court in *Religious Technology Center v. Netcom* 907 F.Supp. 1361, 1370 (N.D. Cal. 1995), it simply stands for the unremarkable proposition that proximate causation historically underlines copyright infringement liability no less than other torts. As the district court cogently explained:
>
> The so-called "volition" element of direct infringement is not a judicially-created element of intent or knowledge; it is a basic requirement of causation. As its name suggests, *direct* liability must be premised on conduct that can reasonably be described as the *direct cause* of the infringement.
>
> *Perfect 10, Inc.*, 2014 WL 8628034, at *7 (emphasis in original).
>
> Contrary to Perfect 10's contention, this requirement of causation remains an element of a direct infringement claim. In Fox Broadcasting, we explained that "infringement of the reproduction right requires copying by the defendant, which comprises a requirement that the defendant cause the copying." 747 F.3d at 1067. In using this language, we indicated that causation is an element of a direct infringement claim.

Notes and questions

(1) In addition to the causation discussion extracted above, *Giganews* is also significant for its post-*Aereo* reaffirmation of the volitional conduct requirement. The Ninth Circuit reviewed the case law on volitional conduct and noted that every Court of Appeals to have considered an automated service provider's direct liability for copyright infringement had adopted the volitional-conduct requirement. The court argued that the *Aereo* majority did not expressly address the volitional conduct requirement and that the Court's analysis could be reconciled with it, and thus "we conclude that the requirement was left intact …" This was recently reaffirmed in the 2023 case of *Hunley v. Instagram, LLC* extracted later in this chapter.

(2) In *BWP Media USA Inc. v. Polyvore, Inc.*, 922 F.3d 42 (2d Cir. 2019) the Second Circuit also confirmed that volitional act survives *Aereo.* However, the Second Circuit

panel divided on the exact nature of the volition requirement. In addition to a short per curiam decision, each member of the panel wrote separately, concurring in the result.

Judge Newman argued that volition should be understood to mean proximate causation in the sense that term is used in torts. Judge Walker disagreed, insisting that "volition and causation are different concepts." Whereas Judge Pooler also wrote separately but did not take a side in the volition versus proximate cause debate.

As Judge Walker noted,

> Proximate causation is a negligence concept that has to do with risk and foreseeability. Volition, on the other hand, is the act of making a choice or determining something. In the context of direct copyright infringement, volition is choosing to engage in an act that causes infringement. Therefore, although a volition analysis may under certain circumstances require an explicit causation analysis, and although applying only a causation analysis to particular facts may yield the same result as a volition analysis, volition is not the same thing as causation.

Even if one accepts that volition is something like the tort law concept of proximate cause, the imprecision of that particular analytical tool means that one is still left wondering exactly what volition means. Do acts too remote from the infringing act lack volition, or does a lack of volition make an act too remote from the infringing act to qualify as direct infringement? If we concede that volition is, or is like, proximate cause and that proximate cause reflects important policy judgments about how far tort liability should extend, then what are the relevant policies that should flesh out the concept of volition?

(3) For further reading, see Professor Robert C. Denicola, *Volition and Copyright Infringement*, 37 CARDOZO LAW REVIEW 1259 (2016).

Linking, Embedding and the "Server Test"

Origins of the server test in Perfect 10, Inc. v. Amazon.com, Inc.

In the language of computer programming, a "server" is a computer which manages access to a centralized resource or service in a network. A server can be a program running on a laptop connected to a network, or it can be an enormous data center occupying millions of square feet and consuming as much power as a small city. For many purposes, which server a piece of data resides on is not very important, but sometimes in copyright law it is vitally important.

In *Perfect 10, Inc. v. Amazon.com, Inc.,* 508 F.3d 1146 (9th Cir. 2007), the plaintiff argued, among other things, that Google and Amazon were directly liable for copyright infringement when they linked to third party websites that hosted infringing materials. Perfect 10 argued that when a user clicks on a link to an image, the search engine that provided that image makes an unauthorized display.

In *Perfect 10* the Ninth Circuit drew a sharp distinction between displaying an image from one's own server and merely linking to the same image stored on someone else's server. The former is both a reproduction and a display; the latter is merely an instruction to the

user's Internet browser to render a display from elsewhere. As such, under the "server test," there is no direct liability for ordinary linking on the Internet.

As a matter of statutory interpretation, the Ninth Circuit reasoned that because "display" is defined as "to show a copy of [the work] either directly or by means of [any] device or process" and "copies" is defined in terms of "material objects," it follows that "based on the plain language of the statute, a person displays a photographic image by using a computer to fill a computer screen with a copy of the photographic image fixed in the computer's memory." Is that convincing?

The server test and embedded content

In *Goldman v. Breitbart News Network, LLC*, 302 F.Supp.3d 585 (S.D.N.Y. 2018), the district court held third parties who embedded a Tweet displaying a copyrighted photograph potentially violated the exclusive right to display the work, directly and not merely through contributory or vicarious liability. The court held that the Ninth Circuit's "server test" was inapplicable, finding no basis in the "plain language of the Copyright Act, the legislative history undergirding its enactment, and subsequent Supreme Court jurisprudence … for a rule that allows the physical location or possession of an image to determine who may or may not have 'displayed' a work within the meaning of the Copyright Act." The court in *Goldman* held that the "server test" was inapplicable in cases where the user takes no action to "display" the image. Although *Goldman* and a handful of other cases have questioned, if not refuted, the server test, the Ninth Circuit seems reluctant to let it go.

Hunley v. Instagram, LLC, 73 F.4th 1060 (9th Cir. 2023)

Opinion by Judge Bybee

This copyright dispute tests the limits of our holding in *Perfect 10 v. Amazon*, 508 F.3d 1146 (9th Cir. 2007) in light of the Supreme Court's subsequent decision in *American Broadcasting Companies, Inc. v. Aereo*, 573 U.S. 431 (2014). Plaintiffs-appellees Alexis Hunley and Matthew Scott Brauer (collectively "Hunley") are photographers who sued defendant Instagram for copyright infringement. Hunley alleges that Instagram violates their exclusive display right by permitting third-party sites to embed the photographers' Instagram content. *See* 17 U.S.C. § 106(5). The district court held that Instagram could not be liable for secondary infringement because embedding a photo does not "display a copy" of the underlying images under *Perfect 10*.

We agree with the district court that *Perfect 10* forecloses relief in this case. Accordingly, we affirm.

A. Facts

1. The Background

Instagram is a social media platform where users share photo and video content to their followers. Users with public profiles grant Instagram a royalty-free sublicense to display their photos. Instagram's infrastructure also allows third-party websites to "embed" public Instagram posts.

Embedding—we have sometimes referred to embedding as "in-line linking" or "framing"—is a method that allows a third-party website (the embedding website) to incorporate content directly from the website where it originally appeared (the host website). Websites are created using instructions written in Hypertext Markup Language ("HTML"). *Perfect 10*, 508 F.3d at 1155. HTML is a text-only code, meaning that the underlying HTML instructions cannot contain images. Instead, when a website wants to include an image, "the HTML instructions on the web[site] provide an address for where the images are stored, whether in the web[site] publisher's computer or some other computer." *Id.*

Users access a website through a web browser application. When a web creator wants to include an image on a website, the web creator will write HTML instructions that direct the user's web browser to retrieve the image from a specific location on a server and display it according to the website's formatting requirements. When the image is located on the same server as the website, the HTML will include the file name of that image. So for example, if the National Parks Service wants to display a photo of Joshua Tree National Park located on its own server, it will write HTML instructions directing the browser to display the image file, <img src="Joshua_Tree.jpg">, and the browser will retrieve and display the photo, hosted by the NPS server.

By contrast, if an external website wants to include an image that is *not* located on its own servers, it will use HTML instructions to "embed" the image from another website's server. To do so, the embedding website creator will use HTML instructions directing the browser to retrieve and display an image from an outside website rather than an image file. So if the embedding website wants to show the National Park Service's Instagram post featuring Joshua Tree National Park—content that is not on the embedding website's same server—it will direct the browser to retrieve and display content from the Instagram's server. The HTML instructions that direct a browser to embed an external social media post look something like this:

Embedding code

<blockquote class="instagram-media" data-instgrm-captioned data- instgrm- permalink="https://www.instagram.com/p/Cso5eUUvWC4/?utm_sourc e=ig_embed&utm_campaign=loading" data-instgrm-version="14" style=" background:#FFF; border:0; border-radius:3px; box-shadow:0 0 1px 0 rgba(0,0,0,0.5),0 1px 10px 0 rgba(0,0,0,0.15); margin: 1px; max- width:540px; min-width:326px; padding:0; width:99.375%; width:- webkit-calc(100% - 2px); width:calc(100% - 2px);"> href="https://www.instagram.com/p/Cso5eUUvWC4/?utm_source=ig_e mbed&utm_campaign=loading" style=" background:#FFFFFF; line-height:0; padding:0 0; text-align:center; text-decoration:none; width:100%;" target="_blank">   <div style="padding: 19% <a0;"> <svg width="50px" height="50px" viewBox="0 0 60 60" version="1.1" xmlns="https://www.w3.org/2000/svg" xmlns:xlink="https://www.w3.org/1999/xlink"><g stroke="none" stroke-width="1" fill="none" fill-rule="evenodd"><g transform="translate(-511.000000, -20.000000)" fill="#000000"><g><path d="M556.869,30.41. . . .   <p style=" color:#c9c8cd; font-family:Arial,sans-serif; font-size:14px; line-height:17px; margin- bottom:0; margin-top:8px; overflow:hidden; padding:8px 0 7px; text- align:center; text-overflow:ellipsis; white-space:nowrap;">A post shared by (@nationalparkservice)</p> </blockquote> <script async src="//www.instagram.com/embed.js"></script>

Image description: The embedding code appears as text in the judgment, it consists of a large chunk of html code

When the browser follows these HTML instructions, the browser will retrieve the image, caption, and formatting from the host website and display all these elements alongside content from the embedding website. The final product will show the external image "embedded" seamlessly into a third-party website.

As illustrated by the HTML instructions above, embedding is different from merely providing a hyperlink. Hyperlinking gives the URL address where external content

is located directly to a user. To access that content, the user must click on the URL to open the linked website in its entirety. By contrast, embedding provides instructions to the *browser*, and the browser automatically retrieves and shows the content from the host website in the format specified by the embedding website. Embedding therefore allows users to see the content itself—not merely the address—on the embedding website without navigating away from the site. Courts have generally held that hyperlinking does not constitute direct infringement.

From the user's perspective, embedding is entirely passive: the embedding website directs the user's own browser to the Instagram account and the Instagram content appears as part of the embedding website's content. The embedding website appears to the user to have included the copyrighted material in its content. In reality, the embedding website has directed the reader's browser to retrieve the public Instagram account and juxtapose it on the embedding website. Showing the Instagram content is almost instantaneous.

Importantly, the embedding website does not store a copy of the underlying image. Rather, embedding allows multiple websites to incorporate content stored on a single server simultaneously. The host server can control whether embedding is available to other websites and what image appears at a specific address. The host server can also delete or replace the image. For example, the National Park Service could replace the picture of Joshua Tree at <Joshua_Tree.jpg> with a picture of Canyonlands National Park. So long as the HTML instructions from the third-party site instruct the browser to retrieve the image located at a specific address, the browser will retrieve whatever the host server supplies at that location.

2. This case

Hunley and Brauer are photographers who own the copyrights to several of their works. Both have public Instagram profiles where they post some of their photography.

BuzzFeed News and *Time* are platforms that share news content online. On June 3, 2020, during the Black Lives Matter protests, *BuzzFeed News* published an article titled "17 Powerful Pictures Of The Protests Through The Eyes of Black Photographers." As part of that article, *BuzzFeed* embedded one of Hunley's Instagram posts. The embedded image showed Hunley's Instagram username (called her "handle") followed by Hunley's photograph, which featured the hands of a protestor juxtaposed with a line of police officers:

Hunley owns the copyright to this photograph. *BuzzFeed* did not seek a license from Hunley to display this photo as part of its news reporting, nor did *BuzzFeed* seek authorization directly from Instagram.[2]

Footnote 2: Websites that embed Instagram's content are bound by Instagram's Platform Policy, and Instagram does not grant third parties a license to users' works. Rather, Instagram maintains that third-party sites have the responsibility to seek permission from the copyright holder as "required by law." According to Hunley, no third party obtained permission from Instagram to embed copyrighted content.

BuzzFeed never created a copy of or stored the underlying photo. Instead, *BuzzFeed* used HTML, provided by a feature on Instagram's platform, to embed the

Instagram post containing the photo, which made Hunley's Instagram post appear on *BuzzFeed*'s website alongside *BuzzFeed*'s own content.

Buzzfeed News Screenshot



Image description: A screenshot of a BuzzFeed News article titled *"17 Powerful Pictures Of The Protests Through The Eyes Of Black Photographers."* The page shows the headline, byline, and sharing options, followed by a black-and-white protest photograph. In the photo, police officers in riot gear face demonstrators on a city street, with tension evident in the scene.

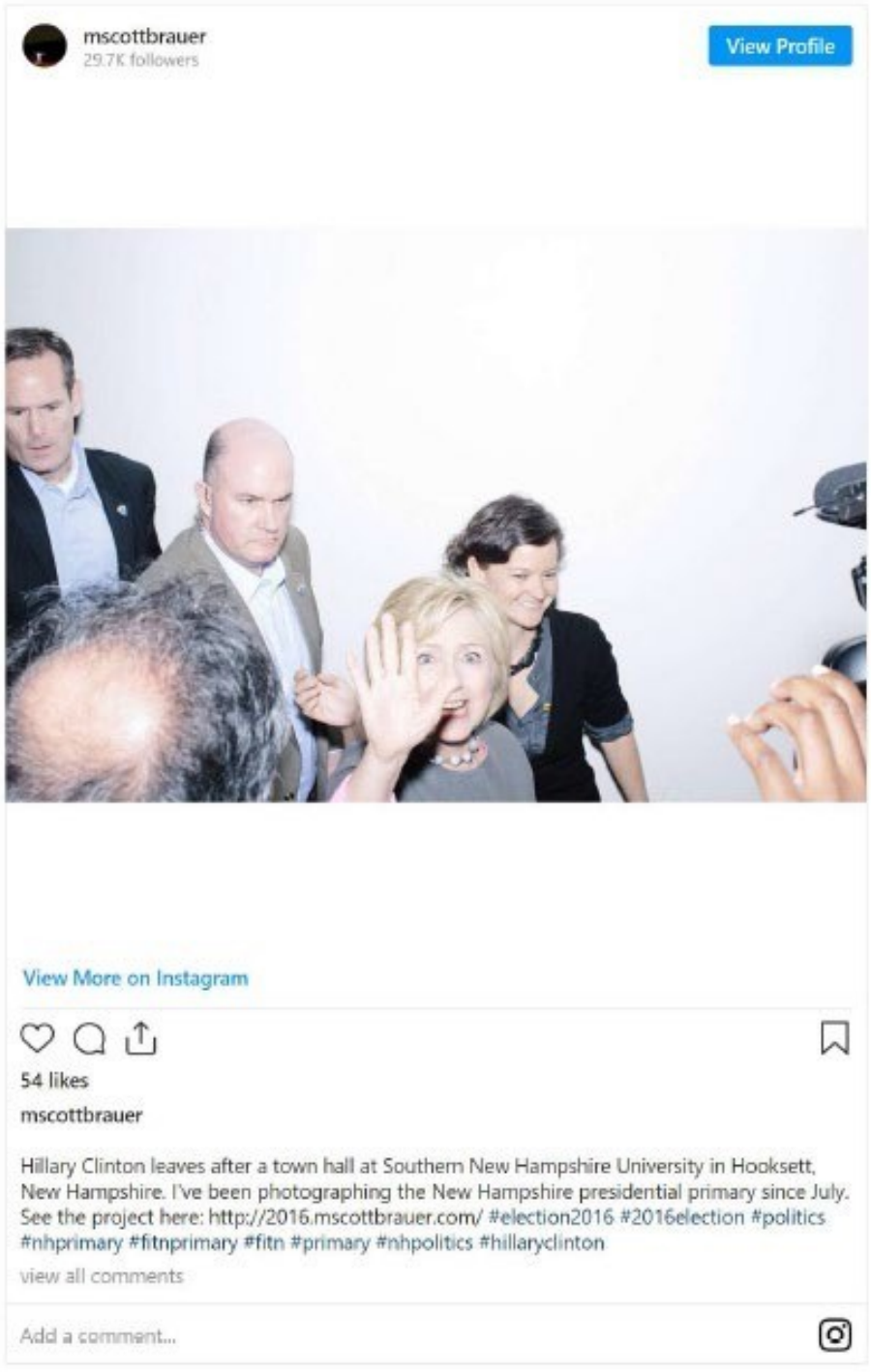
Similarly, *Time* published an article on January 31, 2016, titled "These Photographers Are Covering the Presidential Campaign on Instagram." As part of

that article, *Time* embedded one of Brauer's Instagram posts, featuring a copyrighted photo of candidate Hillary Clinton:

> The post showed Brauer's Instagram post in its entirety. Time did not seek a license from Brauer or permission from Instagram to display this photo. Because Time embedded Brauer's Instagram post containing the photo, Time never stored or made a copy of Brauer's photo. Instead, the embedding instructions caused Brauer's Instagram post to appear on Time's website alongside Time's own content.

Brauer's Instagram post on Time's website

M. Scott Brauer



Advertisement

Image description: A screenshot of an Instagram post by photographer M. Scott Brauer. The photo shows Hillary Clinton leaving an event at Southern New Hampshire University, surrounded by security personnel and supporters. She appears in the center, slightly raising her hand while moving through a crowd in a brightly lit, somewhat chaotic scene.

B. Proceedings Below

Hunley and Brauer brought a class action suit against Instagram on behalf of other copyright owners whose work was "caused to be displayed via Instagram's embedding tool on a third party website without the copyright owner's consent." Hunley alleged that Instagram's embedding tool violated her exclusive display right under the Copyright Act by enabling third-party websites such as *BuzzFeed* and *Time* to display copyrighted photos posted to Instagram. *See* 17 U.S.C. § 106(5). Hunley brought three causes of action against Instagram: inducement of copyright infringement, contributory copyright infringement, and vicarious copyright infringement. Hunley alleged that "Instagram intentionally and brazenly encouraged, aided and induced third party embedding websites to cause to be displayed copyrighted photos and videos without making any effort to control or stop the rampant infringement" while "knowingly participating in such conduct."[3]

Footnote 3: Hunley alleged that Instagram made embedding available to create a revenue stream for its photo-sharing platform, and that Instagram "reaps billions of dollars annually" from encouraging third parties to embed Instagram content.

Hunley conceded that Instagram is not a direct infringer, and these theories of secondary liability all rely on the existence of direct infringement by *BuzzFeed* and *Time*. *See Perfect 10, Inc. v. Giganews*, 847 F.3d 657, 671 (9th Cir. 2017) ("*Giganews*"). Hunley thus alleged that third-party embedding websites, *BuzzFeed* and *Time*, infringed her display right even though they did not host or store a copy of the underlying image. Hunley sought damages and injunctive relief.

Instagram filed a motion to dismiss, which the district court granted. The district court concluded that our holding in *Perfect 10* precluded relief to Hunley. To violate the public display right, infringers must "display 'copies' of the copyrighted work." 17 U.S.C. § 101. According to the district court, embedding websites that do not "'store' an image or video" do not "'communicate a copy' of the image or video and thus do[] not violate the copyright owner's exclusive display right." *See Perfect 10*, 508 F.3d at 1160– 61. Applying *Perfect 10*, the district court explained:

> [BuzzFeed and Time] do not violate Instagram users' exclusive display rights. Because they do not store the images and videos, they do not "fix" the copyrighted work in any "tangible medium of expression." Therefore, when they embed the images and videos, they do not display "copies" of the copyrighted work.

And without direct infringement by *BuzzFeed* or *Time*, Instagram could not be held secondarily liable. The district court concluded that the "only fact that matters" for infringement purposes is storing the photos on servers, and that because Hunley could not remedy this issue, "amendment would be futile." The district court dismissed the action with prejudice, and Hunley timely appealed.

III. ANALYSIS

We begin our analysis with the legal framework of the Copyright Act, including our interpretation of the Act in *Perfect 10*. We will then consider Hunley's legal and policy arguments for limiting the scope of *Perfect 10*. We conclude by applying *Perfect 10* to this case.

A. The Copyright Act and *Perfect 10*

1. The Right of Public Display

The Copyright Act grants authors the exclusive right "to display the copyrighted work publicly." 17 U.S.C. § 106(5). To infringe this exclusive right to public display, the infringer must "show a copy of [the work], either directly or by means of a film, slide, television image, or any other device or process." 17 U.S.C. § 101 (definition of "display"). The Copyright Act defines "copies" as "material objects . . . in which a work is fixed by any method now known or later developed, and from which the work can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device." *Id.* (definition of "Copies"). For copyright purposes, "copy" does not necessarily mean a duplicate of the original, but includes the original itself: "The term 'copies' includes the material object . . . in which the work is first fixed." *Id.* (definition of "Copies"). And "[a] work is 'fixed' in a tangible medium of expression when its embodiment in a copy . . . is sufficiently permanent or stable to permit it to be perceived, reproduced, or otherwise communicated for a period of more than transitory duration." *Id.* (definition of "fixed").

The Copyright Act went through significant amending in 1976. Those amendments clarified that the public display right can also be infringed by a transmission. *See* Public Law 94-533 (Oct. 19, 1976). The amended statute states in relevant part:

> To perform or display a work "publicly" means
>
> (1) to perform or display it at a place open to the public or at any place where a substantial number of persons outside of a normal circle of a family and its social acquaintances is gathered; or
>
> (2) to transmit or otherwise communicate a performance or display of the work to a place specified by clause (1) or to the public, by means of any device or process, whether the members of the public capable of receiving the performance or display receive it in the same place or in separate places and at the same time or at different times.

17 U.S.C. § 101 (definition of "publicly"). Part (2) of this definition is known as the Transmit Clause. To "transmit" a display means "to communicate it by any device or process whereby images or sounds are received beyond the place from which they are sent." *Id.* (definition of "transmit"). By this definition, an internet communication of an image necessarily implicates the Transmit Clause. *Perfect 10*, 508 F.3d at 1161 n.7**.** A transmitted image is "fixed" for copyright purposes "if a fixation of the work is being made simultaneously with its transmission." 17 U.S.C. § 101 (definition of "fixed").

In sum, infringing the exclusive right of public display requires the transmission of a display. For a display to be actionable, it must display a copy. A copy means either an original or a duplicate that is fixed, and fixation requires embodiment in a perceivable format. *See generally* 17 U.S.C. § 101.

2. *Perfect 10* Interprets 17 U.S.C. § 106(5)

In *Perfect 10 v. Amazon, Inc.*, we decided for the first time "when a computer displays a copyrighted work for purposes of section 106(5)," the right to public display. 508 F.3d at 1160. In that case, Perfect 10, an online magazine that marketed photos of nude models, sued Amazon and Google for showing Perfect 10's copyrighted images on their websites. *Id.* at 1157. Perfect 10 alleged that Google infringed its public display right by including pared-down thumbnail images in Google Image Search results and by embedding full-sized images from third-party websites, which posted copyrighted images without permission. *Id.* Google's embedding feature worked in the following manner:

> When a user clicks on a thumbnail image, the user's browser program interprets HTML instructions on Google's webpage. Following these instructions, the browser creates a "window": the infringing image appeared "in its original context[] on the lower portion of the window on the user's computer screen[,] framed by information from Google. Google did not host or store the image that filled the bottom part of the screen, nor did Google communicate the images to the user: the browser, following directions from Google, accessed the third-party website and relayed it to the user.

Id. at 1155–57.

We interpreted the Copyright Act's fixation requirement and found that an image is "fixed in a tangible medium of expression" when it is "embodied (i.e., stored) in a computer's server, (or hard disk, or other storage device)." *Id.* at 1160 (citing *MAI Sys. Corp. v. Peak Computer, Inc.*, 991 F.2d 511, 517–18 (9th Cir. 1993)). Applying that interpretation, we concluded that a "computer owner shows a copy 'by means of a . . . device or process' when the owner uses the computer to fill the computer screen with the photographic image stored on that computer." *Id.* (quoting 17 U.S.C. § 101. And "a person displays a photographic image by using a computer to fill a computer screen with a copy of the photographic image fixed in the computer's memory." *Id.* This requirement that a copy be "fixed in the computer's memory" has come to be known as the "Server Test."

Applying the Server Test to the facts, we concluded that Google's in-line linking (what we now call embedding) did not display a "copy" of Perfect 10's copyrighted images as that term is defined in the Copyright Act. *Id.* at 1160–61. Because Google did not store a copy of the full-size images, but merely embedded them and allowed them to be displayed alongside its search results, "Google does not have a copy of the images for purposes of the Copyright Act." *Id.* Without a copy on its servers, "Google transmits or communicates only an address which directs a user's browser to the location where a copy of the full-size image is displayed. Google does not communicate a display of the work itself." *Id.* at 1161 n.7. Although "Google may have facilitated the user's access to infringing images," we concluded that "such assistance does not constitute direct infringement." *Id.* at 1161.

B. Arguments for Limiting the Server Test

The district court held that *Perfect 10* governed this case. On appeal, as before the district court, Hunley argues that *Perfect 10*'s Server Test does not determine the outcome in this case. First, Hunley argues that the Server Test should only apply to search engines such as Google. Second, Hunley argues that *Perfect 10* is

inconsistent with the Copyright Act. Third, Hunley argues that *Perfect 10* conflicts with the Supreme Court's subsequent decision in *American Broadcasting Co. v. Aereo*, 573 U.S. 431 (2014). Fourth and finally, Hunley argues that there are policy reasons for overruling *Perfect 10*. We disagree with each of these claims, and we will address each in turn.

1. Whether *Perfect 10* should be limited to specific types of websites

Hunley argues that the Server Test should apply only "to search engines or other automated, algorithmic indexing platforms" and should not extend to "content embedded into commercial websites from social media platforms." Hunley's argument finds no support in our law.

Perfect 10 did not restrict the application of the Server Test to a specific type of website, such as search engines. To be sure, in *Perfect 10*, we considered the technical specifications of Google Image Search, including Google's ability to index third-party websites in its search results. *Perfect 10*, 508 F.3d at 1155. We also noted Google's reliance on an automated process for searching vast amounts of data: to create such a search engine, Google "automatically accesses thousands of websites . . . and indexes them within a database" and "Google's computer program selects the advertising automatically by means of an algorithm." *Id.* at 1155–56. But in articulating the Server Test, we did not rely on the unique context of a search engine. Our holding relied on the "plain language" of the Copyright Act and our own precedent describing when a copy is "fixed" in a tangible medium of expression. *Id.* (citing 17 U.S.C. § 101). We looked to *MAI Sys. Corp. v. Peak Computer, Inc.*, for the conclusion that a digital image is "fixed" when it is stored in a server, hard disk, or other storage device. 991 F.2d 511, 517–18 (9th Cir. 1993). Applying this fixation requirement to the internet infrastructure, we concluded that in the embedding context, a website must store the image on its own server to directly infringe the public display right. *Perfect 10,* 508 F.3d at 1160.

We have subsequently applied the Server Test outside the search-engine context. For example, in *Bell v. Wilmott Storage Servs., LLC,* 12 F.4th 1065 (9th Cir. 2021), a photographer sued a storage-service website over its use of his photo of the Indianapolis skyline. Although the image was not shown directly on Wilmott Storage Services' website, it was visible through a "reverse image search." *Id.* at 1073. Because it was "undisputed" that the infringing photos were stored on Wilmott's own server, "Wilmott transmitted, and therefore displayed, the Indianapolis photo without Bell's permission." We concluded that the storage and display was sufficient to hold Wilmott directly liable under the Copyright Act. *Id.* We have also applied the Server Test to blogs, *see Perfect 10, Inc. v. Google, Inc.*, 653 F.3d 976, 978 (9th Cir. 2011) (noting that "Blogger account holders may upload images from the web onto Google's server in order to post them on their blogs, or may use a hyperlink to images hosted on other servers."), and to online bulletin boards, *Evox Prods., LLC v. Verizon Media, Inc.*, No. 21-56046, 2022 WL 17430309, at *1–2 (9th Cir. Dec. 6, 2022) (unpublished) (holding Verizon liable for infringing the display right when it stored the image on its Yahoo Autos and Tumblr servers after its license with copyright owners had expired).

Hunley points out that other circuits have not adopted the Server Test. The statement is true, but of little use to Hunley. At least two circuits have referred to the Server Test without either endorsing or rejecting it. [*Society of Holy Transfiguration Monastery, Inc. v. Gregory*, 689 F.3d 29, 55 (1st Cir. 2012); *Flava Works, Inc. v. Gunter*, 689 F.3d 754, 761 (7th Cir. 2012).]

Although no circuit has disapproved of *Perfect 10*, several district courts have either rejected or limited the Server Test. *See*, *e.g.*, *McGucken v. Newsweek*, 2022 WL 836786 (S.D.N.Y 2022) (rejecting the Server Test); *Nicklen v. Sinclair Broad. Grp., Inc.*, F. Supp. 3d 188 (S.D.N.Y 2021) (rejecting the Server Test); *Goldman v. Breitbart*, 302 F. Supp. 3d 585, 586 (S.D.N.Y 2018) (holding that publishing an embedded tweet featuring Tom Brady was sufficient for direct infringement, even if Twitter did not store or host the infringing image); *Leader's Institute, LLC v. Jackson*, 2017 WL 5629514 (N.D. Tex. Nov. 22, 2017) ("to the extent *Perfect 10* makes actual possession of a copy a necessary condition to violating a copyright owner's exclusive right to display her copyrighted works, the Court respectfully disagrees with the Ninth Circuit.").

We have not limited *Perfect 10* to search engines, and it is too late to argue that it is so limited. The application of the Server Test depends on the *method used* for displaying a photo—not the *context* in which the photo is displayed. And the process used by *BuzzFeed* and *Time* to show users third-party Instagram content is the same process used by Google to show users third-party images: embedding. Nothing in *Perfect 10* or the cases following it limits its application to search engines.

2. Whether *Perfect 10* Is inconsistent with the Copyright Act

Hunley argues that applying the Server Test to social media platforms is inconsistent with the Copyright Act's statutory scheme. Hunley claims that the Server Test conflates the copyright holder's exclusive right to display a work with his exclusive right to reproduce the work. Specifically, Hunley contends that after *Perfect 10* an infringer must violate the copyright holder's reproduction right before the display right can be violated. This, Hunley says, renders portions of the Copyright Act superfluous or insignificant. *See* 17 U.S.C. § 106(1), (3). Hunley also claims that the Server Test cannot be reconciled with other provisions of the Copyright Act that prohibit transmissions by a party, whether or not the party possesses or controls a copy of the work allegedly infringed. And Hunley argues that the Server Test is inconsistent with other provisions related to "secondary transmissions of a performance or display." 17 U.S.C. § 111; *see also id.* § 118–19. According to Hunley, "The Server Test, applied to a social media platform, contains an insupportable assumption that a transmission can have only one actionable source, and that such source must only be the place where the physical copy of the work is hosted."

We will not consider these arguments in any detail because they are foreclosed by *Perfect 10*. Whatever merit these arguments might have in other contexts, *Perfect 10* states the rule for infringing the public display right using embedding. *See*, *e.g.*, *Perfect 10*, 508 F.3d at 1162 (discussing copies "in the electronic context"). In

Perfect 10, we did not address the precise arguments Hunley now presses, but we carefully considered display and distribution rights. *See id.* at 1159–63. Even if we thought, in retrospect, that *Perfect 10* created some inconsistencies with other provisions of the Copyright Act, we are not free to overrule *Perfect 10* outside of an en banc proceeding unless there has been a change in the statute or an intervening Supreme Court decision. For the reasons described *infra*, we find no such intervening authority.

We have a similar response to Hunley's arguments concerning the Copyright Act's legislative history. Hunley identified various passages of legislative history from 1965, 1967, and 1976 to show that *Perfect 10* took an unnecessarily narrow view of the meaning of "display." We have already given the statute a definitive reading in *Perfect 10*, and we will not revisit a decision in light of materials available at the time of the decision. The Act's legislative history is not law. If we look to legislative history at all, we will only recur to it as an aid to understanding an ambiguous text. Here, however, even Hunley has argued that "the Copyright Act is not ambiguous," because Hunley claims that *Perfect 10* is unambiguously wrong and that the legislative history confirms it. If Hunley believes there is an irreconcilable disjunct between *Perfect 10* and some *prior* authority— whether that is a prior decision of this court, a statute not considered by the prior panel, or legislative history—the proper procedure is to seek rehearing en banc.

3. Whether *Perfect 10* is inconsistent with *Aereo*

Finally, Hunley argues that *Perfect 10* has been effectively overturned because it conflicts with the Supreme Court's decision in *American Broadcasting Company v. Aereo*, 573 U.S. 431 (2014). In *Aereo,* ABC and other public broadcasting companies, television producers, marketers, and distributors ("the broadcasters") sued Aereo, an equipment provider that offered a subscription to stream public broadcast television simultaneously over the internet. *Id.* at 436. Subscribers visited Aereo's website to select shows from local programming. *Id.* Aereo dedicated a specific antenna to each subscriber, and the server tuned the antenna to the selected over-the-air broadcast. *Id.* Aereo's transcoder translated the signals and transmitted them to the subscriber over the internet. *Id.* Aereo saved the data "in a subscriber-specific folder on Aereo's hard drive." *Id.* At the time of the suit, Aereo did not own any copyrights in the broadcasts, nor did it possess "a license from the copyright owners to perform those works publicly." *Id.* The subscriber received the streamed transmission "a mere few seconds behind the over-the-air broadcast." *Id.* at 437. The broadcasters brought suit against Aereo, alleging that Aereo infringed the broadcaster's exclusive right "to perform the copyrighted work publicly." 17 U.S.C. § 106(4).

The infringement analysis required the Court to construe the Transmit Clause. *Id.* § 101 (definition (2) of "publicly") ("to transmit or otherwise communicate a performance or display of the work . . . by means of any device or process . . . ."). The Court considered whether Aereo performed publicly within the meaning of the Copyright Act. *Aereo*, 537 U.S. at 438. The Court first concluded that Aereo "performed." As amended in 1976, the Copyright Act "clarified that to 'perform' an audiovisual work means 'to show its image in any sequence or to make the

sounds audible.'" *Id.* at 441 (quoting 17 U.S.C. § 101). The Court held that "*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." *Id.* The Court concluded: "Aereo is not simply an equipment provider. Rather, Aereo, and not just its subscribers, 'perform[s]' or 'transmit[s].'" *Id.* (alteration in original). The Court noted that "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." *Id.* at 444.

Hunley proposes two inconsistencies between *Perfect 10* and *Aereo*: First, Hunley claims that the performance right, which was at issue in *Aereo*, "has equal value and weight as the display right" at issue in *Perfect 10*; in fact, Hunley argues that the two rights can be "easily [] interchanged." Hunley reasons that because the performance and display rights are both "exclusive," 17 U.S.C. § 106(4),(5), Instagram must be liable because Aereo was liable. Second, Hunley argues that "it is the practical, functional perspective of the public viewer, and not hyper technicalities, that must determine whether a particular mode of content or delivery system is infringing or not." *See Aereo*, 573 U.S. at 443–44. We find both arguments unpersuasive.

(a). *Differences between the performance and the display right*. The Copyright Act grants independent, exclusive rights "to perform . . . [and] to display [a] copyrighted work." 17 U.S.C. § 106(4), (5). The Act's definition of "display" means "to show a copy" of the underlying work. To "perform" means "to recite, render, play, dance or act it . . . or . . . to show its images." *Compare* 17 U.S.C. § 101 (definition of "display") *with id.* (definition of "perform"). Both the right to display and the right to perform can be infringed by transmission: the Transmit Clause expanded the definition of "perform[ing] or display[ing] a work 'publicly'" to include "transmi[ssion] or other[] communicat[ion of] a performance or display of the work . . . by means of any device or process." *Id.* § 101 (definition of "To perform or display a work 'publicly'").

However, infringing the public display right requires an underlying copy. By definition, displaying a work publicly requires that the infringer display a copy of the work, *id.* § 101 (definition of "display"); and transmission of a display means that someone has transmitted a copy of the work "to the public." *Id.* (definition of "To perform or display a work 'publicly'"). However, to infringe the public performance right, the infringer need not show or perform a copy of the underlying work. *Id.* § 101 (definition of "perform").

This difference between these two rights is significant in this case. *Perfect 10* and *Aereo* deal with separate provisions of the Copyright Act—*Perfect 10* addressed the public display right, and *Aereo* concerned the public performance right. In *Perfect 10*, we analyzed what it meant to publicly display a copy in the electronic context. *See Perfect 10*, 508 F.3d at 1161. By contrast, in *Aereo* the Court did not address what it means to transmit a copy, because the public performance right has no such requirement. *See Aereo*, 573 U.S. at 439–44. In other words, regardless of what *Aereo* said about retransmission of licensed works, *Perfect 10* still forecloses

liability to Hunley because it answered a predicate question: whether embedding constitutes "display" of a "copy." *Perfect 10*, 508 F.3d at 1160. *Aereo* may have clarified who is liable for retransmitting or providing equipment to facilitate access to a display—but unless an underlying "copy" of the work is being transmitted, there is no direct infringement of the exclusive display right. Thus, *Perfect 10* forecloses Hunley's claims, even in light of *Aereo*.

There is an additional reason we cannot find liability for Instagram here. We held, prior to *Aereo*, that infringement under the Copyright Act requires proof of volitional conduct, the Copyright Act's version of proximate cause. *See Fox Broad. Co., Inc. v. Dish Network LLC*, 747 F.3d 1060, 1067 (9th Cir. 2013); *Kelly v. Arriba Soft Corp.*, 336 F.3d 811, 817 (9th Cir. 2003) ("To establish a claim of copyright infringement by reproduction, the plaintiff must show . . . copying by the defendant."). And we are not alone, indeed, "every circuit to address this issue has adopted some version of . . . the volitional-conduct requirement." *BWP Media USA, Inc. v. T&S Software Assocs., Inc.*, 852 F.3d 436, 440 (5th Cir. 2017) (citing cases).

The Court in *Aereo* did not address volitional conduct as such, although Justice Scalia did so in his dissent. *See Aereo*, 573 U.S. at 453 (Scalia, J., dissenting). But the Court did distinguish between those who engage in activities and may be said to "perform" and those who engage in passive activities such as "merely suppl[ying] equipment that allows others to do so." *Id.* at 438–39. In any event, *Perfect 10* was bound to apply our volitional-conduct analysis. When we applied our requirement that the infringer be the direct cause of the infringement, we concluded that the entity providing access to infringing content did not directly infringe, but the websites who copied and displayed the content did. *Perfect 10*, 508 F.3d at 1160.

Post-*Aereo*, we have continued to require proof of "causation as an element of a direct infringement claim." *Giganews*, 847 F.3d at 666. In such cases we have taken account of *Aereo* and concluded that our volitional conduct requirement is "consistent with the *Aereo* majority opinion," and thus remains "intact" in this circuit. *Id.* at 667. Our volitional conduct requirement draws a distinction between direct and secondary infringement that would likely foreclose direct liability for third-party embedders. And without direct infringement, Hunley's secondary liability theories all fail.

(b). *The significance of user perception*. Hunley and amici argue that viewer perception of a copyrighted image on a third-party website is sufficient to establish direct infringement. According to Hunley, because users perceive the same image whether the third-party website duplicates the photo on its own server or embeds the photo from Instagram, both instances should constitute direct infringement. Hunley points to the following passage from *Aereo*:

> 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."

Aereo, 573 U.S. at 444. Hunley argues that *Aereo* held that "what happens behind the curtain is irrelevant to the consuming public, and so too should it be irrelevant in the eyes of the law."

We are reluctant to read too much into this passage. The Court commented on user perception to point out the similarities between Aereo and traditional cable companies. These similarities mattered because the 1976 Copyright Amendments specifically targeted cable broadcasts. *See Aereo*, 573 U.S. at 433. But the Court did not rely on user perception alone to determine whether Aereo performed. *See id.* The Court has not converted user perception into a separate and independent rule of decision.

Furthermore, *Aereo*'s discussion of user perception is consistent with our pre-*Perfect 10* law regarding user perception. In *N.Y. Times Co. v. Tasini*, authors who provided articles to newspapers and magazines sued the publishers when these articles were subsequently published in online databases. 533 U.S. 483 (2001). The Court held that the fact that "the Articles [were] presented to, and perceptible by, the user of the Databases" was important to "determining whether the Articles have been reproduced and distributed 'as part of' . . . the collective works." *Id.* at 499. The Court's statement in *Tasini* is unremarkable, however. In any "display" covered by the Copyright Act, the work must be "perceptible" to the user. *See* 17 U.S.C. § 101 ("'Copies'" are material objects . . . from which the work can be perceived"). Moreover, the *Tasini* court declined to resolve the different issue of public display. *Id.* at 498 n.8 ("[w]e do not reach an issue the Register of Copyrights has argued vigorously. The Register maintains that the Databases publicly 'display' the Articles. . ."). This is not sufficient *intervening* authority to cast doubt on this Court's prior authority. We were well aware of *Tasini* when we decided *Perfect 10*, and we have continued to read *Tasini* to be consistent with *Perfect 10*.

Finally, *Perfect 10* crafted our Server Test out of the Copyright Act's fixation requirement—not the perceptibility requirement. *See Perfect 10*, 508 F.3d at 1160 ("A photographic image is a work that is 'fixed in a tangible medium of expression,' for purposes of the Copyright Act, when embodied (i.e., stored) in a computer's server (or hard disk, or other storage device)."). *Perfect 10* did not scratch on a blank slate; it built on our prior caselaw interpreting the fixation requirement. *See id.* ("The image stored in the computer is the "copy" of the work for purposes of copyright law."). Our caselaw regarding computerized copyright infringement relied on user perception in a limited circumstance: to determine whether copies were "fixed" under the Copyright Act. 17 U.S.C. § 101 (definition of "fixed"); *see MAI Sys. Corp.*, 991 F.2d at 517–18. Because the public display right requires that an infringer "display a copy," user perception is relevant to whether a copy is "fixed," but not sufficient to establish direct infringement absent the underlying display of a fixed copy. *See generally* 17 U.S.C. §101.

Considered together, our cases conclude that user perception is relevant to the fixation requirement—as mandated by the Copyright Act—but not determinative

as to whether the display right has been infringed. Thus, the user perception analysis is not "clearly irreconcilable" with intervening authority. *See Gammie*, 335 F.3d at 893.

C. Policy Concerns

Hunley, Instagram, and their amici have peppered us with policy reasons to uphold or overturn the Server Test. Their concerns are serious and well argued. Hunley argues that the Server Test allows embedders to circumvent the rights of copyright holders. Amici for Hunley argue that the Server Test is a bad policy judgment because it destroys the licensing market for photographers. On the other hand, amici for Instagram argue that embedding is a necessary part of the open internet that promotes innovation. As citizens and internet users, we too are concerned with the various tensions in the law and the implications of our decisions, but we are not the policymakers.

If Hunley disagrees with our *legal* interpretation—either because our reading of *Perfect 10* is wrong or because *Perfect 10* itself was wrongly decided—Hunley can petition for en banc review to correct our mistakes. But we have no right "to judge the validity of those claims or to foresee the path of future technological development." *Aereo*, 573 U.S. at 463 (Scalia, J., dissenting). Most obviously, Hunley can seek further review in the Supreme Court or legislative clarification in Congress.

Finally, we note that the Server Test applies only to embedding in its current technological format, which involves a single host server storing and transmitting an image, with an embedding website that directs the browser to retrieve and display that same underlying image from the host server. *Perfect 10* does not foreclose other avenues to relief for future technologies that configure retransmission in a new way. We cannot foreclose the possibility that some future panel may conclude that there are ways to display a copy *other* than to store it on a server. But it is not our role to craft a policy solution and rewrite the law to our tastes. We can only apply the law as it currently exists.

D. Application of the Server Test to Hunley

Having rejected Hunley's legal and policy challenges to *Perfect 10*, we now apply the Server Test to the facts of this case.

By posting photographs to her public Instagram profile, Hunley stored a copy of those images on Instagram's servers. By displaying Hunley's images, Instagram did not directly infringe Hunley's exclusive display right because Instagram had a nonexclusive sublicense to display these photos.

To assert secondary liability claims against Instagram, Hunley must make the threshold showing that there has been direct infringement by third parties. *Time* and *BuzzFeed* wrote the HTML instructions that caused browsers to show Hunley and Brauer's photographs on *Time* and *BuzzFeed* websites. However, under *Perfect 10* these instructions did not constitute "display of a copy." Rather, *Instagram* displayed a copy of the copyrighted works Hunley posted on its platform, and the web browser formatted and displayed the images alongside additional content from

Time and *BuzzFeed*. Because *BuzzFeed* and *Time* embedded—but did not store—the underlying copyrighted photographs, they are not guilty of direct infringement. Without direct infringement, Hunley cannot prevail on any theory of secondary liability. As a result, Instagram is not secondarily liable (under any theory) for the resulting display. The district court did not err in dismissing this case on the basis of the Server Test.

IV. CONCLUSION

For the foregoing reasons, we find no error in the judgment of the district court.

AFFIRMED.

Notes and questions

(1) In *Hunley v. Instagram, LLC* the Ninth Circuit upheld the *Perfect 10* Server Test and confirmed its application to embedded photos. It did so in the face of intense skepticism from the Southern District of New York. Specifically, the court held that, under *Perfect 10*, Instagram could not be liable for secondary infringement because embedding a photo does not "display a copy" of the underlying image on the theory that *a copy* of a photographic image is not displayed unless it is fixed in a computer's memory. Accordingly, the only display that occurs is from the computer where the embedded file is located.

(2) The panel responded to several arguments that have been raised against the Server Test: it held that *Perfect 10* did not restrict the application of the Server Test to a specific type of website, such as search engines; it said that it was powerless to hold that *Perfect10* is inconsistent with the Copyright Act outside of an en banc proceeding; and it held that *Perfect 10* was not effectively overturned by *American Broadcasting Co. v. Aereo*, 573 U.S. 431 (2014), which held that a streaming provider infringed broadcasters' exclusive right of public performance. Should the Ninth Circuit have heard this case en banc? Should the Supreme Court weigh in on the Server Test?

(3) Note that the server test does not immunize Internet hosts from liability for copyright infringement, it simply channels the question to copyright's doctrines of secondary liability. In *Perfect 10 v. Amazon.com*, the Court of Appeals found that by linking to infringing material a search engine "substantially assists websites to distribute their infringing copies to a worldwide market and assists a worldwide audience of users to access infringing materials," and thus a search engine could be said to make a "material contribution" to infringing conduct. On this basis, the court remanded the decision back to the District Court for further consideration as to whether Google had the requisite level of knowledge for contributory liability. Note that this describes the law as it stood before *Cox*. Until 2026 a fair summary of contributory liability was that a defendant with the appropriate knowledge of infringing activity and who materially contributed to it could be held liable. The Supreme Court has now held that knowledge, whether specific or general, is not the question, and that the trigger for contributory liability is intention: "The provider of a service is contributorily liable for the user's infringement only if it intended that the provided service be used for infringement." How much of *Perfect 10*'s "material contribution" reasoning survives is an open question, and it matters here, because the whole point of the server test is to route these cases into secondary liability.

(4) What is the alternative to the Server Test? Should all unlicensed in-line linking or embedding be presumptively infringing, regardless of whether the person linking had any knowledge of the relevant facts? That does not seem right, but perhaps volitional conduct is all we need as an alternative to the Server Test? In *Goldman v. Breitbart*, 302 F. Supp. 3d 585 (S.D.N.Y. 2018) the district court noted that "each and every defendant itself took active steps to put a process in place that resulted in a transmission of the photos so that they could be visibly shown." The defendants were the volitional actors, even though the photo did not reside on their servers. Whereas in *Perfect 10* it was clearly the users who took the most proximate volitional act in causing the display of the high-resolution image to occur. One could distinguish *Goldman* from *Perfect 10* in terms of volition without the need for the Server Test. Would this approach be better? How would it have worked out in *Hunley v. Instagram*?

(5) Buzzfeed changed the title of the story and noted a correction on June 11, 2020: "This post has been updated and several photographs were removed because the original list did not meet our editorial standards regarding photo permissions." In response to pressure from the American Society of Media Photographers (ASMP) and the National Press Photographers Association (NPPA), Instagram in December 2021 gave users with public accounts a setting that controls whether others may embed their posts. This explains why, when checked in July 2023, several of the photos in the Buzzfeed article had been replaced by a notice that read: "Instagram. The link to the photo or video may be broken, or the post may have been removed. Visit Instagram."



Image description: A placeholder Instagram screen with the Instagram logo at the top.

(6) The Second Circuit had a chance to address this issue in 2026 but declined to do so. In *Richardson v. Townsquare Media, Inc.*, 174 F.4th 299 (2d Cir. 2026), a hip-hop news site embedded a videographer's clip from a post on X. The court set out the disagreement over the viability of the server test, but noted that the defendant had not argued the point. For the state of that disagreement in the district courts, see *Lynk Media, LLC v. Independent Digital News & Media, LLC*, 2025 WL 2771625 (S.D.N.Y. Sept. 29, 2025), whose footnote 6 collects the decisions of district courts in the Second Circuit going the other way.

(7) The Fifth Circuit has since reached the same result by a different route. In *Emmerich Newspapers, Inc. v. Particle Media, Inc.*, No. 25-60550 (5th Cir. Aug. 27, 2026), a news aggregator displayed a local publisher's articles within its own interface. The court held that this manner of linking did not infringe the display right, but it found the server test's grounding in the word "fixed" lacking and anchored its own test in the word "transmit." As the court put it, "both the server test and the test we announce end up in a similar place: a website cannot transmit a work that it does not have." It also held that the DMCA does

not foreclose a URL from qualifying as copyright management information, although a URL would "need to clearly convey the characteristics required by the statute," and remanded. Does it matter whether the rule rests on "fixed" or on "transmit"?

(8) Embedding and licensing. In *Sinclair v. Ziff Davis, LLC*, 454 F. Supp. 3d 342 (S.D.N.Y. 2020), professional photographer Stephanie Sinclair sued Ziff Davis and Mashable for copyright infringement after Mashable embedded her photograph, "Child, Bride, Mother/Child Marriage in Guatemala," in an article without her permission. Sinclair had posted the photograph on her public Instagram account and refused to license it directly to Mashable. The district court initially dismissed Sinclair's claims, holding that by agreeing to Instagram's Terms of Use and making her account public, Sinclair had authorized Instagram to grant a sublicense to API users like Mashable. However, upon reconsideration, the court found insufficient evidence that Instagram had indeed explicitly exercised its right to grant a sublicense to Mashable. See *Sinclair v. Ziff Davis, LLC*, No. 18-CV-790 (KMW), 2020 WL 3450136 (S.D.N.Y. June 24, 2020). The court emphasized that valid licenses require the licensor's "explicit consent" and deemed Instagram's Platform Policy language ambiguous, as it could be interpreted in multiple ways. Compare *Richardson*, above, where the license argument succeeded. The interview video had been uploaded to YouTube by a third party, and YouTube's Terms of Service give it a "worldwide, non-exclusive, royalty-free, sublicensable and transferable license." The Second Circuit held that the uploader thereby "gave permission to YouTube to sublicense the video to Townsquare and provided a license directly to Townsquare as well," both covering republication by embedding, and that the Terms were "integral" to the complaint and so could be considered on a motion for judgment on the pleadings.

CHAPTER 28. COPYRIGHT REMEDIES AND PROCEDURE

The purpose of this chapter is to introduce you to some of the most interesting and important issues relating to the Civil Procedure of copyright litigation in the United States and remedies for copyright infringement.

Copyright Remedies

Copyright law offers the successful plaintiff a menu of remedies including:

- Actual damages – compensation for the harm suffered.
- An accounting of profits – disgorgement of the infringer's gains.
- Statutory damages – a fixed range of damages available in lieu of actual damages.
- Injunctions – temporary or permanent court orders to prevent further infringement.
- Impoundment or destruction of infringing copies and related materials.
- Court costs and attorney's fees – discretionary awards to the prevailing party.

Actual Damages and Accounting of Profits

Actual or compensatory damages provide a remedy for the extent of the injury caused by infringement that can be precisely measured. This includes both the damages suffered due to the infringement and undue profits gained by the infringer that were not already accounted for in the damages. 17 U.S.C. § 504(b). The first category of copyright holder's damages is determined from the perspective of the copyright holder to compensate the harm suffered, whereas the second category of infringer's profits is determined from the infringer's perspective in order to "disgorge the profit to insure that he does not benefit from his wrongdoing." *Davis v. Gap, Inc.*, 246 F.3d 152, 159 (2d Cir. 2001). Being able to switch between these two perspectives is a useful option for the copyright owner; the second perspective is particularly valuable when the infringer's profits are greater than the copyright owner's losses or where the infringer's profits are easier to establish than her losses.

With respect to burden of proof, note that determining the infringer's profits requires the copyright holder to "present proof only of the infringer's gross revenue, and the infringer is required to prove his or her deductible expenses and the elements of profit attributable to factors other than the copyrighted work." See 17 U.S.C. § 504(b). In other words, the burden is on the infringer to show that its profit was attributable to something other than infringement.

Who decides how much damages to award? The amount of actual damages due is decided by the jury (unless the parties have opted for a bench trial). Jury awards are not entirely unsupervised, but the jury's award will be upheld if it was supported by substantial evidence regardless of whether the method of computation used by the jury is explained. A jury verdict on damages will be overturned if it is "clearly unsupported by the record," a pretty high bar for reversal.

Injunctions

Copyright law offers temporary and final injunctions as possible remedies for plaintiffs against an infringing party. A temporary injunction may be issued at the beginning of a suit to preserve the *status quo ante*. In rare circumstances with a substantial showing of irreparable harm, a temporary restraining order (often ex parte) may be issued to protect the copyright holder until a temporary injunction may be sought. A permanent injunction may be issued as a bar to future infringement upon a ruling in favor of the copyright holder. An injunction may be accompanied by damages as an appropriate remedy.

In *eBay v. MercExchange, L.L.C.*, 547 U.S. 388 (2006), the Supreme Court reversed the Federal Circuit's injunction ruling, holding that the grant of injunctive relief is always subject to equitable discretion. The Court in *eBay* directed lower courts not to issue permanent injunctions unless the plaintiffs had proven:

> (1) that it has suffered an irreparable injury; (2) that remedies available at law, such as monetary damages, are inadequate to compensate for that injury; (3) that, considering the balance of hardships between the plaintiff and defendant, a remedy in equity is warranted; and (4) that the public interest would not be disserved by a permanent injunction.

Note that Justice Thomas was somewhat careless in describing factor (1), he surely meant that the plaintiff *would* suffer an irreparable injury if the injunction was not granted, not that the plaintiff *had already suffered* an irreparable injury.

Although *eBay* was a patent infringement case, there was every reason to expect it to have far-reaching implications for other IP laws, especially copyright. The Supreme Court's instruction in *eBay* that patent injunctions must no longer follow reflexively from a finding of infringement had obvious relevance for copyright law. Although courts were initially slow to recognize the import of *eBay* in copyright cases, this changed after another Supreme Court injunction case, *Winter v. NRDC* (2008) and key decisions by the Second and Ninth Circuits in 2010 and 2011, which reversed lower court grants of preliminary injunctions because those courts failed to require plaintiffs to present evidence to show their entitlement to injunctive relief, as the Court in *eBay* required.

The turning points in respect of the impacts of *eBay* on the availability of injunctive relief in copyright infringement cases were a pair of appellate court decisions in the Second and Ninth Circuits in 2010 and 2011. See *Salinger v. Colting*, 607 F.3d 68 (2d Cir. 2010); *Flexible Lifeline Sys., Inc. v. Precision Lift, Inc.*, 654 F.3d 989 (9th Cir. 2011). See also, Matthew Sag & Pamela Samuelson, *Discovering eBay's Impact on Copyright Injunctions Through Empirical Evidence*, 64 WILLIAM & MARY LAW REVIEW (2023); Pamela Samuelson, *Withholding Injunctions in Copyright Cases: Impacts of* eBay, WILLIAM & MARY LAW REVIEW (2022).

Statutory damages

United States copyright law allows the plaintiff to elect, at any time before final judgment, to receive statutory damages in lieu of actual damages or restitution. Statutory damages provide compensation for real world harms that may be difficult to establish in the courtroom.

Statutory damages do not necessarily have any relationship to the harm of infringement in a particular case, the harm of infringement in general, the need for deterrence, or generally accepted norms of proportionality in the administration of penalties. A 2009 review of the law relating to statutory damages cites several arbitrary, inconsistent, incoherent, and excessive statutory damage awards in copyright cases. See Pamela Samuelson & Tara Wheatland, *Statutory Damages in Copyright Law: A Remedy in Need of Reform*, 51 WILLIAM & MARY LAW REVIEW 439 (2009). In one of the most striking examples of this excess, the jury in *Capitol Records, Inc. v. Thomas*, 579 F. Supp. 2d 1210 (D. Minn. 2008), awarded statutory damages of $1.92 million against a defendant who had illegally downloaded 24 pieces of popular music (about $54 worth) on a peer-to-peer file-sharing network. That is a ratio of over 35,000 to 1.

The Copyright Act allows for statutory damages anywhere in a range between $750 and $150,000—the difference between a mid-range smartphone and a premium sports car. Technically, the upper $30,000 to $150,000 of this range is confined to cases of willful infringement and should be reserved for truly exceptional cases, however courts and juries have interpreted willfulness quite broadly such that it has lost its exceptionality. What willfulness actually requires is still unsettled. The question presented in *Cox Communications, Inc. v. Sony Music Entertainment*, 607 U.S. 583 (2026), included whether a defendant must have known that its own conduct was unlawful, rather than merely knowing that its subscribers were infringing — but the Court reversed on contributory liability and had no need to reach it. The issue is therefore still open, and it matters a great deal: it is the difference between a ceiling of $30,000 per work and one of $150,000.

Who should decide on the amount of statutory damages?

Feltner v. Columbia Pictures Television, Inc., 523 U.S. 340 (1998)

Opinion by Justice Thomas

> The Seventh Amendment provides that "in Suits at common law, where the value in controversy shall exceed twenty dollars, the right of trial by jury shall be preserved. . . ." U.S. Constitution, Amendment 7. Since Justice Story's time, the Court has understood "Suits at common law" to refer not merely to suits, which the common law recognized among its old and settled proceedings, but to suits in which legal rights were to be ascertained and determined, in contradistinction to those where equitable rights alone were recognized, and equitable remedies were administered. The Seventh Amendment thus applies not only to common-law causes of action, but also to actions brought to enforce statutory rights that are analogous to common-law causes of action ordinarily decided in English law courts in the late 18th century, as opposed to those customarily heard by courts of equity or admiralty. To determine whether a statutory action is more analogous to cases tried in courts of law than to suits tried in courts of equity or admiralty, we examine both the nature of the statutory action and the remedy sought.
>
> Before the adoption of the Seventh Amendment, the common law and statutes in England and this country granted copyright owners causes of action for infringement. More importantly, copyright suits for monetary damages were tried in courts of law, and thus before juries.

By the middle of the 17th century, the common law recognized an author's right to prevent the unauthorized publication of his manuscript. See, e.g., *Stationers Co. v. Patentees, Carter's Rep.* 89, 124 Eng. Rep. 842 (C. P. 1666). Actions seeking damages for infringement of common-law copyright, like actions seeking damages for invasions of other property rights, were tried in courts of law in actions on the case. See *Millar v. Taylor*, 98 Eng. Rep. 201, 251 (K.B. 1769). Actions on the case, like other actions at law, were tried before juries.

In 1710, the first English copyright statute, the Statute of Anne, was enacted to protect published books. 8 Anne ch. 19 (1710). Under the Statute of Anne, damages for infringement were set at "one Penny for every Sheet which shall be found in [the infringer's] custody, either printed or printing, published, or exposed to Sale," half ("one Moiety") to go to the Crown and half to the copyright owner, and were "to be recovered . . . by Action of Debt, Bill, Plaint, or Information." § 1. Like the earlier practice with regard to common-law copyright claims for damages, actions seeking damages under the Statute of Anne were tried in courts of law. See *Beckford v. Hood*, 101 Eng. Rep. 1164, 1167 (K. B. 1798) (opinion of Kenyon, C. J.) ("the statute having vested that right in the author, the common law gives the remedy by action on the case for the violation of it").

The practice of trying copyright damages actions at law before juries was followed in this country, where statutory copyright protections were enacted even before adoption of the Constitution. In 1790, Congress passed the first federal copyright statute, the Copyright Act of 1790, which similarly authorized the awarding of damages for copyright infringements. The Copyright Act of 1790 provided that damages for copyright infringement of published works would be "the sum of fifty cents for every sheet which shall be found in [the infringer's] possession, . . . to be recovered by action of debt in any court of record in the United States, wherein the same is cognizable." § 2. Like the Statute of Anne, the Copyright Act of 1790 provided that half ("one moiety") of such damages were to go to the copyright owner and half to the United States. For infringement of an unpublished manuscript, the statute entitled a copyright owner to "all damages occasioned by such injury, to be recovered by a special action on the case founded upon this act, in any court having cognizance thereof." § 6.

There is no evidence that the Copyright Act of 1790 changed the practice of trying copyright actions for damages in courts of law before juries. As we have noted, actions on the case and actions of debt were actions at law for which a jury was required. Moreover, actions to recover damages under the Copyright Act of 1831 —which differed from the Copyright Act of 1790 only in the amount (increased to $1 from 50 cents) authorized to be recovered for certain infringing sheets—were consistently tried to juries.

Columbia does not dispute this historical evidence. Rather, Columbia merely contends that statutory damages are clearly equitable in nature.

We are not persuaded. We have recognized the "general rule" that monetary relief is legal, and an award of statutory damages may serve purposes traditionally associated with legal relief, such as compensation and punishment. Accordingly, we must conclude that the Seventh Amendment provides a right to a jury trial where the copyright owner elects to recover statutory damages.

The right to a jury trial includes the right to have a jury determine the amount of statutory damages, if any, awarded to the copyright owner. It has long been

recognized that "by the law the jury are judges of the damages." *Lord Townshend v. Hughes*, 86 Eng. Rep. 994, 994-995 (C.P. 1677). Thus in *Dimick v. Schiedt*, 293 U.S. 474 (1935), the Court stated that "the common law rule as it existed at the time of the adoption of the Constitution" was that "in cases where the amount of damages was uncertain, their assessment was a matter so peculiarly within the province of the jury that the Court should not alter it." *Id.*, at 480. And there is overwhelming evidence that the consistent practice at common law was for juries to award damages.

More specifically, this was the consistent practice in copyright cases. In *Hudson & Goodwin v. Patten*, 1 Root, at 134, for example, a jury awarded a copyright owner £100 under the Connecticut copyright statute, which permitted damages in an amount double the value of the infringed copy. In addition, juries assessed the amount of damages under the Copyright Act of 1831, even though that statute, like the Copyright Act of 1790, fixed damages at a set amount per infringing sheet.

[Justice Thomas rejected the argument that copyright statutory damages were equivalent to civil penalties, could be viewed as analogous to sentencing in a criminal proceeding, and thus outside the right to trial by jury.]

As a result, if a party so demands, a jury must determine the actual amount of statutory damages under § 504(c) in order to preserve the substance of the common law right of trial by jury.

* * *

For the foregoing reasons, we hold that the Seventh Amendment provides a right to a jury trial on all issues pertinent to an award of statutory damages under § 504(c) of the Copyright Act, including the amount itself. The judgment below is reversed, and we remand the case for proceedings consistent with this opinion.

Notes and questions

(1) The Supreme Court held that the Seventh Amendment entitles a defendant to have a jury determine the amount of statutory damages under § 504(c) despite the fact that Congress had provided that judges, not juries, would render statutory damage awards. Even if the Court was right about what the Seventh Amendment requires, shouldn't it have simply struck down the statutory damages provision as unconstitutional and left it to Congress to decide whether to draft new statutory damages rules with juries in mind?

(2) Overturning a jury award of statutory damages is uncommon, but it does happen. See e.g. *Capitol Records Inc. v. Thomas-Rasset*, 680 F. Supp. 2d 1045, 1053 (D. Minn. 2010) where the district court held that "these facts simply cannot justify a $ 2 million verdict in this case."

Other issues in calculating statutory damages

There is a lot of caselaw that goes into detail on when separate statutory damages awards are allowed under § 504(c)(1). Here are some of the most basic principles:

1. Per work, not per act of infringement: Statutory damages are awarded per "work" infringed, not for each act or copy. Multiple infringements of the same work by the same defendant generally count as one award.

2. Per infringer (or jointly liable group): You can get a separate award for each infringer individually liable for a work. If two or more infringers are jointly and severally liable for infringing the same work, there is only one award for that group.

3. Separate awards require separate liability: If two infringers are not jointly liable for the same infringement of a work, each can trigger a separate award — but only if both are defendants in the case and their liability is adjudicated. See *Columbia Pictures Television v. Krypton Broadcasting of Birmingham, Inc.*, 106 F.3d 284 (9th Cir. 1997).

4. Downstream infringers must be parties to the case: You cannot multiply awards based on downstream infringers (e.g., retailers, file-sharers) unless they are named defendants and found liable in the action. See *Friedman v. Live Nation Merchandise, Inc.,* 833 F.3d 1180 (9th Cir. 2016). "Infringements involved in the action" means the acts and infringers must be part of the lawsuit.

5. No "mass-marketing" or "large-number" exception: The statute does not change depending on how many infringers there are; the only limits are the per-work and per-infringer rules.

Attorney's fees

Factors vs. discretion

The Copyright Act empowers, but does not require, courts to award costs and attorneys' fees to the prevailing party in copyright cases.

> **17 U.S. Code §505**
>
> In any civil action under this title, the court in its discretion may allow the recovery of full costs by or against any party other than the United States or an officer thereof. Except as otherwise provided by this title, the court may also award a reasonable attorney's fee to the prevailing party as part of the costs.

As the Supreme Court stated in *Fogerty v. Fantasy, Inc.*, 510 U.S. 517, 534 (1994) and repeated in *Kirtsaeng v. John Wiley & Sons, Inc.*, 136 S. Ct. 1979, 1985 (2016), any such award is "a matter of the court's discretion." Certain factors may guide this discretion, but no list of factors may substitute for it.

In *Fogerty*, the Court explained that there is "no precise rule or formula" for making a determination of attorney's fees, "but instead equitable discretion should be exercised." The Court reiterated the point in *Kirtsaeng* (at 1985), when it said that district courts have "wide latitude to award attorneys' fees based on the totality of circumstances in a case." The *Fogerty* Court accepted in a footnote that the exercise of discretion could be aided with reference to nonexclusive factors, such as "frivolousness, motivation, objective unreasonableness (both in the factual and in the legal components of the case) and . . . considerations of compensation and deterrence." However, it also cautioned (at 534 n.19),

> such factors may be used to guide courts' discretion, so long as such factors are faithful to the purposes of the Copyright Act and are applied to prevailing plaintiffs and defendants in an evenhanded manner.

No dual standard for prevailing plaintiffs and defendants

The Supreme Court has twice granted certiorari in copyright cases where the prevailing defendant was denied attorneys' fees. In its unanimous 1994 decision in *Fogerty v. Fantasy, Inc.*, the Court expressly rejected a "dual standard" favoring plaintiffs and disfavoring defendants. The text of the Copyright Act provides no basis for preferring prevailing plaintiffs over prevailing defendants; it simply says "prevailing party." Looking beyond the text of the Act, the Court found further support for a unitary standard in the Act's purpose, recognizing that "while it is true that *one* of the goals of the Copyright Act is to discourage infringement, it is by no means the *only* goal of that Act."

As the Court explained, the entirety of the Act reflects Congress's attempt to create, "a balance of competing claims upon the public interest… The immediate effect of our copyright law is to secure a fair return for an author's creative labor. But the ultimate aim is, by this incentive, to stimulate artistic creativity for the general public good."

Yet even after *Fogerty*, courts in some circuits appeared to carry on a de facto dual standard, denying attorneys' fees to prevailing defendants as a matter of course. The defendant in the long running case of *Kirtsaeng v. John Wiley & Sons, Inc.*, prevailed on the merits on a fairly nuanced point of statutory interpretation regarding the scope of copyright's first-sale doctrine, but only after appealing to the Supreme Court. See *Kirtsaeng v. John Wiley & Sons, Inc.*, 133 S. Ct. 1351, 1363–66 (2013) (holding that the first-sale doctrine applies to works lawfully made overseas). In spite of this famous victory, the district court (which had sided with the plaintiff in the first instance) denied the defendant's request for attorneys' fees, placing "substantial weight" on the objective reasonableness of the plaintiff's position. In doing so, the court may have shaded from substantial weight into presumption. Given that the court agreed with the plaintiff's position, it is not surprising that it thought it was objectively reasonable. The Second Circuit agreed with the lower court, and Kirtsaeng returned to the Supreme Court to argue the point.

In *Kirtsaeng v. John Wiley & Sons, Inc.*, 136 S. Ct. 1979 (2016), the Supreme Court vacated and remanded the denial of attorneys' fees, because, although it agreed that a district court should give substantial weight to the objective reasonableness of the losing party's position, the Supreme Court insisted (at 1983):

> But the court must also give due consideration to all other circumstances relevant to granting fees; and it retains discretion, in light of those factors, to make an award even when the losing party advanced a reasonable claim or defense. Because we are not certain that the lower courts here understood the full scope of that discretion, we return the case for further consideration of the prevailing party's fee application.

Special considerations for prevailing defendants

Trial courts appear to readily grasp the merits of awarding attorney's fees to prevailing plaintiffs, but they are not always so quick to understand the merits of the defendant's case for fees.

In *Perfect 10, Inc. v. Giganews, Inc.*, 847 F.3d 657, 665 (9th Cir. 2017), the Ninth Circuit upheld a district court's award of over $5 million in attorneys' fees to the prevailing

defendant. In so doing the court emphasized the Supreme Court's statement in *Fogerty*: "It is peculiarly important that the boundaries of copyright law be demarcated as clearly as possible. To that end, defendants who seek to advance a variety of meritorious copyright defenses should be encouraged to litigate them …"

It stands to reason that attorneys' fees are most needed to promote the objectives of copyright law when the prevailing party otherwise obtains little in monetary compensation. For a prevailing plaintiff to be entitled to attorney's fees, she must also be entitled to statutory damages and thus guaranteed of something for her trouble. In contrast, there are no statutory damages for the prevailing defendant, she "receives not a small award but no award" and is thus in the greatest need of attorneys' fees. *See Assessment Tech. of Wis., LLC v. WIREdata, Inc.*, 361 F.3d 434, 437 (7th Cir. 2004); *see also DeliverMed Holdings, LLC v. Schaltenbrand*, 734 F.3d 616, 626 (7th Cir. 2013) (affirming award of reasonable attorneys' fees to the prevailing defendant).

The Supreme Court made clear in *Fogerty* (at 534 n.19) that objective unreasonableness encompasses both factual and legal reasonableness. In either case, there is significant public interest in defendants resisting overreaching claims. When a copyright files suit against a named defendant without a sufficient factual basis and it turns out to be the wrong defendant, its lawsuit is no more meritorious than if it were advancing fanciful legal arguments.

Costs

Section 505 of the Copyright Act provides: "In any civil action under this title, the court in its discretion may allow the recovery of *full costs* by or against any party other than the United States or an officer thereof."

The award of costs is discretionary. This is a significant change from Section 116 of the 1909 Act, under which it was mandatory that full costs be awarded to the prevailing party in a copyright infringement action while attorney's fees were discretionary. An award of costs under section 505 is discretionary and costs (but not attorney's fees) can even be awarded to the losing party in appropriate cases. See *Warner Bros. v. Dae Rim Trading, Inc.*, 877 F.2d 1120, 1126 (2d Cir. 1989) (noting numerous findings of fact which led the district court to conclude that the action was conducted in a "vexatious", "oppressive" and "unreasonable" manner and agreeing given "the overall history of the litigation" the decision to award Warner only $ 100 in damages and to deny it attorneys' fees in toto was "amply justified.")

But what are "full costs" exactly?

A recent case illustrates that "full costs" can still leave the successful copyright plaintiff on the hook for considerable litigation expenses. In a copyright infringement suit between Oracle and Rimini Street, a jury had found in Oracle's favor and awarded substantial damages. After judgment, the District Court also awarded Oracle fees and costs, including $12.8 million for litigation expenses such as expert witnesses, e-discovery, and jury consulting. These expenses were not within the six categories of costs provided for in the general federal statute authorizing district courts to award costs, 28 U.S.C. §§ 1821 and 1920. Nonetheless, the Ninth Circuit upheld the award on the theory that the Copyright Act gives federal district courts discretion to award "full costs." The Supreme Court overturned

the Ninth Circuit and held that the term "full costs" in § 505 of the Copyright Act means the costs specified in the general costs statute codified at §§ 1821 and 1920 and no more. See *Rimini St., Inc. v. Oracle USA, Inc.*, 139 S. Ct. 873 (2019).

Copyright misuse as a defense to infringement

Copyright misuse is a judicially created defense to copyright infringement, modeled on the patent misuse doctrine. It prevents a copyright owner from enforcing its copyright when it has engaged in conduct that improperly extends the copyright monopoly beyond its lawful scope, even if the defendant has otherwise infringed. The doctrine is equitable in nature: it does not invalidate the copyright, but it bars enforcement until the misuse is "purged." The misuse doctrine first emerged in patent law, where courts held that a patentee who used its patent to restrain competition in unpatented goods could not enforce the patent until the misuse stopped. See *Morton Salt Co. v. G.S. Suppiger Co.*, 314 U.S. 488 (1942). Federal courts later adapted this reasoning to copyright law.

The first major adoption in copyright was *Lasercomb America, Inc. v. Reynolds*, 911 F.2d 970 (4th Cir. 1990). The court held that a software license that prohibited licensees from developing competing software for 99 years constituted copyright misuse because it sought to control ideas and competition beyond the statutory grant.

While there is no single test for copyright misuse, courts generally find copyright misuse where the copyright owner uses the copyright to secure an exclusive right or control beyond what the Copyright Act grants and the conduct has anticompetitive or monopolistic effects not justified by the copyright itself. Importantly, copyright misuse does not require an antitrust violation.

Successful allegations of copyright misuse are not common, but nor are they unheard of. See for example, *Lasercomb America, Inc. v. Reynolds*, 911 F.2d 970 (4th Cir. 1990) in which a software license banning competition for 99 years was misuse. See also, *Practice Management Info. Corp. v. American Med. Ass'n*, 121 F.3d 516 (9th Cir. 1997) (Conditioning a license to use AMA's CPT codes on exclusive adoption constituted misuse.) *Alcatel USA, Inc. v. DGI Technologies, Inc.,* 166 F.3d 772 (5th Cir. 1999) (restricting interoperability by licensing software only for use with plaintiff's hardware was misuse). In *Assessment Techs. of WI, LLC v. WIREdata, Inc.*, 350 F.3d 640 (7th Cir. 2003), the defendant argued that attempting to use copyright to block access to uncopyrightable data was misuse. The Seventh Circuit, in an opinion by Judge Posner, did not explicitly find copyright misuse. Instead, it remanded the case for further proceedings. While Judge Posner's opinion discussed the concept of copyright misuse and strongly suggested that the plaintiff's conduct could be a form of it, the court did not issue a final holding on the matter: "To try by contract or otherwise to prevent the municipalities from revealing their own data, especially when, as we have seen, the complete data are unavailable anywhere else, might constitute copyright misuse."

The significance of copyright formalities in copyright litigation

Remedies and attorney's fees depend on timely registration

Statutory damages and/or attorney's fees are not always available to the prevailing party. The combined effect of Sections 504(a), 505 and 412 is that statutory damages and attorneys' fees are not available with respect to "any infringement of copyright in an unpublished work commenced before the effective date of its registration", nor with respect to any infringement that takes place between the time of first publication and the eventual registration of the work, "unless such registration is made within three months after the first publication of the work."

> **17 U.S. Code § 504. Remedies for infringement: Damages and profits**
>
> (a) In General.—*Except as otherwise provided by this title*, an infringer of copyright is liable for either—(1) the copyright owner's actual damages and any additional profits of the infringer, as provided by subsection (b); or (2) statutory damages, as provided by subsection (c). (emphasis added)
>
> **17 U.S. Code § 505. Remedies for infringement: Costs and attorney's fees**
>
> In any civil action under this title, the court in its discretion may allow the recovery of full costs by or against any party other than the United States or an officer thereof. *Except as otherwise provided by this title*, the court may also award a reasonable attorney's fee to the prevailing party as part of the costs. (emphasis added)
>
> **17 U.S. Code § 412. Registration as prerequisite to certain remedies for infringement**
>
> In any action under this title, other than an action brought for a violation of the rights of the author under section 106A(a) [i.e., the rights of attribution and integrity under the Visual Artists Rights Act of 1990.], an action for infringement of the copyright of a work that has been preregistered under section 408(f) before the commencement of the infringement and that has an effective date of registration not later than the earlier of 3 months after the first publication of the work or 1 month after the copyright owner has learned of the infringement, or an action instituted under section 411(c), *no award of statutory damages or of attorney's fees, as provided by sections 504 and 505*, shall be made for—
>
> (1) any infringement of copyright in an unpublished work commenced before the effective date of its registration; or
>
> (2) any infringement of copyright commenced after first publication of the work and before the effective date of its registration, unless such registration is made within three months after the first publication of the work.

Section 412 creates incentives to register, and more importantly, *incentives to register promptly*. As seen in Figure 1 below, the copyright owner who registers more than three months after first publication would not be entitled to statutory damages or attorney's fees for any infringement that commenced before the effective registration date.

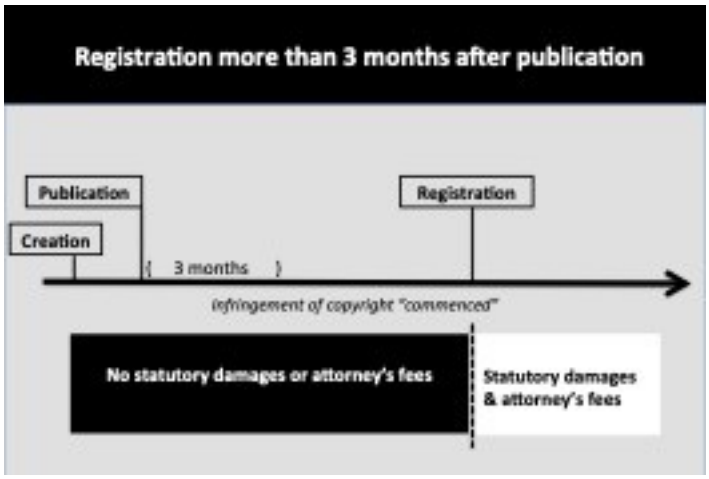


Image description: A visual timeline illustrating the points made in the text above.

In contrast, as seen in the figure below, as long as the copyright owner registers within the three month window, she is eligible for statutory damages or attorneys' fees from the date of publication going forward. The copyright owner would still not be entitled to statutory damages or attorney's fees for any pre-publication infringement.

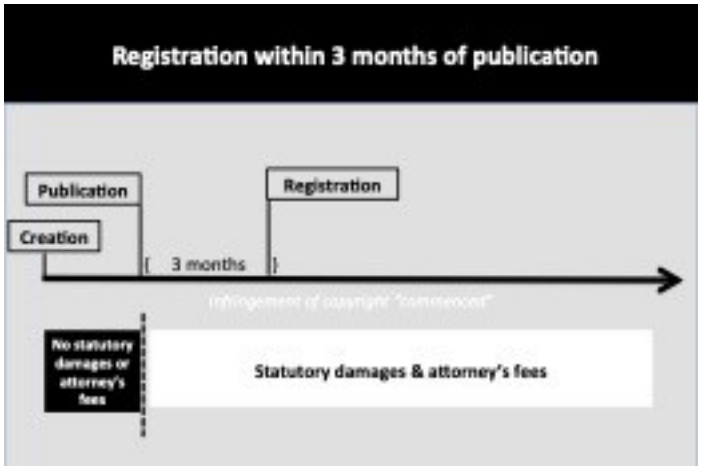


Image description: A visual timeline illustrating the points made in the text above.

Lastly, although this is rare, the copyright owner can register prior to publication, in which case, as seen in the figure below, she is eligible for statutory damages and attorneys' fees from the date of registration.

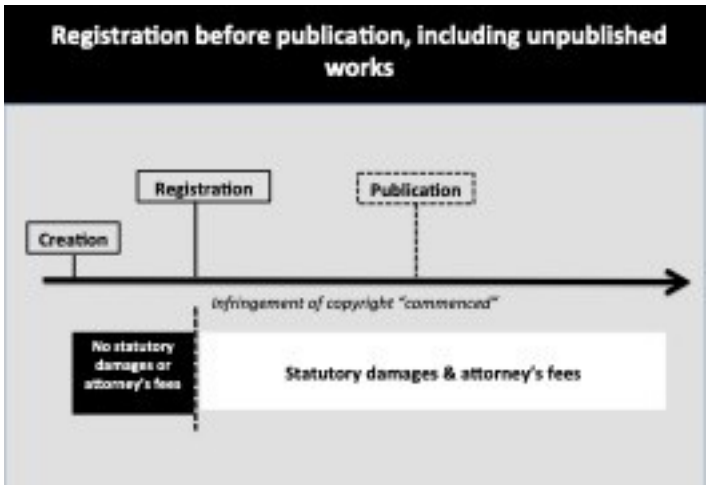


Image description: A visual timeline illustrating the points made in the text above.

Incentives for timely registration are important, but timely copyright registration can be difficult or burdensome for authors who create hundreds or thousands of works a year, or those who create works that are constantly changing and evolving. The registration pre-condition can negate much of the real world utility of copyright ownership.

Note also that there is some elasticity in determining when infringement commenced. In *Derek Andrew, Inc. v. Poof Apparel Corp.*, 528 F.3d 696 (9th Cir. 2008), the Ninth Circuit held that §412(2) of the Copyright Act precludes recovery of statutory damages for an infringement that began before the effective date of registration, regardless of whether it continued after the registration. Specifically, the court said: "infringement 'commences' for the purposes of § 412 when the first act in a series of acts constituting continuing infringement occurs." The court said that this rule was consistent with Congress' intention to "provide copyright owners with an incentive to register their copyrights promptly."

Procedural Issues in Copyright Litigation

Standing

The Copyright Act has its own unique rules on standing. The first sentence of section 501(b) affirmatively states that "The legal or beneficial owner of an exclusive right under a copyright is entitled" to institute an action for any infringement, and courts have generally read that express standing provision as excluding anyone else from having standing. That is that *only* the legal or beneficial owner of an exclusive right has standing to sue for copyright infringement.

> **17 U.S. Code § 501(b)**
>
> The legal or beneficial owner of an exclusive right under a copyright is entitled, subject to the requirements of section 411, to institute an action for any infringement of that particular right committed while he or she is the owner of it.

Courts also generally hold the right to sue can't be assigned to a third party without also assigning the exclusive right.

Federal courts generally hold that you can't transfer only the right to sue for past infringements without also transferring ownership of the underlying exclusive right. This flows from the idea that § 501(b) confers standing only on owners — not on those holding a "chose in action" for litigation purposes.

In *Silvers v. Sony Pictures Entertainment, Inc.,* 402 F.3d 881 (9th Cir. 2005) (en banc), the court held that an assignment of "the right to sue" without an accompanying ownership interest in the copyright was insufficient for standing. The dispute concerned a television screenplay titled *The Other Woman*, written by Victoria Silvers and registered with the U.S. Copyright Office. Silvers had sold the copyright to a production company, which later transferred it to Stephen Cannell Productions (SCP). Believing that Sony's film *Stepmom* copied elements from her script, Silvers sought to bring an infringement action even though she no longer owned the copyright. SCP had assigned to her only "the right to sue for past infringement," without transferring any ownership interest in the underlying copyright. On that limited basis, Silvers filed suit against Sony Pictures.

The Ninth Circuit noted that the Copyright Act limits standing to those who own an exclusive right under §106 and that a "bare right to sue" is not one of those rights. It was also concerned that allowing such "bare right" assignments would create a market for copyright lawsuits and separate the enforcement of rights from ownership. This could result in multiplicity of suits, speculative litigation, and abuse of the judicial process.

This restrictive approach to standing prevents the market in bare litigation rights and preserves the link between substantive copyright ownership and enforcement. If an individual creator or rights holder signs an agreement giving an association, law firm, or agent "the right to sue" on their behalf — without transferring ownership of the relevant exclusive right — that arrangement will usually not create statutory standing in the representative. Likewise, a representation agreement that simply authorizes an association to bring claims in its own name will likely fail under § 501(b) unless the association is itself an owner or beneficial owner.

John Wiley & Sons, Inc. v. DRK Photo, 882 F.3d 394 (2d Cir. 2018)

DRK Photo ("DRK") entered into a number of representation agreements with photographers making it their non-exclusive agent. DRK licensed hundreds of images to John Wiley & Sons, Inc. ("Wiley") for a limited use and alleged that Wiley exceeded the scope of its license with respect to 295 of those images and thus infringed copyright.

The Second Circuit held that the "plain language of the Act does not authorize infringement actions by mere assignees of the bare right to sue — entities that do not hold and indeed never held any section 106 exclusive right in the allegedly infringed-upon work." As the court explained, the six exclusive rights in § 106 do not include a "right to sue." Applying expressio unius, the court held that Congress deliberately limited standing to those with an actual ownership interest in at least one § 106 right. Applying that rule the court found that Representation Agreements made DRK a non-exclusive licensing agent and thus conferred no Section 106 exclusive right. It is worth noting that the Assignment Agreements appeared to convey "all copyrights," but extrinsic evidence showed they were intended only to allow DRK to register images and pursue infringement claims—not to transfer any genuine § 106 rights.

The court also held that DRK was not a "beneficial owner" of an exclusive right. Legislative history defines "beneficial owner" as someone who has parted with legal title but retains an equitable interest—e.g., an author who transferred exclusive rights for royalties. The court said that even if the term could extend beyond that example, it still requires an equitable interest in an exclusive right.

Notes and questions

(1) In dissent, Judge Parker seemed troubled by the implications of the majority's decision. He wrote:

> John Wiley & Sons, Inc. purchased from photographers for relatively small amounts of money the right to use their works in various of its publications. Wiley then proceeded to use the photographs in additional instances for which it had not obtained permission and for which it did not pay the photographers. The crux of this lawsuit is whether the Copyright Act permits this misappropriation. Stock photography companies like DRK Photo are in the business of aggregating copyright infringement claims that have accrued to their clients. Aggregation provides, as the majority acknowledges, a practical means of affording redress to the photographers and compensating them for repeated small infringements of their copyrights.

Are copyright's standing rules overly restrictive? Are there good policy arguments for a more liberal interpretation of standing to sue for copyright infringement? *See* Shyamkrishna Balganesh, *Copyright Infringement Markets*, 113 COLUMBIA LAW REVIEW 2277 (2013).

(2) The law on this question may not be settled. In *Minden Pictures, Inc. v. John Wiley & Sons, Inc.*, 795 F.3d 997 (9th Cir. 2015), the Ninth Circuit held that a stock photography agency that served as the exclusive licensing agent for allegedly infringed photographs had standing to sue for infringement under the Copyright Act. The Ninth Circuit categorized the licenses at issue as "exclusive" despite the fact that under the agreements the copyright owner photographers were permitted to issue some licenses themselves. It was enough, apparently, that Minden was appointed as the "sole and exclusive agent and representative with respect to the Licensing of" the photos and that the photographers were prohibited from hiring a licensing agent other than Minden. Does this make sense? Is it consistent with the Ninth Circuit's own decision in *DRK Photo v. McGraw-Hill Global Education Holdings, LLC*, 870 F.3d 978 (9th Cir. 2017), or with the Second Circuit's decision extracted above?

(3) If the assignee of the bare right to sue does not have standing to sue for copyright infringement, does this mean that copyright infringement claims can't ever be assigned? Not quite. Claims can be assigned along with the exclusive rights themselves as illustrated by *ABKCO Music, Inc. v. Harrisongs Music, Ltd.*, 944 F.2d 971 (2d Cir. 1991). In the *ABKCO* case, the plaintiff had acquired the copyright to a pop song, *He's So Fine*, and "any and all rights assertable under copyright against the Infringing Composition in any part of the world which may have heretofore arisen or which may hereafter arise." Although the infringement in question had occurred before ABKCO bought the copyright, the court (at 981) held that ABKCO could sue the infringer "not out of its ownership of the copyright, but from its ownership of the claims themselves which it purchased, along with

the copyright, in 1978." Courts have permitted assignments of pre-existing claims where (1) an exclusive right is clearly conveyed and (2) the language of the transfer of a right to sue for past infringements is clear and complies with section 204(a)'s writing requirements, for example, an assignment that transferred "all existing or potential causes of action and claims including, without limitation, those for infringement." *See* e.g. *Davis v. Blige*, 505 F.3d 90 (2d Cir. 2007).

(4) Can a joint owner of a copyright retroactively transfer ownership and thereby cut off the accrued rights of the other owner to sue for infringement? The Second Circuit held in *Davis v. Blige* that the joint owner could not cut off the accrued rights of the other owner to sue for infringement. It held that such retroactive transfers would "violate basic principles of tort and contract law, and undermine the policies embodied by the Copyright Act." *Davis v. Blige*, 505 F.3d 90, 97-98 (2d Cir. 2007).

(5) Righthaven.

Is it legal or ethical to execute what appears to be an exclusive license or a complete assignment that is subject to a separate agreement or a verbal understanding that the contract is merely an assignment for the limited purpose of assigning the right to sue?

No.

In 2011, the Nevada-based copyright troll, Righthaven LLC, came unstuck with just such an arrangement. Righthaven was an aggressive copyright troll that identified plausible but largely innocuous cases of copyright infringement online, such as the reposting of newspaper articles on blogs, and then acquired a partial assignment of copyright tailored precisely to the infringement it had identified. Righthaven filed hundreds of lawsuits on this model. Once Righthaven's conduct came under the microscope, it transpired that the company's standing to sue was built on "nothing more than a fabrication." See *Righthaven LLC v. Democratic Underground, LLC*, 791 F. Supp. 2d 968 (D. Nev. 2011). The limited exclusive rights that Righthaven had received from the original content owners *appeared* to satisfy the requirement for copyright standing. However, those assignments were essentially a sham—the rights that Righthaven claimed to own were subject to a secret "Strategic Alliance Agreement" giving Righthaven the right to sue, but nothing more. Following these revelations, Righthaven's suits were dismissed, and the firm quickly succumbed to the weight of legal fees and went into insolvency.

(6) Associational Standing.

In *Authors Guild, Inc. v. HathiTrust*, 755 F.3d 87 (2d Cir. 2014), three authors' associations, the Authors Guild, Inc., Australian Society of Authors Limited, and Writers' Union of Canada, claimed to have standing to seek an injunction for copyright infringement on behalf of their members. The Second Circuit rejected this, noting that "§ 501 of the Copyright Act does not permit copyright holders to choose third parties to bring suits on their behalf."

However, the court allowed some of the foreign authors' associations to assert that their countries' own laws gave them certain exclusive rights to enforce the copyrights of their foreign members. The court drew this distinction because in a 1998 opinion, *Itar-Tass Russian News Agency v. Russian Kurier, Inc.*, 153 F.3d 82, 92 (2d Cir. 1998), the Second Circuit held that the ownership of foreign works was a question of foreign law and

suggested that standing might also be a question of foreign law. The court's conclusion about foreign associational standing is questionable and it should be noted that the issue was not contested by the defendants on appeal to the Second Circuit in *HathiTrust*. In the face of a clear statutory provision to the contrary, it does not follow from the premise that ownership is a question of foreign law that the standing to sue in U.S. courts should be as well.

Registration and Jurisdiction

In the United States, federal courts have exclusive subject matter jurisdiction over copyright claims. Furthermore, Section 411(a) of the Copyright Act provides that, with the exception of moral rights claims under Section 106A, preregistration or registration is a prerequisite to filing a civil claim for copyright infringement, at least for any "United States work". The definition of "United States works" is discussed in more detail below.

> **17 U.S. Code §411(a)**
>
> Except for an action brought for a violation of the rights of the author under section 106A(a), and subject to the provisions of subsection (b), no civil action for infringement of the copyright in any United States work shall be instituted until preregistration or registration of the copyright claim has been made in accordance with this title. In any case, however, where the deposit, application, and fee required for registration have been delivered to the Copyright Office in proper form and registration has been refused, the applicant is entitled to institute a civil action for infringement if notice thereof, with a copy of the complaint, is served on the Register of Copyrights. The Register may, at his or her option, become a party to the action with respect to the issue of registrability of the copyright claim by entering an appearance within sixty days after such service, but the Register's failure to become a party shall not deprive the court of jurisdiction to determine that issue.

Registration vs. filing of a registration application

Fourth Estate Public Benefit Corp. v. Wall-Street.com, LLC, 139 S. Ct. 881 (2019)

> **Justice Ginsburg delivered the opinion of the Court.**
>
> Impelling prompt registration of copyright claims, 17 U.S.C. §411(a) states that "no civil action for infringement of the copyright in any United States work shall be instituted until . . . registration of the copyright claim has been made in accordance with this title." The question this case presents: Has "registration . . . been made in accordance with [Title 17]" as soon as the claimant delivers the required application, copies of the work, and fee to the Copyright Office; or has "registration . . . been made" only after the Copyright Office reviews and registers the copyright? We hold, in accord with the United States Court of Appeals for the Eleventh Circuit, that registration occurs, and a copyright claimant may commence an infringement suit, when the Copyright Office registers a copyright. Upon registration of the copyright, however, a copyright owner can recover for infringement that occurred both before and after registration.

Petitioner Fourth Estate Public Benefit Corporation (Fourth Estate) is a news organization producing online journalism. Fourth Estate licensed journalism works to respondent Wall-Street.com, LLC (Wall-Street), a news website. The license agreement required Wall-Street to remove from its website all content produced by Fourth Estate before canceling the agreement. Wall-Street canceled, but continued to display articles produced by Fourth Estate. Fourth Estate sued Wall-Street and its owner, Jerrold Burden, for copyright infringement. The complaint alleged that Fourth Estate had filed "applications to register the articles licensed to Wall-Street with the Register of Copyrights." Because the Register had not yet acted on Fourth Estate's applications, the District Court, on Wall-Street and Burden's motion, dismissed the complaint, and the Eleventh Circuit affirmed. 856 F.3d 1338 (2017). Thereafter, the Register of Copyrights refused registration of the articles Wall-Street had allegedly infringed.

We granted Fourth Estate's petition for certiorari to resolve a division among U.S. Courts of Appeals on when registration occurs in accordance with §411(a).

I

Under the Copyright Act of 1976, as amended, copyright protection attaches to "original works of authorship"—prominent among them, literary, musical, and dramatic works—"fixed in any tangible medium of expression." 17 U.S.C. §102(a). An author gains "exclusive rights" in her work immediately upon the work's creation, including rights of reproduction, distribution, and display. The Copyright Act entitles a copyright owner to institute a civil action for infringement of those exclusive rights. §501(b).

Before pursuing an infringement claim in court, however, a copyright claimant generally must comply with §411(a)'s requirement that "registration of the copyright claim has been made." §411(a). Therefore, although an owner's rights exist apart from registration, see §408(a), registration is akin to an administrative exhaustion requirement that the owner must satisfy before suing to enforce ownership rights.

II

All parties agree that, outside of statutory exceptions not applicable here, §411(a) bars a copyright owner from suing for infringement until "registration . . . has been made." Fourth Estate and Wall-Street dispute, however, whether "registration . . . has been made" under §411(a) when a copyright owner submits the application, materials, and fee required for registration, or only when the Copyright Office grants registration. Fourth Estate advances the former view—the "application approach"—while Wall-Street urges the latter reading—the "registration approach." The registration approach, we conclude, reflects the only satisfactory reading of §411(a)'s text. We therefore reject Fourth Estate's application approach.

A

Under §411(a), "registration . . . has been made," and a copyright owner may sue for infringement, when the Copyright Office registers a copyright. Section 411(a)'s first sentence provides that no civil infringement action "shall be instituted until

preregistration or registration of the copyright claim has been made." The section's next sentence sets out an exception to this rule: When the required "deposit, application, and fee . . . have been delivered to the Copyright Office in proper form and registration has been refused," the claimant "[may] institute a civil action, if notice thereof . . . is served on the Register." Read together, §411(a)'s opening sentences focus not on the claimant's act of applying for registration, but on action by the Copyright Office—namely, its registration or refusal to register a copyright claim.

If application alone sufficed to "make" registration, §411(a)'s second sentence—allowing suit upon refusal of registration—would be superfluous. What utility would that allowance have if a copyright claimant could sue for infringement immediately after applying for registration without awaiting the Register's decision on her application? Proponents of the application approach urge that §411(a)'s second sentence serves merely to require a copyright claimant to serve notice of an infringement suit on the Register. This reading, however, requires the implausible assumption that Congress gave "registration" different meanings in consecutive, related sentences within a single statutory provision. In §411(a)'s first sentence, "registration" would mean the claimant's act of filing an application, while in the section's second sentence, "registration" would entail the Register's review of an application. We resist this improbable construction. See, e.g., *Mid-Con Freight Systems, Inc. v. Michigan Pub. Serv. Comm'n*, 545 U.S. 440, 448 (2005) (declining to read "the same words" in consecutive sentences as "refer[ring] to something totally different").

The third and final sentence of §411(a) further persuades us that the provision requires action by the Register before a copyright claimant may sue for infringement. The sentence allows the Register to "become a party to the action with respect to the issue of registrability of the copyright claim." This allowance would be negated, and the court conducting an infringement suit would lack the benefit of the Register's assessment, if an infringement suit could be filed and resolved before the Register acted on an application.

[The Court explained that other provisions, such as Section 410(a), (b) and (d) supported its reading of "registration," as used in §411(a), to mean action by the Register.] Section 408(f)'s preregistration option, too, would have little utility if a completed application constituted registration. Preregistration allows the author of a work vulnerable to predistribution infringement to enforce her exclusive rights in court before obtaining registration or refusal thereof. A copyright owner who fears prepublication infringement would have no reason to apply for preregistration, however, if she could instead simply complete an application for registration and immediately commence an infringement suit.

B

… Fourth Estate's contrary reading of §411(a) stems in part from its misapprehension of the significance of certain 1976 revisions to the Copyright Act. Before that year, §411(a)'s precursor provided that "no action or proceeding shall be maintained for infringement of copyright in any work until the provisions of this

title with respect to the deposit of copies and registration of such work shall have been complied with." 17 U. S. C. §13 (1970 ed.). Fourth Estate urges that this provision posed the very question we resolve today—namely, whether a claimant's application alone effects registration. The Second Circuit addressed that question, Fourth Estate observes, in *Vacheron & Constantin-Le Coultre Watches, Inc. v. Benrus Watch Co.*, 260 F.2d 637 (1958). In that case, in an opinion by Judge Learned Hand, the court held that a copyright owner who completed an application could not sue for infringement immediately upon the Copyright Office's refusal to register. *Vacheron*, 260 F. 3d, at 640–641. Instead, the owner first had to obtain a registration certificate by bringing a mandamus action against the Register. The Second Circuit dissenter would have treated the owner's application as sufficient to permit commencement of an action for infringement. Id., at 645.

Fourth Estate sees Congress' 1976 revision of the registration requirement as an endorsement of the *Vacheron* dissenter's position. We disagree. The changes made in 1976 instead indicate Congress' agreement with Judge Hand that it is the Register's action that triggers a copyright owner's entitlement to sue. In enacting 17 U. S. C. §411(a), Congress both reaffirmed the general rule that registration must precede an infringement suit, and added an exception in that provision's second sentence to cover instances in which registration is refused. See House Report p. 157 (1976). That exception would have no work to do if, as Fourth Estate urges, Congress intended the 1976 revisions to clarify that a copyright claimant may sue immediately upon applying for registration. A copyright claimant would need no statutory authorization to sue after refusal of her application if she could institute suit as soon as she has filed the application.

Noteworthy, too, in years following the 1976 revisions, Congress resisted efforts to eliminate §411(a) and the registration requirement embedded in it. In 1988, Congress removed foreign works from §411(a)'s dominion in order to comply with the Berne Convention for the Protection of Literary and Artistic Works' bar on copyright formalities for such works. Despite proposals to repeal §411(a)'s registration requirement entirely, however, Congress maintained the requirement for domestic works. Subsequently, in 1993, Congress considered, but declined to adopt, a proposal to allow suit immediately upon submission of a registration application. And in 2005, Congress made a preregistration option available for works vulnerable to predistribution infringement. Congress chose that course in face of calls to eliminate registration in cases of predistribution infringement. Time and again, then, Congress has maintained registration as prerequisite to suit, and rejected proposals that would have eliminated registration or tied it to the copyright claimant's application instead of the Register's action.

Fourth Estate additionally argues that, as "registration is not a condition of copyright protection," 17 U.S.C. §408(a), §411(a) should not be read to bar a copyright claimant from enforcing that protection in court once she has submitted a proper application for registration. But as explained supra, the Copyright Act safeguards copyright owners, irrespective of registration, by vesting them with exclusive rights upon creation of their works and prohibiting infringement from that point forward. If infringement occurs before a copyright owner applies for

registration, that owner may eventually recover damages for the past infringement, as well as the infringer's profits. §504. She must simply apply for registration and receive the Copyright Office's decision on her application before instituting suit. Once the Register grants or refuses registration, the copyright owner may also seek an injunction barring the infringer from continued violation of her exclusive rights and an order requiring the infringer to destroy infringing materials. §§502, 503(b).

Fourth Estate maintains, however, that if infringement occurs while the Copyright Office is reviewing a registration application, the registration approach will deprive the owner of her rights during the waiting period. The Copyright Act's explicit carveouts from §411(a)'s general registration rule, however, show that Congress adverted to this concern. In the preregistration option, §408(f), Congress provided that owners of works especially susceptible to prepublication infringement should be allowed to institute suit before the Register has granted or refused registration. See §411(a). Congress made the same determination as to live broadcasts. §411(c) As to all other works, however, §411(a)'s general rule requires owners to await action by the Register before filing suit for infringement.

Fourth Estate raises the specter that a copyright owner may lose the ability to enforce her rights if the Copyright Act's three-year statute of limitations runs out before the Copyright Office acts on her application for registration. Fourth Estate's fear is overstated, as the average processing time for registration applications is currently seven months, leaving ample time to sue after the Register's decision, even for infringement that began before submission of an application.

True, the statutory scheme has not worked as Congress likely envisioned. Registration processing times have increased from one or two weeks in 1956 to many months today. Delays in Copyright Office processing of applications, it appears, are attributable, in large measure, to staffing and budgetary shortages that Congress can alleviate, but courts cannot cure. Unfortunate as the current administrative lag may be, that factor does not allow us to revise §411(a)'s congressionally composed text.

* * *

For the reasons stated, we conclude that "registration . . . has been made" within the meaning of 17 U. S. C. §411(a) not when an application for registration is filed, but when the Register has registered a copyright after examining a properly filed application. The judgment of the Court of Appeals for the Eleventh Circuit is accordingly

Affirmed.

Notes and questions

(1) Note the Court's textual analysis of §411(a)'s three sentences. How does each sentence support the "registration approach" over the "application approach"?

(2) Under the Court's holding, what happens if a copyright owner discovers ongoing infringement but the Copyright Office takes 8 months to process their application? What remedies are available, and when?

(3) The decision in *Fourth Estate* leaves copyright owners in the position of having to wait for a registration to either be granted or denied before they can bring suit in federal court, even to obtain injunctive relief. Copyright owners in this situation may request special handling by the Copyright Office to expedite their registration; otherwise it typically takes months to process a copyright registration.

(4) Alternatively, the Copyright Office also has a system for preregistration for certain classes of works that the Register of Copyrights has determined have a history of pre-release infringement. Preregistration is a limited place-holder for an actual registration, not a substitute, but it is useful where a copyright owner needs to sue for infringement while a work is still being prepared for commercial release. See Section 408(f) of the Copyright Act.

Different rules for some foreign works

"United States work" is a defined term in the Copyright Act that rewards detailed inspection. However, the basic gist of Section 411's reference to "United States works" is that works first published overseas will not be subject to the registration prerequisite unless the country of first publication is not a copyright treaty party with the U.S. (but almost all nations are). If the work is unpublished, the work will also be a United States work if the authors are nationals, domiciliaries, or habitual residents of the United States. See Section 101 (defining United States work).

Copyright Notice

Copyright notice is the familiar © that you have no doubt seen thousands of times. Technically, a copyright notice must contain the word copyright or some abbreviation thereof, the name of the copyright owner and the date of first publication.

The failure to include copyright notice has no effect on works published after March 1, 1989, however the inclusion of copyright notices is still commonplace and it has some significance in relation to statutory damages for copyright infringement. Publication without proper notice from January 1, 1978, to February 28, 1989 could have resulted in copyright ineligibility, if corrective steps were not taken within a certain amount of time.

In contrast, publication without the appropriate copyright notice prior to January 1, 1978 —the date at which the Copyright Act of 1976 became effective—makes a work ineligible for copyright protection.

Works published between 1978 and 1989 were still subject to the notice requirement, however the 1976 copyright act included provisions excusing the omission of notice where only a few copies lack notice or the omission was due to a publisher's error. The 1976 act also provided a mechanism to cure defective notice within five years of publication provided that the copyright owner undertook reasonable efforts to add notice to all domestically distributed copies after becoming aware of the omission.

Registration & deposit

United States law still provides that two copies of the best edition of a work must be deposited in the copyright office within three months of first publication in the United

States. However, deposit is not a condition of copyright protection. Nonetheless, deposit is required as part of the registration process.

The current Copyright Act does not require registration for a valid copyright to exist. However, registration is a prerequisite for bringing an action for copyright infringement for United States works. In compliance with the Berne Convention, the owners of foreign works are entitled to bring a suit without registration. What exactly makes a work a foreign work depends on the nationality and residence and the place of first publication of the work. See the definition of "United States work" in Section 101 for details.

Copyright registration is strongly encouraged by the fact that a certificate of registration is prima facie evidence of ownership and validity. More importantly, the powerful remedies of statutory damages and attorney's fees do not *generally* apply to infringements that took place prior to registration, unless the author registered within three months of first publication. The qualification in the previous sentence is required because of the Copyright Alternative in Small-Claims Enforcement Act of 2020 (the CASE Act). The CASE Act established a Copyright Claims Board (CCB) within the Copyright Office that is intended to function as a copyright small claims court. Of particular relevance here, infringement claims that took place prior to registration may still be subject to statutory damage in this new forum, but only up to a maximum of $7,500 per work and a maximum total award of $15,000.

The CCB began accepting claims on Thursday, June 16, 2022. Additional information about the CCB can be found on the Copyright Office's dedicated website, www.ccb.gov.

Interestingly, the U.S. Court of Appeals for the D.C. Circuit held in *Valancourt Books, LLC v. Garland*, 82 F.4th 1222 (D.C. Cir. 2023) that the requirement that two copies of a copyrighted work be deposited in the Copyright Office within three months of publication, on pain of fines, was an unconstitutional taking of private property in violation of the Fifth Amendment's Takings Clause. Interestingly, the court noted that "because the requirement to turn over copies of the works is not a condition of attaining (or retaining) copyright protection in them, the demand to forfeit property cannot be justified as the conferral of a benefit—i.e., copyright protection—in exchange for property." Does that suggest Congress should make copyright registration conditional on deposit?

Choice of law

The ownership of a copyright is generally determined under the laws of the state with the most significant relationship to the property and the parties, but the scope of protection afforded to the copyright owner is determined by the laws of the state in which infringement is alleged to have occurred. See *Itar-Tass Russian News Agency v. Russian Kurier, Inc.*, 153 F.3d 82, 90-91 (2d Cir.1998) (applying Russian law to issue of copyright ownership and American law to infringement issue).

Class actions

Plaintiff class actions are not common in copyright litigation because usually there are not enough plaintiffs to meet the numerosity requirement, or the plaintiffs are too different in terms of rights affected, ownership interests, or damages. See e.g. *The Football Association Premier League Limited v. YouTube, Inc.*, 2013 WL 2096411 (S.D.N.Y. May 15, 2013). But uncommon does not mean impossible. See e.g. *In re Napster Copyright Litigation v. Bertelsmann AG*, 2005 WL 1287611 (N.D. Cal. June 1, 2005) wherein the court was willing to certify a class of music publishers "that owned or controlled at least one copyrighted musical work at the time that it was made available without their permission through the Napster service on or after October 30, 2000."

In *In re Literary Works in Electronic Databases Copyright Litigation*, 509 F.3d 116, 128 (2d Cir. 2007), freelance writers whose work was published in certain print periodicals, and who retained the copyrights in those works, brought a class action against the publishers alleging electronic reproduction of the works by the publisher who infringed their copyrights. The district court certified the class and approved settlement. On appeal, the Second Circuit vacated and remanded because some of the members of the class owned works that had not been registered. The court of appeals concluded *sua sponte* that the registration requirement imposed by Section 411(a) of the Copyright Act was jurisdictional, and thus the district court lacked subject-matter jurisdiction to approve the settlement of claims for the infringement of unregistered copyrights. However, the Supreme Court took a different view and held that Section 411(a) imposes only a nonjurisdictional precondition to filing a claim, and thus the district court did indeed have jurisdiction over the settlement. *Reed Elsevier, Inc. v. Muchnick*, 559 U.S. 154 (2010).

Class actions in the generative AI litigation

That picture has changed. In *Bartz v. Anthropic PBC*, No. 4:24-cv-05417 (N.D. Cal.), a class of authors settled for approximately $1.5 billion, with final approval granted on 20 July 2026. The class encompassed nearly half a million copyrighted works and roughly 595,000 identified potential rightsholders. It might be tempting to conclude that the numerosity and commonality difficulties described above are not necessarily fatal where a single defendant has copied a very large number of works in substantially the same way. But it is far from clear that *Bartz* will be a useful template to address the legality of AI training on copyrighted works more generally.

As discussed in the chapter on nonexpressive use, Judge Alsup held that training a large language model on lawfully acquired books was fair use. Anthropic did not pay to settle that issue. The settlement instead followed the separate finding that Anthropic had downloaded books from shadow libraries not only for model training, but also to create a permanent, general-purpose research library, and that this latter use was not fair.

That factual finding is open to question. The evidentiary basis for it seems quite thin, and stepping back to consider its plausibility, it doesn't make much sense. Anthropic's only line of business is developing and studying AI models, and so it is hard to imagine they downloaded the pirated works with anything else in mind. We are faced with two independently unlikely possibilities: if it is true that Anthropic decided to create a general pirate library for purposes broader than AI training, their legal advice and internal controls

seem quite suspect; if it is not true, we have an experienced and highly respected judge making an elementary mistake on the factual record, and one that conveniently insulates his opinion from appeal. To elaborate, a ruling that the use of pirated works for AI training is not fair use would present a relatively clean legal question for appeal. But the holding in *Bartz* is tied to a much broader use of the pirated materials that was never likely to be held fair use on appeal.

The *Bartz* settlement provides fairly weak evidence that the AI-training disputes can be resolved through class settlements, because the adequacy of the class and its representation was never squarely tested in a contested certification proceeding. This is important because the Supreme Court has for some time been skeptical of very large damages classes, and there is little reason to assume that position will change.

Statute of limitations

The Copyright Act contains two relevant statute of limitations provisions, one criminal and one civil.

> **17 U.S. Code §507**
>
> (a) Criminal Proceedings. Except as expressly provided otherwise in this title, no criminal proceeding shall be maintained under the provisions of the title unless it is commenced within five years after the cause of action arose.
>
> (b) Civil Actions. No civil action shall be maintained under the provisions of this title unless it is commenced within three years after the claim accrued.

The statute of limitations period for copyright law applies to more than just infringement. It also applies to disputes about ownership, see *Merchant v. Levy*, 92 F.3d 51, 56 (2d Cir. 1996), and it even bars claims of infringement that are within the three year period if those claims are in substance claims of ownership that are time barred, see *Kwan v. Schlein*, 634 F.3d 224 (2d Cir. 2011). As the Second Circuit explained, Kwan's claim was barred because the statute of limitations for ownership actions "cannot be defeated by portraying an action as one for infringement when copyright ownership rights are the true matter at issue."

In 2014, the Supreme Court addressed the question of whether the equitable defense of laches (unreasonable, prejudicial delay in commencing suit) could bar relief on a copyright infringement claim brought within § 507(b)'s three-year limitations period. In *Petrella v. Metro-Goldwyn-Mayer, Inc.*, 134 S. Ct. 1962 (2014), the Court held on a 6-3 vote that it could not.

Petrella v. Metro-Goldwyn-Mayer, Inc., 134 S. Ct. 1962 (2014)

> **Justice Ginsburg delivered the opinion of the Court.**
>
> The Copyright Act provides that "no civil action shall be maintained under the [Act] unless it is commenced within three years after the claim accrued." 17 U.S.C. § 507(b). This case presents the question whether the equitable defense of laches (unreasonable, prejudicial delay in commencing suit) may bar relief on a copyright

infringement claim brought within § 507(b)'s three-year limitations period. Section 507(b), it is undisputed, bars relief of any kind for conduct occurring prior to the three-year limitations period. To the extent that an infringement suit seeks relief solely for conduct occurring within the limitations period, however, courts are not at liberty to jettison Congress' judgment on the timeliness of suit. Laches, we hold, cannot be invoked to preclude adjudication of a claim for damages brought within the three-year window. As to equitable relief, in extraordinary circumstances, laches may bar at the very threshold the particular relief requested by the plaintiff. And a plaintiff's delay can always be brought to bear at the remedial stage, in determining appropriate injunctive relief, and in assessing the "profits of the infringer ... attributable to the infringement." § 504(b).

Petitioner Paula Petrella, in her suit for copyright infringement, sought no relief for conduct occurring outside § 507(b)'s three-year limitations period. Nevertheless, the courts below held that laches barred her suit in its entirety, without regard to the currency of the conduct of which Petrella complains. That position, we hold, is contrary to § 507(b) and this Court's precedent on the province of laches.

I

The Copyright Act (Act) grants copyright protection to original works of authorship. § 102(a). Four aspects of copyright law bear explanation at the outset.

First, the length of a copyright term. Under the Act, a copyright "vests initially in the author or authors of the work," who may transfer ownership to a third party. § 201. The Act confers on a copyright owner certain exclusive rights, including the rights to reproduce and distribute the work and to develop and market derivative works. § 106. Copyrighted works published before 1978 — as was the work at issue — are protected for an initial period of 28 years, which may be — and in this case was — extended for a renewal period of up to 67 years. § 304(a). From and after January 1, 1978, works are generally protected from the date of creation until 70 years after the author's death. § 302(a).

Second, copyright inheritance. For works copyrighted under the pre-1978 regime in which an initial period of protection may be followed by a renewal period, Congress provided that the author's heirs inherit the renewal rights. See § 304(a)(1)(C)(ii)-(iv). We held in *Stewart v. Abend*, 495 U.S. 207 (1990), that if an author who has assigned her rights away "dies before the renewal period, then the assignee may continue to use the original work [to produce a derivative work] only if the author's successor transfers the renewal rights to the assignee." Id., at 221.[2]

Footnote 2: For post-1978 works, heirs still have an opportunity to recapture rights of the author.

Third, remedies. The Act provides a variety of civil remedies for infringement, both equitable and legal. A court may issue an injunction "on such terms as it may deem reasonable to prevent or restrain infringement of a copyright." § 502(a). At the election of the copyright owner, a court may also award either (1) "the copyright owner's actual damages and any additional profits of the infringer," § 504(a)(1), which petitioner seeks in the instant case, or (2) statutory damages within a defined range, § 504(c).

Fourth, and most significant here, the statute of limitations. Until 1957, federal copyright law did not include a statute of limitations for civil suits. Federal courts therefore used analogous state statutes of limitations to determine the timeliness of infringement claims. See Senate Report at 2. And they sometimes invoked laches to abridge the state-law prescription. As explained in *Teamsters & Employers Welfare Trust of Ill. v. Gorman Bros. Ready Mix*, 283 F.3d 877, 881 (C.A.7 2002): "When Congress fails to enact a statute of limitations, a [federal] court that borrows a state statute of limitations but permits it to be abridged by the doctrine of laches is not invading congressional prerogatives. It is merely filling a legislative hole." In 1957, Congress addressed the matter and filled the hole; it prescribed a three-year look-back limitations period for all civil claims arising under the Copyright Act. The provision, as already noted, reads: "No civil action shall be maintained under the provisions of this title unless it is commenced within three years after the claim accrued." § 507(b).[3]

Footnote 3: The Copyright Act was pervasively revised in 1976, but the three-year look-back statute of limitations has remained materially unchanged.

The federal limitations prescription governing copyright suits serves two purposes: (1) to render uniform and certain the time within which copyright claims could be pursued; and (2) to prevent the forum shopping invited by disparate state limitations periods, which ranged from one to eight years. To comprehend how the Copyright Act's limitations period works, one must understand when a copyright infringement claim accrues.

A claim ordinarily accrues "when [a] plaintiff has a complete and present cause of action." *Bay Area Laundry and Dry Cleaning Pension Trust Fund v. Ferbar Corp. of Cal.*, 522 U.S. 192, 201, (1997) (internal quotation marks omitted). In other words, the limitations period generally begins to run at the point when "the plaintiff can file suit and obtain relief." Ibid. A copyright claim thus arises or "accrue[s]" when an infringing act occurs.[4]

Footnote 4: Although we have not passed on the question, nine Courts of Appeals have adopted, as an alternative to the incident of injury rule, a "discovery rule," which starts the limitations period when "the plaintiff discovers, or with due diligence should have discovered, the injury that forms the basis for the claim." *William A. Graham Co. v. Haughey*, 568 F.3d 425, 433 (C.A.3 2009) (internal quotation marks omitted). See also 6 W. Patry, Copyright § 20:19, p. 20-28 (2013) (hereinafter Patry) ("The overwhelming majority of courts use discovery accrual in copyright cases.").

It is widely recognized that the separate-accrual rule attends the copyright statute of limitations. Under that rule, when a defendant commits successive violations, the statute of limitations runs separately from each violation. Each time an infringing work is reproduced or distributed, the infringer commits a new wrong. Each wrong gives rise to a discrete "claim" that "accrues" at the time the wrong occurs. In short, each infringing act starts a new limitations period. See *Stone v. Williams*, 970 F.2d 1043, 1049 (C.A.2 1992) ("Each act of infringement is a distinct harm giving rise to an independent claim for relief.").

Under the Act's three-year provision, an infringement is actionable within three years, and only three years, of its occurrence. And the infringer is insulated from

liability for earlier infringements of the same work. See Nimmer on Copyright § 12.05[B][1][b] ("If infringement occurred within three years prior to filing, the action will not be barred even if prior infringements by the same party as to the same work are barred because they occurred more than three years previously."). Thus, when a defendant has engaged (or is alleged to have engaged) in a series of discrete infringing acts, the copyright holder's suit ordinarily will be timely under § 507(b) with respect to more recent acts of infringement (i.e., acts within the three-year window), but untimely with respect to prior acts of the same or similar kind.

In sum, Congress provided two controlling time prescriptions: the copyright term, which endures for decades, and may pass from one generation to another; and § 507(b)'s limitations period, which allows plaintiffs during that lengthy term to gain retrospective relief running only three years back from the date the complaint was filed.

II

A

The allegedly infringing work in this case is the critically acclaimed motion picture Raging Bull, based on the life of boxing champion Jake LaMotta. After retiring from the ring, LaMotta worked with his longtime friend, Frank Petrella, to tell the story of the boxer's career. Their venture resulted in three copyrighted works: two screenplays, one registered in 1963, the other in 1973, and a book, registered in 1970. This case centers on the screenplay registered in 1963. The registration identified Frank Petrella as sole author, but also stated that the screenplay was written "in collaboration with" LaMotta.

In 1976, Frank Petrella and LaMotta assigned their rights in the three works, including renewal rights, to Chartoff-Winkler Productions, Inc. Two years later, respondent United Artists Corporation, a subsidiary of respondent Metro-Goldwyn-Mayer, Inc. (collectively, MGM), acquired the motion picture rights to the book and both screenplays, rights stated by the parties to be "exclusiv[e] and forever, including all periods of copyright and renewals and extensions thereof." Id., at 49. In 1980, MGM released, and registered a copyright in, the film Raging Bull, directed by Martin Scorcese and starring Robert De Niro, who won a Best Actor Academy Award for his portrayal of LaMotta. MGM continues to market the film, and has converted it into formats unimagined in 1980, including DVD and Blu-ray.

Frank Petrella died in 1981, during the initial terms of the copyrights in the screenplays and book. As this Court's decision in Stewart confirmed, Frank Petrella's renewal rights reverted to his heirs, who could renew the copyrights unburdened by any assignment previously made by the author.

Plaintiff below, petitioner here, Paula Petrella (Petrella) is Frank Petrella's daughter. Learning of this Court's decision in Stewart, Petrella engaged an attorney who, in 1991, renewed the copyright in the 1963 screenplay. Because the copyrights in the 1973 screenplay and the 1970 book were not timely renewed, the infringement claims in this case rest exclusively on the screenplay registered in 1963. Petrella is now sole owner of the copyright in that work.

In 1998, seven years after filing for renewal of the copyright in the 1963 screenplay, Petrella's attorney informed MGM that Petrella had obtained the copyright to that screenplay. Exploitation of any derivative work, including Raging Bull, the attorney asserted, infringed on the copyright now vested in Petrella. During the next two years, counsel for Petrella and MGM exchanged letters in which MGM denied the validity of the infringement claims, and Petrella repeatedly threatened to take legal action.

B

Some nine years later, on January 6, 2009, Petrella filed a copyright infringement suit in the United States District Court for the Central District of California. She alleged that MGM violated and continued to violate her copyright in the 1963 screenplay by using, producing, and distributing Raging Bull, a work she described as derivative of the 1963 screenplay. Petrella's complaint sought monetary and injunctive relief. Because the statute of limitations for copyright claims requires commencement of suit "within three years after the claim accrued," § 507(b), Petrella sought relief only for acts of infringement occurring on or after January 6, 2006. No relief, she recognizes, can be awarded for infringing acts prior to that date.

MGM moved for summary judgment on several grounds, among them, the equitable doctrine of laches. Petrella's 18-year delay, from the 1991 renewal of the copyright on which she relied, until 2009, when she commenced suit, MGM maintained, was unreasonable and prejudicial to MGM.

The District Court granted MGM's motion. As to the merits of the infringement claims, the court found, disputed issues of material fact precluded summary adjudication. Even so, the court held, laches barred Petrella's complaint. Petrella had unreasonably delayed suit by not filing until 2009, the court concluded, and further determined that MGM was prejudiced by the delay. In particular, the court stated, MGM had shown "expectations-based prejudice," because the company had "made significant investments in exploiting the film"; in addition, the court accepted that MGM would encounter "evidentiary prejudice," because Frank Petrella had died and LaMotta, then aged 88, appeared to have sustained a loss of memory.

The U.S. Court of Appeals for the Ninth Circuit affirmed the laches-based dismissal. 695 F.3d 946 (2012). Under Ninth Circuit precedent, the Court of Appeals first observed, "if any part of the alleged wrongful conduct occurred outside of the limitations period, courts presume that the plaintiff's claims are barred by laches." Id., at 951. The presumption was applicable here, the court indicated, because "the statute of limitations for copyright claims in civil cases is three years," ibid. (citing § 507(b)), and Petrella was aware of her potential claims many years earlier (as was MGM), id., at 952. "The true cause of Petrella's delay," the court suggested, "was, as [Petrella] admits, that 'the film hadn't made money' [in years she deferred suit]." Id., at 953. Agreeing with the District Court, the Ninth Circuit determined that MGM had established expectations-based prejudice: the

company had made a large investment in Raging Bull, believing it had complete ownership and control of the film.

Judge Fletcher concurred only because Circuit precedent obliged him to do so. Id., at 958. Laches in copyright cases, he observed, is "entirely a judicial creation," one notably "in tension with Congress' [provision of a three-year limitations period]." Ibid.

We granted certiorari to resolve a conflict among the Circuits on the application of the equitable defense of laches to copyright infringement claims brought within the three-year look-back period prescribed by Congress.

III

We consider first whether, as the Ninth Circuit held, laches may be invoked as a bar to Petrella's pursuit of legal remedies under 17 U.S.C. § 504(b). The Ninth Circuit erred, we hold, in failing to recognize that the copyright statute of limitations, § 507(b), itself takes account of delay. As earlier observed, a successful plaintiff can gain retrospective relief only three years back from the time of suit. No recovery may be had for infringement in earlier years. Profits made in those years remain the defendant's to keep. Brought to bear here, § 507(b) directs that MGM's returns on its investment in Raging Bull in years outside the three-year window (years before 2006) cannot be reached by Petrella. Only by disregarding that feature of the statute, and the separate-accrual rule attending § 507(b), could the Court of Appeals presume that infringing acts occurring before January 6, 2006 bar all relief, monetary and injunctive, for infringement occurring on and after that date.[13]

Footnote 13: Assuming Petrella had a winning case on the merits, the Court of Appeals' ruling on laches would effectively give MGM a cost-free license to exploit Raging Bull throughout the long term of the copyright. The value to MGM of such a free, compulsory license could exceed by far MGM's expenditures on the film.

Moreover, if infringement within the three-year look-back period is shown, the Act allows the defendant to prove and offset against profits made in that period "deductible expenses" incurred in generating those profits. § 504(b). In addition, the defendant may prove and offset "elements of profit attributable to factors other than the copyrighted work." § 504(b). The defendant thus may retain the return on investment shown to be attributable to its own enterprise, as distinct from the value created by the infringed work. See *Sheldon v. Metro-Goldwyn Pictures Corp.,* 309 U.S. 390, 402, 407 (1940) (equitably apportioning profits to account for independent contributions of infringing defendant). See also infra, at 1977-1979 (delay in commencing suit as a factor in determining contours of relief appropriately awarded).

Last, but hardly least, laches is a defense developed by courts of equity; its principal application was, and remains, to claims of an equitable cast for which the Legislature has provided no fixed time limitation. See 1 D. Dobbs, Law of Remedies § 2.4(4), p. 104 (2d ed. 1993) (hereinafter Dobbs) ("laches ... may have originated in equity because no statute of limitations applied, ... suggesting that laches should be limited to cases in which no statute of limitations applies"). Both

before and after the merger of law and equity in 1938, this Court has cautioned against invoking laches to bar legal relief.

IV

We turn now to MGM's principal arguments regarding the contemporary scope of the laches defense, all of them embraced by the dissent.

A

Laches is listed among affirmative defenses, along with, but discrete from, the statute of limitations, in Federal Rule of Civil Procedure 8(c). Accordingly, MGM maintains, the plea is "available ... in every civil action" to bar all forms of relief. To the Court's question, could laches apply where there is an ordinary six-year statute of limitations, MGM's counsel responded yes, case-specific circumstances might warrant a ruling that a suit brought in year five came too late.

The expansive role for laches MGM envisions careens away from understandings, past and present, of the essentially gap-filling, not legislation-overriding, office of laches. Nothing in this Court's precedent suggests a doctrine of such sweep. Quite the contrary, we have never applied laches to bar in their entirety claims for discrete wrongs occurring within a federally prescribed limitations period. Inviting individual judges to set a time limit other than the one Congress prescribed, we note, would tug against the uniformity Congress sought to achieve when it enacted § 507(b).

B

MGM observes that equitable tolling "is read into every federal statute of limitation," *Holmberg*, 327 U.S., at 397, and asks why laches should not be treated similarly. Tolling, which lengthens the time for commencing a civil action in appropriate circumstances, applies when there is a statute of limitations; it is, in effect, a rule of interpretation tied to that limit. Laches, in contrast, originally served as a guide when no statute of limitations controlled the claim; it can scarcely be described as a rule for interpreting a statutory prescription. That is so here, because the statute, § 507(b), makes the starting trigger an infringing act committed three years back from the commencement of suit, while laches, as conceived by the Ninth Circuit and advanced by MGM, makes the presumptive trigger the defendant's initial infringing act.

C

MGM insists that the defense of laches must be available to prevent a copyright owner from sitting still, doing nothing, waiting to see what the outcome of an alleged infringer's investment will be. In this case, MGM stresses, "Petrella conceded that she waited to file because 'the film was deeply in debt and in the red and would probably never recoup.'" The Ninth Circuit similarly faulted Petrella for waiting to sue until the film Raging Bull "made money." 695 F.3d, at 953.

It is hardly incumbent on copyright owners, however, to challenge each and every actionable infringement. And there is nothing untoward about waiting to see whether an infringer's exploitation undercuts the value of the copyrighted work,

has no effect on the original work, or even complements it. Fan sites prompted by a book or film, for example, may benefit the copyright owner. See Wu, *Tolerated Use*, 31 Columbia Journal of Law & the Arts 617, 619-620 (2008). Even if an infringement is harmful, the harm may be too small to justify the cost of litigation.

If the rule were, as MGM urges, "sue soon, or forever hold your peace," copyright owners would have to mount a federal case fast to stop seemingly innocuous infringements, lest those infringements eventually grow in magnitude. Section 507(b)'s three-year limitations period, however, coupled to the separate-accrual rule, see supra, at 1968-1970, avoids such litigation profusion. It allows a copyright owner to defer suit until she can estimate whether litigation is worth the candle. She will miss out on damages for periods prior to the three-year look-back, but her right to prospective injunctive relief should, in most cases, remain unaltered.

D

MGM points to the danger that evidence needed or useful to defend against liability will be lost during a copyright owner's inaction. Recall, however, that Congress provided for reversionary renewal rights exercisable by an author's heirs, rights that can be exercised, at the earliest for pre-1978 copyrights, 28 years after a work was written and copyrighted. At that time, the author, and perhaps other witnesses to the creation of the work, will be dead. See supra, at 1970. Congress must have been aware that the passage of time and the author's death could cause a loss or dilution of evidence. Congress chose, nonetheless, to give the author's family "a second chance to obtain fair remuneration." *Stewart*, 495 U.S., at 220.

Moreover, a copyright plaintiff bears the burden of proving infringement. Any hindrance caused by the unavailability of evidence, therefore, is at least as likely to affect plaintiffs as it is to disadvantage defendants. That is so in cases of the kind Petrella is pursuing, for a deceased author most probably would have supported his heir's claim.

The registration mechanism, we further note, reduces the need for extrinsic evidence. Although registration is "permissive," both the certificate and the original work must be on file with the Copyright Office before a copyright owner can sue for infringement. §§ 408(b), 411(a). Key evidence in the litigation, then, will be the certificate, the original work, and the allegedly infringing work. And the adjudication will often turn on the factfinder's direct comparison of the original and the infringing works, i.e., on the factfinder's "good eyes and common sense" in comparing the two works' "total concept and overall feel." *Peter F. Gaito Architecture, LLC v. Simone Development Corp.,* 602 F.3d 57, 66 (C.A.2 2010).

E

Finally, when a copyright owner engages in intentionally misleading representations concerning his abstention from suit, and the alleged infringer detrimentally relies on the copyright owner's deception, the doctrine of estoppel may bar the copyright owner's claims completely, eliminating all potential remedies. The test for estoppel is more exacting than the test for laches, and the two defenses are differently oriented. The gravamen of estoppel, a defense long

recognized as available in actions at law, see Wehrman v. Conklin, 155 U.S. 314, 327 (1894), is misleading and consequent loss. Delay may be involved, but is not an element of the defense. For laches, timeliness is the essential element. In contrast to laches, urged by MGM entirely to override the statute of limitations Congress prescribed, estoppel does not undermine Congress' prescription, for it rests on misleading, whether engaged in early on, or later in time.

Stating that the Ninth Circuit "had taken a wrong turn in its formulation and application of laches in copyright cases," Judge Fletcher called for fresh consideration of the issue. 695 F.3d, at 959. "A recognition of the distinction between ... estoppel and laches," he suggested, "would be a good place to start." Ibid. We agree.

V

The courts below summarily disposed of Petrella's case based on laches, preventing adjudication of any of her claims on the merits and foreclosing the possibility of any form of relief. That disposition, we have explained, was erroneous. Congress' time provisions secured to authors a copyright term of long duration, and a right to sue for infringement occurring no more than three years back from the time of suit. That regime leaves "little place" for a doctrine that would further limit the timeliness of a copyright owner's suit. See 1 Dobbs § 2.6(1), at 152. In extraordinary circumstances, however, the consequences of a delay in commencing suit may be of sufficient magnitude to warrant, at the very outset of the litigation, curtailment of the relief equitably awardable.

Chirco v. Crosswinds Communities, Inc., 474 F.3d 227 (C.A.6 2007), is illustrative. In that case, the defendants were alleged to have used without permission, in planning and building a housing development, the plaintiffs' copyrighted architectural design. Long aware of the defendants' project, the plaintiffs took no steps to halt the housing development until more than 168 units were built, 109 of which were occupied. Id., at 230. Although the action was filed within § 507(b)'s three-year statute of limitations, the District Court granted summary judgment to the defendants, dismissing the entire case on grounds of laches. The trial court's rejection of the entire suit could not stand, the Court of Appeals explained, for it was not within the Judiciary's ken to debate the wisdom of § 507(b)'s three-year look-back prescription. Id., at 235. Nevertheless, the Court of Appeals affirmed the District Court's judgment to this extent: The plaintiffs, even if they might succeed in proving infringement of their copyrighted design, would not be entitled to an order mandating destruction of the housing project. That relief would be inequitable, the Sixth Circuit held, for two reasons: the plaintiffs knew of the defendants' construction plans before the defendants broke ground, yet failed to take readily available measures to stop the project; and the requested relief would "work an unjust hardship" upon the defendants and innocent third parties. Id., at 236. See also *New Era Publications Int'l v. Henry Holt & Co.,* 873 F.2d 576, 584-585 (C.A.2 1989) (despite awareness since 1986 that book containing allegedly infringing material would be published in the United States, copyright owner did not seek a restraining order until 1988, after the book had been printed, packed, and

shipped; as injunctive relief would have resulted in the total destruction of the work, the court relegated plaintiff to its damages remedy).

In sum, the courts below erred in treating laches as a complete bar to Petrella's copyright infringement suit. The action was commenced within the bounds of § 507(b), the Act's time-to-sue prescription, and does not present extraordinary circumstances of the kind involved in *Chirco* and *New Era*. Petrella notified MGM of her copyright claims before MGM invested millions of dollars in creating a new edition of Raging Bull. And the equitable relief Petrella seeks — e.g., disgorgement of unjust gains and an injunction against future infringement — would not result in "total destruction" of the film, or anything close to it. MGM released Raging Bull more than three decades ago and has marketed it continuously since then. Allowing Petrella's suit to go forward will put at risk only a fraction of the income MGM has earned during that period and will work no unjust hardship on innocent third parties, such as consumers who have purchased copies of Raging Bull. Cf. *Chirco*, 474 F.3d, at 235-236 (destruction remedy would have ousted families from recently purchased homes). The circumstances here may or may not (we need not decide) warrant limiting relief at the remedial stage, but they are not sufficiently extraordinary to justify threshold dismissal.

Should Petrella ultimately prevail on the merits, the District Court, in determining appropriate injunctive relief and assessing profits, may take account of her delay in commencing suit. In doing so, however, that court should closely examine MGM's alleged reliance on Petrella's delay. This examination should take account of MGM's early knowledge of Petrella's claims, the protection MGM might have achieved through pursuit of a declaratory judgment action, the extent to which MGM's investment was protected by the separate-accrual rule, the court's authority to order injunctive relief "on such terms as it may deem reasonable," § 502(a), and any other considerations that would justify adjusting injunctive relief or profits. See *Haas v. Leo Feist, Inc.*, 234 F. 105, 107-108 (S.D.N.Y.1916) (adjudicating copyright infringement suit on the merits and decreeing injunctive relief, but observing that, in awarding profits, account may be taken of copyright owner's inaction until infringer had spent large sums exploiting the work at issue). See also Tr. of Oral Arg. 23 (Government observation that, in fashioning equitable remedies, court has considerable leeway; it could, for example, allow MGM to continue using Raging Bull as a derivative work upon payment of a reasonable royalty to Petrella). Whatever adjustments may be in order in awarding injunctive relief, and in accounting for MGM's gains and profits, on the facts thus far presented, there is no evident basis for immunizing MGM's present and future uses of the copyrighted work, free from any obligation to pay royalties.

* * *

For the reasons stated, the judgment of the United States Court of Appeals for the Ninth Circuit is reversed, and the case is remanded for further proceedings consistent with this opinion.

Notes and questions

(1) In *Petrella v. Metro-Goldwyn-Mayer, Inc.,* 134 S. Ct. 1962 (2014), the Supreme Court held that laches may not be invoked as a bar to a copyright claim for damages brought within the three-year period set by the copyright statute of limitations, 17 U.S.C. § 507(b).

(2) In *Derek Andrew, Inc. v. Poof Apparel Corp.*, 528 F.3d 696 (9th Cir. 2008), the Ninth Circuit held that §412(2) of the Copyright Act precludes recovery of statutory damages for an infringement that began before the effective date of registration, regardless of whether it continued after the registration.

> We also recognize that § 412 is designed to implement two fundamental purposes. First, by denying an award of statutory damages and attorney's fees where infringement takes place before registration, Congress sought to provide copyright owners with an incentive to register their copyrights promptly. See House Report at 158 (1976) ("Copyright registration ... is useful and important to users and the public at large ... and should therefore be induced in some practical way."). Second, § 412 encourages potential infringers to check the Copyright Office's database. To allow statutory damages and attorneys' fees where an infringing act occurs before registration and then reoccurs thereafter clearly would defeat the dual incentives of § 412.
>
> Every court to consider the issue has held that infringement 'commences' for the purposes of § 412 when the first act in a series of acts constituting continuing infringement occurs. Indeed, if the incentive structure of § 412 is to be properly applied, Andrew, having waited nearly two years from the date of first publication to register its copyright, should not receive the reward of statutory damages.
>
> Accordingly, we join those circuits that addressed the issue before us[4] and hold that the first act of infringement in a series of ongoing infringements of the same kind marks the commencement of one continuing infringement under § 412. This interpretation, we believe, furthers Congress' intent to promote the early registration of copyrights.

The Ninth Circuit held, consistent with Congress' intention to "provide copyright owners with an incentive to register their copyrights promptly", that "infringement 'commences' for the purposes of § 412 when *the first act in a series of acts constituting continuing infringement occurs*." (emphasis added). Other circuits have ruled in a similar fashion, but is this consistent with the Supreme Court's decision in *Petrella v. MGM?*

(3) When does a cause of action for copyright infringement accrue? Section 507(b) requires that all civil actions under Title 17 be commenced within three years after the claim accrues. In *Petrella*, the Supreme Court held that a cause of action accrues, and therefore the limitation period begins, when a "plaintiff has a complete and present cause of action." Some authorities suggest that accrual means the point at which plaintiff has a cognizable claim, i.e., the date on which the violation of an exclusive right occurs ("violation accrual"). But, "accrual" could also mean the point at which plaintiff is aware of facts supporting a cognizable claim or should have been aware of those facts, i.e., when plaintiff is deemed to have "discovered" the violation ("discovery accrual").

Warner Chappell Music, Inc. v. Nealy, 601 U.S. 366 (2024)

Music Specialist, Inc., founded by Sherman Nealy and Tony Butler in 1983, produced a brief catalog of music before dissolving. While Nealy was incarcerated, Butler licensed these works to Warner Chappell Music, Inc., leading to significant use in popular media, including Flo Rida's hit "In the Ayer." After his release from prison in 2018, Nealy sued Warner Chappell for copyright infringement, claiming unauthorized use of the music dating back to 2008 and seeking damages under the Copyright Act.

Justice Kagan delivered the opinion of the Court, holding—disappointingly to those who believed it was high time the Court brought clarity to this issue—the controversy between Nealy and Warner Chappell Music was not appropriately set up to rule on the validity of the discovery rule. Why not? Although Warner Chappell accepted that the discovery rule governed the timeliness of Nealy's claims in the district court, it argued that even if Nealy could sue under that rule for infringements going back ten years, he could recover damages or profits for only those occurring in the last three. The District Court agreed. Relying on a decision from the Second Circuit, *Sohm v. Scholastic Inc.*, 959 F.3d 39 (2d Cir. 2020), the court held that even when claims for old infringements are timely, monetary relief is "limited" to "the three years prior to the filing" of the action.

The Court of Appeals for the Eleventh Circuit reversed, rejecting the notion of a three-year damages bar on a timely claim, thus siding with the Ninth Circuit, rather than the Second. Writing for the majority, Justice Kagan ducked the more interesting question of the validity of the discovery rule and sided with the Eleventh Circuit on the narrow question presented on cert. Based on the text and logic of the Copyright Act, Justice Kagan held: "There is no time limit on monetary recovery. So a copyright owner possessing a timely claim for infringement is entitled to damages, no matter when the infringement occurred."

> **GORSUCH, J., dissenting (Joined by THOMAS and ALITO, JJ.)**
>
> The Court discusses how a discovery rule of accrual should operate under the Copyright Act. But in doing so it sidesteps the logically antecedent question whether the Act has room for such a rule. Rather than address that question, the Court takes care to emphasize that its resolution must await a future case. The trouble is, the Act almost certainly does not tolerate a discovery rule. And that fact promises soon enough to make anything we might say today about the rule's operational details a dead letter. "Ordinarily," this Court has said, a claim "accrues when a plaintiff has a complete and present cause of action." *Petrella v. Metro-Goldwyn-Mayer, Inc.*, 572 U. S. 663, 670 (2014). "In other words, the limitations period generally begins to run at the point when the plaintiff can file suit and obtain relief." We call this the "incident of injury rule." And we interpret statutes with that standard rule in mind. *Rotkiske v. Klemm,* 589 U. S. 8, 13 (2019).
>
> What of the discovery rule? It starts the limitations period when the plaintiff discovers, or with due diligence should have discovered, the injury that forms the basis for the claim. We have said, however, that the rule is not applicable across all contexts. Far from it: Unless the statute at hand directs otherwise, we proceed consistent with traditional equitable practice and ordinarily apply the discovery rule only in cases of fraud or concealment. We have long warned lower courts, too, against taking any more expansive approach to the discovery rule.

> There is little reason to suppose the Copyright Act's provisions at issue in this case contemplate any departure from the usual rules. Section 507(b) provides that "no civil action shall be maintained . . . unless it is commenced within three years after the claim accrued." As the Court observed in *Petrella v. Metro-Goldwyn-Mayer, Inc.*, standard language like that calls for the application of the standard incident of injury rule: A copyright claim thus arises or accrues when an infringing act occurs, not at some later date. What this should mean for the case before us seems equally evident: Because everyone agrees Sherman Nealy filed suit more than three years after many of Warner Chappell's alleged infringing acts, some (if not all) of his claims are untimely. Everyone agrees, too, that he has not alleged any fraud or concealment that would entitle him to equitable tolling. The discovery rule thus has no role to play here—or, indeed, in the mine run of copyright cases.
>
> In one sense, the Court's decision to pass over this complication may be understandable. After all, none of the parties before us questioned the application of a discovery rule in proceedings below, but joined issue only over how it should work. And the Court may, as it does, resolve the parties' dispute while leaving for another day the antecedent question whether a discovery rule exists under the Act.
>
> But if that is a permissible course, it does not strike me as the most sensible one. Nothing requires us to play along with these particular parties and expound on the details of a rule of law that they may assume but very likely does not exist. Respectfully, rather than devote our time to this case, I would have dismissed it as improvidently granted and awaited another squarely presenting the question whether the Copyright Act authorizes the discovery rule. Better, in my view, to answer a question that does matter than one that almost certainly does not.

Notes and questions

(1) Recall that, writing for the majority in *Petrella,* Justice Ginsburg held that laches is not a bar to actual damages for actions brought within the limitations period. Justice Ginsburg noted that the majority of circuits have adopted the discovery approach, but declined to endorse (or reject) it. Even though the majority of circuits continue to use the discovery approach, surely it is just a matter of time until Justice Gorsuch's dissent becomes the majority?

(2) The discovery rule is still going strong in the Second Circuit. In *Michael Grecco Productions, Inc. v. RADesign, Inc.* (2d Cir. 2024) the Second Circuit reversed and remanded a district court ruling that a "sophisticated" copyright infringement plaintiff could not benefit from the discovery rule. The panel held that:

> the discovery rule determines when an infringement claim accrues under the Copyright Act, regardless of a copyright holder's 'sophistication' in detecting and litigating infringements. ... a copyright holder's general diligence or allegations of diligence in seeking out and litigating infringements, alone, are insufficient to make it clear that the holder's particular claims in any given case should have been discovered more than three years before the action's commencement. There is no "sophisticated plaintiff" exception to the discovery rule, or to a defendant's burden to plead and prove a statute-of-limitations defense.

The Supreme Court declined to take the question up. Certiorari was denied in *RADesign, Inc. v. Michael Grecco Productions, Inc.*, No. 24-768, on 16 June 2025, having been denied the previous year in *Hearst Newspapers, L.L.C. v. Martinelli*.

Sovereign immunity

The theory behind state sovereign immunity

States, instrumentalities of States, and State officials are presently immune from liability for copyright infringement.

> United States Constitution, Amendment XI
>
> The judicial power of the United States shall not be construed to extend to any suit in law or equity, commenced or prosecuted against one of the United States by citizens of another state, or by citizens or subjects of any foreign state.

The Eleventh Amendment and principles of state sovereignty generally prohibit federal courts from hearing lawsuits against a state unless the state waives its immunity. This foundational limitation on federal judicial power, though not explicit in the Constitution, derives from the understanding that states, as sovereign entities, are immune from suit without their consent. Congress may, however, abrogate this immunity under two conditions: it must issue a clear statement expressing its intent to do so, and it must act pursuant to a constitutional provision granting it the authority to override state sovereign immunity.

In 1990, Congress attempted to override state sovereign immunity with respect to copyright infringement in the Copyright Remedy Clarification Act ("CRCA"). The CRCA introduced Section 511 which provides that States, instrumentalities of States, and State officials may be held liable for infringement of copyright.

Allen v. Cooper, 589 U.S. 248 (2020)

In 1717, the pirate Edward Teach, known as Blackbeard, seized a French slave ship in the West Indies, renamed it Queen Anne's Revenge, and used it as his heavily armed flagship until it ran aground off Beaufort, North Carolina, in 1718. The wreck lay undisturbed until its discovery in 1996 by Intersal, Inc., which contracted with the State of North Carolina to recover artifacts and hired Frederick Allen to film and photograph the operation. Allen later accused the State of infringing his copyrights by publishing his work online without permission, leading to a $15,000 settlement that failed to resolve all disputes. When further alleged infringements occurred, Allen sued in federal court for copyright infringement. North Carolina sought dismissal, citing sovereign immunity, but Allen argued that the Copyright Remedy Clarification Act (CRCA) eliminated such immunity. The district court agreed, finding the CRCA a valid abrogation under Section 5 of the Fourteenth Amendment due to a pattern of state copyright abuses. However, the Fourth Circuit reversed, holding that under Florida Prepaid and similar precedent, the CRCA's abrogation was overly broad and not sufficiently "congruent and proportional" to justify overriding state immunity.

Justice Kagan delivered the opinion of the Court. She began by noting that:

> In two basically identical statutes passed in the early 1990s, Congress sought to strip the States of their sovereign immunity from patent and copyright infringement suits. Not long after, this Court held in *Florida Prepaid Postsecondary Ed. Expense Bd. v. College Savings Bank*, 527 U.S. (1999), that the patent statute lacked a valid constitutional basis. Today, we take up the copyright statute. We find that our decision in Florida Prepaid compels the same conclusion.

Justice Kagan began by reaffirming that although the Eleventh Amendment's text does not fully define the limits of state sovereign immunity, longstanding precedent interprets it to reflect a broader constitutional presupposition: States are sovereign entities not subject to suit without consent, and that immunity constrains federal judicial authority. However, a federal court may hear a suit against a nonconsenting State only if Congress (1) clearly states its intent to abrogate immunity and (2) acts pursuant to valid constitutional authority.

While the Copyright Remedy Clarification Act (CRCA) unmistakably expresses Congress's intent to remove state immunity from copyright suits, the question is whether Congress had the constitutional power to do so. Allen argued that authority came from Article I's Intellectual Property Clause or from Section 5 of the Fourteenth Amendment, but the Court held that prior precedent, particularly *Florida Prepaid*, foreclosed both routes.

> Under Article I, the Court noted that the Intellectual Property Clause covers both patents and copyrights, and that *Florida Prepaid* already held Congress cannot use Article I to strip States of immunity in patent suits because of *Seminole Tribe*'s rule that Article I powers cannot override sovereign immunity. Allen's reliance on *Central Va. Community College v. Katz*, 546 U.S. 356 (2006), a bankruptcy case, failed because the Court there found the Bankruptcy Clause uniquely different—rooted in history, in rem jurisdiction, and the Framers' specific intent to limit state authority—making it an exception not applicable to intellectual property. Extending *Katz* to copyrights would require overruling *Florida Prepaid*, which stare decisis strongly counsels against absent special justification, and Allen offered none beyond disagreement with the earlier decision.

Turning to Section 5 of the Fourteenth Amendment, the Court explained that Congress may abrogate state immunity when remedying or preventing violations of constitutional rights, but its legislation must be "congruent and proportional" to the harm. Copyrights are property, so intentional or reckless infringement without adequate state remedies might violate due process—but negligent or innocently mistaken infringement would not. In *Florida Prepaid*, Congress's record of patent infringement was sparse, largely negligent, and lacking proof of inadequate remedies, so the Patent Remedy Act was deemed overly broad. For the CRCA to stand, Congress would have needed a materially stronger record for copyrights, yet the Oman Report identified only about a dozen possible state infringements, most unintentional, with no evidence on the adequacy of state remedies. Even its author conceded state violations were not widespread. The legislative record thus mirrored the deficiencies in *Florida Prepaid*, revealing no real pattern of unconstitutional conduct and rendering the CRCA's sweeping abrogation disproportionate to any proven Fourteenth Amendment harm.

Justice Kagan ended her opinion as follows:

> That conclusion, however, need not prevent Congress from passing a valid copyright abrogation law in the future. In doing so, Congress would presumably approach the issue differently than when it passed the CRCA. At that time, the Court had not yet decided Seminole Tribe, so Congress probably thought that Article I could support its all-out abrogation of immunity. And to the extent it relied on Section 5, Congress acted before this Court created the "congruence and proportionality" test. For that reason, Congress likely did not appreciate the importance of linking the scope of its abrogation to the redress or prevention of unconstitutional injuries—and of creating a legislative record to back up that connection. But going forward, Congress will know those rules. And under them, if it detects violations of due process, then it may enact a proportionate response. That kind of tailored statute can effectively stop States from behaving as copyright pirates. Even while respecting constitutional limits, it can bring digital Blackbeards to justice.

Notes and questions

(1) Why would a state government, municipality, or university ever pay for a copyright license?

(2) The litigation itself is now over. On remand, Allen pressed a takings claim and a claim against state officials in their individual capacities; the Fourth Circuit affirmed their dismissal in *Allen v. Stein*, No. 24-1954 (4th Cir. 23 Jan. 2026). So, nearly two decades after the footage was shot, the photographer has recovered nothing, and Congress has not taken up Justice Kagan's invitation to enact a valid abrogation statute.

Injunctive relief against state officials

The Eleventh Amendment generally bars suits against states and state officials, but under the doctrine of *Ex Parte Young*, 209 U.S. 123 (1908), plaintiffs may seek injunctive relief to prevent a continuing violation of federal law. This doctrine was central to the long-running copyright dispute between Georgia State University ("GSU") and publishers Cambridge University Press, SAGE Publications, and Oxford University Press. Filed in 2008 and resolved in 2020, the litigation focused on whether GSU infringed publishers' rights by providing students with electronic course reserves. A key procedural issue was whether state officials at GSU could be sued at all.

In *Cambridge University Press v. Becker*, 863 F. Supp. 2d 1190 (N.D. Ga. 2012), the district court explained that *Ex Parte Young* allows suits against state actors, in their official capacities, to enjoin ongoing violations of federal law—extending beyond constitutional claims to statutory violations, as recognized in *Verizon Maryland Inc. v. Public Service Commission of Maryland*, 535 U.S. 635 (2002). The defendants argued the doctrine did not apply because they merely oversaw university policies without directly engaging in infringement.

The court distinguished prior cases where state officials had only general oversight responsibilities, noting that here some defendants were involved in creating and implementing the 2009 Copyright Policy for the University System of Georgia, which may have led to the alleged infringements. It was enough that the claims arose under the federal

Copyright Act and sought equitable and declaratory relief. Consequently, the action for injunctive relief could proceed without violating the Eleventh Amendment or principles of sovereign immunity.