

The Indian Journal of Intellectual Property Law

Irene Calboli Geographical Indications of Origin, Economic Development, and Cultural Heritage: Good Match or Mismatch?

Mira Burri and Zaira Zihlmann Intermediaries' Liability in light of the Recent Copyright Reform

Michael Palmedo and Srividhya Ragavan The U.S. Posture on Global Access to Medication & the Case for Change

Tyler T. Ochoa Extraterritorial Application of U.S Copyright Law in Multinational Litigation

Rohan Cherian Thomas The Bewildering Predicament of Voice Actors in India: A Performers' Right Tragedy

Anindita Mitra and Eashan Ghosh A Case for Retaining Transnational Reputation Under Indian Trademark Law

Pranay Bali and Nayantara Malhotra To Block or Not to Block?: Analyzing the Efficacy of Website Blocking Orders and Dynamic Injunctions in Combating Digital Piracy

Anuna Tiwari Trademark Exhaustion: A Tale of Two Benches and the Draft E-Commerce Policy

Kali Srikari Kancherla The Snippet Tax: Enabling Access To Fake News?

A. Swetha Meenal and Sayantan Chanda Keeping Up with the Machines – Can Copyright Accommodate Transformative Use in the Age of Artificial Intelligence

Bhavik Shukla and Iravati Singh Orphan Drug Exclusivity in India: Need for a Revisit



EXTRATERRITORIAL APPLICATION OF U.S. COPYRIGHT LAW
IN MULTINATIONAL LITIGATION*

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Abstract

It is hornbook law that U.S. copyright law is not “extraterritorial,” i.e., that it does not apply to conduct occurring in other countries. However, a distinction must be drawn between purely extraterritorial conduct, which is nonactionable, and conduct that crosses borders, so that at least a part of the offense takes place within the United States. Despite the nominal rule against extraterritoriality, U.S. courts have applied U.S. copyright law to a wide range of multi-territorial infringement claims. Both importation and exportation of infringing copies or phonorecords are prohibited by statute, and the distribution right has been interpreted broadly to apply to a foreign seller who ships infringing goods into the United States. Although mere “authorisation” in the United States that contributes to infringement occurring entirely in another country is not actionable, if there is a “predicate act” of infringement in the United States, courts are willing to award the defendant’s profits resulting from that infringement, even if those profits were earned overseas. Acts in another country that contribute to infringement in the United States are actionable under U.S. law. And finally, although courts are split over whether transmissions originating in the United States must be received here to be actionable, courts agree that transmissions originating in another country that are received in the United States are

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actionable under U.S. law, at least where the defendant intentionally “targeted” those transmissions at the United States in some way. Taken together, these doctrines afford copyright owners a wide range of options for applying U.S. copyright law to multi-territorial infringement claims.

INTRODUCTION

The international intellectual property system is based on the twin principles of territoriality and national treatment: each nation controls the protection and use of intellectual property within its own borders,¹ and each nation promises to provide citizens and residents of other nations “treatment no less favourable than that it accords to its own nationals with regard to the protection of intellectual property.”² But international trade in intellectual property crosses borders with ease. Goods are produced in one country and distributed in another country. Broadcast transmissions are sent from one country and received in another country. Conduct in one country may contribute to distribution of goods in another country. The Internet adds an additional dimension to the problem: copies may be uploaded from one

¹ See, e.g., Berne Convention for the Protection of Literary and Artistic Property, as amended on Sept. 28, 1979 (hereinafter the Berne Convention), art. 5(2) (“the extent of protection, as well as the means of redress afforded to the author to protect his rights, shall be governed exclusively by the laws of the country where protection is claimed.”), available at <https://wipolex.wipo.int/en/text/283698> (last visited June 1, 2020). Cf. *American Code Co. v. Bensinger*, 282 F. 829, 833 (2d Cir. 1922) (“The copyright laws of one country have no extraterritorial operation, unless otherwise provided.”).

² Agreement on Trade-Related Aspects of Intellectual Property Rights (hereinafter the TRIPS Agreement), art. 3(1). The TRIPS Agreement is Annex 1C to the Marrakesh Agreement Establishing the World Trade Organization, signed in Marrakesh, Morocco on 15 April 1994. The current text, as amended on 23 January 2017, is available at https://www.wto.org/english/docs_e/legal_e/31bis_trips_01_e.htm (last visited June 1, 2020).

See also Paris Convention for the Protection of Industrial Property, as amended on Sept. 28, 1979 (hereinafter the Paris Convention), art. 2(1) (“Nationals of any country of the Union shall, as regards the protection of industrial property, enjoy in all the other countries of the Union the advantages that their respective laws now grant, or may hereafter grant, to [their] nationals.”), available at <https://wipolex.wipo.int/en/text/288514> (last visited June 1, 2020); Berne Convention, art. 5(1) (“Authors shall enjoy, in respect of works for which they are protected under this Convention, in countries of the Union other than the country of origin, the rights which their respective laws do now or may hereafter grant to their nationals.”).

country at the direction of someone in another country, stored on a server in a third country, and transmitted to a fourth country. When such conduct occurs without the consent of the right holder, which country's laws apply to the conduct?

This article will examine the United States' approach to the choice of law problem in one area of intellectual property law: copyright. After a brief background section, the article will explore the application of U.S. law to four categories of cases. First, cases involving importation and exportation of physical goods will be examined. Second, cases involving an alleged domestic contribution to foreign infringement will be analysed. Third, cases involving an alleged foreign contribution to domestic infringement will be considered. Fourth, cases involving broadcast and internet transmissions across borders will be analysed. Together, these four categories of cases demonstrate that U.S. courts typically are willing to apply U.S. law to cases having even a minimal connection with the United States, with little consideration, if any, to the interests that other nations may have in applying their own law to the dispute.

BACKGROUND

One potential solution to the choice-of-law problem in "multi-territorial infringement" cases is harmonisation of substantive copyright law.³ If two nations' copyright laws are identical, then in theory it does not matter which nation applies its law to the dispute. (Of course, there must still be some sort of mechanism for determining the choice of forum and avoiding conflicting

³ This is the approach that has increasingly been taken in the European Union, where a series of directives have reduced (but not eliminated) the disparities between the national copyright laws of its 27 member states. *See generally* IRINI STAMATOUDI & PAUL TORREMANS, EU COPYRIGHT LAW: A COMMENTARY (Elgar 2d ed. 2021)

decisions.⁴) In the absence of such harmonisation, however, general principles of tort law suggest that one should apply either the law of the place where the wrongful act or omission occurs,⁵ or the law of the place where the damage or harm occurs.⁶

Of course, determining where an act, omission, damage, or harm “occurs” for an infringement of intangible property is such a difficult problem that the most recent international agreement on choice of forum omitted intellectual property altogether.⁷ One could argue, for example, that the “harm” or “damage” always manifests itself in the country of the copyright owner’s domicile, regardless of where the infringement took place. But the twin principles of territoriality and national treatment suggest instead that intellectual property should be governed by the law of the country in which protection is claimed, that is, the country in which the alleged infringement has taken place.⁸ Determining where an infringement occurred, in turn, depends on the substantive law involved and the exclusive right that allegedly has been violated.

⁴ In the European Union, for example, *see* EU Regulation 1215/2012 of 12 Dec. 2012 on Jurisdiction and the Recognition and Enforcement of Judgments in Civil and Commercial Matters, 2012 O.J. (L 351) [hereinafter EU Regulation 1215/2012].

⁵ *See, e.g.*, Hague Convention of 2 July 2019 on the Recognition and Enforcement of Foreign Judgments in Civil and Commercial Matters [hereinafter Hague Convention on Recognition of Judgments], art. 5(1)(j) (for “a non-contractual obligation arising from ... damage to or loss of *tangible* property,” recognizing judgments where “the act or omission directly causing such harm occurred in the State of origin, irrespective of where that harm occurred”) (emphasis added).

⁶ *See, e.g.*, EC Regulation 864/2007 of 11 July 2007 on the Law Applicable to Non-Contractual Obligations [hereinafter Rome II Regulation], art. 4(1) (“the law applicable to a non-contractual obligation arising out of a tort/delict shall be the law of the country in which the damage occurs irrespective of the country in which the event giving rise to the damage occurred”).

⁷ *See* Hague Convention on Recognition of Judgments, art. 1(m) (“This Convention shall not apply to ... intellectual property”).

⁸ This is the approach taken in the European Union. *See* Rome II Regulation, art. 8(1) (“The law applicable to a non-contractual obligation arising from an infringement of an intellectual property right shall be the law of the country for which protection is claimed.”).

In the United States, copyright law is governed by a federal statute: the Copyright Act of 1976, as amended.⁹ Section 106 of the Copyright Act provides copyright owners with five exclusive rights: (1) reproduction, (2) adaptation, (3) public distribution, (4) public performance, and (5) public display.¹⁰ Exceptions and limitations to those rights are provided in Sections 107 through 122.¹¹ Infringement is defined as the unauthorised exercise of any of those five rights.¹²

Unlike the U.S. Patent Act,¹³ the U.S. Copyright Act does not expressly limit its applicability to the territory of the United States. Nonetheless, the Courts of Appeals have uniformly held that “the United States copyright laws do not reach acts of infringement that take place entirely abroad.”¹⁴ Thus, for example, a claim that the State Bank of India infringed the plaintiff’s software

⁹ See 17 U.S.C. § 101, et seq.

¹⁰ 17 U.S.C. § 106. A sixth exclusive right provides copyright owners of sound recordings with the exclusive right “to perform the copyrighted work publicly by means of a digital audio transmission.” 17 U.S.C. § 106(6). Sound recordings (along architectural works and pictorial, graphic and sculptural works) are not afforded a general right of public performance. See 17 U.S.C. § 106(4) (listing the categories of works to which the public performance right applies).

¹¹ Most of the exceptions and limitations are narrow and specific, applying only to specified types of works and/or to specified exclusive rights. Two exceptions and limitations are of general applicability: the fair use doctrine, which provides that “the fair use of a copyrighted work ... is not an infringement of copyright,” 17 U.S.C. § 107; and the first-sale doctrine, also known as the doctrine of exhaustion, under which the owner of a particular copy may resell or redistribute that copy without the authorization of the copyright owner, 17 U.S.C. § 109(a).

¹² 17 U.S.C. § 501(a) (“Anyone who violates any of the exclusive rights of the copyright owner as provided by sections 106 through 122 ... is an infringer of the copyright”).

¹³ See 35 U.S.C. §154(a)(1) (granting “the right to exclude others from making, using, offering for sale, or selling the invention throughout the United States or importing the invention into the United States, and, if the invention is a process, ... the right to exclude others from using, offering for sale or selling throughout the United States, or importing into the United States, products made by that process”).

¹⁴ *Subafilms, Ltd. v. MGM-Pathé Comms. Co.*, 24 F.3d 1088, 1098 (9th Cir. 1994); *accord*, *Litecubes, LLC v. Northern Lights Prods., Inc.*, 523 F.3d 1353, 1366-67 (Fed. Cir. 2008). See also *Palmer v. Braun*, 376 F.3d 1254, 1258 (11th Cir. 2004) (“it is only where an infringing act occurs in the United States that the infringement is actionable under the federal Copyright Act”); *Robert Stigwood Group, Ltd. v. O’Reilly*, 530 F.2d 1096, 1101 (2d Cir. 1976) (“Copyright laws do not have extraterritorial application.”).

by distributing it and using it at its branches in India had to be dismissed.¹⁵ However, “a distinction should be drawn between purely extraterritorial conduct, which is itself nonactionable, and conduct that crosses borders, so that at least a part of the offense takes place within the United States.”¹⁶ With one exception, courts are left to work out whether the statute applies with respect to such “multi-territorial infringement claims”¹⁷ on a case-by-case basis.¹⁸

ANALYSIS OF U.S. CASE LAW

I. Importing and Exporting Infringing Goods

With regard to physical goods, the principles outlined above suggest that a court should apply both the law of the country where the reproduction takes place (to determine whether the reproduction was lawful), and the law of the country where the distribution of copies takes place (to determine whether the distribution was lawful). However, considering economic harm occurs only when the goods are sold, as a practical matter, it may be expected that the country into which the goods are imported will apply its own law. This is especially true if the country has adopted a rule of domestic exhaustion, under

¹⁵ See *Micro Data Base Systems, Inc. v. State Bank of India*, 177 F. Supp. 2d 881, 886-87 (N.D. Ind. 2001). The infringement claim was allowed to proceed, however, with respect to unauthorized use of the software at the Bank’s branch in New York. *Id.* at 887 n.2.

¹⁶ *Litecubes*, 523 F.3d at 1371, quoting 4 RAYMOND B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT § 17.02 (2008) (hereinafter NIMMER ON COPYRIGHT).

¹⁷ *Id.*

¹⁸ Whether the statute encompasses such cross-border conduct is an element of the cause of action and is properly raised on a motion to dismiss for failure to state a claim, or on a motion for summary judgment, rather than on a motion to dismiss for lack of subject-matter jurisdiction. *Litecubes*, 523 F.3d at 1366-68; *Geophysical Service, Inc. v. TGS-NOPEC Geophysical Co.*, 850 F.3d 785, 791 (5th Cir. 2017). In *Palmer v. Braun*, 376 F.3d at 1258, the Eleventh Circuit held that the territorial limit was jurisdictional; but the Federal Circuit in *Litecubes* disagreed on the basis of intervening authority of the U.S. Supreme Court. 523 F.3d at 1368.

which the intellectual property owner may prohibit even lawfully made goods from being imported and distributed without its authorisation.¹⁹

In the United States, the one statutory provision governing multi-territorial infringement claims (conduct crossing borders) involves importation and exportation. Section 602(a)(1) provides:

Importation into the United States, without the authority of the owner of copyright under this title, of copies or phonorecords of a work that have been acquired outside the United States is an infringement of the exclusive right to distribute copies or phonorecords under section 106, actionable under section 501.²⁰

And section 602(a)(2), added in 2008,²¹ provides:

Importation into the United States or exportation from the United States, without the authority of the owner of copyright under this title, of copies or phonorecords, the making of which either constituted an infringement of copyright, or which would have constituted an infringement of copyright if this title had been applicable, is an infringement of the exclusive right to

¹⁹ The issue of exhaustion of intellectual property rights proved so contentious that the TRIPS Agreement left countries free to adopt any rule of exhaustion they wish, subject only to the non-discrimination principles of national treatment and most-favored nation status. *See* TRIPS Agreement, art. 6 (“subject to the provisions of Articles 3 and 4 nothing in this Agreement shall be used to address the issue of the exhaustion of intellectual property rights.”).

²⁰ 17 U.S.C. § 602(a)(1). This language was enacted in 1976 as subsection 602(a), and was renumbered as subsection 602(a)(1) in 2008.

²¹ *See* Prioritizing Resources and Organization for Intellectual Property Act of 2008 (hereinafter “PRO-IP Act”), Pub. L. 110-403, Tit. I, § 105(b), 122 Stat. 4259.

distribute copies or phonorecords under section 106,
actionable under sections 501 and 506.²²

Together, these two sections could be read to suggest that importing or exporting infringing copies violates section 602(a)(2), and is subject to both civil and criminal penalties, while importing otherwise lawful copies or phonorecords violates only section 602(a)(1), and is subject only to civil penalties.²³ Both sections, however, make unauthorised importation and exportation “an infringement of the exclusive right to distribute copies or phonorecords under section 106.”²⁴ And section 106 itself expressly says that its exclusive rights are “subject to [the exceptions and limitations in] sections 107 through 122.”²⁵ One of those limitations is the first-sale doctrine, or the doctrine of exhaustion, which expressly allows “the owner the owner of a particular copy or phonorecord lawfully made under this title ... to sell or otherwise dispose of the possession of that copy or phonorecord” without the authorisation of the copyright owner, “[n]otwithstanding the provisions of section 106(3).”²⁶ Accordingly, in *Quality King Distributors, Inc. v. L’Anza Research International, Inc.*, the U.S. Supreme Court unanimously held that former section 602(a) (now section 602(a)(1)) is subject to the first-sale doctrine.²⁷ And 15 years later, in *Kirtsaeng v. John Wiley & Sons, Inc.*, the Court clarified that “the ‘first sale’ doctrine applies to copies of a copyrighted

²² 17 U.S.C. § 602(a)(2). Section 501 stipulates a civil penalty while section 506 is a criminal penalty.

²³ “Copies” are defined as “material objects, other than phonorecords, in which a work is fixed,” while “phonorecords” are defined as “material objects in which sounds, other than those accompanying a motion picture or other audiovisual work, are fixed.” 17 U.S.C. § 101. Note that exporting lawfully-made copies or phonorecords does not violate the statute at all.

²⁴ 17 U.S.C. § 602(a)(1), (a)(2).

²⁵ 17 U.S.C. § 106.

²⁶ 17 U.S.C. § 109(a).

²⁷ *Quality King Distributors, Inc. v. L’Anza Research Int’l, Inc.*, 523 U.S. 135, 144 (1998). In so holding, the Court held that the phrase “to sell or otherwise dispose of the possession” of a copy “includes the right to ship it to another person in another country.” 523 U.S. at 152.

work lawfully made abroad,”²⁸ interpreting the phrase “lawfully made under this title” to mean “‘in accordance with’ or ‘in compliance with’ the Copyright Act” rather than “lawfully made in the United States.”²⁹ Thus, subsection 602(a)(1) is largely redundant; it only prohibits importation of infringing copies and phonorecords (which is also prohibited by subsection (a)(2)) and importation of lawful copies and phonorecords by those who have such copies or phonorecords in their possession without obtaining ownership of them.³⁰

Moreover, some courts have interpreted subsection 106(3), which grants the copyright owner the exclusive right to public distribution, in a way that renders the importation prohibition in subsection 602(a)(2) somewhat redundant. In *Litecubes, LLC v. Northern Light Products, Inc.*, for example, the court considered a Canadian company, doing business as GlowProducts.com, which “sold the accused products directly to customers located in the United States and ... would ship the products, f.o.b., from its Canadian offices to its customers in the United States.”³¹ “‘F.o.b.’ or ‘free on

²⁸ *Kirtsaeng v. John Wiley & Sons, Inc.*, 568 U.S. 519, 525 (2013). *Kirtsaeng* involved a graduate student from Thailand, studying in the United States, who asked friends and family in Thailand to purchase copies of textbooks printed in Asia by the U.S. copyright owner and to ship them to him in the United States, where he re-sold them at a substantial profit. *Id.* at 526-27.

²⁹ *Id.* at 530. As a result, the Court subsequently vacated a previous opinion in which the “Defendants purchased Foreign Editions of Plaintiffs’ books in India and resold them in the United States,” because that case had held “the first sale doctrine does not apply to copies of a copyrighted work manufactured abroad” in India. *Pearson Education, Inc. v. Kumar*, 721 F. Supp. 2d 166, 172, 178 (S.D.N.Y. 2010), *aff’d sub nom.* *Pearson Education, Inc. v. Yadav*, 452 Fed. Appx. 11 (2d Cir. 2011), *cert. granted, vacated and remanded sub nom.* *Kumar v. Pearson Education, Inc.*, 568 U.S. 1247 (2013), *judgment vacated*, 523 Fed. Appx. 13 (2d Cir. 2013).

³⁰ *Kirtsaeng*, 568 U.S. at 534-35, 547; *see also id.* at 554-55 (Kagan, J., joined by Alito, J., concurring); *id.* at 565-67 (Ginsburg, J., joined by Kennedy and Scalia, JJ., dissenting).

³¹ *Litecubes, LLC v. Northern Light Products, Inc.*, 523 F.3d 1353, 1358 (Fed. Cir. 2005). One of the defendant’s products in *Litecubes* was alleged to infringe both a U.S. patent and a U.S. copyright registered to the plaintiff. The defendant did not contest the jury’s finding that the product infringed both. *Id.* The other product was alleged to infringe only the U.S.

board' is 'a method of shipment whereby goods are delivered at a designated location, usually a transportation depot, at which legal title and thus the risk of loss passes from seller to buyer."³² In other words, GlowProducts contended that it sold the infringing products in Canada, and that the buyers located in the United States were the ones who "imported" the infringing products into the United States, even though GlowProducts packaged the goods, addressed the packages to buyers in the United States, and delivered the packages to the post office or shipping company in Canada.³³ Not surprisingly, the Court of Appeals rejected the argument, holding that a "sale" of the infringing items occurred in the United States when the items were shipped directly to consumers in the United States, regardless of where title was transferred as a formal matter.³⁴ Although the court did not rely on the fact that section 602 expressly makes importation (and exportation) a violation of the distribution right,³⁵ the ruling is consistent with the statute, and with the holding in *Quality King* that the statutory phrase "to sell or

patent, and the jury's determination that the product was infringing was upheld. *Id.* at 1372-74.

³² *Id.* at 1358 n.1, quoting *MEMC Elec. Materials, Inc. v. Mitsubishi Materials Silicon Corp.*, 420 F.3d 1369, 1374 n. 3 (Fed. Cir. 2005).

³³ Alternatively, since patent and copyright are both strict liability statutes, GlowProducts could have contended that the post office or shipping company was the person "importing" the allegedly infringing products into the United States.

³⁴ *Litecubes*, 523 F.3d at 1369-71 (patent); *id.* at 1371-72 (copyright). See also *Liberty Toy Co. v. Fred Silber Co.*, 149 F.3d 1183, 1998 WL 385469 (6th Cir. 1998) (unpublished disposition) (complaint alleged that defendant Maple Leaf Toy Co., based in Canada, committed direct infringement in the United States when it sold allegedly infringing goods and shipped them to U.S. buyer in Michigan; contract provided that seller retained title until payment was made).

³⁵ 17 U.S.C. § 602(a)(1) (unauthorized importation "is an infringement of the exclusive right to distribute copies or phonorecords under section 106"); 17 U.S.C. § 602(a)(2) (unauthorized importation or exportation of infringing copies "is an infringement of the exclusive right to distribute copies or phonorecords under section 106").

otherwise dispose of the possession” of a lawfully made copy “includes the right to ship it to another person in another country.”³⁶

The importation right also has been applied against a U.S. defendant who ordered (and paid for) allegedly infringing copies made outside the United States, on the grounds that the defendant caused the infringing copies to be imported. In *Geophysical Service, Inc. v. TGS-NOPEC Geophysical Co.*,³⁷ the parties were competitors in the business of providing seismic data to the petroleum industry. Under Canadian law, the plaintiff was required to submit copies of its seismic data maps to the Canada-Newfoundland and Labrador Offshore Petroleum Board, a government agency, which was required to keep them confidential for a period of ten years. After the ten-year period expired, defendant TGS ordered a copy of the maps from the Board, which made copies and mailed them to TGS in Houston, at the defendant’s expense.³⁸ When Geophysical sued TGS for infringement, TGS defended on the ground that the copies were made outside the United States, and that the “act of state” doctrine prohibits a United States court from reviewing the validity of the actions of a foreign government.³⁹

The Court of Appeals held that the “act of state” doctrine did *not* prohibit the importation claim against TGS from going forward, because it did *not* require

³⁶ *Quality King Distributors, Inc. v. L’Anza Research Int’l, Inc.*, 523 U.S. 135, 152 (1998). *See also* *Palmer v. Braun*, 376 F.3d 1254, 1257 (11th Cir. 2004) (defendant “sold at least 25 copies of [the infringing work] to residents of the United States, and shipped these copies from France to the United States.”); *id.* at 1258 (“the importation of the infringing work is an infringing act occurring in the United States.”).

³⁷ 850 F.3d 785 (5th Cir. 2017).

³⁸ *Id.* at 789.

³⁹ *Id.* at 790. *Cf. Voda v. Cordis Corp.*, 476 F.3d 887, 904 (Fed. Cir. 2007) (declining to exercise jurisdiction over claims for infringement of foreign patents, even if related to the U.S. patents at issue; “assuming *arguendo* that the act of state doctrine applies, the doctrine would prevent our courts from inquiring into the validity of a foreign patent grant and require our courts to adjudicate [foreign] patent claims regardless of validity or enforceability.”).

the court to determine whether the Board acted illegally or invalidly, or was an infringer: “even a ruling in favor of Geophysical will not *invalidate* any action by the Canadian government, but only determine the effect of such action on the right of United States citizens to import copies that a Canadian agency made.”⁴⁰ It further held that “[t]he inapplicability of the United States Copyright Act to extraterritorial conduct provides no defense to Geophysical’s importation claim.”⁴¹ It explained:

It is undisputed that TGS imported the copies of Geophysical’s seismic lines into Houston, Texas by causing the CNLOP Board to send them there. Therefore, the act of importation occurred in the United States and is actionable under the Copyright Act depending on the resolution of TGS’s first sale defense.⁴²

Consequently, the court remanded the case to the district court to determine whether copies had been “lawfully made under this title” for purposes of applying the first-sale doctrine.⁴³ In a later appeal, the court upheld a finding that Geophysical had granted the Board an implied license to reproduce and

⁴⁰ 850 F.3d at 797.

⁴¹ *Id.*

⁴² *Id.* at 797-98.

⁴³ *Id.* at 798. In *Kirtsaeng v. John Wiley & Sons, Inc.*, the Court suggested in *dicta* that whether the copies were “lawfully made” for purposes of applying the first-sale doctrine should be determined according to the standards of U.S. law, rather than according to the law of the place where the copies were made. 568 U.S. 519, 529-30 (2013). Nonetheless, the Fifth Circuit declined to resolve the issue, instructing the district court to determine in the first instance whether Canadian law or U.S. law applied to the reproduction. 850 F.3d at 795-96 & 798. On remand, the district court concluded that “a copy is lawful if it was made in the United States in compliance with Title 17 or in a foreign country in a manner that would comply with Title 17 if United States copyright law applied.” *Geophysical Service, Inc. v. TGS-NOPEC Geophysical Co.*, 125 U.S.P.Q.2d 1118, 1120 (S.D. Tex. Nov. 21, 2017).

distribute the seismic maps, and it therefore affirmed the dismissal of the action.⁴⁴

The plaintiff in *Geophysical* also alleged that TGS was a contributory infringer, because it induced or encouraged the Board to reproduce the works in Canada and export them to the United States.⁴⁵ The court rejected this claim, holding that the reproduction *and the exportation* took place entirely in Canada.⁴⁶ This is inconsistent with *Litecubes*, which held that the Canadian seller violated the “importation” right when it shipped infringing goods into the United States, regardless of where title passes.⁴⁷ It is also inconsistent with statutory language indicating that it is the seller, rather than the buyer, who violates the distribution right.⁴⁸ This distinction is supported by case law indicating that infringing goods cannot be seized from an innocent purchaser who was not itself an infringer.⁴⁹ Thus, *Geophysical* should have been analysed as a case of contributory infringement, in which an American buyer *knowingly* contributed to the infringing act of a foreign seller. As the Fifth Circuit recognised, however, adjudicating the claim for contributory infringement would have run afoul of the act of state doctrine, as it would

⁴⁴ *Geophysical Service, Inc. v. TGS-NOPEC Geophysical Co.*, 784 Fed. Appx. 253 (5th Cir. 2019).

⁴⁵ *Geophysical Service, Inc. v. TGS-NOPEC Geophysical Co.*, 850 F.3d 785, 799-800 (5th Cir. 2017).

⁴⁶ *Id.* at 800 (“The act of ‘exportation’ occurred entirely in Canada, and is beyond the reach of the Copyright Act notwithstanding the destination.”).

⁴⁷ *Litecubes, LLC v. Northern Light Products, Inc.*, 523 F.3d 1353, 1371-72 (Fed. Cir. 2005).

⁴⁸ 17 U.S.C. § 106(3) (granting the exclusive right “to distribute copies or phonorecords of the copyrighted work to the public *by sale or other transfer of ownership*, or by rental, lease, or lending”) (emphasis added). Recall that importation “is an infringement of the exclusive right *to distribute* copies or phonorecords under section 106.” 17 U.S.C. § 602(a)(1) (emphasis added).

⁴⁹ *Societe Civile Succession Richard Guino v. Beseder, Inc.*, 460 F. Supp. 2d 1105, 1107 (D. Ariz. 2006) (“Plaintiff has not alleged that Defendant Lindquist infringed any copyrights by purchasing or possessing” the infringing sculpture); *id.* at 1112 (the Copyright Act “does not permit the impoundment of infringing items in the hands of innocent purchasers who are not themselves liable for infringement.”). Of course, a buyer who subsequently resells or otherwise redistributes an infringing copy becomes an infringer.

have required the court to determine whether the Canadian government agency was a direct infringer.⁵⁰ But in seeking to avoid the act of state doctrine, the Fifth Circuit incorrectly held that it was the U.S. buyer of infringing copies, and *not* the foreign seller, who violated the importation right.

II. Foreign Contribution to Domestic Infringement

We next consider other conduct occurring outside the United States that contributes to infringement occurring inside the United States. When the direct infringement occurs in the United States, U.S. courts are willing to hold foreign actors liable for contributing to that infringement, provided that the defendant is subject to personal jurisdiction in the United States and the usual elements of contributory infringement are satisfied.⁵¹ As stated by one court:

[A] defendant can be liable for contributory infringement, even for acts committed outside the United States, by inducing or contributing to another's infringement occurring in the United States by supplying such other person with the instruments for committing the infringement, provided the defendant knew or should have known that the other would or could reasonably be expected to commit the infringement.⁵²

⁵⁰ *Cf. Geophysical*, 850 F.3d at 797 (“Evaluating the first sale defense in connection with TGS’s importation of copies made by the Board does not decide whether the CNLOP Board is a copyright *infringer*, which *would* be a prohibited inquiry.”) (emphasis in original).

⁵¹ Contributory infringement generally requires three elements: 1) direct infringement; 2) defendant must have knowledge of the direct infringement; and 3) defendant induced, caused or materially contributed to the infringing conduct. PATRY ON COPYRIGHT §21:46.

⁵² *Blue Ribbon Pet Prods., Inc. v. Rolf C. Hagen (USA) Corp.*, 66 F. Supp. 2d 454, 462 (E.D.N.Y. 1999) (holding Canadian company liable for ordering infringing products and having them shipped to sister company in the United States, which sold the infringing products here). *See also* *Armstrong v. Virgin Records, Ltd.*, 91 F. Supp. 2d 628, 635-36

This is consistent with the rule in patent law: although contributory infringement in patent law expressly requires conduct in the United States,⁵³ active inducement does not,⁵⁴ and courts have allowed claims based on overseas conduct that induced infringement in the United States.⁵⁵ In patent law, the U.S. Supreme Court has held that liability for active inducement requires either actual knowledge of the infringement or wilful blindness; mere negligence (or even recklessness) is not sufficient.⁵⁶ This standard has been

(S.D.N.Y. 2000) (use in UK of allegedly infringing sample in a recording later distributed by others in the United States); *ITSI T.V. Prods., Inc. v. Calif. Authority of Racing Fairs*, 785 F. Supp. 854, 864 (E.D. Cal. 1992) (“it is possible for a defendant to commit acts outside the United States sufficient to find it contributorily or vicariously liable for acts of infringement committed by others within the United States”) (dicta), *aff’d in part & rev’d in part on other grounds*, 3 F.3d 1289 (9th Cir. 1993); *GB Marketing USA, Inc. v. Gerolsteiner Brunnen GmbH & Co.*, 782 F. Supp. 763, 772-73 (W.D.N.Y. 1991) (reproduction and sale of bottles with allegedly infringing labels in Germany, with knowledge that bottles would be exported to the United States and sold there).

⁵³ 35 U.S.C. § 271(c) (“Whoever offers to sell or sells *within the United States* or imports *into the United States* a component of a patented [invention], or a material or apparatus for use in practicing a patented process, constituting a material part of the invention, knowing the same to be especially made or especially adapted for use in an infringement of such patent, and not a staple article or commodity of commerce suitable for substantial non-infringing use, shall be liable as a contributory infringer.”) (emphasis added).

⁵⁴ 35 U.S.C. § 271(b) (“Whoever actively induces infringement of a patent shall be liable as an infringer.”).

⁵⁵ *Enplas Display Device Corp. v. Seoul Semiconductor Co.*, 909 F.3d 398, 408 (Fed. Cir. 2018) (“Unlike direct infringement ... , which must occur in the United States, liability for induced infringement under § 271(b) can be imposed based on extraterritorial acts, provided that the patentee proves the defendant possessed the requisite knowledge and specific intent to induce direct infringement in the United States.”); *Merial, Ltd. v. Cipla, Ltd.*, 681 F.3d 1283, 1302–03 (Fed. Cir. 2012) (“where a foreign party, with the requisite knowledge and intent, employs extraterritorial means to actively induce acts of direct infringement that occur within the United States, such conduct is [actionable] under § 271(b).”); *DSU Medical Corp. v. JMS Co.*, 471 F.3d 1293, 1305–06 (Fed. Cir. 2006) (approving jury instruction); *Honeywell, Inc. v. Metz Apparatewerke*, 509 F.2d 1137, 1141 (7th Cir. 1975) (“‘active inducement’ may be found in events outside the United States if they result in a direct infringement here.”).

⁵⁶ *Global-Tech Appliances, Inc. v. SEB, S.A.*, 563 U.S. 754, 759-60 (2011) (defendant “argues that active inducement liability under § 271(b) requires more than deliberate indifference to a known risk ... [and that] actual knowledge of the patent is needed.”); *id.* at 766 (“We agree that deliberate indifference to a known risk that a patent exists is not the appropriate standard,” but approving willful blindness); *id.* at 769 (“A court can properly find willful blindness only where it can almost be said that the defendant actually knew. By contrast, a reckless defendant is one who merely knows of a substantial and unjustified risk

adopted for contributory infringement in copyright law.⁵⁷ Hence, the quote in the indented paragraph above should be modified to remove the “or should have known” language.

Because the doctrine of contributory infringement requires *knowledge* of the infringing activity (including, one presumes, the location of the infringing activity), it is fair to hold a foreign actor that *knowingly* contributes to a direct infringement in the United States to the standards of U.S. copyright law.

III. Domestic Contribution to Foreign Infringement

The converse situation involves conduct occurring within the United States that contributes to infringement occurring outside the United States. If a domestic actor knowingly contributes to a direct infringement in a foreign country, it is fair to hold that domestic actor to the standards of foreign copyright law. Many U.S. courts, however, have tended to go only halfway, dismissing the claim under U.S. law without considering whether the claim should be heard under foreign law. In response, other U.S. courts have overcorrected by applying U.S. law whenever there is a “predicate act” of infringement in the United States, even when the claim should be analysed under foreign law. The result is that U.S. courts tend to apply U.S. law to the entire dispute or not at all, instead of considering the middle ground of applying foreign law to domestic conduct that contributes to an overseas infringement.

of such wrongdoing, and a negligent defendant is one who should have known of a similar risk but, in fact, did not.”).

⁵⁷ See, e.g., *BMG Rights Mgmt. (US), LLC v. Cox Comms., Inc.*, 881 F.3d 293, 308-10 (4th Cir. 2018) (requiring actual knowledge or willful blindness; “negligence is insufficient”); see also *Luvdarts, LLC v. AT&T Mobility, LLC*, 710 F.3d 1068, 1072-73 (9th Cir. 2013) (requiring actual knowledge or willful blindness, without discussing the issue); cf. *Erickson Prods., Inc. v. Kast*, 921 F.3d 822, 831-32 (9th Cir. 2017) (“even if the ‘should have known’ instruction was erroneous,” defendant “did not raise this objection at trial”).

The leading case in the United States is *Subafilms, Ltd. v. MGM-Pathé Communications Co.*⁵⁸ Subafilms produced the movie *Yellow Submarine*, which was released in 1968 by MGM. Two decades later, MGM released the movie on home video in the United States, and it licensed Warner Brothers to release the movie on home video outside the United States. Subafilms sued both MGM and Warner for infringement, and a special master found that their use was unauthorised, because the 1967 licensing agreement between Subafilms and MGM did not include home video distribution. The district court awarded 2.2 million in compensatory damages, half for the domestic distribution and half for the international distribution.⁵⁹

The defendants appealed the award for international distribution on the ground that U.S. copyright law did not extend to foreign sales. With regard to the foreign sales, the only conduct that had occurred in the United States was execution of the licensing agreement that “authorised” Warner to distribute the film on home video outside the United States.⁶⁰ However, section 106 grants to copyright owners “the exclusive rights to do *and to authorise* any of the following” acts, including reproduction and distribution to the public.⁶¹ Based on this language, a previous case had held that domestic authorisation of foreign infringing activity was itself an actionable infringement under United States law.⁶² After a panel of the Ninth Circuit affirmed based on the

⁵⁸ 24 F.3d 1088 (9th Cir. 1994) (en banc).

⁵⁹ *Id.* at 1089.

⁶⁰ *Id.* at 1089 & n.3.

⁶¹ 17 U.S.C. § 106 (emphasis added).

⁶² *Peter Starr Prod. Co. v. Twin Continental Films, Inc.*, 783 F.2d 1440, 1442-43 (9th Cir. 1986).

earlier case, the full court granted rehearing *en banc* to reconsider its previous holding.⁶³

The *en banc* court held that domestic authorisation of foreign activity was *not* sufficient to constitute either direct or contributory infringement under United States law.⁶⁴ It reasoned as follows: first, “the addition of the words ‘to authorise’ in the [1976] Copyright Act was not meant to create a new form of liability for ‘authorisation’ ... but was intended [only] to invoke the pre-existing doctrine of contributory infringement.”⁶⁵ Second, there can be no liability for contributory infringement without proof of direct infringement.⁶⁶ Third,

Given the undisputed axiom that United States copyright law has no extraterritorial application, it would seem to follow necessarily that a primary activity outside the boundaries of the United States, not constituting an infringement cognisable under the Copyright Act, cannot serve as the basis for holding

⁶³ In the thirteen United States Courts of Appeals, appeals are normally decided by panels of three judges. When a court grants rehearing *en banc*, all of the non-recused active judges on that court decide the case, except in the Ninth Circuit. Because the Ninth Circuit is so large (28 active judges), in the Ninth Circuit a case in which rehearing *en banc* is granted is decided by a panel of 11 judges (the Chief Judge, plus ten that are randomly selected). *See* 9th Cir. R. 35-3.

⁶⁴ *Subafilms, Ltd. v. MGM-Pathé Communications Co.*, 24 F.3d 1088, 1090 (9th Cir. 1994) (“we conclude that there can be no liability under the United States copyright laws for authorizing an act that *itself* could not constitute infringement of rights secured by those laws, and that wholly extraterritorial acts of infringement are not cognizable under the Copyright Act.”) (emphasis in original).

⁶⁵ *Id.* at 1092. In so holding, the court relied on a statement in the legislative history that explained: “Use of the phrase ‘to authorize’ is intended to avoid any questions as to the liability of contributory infringers.” H.R. Rep. No. 94-1476, at 61 (1976), *reprinted in* 1976 U.S.C.C.A.N. 5659, 5674.

⁶⁶ *Subafilms*, 24 F.3d at 1092-93. *Accord*, *Bridgeport Music, Inc. v. Diamond Time, Ltd.*, 371 F.3d 883, 889 (6th Cir. 2004); *DSC Comms. Corp. v. Pulse Comms. Corp.*, 170 F.3d 1354, 1359 (Fed. Cir. 1999).

liable under the Copyright Act one who is merely related to that activity within the United States.⁶⁷

Accordingly, the court concluded that “the mere authorisation of acts of infringement that are not cognizable under the United States copyright laws because they occur entirely outside of the United States does not state a claim for infringement under the Copyright Act.”⁶⁸

Two district courts in other circuits have expressly disagreed with *Subafilms* on this point.⁶⁹ In *Curb v. MCA Records, Inc.*, for example, producer Curb, who held the rights to reproduce and distribute certain sound recordings in the United States, Canada, and the United Kingdom, authorised the distribution of those recordings in several other countries.⁷⁰ The court rejected *Subafilms* and held that “authorising the distribution of the recordings for sale to a worldwide public” violated U.S. law.⁷¹ It explained:

[P]iracy has changed since the Barbary days. Today, the raider need not grab the bounty with his own hands; he need only transmit his go-ahead by wire or telefax to start the presses in a distant land. *Subafilms* ignores this economic reality, ... and transforms infringement of the authorisation right into a requirement of domestic presence by a primary infringer. Under this view, a phone call to Nebraska results in liability; the

⁶⁷ *Subafilms*, 24 F.3d at 1093, quoting 3 NIMMER ON COPYRIGHT §12.04 (1993).

⁶⁸ *Subafilms*, 24 F.3d at 1099.

⁶⁹ See *Curb v. MCA Records, Inc.*, 898 F. Supp. 586, 595 (M.D. Tenn. 1995); *Expeditors Int'l of Wash., Inc. v. Direct Line Cargo Mgmt. Servs.*, 995 F. Supp. 468, 476-77 (D.N.J. 1998).

⁷⁰ *Curb*, 898 F. Supp. at 592 (listing Austria, Finland, Hong Kong, Japan, Malaysia, and South Africa), *id.* at 594 (listing Australia, Hong Kong, Japan, Malaysia, Philippines, Singapore, South Korea, Taiwan, and Thailand).

⁷¹ *Id.* at 596.

same phone call to France results in riches. In a global marketplace, it is literally a distinction without a difference.⁷²

Despite these dissenting voices, however, *Subafilms*' holding that domestic authorisation of extraterritorial conduct does not violate U.S. law is widely accepted.⁷³ The unstated implication is that the claim of domestic contribution to infringement occurring in another country should be heard in the country where the direct infringement occurred, under that country's laws.⁷⁴

By contrast, however, there are a number of cases that distinguish *Subafilms* and apply U.S. law to foreign infringements under the so-called "predicate act" doctrine.

The predicate act doctrine originated in *Sheldon v. Metro-Goldwyn Pictures Corp.*⁷⁵ Defendants were found to have infringed the plaintiffs' play *Dishonored Lady* in making and exhibiting the motion picture *Letty Lynton*.⁷⁶

⁷² *Id.* at 595.

⁷³ *See, e.g.,* Geophysical Service, Inc. v. TGS-NOPEC Geophysical Co., 850 F.3d 785, 799 (5th Cir. 2017) ("In short, we follow the holding of the Ninth Circuit in *Subafilms*. Where a copyright plaintiff claims contributory infringement predicated on direct infringement that occurred entirely extraterritorially, the plaintiff has stated no claim."); Datacarrier, S.A. v. WOCCU Servs. Group, Inc., 221 F. Supp. 3d 1078, 1084 (W.D. Wisc. 2016) ("This court will follow *Subafilms*, like the majority of courts to consider the issue."); Rundquist v. Vapiano SE, 798 F. Supp. 2d 102, 128-29 (D.D.C. 2011) ("Notwithstanding the criticism of the results, the *Subafilms* ruling remains the majority rule"); Armstrong v. Virgin Records, Ltd., 91 F. Supp. 2d 628, 634 (S.D.N.Y. 2000) (*Subafilms* "is now generally accepted"); 2 WILLIAM F. PATRY, PATRY ON COPYRIGHT, § 25:87 (2019) (approving *Subafilms* and rejecting *Curb*).

⁷⁴ Because there is no claim under U.S. law, few courts have considered whether a claim for foreign infringement could be heard in a U.S. court against a defendant domiciled in the United States, while still applying foreign law.

⁷⁵ 106 F.2d 45 (2d Cir. 1939), *cert. denied in relevant part*, 308 U.S. 617 (1939), *cert. granted on other grounds*, 308 U.S. 545 (1939), and *affirmed*, 309 U.S. 390 (1940).

⁷⁶ *See Sheldon v. Metro-Goldwyn Pictures Corp.*, 81 F.2d 49 (2d Cir.), *cert. denied*, 298 U.S. 669 (1936).

Defendants objected to inclusion of “the profits made from exhibiting the infringing picture outside the United States.”⁷⁷ The court responded:

At first blush it would indeed seem that these should be excluded. [...] However, exhibition is not the only act forbidden by the [1909] Copyright Act; Section 1(d) gives to the author the exclusive right, not only to perform a dramatic work, but “to make ... any transcription or record thereof ... from which, in whole or in part, it may in any manner ... be ... reproduced.” [Defendants] made the negatives in this country, or had them made here, and shipped them abroad, where the positives were produced and exhibited. The negatives were “records” from which the work could be “reproduced”, and it was a tort to make them in this country. The plaintiffs acquired an equitable interest in them as soon as they were made, which attached to any profits from their exploitation, whether in the form of money remitted to the United States, or of increase in the value of shares of foreign companies held by the defendants. [...] [A]s soon as any of the profits so realized took the form of property whose situs was in the United States, our law seized upon them and impressed them with a constructive trust, whatever their form.⁷⁸

In *Robert Stigwood Group, Ltd. v. O’Reilly*, however, the court rejected a claim of profits from public performances in Canada of songs from the musical *Jesus Christ Superstar*, even though “the defendants assembled and

⁷⁷ 106 F.2d at 52.

⁷⁸ *Id.* (bracketed insertions and ellipses added). See also *Famous Music Corp. v. Seeco Records, Inc.*, 201 F. Supp. 560, 568-69 (S.D.N.Y. 1961) (infringing recordings made in United States were shipped abroad and used to make phonograph records in other countries).

arranged in the United States all the necessary elements for the performances in Canada, and then simply travelled to Canada to complete the performances.”⁷⁹ The court explained that, unlike in *Sheldon*, the Canadian performances were not enabled by any act of infringement in the United States.⁸⁰ “It is only when the type of infringement permits further reproduction abroad that its exploitation abroad becomes the subject of a constructive trust.”⁸¹

Although *Sheldon* and *Stigwood* were both based on the language of the 1909 Copyright Act, courts applying the 1976 Act adopted the same reasoning. Thus, in *Update Art, Inc. v. Modiin Publishing, Ltd.*, a copyrighted poster was reproduced in an Israeli newspaper, which also distributed some copies in the United States.⁸² Based on *Stigwood*, the court held that liability depended on whether a “predicate act” of infringement had occurred in the United States:

As the applicability of American copyright laws over the Israeli newspapers depends on the occurrence of a predicate act in the United States, the geographic location of the illegal reproduction is crucial. If the illegal reproduction of the poster occurred in the United States and then was exported to Israel, the magistrate properly could include damages accruing from the Israeli newspapers. If, as appellants assert, this predicate

⁷⁹ 530 F.2d 1096, 1100-01 (2d Cir. 1976). Presumably, the “arrangements” referred to as occurring in the U.S. included casting, rehearsals, and contracts for the performances in Canada.

⁸⁰ *Id.* at 1101 (“The steps taken by the defendants preliminary to the Canadian performances were certainly not the ‘manufacture’ of anything, nor were the performances ‘records’ from which the work could be ‘reproduced.’”).

⁸¹ 530 F.2d at 1101.

⁸² 843 F.2d 67, 69 (2d Cir. 1994).

act occurred in Israel, American copyright laws would have no application to the Israeli newspapers.⁸³

Although the defendants contended that the initial copying (photographing a copy of the poster seen “on an office wall”) had occurred in Israel, they failed to submit any admissible evidence to support the claim.⁸⁴ Based in part on the defendants’ dilatory and evasive responses to discovery, the court concluded instead that this “predicate act” had occurred in the United States.⁸⁵

The Ninth Circuit has adopted the “predicate act” of infringement doctrine, with a twist. In *Los Angeles News Service v. Reuters Television Int’l, Ltd.*,⁸⁶ news footage recorded by LANS was broadcast, with authorisation, on the *Today* show on NBC. Pursuant to preexisting contracts, the *Today* show was transmitted to both Visnews and the European Broadcasting Union (EBU) in New York, each of which made a copy on videotape. Visnews (a joint venture between NBC, Reuters, and the BBC) transmitted its videotaped copy to its subscribers in Europe and Africa; while EBU transmitted its videotaped copy to Reuters in London, which in turn re-transmitted the program to its subscribers.⁸⁷ Summarising *Sheldon* and *Update Art*, the court remarked that “[r]ecovery of damages arising from overseas infringing uses was allowed because the predicate act of infringement occurring within the United States enabled further reproduction abroad.”⁸⁸ The plaintiff sought to apply this rule:

⁸³ *Id.* at 73.

⁸⁴ *Id.*

⁸⁵ *Id.* It is sometimes asserted that the court found that the Israeli newspapers themselves were reproduced in the United States. A careful reading of the opinion reveals that this is not the case; instead, the “predicate act” was only the *initial* reproduction of the poster by defendants.

⁸⁶ 149 F.3d 987 (9th Cir. 1998).

⁸⁷ *Id.* at 990.

⁸⁸ *Id.* at 992.

While the extraterritorial damages resulted from Reuters's overseas dissemination of the works received by satellite transmissions from Visnews and EBU, those transmissions were made possible by the infringing acts of copying in New York. The satellite transmissions, thus, were merely a means of shipping the unlicensed footage abroad for further dissemination.⁸⁹

The Ninth Circuit agreed, holding that "LANS is entitled to recover damages flowing from exploitation abroad of the domestic acts of infringement committed by defendants."⁹⁰

On remand, the district court again granted summary judgment to the defendants, holding that LANS could only recover any *profits* the defendants had made from the infringement, rather than its actual *damages* (i.e., lost licensing fees for overseas use); and that LANS had failed to prove that Reuters and Visnews had earned *any* profits from the infringement, presumably because they earned the same amount of money from their subscribers regardless of whether the *Today* show contained infringing content or not.⁹¹ On appeal, a different panel of the Ninth Circuit affirmed. It first noted that both *Sheldon* and *Update Art* concerned an award of defendants' profits, not actual damages.⁹² It then reasoned that *Subafilms* "counsel[s] a narrow application ... of the *Sheldon* exception to the general rule. In particular, the *Sheldon* constructive trust rationale includes a territori-

⁸⁹ *Id.*

⁹⁰ *Id.*

⁹¹ *Los Angeles News Service v. Reuters Television Int'l, Ltd.*, 340 F.3d 926, 928 (9th Cir. 2003).

⁹² *Id.* at 929-30. "As *Sheldon* considered only an award of profits, it is counterintuitive that a court applying *Sheldon*'s rationale, but using the word 'damages' as the *Reuters III* court did, was referring consciously to 'actual damages' as opposed to 'profits.'" *Id.* at 929.

al connection that preserves consistency with Congress’s decision to keep the copyright laws ... territorially confined.”⁹³ Thus, the Ninth Circuit held that the “predicate act” doctrine is limited to a recovery of foreign profits enabled by a domestic act of infringement, and that it does not allow the recovery of extraterritorial damages more generally.⁹⁴

The Fourth Circuit has also adopted the “predicate act” doctrine, but in doing so it extended the doctrine far beyond what the Second and Ninth Circuits had approved. In *Tire Engineering & Distribution, LLC v. Shandong Linglong Rubber Co.*, defendants copied the plaintiff’s blueprints for mining tires, modified them in the United States (creating derivative works), used the modified blueprints to manufacture tires in China, and sold the tires to plaintiff’s foreign customers.⁹⁵ The Fourth Circuit affirmed an award of \$26 million for defendants’ profits from the sales of tires in foreign countries, based on the “predicate act” doctrine.⁹⁶ This award was improper for two reasons. First, it was based on the sales of tires, rather than on the value of the blueprints. Under the U.S. Copyright Act, tires are “useful articles”;⁹⁷ and while blueprints are copyrightable, “copyright in a pictorial, graphic, or sculptural work, portraying a useful article as such, does not extend to the

⁹³ *Id.* at 931.

⁹⁴ 340 F.3d at 931-32.

⁹⁵ 682 F.3d 292, 298-99 (4th Cir. 2012). Although the appellate opinion does not expressly state that *all* of the sales took place in foreign countries, one of the lower court opinions does: “[t]here was no evidence that any of these customers were located inside the United States.” *In re Outsidewall Tire Litigation*, 2010 WL 11474982, at *6 (E.D. Va. Sept. 17, 2010).

⁹⁶ 682 F.3d at 308. In so holding, it cited only the Ninth Circuit’s initial opinion in *LANS*, and not the later opinion limiting the doctrine to awards of defendant’s profits. *Id.* at 307-08. Nonetheless, the award it affirmed was based on the defendant’s profits from the sales of tires.

⁹⁷ *See* 17 U.S.C. § 101 (“A ‘useful article’ is an article having an intrinsic utilitarian function that is not merely to portray the appearance of the article or to convey information.”).

manufacture of the useful article itself.”⁹⁸ “The proper award should have been limited to licensing fees for use of the blueprints to make the tires,” rather than profits from the sale of the tires.⁹⁹ Second, the award was based solely on two “predicate acts” that occurred outside the limitations period (more than three years before the complaint was filed): reproduction of the blueprints and the preparation of modified blueprints based on them.¹⁰⁰ If the rationale of the “predicate act” doctrine is that the foreign profits are an appropriate remedy for a completed act of domestic infringement, then the award should have been zero, because all of the acts of domestic infringement fell outside of the limitations period. Although the foreign sales took place within the limitations period, those sales were not independently actionable under U.S. law. The Fourth Circuit erroneously treated the “predicate act” doctrine as an excuse for extending the territorial reach of the statute, rather than as a remedy for a domestic infringing act.

Scholars on both sides of the extraterritorial debate have criticised the “predicate act” doctrine as drawing an untenable line. Jane Ginsburg argues that it “does not make sense” that “everything turns on the creation of a

⁹⁸ H.R. Rep. 94-1476, at 105 (1976). This statement comes from the legislative history, as the statute itself merely preserves preexisting case law to that effect. *See* 17 U.S.C. § 113(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 ... in effect on December 31, 1977.”). *See also* *Star Athletica, LLC v. Varsity Brands, Inc.*, 137 S.Ct. 1002, 1010 (2017) (although “a cardboard model of a car ... could itself be copyrightable, it would not give rise to any rights in the useful article that inspired it.”); *id.* at 1033 (Breyer, J., joined by Kennedy, J., dissenting) (“The law has long recognized that drawings or photographs of real-world objects are copyrightable as drawings or photographs, but the copyright does not give protection against others making the underlying useful objects.”) (citing §113(b) and quoting the House Report).

⁹⁹ PATRY ON COPYRIGHT §25:92.50.

¹⁰⁰ *In re Outsidewall Tire Litigation*, 748 F. Supp. 2d 543, 553-54 (E.D. Va. 2010), *affirmed in relevant part, reversed in part and remanded sub nom.* *Tire Eng’g & Dist., LLC v. Shandong Linglong Rubber Co.*, 682 F.3d 292, 308-09 (4th Cir. 2012).

material copy within U.S. borders.”¹⁰¹ She would allow extraterritorial damages to be recovered whenever any acts connected to the foreign infringement occurred in the United States, including mere “authorisation,” as in *Subafilms*.¹⁰² William Patry agrees that the distinction does not make sense; but he maintains that damages from extraterritorial infringement can *never* be recovered under U.S. law, even if there has been a “predicate act” of infringement in the United States.¹⁰³ Instead, he argues, damages from extraterritorial infringement can only be recovered under foreign law.¹⁰⁴

The author agrees with Patry that there is nothing in the U.S. Copyright Act that expressly rebuts the strong presumption against extraterritoriality.¹⁰⁵ Indeed, the 2008 amendment to address cases of exportation (where copies are reproduced in the United States, exported and then sold overseas) carries with it the negative implication that the “predicate act” doctrine is overbroad.¹⁰⁶ Nonetheless, the doctrine seems firmly entrenched in U.S. jurisprudence. If courts are going to use the “predicate act” doctrine, then the restriction by the Ninth Circuit makes sense. “Actual damages” are a legal

¹⁰¹ Jane C. Ginsburg, *Extraterritoriality and Multi-territoriality in Copyright Infringement*, 37 Va. J. Int'l L. 587, 598 (1997).

¹⁰² *Id.* at 597-98.

¹⁰³ PATRY ON COPYRIGHT §25:92 (“Accordingly where a work is initially infringed overseas [sic; should be “in the United States”] and then additional acts are committed overseas *facilitated by the U.S. infringement*, there is no liability for the overseas acts under U.S. law.”) (emphasis added). My bracketed correction is confirmed by the emphasized language, and by the title of the sub-chapter, which is “A Work is Infringed Initially in the United States and Then Additional Acts are Committed Overseas, Facilitated by the U.S. Infringement.” (Patry also confirmed the correction in an email exchange, on file with the author.) In Patry’s view, *Update Art* was overruled *sub silentio* by the U.S. Supreme Court, and should not be followed. PATRY ON COPYRIGHT §25:91; *see also id.* at §25:89 (criticizing *Sheldon*), §25:90 (criticizing *Update Art*).

¹⁰⁴ PATRY ON COPYRIGHT §25:88. This does not mean, however, that such claims can only be heard in foreign courts. Patry agrees that U.S. courts can hear foreign infringement claims if they are related to claims for infringement occurring in the U.S. PATRY ON COPYRIGHT §25:83.

¹⁰⁵ PATRY ON COPYRIGHT §25:86, §25:91.

¹⁰⁶ *See* 17 U.S.C. § 602(a)(2).

remedy, whereas a “constructive trust” is an equitable remedy that often accompanies an accounting of the defendant’s profits, which is also an equitable remedy.¹⁰⁷ Thus, perhaps it is reasonable to utilise a constructive trust in measuring the “profits of the infringer that are attributable to the [domestic act of] infringement.”¹⁰⁸

The “predicate act” doctrine gives copyright owners a great advantage in the digital age. Because computers must create temporary versions of digitally encoded works in “random access memory” (or RAM) in order to function,¹⁰⁹ it frequently will be the case that at least one such version will be created on a computer in the United States as a preliminary step toward committing infringement elsewhere. Such RAM versions are considered “copies” or “phonorecords” if they subsist “for a period of more than transitory duration.”¹¹⁰ The reproduction right grants copyright owners the exclusive

¹⁰⁷ See, e.g., *Great-West Life & Annuity Ins. Co. v. Knudson*, 534 U.S. 204, 213 (2002) (restitution is sometimes a legal remedy, but it is an equitable remedy, “ordinarily in the form of a constructive trust ..., where money or property identified as belonging in good conscience to the plaintiff could clearly be traced to particular funds or property in the defendant’s possession.”); *id.* at 214 n.2 (“an accounting for profits [is] a form of equitable restitution If, for example, a plaintiff is entitled to a constructive trust on particular property held by the defendant, he may also recover profits produced by the defendant’s use of that property, even if he cannot identify a particular *res* containing the profits sought to be recovered.”).

¹⁰⁸ 17 U.S.C. § 504(b).

¹⁰⁹ See *Cartoon Network, L.P. v. CSC Holdings, Inc.*, 536 F.3d 121, 128 n.1 (2d Cir. 2008).

¹¹⁰ 17 U.S.C. § 101 (“‘Copies’ are material objects ... in which a work is fixed by any method now known or later developed”); *id.* (“A work is ‘fixed’ in a tangible medium of expression when its embodiment in a copy or phonorecord ... is sufficiently permanent or stable to permit it to be perceived, reproduced, or otherwise communicated for a period of more than transitory duration.”); see also *MAI Systems Corp. v. Peak Computer, Inc.*, 991 F.2d 511, 518 (9th Cir. 1993); *Stenograph LLC v. Bossard Assocs., Inc.*, 144 F.3d 96, 101-02 (D.C. Cir. 1998); cf. *Cartoon Network*, 536 F.3d at 127-29 (distinguishing *MAI* and holding that a stream of data embodied in RAM for no more than 1.2 seconds was only of “transitory duration”).

If the work is a sound recording, then the material object in which the work is fixed is considered to be a “phonorecord” instead of a “copy.” 17 U.S.C. § 101 (“Phonorecords’ are material objects in which sounds ... are fixed by any method now known or later developed”).

right “to reproduce the copyrighted work in copies or phonorecords.”¹¹¹ Thus, copying data into RAM is an infringement of the reproduction right; and under the “predicate act” doctrine, if one or more “RAM” copies are made in the United States, profits from the subsequent reproduction and use of such copies overseas may be recovered under U.S. law.¹¹² Recently, however, two Courts of Appeals have refused to extend U.S. law to foreign infringements where the only “predicate acts” alleged were downloading content *from* a computer based in the United States to a computer located in a foreign country, despite the possibility that temporary “RAM” copies were made in the United States in the course of such downloading.¹¹³

IV. Transmissions

Broadcast transmissions made in one country can often be received in another country (with or without the aid of retransmission).¹¹⁴ The Berne Convention requires countries to provide authors with “the exclusive right of authorising ... the broadcasting of their works or the communication thereof to the public by any other means of wireless diffusion of signs, sounds or images” and “any

¹¹¹ 17 U.S.C. § 106(1).

¹¹² *Cf. Elsevier, Ltd. v. Chitika, Inc.*, 826 F. Supp. 2d 398, 402-03 (D. Mass. 2011) (allegation that a citizen and resident of India uploaded infringing copies of plaintiff’s books in India that were downloaded in U.S. “does not constitute an act of direct infringement occurring entirely within the United States,” so predicate act doctrine did not apply; but declining to dismiss infringement claim because “factual issues involving the structure of the Internet and the locus of the infringing activity remain.”).

¹¹³ *See IMAPizza, LLC v. At Pizza, Ltd.*, 965 F.3d 871 (D.C. Cir. 2020) (alleged copycat restaurant did not violate U.S. Copyright Act because reproduction occurred entirely in the United Kingdom; allegation that copyrighted photographs were downloaded from servers located in the U.S. was not a domestic act of infringement, because “copies” were fixed on the receiving end); *Superama Corp. v. Tokyo Broadcasting System Television, Inc.*, 830 Fed. App’x 821 (9th Cir. 2020) (complaint alleging that Japanese defendant downloaded recording of a U.S. sumo tournament and broadcast it in Japan was properly dismissed; downloading does not occur where the material is stored, but where the downloader is located).

¹¹⁴ *Cf. 17 U.S.C. § 101* (“To ‘transmit’ a performance or display is to communicate it by any device or process whereby images or sounds are received beyond the place from which they are sent.”).

communication to the public by wire or by rebroadcasting of the broadcast of the work” by a different party.¹¹⁵ The United States, however, did not adopt this language; instead, it grants authors the exclusive right “to perform the copyrighted work publicly,”¹¹⁶ and it defines “publicly” to include four types of performances (arranged in two clauses):

(1) to perform or display [the work] 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.¹¹⁷

For purposes of the territoriality principle, the question becomes: does the resulting performance occur in the country from which the transmission originates, or the country in which the transmission is received, or both? As the cases below demonstrate, with one notable exception, U.S. courts have applied the law of the country in which the transmission is received.

In *Allarcom Pay Television, Ltd. v. General Instrument Corp.*,¹¹⁸ plaintiff had licensed the exclusive right to broadcast certain motion pictures in Western Canada, while Showtime had licensed the right to broadcast many of the same motion pictures in the United States. Showtime transmitted its programs by

¹¹⁵ Berne Convention, art. 11*bis*(1) & (2).

¹¹⁶ 17 U.S.C. § 106(4).

¹¹⁷ 17 U.S.C. § 101.

¹¹⁸ 69 F.3d 381 (9th Cir. 1995).

satellite to subscribers, but the “footprint” of the satellite also could be received in Canada. General Instrument made and sold hardware and software to scramble the transmission, and a decoder device to allow authorised subscribers to descramble the transmission. The complaint alleged that General sold “decoders in the U.S. and Canada in numbers far in excess of any authorised users and to people whom it knew or had reason to know were using the decoders for the purpose of receiving American [subscription] TV programming in Allarcom’s territory.”¹¹⁹ The amended complaint stated only state-law causes of action, and the defendants moved to dismiss on the ground that the action was pre-empted by Copyright Act.

The district court granted the motion, reasoning that the U.S. Copyright Act applied either “if part of an act of infringement begins in the United States, and is completed in a foreign jurisdiction, or if a person in the United States authorises an infringement that takes place in a foreign jurisdiction.”¹²⁰ The Ninth Circuit explained that in *Subafilms*, “[w]e held that in order for U.S. copyright law to apply, at least one alleged infringement must be completed entirely within the United States, and that mere authorisation of extraterritorial infringement was not a completed act of infringement in the United States.”¹²¹ It then summarily reversed, saying:

In this case, defendants either initiated a potential infringement in the United States by broadcasting the Showtime signal, which contained copyrighted material, or defendants authorised people in Canada to engage in infringement. In either case, the potential infringement was

¹¹⁹ *Id.* at 384.

¹²⁰ *Id.* at 387.

¹²¹ *Id.*

only completed in Canada once the signal was received and viewed. Accordingly, U.S. copyright law did not apply, and therefore did not pre-empt Allarcom's state law claims.¹²²

It should be noted, however, that Showtime was *authorised* to transmit the copyrighted material in the United States, so the transmission itself could not be infringing. The only possible basis for liability was contributory infringement in selling decoder boxes, and both the sales and the use of those boxes (and therefore the viewing) took place in Canada. Thus, the court was correct in holding that U.S. law did not apply. It is far from clear, however, that the court meant to preclude application of U.S. law to *unauthorised* transmissions containing copyrighted material originating in the United States.

The Second Circuit reached the opposite result in *National Football League v. PrimeTime 24 Joint Venture*, in which PrimeTime held a statutory license to retransmit network programming of NFL games by satellite to "subscribers in United States households that do not have adequate over-the-air broadcast reception from primary television stations, *i.e.*, 'unserved' households."¹²³ PrimeTime, however, also retransmitted the games to subscribers in Canada.¹²⁴ The question was whether doing so violated any provision of U.S. copyright law. The Second Circuit affirmed the trial court ruling that PrimeTime's transmission from the United States to the satellite was itself a public performance:

¹²² *Id.*

¹²³ 211 F.3d 10, 11 (2d Cir. 2000). *See* 17 U.S.C. § 119(a)(2)(B) (authorizing "secondary transmissions to unserved households"); § 119(d)(10) (defining "unserved household").

¹²⁴ Again, the single retransmission originated from the United States, but the signal could be received in Canada, so one assumes PrimeTime made the games available to Canadian subscribers by selling or renting satellite dishes and decoder boxes to those subscribers.

We believe the most logical interpretation of the Copyright Act is to hold that a public performance or display includes each step in the process by which a protected work wends its way to its audience. Under that analysis, it is clear that PrimeTime’s uplink transmission of signals captured in the United States is a step in the process by which NFL’s protected work wends its way to a public audience. In short, PrimeTime publicly displayed or performed material in which the NFL owns the copyright. Because PrimeTime did not have authorization to make such a public performance, PrimeTime infringed the NFL’s copyright.¹²⁵

This holding is problematic, because PrimeTime’s retransmission ostensibly *was* authorised pursuant to a statutory license.¹²⁶ The court should have analysed the case as one of contributory infringement: PrimeTime contributed to an infringement in Canada by selling or renting satellite dishes and decoder boxes to subscribers in Canada. If one analyses the case this way, it is clear that the action should have been resolved under Canadian law, not under U.S. law.

This analysis becomes even clearer when we consider the converse of the situations in *Allarcom* and *PrimeTime 24*. In *Los Angeles News Service v. Conus Communications Co.*, defendant Canadian Broadcasting Corporation (“CBC”) allegedly broadcast plaintiff’s news footage in Canada without

¹²⁵ 211 F.3d at 13.

¹²⁶ Patry nonetheless approves of the holding, on the ground that a single transmission can be “simultaneously infringing and non-infringing,” depending on the content and the viewer. PATRY ON COPYRIGHT §25:98. While the statute and legislative history indicates that Congress did intend for intermediate transmissions to be treated as public performances, H.R. Rep. 94-1476, at 63-64 (1976), there is no indication that Congress intended to regulate such performances when the “public” that received them was located outside the United States.

authorisation.¹²⁷ Its broadcast transmissions were received in border areas of the United States.¹²⁸ The district court denied CBC's motion to dismiss, holding that if the footage was broadcast without authorisation, "an act of infringement was committed within the United States when the Canadian transmission was received and viewed here."¹²⁹ Likewise, in *Twentieth Century Fox Film Corp. v. iCraveTV*, defendants in Canada received broadcast transmissions from the United States, "converted these television signals into computerised data and streamed them over the Internet from a website called iCraveTV.com."¹³⁰ As in *Conus*, the court held that "although the streaming of the plaintiffs' programming originated in Canada, acts of infringement were committed within the United States when United States citizens received and viewed defendants' streaming of the copyrighted materials."¹³¹ In both cases, as in *Allarcom*, it was the place where the transmissions were received that was determinative.¹³²

¹²⁷ 969 F. Supp. 579, 582 (C.D. Cal. 1997).

¹²⁸ *Id.* There was evidence that in 1992–1993, "an average of 7,814 households in the United States received CBC's broadcast signal and actually watched CBC." *Id.*

¹²⁹ *Id.* at 584; *see also id.* at 583 ("Plaintiffs claim direct acts of infringement—not merely authorization—by the display of Plaintiffs' copyrighted works on American television sets.").

In holding so, the district court relied on its own prior opinion in *Los Angeles News Service v. Reuters Television Int'l, Ltd.*, 942 F. Supp. 1265, 1269 (C.D. Cal. 1996), which was later reversed and remanded by the Ninth Circuit based on the "predicate act" of infringement doctrine. 149 F.3d 987 (9th Cir. 1998). If the defendants in *Reuters* had transmitted the works overseas *without* having made videotape copies or unauthorized transmissions in the United States, then presumably the Ninth Circuit would have followed *Allarcom* and found no liability.

¹³⁰ 53 U.S.P.Q.2d 1831, 1832 (W.D. Pa. 2000).

¹³¹ *Id.* at 1835.

¹³² One could distinguish the two cases, however, on the ground that in *iCraveTV*, there was good evidence that the defendant was "targeting" the United States; whereas in *Conus*, the CBC credibly alleged that "any allegedly infringing activity in the United States was unintended and unavoidable." 969 F. Supp. at 584. Because the complaint in *Conus* alleged direct infringement, however, rather than contributory infringement, the court held that intent was immaterial. *Id.*

The D.C. Circuit reached the same conclusion in *Spanski Enterprises, Inc. v. Telewizja Polska, S.A.*¹³³ Defendant TVP, the Polish national television broadcaster and the author of the 51 programs at issue, posted its own programs on its own website in Poland on a video-on-demand basis. TVP had granted Spanski, a Canadian corporation, an exclusive license to perform its programs in North and South America. Pursuant to an earlier settlement agreement between the parties, TVP was required to use “geo-blocking” to prevent the programs on its Polish website from being viewed by viewers in North and South America.¹³⁴ Spanski discovered, however, that at least 51 programs were available and could be viewed in the United States and Canada. Spanski sued, and the district court found that TVP employees had *intentionally* disabled the geo-blocking on those programs.¹³⁵ The D.C. Circuit affirmed the trial court’s ruling that TVP was “performing” the videos by transmitting them into the United States.¹³⁶ TVP protested strenuously that it could not be held liable under U.S. law because it had acted only in Poland. The court disagreed:

Here, although it was in Poland that TV Polska uploaded and digitally formatted the fifty-one episodes, the infringing performances—and consequent violation of Spanski’s copyrights—occurred on the computer screens in the United States on which the episodes’ images were shown. Accordingly, because the conduct relevant to the statute’s focus occurred in the United States, this case involves a

¹³³ 883 F.3d 904 (D.C. Cir. 2018).

¹³⁴ *Id.* at 907.

¹³⁵ *Id.* at 908.

¹³⁶ *Id.* at 910. In holding so, the court relied on *American Broadcasting Cos. v. Aereo, Inc.*, 573 U.S. 431, 441 (2014), which held, in the context of unauthorized Internet retransmissions, that “*both* the broadcaster *and* the viewer of a television program ‘perform,’ because they both show the program’s images and make audible the program’s sounds.”

permissible domestic application of the Copyright Act, even if other conduct occurred abroad.¹³⁷

The court also rejected TVP's argument that the ruling would leave every Internet user in the world subject to liability in the United States, noting that many such users would not be subject to personal jurisdiction here.¹³⁸ Relying on the finding that TVP had *intentionally* disabled the geo-blocking in order to allow its programs to be viewed in the United States, it held that "where a foreign broadcaster uploads copyrighted content to its website and directs that content onto a computer screen in the United States at a user's request, the broadcaster commits an actionable domestic violation of the Copyright Act."¹³⁹ Other courts have agreed.¹⁴⁰

Applying the law of the country in which the broadcast or transmission is received has one serious drawback: it subjects the broadcaster or transmitting party to the law of multiple jurisdictions. That means the broadcaster or transmitting party must employ scrambling or geo-blocking or take other reasonable efforts to prevent content that may lawfully be performed in one jurisdiction from being received in a jurisdiction where such performance is

¹³⁷ *Spanski*, 883 F.3d at 914 (internal quotes and citations omitted).

¹³⁸ *Id.* at 915-16.

¹³⁹ *Id.* at 918; *see also id.* at 916 ("we need hold only that a foreign broadcaster that, as here, *directs* infringing performances into the United States from abroad commits a domestic violation of the Copyright Act.) (emphasis added).

¹⁴⁰ *See, e.g.,* *Crunchyroll, Inc. v. Pledge*, 2014 WL 1347492, at *17 (N.D. Cal. Mar. 31, 2014) (defendant that uploaded copyrighted works to YouTube from the United Kingdom, which "were then made available for viewing around the world, including in the United States," was liable because conduct was not "wholly extraterritorial"); *Shropshire v. Canning*, 809 F. Supp. 2d 1139, 1145-46 (N.D. Cal. 2011) (although defendant created allegedly infringing video entirely in Canada, he "allegedly uploaded it to YouTube's California servers for display in the United States," which led "to the subsequent viewing of the video by potentially thousands in the United States."); *United Feature Syndicate, Inc. v. Miller Features Syndicate, Inc.*, 216 F. Supp. 2d 198, 225 (S.D.N.Y. 2002) (rejecting Canadian licensee's extraterritoriality defense because allegedly infringing material was accessible from computers within the United States).

unlawful. But the alternative is a “least common denominator” world in which the country from which the content is uploaded can impose its standards on other countries where the transmission can be received, even if the content has not been licensed in those other countries. An acceptable intermediate position is to apply the law of the country where the broadcast or transmission is received so long as the transmitting party has “targeted” that country in some meaningful way (for example, by seeking or accepting subscribers in that country), so that it is on notice that it will be subject to the laws of that country.

CONCLUSION

Despite the nominal rule that U.S. copyright law is not “extraterritorial,” courts in the United States have applied U.S. copyright law to a wide range of multi-territorial infringement claims. Both importation and exportation of infringing copies or phonorecords of works are prohibited by statute, and the distribution right has been interpreted broadly to apply to a foreign seller who ships infringing goods into the United States. Acts in another country that contribute to infringement in the United States have been held actionable under U.S. law. Although mere “authorisation” in the United States that contributes to infringement occurring entirely in another country is not actionable, if there is a “predicate act” of infringement in the United States, courts are willing to award the defendant’s profits resulting from that infringement, even if those profits were earned overseas. And although courts are split over whether transmissions originating in the United States must be received here to be actionable, courts agree that transmissions originating outside the United States that are received here are actionable under U.S. law, at least where the defendant intentionally “targeted” those transmissions at the United States in some way. Taken together, these doctrines afford copyright owners a wide range of options for applying U.S. copyright law to multi-territorial infringement claims.

The United States has a strong interest in regulating conduct that results in a direct infringement within the territory of the United States. Such claims, however, should be analysed as claims of contributory infringement, a doctrine which requires knowledge of the infringing conduct, so that a foreign party is not subject to liability without knowledge that its conduct will be judged under U.S. law. Conversely, conduct within the United States that results in a direct infringement in a foreign country ought to be judged by the standards of the foreign country's laws, at least in cases like *Subafilms*, where the domestic actor has knowledge that its actions will lead to foreign distribution. A proper respect for international comity, therefore, suggests that the United States should eliminate, or drastically limit, the "predicate act" doctrine. Doing so would not necessarily eliminate the possibility of having the case resolved in a single forum, but it would help ensure that the interests of other countries are taken into account when U.S. courts adjudicate multi-territorial infringement claims.