Copyright Law Revision and the Kewanee Preemption Issue: Is There a Doctrine in the House

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The Copyright Act of 1909 is one of a small group of hoary federal statutes about which it can be said that the more things change the more the law remains the same. Senate Bill 22, the proposed general revision of the United States copyright law, will effect sweeping reform of the federal system of copyright protection by abolishing the present duality of federal statutory and state common law protection. This reform will

1. "The purpose of the proposed legislation, as amended, is to provide in Title I for a general revision of the United States Copyright Law, title 17 of the United States Code..." S. Rep. No. 94-473, 94th Cong., 1st Sess. 47 (1975) [hereinafter cited as THE REPORT]. The companion bill to S. 22 is H.R. 2223. Since the Senate passed S. 22 in February, 1976, (see note 19 infra) the question which remains is whether or not the House will be able to integrate S. 22 into its own version of copyright revision (see note 23 infra).

The author is indebted to Professor Paul Goldstein of the Stanford Law School for his kind encouragement.

2. Federal protection is available for published works which have complied with the statutory requirements of the Copyright Act, 17 U.S.C. § 1 et seq. (1970). Unpublished works are granted protection under section 2 of the Copyright Act. The touchstone of protection is the persistently troublesome concept known as "publication."

Generally, when compliance with statutory formalities has not been undertaken, or has been faulty, publication serves to thrust a work into the public domain, and is termed in such instances "divestiture publication." M. Nimmer, Nimmer on Copyright, § 46 (1975) [hereinafter cited as Nimmer]. When divestiture publication occurs, all protection for a work is lost, since only unpublished works can be accorded state protection and no federal protection is available where there is procedural non-compliance. Conversely, publication which is made after compliance with the Copyright Act is termed "investiture publication." Id.

One primary result of investiture publication is that the copyright exists only for a limited time—at most two 28 year terms, under 17 U.S.C. § 24. This is in accord with the constitutional mandate of the Copyright Clause (U.S. Const. Art. I, § 8) that protection be secured for "limited Times." Common law copyright imposes no such limitations of time. See B. Kaplan, An Unhurried View of Copyright (1967); Chafee, Reflections on the Law of Copyrights (pts. I-II), 45 Colum. L. Rev. 503, 719 (1945).

Tremendous controversy has raged however since the very first copyright statute (8 Anne c. 19, (1710)) over what publication is and what it should be. Nimmer notes: "The relevant decisions indicate that publication occurs when by consent of the copyright owner, the original or tangible copies of a work are sold, leased, loaned, given away, or otherwise made available to the general public..." Nimmer, supra § 49 (footnotes omitted) (emphasis in original). Other commentators disagree with the "tangible thing" test, and argue that a performance, in which a work is disseminated but copies of it not received by the audience, should constitute publication. Kaplan, Publication in Copyright Law: The Question of Phonograph Records, 103 U. Pa. L. Rev. 469 (1955); Selvin, Should Performance Dedicate?, 42 Calif. L. Rev. 40 (1954).

The effort in S. 22 to abolish common law copyright and rid the system of the
be accomplished through section 301, one of the "bedrock" provisions of the bill, which preempts all state rights equivalent to enumerated federal rights.\(^3\) While section 301 certainly was motivated by a need to end the present chaotic system, arguably it also represents a legislative response to the constitutional dictates manifested in decisions of the United States Supreme Court in the preemption area.\(^4\)

In *Kewanee Oil Co. v. Bicron Corp.*,\(^5\) the Supreme Court laid down a new test for preemption, declaring that state law was preserved only if it neither conflicted with nor hampered federal policy.\(^6\) The Court's decision in *Kewanee* momentarily cleared water long made murky by its decisions in *Sears, Roebuck & Co. v. Stiffel Co.*,\(^7\) *Compco Corp. v. Day-Brite Lighting, Inc.*,\(^8\) and *Goldstein v. California*.\(^9\)

unworkable publication concept is a direct reflection of the controversy above. The Report, *supra* note 1, at 113 states:

"Publication," perhaps the most important single concept under the present law, also represents its most serious defect. Although at one time, when works were disseminated almost exclusively through printed copies, "publication" could serve as a practical dividing line between common law and statutory protection, this is no longer true. With the development of the 20th-century communications revolution, the concept of publication has become increasingly artificial and obscure. To cope with the legal consequences of an established concept that has lost much of its meaning and justification, the courts have given "publication" a number of diverse interpretations, some of them radically different. Not unexpectedly, the results in individual cases have become unpredictable and often unfair.

A single federal system would help clear up this chaotic situation.


3. S. 22, 94th Cong., 1st Sess. § 301 provides in relevant part:

(a) On and after January 1, 1977, all legal or equitable rights that are equivalent to any of the exclusive rights within the general scope of copyright as specified by section 106 in works of authorship . . . are governed exclusively by this title.

The Report, *supra* note 1, at 112-13, indicates: "Section 301, one of the bedrock provisions of the bill, would accomplish a fundamental and significant change in the present law . . . . Common law copyright protection for works coming within the scope of the statute would be abrogated . . . ."

4. "Its [section 301] purpose is to make clear, consistent with the 1963 [sic] Supreme Court decisions in *Sears, Roebuck & Co. v. Stiffel Co.* . . . and *Compco Corp. v. Day-Brite Lighting, Inc.* . . . that preemption does not extend to causes of action, or subject matter outside the scope of the revised Federal copyright statute."

The Report, *supra* note 1, at 115. See also notes 5-9 and accompanying text infra.


6. Id. at 479.


This comment analyzes section 301 of Senate Bill 22, the Sears-Compco doctrine, and the relationship between the test for preemption established by section 301 and that established by the Supreme Court. It proposes a method of analysis to determine the constitutionality of the new act, and it is useful because it suggests a method of predicting what state law will be preempted by the proposed revision.

**SENATE BILL 22: “THE BEDROCK PROVISION”**

**Legislative History**

Copyright reform is hardly a new concept. Since its enactment in 1909, substantial efforts have been made to bring the Copyright Act into conformity with a rapidly changing society. The first serious efforts toward a general revision began in 1955 when reports on revision were solicited by Congress from the Copyright Office of the Library of Congress. From 1955 to 1961, several studies were completed in accord with the congressional request. In 1964, following lengthy discussion on the studies and the form of the revision bill, Senate Bill 3008 was introduced in the Congress. No action was taken on this bill, and similar measures introduced in 1965, 1966, and 1967 encountered difficulties sufficient to prevent their passage. Although in 1967 the House passed H.R. 2512, a bill substantially similar to previous legislation, later substantive problems interfered with the concurrence of both houses in legislative attempts during the 1967-75 period. Primarily, Congress was concerned with the issues of cable television (CATV), computer storage systems, sound recordings, and mechanical reprography systems.

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11. Id., Forword at III.
13. The Report, supra note 1, at 47.
14. Id. at 47-48.
15. Id. at 48-49.
16. It can generally be said that these issues cause problems because their technological development is outside the original conceptual framework of the 1909 Copyright Act. See generally Fortnightly Corp. v. United Artists Television, Inc., 392 U.S.
While some of these issues were resolved, by 1975 Congress had yet to deal successfully with the computer and photocopying problem, and so established in the Library of Congress a National Commission on New Technological Uses of Copyrighted Works. This commission was charged with the task of advising the President on possible solutions to these persistent problems. The report of the commission is due sometime in 1976.

One might ask then, at the outset, what chance Senate Bill 22 has of passing in 1976 or 1977, and if it does pass, what its form will be.

First, the bill probably will not pass until the Congress receives the report of the commission. If, however, that report is received in 1976 and provides a workable solution either presently embodied in Senate Bill 22 or capable of being easily added thereto, then the likelihood of prompt action is strong. Senate Bill 22 is nearly identical to Senate Bill 1361, which the Senate passed in 1974, and which may have been neglected by the House primarily because not enough time was available for consideration.

Whether or not Senate Bill 22 passes in 1976, or even in 1977, section 301 will almost certainly be included within the bill in essentially its present form. Section 301 represents, in its substitution of a single federal system for the present dual system, a general agreement of legislators, and of the studies

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18. Id. at § 206 (a).
19. To a certain extent, any discussion of the enactment of S. 22, like any other pending legislation, is merely speculative. Indeed, few legislative efforts have generated more talk and less action than the general revision of the copyright law. In spite of this, some factors lend credence to the premise that S. 22 is on the verge of enactment. First, the United States Senate passed S. 22 on February 19, 1976. 122 Cong. Rec. 22 (daily ed. Feb. 19, 1976). The Bill is now before the House of Representatives. Second, the House must be cognizant of the pressing need for copyright reform. Third, the House bill, H.R. 2223, is nearly identical to S. 22, and the inference can be made that House passage will be the last hurdle, since few problems will probably remain for both House and Senate concurrence.
20. The report of the commission is due sometime in 1976. See text accompanying note 18 supra.
21. The REPORT, supra note 1, at 49.
22. Id.
23. Section 301 of H.R. 2223 (the companion bill to S. 22) as set forth below differs primarily in its greater clarity of language and in several substantive limits on state remedies—notably that of misappropriation. Its thrust, to establish a single federal system, is similar.
and commentaries upon which they relied. The single federal system would effectively carry out the constitutional mandate and at the same time terminate an intolerably chaotic system. The desire for the single system and the realization by Congress that section 301 offers a convenient means of implementing that desire, assure it a place in future bills.

Breaking Apart the Bedrock: The Structure of Section 106

Although the thrust of section 301 is clear—to preempt

(a) On and after January 1, 1977, all rights in the nature of copyright in works that come within the subject matter of copyright as specified by sections 102 and 103, whether created before or after that date and whether published or unpublished, are governed exclusively by this title. Thereafter, no person is entitled to copyright, literary property rights, or any equivalent legal or equitable right in any such work under the common law or statutes of any state.

(b) Nothing in this title annuls or limits any rights or remedies under the common law or statutes of any state with respect to:

(1) unpublished material that does not come within the subject matter of copyright as specified by sections 102 and 103, including works of authorship not fixed in any tangible medium of expression;

(2) any cause of action arising from undertaking commenced before January 1, 1977;

(3) activities violating rights that are not equivalent to any of the exclusive rights within the general scope of copyright as specified by section 106, including breaches of contract, breaches of trust, invasion of privacy, defamation, and deceptive trade practices such as passing off and false representation.

H.R. 2223, 94th Cong., 1st Sess. § 301 (1975).


25. "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." U.S. Const. art. I, § 8.

26. S. 22, 94th Cong., 1st Sess. § 301 provides in relevant part:

(a) On and after January 1, 1977, all legal or equitable rights that are equivalent to any of the exclusive rights within the general scope of copyright as specified by section 106 in works of authorship that are fixed in a tangible medium of expression and come within the subject matter of copyright as specified by sections 102 and 103, whether created before or after that date and whether published or unpublished, are governed exclusively by this title. Thereafter, no person is entitled to any such right or equivalent right in any such work under the common law or statutes of any State.

(b) Nothing in this title annuls or limits any rights or remedies under the common law or statutes of any State with respect to:

(1) subject matter that does not come within the subject matter
common law protection and establish a single federal scheme—the inconsistency of language in its provisions evidences that section 301 is attempting to perform two possibly inconsistent tasks simultaneously. 27

For example, section 301(a) provides:

[No person is entitled to any such right or equivalent right [common law rights or their equivalent] in any such work [published or unpublished] under the common law or statutes of any state.

But section 301(b) provides:

Nothing in this title annuls or limits any rights or remedies under the common law or statutes of any states with respect to:

(3) activities violating legal or equitable rights that are not equivalent to any of the exclusive rights within the general scope of copyright as specified by section 106, including rights against misappropriation not equivalent to any of such exclusive rights, breaches of contract, breaches of trust, trespass, conversion, invasion of privacy, defamation, and deception [sic] trade practices such as passing off and false representation . . . . 28

Several observations can be made from parsing the language of the sections. First, preemption is made to depend upon equivalency, a standard that is immensely difficult to determine. Second, it is unclear upon what rationale the statute proceeds, affirmative ordering of a federal system or negative preemption of state rights. Notwithstanding the exacti-

27. See note 26 supra. The argument could, of course, be made that preservation and preemption are inseparable, but nevertheless, the clumsy drafting in 301 bears criticizing.

tude with which the legislature has purported to express its intent, troubling inconsistencies persist both in the underlying structure and on the face of the statute.

Section 301 not only attempts to establish the single system and preemption notions, but also seeks to predicate them on the Sears-Compco line of cases.

Its purpose is to make clear, consistent with the 1964 Supreme Court decisions in Sears, Roebuck & Co. v. Stiffel Co., and Compco Corp. v. Day-Brite Lighting, Inc. that preemption does not extend to causes of action, or subject matter outside the scope of the revised Federal Copyright Statute.30

Thus, the structure of section 301 reveals at least two main objectives: single system protection and preemption. In turn, preemption is explicitly structured to accord with the decisions of the Supreme Court.

The relation of publication to the present dual system has been noted, but the structure of section 301 necessitates further discussion of the public domain issue involved therein. It can generally be said that material for which no protection is given, either federal or state, ends up in the public domain. That is, the public has free access to, and use of, the material in question. In addition, for purposes of the present discussion, the public domain might be thought of as an area in which works are placed before they are afforded protection.

Section 301 attempts to clarify the protection available for various classes of material by explicitly delineating the standards necessary for protection.32 Specifically, the single system

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29. "The declaration of this principle [preemption] in section 301 is intended to be stated in the clearest and most unequivocal language possible, so as to foreclose any possible misinterpretation of its unqualified intention that Congress shall act preemptively, and to avoid the development of any vague borderline areas between State and Federal protection." THE REPORT, supra note 1, at 114.

30. THE REPORT, supra note 1, at 115 (citations omitted).

31. See note 2 supra.

32. Section 301 accomplishes this admirable goal in at least two ways. First, greater protection is available because the instances of divestiture publication in which a work is unwillingly thrust into the public domain will no longer plague the unwary copyright holder; statutory protection adheres at the moment of creation. Thus, protection no longer depends on technical, vague, and inconsistent judicial doctrines, but rather upon the explicit statutory language. This is particularly well illustrated when the preemption and single system ideas in section 301 are compared with the notice provisions in sections 401, 405, and 406 of S.22. The general effect of these provisions is to require the familiar signals of copyright protection (i.e., section 401 (b) (1) re-
rationale rids the copyright law of the “present anachronistic, uncertain, impractical and highly complicated dual system.”

If, then, Senate Bill 22 attempts to establish the single system, preempt any common law copyright not equivalent to federal rights, and comport with the Supreme Court decisions, the questions for analysis focus on the effectiveness of that attempt. More narrowly, how effective is the preemption language, what state law is preserved (that is, what rights conferred by state law are not equivalent), and does the section 301 test meet the constitutional test established by the Sears-Compco line of cases? In order to answer these questions, one must first turn to the exclusive rights withheld by the federal law, as set forth in section 106 of Senate Bill 22.

Support for the Bedrock: The Structure of Section 106

Section 106 plays a highly important role in Senate Bill 22 because when read with section 301, it provides the checklist of exclusive rights. That is, section 301 states that rights equiv-
alent to the specified rights in section 106 are preempted. Of paramount importance, then, are two considerations: what the section 106 rights actually are, and to what rights they are "equivalent."

Section 106 lists the "five fundamental rights that the bill gives to copyright owners—the exclusive rights of reproduction, adaptation, publication, performance and display." The legislative comment notes that the first three clauses of section 106 "can generally be characterized as rights of copying, recording, adaptation and publishing." Additionally, it explicates the remaining two sections in relevant part as follows:

[T]he right of public performance under section 106(4) extends to "literary, musical, dramatic, and choreographic works, pantomimes, and motion pictures and other audiovisual works and sound recordings . . . ."

Clause (5) of section 106 represents the first explicit statutory recognition in American Copyright Law of an exclusive right to show a copyrighted work, or an image of it, to the public.

Further interpretation of the rights provided by section 106 is supplied in the general definitional section of the act (section 101), and by the case law decisions in the various areas.

Assuming that a reasonably clear understanding of the 106 rights can be gleaned, there remains the question of what rights are equivalent to those explicitly mentioned in the statute. The answer to that question begins with an analysis of the decisions of the Supreme Court in this area, continues with several possible tests for equivalency, and concludes with an examination of the interplay among sections 301, 106, and the Supreme Court decisions.

35. Section 301(a) states: "All legal or equitable rights that are equivalent to any of the exclusive rights within the general scope of copyright as specified by section 106 . . . are governed exclusively by this title." S.22, 94th Cong., 1st Sess. § 301(a) (1974).
36. The Report, supra note 1, at 57.
37. Id. at 59.
38. Id. at 59.
39. Section 101 defines many of the terms and actions involved in the present law and new act. Id. at 2.
40. The most comprehensive compilation of cases in virtually all areas of copyright law is found in Nimmer, supra note 2. This treatise supplies the major decisions and provides a sophisticated, if occasionally controversial, explication of them.
THE SUPREME COURT AND PREEMPTION: RECONCILING THE IRRECONCILABLE

The Cases: Sears and Compco

In 1956 the Stiffel Company came upon the idea of a "pole lamp," or free-standing lighting fixture gaining its support from floor and ceiling and providing light at various points along its length. America took pole lamps to its heart. Indeed, their success was so great that Sears, Roebuck & Co. was inspired to bring their own similar version of pole lamps to homes throughout the country. Since the Sears lamps were considerably less expensive than the innovative Stiffel lamps, Stiffel brought suit, alleging that Sears had infringed its patent, or, alternatively, had engaged in unfair competition under Illinois law. The district court invalidated Stiffel's patents for want of invention, but nonetheless found Sears guilty of unfair competition. The Court of Appeals for the Seventh Circuit affirmed, and the Supreme Court considered the question of the co-extensivity of federal patent and state unfair competition law and reversed the court of appeals in Sears, Roebuck & Co. v. Stiffel Co.

Similarly, Day-Brite Lighting, Inc. secured a patent in 1955 for its fluorescent lighting fixtures, and subsequently sought to enjoin Compco Corporation from manufacturing like fixtures. Day-Brite based its claims on its patent and on unfair competition, but in Compco Corp. v. Day-Brite Lighting, Inc. it succeeded only on the latter claim. The decision of the Supreme Court in Compco, when read with its companion case Sears, established what has generally become known as the Sears-Compco preemption doctrine.

42. Invention, or as it is sometimes called, nonobviousness, is defined in 35 U.S.C. § 103 (1970):
   A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which invention was made.
43. 376 U.S. at 226.
44. 313 F.2d 115 (7th Cir. 1963).
45. 376 U.S. 225 at 233.
46. 376 U.S. 234, at 234-36.
The Sears-Compco doctrine mandates:

The patent system is one in which uniform federal standards are carefully used to promote invention while at the same time preserving free competition. Obviously a State could not, consistently with the Supremacy Clause of the Constitution, extend the life of a patent . . . on an article which lacked the level of invention required for federal patents. To do either would run counter to the policy of Congress of granting patents only to true inventions, and then only for a limited time. Just as a State cannot encroach upon the federal patent laws directly, it cannot, under some other law, such as that forbidding unfair competition, give protection of a kind that clashes with the objectives of the federal patent laws.47

The Sears-Compco doctrine, simply stated and as interpreted by the commentators,48 is that state law may not protect what is not protectable under the federal law, since this would conflict with the federal purpose.49 In Goldstein v. California,50 the court reconsidered this broad preemptive mandate.51

The unauthorized or illegal duplication of tape recordings and records had apparently provided a living for Mr. Goldstein, until the state of California decided to prosecute him for violation of section 653h of the California Penal Code—the “tape piracy” act.52 Relying, as well he might, on Sears and Compco,

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47. 376 U.S. at 230-31 (footnotes omitted).
49. For a discussion of the constitutional considerations raised by preemption, see note 137 infra.
51. The practical effects of Sears-Compco, particularly in the copyright area, had less impact than was foreseen, especially by the critics of those decisions. On its face, the Sears-Compco doctrine could be read as preempting the vast majority of state laws in the patents area, but the empirical evidence of the limits of the preemption doctrine is the continued vitality of many state remedies.
52. Section 653h provides in relevant part:
   (a) Every person is guilty of a misdemeanor who:
      (1) Knowingly and willfully transfers or causes to be transferred any sounds recorded on a phonograph record, . . . tape . . . or
Mr. Goldstein promptly argued that the California statute was unconstitutional. This argument was based on the allegation that the California statute established copyright protection (albeit extremely narrow) for an unlimited time, in direct contravention of the constitutional policy evident in the federal statute. Additionally, it was argued that copyright functions to establish a national standard, clearly expressed by the prohibition on copying those things explicitly protected by the federal scheme, the inference being that no such protection existed for materials not explicitly mentioned, and that a state law prohibiting copying of materials not mentioned by federal law is conflicting. In short, Goldstein argued that materials not protectable under the federal law could not be granted protection by the states.

The Supreme Court disagreed. Premising its opinion first on the issue of national interest, and second on the limited time argument, the Court concluded that California retained the power to issue copyrights. This conclusion then led to a consideration of the claim that Sears and Compco patently invalidated the California law. The Court finessed the problem

other article on which sounds are recorded, with intent to sell or cause to be sold, . . . such article on which such sounds are so transferred, without the consent of the owner.

CAL. PEN. CODE § 653h (West 1964).

53. 412 U.S. at 550. For a detailed analysis of the tape piracy industry, see Note, Piracy on Records, 5 STAN. L. REV. 433 (1953).

54. Id. at 551. See note 2 supra.

55. Id. at 552.

56. Cf. 376 U.S. at 231.

57. 412 U.S. at 552.

58. Nimmer has criticized the conclusion reached by the Court that there is no national interest powerful enough to preclude state protection. The argument that such a national interest exists is premised upon the reality of a national, uniform, market for items such as novels and motion pictures—a reality that the provincial ideal of the Court ignores. NIMMER, supra note 2, § 1.1. It is interesting to note that the same provincial yearning expressed in Goldstein was also expressed in Miller v. California, 413 U.S. 15 (1973), the obscenity case in which the “national contemporary community standard” for obscenity was replaced by local standards, and which was decided shortly before Goldstein.

59. The petitioners in Goldstein contended that California established a state-law copyright of unlimited duration, in conflict with the Copyright Clause, (U.S. CONST. art I, § 8). 412 U.S. at 551. The Court disposed of the argument by holding that the constitutional mandate that protection be secured only for limited times was applicable only to federal law, and that because state law would necessarily be effective only within the borders of the state, the effect of unlimited state protection was justifiable both constitutionally and in practice. 412 U.S. at 560-61.

60. Id. at 561.
of distinguishing the Sears-Compco doctrine by holding that the balance of interests necessitating exclusive federal control in the patent area was inapplicable to sound recordings, and by inference, to copyrights.61

If Goldstein weakened the preemptive mandate announced in Sears and Compco,62 the latest judicial comment, Kewanee Oil Co. v. Bicron Corp.63 may have relegated it to the intensive care ward.64

Kewanee involved Ohio's trade secret laws.65 Kewanee's Harshaw division developed over a period of some 17 years, a process by which crystals were grown and used to detect ionizing radiation.66 The development had been costly, and in an effort to protect the process, Kewanee required its employees to promise not to disclose the information.67 The scent of more exciting and possibly more lucrative rewards, however, lured several Harshaw employees to form Bicron Corp. Bicron, organized to produce similar crystals, began production of them

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61. The Court was faced with reconciling its decisions in Sears and Compco with the direct attack made by the petitioner. The petitioner's argument was that Sears-Compco conclusively prohibited state protection for items to which federal law did not speak. Since sound recordings were not writings under 17 U.S.C. § 4, the petitioners asserted that federal law did not protect such mechanical reproductions. 412 U.S. at 567-68.


64. A certain amount of disagreement about Kewanee's impact exists among the commentators. One author has noted that Kewanee's effect has heretofore been "unheralded." Goldstein, Kewanee Oil Co. v. Bicron Corp.: Notes on a Closing Circle, 1974 Sup. Ct. Rev. 81, 82 n.6 (1974) [hereinafter cited as Goldstein, Kewanee Oil]. Nimmer relegated Kewanee to footnote status. Nimmer, supra note 2, § 1.2 n.7.31-1. Nimmer also notes, however, "Whatever vitality which might have remained in the Sears-Compco doctrine... may well be completely obliterated by... Kewanee..."

65. Trade secret law is described more fully in text accompanying note 110 infra.

66. 416 U.S. at 473.

67. Id.
seven months after its creation. Kewanee brought suit to enjoin and to recover damages for misappropriation of trade secrets. Kewanee prevailed in the district court, but the Court of Appeals for the Sixth Circuit found that Ohio’s trade secret laws had been preempted, and reversed. The Supreme Court reversed the decision of the court of appeals.

The importance of Kewanee is that the facts required the Court directly to consider the Sears-Compco doctrine. Since Goldstein dealt with copyright, the Court easily distinguished Sears-Compco on the ground that patents and copyrights required a different balance of interests. In Kewanee, patent law was involved, forcing the Court into a direct confrontation with its earlier handiwork in Sears-Compco.

The Court was faced with the task of identifying the preemption policy objectives, noted in Goldstein and from them, determining on a policy basis the conflicting interests. The Court concluded:

Trade secret law and patent law have existed in this country for over one hundred years. Each has its own particular role to play, and the operation of one does not take away from the need for the other. Trade secret law encourages the development and exploitation of those items of lesser or different invention than might be accorded protection under the patent laws, but which items still have an important part to play in the technological and scientific advancement of the nation. Trade secret law promotes the sharing of knowledge, and the efficient operation of industry; it permits the individual inventor to reap the rewards of his labor by contracting with a company large enough to develop and exploit it.

68. Id.
69. Id.
70. Id.
71. Id. at 474.
72. Id. at 493.
73. One fundamental difference existed between the materials in Kewanee and those in Sears-Compco. In Kewanee, the crystals were patentable; that is, federal protection was lost only on procedural grounds. In Sears-Compco, the materials failed substantively. In Sears, the district court invalidated the patents for want of invention. 376 U.S. at 226. In Kewanee, the court of appeals found that the crystals were patentable under 35 U.S.C. § 101, but that they had lost eligibility under 35 U.S.C. 102(b) since they had been in commercial use for over one year. 416 U.S. at 474.
74. For example, in the copyright area, no preemption occurs unless conflict is evident. 412 U.S. at 570.
75. 416 U.S. at 493.
Thus, the Court viewed the preemption problem in policy terms, decided that the policy of competition inherent in the patent laws was enhanced, not abraded, by trade secret law and that therefore no preemption existed. Mr. Justice Douglas and Mr. Justice Brennan dissented on the ground that the constitution mandated that protection be secured to authors and inventors only for limited times and that Ohio's trade secret law gave perpetual protection.

The Reconciliation: What Is Protectable?

The question remains, after the Kewanee decision, as to what classes of intellectual property that have forfeited federal protection are nevertheless protectable. Arguably, Kewanee proceeded upon a policy basis, a standard perhaps more difficult to interpret than the more rigid formulations sometimes utilized by the Court. The confusion engendered by Sears-Compco, Goldstein and Kewanee requires a caveat in the nature of a disclaimer. It is too early, and the standards, policies, and effects of these four cases are too complex, to speak with any degree of certainty about their ultimate effect. At best, a suggested reconciliation may be made, and guides may be offered for interpretation and easier determination of the occurrence of preemption.

One such interpretation and approach to preemption is termed public domain analysis. There are of course other approaches: for example, the economic analysis promulgated by one commentator, or the more traditional inquiries into the internal attempts at reconciliation and the statements of purpose in the cases themselves. Public domain, however, pro-

76. Id. at 495 (Douglas, J. dissenting, Brennan, J., concurring in the dissent).
77. This argument was also advanced by the petitioners in Goldstein. 412 U.S. at 560-61.
79. While public domain analysis has yet to be explicitly set forth by its author, Professor Paul Goldstein of the Stanford Law School, it is implicit in his comments in Goldstein, Kewanee Oil, supra note 64.
81. The Court in Kewanee made an attempt, however unsuccessful, to reconcile Sears-Compco. This was accomplished by reference to the discussion in Sears and Compco of objectives: "However, as we have noted, if the scheme of protection developed by Ohio respecting trade secrets 'clashes with the objectives of federal patent law,' . . . . then the state law must fall." 416 U.S. at 480. This represents a shift from
vides a functional, applicable, and practical approach to the
difficult issues of what is protectable and what is preempted.

Public domain analysis is a useful analytical tool because it shows that in the Sears-Compco line of cases, different classes of materials were involved, and when properly utilized, these different classes provide the key to protectability. Once the various classes of materials are placed in the appropriate public domain levels or areas, their protectable status can be determined.

The public domain is that conceptual area in which inventions, books, forms, and other intellectual products are freely available to the public. No protection, other than that accorded by contract between two parties, is possible. The public domain can also be thought of as an area in which materials may be classified.

For purposes of this analysis, public domain has three levels: upper, lower, and middle. The upper domain consists of articles which fail to achieve statutory protection because of procedural flaws. They are, in other words, capable of protection, but for want of compliance with a variety of procedural requisites, have been denied protection.

The lower domain includes articles which fail to achieve protection because they cannot meet the substantive requirements of the federal law. Also included in this area are materials which either by their "inherent" character or by public policy are denied the protection accorded by federal law.

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82. Such contractual arrangements were present in Kewanee. 416 U.S. at 473.

83. Thus, material which, as in Kewanee, could have been patented but which has entered the public domain through purely procedural means, exists in the upper domain. See 416 U.S. at 473. In the copyright area, material which has defective notice (i.e., which fails to comply with section 19 of the Copyright Act) would also be upper domain material. But see text accompanying note 102 infra.

84. For example, the material in Sears and Compco.

85. Various classes of occurrences illustrate such material. However, a distinction must be made between the facts (the actual event—for example, the resignation of Richard Nixon), data (a record or notation of the event by others), and information (an individual’s treatment or interpretation of the data and event) to ascertain what is protectable. The first two may not be; the last most certainly is. See Baker v. Selden, 101 U.S. 99 (1879). See also 17 U.S.C. § 5 (1970); Goldstein, Copyright and the First Amendment, 70 COLUM. L. REV. 983, 1006-09 (1970). But cf. Time, Inc. v. Bernard Geis Associates, 293 F. Supp. 130 (S.D.N.Y. 1968) (copyright of citizen’s film of assassination of President John F. Kennedy).
amples of these sorts of materials include obscene or libelous works,\textsuperscript{86} ideas, colors, musical notes, and conversations.\textsuperscript{87}

In terms of policy, those objects in the upper domain are accorded protection because the Congress has determined that incentives should be offered to promote their creation and development. Material in the lower domain can only achieve protection if the policy interests shift, and it is determined that protection—and thus incentive for development—is appropriate.\textsuperscript{88}

The middle domain covers materials which fail neither procedurally nor substantively, but rather, to which the federal statute does not speak at all. Depending on the class of material involved in this middle domain, a shift into either the upper or lower domains may take place, and protection will vary accordingly.

What correlation is there between the 	extit{Sears-Compco} line of cases and the public domain? First, 	extit{Sears} and 	extit{Compco} concerned material in the lower domain—objects that were not protectable (in this case, patentable) because they failed to meet substantive requirements.\textsuperscript{89} 	extit{Kewanee} dealt with material in the upper domain; that is, the crystals involved were clearly patentable, but lost statutory protection because they had been in use for one year.\textsuperscript{90} 	extit{Goldstein} occupies the middle ground, since the sound recordings with which it dealt were not covered by federal copyright law at that time.\textsuperscript{91}

As will be shown, the placement of materials affects protectability. The public domain analysis briefly introduced above also assists in reconciling the cases mentioned, and delineates more clearly the protection accorded by federal and state law.

\textsuperscript{86} See Barnes v. Miner, 122 F. 480 (C.C.S.D.N.Y. 1903); 41 Op. Att'y Gen. 395 (1958); Nimmer, supra note 2, § 36.

\textsuperscript{87} Some doubt exists on the conversation issue. At least one court has discussed the issue of common law copyright for conversations, and has stated in dicta that such a copyright could in limited circumstances be recognized. Estate of Hemingway v. Random House, Inc., 23 N.Y.2d 341, 348, 244 N.E.2d 250, 255 (1968). See Note, \textit{Copyright: Right to Common Law Copyright in Conversation of a Decedent}, 67 Colum. L. Rev. 366 (1967).

\textsuperscript{88} An example is the conversation issue. See note 87 supra. If conversations were accorded protection, their status would shift upward.

\textsuperscript{89} 376 U.S. at 226.

\textsuperscript{90} 416 U.S. at 474.

\textsuperscript{91} 412 U.S. at 551-52.
Applying the Public Domain Analysis: State Protection of the Copyright Interest

At the outset, an analysis predicated upon the position of a work within the various domain levels serves a useful if not obvious function—it eliminates chaos to a large extent. Public domain analysis provides, in its refined form, a method of accurately predicting what interests remain protectable under state law after Kewanee. It additionally provides a method of determining to a more exact degree the scope of state protection under section 301. The literal effect of Sears-Compco would have been to preempt all state protection when federal law also applies. This frightening possibility obviously necessitates a method of interpretation sufficiently precise as to indicate accurately the state law which is still viable.

Public domain analysis operates by first classifying material into the various levels, and from those classifications, determining policy support for protection or non-protection.

Initially, before applying the analysis to the cases, it becomes apparent that Goldstein is inherently predictive. Since Goldstein was a copyright case and involved material in the middle domain, its predictive effect is this: those items or

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92. "[P]reemption is very much ad hoc decision-making. Each case tends to turn on its own facts and precedent tends to be of minimal value. . . ." J. BARRON & C. DIENES, CONSTITUTIONAL LAW: PRINCIPLES AND POLICY 289 (1975).
93. Arguably, the tests for preservation of state law under Kewanee and under section 301 differ. See text accompanying note 140 infra.
94. 376 U.S. at 231.
95. But see note 51 supra.
96. A Public Domain matrix would thus appear:

<table>
<thead>
<tr>
<th>UPPER DOMAIN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Material which enters public domain through procedural non-compliance (copyrightable and patentable material).</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>MIDDLE DOMAIN</th>
</tr>
</thead>
<tbody>
<tr>
<td>That material to which statute does not speak.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LOWER DOMAIN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Material which enters public domain through its character, or by public policy (obscene, libelous, ideas, colors, words, musical notes, forms, conversations). Material which fails substantively for federal protection.</td>
</tr>
</tbody>
</table>

97. 412 U.S. at 551-52.
activities to which the federal law does not speak will, under Goldstein, be fully capable of state protection, unless they conflict with the additional standards imposed by Kewanee, as discussed below.98 Thus, all middle domain material (note that lower domain material, which fails substantively, would not be accorded federal protection regardless of whether the federal statute referred to it) achieves state protection, within the Kewanee limits.

The predictive effect of Sears and Compco, which dealt with materials in the lower domain, differs. Basically, if an item can be placed in the lower domain, it necessarily cannot be protected by the states.99 That is, items which fail to qualify for federal protection because they fail substantively and thus fall into the lower domain could not receive state protection, since this is clearly contrary to the federal policy.

In a sense, the prediction of protectability is complete upon classification.100 Once an item is classified in accord with the Sears-Compco, Goldstein and Kewanee decisions, its status is clear. That which occupies the upper domain is protectable, and that which is placed in the lower domain loses all protection. Two major problems, however, still exist. One is that even though an item may be protectable, a question re-
mains as to what law protects it—state or federal. The other is that *Kewanee* produces an interesting anomaly when subjected to public domain analysis, and this result must be reconciled.

*Kewanee*, as we have noted, deals with material in the upper domain, where statutory protection is lost through procedural defects. Presumably then, the state law protection for such material would be preserved, and indeed, in the patent area, that is the effect. But, when *Kewanee* is used to predict the preemption of state law in the copyright area, the preemptive test appears to fail.

This result occurs because if protection for works copyrightable but for procedural defects were available under state law (through *Kewanee*) federal policy would be contravened. This effect is caused in turn by the federal law’s imposition of procedural requirements which have a substantive effect. That is, the notice provisions (the procedural requirement most often causing divestiture publication) are substantive in that they promote a necessary federal *policy*, that of providing notice to the public of the status of a work.

The effect is perhaps simpler than the cause—protection is given for works in violation of a federal policy. If this were allowed, still another federal policy, that of providing an incentive to seek protection under the federal scheme, is destroyed, because the state law would provide protection for an unlimited time regardless of the federal constitutional stricture.

The solution lies in an understanding of *Kewanee*’s subtle effects. Substantively, *Kewanee* speaks to the material with which it deals in two major ways. First, it imposes a “necessary” requirement which dictates that for the states to protect, the material must be in the upper public domain. Second, and of paramount importance, *Kewanee* mandates a “sufficient” requirement: the state protection must necessarily *further* the

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101. The patent interest requires that federal and state law further the competition and incentives inherent in limited monopolies of the patent type. Therefore, only those materials which fail procedurally can be accorded state protection, because to afford state protection to substantively unqualified materials would allow state law to provide an incentive for the development of works not favored by federal law.


103. This, of course, is the by-now-familiar argument advanced by the petitioners in *Goldstein*. 412 U.S. at 560-61.
federal policy. The two requirements are to be read conjunctively.

Thus, Kewanee accurately predicts the preservation of state copyright law only upon an application of its functional test: to avoid preemption, the state law at issue must be necessary and sufficient. Application of the functional test provides an answer to both of the remaining difficulties noted above. It rids Kewanee of its anomalous result, and provides, as the following specific instances will show, a method for predicting what law applies.

The Question Answered: State Law Meeting Kewanee's Functional Test Is Preserved

The conclusion that Kewanee's test provides the key to determining preemption is predicated in large measure upon the additional observation that Kewanee represents the most comprehensive judicial resolution of the preemption issue. Kewanee cites, relies upon, and occasionally distinguishes the previous cases, and can fairly be said to represent the broadest sweep of the judicial brush on the preemption landscape.

One way of showing Kewanee's predictive effect is to determine if existing state law meets the requirements of its functional test. Of the existing state remedies, including the

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104. 416 U.S. at 479.
105. Inferentially, since Kewanee differs considerably from the only other decisions in this area, Sears and Compco, its holding depends, first, upon patentability (upper domain material) and, second, upon furtherance. As so restated, its holding might read: "When patentable material is in question, the state law must further the federal statute."
106. 416 U.S. at 479-83.
107. See text accompanying note 105 supra.

When public domain analysis is applied to section 980, the California law remains partly viable. From the previous discussion (see text accompanying note 100 supra) we know that only materials in the upper domain will retain protection, because only they can pass muster under the Kewanee test. Accordingly, section 980(a) remains viable for those materials which fail procedurally, but not for materials which fail substantively. Thus, obscene or libelous material could not gain the benefits of section 980 protection since it fails substantively to meet the requirements of the Copyright Act. The public policy against granting incentives for such works is advanced, conflict is avoided, and state law is preserved. Section 980(b) functions similarly; that is, those
imaginative new tort remedies which constantly develop, the following four remedies of misappropriation, trade secret law, unfair competition law, and common law copyright are the most important. A brief description of each, and a review under the functional test will reveal the status of the remedy.

Trade secrets provide a beginning for analysis of state protection, since they play such a highly important role in commercial competition. Professor Goldstein notes that trade secrets generally fall into two categories, property and confidential relationship. Rights under the property rubric are effective as against the world at large. Rights under the confidential relationship rubric are effective against only a limited range of persons—those to whom the secret has been disclosed in confidence.

Trade secrets present a particularly difficult analytical problem, because the nature of protection is so ephemeral, and because the class of protectable items defies facile "pigeon-holing." As a generalization, the Kewanee test applies in the following manner. First, the state law must be both necessary and sufficient. That is, the materials in question must be in the upper domain, or not spoken to by statute and thus covered by materials which under the patent interest are in the upper domain remain protectable by the state law.

109. As discussed in the text accompanying note 128 infra, the language of section 301 is somewhat vague and certainly broad. This can perhaps best be construed as a deliberate effort on the part of the legislature to allow for the development of new tort remedies. That is, if the statute had more explicitly set forth the state law remedies preempted, a strong argument could be made that any remedies not listed were thus not preempted. The broad language of section 301 may be a deliberate attempt to avoid such a result.

110. A trade secret is defined by the Restatement of Torts as "[a]ny formula, pattern, device or compilation of information which is used in one's business, and which gives him an opportunity to obtain an advantage over competitors who do not know or use it . . . ." Restatement of Torts § 757, comment (b).


112. Stedman, supra note 111, at 5.

113. But categorization is the sine qua non of public domain analysis. Conclusive resolution may depend upon case-by-case analyses of the secrets in question.
Goldstein. Only upper domain material, or middle domain material not barred by federal policy is protectable, since only this material will satisfy the sufficiency requirement, and further federal policy. Second, state law which meets both requirements of the functional test is preserved, but only to the extent that it speaks to upper domain material. By definition, state protection accorded to lower domain material cannot meet the functional test and must be preempted.

This is perhaps more clearly illustrated by consideration of the misappropriation remedy. Misappropriation deals with two main areas: trade secrets and materials for which common law copyright is available. In the copyright area, misappropriation is an explicit effort to circumvent the effect of Sears-Compco by substituting an "appropriation" theory for the "copying" theory discussed in those cases. In the trade secret and unfair competition areas misappropriation generally refers to the taking of another's product, name or reputation, and representing them as one's own.

Misappropriation presents a difficult public domain analysis problem because the rights it encompasses are broad and it functions in an extremely diverse manner. Preemption is likely, however, for two reasons. First, misappropriation substitutes in many cases for common law copyright, and thus provides protection for an unlimited time. Second, misappropriation...
appropriation makes no distinction between the classes of materials it seeks to protect. Therefore, if lower domain material is protectable by state misappropriation law, the necessary requirement of *Kewanee's* functional test is not met, and preemption occurs. The conclusion can be made that preemption of misappropriation law depends upon case-by-case determination of compliance with the *Kewanee* functional test.

Surprisingly, even though misappropriation allows protection for an unlimited duration, and fails to distinguish between classes of materials, Senate Bill 22 explicitly preserves it. To the extent, however, that misappropriation protects lower domain works, that part of Senate Bill 22 preserving state misappropriation law may be unconstitutional. At the least, preemption will occur in spite of the explicit preservation of the state law.

To discuss unfair competition after describing trade secrets and misappropriation is to consider genus after species, and many similar arguments apply. In California, for example, at least some of the law of unfair competition is codified.

Under the law of California, unfair competition means and includes unfair or fraudulent business practice and unfair, untrue, or misleading advertising and any act denounced by [Business and Professions Code sections] 17500-17502, 17530, 17531. Unfair business practices presumably include the theft of trade secrets, or misappropriation.

Unfair competition as a genre must be subjected to much the same public domain analysis as that described for other state remedies, because it involves materials in all parts of the domain. Placement of materials in their proper domain area, and determination of the "necessary and sufficient" requirements will reveal the preemptive status of the state law. For example, if unfair competition prevents false or misleading advertising, we know that such statements can be placed in the lower public domain, since public policy is against providing such material with a copyright incentive. Thus, since such

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121. Section 301(b) (3) preserves "rights against misappropriation not equivalent to any of such exclusive rights . . . " in the federal statute.
123. Reach v. Edmond, 277 F.2d 850, 854 (9th Cir. 1960).
material is incapable of protection, any state law which did protect it would conflict and so be preempted. Here, state law denies protection, and indeed protects against such material, and the result is state and federal harmony.

Common law copyright is the last of the state remedies to be considered. Section 301(a) explicitly preempts common law copyright, but limits its preemption to equivalent rights under the federal statute. Therefore, we are again faced with the dual problems of determining what rights constitute common law copyright, and whether those rights are equivalent to federal rights.

Perhaps the speediest preemptive determination can be made by comparing material sought to be protected by common law copyright with the protection afforded by section 106. For example, common law copyright can protect works which fail under federal law because they are not "writings." Public domain analysis places such material in the middle domain (since the statute does not speak) and indicates that state protection depends upon current policy. Therefore, to the extent that common law copyright attempts to protect non-writings, preemption occurs only when middle domain material shifts to lower domain status.

Common law copyright might preclude the defense of fair use. Since section 107 of Senate Bill 22 explicitly limits the actionable rights in section 106 by codifying the fair use defense, common law copyright directly conflicts and is thus preempted. In the area of rights, as opposed to classes of materials, the "necessary and sufficient" requirements themselves, rather than the public domain analysis, accurately predict

125. Nimmer notes that common law copyright protects "against unauthorized copying, publishing, vending, performing, and recording. In some respects common law copyright accords rights which are broader than those available under statutory copyright." Nimmer, supra note 2, § 111 (footnotes omitted).

126. Section 301(a) provides in part: "[N]o person is entitled to any such right or equivalent right under the common law or statutes of any state." S. 22, 94th Cong., 1st Sess. § 301.

127. Id.

128. Common law copyright protects a broader class of materials; for example, works that are not "writings" under the federal statute are protected. Nimmer, supra note 2, at § 111. Similarly, some rights are expanded: common law rights are absolute, id.; fair use is not available as a defense, id. at n.453; and the requirements of tangibility and intelligibility are lessened, id.

129. See note 34 supra.

130. See note 25 supra.

131. Id. See also Nimmer, supra note 2, § 145.
preemption. In this case, preemption is assured because the state law attempt to eliminate fair use fails to meet the "sufficient" requirement in that it does not further federal policy. Thus, a method for predicting preemption of state laws emerges by considering both the placement of intellectual property and Kewanee's functional test. It becomes necessary to determine in each case the class and rights involved, but the predictive effect remains constant.

**INTERPLAY: Kewanee's Functional Test and Section 301 Juxtaposed**

*The Statutory Ambiguities*

The effects of the functional test are fairly certain, as shown by the preceding analysis of the four state remedies. *Kewanee*, however, is not the only player in the game—section 301 establishes its own test for preemption. In order to determine which test best promotes copyright policy, or more basically, which is constitutional, a comparison of the two tests is required.

An initial difficulty encountered in juxtaposing *Kewanee* and section 301 is that the language of section 301 remains somewhat ambiguous. As a brief review of the first section of this comment indicates, the statute attempts concomitantly to preserve and preempt in language open to many possible interpretations. The question is, then, will a comparison of the test established by the language of section 301 and the *Kewanee* test support a conclusion that the two tests are co-extensive?

The argument for co-extensiveness rests upon two main points: the legislative history, and the actual effect of the section 301 test. The legislative history and commentary clearly support the assertion that Congress was at least attempting to adopt the *Kewanee* test. The Senate report noted:

[The] purpose [of section 301] is to make clear, consistent with the 1964 Supreme Court decision in *Sears* . . . and *Compco* . . . that preemption does not extend to causes of action, or subject matter outside the scope of the revised Federal Copyright Statute.  

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132. Section 301 preempts all rights equivalent to statutory rights. See note 26 *supra*.
133. See text accompanying note 27 *supra*.
By inference, the *Kewanee* test may be substituted for the *Sears-Compco* decisions, because it is evident that the legislature had the judicial constraints in mind when drafting the statute, and *Kewanee* is the clearest expression of those constraints.\(^{135}\)

The actual effect of section 301 also supports its co-extensiveness with *Kewanee*. When a comparison is made between what protection is left using the section 301 test, and what is left after the *Kewanee* functional test, the result is that much the same state protection is preserved. Thus, the analysis of state law in the preceding section indicates that the common law rights preserved by *Kewanee* are also preserved by section 301.\(^{136}\)

Notwithstanding the attempt by the Congress to codify the *Kewanee* test, and the apparent effectiveness of that attempt, colorable arguments can still be made that the section 301 test fails to embody the *Kewanee* test. If this were indeed the case, section 301 would be open to constitutional challenge\(^ {137}\) and further confusion about the status of state law would result.\(^ {138}\)

The first argument that the tests are not co-extensive is

\(^{135}\) *Kewanee* extensively refers to *Sears-Compco* and *Goldstein*, and in its consideration of those cases assimilates and synthesizes their conceptual frameworks. 416 U.S. at 478-83.

\(^{136}\) See text accompanying note 131 supra.

\(^{137}\) A constitutional challenge would be based upon the theory that, as interpreted by the Supreme Court, the Copyright Clause requires co-extensive state law to neither conflict with nor hamper federal policy.

It is interesting to note that only tentative conceptual challenges have been made regarding the constitutionality of copyright itself. Predicated upon conflict with the first amendment, these challenges assert that copyright may restrain freedom of expression.

The problem in copyright, as in other first amendment issues, is to strike the proper definitional balance. See Emerson, *Toward a General Theory of the First Amendment*, 72 YALE L.J. 877, 912-14 (1963). Nimmer accepts that such a balance is possible, and that the greatest problem rests in determining what interests to weigh, and how to weigh them. NIMMER, *supra* note 2, at §§ 9.2, 9.21. Whatever the resolution of the problem, it has been suggested that more consideration is presently due first amendment challenges than has been accorded in the past. See Sobel, *Copyright and the First Amendment: A Gathering Storm?*, 19 ASCAP COPYRIGHT LAW SYMPOSIUM 43 (1971).

On the general relationship of copyright and the first amendment, see Chaee, *Reflections on the Law of Copyright*, 45 COLUM. L. REV. 503 (1945); *Goldstein, Copyright and the First Amendment*, 70 COLUM. L. REV. 983 (1970).\(^ {138}\)

\(^{138}\) Section 301 alone fails to provide adequate guidance to determine preemption. On its face it preserves those state rights not equivalent to the section 106 rights, but problems immediately develop in determining equivalency in that section.
that they are not identical in form. Section 301 preserves that state law which does not conflict with explicit federal protection.\textsuperscript{139} Possibly inherent within that definition is the idea that preserved state law should further federal policy, but such a requirement is not explicit. \textit{Kewanee}, on the other hand, expressly requires that state law further the federal purpose.\textsuperscript{140}

The importance of these semantic distinctions is that two distinct standards are established, or at least the possibility of two standards. Either way, a problem of interpretation is posed for the courts. Obviously, it is beneficial for statutes to eliminate rather than create such difficulties.

The second, and related argument asserts that the tests differ not only in form, but also in substance. The statutory test deals only with upper domain material (for which protection is necessary), and not with material which may be protected without damaging federal policy (sufficiency). Thus, in substance, the 301 test could permit state protection which does not further federal policy, as is required by \textit{Kewanee}. This conclusion is premised upon the assumption that section 301 does not require the courts to apply the sufficiency requirement, but merely to review section 106, and if the state right is excluded from the bundle of rights preserved by that section, the state remedy is preserved. This flaw, if actually present and operative to the full extent described, prima facie invalidates the section 301 test.

Although the form and substance of section 301 could be interpreted to avoid the \textit{Kewanee} precepts, a functional view of sections 301 and 106 reveals that their effect is to codify the \textit{Kewanee} test. First, section 106 lists almost all rights and actions.\textsuperscript{141} Second, the most objectionable (potentially conflicting) state remedy—common law copyright—is explicitly preempted.\textsuperscript{142} Third, the remaining state remedies are generally viable under the \textit{Kewanee} test.\textsuperscript{143}

The effect is that only those state remedies are specified

\begin{footnotes}
\item[139] \textit{The Report}, \textit{supra} note 1, at 114.
\item[140] See text accompanying note 104 \textit{supra}.
\item[141] That is, the section 106 list of rights \textit{in effect} denies remedies which conflict with federal law, because its listing \textit{substitutes} federal remedies for state remedies. Federal policy is furthered because that which is within the federal statute (nearly all remedies) must necessarily further the federal policy.
\item[142] Preservation occurs only to the extent that rights granted under common law copyright meet \textit{Kewanee}'s functional test.
\item[143] See text accompanying note 104 \textit{supra}.
\end{footnotes}
and preserved that actually serve to further the federal policy. The constitutional mandates are furthered, and the objection that some state law creates monopolies of unlimited duration is overcome, because if those monopolies do exist, they must nonetheless further the federal purpose, as determined by the Supreme Court.

CONCLUSION

This comment has analyzed the issue of the preemption of state law in the copyright area as affected by the proposed copyright revision bill. It has been suggested that a "public domain analysis" can be used first to demonstrate that the proposed statute is in harmony with recent Supreme Court cases on preemption in this area, and second to predict which state laws will escape the preemptive sweep of the federal statute. Two general conclusions can be drawn.

While poorly drafted—that is, fraught with ambiguities and dual purposes—the statute still successfully codifies the constitutional mandate in the copyright area as interpreted by the Supreme Court. The statute establishes a reasonably workable standard for judicial determination of preemption.

The convoluted, complex, and confusing line of cases discussed may well have been the only practical solution to a thorny problem, particularly in view of the lack of legislative guidance. A jurisprudential perspective reveals that Sears-Compco and its aftermath represent an attempt by the judiciary to fill legislative gaps and provide practical interim standards.45

Robert Steven Mann

144. Effectively, any state law which does not meet the section 106 test (the union of the section 301, 106 and Kewanee functional tests) will not be preserved. Thus, under the "106 test," those classes of intellectual property which fail under either public domain analysis or Kewanee analysis are denied all protection.

145. This comment was awarded first prize in the Nathan Burkan Memorial Competition at the University of Santa Clara School of Law.