



**Introduction to United States Copyright Law
June 6 - June 15, 2017**

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1. **Copyrightable subject matter – Tuesday, June 6**
 - Excerpt from JESSICA LITMAN, DIGITAL COPYRIGHT
 - 17 U.S.C. §§ 101, 102, 103, 113
 - *Feist Publications, Inc. v. Rural Telephone Service*, 499 U.S. 340 (1991)
 - *Star Athletica v. Varsity Brands*, __ U.S. __, 137 S. Ct. 1002 (2017)
2. **Copyright ownership – Thursday, June 8**
 - 17 U.S.C. §§ 101, 201, 202, 204
 - *Community for Creative Non-violence v. Reid*, 490 U.S. 730 (1989)
 - *Lewis v. Activision Blizzard, Inc.*, 2013 WL 566103 (N. D. Cal. 2013), *aff'd*, 634 Fed. Appx. 182 (9th Cir. 2015)
 - *Effects Associates v. Cohen*, 908 F. 2d 555 (9th Cir. 1990)
3. **Exclusive rights and infringement – Tuesday, June 13**
 - 17 U.S.C. §§ 106, 501
 - Elements of copyright infringement: copying in fact
 - *Three Boys Music v Bolton*, 212 F.3d 477 (9th Cir. 2000)
 - Elements of copyright infringement: infringing similarity
 - *Nichols v. Universal Pictures*, 45 F.2d 119 (2d Cir. 1930)
 - *Warner Brothers Entertainment v. RDR Books*, 575 F. Supp. 513 (S.D.N.Y. 2008)
 - *Gottlieb Development v. Paramount Pictures*, 590 F. Supp. 625 (S.D.N.Y. 2008)
4. **Fair Use – Thursday, June 15**
 - 17 U.S.C. § 107
 - *Campbell v. Acuff-Rose Music*, 510 U.S. 569 (1994)
 - *Authors Guild, Inc. v. HathiTrust*, 755 F.3d 87 (2d Cir. 2014)
 - *Authors Guild v. Google, Inc.*, 804 F. 3d 202 (2d Cir. 2015)

I have posted a links to sources for interesting information about copyright law and chosakukenhou at:

<http://www.umich.edu/~jdlitman/Tokyo2017/LINKS.html>.

Please take a few minutes to explore the links.

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[Note to students: I have edited all of the cases in the reading material to make them much shorter. --JDL]

Digital Copyright

Jessica Litman

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CHAPTER ONE

Copyright Basics

The Congress shall have the 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.

—United States Constitution¹

YOU DON'T NEED A DETAILED understanding of copyright law to read this book: a brief overview should give you enough to get by. The Statute of Anne, enacted by the British Parliament in 1710, is generally considered to be the world's first copyright law. The United States passed its first copyright statute in 1790. Early U.S. copyright laws required compliance with a variety of formalities (registration, copyright notice, renewal)² as a condition of copyright protection. Recent laws have dropped requirements for copyright notice, registration, or renewal, and have abandoned conditions limiting copyright to publicly distributed works. Today, copyright protection is automatic.

Copyright laws in the United States and elsewhere begin with the principle that neither the creator of a new work of authorship nor the general public ought to be able to appropriate all of the benefits that flow from the creation of a new, original work of authorship. If creators can't gain some benefit from their creations, they may not bother to make new works. If distributors can't earn money from the works, they may not bother to disseminate them. But all authors use raw material from elsewhere to build their works. Novelists, composers, sculptors, and programmers all incorporate into their works ideas, language, building blocks, and expressive details they first encountered elsewhere. If creators were given control over every element and use of the works they created, there would be little raw material left for later authors. Thus, both as a matter of fairness and as a matter of promoting learning by encouraging authors to create works and the public to consume them, copyright has always divided up the possible rights in and uses of a work, and given

control over some of those rights to the creators and distributors and control over others to the general public.

When you buy a book today, you pay a flat fee to some bookseller rather than agreeing to be billed by the piece. You may read and reread the book, or any part of it. You may learn the stuff that's in it. You may talk about the book with your friends. You may loan your copy of the book to any friend who wants it. When you've finished with the book, you may resell it to a used bookstore or donate it to the local library, which may loan it out to anyone with a library card. You don't need the copyright owner's permission to do any of these things.

When you buy a musical recording on compact disc, you again pay some amount of money to own the thing. You have no further obligation to pay for each listen. The law permits you to make a tape of the recording for your car. You may resell the CD, or loan it out, even to friends who want to use it to make tapes for their cars. What you can't do without the copyright owners' permission is rent the CD out commercially, or broadcast it over the radio, or play it at a concert or in your restaurant, bar, or store.

When your child needs to consult an encyclopedia for a report on hive-building insects, you don't have to buy one; you can send her to the public library to look the stuff up. When she writes her report, she doesn't have to pay the encyclopedia company to use what she learned. When you see a building, you can snap a picture without paying the architect. When you go to a bookstore, you may skim the first chapter of a book before you buy it. When you turn on your car radio, you needn't pay the composers of the music you hear, or the artists who perform it. But you know at some level that in the process of writing music and delivering it to your ears, someone at some point has paid them something.

When you turn on your computer, you needn't pay a royalty to Microsoft® or Apple® for the use of the operating-systems program that makes the computer work. We take this for granted, but it isn't natural law. It is the result of a complicated legal bargain that allocates the different benefits that flow from works of authorship to writers, to publishers, and to the public at large in a way intended to promote the progress of science and useful arts. There's no particular reason why we had to choose this system. We could have relied on the patronage system that gave us Shakespeare. We could have decreed that authors who create works of authorship have exclusive control over every use of their works for a year, or a decade, or a life, or forever.

Instead, we came up with a system designed to give some market-based financial compensation to people who create works, and to people who distribute them, without giving them extensive rights to prevent the use and reuse of those works by the public and by the authors of

the future. The system is premised on the assumption that we can give authors and their publishers rights to control some ways of exploiting their works, and reserve the rest of the value of the works to the public at large.

Under the current copyright statute,³ copyright vests automatically in original works of authorship as soon as they are “fixed in tangible form,” i.e., embodied in a permanent, tangible object. No notice or registration is required.⁴ The copyright in this book came into being as I typed the words that you are reading. The copyright in a song exists from the moment the song is first written down or recorded on tape, disc, or microchip. The copyright will belong either to the individual who created it (in which case it will last until seventy years after that person’s death), or, if the work is created within the course of employment, to that individual’s employer (in which case it will last for ninety-five years from its first public distribution).⁵ It will give the copyright owner rights over the material the author added, but not over any preexisting material appropriated from elsewhere. The copyright will protect the expression in the work from being copied without permission, but will give no protection whatsoever to the underlying ideas, facts, systems, procedures, methods of operation, principles, or discoveries.⁶ It may seem paradoxical that copyright fails to protect what for many works are their most valuable features, but that balance is a long-standing one; it derives, the U.S. Supreme Court tells us, from copyright’s constitutional foundation.⁷ The chief purpose of copyright is to promote learning, and learning would be frustrated if facts and ideas could not be freely used and reused.

United States copyright law gives authors a number of broad rights: the right to reproduce the work in fixed, tangible copies; the right to create adaptations; the right to distribute copies to the public; and the rights to perform publicly and display publicly. These rights are made subject in the statute to a variety of exceptions.⁸

Some of the exceptions are broad: under the “first sale doctrine,” for example, the copyright owner has no right to control the distribution of a copy of a work after she has sold that copy.⁹ The buyer can keep it, loan it, rent it, display it, or resell it to others. Another exception covers useful articles: If a protected photograph, painting, or sculpture embodies or depicts a useful article, anyone can reproduce the useful article, which is not itself subject to copyright protection. In other words, copyright protects a painting or photograph of an automobile, but gives no protection to the automobile itself.¹⁰ Under the fair use privilege, a variety of otherwise infringing acts are excused for policy reasons.¹¹ (Common fair uses include quotations, parodies, photocopies for classroom use, and home videotaping of television programs.)

Most of the exceptions, though, are narrow and specific. Broadcasting organizations, for example, licensed to broadcast a musical recording, are allowed to make a copy of the work to facilitate the broadcast.¹² Libraries may make photocopies so long as they comply with a long list of conditions and limitations.¹³ Cable television operators can retransmit broadcasts without the permission of the owners of the copyrights in the works being broadcast, so long as they pay a statutory license fee.¹⁴ A small restaurant may play radio or television broadcasts for its customers, but may not play prerecorded music.¹⁵ A church may play religious music during services.¹⁶

The presence of detailed exceptions shouldn't obscure the fact that some uses of copyrighted works are simply not subject to copyright owners' control at all. Copyright owners are given no control, for example, over *private* performance or display. Watching a videotape in your living room, showing the sculpture you just purchased to your cousin, or singing the latest Metallica hit to your friend over the telephone are simply not among the uses that the copyright owner has any right to prohibit or permit.¹⁷ They have no power to prevent the owners of copies of their works from loaning them repeatedly. More fundamentally, copyright does not protect ideas, no matter how original, brilliant, or unique they may be.¹⁸ $E = mc^2$ is in the public domain. Nor may copyright give owners legal rights over the functional or factual elements of their works. The design used for the onramps to the Triborough Bridge is not protected by copyright.¹⁹ The facts reported in a biography of San Francisco Jewish families belong to no one.²⁰ Copyright owners do not own any of the ideas expressed in their works. They have no ownership of the functional or factual aspects of their works. They have no claim to any compensation when their readers learn and use their teachings.

All of this has worked more or less invisibly to the general public, because traditionally, copyright owners have had control over the sorts of uses typically made by commercial and institutional actors and little control over the consumptive uses made by individuals. That has permitted the copyright law to be drawn as a complex, internally inconsistent, wordy, and arcane code, since the only folks who really needed to know it were folks for whom copyright lawyers were an item of essential overhead. Most copyright infringement suits proceeded against businesses and institutions.

A law intended to be enforced against individual consumers would have needed to be structured differently; the current setup would strike many individuals as unfair. Under the current statute, anyone who invades the copyright owner's exclusive rights without a license or statutory privilege can be held liable for infringement.²¹ The law has never required that an infringer be aware that she is violating another's copyright. It is copyright

infringement to copy a protected work subconsciously and unknowingly;²² it is also copyright infringement to perform or distribute copies of a work in the mistaken belief that one's use is licensed.²³ Successful plaintiffs in copyright-infringement suits can recover substantial damages without needing to prove any actual harm to the market for their works.²⁴ In addition, courts routinely order defendants to stop infringing activity, to surrender or destroy infringing copies, and to pay plaintiffs' lawyer bills.²⁵

Digital technology changed the marketplace. It's a cliché that digital technology permits everyone to become a publisher. If you're a conventional publisher, though, that cliché doesn't sound so attractive. If you're a record company, the last thing you want is a world in which musicians and listeners can eliminate the middleman. But can you stop it, or at least delay it? Is the copyright law one tool that might help you do so?

Notes

- 1 U.S. Const., art. I, § 8, cl. 8.
- 2 Until 1909, one secured copyright through registration. The copyright lasted for a fixed term, and could be renewed for an additional term if the copyright owner complied with renewal procedures. The 1909 act provided that one could secure copyright in some works by registering them, and in others by publishing them with the prescribed copyright notice. Registration was in any event necessary in order to apply for the renewal term. In either case, distributing copies to the public without the statutory notice forfeited the copyright. See Robert A. Gorman and Jane C. Ginsburg, *Copyright: Cases and Materials* 4–9, 339–43, 383–97 (5th ed., Lexis Law Publishing, 1999).
- 3 The current statute was enacted in 1976 and has been amended periodically in the years since then. It is codified at 17 U.S.C. §§ 101–1332 (2000).
- 4 17 U.S.C. § 102.
- 5 17 U.S.C. §§ 201, 302.
- 6 17 U.S.C. § 102(b).
- 7 *Feist Publications v. Rural Telephone Service*, 499 U.S. 340 (1991); see also *Baker v. Selden*, 101 U.S. 99 (1879).
- 8 17 U.S.C. § 106.
- 9 17 U.S.C. § 109. There are two narrow exceptions. Owners of copyrights in sound recordings and computer programs have the right to prohibit rental, but not loan, gift or resale, of copies of sound recordings or computer programs. *Ibid.*
- 10 17 U.S.C. § 113.
- 11 17 U.S.C. § 107.
- 12 17 U.S.C. § 112(a).
- 13 17 U.S.C. § 108.
- 14 17 U.S.C. § 111. Federal Communications Commission regulations impose other restrictions that limit the ability to transmit particular works, and some of those regulations may constrain cable operators in ways that echo copyright limitations. See 47 U.S.C. § 325(b).
- 15 17 U.S.C. § 110(5).
- 16 17 U.S.C. § 110(3).

- 17 In *Columbia Pictures Industries, Inc. v. Professional Real Estate Investors*, 866 F.2d 278 (9th Cir. 1989), for example, motion picture studios sued a resort hotel that rented videodiscs for its guests to play on the large-screen TVs in their rooms. The court held that there was no *public* performance and therefore no infringement.
- 18 17 U.S.C. § 102(b). See *Baker v. Selden*, 101 U.S. 99 (1879). Charles Selden devised a novel bookkeeping system that permitted accountants to condense six pages of accounts onto only two. Selden published several copyrighted manuals about his system, and hired an agent to travel through the country seeking to license the system and the ledger forms Selden had designed to go with it. An Ohio accountant, impressed with the Selden system but unable to pay Selden's price, adopted it anyway, and later peddled his version to other accountants. The United States Supreme court dismissed Selden's copyright infringement suit:

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.

101 U.S. at 103.

- 19 See *Muller v. Triborough Bridge Authority*, 43 F. Supp. 298 (S.D.N.Y. 1942).
- 20 See *Narell v. Freeman*, 872 F.2d 907 (9th Cir. 1989).
- 21 17 U.S.C. § 501.
- 22 See *Bright Tunes Music Corp. v. Harrisongs Music, Ltd.*, 420 F. Supp. 177 (S.D.N.Y. 1976), *aff'd*, 722 F.2d 988 (2d Cir. 1983); *Fred Fisher v. Dillingham*, 298 F. 145 (S.D.N.Y. 1924).
- 23 See, e.g., *Lipton v. Nature Co.* 71 F.3d 464 (2d Cir. 1995).
- 24 17 U.S.C. § 504(c).
- 25 See *Fogerty v. Fantasy, Inc.*, 510 U.S. 517 (1994); Gorman and Ginsburg, *Copyright*, at 729–30.

Excerpts from the United States Copyright Statute, Title 17, United States Code:

17 U.S.C. § 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.

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*”.

....

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.

....

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.

....

“*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.

“*Motion pictures*” are audiovisual works consisting of a series of related images which, when shown in succession, impart an impression of motion, together with accompanying sounds, if any.

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.

....

“*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

....

“*Publication*” is the distribution of copies or phonorecords of a work to the public by sale or other transfer of ownership, or by rental, lease, or lending. The offering to distribute copies or phonorecords to a group of persons for purposes of further distribution, public performance, or public display, constitutes publication. A public performance or display of a work does not of itself constitute publication.

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.

....

“*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.

....

17 U.S.C. § 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.

(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.

17 U.S.C. § 103. Subject matter of copyright: Compilations and derivative works

(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.

(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.

....

17 U.S.C. § 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. . . .

....

QUESTION

Whether or not you have ever taken a course in chosakukenhou, you have encountered the chosakuken system as a reader, listener, and consumer of the works that it protects. Think about the types of works protected under the law of Japan. Now, look at the list of copyrightable subject matter in 17 U.S.C. § 102. Consult the definitions of the terms in the list in 17 U.S.C. § 101. Are there any types of works entitled to copyright protection under U.S. law that surprise you?

FEIST PUBLICATIONS v. RURAL TELEPHONE SERVICE CO.

499 U.S. 340 (1991)

O'CONNOR, J.

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. .

...

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. See *Harper & Row, supra*, at 547-549. 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 "secure 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.

...

The originality requirement articulated in *The Trade-Mark Cases* and *Burrow-Giles* remains the touchstone of copyright protection today. . . .

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. . . . 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. "They may not be copyrighted and are part of the public domain available to every person." *Miller [v. Universal City Studios, Inc., 650 F. 2d 1365 (CA5 1981)]* 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. . . .

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, [*Creation and Commercial Value: Copyright Protection of Works of Information*, 90 Colum. L. Rev. 1865, 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," *ibid.*, and a constitutional requirement. The primary objective of copyright is not to reward the labor of authors, but "to promote the Progress of Science and useful Arts." 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. *Harper & Row, supra*, at 556-557. 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, 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.

....

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STAR ATHLETICA, L.L.C. v. VARSITY BRANDS, INC.

137 S.Ct. 1002 (2017)



Design 078
Registration No. VA 1-417-427



Design 0815
Registration No. VA 1-675-905

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.

I

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.”



Petitioner Star Athletica, L.L.C., also markets and sells cheerleading uniforms. Respondents sued petitioner for infringing their copyrights in the five designs. The District Court entered summary judgment for petitioner on respondents’ copyright claims on the ground that the designs did not qualify as protectable pictorial, graphic, or sculptural works. It reasoned that the designs served the useful, or “utilitarian,” function of identifying the garments as “cheerleading uniforms” and therefore could not be “physically or conceptually” separated under § 101 “from the utilitarian function” of the uniform.

The Court of Appeals for the Sixth Circuit reversed. In its view, the “graphic designs” were “separately identifiable” because the designs “and a blank cheerleading uniform can appear ‘side by side’—one as a graphic design, and one as a cheerleading uniform.” (quoting Compendium of U.S. Copyright Office Practices § 924.2(B) (3d ed. 2014) (Compendium)). And it determined that the designs were “‘capable of existing independently’” because they could be incorporated onto the surface of different types of garments, or hung on the wall and framed as art.

Judge McKeague dissented. He would have held that, because “identifying the wearer as a cheerleader” is a utilitarian function of a cheerleading uniform and the surface designs

were “integral to” achieving that function, the designs were inseparable from the uniforms.

II

The first element of a copyright-infringement claim is “ownership of a valid copyright.” *Feist Publications, Inc. v. Rural Telephone Service Co.*, 499 U.S. 340, 361 (1991). A valid copyright extends only to copyrightable subject matter. . . . The Copyright Act of 1976 defines copyrightable subject matter as “original works of authorship fixed in any tangible medium of expression.” 17 U.S.C. § 102(a).

“Works of authorship” include “pictorial, graphic, and sculptural works,” § 102(a)(5), which the statute defines to 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,” § 101. And a work of authorship is “‘fixed’ in a tangible medium of expression when it[is] embodi[ed] in a” “material objec[t] ... from which the work can be perceived, reproduced, or otherwise communicated.” *Ibid.* (definitions of “fixed” and “copies”).

The Copyright Act also 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.” *Ibid.* 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.” *Ibid.*

Courts, the Copyright Office, and commentators have described the analysis undertaken to determine whether a feature can be separately identified from, and exist independently of, a useful article as “separability.” 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.

....

1

The statute provides that a “pictorial, graphic, or sculptural featur [e]” 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.

2

The statute as a whole confirms our interpretation. The Copyright Act provides “the owner of [a] copyright” with the “exclusive righ[t] ... to reproduce the copyrighted work in copies.” § 106(1). The statute clarifies that this right “includes the right to reproduce the [copyrighted] work in or on any kind of article, whether useful or otherwise.” § 113(a). Section 101 is, in essence, the mirror image of § 113(a). Whereas § 113(a) protects a work of authorship first fixed in some tangible medium other than a useful article and subsequently applied to a useful article, § 101 protects art first fixed in the medium of a useful article. The two provisions make clear that copyright protection extends to pictorial, graphic, and sculptural works regardless of whether they were created as freestanding art or as features of useful articles. The ultimate separability question, then, is whether the feature for which copyright protection is claimed would have been eligible for copyright protection as a pictorial, graphic, or sculptural work had it originally been fixed in some tangible medium other than a useful article before being applied to a useful article.

....

C

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

....

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.

....

III

We hold that an artistic feature of the design of a useful article is eligible for copyright protection 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 in some other medium if imagined separately from the useful article. Because the designs on the surface of respondents' cheerleading uniforms in this case satisfy these requirements, the judgment of the Court of Appeals is affirmed.

It is so ordered.

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, Inc., et al. (Varsity) 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. . . . Varsity next reproduced its two-dimensional graphic designs on cheerleading uniforms, also on other garments, including T-shirts and jackets.

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, 358–359 (1991), or on whether any other prerequisite of a valid copyright has been satisfied.

In short, Varsity’s designs are not themselves useful articles meet for separability determination under § 101; they 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 work[s] of art separate from the useful article.” *Ante*, at 1007.

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 o[f] the utilitarian aspects of the article.” 17 U.S.C. § 101.

I

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.” *Ibid*. But what, we must ask, do the words “identified separately” mean? Just when is a design separate from the “utilitarian aspect of the [useful] article?” 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.” *Ante*, at 1010.

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.” *Ante*, at 1007, 1015 – 1016. They help clarify the concept of separateness. . . .

....

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..

..

....

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. . . .

. . . .

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. *Ante*, at 1010. That is to say, one cannot obtain a copyright that would give its holder "any rights in the useful article that inspired it." *Ante*, at 1010.

With respect, I dissent.

QUESTIONS

1. In *Feist Publications v. Rural Telephone Co.*, the United States Supreme Court articulates the creativity necessary for a work to receive copyright protection in these words:

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.

How rigorous is that requirement? Would copyright under United States law protect the notes you take in your classes? Would it protect your weekly shopping list for groceries? The contacts you have saved on your phone? What would be the goal of protecting those things under copyright law?

2. Before the Supreme Court delivered its opinion in *Star Athletica v. Varsity Brands*, earlier this year, the general understanding among copyright lawyers and scholars was the United States copyright law did not protect fashion design, because items of clothing are "useful articles" and therefore, under the statutory definition, not protectible "pictorial, graphic and sculptural work[s]." After the Court's opinion, is that understanding still true? If *Star Athletica v. Varsity Brands* has indeed expanded the copyright protection available

for fashion design, what effects would you expect that to have on the fashion industry in the United States?

Thursday June 8
Copyright Ownership

- 17 U.S.C. §§ 101, 201, 202, 204
- *Community for Creative Non-violence v. Reid*, 490 U.S. 730 (1989)
- *Lewis v. Activision Blizzard, Inc.*, 2013 WL 566103 (N. D. Cal. 2013),
aff'd, 634 Fed. Appx. 182 (9th Cir. 2015)
- *Effects Associates v. Cohen*, 908 F. 2d 555 (9th Cir. 1990)

Excerpts from Title 17, United States Code:

17 U.S.C. § 101. Definitions

....

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.

....

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.

....

17 U.S.C. § 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 coowner of copyright in the work.

(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.

(c) Contributions to Collective Works. — Copyright in each separate contribution to a collective work is distinct from copyright in the collective work as a whole, and vests initially in the author of the contribution. In the absence of an express transfer of the copyright or of any rights under it, the owner of copyright in the collective work is presumed to have acquired only the privilege of reproducing and distributing the contribution as part of that particular collective work, any revision of that collective work, and any later collective work in the same series.

(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.

(e) Involuntary Transfer. — When an individual author's ownership of a copyright, or of any of the exclusive rights under a copyright, has not previously been transferred voluntarily by that individual author, no action by any governmental body or other official or organization purporting to seize, expropriate, transfer, or exercise rights of ownership with respect to the copyright, or any of the exclusive rights under a copyright, shall be given effect under this title, except as provided under title 11.2

17 U.S.C. § 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.

17 U.S.C. § 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.

....

COMMUNITY FOR CREATIVE NONVIOLENCE v. REID

490 U.S. 730 (1989)



JUSTICE MARSHALL DELIVERED THE OPINION OF THE COURT.

In this case, an artist and the organization that hired him to produce a sculpture contest the ownership of the copyright in that work. To resolve this dispute, we must construe the "work made for hire" provisions of the Copyright Act of 1976 (Act or 1976 Act), 17 U. S. C. §§ 101 and 201(b), and in particular, the provision in § 101, which defines as a "work made for hire" a "work prepared by an employee within the scope of his or her employment" (hereinafter §101(1)).

I

Petitioners are the Community for Creative Non-Violence (CCNV), a nonprofit unincorporated association dedicated to eliminating homelessness in America, and Mitch Snyder, a member and trustee of CCNV. In the fall of 1985, CCNV decided to participate in the annual Christmastime Pageant of Peace in Washington, D. C., by sponsoring a display to dramatize the plight of the homeless. As the District Court recounted:

Snyder and fellow CCNV members conceived the idea for the nature of the display: a sculpture of a modern Nativity scene in which, in lieu of the traditional Holy Family, the two adult figures and the infant would appear as contemporary homeless people huddled on a streetside steam grate. The family was to be black (most of the homeless in Washington being black); the figures were to be life-sized, and the steam grate would be positioned atop a platform 'pedestal,' or base, within which special-effects equipment would be enclosed to emit simulated 'steam' through the grid to swirl about the figures. They also settled upon a title for the work – "Third World America" -- and a legend for the pedestal: "and still there is no room at the inn." 652 F. Supp. 1453, 1454 (DC 1987).

Snyder made inquiries to locate an artist to produce the sculpture. He was referred to respondent James Earl Reid, a Baltimore, Maryland, sculptor. In the course of two telephone calls, Reid agreed to sculpt the three human figures. CCNV agreed to make the steam grate and pedestal for the statue. Reid proposed that the work be cast in bronze, at a total cost of approximately \$ 100,000 and taking six to eight months to complete. Snyder rejected that proposal because CCNV did not have sufficient funds, and because the statue had to be completed by December 12 to be included in the pageant. Reid then suggested, and Snyder agreed, that the sculpture would be made of a material known as "Design Cast 62," a synthetic substance that could meet CCNV's monetary and time constraints, could be tinted to resemble bronze, and could withstand the elements. The parties agreed that the project would cost no more than \$ 15,000, not including Reid's services, which he offered to donate. The parties did not sign a written agreement. Neither party mentioned copyright.

After Reid received an advance of \$ 3,000, he made several sketches of figures in various poses. At Snyder's request, Reid sent CCNV a sketch of a proposed sculpture showing the family in a crechelike setting: the mother seated, cradling a baby in her lap; the father standing behind her, bending over her shoulder to touch the baby's foot. Reid testified that Snyder asked for the sketch to use in raising funds for the sculpture. Snyder testified that it was also for his approval. Reid sought a black family to serve as a model for the sculpture. Upon Snyder's suggestion, Reid visited a family living at CCNV's Washington shelter but decided that only their newly born child was a suitable model. While Reid was in Washington, Snyder took him to see homeless people living on the streets. Snyder pointed out that they tended to recline on steam grates, rather than sit or stand, in order to warm their bodies. From that time on, Reid's sketches contained only reclining figures.

Throughout November and the first two weeks of December 1985, Reid worked exclusively on the statue, assisted at various times by a dozen different people who were paid with funds provided in installments by CCNV. On a number of occasions, CCNV members visited Reid to check on his progress and to coordinate CCNV's construction of the base. CCNV rejected Reid's proposal to use suitcases or shopping bags to hold the family's personal belongings, insisting instead on a shopping cart. Reid and CCNV members did not discuss copyright ownership on any of these visits.

On December 24, 1985, 12 days after the agreed-upon date, Reid delivered the completed statue to Washington. There it was joined to the steam grate and pedestal prepared by CCNV and placed on display near the site of the pageant. Snyder paid Reid the final installment of the \$ 15,000. The statue remained on display for a month. In late January 1986, CCNV members returned it to Reid's studio in Baltimore for minor repairs. Several weeks later, Snyder began making plans to take the statue on a tour of several cities to raise money for the homeless. Reid objected, contending that the Design Cast 62 material was not strong enough to withstand the ambitious itinerary. He urged CCNV to cast the statue in bronze at a cost of \$ 35,000, or to create a master mold at a cost of \$ 5,000. Snyder declined to spend more of CCNV's money on the project.

In March 1986, Snyder asked Reid to return the sculpture. Reid refused. He then filed a certificate of copyright registration for "Third World America" in his name and announced

plans to take the sculpture on a more modest tour than the one CCNV had proposed. Snyder, acting in his capacity as CCNV's trustee, immediately filed a competing certificate of copyright registration.

Snyder and CCNV then commenced this action against Reid and his photographer, Ronald Purtee, seeking return of the sculpture and a determination of copyright ownership. The District Court granted a preliminary injunction, ordering the sculpture's return. After a 2-day bench trial, the District Court declared that "Third World America" was a "work made for hire" under § 101 of the Copyright Act and that Snyder, as trustee for CCNV, was the exclusive owner of the copyright in the sculpture. 652 F. Supp., at 1457. The court reasoned that Reid had been an "employee" of CCNV within the meaning of § 101(1) because CCNV was the motivating force in the statue's production. Snyder and other CCNV members, the court explained, "conceived the idea of a contemporary Nativity scene to contrast with the national celebration of the season," and "directed enough of [Reid's] effort to assure that, in the end, he had produced what they, not he, wanted."

The Court of Appeals for the District of Columbia Circuit reversed and remanded, holding that Reid owned the copyright because "Third World America" was not a work for hire. Adopting what it termed the "literal interpretation" of the Act . . . , the court read § 101 as creating "a simple dichotomy in fact between employees and independent contractors." Because, under agency law, Reid was an independent contractor, the court concluded that the work was not "prepared by an employee" under § 101(1). Nor was the sculpture a "work made for hire" under the second subsection of § 101 (hereinafter § 101(2)): sculpture is not one of the nine categories of works enumerated in that subsection, and the parties had not agreed in writing that the sculpture would be a work for hire. The court suggested that the sculpture nevertheless may have been jointly authored by CCNV and Reid, and remanded for a determination whether the sculpture is indeed a joint work under the Act.

We granted certiorari to resolve a conflict among the Courts of Appeals over the proper construction of the "work made for hire" provisions of the Act. We now affirm.

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."³ 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

³ We use the phrase "work for hire" interchangeably with the more cumbersome statutory phrase "work made for hire."

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 party⁶ retains the right to control the product. See *Peregrine v. Lauren Corp.*, 601 F. Supp. 828, 829 (Colo. 1985); *Clarkstown v. Reeder*, 566 F. Supp. 137, 142 (SDNY 1983). 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, *Aldon Accessories Ltd. v. Spiegel, Inc.*, 738 F. 2d 548, cert. denied, 469 U.S. 982 (1984), and adopted by the Fourth Circuit, *Brunswick Beacon, Inc. v. Schock-Hopchas Publishing Co.*, 810 F. 2d 410 (1987), the Seventh Circuit, *Evans Newton, Inc. v. Chicago Systems Software*, 793 F. 2d 889, cert. denied, 479 U.S. 949 (1986), and, at times, by petitioners. . . . 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 in *Easter Seal Society for Crippled Children & Adults of Louisiana, Inc. v. Playboy Enterprises*, 815 F. 2d 323 (1987), 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

⁶ By "hiring party," we mean to refer to the party who claims ownership of the copyright by virtue of the work for hire doctrine.

for the Ninth Circuit recently adopted this view. See *Dumas v. Gommerman*, 865 F. 2d 1093 (1989).

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 employee." 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.... 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.

....

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 canons of statutory interpretation indicate that the classification of a particular hired party should be made with reference to agency law.

This reading of the undefined statutory terms finds considerable support in the Act's legislative history. The Act, which almost completely revised existing copyright law, was the product of two decades of negotiation by representatives of creators and copyright-using industries, supervised by the Copyright Office and, to a lesser extent, by Congress. See *Mills Music, Inc. v. Snyder*, 469 U.S. 153, 159 (1985); Litman, *Copyright, Compromise, and Legislative History*, 72 Cornell L. Rev. 857, 862 (1987). Despite the lengthy history of negotiation and compromise which ultimately produced the Act, two things remained constant. First, interested parties and Congress at all times viewed works by employees and commissioned works by independent contractors as separate entities. Second, in using the term "employee," the parties and Congress meant to refer to a hired party in a conventional employment relationship. These factors militate in favor of the reading we have found appropriate.

....

Thus, the legislative history of the Act is significant for several reasons. First, [it] demonstrates that Congress intended to provide two mutually exclusive ways for works to acquire work for hire status: one for employees and the other for independent contractors. Second, the legislative history underscores the clear import of the statutory language: only enumerated categories of commissioned works may be accorded work for hire status. The hiring party's right to control the product simply is not determinative. . . . Indeed, importing a test based on a hiring party's right to control, or actual control of, a product would unravel the "carefully worked out compromise aimed at balancing legitimate interests on both sides." H. R. Rep. No. 2237, [89th Cong., 2d Sess., 114 (1966)], at 114. . . .

....

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." *Holt v. Winpisinger*, 258 U.S. App. D. C. 343, 351, 811 F. 2d 1532, 1540 (1987). 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. 2 In that case, CCNV and Reid would be co-owners of the copyright in the work. See § 201(a).

For the aforesated reasons, we affirm the judgment of the Court of Appeals for the District of Columbia Circuit.

It is so ordered.

LEWIS v. ACTIVISION BLIZZARD, INC.
2013 WL 5663103 (ND Cal), *affd*, 634 Fed.Appx. 182 (9th Cir. 2015)



CLAUDIA WILKEN, United States District Judge

Plaintiff Amanda Lewis brought this copyright infringement action against her former employer, Defendants Activision Blizzard, Inc., and Blizzard Entertainment, Inc. (collectively, Blizzard). Blizzard moves for summary judgment. Plaintiff opposes the motion. After considering the parties' submissions and oral argument, the Court grants the motion.

BACKGROUND

The following facts are undisputed. Blizzard is a videogame company that develops, markets, and distributes computer games. One of its most popular games is World of Warcraft, a "multiplayer role-playing game, in which thousands of people play simultaneously in a 'virtual world' created by Blizzard."

Plaintiff was employed at Blizzard as a "game master" for World of Warcraft from May 2005 through August 2006. In that role, she was responsible for answering customers'

questions about the game, assisting them when they encountered difficulties with other players or game mechanics, and solving any problems with game functionality. According to the “Game Master Job Description” in Blizzard’s training manual,

Game Masters are customer service specialists with expert knowledge of the game who are [] present as characters within World of Warcraft’s epic fantasy setting to provide assistance and guidance to players while also coordinating world functionality. In this capacity, GM’s serve as the direct link between Blizzard and its customers. Additionally, GM’s are responsible for in-game customer support, helping manage our online community, and assisting with the creation of content during the ever ongoing development of the game.

Plaintiff received a copy of this manual during an employee training session that she attended during her first week on the job.

In July 2005, a Blizzard game writer sent an e-mail to all game masters inviting them to participate in “open auditions” for voiceover work related to World of Warcraft. Roughly one hundred and twenty game masters signed up to participate in the auditions, including Plaintiff. After Plaintiff auditioned in late July, she was invited to record a voice for a newly created game character called the “baby murloc.” The character was conceived by Blizzard’s design team as a “cuter, smaller version of the original murloc,” a mythical creature featured in earlier versions of the game. Before the recording session, Blizzard’s sound engineer told Plaintiff that the character would be unveiled at BlizzCon 2005, an annual fan convention, and used in videos to promote the game. He did not say whether Blizzard would ultimately use the recording for any other purpose—such as to voice any characters within the game itself—and Plaintiff never asked whether the recordings might be used outside of BlizzCon.

On September 7, 2005, Plaintiff participated in a recording session at Blizzard’s offices. The session lasted about ten minutes and yielded roughly five minutes of raw audio recording. Blizzard’s sound engineer subsequently edited the raw recording to produce a condensed set of sound files.

Two weeks later, Plaintiff was invited to participate in another recording session to develop a short “dance” song for the baby murloc character using her voice. On September 22, Plaintiff attended a second recording session at Blizzard’s offices. The session yielded roughly four minutes of raw audio recording, which Blizzard’s sound engineer once again edited and condensed into smaller sound files. Plaintiff was compensated for her participation in both recording sessions at her usual hourly rate and never sought additional compensation for her work on either recording.

Sometime in 2006, shortly before she was terminated by Blizzard, Plaintiff discovered that her voice from the recordings had been used to create a baby murloc character that appeared in the game itself. Although Plaintiff was “surprised to find out that [her] voice had been used beyond the scope of what [she] had been told it would be used for,” she did not convey her surprise to any of her friends, co-workers, or supervisors.

In November 2010, Plaintiff filed this lawsuit against Blizzard alleging that the company had infringed her copyright in the baby murloc recordings by using parts of the recordings in the game without her consent. . . . In August 2013, Blizzard filed the instant motion for summary judgment on Plaintiff's sole remaining claim for copyright infringement.

....

DISCUSSION

Blizzard argues that. . . Plaintiff does not own a copyright in the baby murloc recordings because the recordings constitute a "work made for hire" under the Copyright Act, 17 U.S.C. § 201(b). . . .

I. *Work Made for Hire*

The Copyright Act provides, "In the case of a work made for hire, the employer or other person for whom the work was prepared is considered the author ... 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.C. § 201(b). The Act defines a "work made for hire" as "a work prepared by an employee within the scope of his or her employment." *Id.* § 101.

"Although the Copyright Act does not define either 'employee' or 'scope of employment,' these terms must be 'understood in light of the general common law of agency.'" *U.S. Auto Parts Network, Inc. v. Parts Geek, LLC*, 692 F.3d 1009, 1015 (9th Cir.2012) (citing *Cnty. for Creative Non-Violence v. Reid*, 490 U.S. 730, 739-41 (1989)). Various circuits, including the Ninth Circuit, rely on the three-prong "scope of employment" test set forth in section 228 of the Restatement (Second) of Agency to determine whether a given work was "made for hire" under the Copyright Act. *Id.* Under that test, an employee's conduct falls "within the scope of employment if, but only if: (a) it is of 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 [employer]." *Restatement (Second) of Agency* § 228.

Here, the undisputed facts demonstrate that Plaintiff was an employee of Blizzard and that her contributions to the baby murloc recordings fell squarely within the scope of her employment.

A. *"Employed To Perform"*

Blizzard's training manual states that game masters are responsible for "assist[ing] with the creation of content during the ever ongoing development of the game." Plaintiff admits that she read this job description in the training manual when she first began working at Blizzard in 2005. She argues, however, that because she was not required to produce original content for the game on a regular basis, her contributions to the baby murloc recordings do not qualify as the kind of work she was "employed to perform."

This argument fails for several reasons. First, as noted above, the training manual Plaintiff received specifically identified content-creation as one of her official responsibilities. Even if she only performed this responsibility on occasion, it was still expressly listed in her job description and therefore fell within the scope of her stated duties. What's more, producing content is very similar to the other duties that game masters were routinely expected to perform. Although Plaintiff seeks to cast game masters as customer service representatives who lacked any influence over game content, she acknowledged in her declaration that game masters frequently exercised direct control over elements of the game world. Thus, Plaintiff's own evidence suggests that game masters did not simply interact with Blizzard's customers but also engaged directly with game content.

Blizzard's evidence confirms that game masters sometimes produced original content for the game. The company's human resources manager asserted in her declaration that other game masters besides Plaintiff were asked to contribute—and did, in fact, contribute—original content to the game, including visual artwork and designs, while Plaintiff was employed there. The human resources manager also asserted that, in addition to their day-to-day responsibilities, game masters were "expected to assist with any other [game]-related tasks that they may be asked to do." Plaintiff does not dispute either of these assertions.

Indeed, Plaintiff's own description of her experience recording the baby murloc voice suggests that this work fell within the scope of her ordinary job duties. Plaintiff testified at her deposition that she was paid her normal hourly wage for participating in each recording session and never sought any additional compensation for her voice work. In addition, she admitted that her supervisor praised her work on the recordings during a November 2005 review of her job performance. . Taken together, this evidence indicates that both Plaintiff and her co-workers understood that her contributions to the baby murloc recordings constituted the kind of work she was "employed to perform."

....

B. "Substantially Within Authorized Time and Space Limits"

Both of Plaintiff's recording sessions were conducted at Blizzard's offices, using Blizzard's equipment, and under the supervision of Blizzard's sound engineer. Furthermore, both sessions occurred on weekdays during normal working hours while Plaintiff was employed at Blizzard. Although the sessions took place on her days off, Plaintiff received her normal hourly wage for all of the time she spent in the recording studio. Finally, Plaintiff never requested or received her own copies of the recordings from either session. In short,

Plaintiff's participation in the recording sessions occurred substantially within the authorized time and space limits of her position at Blizzard.

....

C. "Actuated, At Least In Part, By a Purpose To Serve the Employer"

At oral argument, Plaintiff conceded that she was motivated by a desire to serve Blizzard's interests when she participated in the baby murloc recording sessions. She also admitted in her declaration that, when she first agreed to work on the recordings, she understood that the recordings would be used principally to promote the game. Thus, it is undisputed that her work on the recordings was "actuated, at least in part, by a purpose to serve" her employer.

In sum, Plaintiff's contributions to the baby murloc recordings satisfy all three prongs of section 228's "scope of employment" test. The recordings therefore constitute a "work made for hire" under the Copyright Act.

...

CONCLUSION

For the reasons set forth above, Defendants' motion for summary judgment (Docket No. 39) is GRANTED.....

—

LEWIS v. ACTIVISION BLIZZARD, INC.

634 Fed.Appx. 182 (9th Cir. 2015)

Amanda Lewis appeals from the district court's orders (1) granting summary judgment in favor of defendants Activision Blizzard, Inc. and Blizzard Entertainment, Inc. (Blizzard) ...

The district court did not err in granting summary judgment in favor of Blizzard. There is no genuine issue of material fact as to whether the baby murloc recordings constitute "work made for hire," defined as "a work prepared by an employee within the scope of his or her employment." 17 U.S.C. § 101.

A work is made by an employee within the scope of her employment when: (1) "it is of the kind [the employee] is employed to perform;" (2) "it occurs substantially within the authorized time and space limits;" and (3) "it is actuated, at least in part, by a purpose to serve the [employer]." *U.S. Auto Parts Network*, 692 F.3d at 1015 (quoting *Avtec Sys., Inc. v. Peiffer*, 21 F.3d 568, 571 (4th Cir.1994)) (modifications in original).

First, the baby murloc recordings were the kind of work that Lewis was employed to perform. The Game Masters Training Manual specifically stated that one of Lewis's duties

was “assisting with the creation of content during the ever ongoing development of the game.” Even if Lewis’s day-to-day duties primarily consisted of customer service within World of Warcraft, that does not mean that her duties did not also include assisting with the creation of content. Furthermore, Lewis was paid her hourly rate for the time she spent at the recording studio, Blizzard had at least some control over the content of the recordings, the recordings were created specifically for World of Warcraft, and Lewis’s supervisor praised Lewis’s work on the recordings in Lewis’s employee review form.

Second, there is no genuine issue of material fact that the baby murloc recordings took place within the time and space limits of Lewis’s employment. The record shows that the recordings took place in Blizzard’s studio, on Blizzard’s recording equipment, using Blizzard’s software, and at the direction of a Blizzard employee.

Third, there is no genuine issue of material fact that Lewis’s work on the baby murloc recordings was actuated, at least in part, by a purpose to serve Blizzard. It is undisputed that Lewis created the baby murloc recordings at Blizzard’s request. Therefore, even if Lewis contributed to the recordings to advance her own interests, she also did so to contribute to World of Warcraft.

Accordingly, summary judgment in favor of Blizzard was proper.

QUESTION

Under the “work made for hire” doctrine, the employer of the individual who creates a work is treated as the “author” of that work. The doctrine was invented by United States federal courts in 1899, and first codified by Congress in the United States copyright statute in 1909. What are the advantages and disadvantages of considering the employer to be the work’s author? Why do you think that courts adopted the rule? Why did Congress add it to the copyright statute?

EFFECTS ASSOCIATES, INC v. COHEN

908 F.2d 555 (9th Cir 1990)

KOZINSKI, CIRCUIT JUDGE.

What we have here is a failure to compensate. Larry Cohen, a low-budget horror movie mogul, paid less than the agreed price for special effects footage he had commissioned from Effects Associates. Cohen then used this footage without first obtaining a written license or assignment of the copyright; Effects sued for copyright infringement. We consider whether a transfer of copyright without a written agreement, an arrangement apparently not

uncommon in the motion picture industry, conforms with the requirements of the Copyright Act.

Facts

This started out as a run-of-the-mill Hollywood squabble. Defendant Larry Cohen wrote, directed and executive produced "The Stuff," a horror movie with a dash of social satire: Earth is invaded by an alien life form that looks (and tastes) like frozen yogurt but, alas, has some unfortunate side effects—it's addictive and takes over the mind of anyone who eats it. Marketed by an unscrupulous entrepreneur, the Stuff becomes a big hit. An industrial spy hired by ice cream manufacturers eventually uncovers the terrible truth; he alerts the American people and blows up the yogurt factory, making the world safe once again for lovers of frozen confections.

In cooking up this gustatory melodrama, Cohen asked Effects Associates, a small special effects company, to create footage to enhance certain action sequences in the film. In a short letter dated October 29, 1984, Effects offered to prepare seven shots, the most dramatic of which would depict the climactic explosion of the Stuff factory. Cohen agreed to the deal orally, but no one said anything about who would own the copyright in the footage.

Cohen was unhappy with the factory explosion Effects created, and he expressed his dissatisfaction by paying Effects only half the promised amount for that shot. Effects made several demands for the rest of the money (a little over \$ 8,000), but Cohen refused. Nevertheless, Cohen incorporated Effects's footage into the film and turned it over to New World Entertainment for distribution. Effects then brought this copyright infringement action, claiming that Cohen (along with his production company and New World) had no right to use the special effects footage unless he paid Effects the full contract price.

....

Discussion

A. Transfer of Copyright Ownership

The law couldn't be clearer: The copyright owner of "a motion picture or other audiovisual work" has the exclusive rights to copy, distribute or display the copyrighted work publicly. 17 U.S.C. §106 (1988). While the copyright owner can sell or license his rights to someone else, section 204 of the Copyright Act invalidates a purported transfer of ownership unless it is in writing. 17 U.S.C. § 204(a) (1988). Here, no one disputes that Effects is the copyright owner of the special effects footage used in "The Stuff," and that defendants copied, distributed and publicly displayed this footage without written authorization.

Cohen suggests that section 204's writing requirement does not apply to this situation, advancing an argument that might be summarized, tongue in cheek, as: Moviemakers do lunch, not contracts. Cohen concedes that "in the best of all possible legal worlds" parties would obey the writing requirement, but contends that moviemakers are too absorbed in developing "joint creative endeavors" to "focus upon the legal niceties of copyright licenses."

Thus, Cohen suggests that we hold section 204's writing requirement inapplicable here because "it is customary in the motion picture industry . . . not to have written licenses." To the extent that Cohen's argument amounts to a plea to exempt moviemakers from the normal operation of section 204 by making implied transfers of copyrights "the rule, not the exception," we reject his argument.

Common sense tells us that agreements should routinely be put in writing. This simple practice prevents misunderstandings by spelling out the terms of a deal in black and white, forces parties to clarify their thinking and consider problems that could potentially arise, and encourages them to take their promises seriously because it's harder to backtrack on a written contract than on an oral one. Copyright law dovetails nicely with common sense by requiring that a transfer of copyright ownership be in writing. Section 204 ensures that the creator of a work will not give away his copyright inadvertently and forces a party who wants to use the copyrighted work to negotiate with the creator to determine precisely what rights are being transferred and at what price. *Cf. Community for Creative Non-Violence v. Reid*, 490 U.S. 730 (1989) (describing purpose of writing requirement for works made for hire). Most importantly, section 204 enhances predictability and certainty of copyright ownership.... Rather than look to the courts every time they disagree as to whether a particular use of the work violates their mutual understanding, parties need only look to the writing that sets out their respective rights.

Section 204's writing requirement is not unduly burdensome; it necessitates neither protracted negotiations nor substantial expense. The rule is really quite simple: If the copyright holder agrees to transfer ownership to another party, that party must get the copyright holder to sign a piece of paper saying so.

....

B. Nonexclusive Licenses

Although we reject any suggestion that moviemakers are immune to section 204, we note that there is a narrow exception to the writing requirement that may apply here. Section 204 provides that all transfers of copyright ownership must be in writing; section 101 defines transfers of ownership broadly, but expressly removes from the scope of section 204 a "nonexclusive license." *See* note 2 *supra*. The sole issue that remains, then, is whether Cohen had a nonexclusive license to use plaintiff's special effects footage.

The leading treatise on copyright law states that "[a] nonexclusive license may be granted orally, or may even be implied from conduct." 3 M. Nimmer & D. Nimmer, *Nimmer on Copyright* § 10.03[A], at 10-36 (1989). Cohen relies on the latter proposition; he insists that, although Effects never gave him a written or oral license, Effects's conduct created an implied license to use the footage in "The Stuff."

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. Accordingly, we conclude that Effects impliedly

granted nonexclusive licenses to Cohen and his production company to incorporate the special effects footage into "The Stuff" and to New World Entertainment to distribute the film.

Conclusion

We affirm the district court's grant of summary judgment in favor of Cohen and the other defendants. We note, however, that plaintiff doesn't leave this court empty-handed. Copyright ownership is comprised of a bundle of rights; in granting a nonexclusive license to Cohen, Effects has given up only one stick from that bundle -- the right to sue Cohen for copyright infringement. It retains the right to sue him in state court on a variety of other grounds, including breach of contract. Additionally, Effects may license, sell or give away for nothing its remaining rights in the special effects footage. Those rights may not be particularly valuable, of course: "The Stuff" was something less than a blockbuster, and it remains to be seen whether there's a market for shots featuring great gobs of alien yogurt oozing out of a defunct factory. . . .In any event, whatever Effects chooses to do with the footage, Cohen will have no basis for complaining. And that's an important lesson that licensees of more versatile film properties may want to take to heart.

QUESTION

Why does the law require any transfer of copyright to be accompanied by a signed writing? Does this rule shed any light on United States courts' invention of the work made for hire doctrine?

Tuesday June 13
Exclusive Rights and Infringement

- 17 U.S.C. §§ 106, 501
- Elements of copyright infringement: copying in fact
 - *Three Boys Music v Bolton*, 212 F.3d 477 (9th Cir. 2000)
- Elements of copyright infringement: infringing similarity
 - *Nichols v. Universal Pictures*, 45 F.2d 119 (2d Cir. 1930)
 - *Warner Brothers Entertainment v. RDR Books*, 575 F. Supp. 513 (S.D.N.Y. 2008)
 - *Gottlieb Development v. Paramount Pictures*, 590 F. Supp. 625 (S.D.N.Y. 2008)

Excerpts from Title 17, United States Code:

17 USC § 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.

....

17 USC § 501. Infringement of copyright

(a) Anyone who violates any of the exclusive rights of the copyright owner as provided by sections 106 through 122 or of the author as provided in section 106A(a), or who imports copies or phonorecords into the United States in violation of section 602, is an infringer of the copyright or right of the author, as the case may be. . . .

(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. . . .

Elements of Copyright Infringement: Copying in fact:

THREE BOYS MUSIC CORPORATION v. BOLTON

212 F.3d 477 (9th Cir. 2000)

D.W. NELSON, CIRCUIT JUDGE:

....

I. BACKGROUND

The Isley Brothers, one of this country's most well-known rhythm and blues groups, have been inducted into the Rock and Roll Hall of Fame. They helped define the soul sound of the 1960s with songs such as "Shout," "Twist and Shout," and "This Old Heart of Mine," and they mastered the funky beats of the 1970s with songs such as "Who's That Lady," "Fight the Power," and "It's Your Thing." In 1964, the Isley Brothers wrote and recorded "Love is a Wonderful Thing" for United Artists. The Isley Brothers received a copyright for "Love is a Wonderful Thing" from the Register of Copyrights on February 6, 1964. The following year, they switched to the famous Motown label and had three top-100 hits including "This Old Heart of Mine."

Hoping to benefit from the Isley Brothers' Motown success, United Artists released "Love is a Wonderful Thing" in 1966. The song was not released on an album, only on a 45-record as a single. Several industry publications predicted that "Love is a Wonderful Thing" would be a hit - "Cash Box" on August 27, 1966, "Gavin Report" on August 26, 1966, and "Billboard" on September 10, 1966. On September 17, 1966, Billboard listed "Love is a Wonderful Thing" at number 110 in a chart titled "Bubbling Under the Hot 100." The song was never listed on any other Top 100 charts. In 1991, the Isley Brothers' "Love is a Wonderful Thing" was released on compact disc. See Isley Brothers, *The Isley Brothers - The Complete UA Sessions*, (EMI 1991).

Michael Bolton is a singer/songwriter who gained popularity in the late 1980s and early 1990s by reviving the soul sound of the 1960s. Bolton has orchestrated this soul-music revival in part by covering old songs such as Percy Sledge's "When a Man Love a Woman" and Otis Redding's "(Sittin' on the) Dock of the Bay." Bolton also has written his own hit songs. In early 1990, Bolton and [Andrew] Goldmark wrote a song called "Love Is a Wonderful Thing." Bolton released it as a single in April 1991, and as part of Bolton's album, "Time, Love and Tenderness." Bolton's "Love Is a Wonderful Thing" finished 1991 at number 49 on Billboard's year-end pop chart.

On February 24, 1992, Three Boys Music Corporation filed a copyright infringement action for damages against the appellants under 17 U.S.C. §§ 101 *et seq.* (1988). ...[T]he jury determined that the appellants had infringed the Isley Brothers' copyright. ...In the final judgment entered against the appellants, the district court ordered Sony Music to pay \$ 4,218,838; Bolton to pay \$ 932,924; Goldmark to pay \$ 220,785; and their music publishing companies to pay \$ 75,900. They timely appealed.

II. DISCUSSION

Proof of copyright infringement is often highly circumstantial, particularly in cases involving music. A copyright plaintiff must prove (1) ownership of the copyright; and (2) infringement - that the defendant copied protected elements of the plaintiff's work. *See Smith v. Jackson*, 84 F.3d 1213, 1218 (9th Cir. 1996). Absent direct evidence of copying, proof of infringement involves fact-based showings that the defendant had "access" to the plaintiff's work and that the two works are "substantially similar." *Id.*

Given the difficulty of proving access and substantial similarity, appellate courts have been reluctant to reverse jury verdicts in music cases. . . .

. . . .

As a general matter, the standard for reviewing jury verdicts is whether they are supported by "substantial evidence" - that is, such relevant evidence as reasonable minds might accept as adequate to support a conclusion. The credibility of witnesses is an issue for the jury and is generally not subject to appellate review.

We affirm the jury's verdict in this case. . . .

A. Access

Proof of access requires "an opportunity to view or to copy plaintiff's work." *Sid and Marty Krofft Television Prods., Inc. v. McDonald's Corp.*, 562 F.2d 1157, 1172 (9th Cir. 1977). This is often described as providing a "reasonable opportunity" or "reasonable possibility" of viewing the plaintiff's work. 4 Melville B. Nimmer & David Nimmer, *Nimmer on Copyright*, § 13.02[A], at 13-19 (1999); *Jason v. Fonda*, 526 F. Supp. 774, 775 (C.D. Cal. 1981), *aff'd*, 698 F.2d 966 (9th Cir. 1983). We have defined reasonable access as "more than a 'bare possibility.'" *Jason*, 698 F.2d at 967. . . .

Circumstantial evidence of reasonable access is proven in one of two ways: (1) a particular chain of events is established between the plaintiff's work and the defendant's access to that work (such as through dealings with a publisher or record company), or (2) the plaintiff's work has been widely disseminated. . . .

. . . .

The Isley Brothers' access argument was based on a theory of widespread dissemination and subconscious copying. They presented evidence supporting four principal ways that Bolton and Goldmark could have had access to the Isley Brothers' "Love is a Wonderful Thing":

(1) Bolton grew up listening to groups such as the Isley Brothers and singing their songs. In 1966, Bolton and Goldmark were 13 and 15, respectively, growing up in Connecticut. Bolton testified that he had been listening to rhythm and blues music by black singers since he was 10 or 11, "appreciated a lot of Black singers," and as a youth was the lead singer in a band that performed "covers" of popular songs by black singers. Bolton also testified that his brother had a "pretty good record collection."

(2) Three disk jockeys testified that the Isley Brothers' song was widely disseminated on radio and television stations where Bolton and Goldmark grew up. . . .

(3) Bolton confessed to being a huge fan of the Isley Brothers and a collector of their music. Ronald Isley testified that when Bolton saw Isley at the Lou Rawls United Negro College Fund Benefit concert in 1988, Bolton said, "I know this guy. I go back with him. I have all his stuff." Angela Winbush, Isley's wife, testified about that meeting that Bolton said, "This man needs no introduction. I know everything he's done."

(4) Bolton wondered if he and Goldmark were copying a song by another famous soul singer. Bolton produced a work tape attempting to show that he and Goldmark independently created their version of "Love Is a Wonderful Thing." On that tape of their recording session, Bolton asked Goldmark if the song they were composing was Marvin Gaye's "Some Kind of Wonderful."

....

The appellants contend that the Isley Brothers' theory of access amounts to a "twenty-five-years-after-the-fact-subconscious copying claim." . . . In this case, the appellants never admitted hearing the Isley Brothers' "Love is a Wonderful Thing." That song never topped the Billboard charts or even made the top 100 for a single week. The song was not released on an album or compact disc until 1991, a year after Bolton and Goldmark wrote their song. Nor did the Isley Brothers ever claim that Bolton's and Goldmark's song is so "strikingly similar" to the Isley Brothers' that proof of access is presumed and need not be proven.

Despite the weaknesses of the Isley Brothers' theory of reasonable access, the appellants had a full opportunity to present their case to the jury. . . .

The Isley Brothers' reasonable access arguments are not without merit. Teenagers are generally avid music listeners. It is entirely plausible that two Connecticut teenagers obsessed with rhythm and blues music could remember an Isley Brothers' song that was played on the radio and television for a few weeks, and subconsciously copy it twenty years later. Furthermore, Ronald Isley testified that when they met, Bolton said, "I have all his stuff." Finally, as the district court pointed out, Bolton's remark about Marvin Gaye and "Some Kind of Wonderful" indicates that Bolton believed he may have been copying someone else's song.

This Court is not in a position to find that the only conclusion that a reasonable jury could have reached is that Defendants did not have access to Plaintiff's song. One must remember that the issue this Court must address is not whether Plaintiff has proven access by a preponderance of evidence, but whether *reasonable minds* could find that Defendants had a *reasonable opportunity* to have heard Plaintiff's song before they created their own song.

Although we might not reach the same conclusion as the jury regarding access, we find that the jury's conclusion about access is supported by substantial evidence. We are not establishing a new standard for access in copyright cases; we are merely saying that we will not disturb the jury's factual and credibility determinations on this issue.

B. Substantial Similarity

....

1. Evidence of Substantial Similarity

Bolton and Goldmark argue that there was insufficient evidence of substantial similarity The jury heard testimony from both of these experts and "found infringement based on a unique compilation of those elements." We refuse to interfere with the jury's credibility determination, nor do we find that the jury's finding of substantial similarity was clearly erroneous.

...

AFFIRMED.

QUESTION

Did the jury in *Three Boys Music v. Bolton* find that Michael Bolton copied the Isley Brothers' song even though he didn't realize that he was doing so? Why would copyright law make unknowing copying actionable? Is there anything Bolton and Goldmark could have done to prevent themselves from subconsciously copying a 25-year-old song?

Elements of Copyright Infringement: Infringing Similarity

NICHOLS v. UNIVERSAL PICTURES CORPORATION 45 F.2d 119 (2d Cir. 1930)

LEARNED HAND, CIRCUIT JUDGE.

The plaintiff is the author of a play, 'Abie's Irish Rose,' which it may be assumed was properly copyrighted under . . . 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 make 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. . . . But when the plagiarist does not take out a block in suit, 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. . . . 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.

. . . [W]e do not doubt that two plays may correspond in plot closely enough for infringement. How far that correspondence must go is another matter. . . .

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 obbligo 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 no 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 in 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 hobbledohoy, used for low comedy of the most conventional sort, which any one might borrow, if he chanced not to know the exemplar.

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*. . . .

WARNER BROS. ENTERTAINMENT INC. v RDR BOOKS
575 F.Supp. 2d 513 (S.D.N.Y 2008)

ROBERT P. PATTERSON, JR., DISTRICT JUDGE.

....

Plaintiff J.K. Rowling (“Rowling”) is the author of the highly acclaimed *Harry Potter* book series. Written for children but enjoyed by children and adults alike, the *Harry Potter* series chronicles the lives and adventures of Harry Potter and his friends as they come of age at the Hogwarts School of Witchcraft and Wizardry and face the evil Lord Voldemort. It is a tale of a fictional world filled with magical spells, fantastical creatures, and imaginary places and things.

....

The *Harry Potter* series has achieved enormous popularity and phenomenal sales. The books have won numerous awards, including children’s literary awards and the British Book Award. Most gratifying to Rowling is that the *Harry Potter* series has been credited with encouraging readership among children.

As a result of the success of the *Harry Potter* books, Plaintiff Warner Bros. Entertainment Inc. (“Warner Brothers”) obtained from Rowling the exclusive film rights to the entire seven-book *Harry Potter* series. Warner Brothers is the exclusive distributor for worldwide distribution of these films.) To date, Warner Brothers has released five *Harry Potter* films, and the sixth is scheduled for a worldwide release in November 2008. Each of the *Harry Potter* films is the subject of a copyright registration. ...

....

Rowling has stated on a number of occasions since 1998 that, in addition to the two companion books, she plans to publish a “*Harry Potter* encyclopedia” after the completion of the series and again donate the proceeds to charity. Rowling intends that her encyclopedia contain alphabetical entries for the various people, places and things from the *Harry Potter* novels. While she intends to add new material as well, her encyclopedia is expected to reflect all of the information in the *Harry Potter* series.

....

Defendant RDR Books is a Michigan-based publishing company that seeks to publish a book entitled “The Lexicon,” the subject of this lawsuit. Steven Vander Ark, a former library media specialist at a middle school in Michigan, is the attributed author of the Lexicon. He is also the originator, owner, and operator of “The Harry Potter Lexicon” website, a popular *Harry Potter* fan site from which the content of the Lexicon is drawn.

A. The Origins of the Lexicon

An immediate fan of the *Harry Potter* novels, Vander Ark began taking personal notes to keep track of the details and elements that unfold in the *Harry Potter* world while reading

the second book in the series in 1999. After joining an online discussion group about the *Harry Potter* books, Vander Ark expanded his notes to include descriptive lists of the spells, characters, and fictional objects in *Harry Potter* to share with fellow fans. These lists included brief descriptions or definitions of the terms.

Vander Ark began work on his website, “The Harry Potter Lexicon” (the “website” or “Lexicon website”), in 1999 and opened the website in 2000. His purpose in establishing the website was to create an encyclopedia that collected and organized information from the *Harry Potter* books in one central source for fans to use for reference. At its launch, the website featured Vander Ark’s descriptive lists of spells, characters, creatures, and magical items from *Harry Potter* with hyperlinks to cross-referenced entries. In response to feedback from users of the website, Vander Ark developed an A-to-Z index to each list to allow users to search for entries alphabetically.

The website presently features several indexed lists of people, places, and things from *Harry Potter*, including the “Encyclopedia of Spells,” “Encyclopedia of Potions,” “Wizards, Witches, and Beings,” “The Bestiary,” and “Gazetteer of the Wizarding World.” In addition to these reference features, the website contains a variety of supplemental material pertaining to *Harry Potter*, including fan art, commentary, essays, timelines, forums, and interactive data. The website is currently run by a staff of seven or eight volunteers, including four primary editors, all of whom were recruited to help update and expand the website’s content after the publication of the fifth book in the *Harry Potter* series. The website uses minimal advertising to offset the costs of operation. Use of the website is free and unrestricted.

The content of the encyclopedia entries on the Lexicon website is drawn primarily from the *Harry Potter* series, the companion books, “The Daily Prophet” newsletters, the “Famous Wizard Cards,” and published interviews of Rowling. According to Vander Ark, some additional content is drawn from outside reference sources, including Bullfinch’s *Mythology*, *Field Guide to Little People*, *New Shorter Oxford English Dictionary*, and online encyclopedias such as *Encyclopedia Mythica*. Frequently, these sources are not cited in the website’s encyclopedia entries. Vander Ark’s purpose in including additional information from outside sources or from his own knowledge was to enrich the experience of readers of the *Harry Potter* series by illuminating “the incredibly rich world and hidden meanings” contained within them.

Vander Ark has received positive feedback, including from Rowling and her publishers, about the value of the Lexicon website as a reference source. In May 2004, Vander Ark read a remark by Rowling posted on her website praising his Lexicon website as follows: “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). A website for the dangerously obsessive; my natural home.” . . .

. . . .

B. RDR Books’ Acquisition and Marketing of the Lexicon

Roger Rapoport is the president of Defendant RDR Books. Rapoport learned of Vander Ark and the Lexicon website when he read an article in his local newspaper dated July 23, 2007, profiling Vander Ark as a well known figure within the *Harry Potter* fan community

and the proprietor of the Lexicon website who “holds the key to all things ‘Harry Potter.’ ” Recognizing a publishing opportunity, Rapoport contacted Vander Ark on August 6, 2007 about the possibility of publishing a *Harry Potter* encyclopedia based on some of the materials from the Lexicon website. . . .

At his first meeting with Rapoport in August 2007, Vander Ark raised his concerns regarding the permissibility of publishing the Lexicon in view of Rowling’s plan to publish an encyclopedia and her copyrights in the *Harry Potter* books. . . . Vander Ark changed his mind about publishing the Lexicon after Rapoport reassured him that he had looked into the legal issue and determined that publication of content from the Lexicon website in book form was legal. . . .

Rapoport and Vander Ark agreed that the content of the book would be limited to the encyclopedia sections of the Lexicon website that presented descriptions of the persons, places, spells, and creatures from the *Harry Potter* works. . . . Vander Ark believed . . . that by virtue of its completeness, the Lexicon would be most useful for the purpose it sought to serve, namely helping readers and fans to find information from the *Harry Potter* novels.

. . . .

D. The Content of the Lexicon

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 manuscript was created using the encyclopedia entries from the Lexicon website. Because of space limitations for the printed work, which seeks to be complete but also easy to use, about half of the material from the website was not included in the Lexicon manuscript. 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.”

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. . . .

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. . . .

. . . .

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 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, soul-freezing cold (PA5).

Another example of verbatim copying and close paraphrase can be found in the Lexicon entry for "Mirror of Erised." The original language from *Harry Potter and the Sorcerer's Stone* reads:

It was a magnificent mirror, as high as the ceiling, with an ornate gold frame, standing on two clawed feet. There was an inscription carved around the top: Erised stra ehru oyt ube cafru oyt on wohsi.

* * *

... "It shows us nothing more or less than the deepest desire of our hearts. You [Harry Potter], who have never known your family, see them standing around you. Ronald Weasley, who has always been overshadowed by his brothers, sees himself standing alone, the best of all of them. However, this mirror will give us neither knowledge or truth. Men have wasted away before it, entranced by what they have seen, or been driven mad, not knowing if what it shows is real or even possible."

The first paragraph of the Lexicon entry reads:

A magnificent mirror, as high as a classroom ceiling, with an ornate gold frame, standing on two clawed feet. The inscription carved around the top reads "Erised stra ehru oyt ube cafru oyt on wohsi," which is "I show you not your face but your heart's desire" written backwards (that is, in what is called 'mirror writing'). When you look into the mirror you see the deepest, most desperate desire of your heart. The mirror has trapped people who can't bear to stop staring into it, unsure if what they see is going to actually happen. Harry sees his family in the Mirror; Ron sees himself as Head Boy and Quidditch champion (PS12). . . .

A number of Lexicon entries copy Rowling's artistic literary devices that contribute to her distinctive craft as a writer. For example, the Lexicon entry for "brain room," uses Rowling's evocative literary device in a very close paraphrase. The original language from *Harry Potter and the Order of the Phoenix* reads:

For a moment it seemed suspended in midair, then it soared toward Ron, spinning as it came, and what looked like ribbons of moving images flew from it, unraveling like rolls of film.

The Lexicon entry reads in part:

. . . When Summoned, the brains fly out of the tank, unspooling ribbons of thought like strips of film, which wrap themselves around the Summoner and cause quite a bit of damage (OP35). . .

. . . .

Similarly, the Lexicon entry for "Marchbanks, Madam Griselda" uses an artful simile from the original works to describe this character. Rowling's language in *Harry Potter and the Order*

of the Phoenix reads:

... Harry thought Professor Marchbanks must be the tiny, stooped witch with a face so lined it looked as though it had been draped in cobwebs; Umbridge was speaking to her very deferentially....

The Lexicon entry reads in part:

. . . Madam Marchbanks in June 1996 was tiny and stooped, her face so lined it appeared draped in cobwebs....

....

Instances of such verbatim copying or close paraphrasing of language in the *Harry Potter* works occur throughout the Lexicon. . . .

Aside from verbatim copying, another factual issue of contention at trial was the Lexicon entries that contain summaries of certain scenes or key events in the *Harry Potter* series. Most frequently, these are the longer entries that describe important objects, such as the “Deathly Hallows,” or momentous events, such as the “Triwizard Tournament,” or that trace the development of an important character, such as Harry Potter, Lord Voldemort, Severus Snape, and Albus Dumbledore. Plaintiffs’ expert testified at length that in her opinion these entries constitute “plot summaries,” while Defendant’s expert characterized them as character studies or analysis.

Neither of these characterizations is exactly apt. Without endorsing one characterization or another, such entries in the Lexicon do encapsulate elements of the very elaborate and wide ranging plot (sometimes in chronological order, sometimes not) confined to the subject of the entry. In the entries for significant characters, these plot elements are occasionally used to support an observation about the character’s nature or development. . . . But other times, the presentation of plot details, in effect, summarizes a vignette or portion of a scene. . . .

CONCLUSIONS OF LAW

I. Copyright Infringement

To establish a prima facie case of copyright infringement, a plaintiff must demonstrate “(1) ownership of a valid copyright, and (2) copying of constituent elements of the work that are original.” *Feist Publ’ns, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 361(1991). . . . The element of copying has two components: first, the plaintiff must establish actual copying by either direct or indirect evidence; then, the plaintiff must establish that the copying amounts to an improper or unlawful appropriation. . . .

A. Ownership

There is no dispute regarding Plaintiff Rowling’s ownership of valid copyrights in the seven *Harry Potter* novels and two companion books, *Quidditch Through the Ages* and *Fantastic Beasts & Where to Find Them*. . . .

B. Copying

There is no dispute that the Lexicon actually copied from Rowling’s copyrighted

works. Vander Ark openly admitted that he created and updated the content of the Lexicon by taking notes while reading the *Harry Potter* books and by using without authorization scanned, electronic copies of the *Harry Potter* novels and companion books. While acknowledging actual copying, Defendant disputes that the copying amounts to an improper or unlawful appropriation of Rowling's works. Defendant argues that Plaintiffs fail to establish a prima facie case of infringement because they have not shown that the Lexicon is substantially similar to the *Harry Potter* works.

The appropriate inquiry under the substantial similarity test is whether "the copying is quantitatively and qualitatively sufficient to support the legal conclusion that infringement (actionable copying) has occurred." . . . The quantitative component addresses the amount of the copyrighted work that is copied, while the qualitative component addresses the copying of protected expression, as opposed to unprotected ideas or facts. . . .

In evaluating the quantitative extent of copying in the substantial similarity analysis, the Court "considers the amount of copying not only of direct quotations and close paraphrasing, but also of all other protectable expression in the original work."...

Plaintiffs have shown that the Lexicon copies a sufficient quantity of the *Harry Potter* series to support a finding of substantial similarity between the Lexicon and Rowling's novels. The Lexicon draws 450 manuscript pages worth of material primarily from the 4,100-page *Harry Potter* series. Most of the Lexicon's 2,437 entries contain direct quotations or paraphrases, plot details, or summaries of scenes from one or more of the *Harry Potter* novels. As Defendant admits, "the Lexicon reports thousands of fictional facts from the *Harry Potter* works." Although hundreds of pages or thousands of fictional facts may amount to only a fraction of the seven-book series, this quantum of copying is sufficient to support a finding of substantial similarity where the copied expression is entirely the product of the original author's imagination and creation. . . .

As to the qualitative component of the substantial similarity analysis, Plaintiffs have shown that the Lexicon draws its content from creative, original expression in the *Harry Potter* series and companion books. Each of the 2,437 entries in the Lexicon contains "fictional facts" created by Rowling, such as the attributes of imaginary creatures and objects, the traits and undertakings of major and minor characters, and the events surrounding them. The entry for "Boggart," for example, contains the fictional facts that a boggart is "[a] shape shifter that prefers to live in dark, confined spaces, taking the form of the thing most feared by the person it encounters; nobody knows what a boggart looks like in its natural state," and that "Lupin taught his third year Defence Against the Dark Arts class to fight [a boggart] with the Riddikulus spell (PA7), and used a boggart as a substitute for a Dementor in tutoring Harry (PA12)."

. . . Defendant argues that the qualitative similarity between the Lexicon and the *Harry Potter* works is significantly diminished because "the Lexicon uses fictional facts primarily in their factual capacity" to "report information and where to find it. . ." . . . What matters at the infringement stage of this case is that the copied text is expression original to Rowling, not fact or idea, and therefore is presumptively entitled to copyright protection. . . . Even if expression is or can be used in its "factual capacity," it does not follow that expression

thereby takes on the status of fact and loses its copyrightability.

....

Notwithstanding the dissimilarity in the overall structure of the Lexicon and the original works, some of the Lexicon entries contain summaries of certain scenes or key events in the *Harry Potter* series, as stated in the Findings of Fact. These passages, in effect, retell small portions of the novels, though without the same dramatic effect. In addition, the entries for Harry Potter and Lord Voldemort give a skeleton of the major plot elements of the *Harry Potter* series, again without the same dramatic effect or structure. Together these portions of the Lexicon support a finding of substantial similarity. . . . Under these circumstances, Plaintiffs have established a prima facie case of infringement.

....

GOTTLIEB DEVELOPMENT v. PARAMOUNT PICTURES

590 F.Supp.2d 625 (S.D.N.Y. 2008)



CHIN, DISTRICT JUDGE.

In the motion picture "What Women Want," released by defendant Paramount Pictures Corporation ("Paramount") in 2000, Mel Gibson plays an advertising executive who acquires the ability to "hear" what women are thinking. In one scene, Gibson and his co-star Helen Hunt brainstorm with other employees to develop ideas for marketing certain consumer products to women. At various points during the scene, as shown, for example, in the photograph above, a pinball machine-the "Silver Slugger"-appears in the background. The Silver Slugger is distributed by plaintiff Gottlieb Development LLC ("Gottlieb"), and Paramount used the pinball machine in the scene without Gottlieb's

permission.

In this case, Gottlieb sues Paramount, alleging that Paramount engaged in copyright and trademark infringement, unfair competition, and deceptive trade practices by using the Silver Slugger in the movie without Gottlieb's permission. Paramount moves to dismiss the complaint. . . , arguing principally that its use of the pinball machine was *de minimis* and therefore not actionable. I agree. Accordingly, Paramount's motion is granted and the complaint is dismissed.

BACKGROUND

A. The Facts

....

1. The Silver Slugger

Gottlieb distributes and sells the "Silver Slugger" pinball machine. The Silver Slugger features three original designs (the "Designs"): (1) a depiction of a baseball diamond on the backglass, which is the upright back portion of the pinball machine; (2) another baseball diamond on the playfield, which is the playing surface of the machine; and (3) the layout of the parts of the playfield. The Designs are copyrighted, and Gottlieb has owned the copyrights since 1998. . .

....

2. The Film

In December 2000, Paramount released the motion picture "What Women Want" (the "Film"). Paramount has shown the Film in theaters and sold and otherwise distributed it worldwide since then on DVD and VHS tapes and on television. The Film is a romantic comedy starring Gibson and Hunt. Gibson plays an advertising executive who unexpectedly gains the ability to hear the thoughts of the women around him. The Film runs for a little over two hours, and the scene at issue occurs approximately thirty-seven minutes into the Film.

The three-and-a-half minute scene depicts a brainstorming meeting in the office of the advertising agency. The meeting takes place in a large room with a relaxed and casual atmosphere-the room contains recliner chairs and bar stools, and on the far wall there is a large poster board prominently displaying the word "PLAY." A mini basketball hoop appears on one side of the room, and a statue of a penguin appears on the other. Approximately eight people are sitting in a circle. Behind one woman is a table soccer-or "foosball"-game. As Gibson's character pitches various ideas for advertisements, the "Silver Slugger" appears intermittently in the background, next to another pinball machine. It appears only for seconds at a time, always in the background, and always partially obscured by Gibson, a recliner chair, or a bar stool. The "Silver Slugger" does not appear in any shot by itself, nor is it part of the plot. It does not appear anywhere else in the Film, nor does any character ever refer to it. It is simply part of the background in one limited scene.

...

DISCUSSION

....

1. Copyright Infringement

It is undisputed as a factual matter that Paramount copied the Silver Slugger, as an actual Silver Slugger appears in the Film. Paramount argues, however, that the use of the pinball machine was so trivial that the copying is not actionable.

a. Applicable Legal Standards

A copyright holder enjoys the right to reproduce and display publicly a copyrighted work. 17 U.S.C. § 106(1), (5). To prevail on a claim of copyright infringement, a plaintiff must prove that (1) unauthorized copying of the copyrighted work occurred, and (2) the infringing work is substantially similar. . . . To prove substantial similarity, a plaintiff must show “ (i) that it was protected expression in the earlier work that was copied and (ii) that the amount that was copied is ‘more than de minimis.’ ” . . .

....

In some instances, substantial similarity may be an issue even where, as here, copying as a factual matter is established. As the Second Circuit has explained, there is a difference between “factual copying and actionable copying”:

The former (probative similarity) requires only the fact that the infringing work copies something from the copyrighted work; the latter (substantial similarity) requires that the copying is quantitatively and qualitatively sufficient to support the legal conclusion that infringement (actionable copying) has occurred.

Ringgold v. Black Entm’t T.V. Inc., 126 F.3d 70, 75 (2d Cir.1997). In other words, even when it is undisputed that copying as a factual matter occurred, there still may be an issue as to whether the copying is actionable. *Id.*

The legal maxim “*de minimis non curat lex*”—“the law does not concern itself with trifles”— applies in the copyright context. *Id.* at 74. For example, if the copying is *de minimis* and so “trivial” as to fall below the quantitative threshold of substantial similarity, the copying is not actionable. . . . To determine whether the quantitative threshold of substantial similarity is met in cases involving visual works, courts consider the extent to which the copyrighted work is copied in the allegedly infringing work. The observability of the copyrighted work is critical, and courts will consider the length of time the copyrighted work is observable as well as factors such as focus, lighting, camera angles, and prominence. . . .

....

b. Application

Based on the facts alleged in the complaint, and on a viewing of the Film, I conclude that there is no plausible claim of copyright infringement here. Although Gottlieb has sufficiently pled unauthorized copying of its Designs, the use of the Silver Slugger was *de minimis* as a matter of law. Hence, no reasonable juror could find substantial similarity in the legal sense, and thus the copying is not actionable.

The scene in question lasts only three-and-a-half minutes, and the Silver Slugger

appears in the scene sporadically, for no more than a few seconds at a time. More importantly, the pinball machine is always in the background; it is never seen in the foreground. It never appears by itself or in a close-up. It is never mentioned and plays no role in the plot. It is almost always partially obscured (by Gibson and pieces of furniture), and is fully visible for only a few seconds during the entire scene. The Designs (on the backglass and playfield of the pinball machine) are never fully visible and are either out of focus or obscured. Indeed, an average observer would not recognize the Designs as anything other than generic designs in a pinball machine.

....

...Here, undoubtedly the Silver Slugger was chosen by the production staff because it fit in with the “sporty” theme of the background in the scene; but the Silver Slugger was one of numerous background items, and it was filmed in such a manner and appears so fleetingly that I conclude there is no plausible claim for copyright infringement here. Accordingly, Gottlieb’s copyright infringement claim is dismissed.

....

CONCLUSION

For the reasons set forth above, defendants’ motion to dismiss is granted in its entirety, with prejudice and with costs (but without attorneys’ fees). The Clerk of the Court shall enter judgment accordingly and close this case.

SO ORDERED.

QUESTIONS

1. Learned Hand's opinion in *Nichols v. Universal Pictures* doesn't mention it, but “The Cohens and Kellys” was a silent movie. (In 1926, when “The Cohens and Kellys” was released, all films were still silent films. There was no need for the court to mention the absence of spoken dialogue, since all movies of the period lacked spoken dialogue.) Judge Hand was therefore comparing the script of a play — written in words — with the images of a movie that contained none. How should a court or jury go about comparing works that tell similar stories in different media?

2. If “What Women Want” had included a short scene in which the Mel Gibson character had played a game or two on the Silver Slugger pinball machine, would that have been copyright infringement? Would a movie with scene have harmed Gottlieb more than the movie without it? How?

3. Should copyright infringement require a showing that the use caused damage to the copyright owner, or should the fact that someone made use of a copyrighted work without the owner's permission be enough?

Thursday June 15
Fair Use

- 17 U.S.C. § 107
- *Campbell v. Acuff-Rose Music*, 510 U.S. 569 (1994)
- *Authors Guild, Inc. v. HathiTrust*, 755 F.3d 87 (2d Cir. 2014)
- *Authors Guild v. Google, Inc.*, 804 F.3d 202 (2d Cir. 2015)

Excerpt from Title 17, United States Code:

17 U.S.C. § 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;
- (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.

CAMPBELL v. ACUFF-ROSE MUSIC, INC.

510 U.S. 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 (1988 ed. and Supp. IV). 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*, at 594. 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. See Appendix B, *infra*, at 595. 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. 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, 507 U.S. 1003 (1993), 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 (1988 ed. and Supp. IV), 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, "to promote the Progress of Science and useful Arts . . ." U.S. Const., Art. I, § 8, cl. 8. For as Justice Story explained, "in 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) [A]lthough 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.

. . . .

The fair use doctrine . . . "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).

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. 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; 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....

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). ...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..., 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." Although such transformative use is not absolutely necessary for a finding of fair use, 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, 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.

....

Modern dictionaries . . . 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. ... 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. 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 ...

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.... 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. 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).

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.

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 copyrighted 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." . . . 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." . . . 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 "no man but a blockhead ever wrote, except for money."

....

B

The second statutory factor, "the nature of the copyrighted work," § 107(2), ... 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) ... 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. . . . 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. ...

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. . . . 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.... 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. ...

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, . . . 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, overlaying 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. ...The enquiry "must take account not only of harm to the original but also of harm to the market for derivative works."

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. ...

No "presumption" or inference of market harm . . . is applicable to a case involving something beyond mere duplication for commercial purposes. . . .[W]hen 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. . . . 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").

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. . . . 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. . . .

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.... 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. See 17 U.S.C. § 106(2) (copyright owner has rights to derivative works). 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.

....

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.

**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 beaded woman girl your hair won't grow
Bald beaded woman you got a teeny weeny afro
Bald beaded woman you know your hair could look nice
Bald beaded woman first you got to roll it with rice
Bald beaded 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 beaded woman
Big hairy woman come on in
And don't forget your bald beaded 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*

QUESTION

Are you persuaded by Justice Souter's arguments that parodies should be treated differently from other potentially infringing works? Think of a parody that you have seen or heard. Did you assume that the parodist had asked the author of the parodied work for permission to make the parody? Why or why not? If a parody is commercial, should the parodist be required to share his or her profits with the author of the parodied work?

AUTHORS GUILD, INC. v. HATHITRUST

755 F.3d 87 (2d Cir. 2014)

BARRINGTON D. PARKER, CIRCUIT JUDGE:

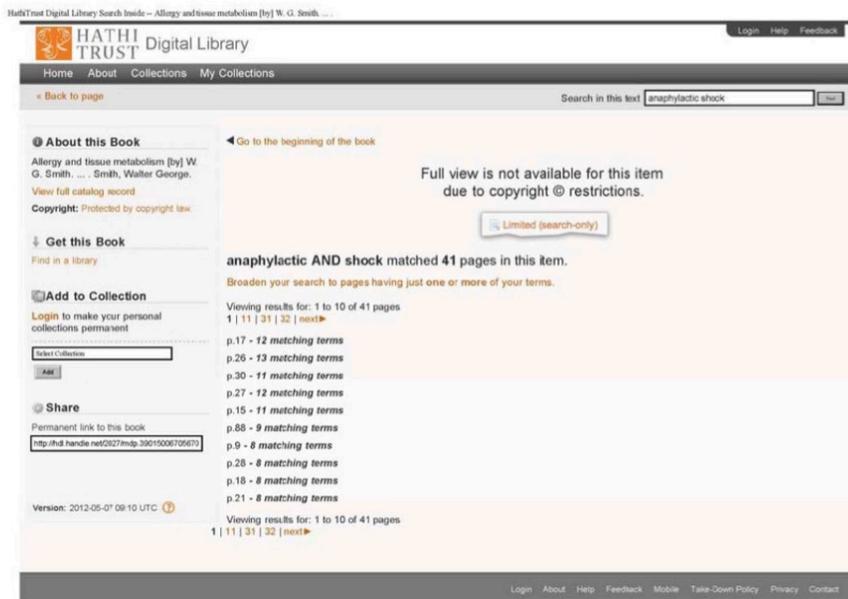
Beginning in 2004, several research universities including the University of Michigan, the University of California at Berkeley, Cornell University, and the University of Indiana agreed to allow Google to electronically scan the books in their collections. In October 2008, thirteen universities announced plans to create a repository for the digital copies and founded an organization called HathiTrust to set up and operate the HathiTrust Digital Library (or “HDL”). Colleges, universities, and other nonprofit institutions became members of HathiTrust and made the books in their collections available for inclusion in the HDL. HathiTrust currently has 80 member institutions and the HDL contains digital copies of more than ten million works, published over many centuries, written in a multitude of languages, covering almost every subject imaginable. This appeal requires us to decide whether the HDL's use of copyrighted material is protected against a claim of copyright infringement under the doctrine of fair use. *See* 17 U.S.C. § 107.

BACKGROUND

A. The HathiTrust Digital Library

HathiTrust permits three uses of the copyrighted works in the HDL repository. First, HathiTrust allows the general public to search for particular terms across all digital copies in the repository. Unless the copyright holder authorizes broader use, the search results show only the page numbers on which the search term is found within the work and the number of times the term appears on each page. The HDL does not display to the user any text from the underlying copyrighted work (either in “snippet” form or otherwise). Consequently, the user is not able to view either the page on which the term appears or any other portion of the book.

Below is an example of the results a user might see after running an HDL full-text search:



8

Second, 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.

Third, by preserving the copyrighted books in digital form, the HDL permits members to create a replacement copy of the work, if the member already owned an original copy, the member’s original copy is lost, destroyed, or stolen, and a replacement copy is unobtainable at a “fair” price elsewhere.

The HDL stores digital copies of the works in four different locations. One copy is stored on its primary server in Michigan, one on its secondary server in Indiana, and two on separate backup tapes at the University of Michigan.³ Each copy contains the full text of the work, in a machine readable format, as well as the *images* of each page in the work as they appear in the print version.

....

C. Proceedings in the District Court

This case began when twenty authors and authors’ associations (collectively, the “Authors”) sued HathiTrust, one of its member universities, and the presidents of four other

member universities (collectively, the “Libraries”) for copyright infringement seeking declaratory and injunctive relief. The National Federation of the Blind and three print-disabled students (the “Intervenors”) were permitted to intervene to defend their ability to continue using the HDL.

....

DISCUSSION

....

I. Fair Use

A.

As the Supreme Court has explained, the overriding purpose of copyright is “[t]o promote the Progress of Science and useful Arts....” *Campbell v. Acuff–Rose Music, Inc.*, 510 U.S. 569, 574(1994) (quoting U.S. CONST. art. I, § 8, cl. 8); *see also Twentieth Century Music Corp. v. Aiken*, 422 U.S. 151, 156, (1975). This goal has animated copyright law in Anglo–American history, beginning with the first copyright statute, the Statute of Anne of 1709, which declared itself to be “[a]n Act for the Encouragement of Learning, by Vesting the Copies of Printed Books in the Authors ... during the Times therein mentioned.” Act for the Encouragement of Learning, 8 Anne, ch. 19. In short, our law recognizes that 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.” Pierre N. Leval, *Toward a Fair Use Standard*, 103 HARV. L.REV. 1105,1107 (1990).

The Copyright Act furthers this core purpose by granting authors a limited monopoly over (and thus the opportunity to profit from) the dissemination of their original works of authorship. *See* 17 U.S.C. §§ 102, 106, 302–305. The Copyright Act confers upon authors certain enumerated exclusive rights over their works during the term of the copyright, including the rights to reproduce the copyrighted work and to distribute those copies to the public. *Id.* § 106(1), (3). The Act also gives authors the exclusive right to prepare certain new works—called “derivative works”—that are based upon the copyrighted work. *Id.* § 106(2). Paradigmatic examples of derivative works include the translation of a novel into another language, the adaptation of a novel into a movie or a play, or the recasting of a novel as an e-book or an audiobook. *See id.* § 101. As a general rule, for works created after January 1, 1978, copyright protection lasts for the life of the author plus an additional 70 years. *Id.* § 302.

At the same time, there are important limits to an author’s rights to control original and derivative works. One such limit is the doctrine of “fair use,” which allows the public to draw upon copyrighted materials without the permission of the copyright holder in certain circumstances. *See id.* § 107 (“[T]he fair use of a copyrighted work ... is not an infringement of copyright.”). “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....” *Campbell*, 510 U.S. at 574.

Under the fair-use doctrine, a book reviewer may, for example, quote from an original work in order to illustrate a point and substantiate criticisms, *see Folsom v. Marsh*, 9 F. Cas. 342, 344 (C.C.D.Mass.1841) (No. 4901), and a biographer may quote from unpublished journals and letters for similar purposes, *see Wright v. Warner Books, Inc.*, 953 F.2d 731 (2d

Cir.1991). An artist may employ copyrighted photographs in a new work that uses a fundamentally different artistic approach, aesthetic, and character from the original. *See Cariou v. Prince*, 714 F.3d 694, 706 (2d Cir.2013). An internet search engine can display low-resolution versions of copyrighted images in order to direct the user to the website where the original could be found. *See Perfect 10, Inc. v. Amazon.com, Inc.*, 508 F.3d 1146, 1165 (9th Cir.2007); *Kelly v. Arriba Soft Corp.*, 336 F.3d 811, 818–22 (9th Cir.2003). A newspaper can publish a copyrighted photograph 18 (taken for a modeling portfolio) in order to inform and entertain the newspaper’s readership about a news story. *See Nunez v. Caribbean Int’l News Corp.*, 235 F.3d 18, 25 (1st Cir.2000). A viewer can create a recording of a broadcast television show in order to view it at a later time. *See Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 447–450 (1984). And a competitor may create copies of copyrighted software for the purpose of analyzing that software and discovering how it functions (a process called “reverse engineering”). *See Sony Comp. Entertainment, Inc. v. Connectix Corp.*, 203 F.3d 596, 599–601 (9th Cir. 2000).

The doctrine is generally subject to an important proviso: A fair use must not excessively damage the market for the original by providing the public with a substitute for that original work. Thus, a book review may fairly quote a copyrighted book “for the purposes of fair and reasonable criticism,” *Folsom*, 9 F. Cas. at 344, but the review may not quote extensively from the “heart” of a forthcoming memoir in a manner that usurps the right of first publication and serves as a substitute for purchasing the memoir, *Harper & Row, Publishers, Inc. v. Nation Enters.*, 471 U.S. 539 (1985).

....

B.

As discussed above, the Libraries permit three uses of the digital copies deposited in the HDL. We now consider whether these uses are “fair” within the meaning of our copyright law.

1. Full-Text Search

It is not disputed that, in order to perform a full-text search of books, the Libraries must first create digital copies of the entire books. Importantly, as we have seen, the HDL does not allow users to view any portion of the books they are searching. Consequently, in providing this service, the HDL does not add into circulation any new, human-readable copies of any books. Instead, the HDL simply permits users to “word search”—that is, to locate where specific words or phrases appear in the digitized books. Applying the relevant factors, we conclude that this use is a fair use.

i.

Turning to the first factor, we conclude that the creation of a full-text searchable database is a quintessentially transformative use. As the example on page 7, *supra*, demonstrates, 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. Indeed, we can discern little or no resemblance between the original text and the results of the HDL full-text search.

There is no evidence that the Authors write with the purpose of enabling text searches of their books. Consequently, the full-text search function does not “supersede[]

the objects [or purposes] of the original creation,” *Campbell*, 510 U.S. at 579 (internal quotation marks omitted). The HDL does not “merely repackage[] or republish[] the original[s],” *Leval*, 103 HARV. L.REV. at 1111. . . . Instead, by enabling full-text search, the HDL adds to the original something new with a different purpose and a different character.

....

ii.

The second fair-use factor—the nature of the copyrighted work—is not dispositive. The HDL permits the full-text search of every type of work imaginable. Consequently, there is no dispute that the works at issue are of the type that the copyright laws value and seek to protect. However, “this factor ‘may be of limited usefulness where,’ as here, ‘the creative work ... is being used for a transformative purpose.’ ” *Cariou*, 714 F.3d at 710 (quoting *Bill Graham Archives*, 448 F.3d at 612). Accordingly, our fair-use analysis hinges on the other three factors.

iii.

The third factor asks whether the copying used more of the copyrighted work than necessary and whether the copying was excessive. As we have noted, “[t]here are no absolute rules as to how much of a copyrighted work may be copied and still be considered a fair use.” *Maxtone-Graham v. Burtchaell*, 803 F.2d 1253, 1263 (2d Cir.1986). “[T]he extent of permissible copying varies with the purpose and character of the use.” *Campbell*, 510 U.S. at 586–87. The crux of the inquiry is whether “no more was taken than necessary.” *Id.* at 589. For some purposes, it may be necessary to copy the entire copyrighted work, in which case Factor Three does not weigh against a finding of fair use. . . .

In order to enable the full-text search function, the Libraries, as we have seen, created digital copies of all the books in their collections. Because it was reasonably necessary for the HDL 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.

The Authors also contend that the copying is excessive because the HDL creates and maintains copies of the works at four different locations. But the record demonstrates that these copies are also reasonably necessary in order to facilitate the HDL’s legitimate uses. In particular, the HDL’s services are offered to patrons through two servers, one at the University of Michigan (the primary server) and an identical one at the University of Indiana (the “mirror” server). Both servers contain copies of the digital works at issue. According to the HDL executive director, the “existence of a[n] [identical] mirror site allows for balancing the load of user web traffic to avoid overburdening a single site, and each site acts as a back-up of the HDL collection in the event that one site were to cease operation (for example, due to failure caused by a disaster, or even as a result of routine maintenance).” To further guard against the risk of data loss, the HDL stores copies of the works on two encrypted backup tapes, which are disconnected from the internet and are placed in separate secure locations on the University of Michigan campus. The HDL creates these backup tapes so that the data could be restored in “the event of a disaster causing large-scale data loss” to the primary and mirror servers.

We have no reason to think that these copies are excessive or unreasonable in relation

to the purposes identified by the Libraries and permitted by the law of copyright. In sum, even viewing the evidence in the light most favorable to the Authors, the record demonstrates that these copies are reasonably necessary to facilitate the services HDL provides to the public and to mitigate the risk of disaster or data loss. Accordingly, we conclude that this factor favors the Libraries.

iv.

The fourth 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), and, in particular, whether the secondary use “usurps the market of the original work,” *NXIVM Corp.*, 364 F.3d at 482.

The Libraries contend that the full-text-search use poses no harm to any existing or potential traditional market and point to the fact that, in discovery, the Authors admitted that they were unable to identify “any specific, quantifiable past harm, or any documents relating to any such past harm,” resulting from any of the Libraries’ uses of their works (including full-text search). The district court agreed with this contention, as do we.

At the outset, it is important to recall that the Factor Four analysis is concerned with only one type of economic injury to a copyright holder: the harm that results because the secondary use serves as a substitute for the original work. *See Campbell*, 510 U.S. at 591 (“cognizable market harm” is limited to “market substitution”). In other words, under Factor Four, any economic “harm” caused by transformative uses does not count because such uses, by definition, do not serve as substitutes for the original work. . .

To illustrate why this is so, consider how copyright law treats book reviews. Book reviews often contain quotations of copyrighted material to illustrate the reviewer’s points and substantiate his criticisms; this is a paradigmatic fair use. And a negative book review can cause a degree of economic injury to the author by dissuading readers from purchasing copies of her book, even when the review does not serve as a substitute for the original. But, obviously, in that case, the author has no cause for complaint under Factor Four: The only market harms that count are the ones that are caused because the secondary use serves as a substitute for the original, not when the secondary use is transformative (as in quotations in a book review). *See Campbell*, 510 U.S. at 591–92 (“[W]hen a lethal parody, like a scathing theater review, kills demand for the original, it does not produce a harm cognizable under the Copyright Act.”).

The Authors assert two reasons why the full-text-search function harms their traditional markets. The first is a “lost sale” theory which posits that a market for licensing books for digital search could possibly develop in the future, and the HDL impairs the emergence of such a market because it allows patrons to search books without any need for a license. Thus, according to the Authors, every copy employed by the HDL in generating full-text searches represents a lost opportunity to license the book for search.

This theory of market harm does not work under Factor Four, because the full-text search function does not serve as a substitute for the books that are being searched. *See Campbell*, 510 U.S. At 591–92. . . Thus, it is irrelevant that the Libraries might be willing to purchase licenses in order to engage in this transformative use (if the use were deemed unfair). Lost licensing revenue counts under Factor Four only when the use serves as a

substitute for the original and the full-text-search use does not.

Next, the Authors assert that the HDL creates the risk of a security breach which might impose irreparable damage on the Authors and their works. In particular, the Authors speculate that, if hackers were able to obtain unauthorized access to the books stored at the HDL, the full text of these tens of millions of books might be distributed worldwide without restriction, “decimat[ing]” the traditional market for those works.

The record before us documents the extensive security measures the Libraries have undertaken to safeguard against the risk of a data breach. . . .

This showing of the security measures taken by the Libraries is essentially un rebutted. Consequently, we see no basis in the record on which to conclude that a security breach is likely to occur, much less one that would result in the public release of the specific copyrighted works belonging to any of the plaintiffs in this case. . . . Factor Four thus favors a finding of fair use.

Without foreclosing a future claim based on circumstances not now predictable, and based on a different record, we hold that the balance of relevant factors in this case favors the Libraries. In sum, we conclude that the doctrine of fair use allows the Libraries to digitize copyrighted works for the purpose of permitting full-text searches.

2. 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.

i

In applying the Factor One analysis, the district court concluded that “[t]he use of digital copies to facilitate access for print-disabled persons is [a] transformative” use. *HathiTrust*, 902 F.Supp.2d at 461. 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.

....

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 Grp. Mgmt. Servs. Ltd. 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...” H.R. REP. NO. 94-1476, at 73 (1976), *reprinted in* 1976 U.S.C.C.A.N. 5659, 5686. 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.

....

ii.

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. . . .

iii.

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.

iv.

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...” “[T]he 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 ma[ke]” their books available in specialized formats for the blind. H.R. REP. NO. 94–1476, at 73 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.

....

AUTHORS GUILD v. GOOGLE, INC.

804 F.3d 202 (2d Cir. 2015)

LEVAL, CIRCUIT JUDGE:

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.

Plaintiffs contend the district court’s ruling was flawed in several respects. They argue: (1) Google’s digital copying of entire books, allowing users through the snippet function to read portions, is not a “transformative use” within the meaning of *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 578–585 (1994), and provides a substitute for Plaintiffs’ works; (2) notwithstanding that Google provides public access to the search and snippet functions without charge and without advertising, its ultimate commercial profit motivation

and its derivation of revenue from its dominance of the world-wide Internet search market to which the books project contributes, preclude a finding of fair use; (3) even if Google's copying and revelations of text do not infringe plaintiffs' *books*, they infringe Plaintiffs' *derivative rights* in search functions, depriving Plaintiffs of revenues or other benefits they would gain from licensed search markets; (4) Google's storage of digital copies exposes Plaintiffs to the risk that hackers will make their books freely (or cheaply) available on the Internet, destroying the value of their copyrights; and (5) Google's distribution of digital copies to participant libraries is not a transformative use, and it subjects Plaintiffs to the risk of loss of copyright revenues through access allowed by libraries. We reject these arguments and conclude that the district court correctly sustained Google's fair use defense.

Google's making of a digital copy to provide a search function is a transformative use, which augments public knowledge by making available information *about* Plaintiffs' books without providing the public with a substantial substitute for matter protected by the Plaintiffs' copyright interests in the original works or derivatives of them. The same is true, at least under present conditions, of Google's provision of the snippet function. Plaintiffs' contention that Google has usurped their opportunity to access paid and unpaid licensing markets for substantially the same functions that Google provides fails, in part because the licensing markets in fact involve very different functions than those that Google provides, and in part because an author's derivative rights do not include an exclusive right to supply information (of the sort provided by Google) about her works. Google's profit motivation does not in these circumstances justify denial of fair use. Google's program does not, at this time and on the record before us, expose Plaintiffs to an unreasonable risk of loss of copyright value through incursions of hackers. Finally, Google's provision of digital copies to participating libraries, authorizing them to make non-infringing uses, is non-infringing, and the mere speculative possibility that the libraries might allow use of their copies in an infringing manner does not make Google a contributory infringer. Plaintiffs have failed to show a material issue of fact in dispute.

We affirm the judgment.

QUESTIONS

1. In both of these lawsuits, the Authors Guild argued that private companies should not be able to make full digital copies of copyrighted books under the fair use doctrine without first negotiating a license with the books' copyright owners. United States law permits copyright owners to register their copyright claims and to record any transfers of ownership, but makes registration and recordation completely optional. Most copyright owners neither register their copyrights nor record their transfers. Google insisted that with millions of library books, many of them long out of print, it had no way to identify the copyright owner of each book, much less an ability to find that owner and agree on license terms before making a digital copy. Supporters of the Authors Guild argue that if Google were required to secure a license before making a digital copy, rights holders and potential users would have incentives to develop a licensing market. Which side's argument seems

more persuasive to you?

2. The United States has collecting societies that represent composers and musicians. Those organizations collect and distribute royalties for the public performance of music and sound recordings. Unlike many other countries, though, the United States does not have collecting societies to represent other authors. Businesses and individuals who want to make uses of books, articles, poems, plays, illustrations, photographs, or videos must locate the owner of rights in the works and negotiate licenses for those uses. Would setting up an organization to receive and distribute royalties for book digitization have been a better solution than permitting the copying under the fair use doctrine? Why or why not? How would such an organization figure out what to charge for making a digital copy of any given book, and to whom to pay the royalties it collected? In Japan, a number of different organizations collect royalties for particular uses and disperse them to their members. How do these organizations address these problems?

3. The United States copyright statute includes statutory licenses for several uses that would be difficult to license individually (*e.g.*, cable or satellite television rebroadcast of television programs, *see* 17 U.S.C. §§ 111, 119). The party making use of the copyrighted work pays a set statutory royalty into a government fund, and a government panel oversees the division of royalty funds and their payment to different copyright owners. Some copyright experts have suggested that the U.S. Congress should enact a similar statutory license for mass digitization of books. What would be the advantages and disadvantages of that approach?

4. Critics of recent fair use decisions have complained that courts have stretched the concept of a “transformative” use to cover many uses that nobody are not transformative at all. Does the word “transformative” describe the sorts of uses that the courts in these three decisions, and in the other cases they describe, have treated as fair use. Can you think of a better term for the sorts of uses that should be permitted by the fair use privilege?