Copyright Seminar (Law 539, Section 002)
Eric Goldman
Marquette University Law School
Spring 2004

1. **PREREQUISITES.** The Intellectual Property Law course is a prerequisite unless I waive it for you. If we have not already spoken, please contact me at once if you want to take this course but have not taken that class. You may not take this course if you have already taken a copyright law course.

2. **COURSE OBJECTIVES.** I have two primary course objectives: First, I want to explore some copyright law topics in more detail than they received in the IP course. Second, this course is an advanced legal writing course, so you will write 3 papers that should be primed for publication. Specifically, my paramount objective is to work with you to prepare a paper you can submit to a writing competition.

3. **INFORMATION SHEET/CERTIFICATIONS.** No later than January 13, 2004, email me your resume and your answers to the following questions:

   - What other IP courses have you taken previously?
   - What type of job are you seeking after graduation?
   - Why are you taking this course?
   - What copyright law topics interest you the most?
   - What substantive papers related to intellectual property have you written in law school? Are you considering recycling one of those for a paper in this course?

Your email must also certify the following statements:

   - I will submit my short paper to periodicals for publication prior to the end of finals.
   - I will submit my long paper to (at least) one writing competition, even if that means I make the submission after the course is over.
   - I will make a presentation about my paper to my peers, and I understand that the presentation will be open to the public.
   - I will prepare for and pay attention to my peers’ presentations as if it was a presentation by the person I most respect.
   - I will provide fair and constructive comments to my peers’ papers.

If you do not enthusiastically make these certifications, please contact me at once to determine if this course is right for you. I may drop you from the course if you do not send me the information sheet, resume and certifications on time.
4. **SESSIONS.** We meet from 3:20 to 5 every Tuesday afternoon between January 13 and April 20, excluding March 9 (Spring Break). In addition, there will be two guest lectures on March 24 and April 21 that you are required to attend.

5. **TEXT.** A required course packet is available at PrintWorld. In addition, you need a copy of the Copyright Act (the supplement from your IP class can serve that purpose). I also recommend (not mandatory) Eugene Volokh’s *Academic Legal Writing* (ISBN 1-58778-477-7), which is a great guide for the paper-writing process.

6. **GRADING.** There are 4 components of your final grade:

   a. **Attendance/Participation.** 25% of your final grade is based on attendance and participation.

      Regarding attendance, I expect you to attend *every* class, so every unexcused absence will cost you points. I will grant excused absences very sparingly, usually only for bona fide health issues, family emergencies or opportunity to learn more about copyright law.

      For participation, I will subjectively evaluate your (a) positive contributions to class dialogues (in class and on TWEN) and (b) comments to your peers about their papers. Note that constructive contributions to discussions about your peers’ presentations, or in comments to your peers’ papers, will be very highly weighted. Similarly, disrespect or inattention during a peer’s presentation, failure to comment on a peer’s paper, or non-constructive comments to your peers about their presentations or their papers, will be costly to your participation grade.

   b. **Case Summary.** You must write a case summary on a recently decided IP case in accordance with the specifications in Exhibit A. The summary is worth 5% of your final grade. I will grade your final case summary on a P/F basis. You will get a P if you are on-time and on-topic.

      Your summary will be published on the Marquette website and will be considered for publication in the State Bar’s IP Section’s newsletter and potentially elsewhere. Thus, your final summary submission should be publication-ready.

      To pick a case to summarize, visit the TWEN forum. There, you will find some proposed cases to summarize. However, you are not limited to that list, and you are welcome to select some recent case (very late 2003 or later) you’d like to summarize. You can claim a case by posting your claim under the discussion topic. However, only one person can summarize a particular case, and cases are claimed on a first-come, first-served basis. Also, I can veto any case so long as I do so reasonably promptly. You are not required to summarize only copyright cases, although I would prefer that you do so.

   c. **Short Paper.** You must write a short descriptive paper on a copyright law topic. This paper is worth 20% of your final grade. A substantial part of your grade is based on how well your article addresses your target audience’s needs.
To write this paper, you need to make two threshold choices:

- the periodicals you are targeting for publication. This choice will determine the audience you are targeting and what types of informational needs they have. I can reject targeted periodicals in my sole discretion.
- the type of paper you want to write (case note with practice suggestions; descriptive article with practice tips; editorial, book review, etc.). This choice may be partially constrained by the periodical you are targeting (and, therefore, the types of articles they run). This selection will also influence how long this paper must be; many periodicals like articles to be 600-1,000 words; others target 2,500 words.

When this article is completed, I expect you to circulate it to your target publications for potential publication. I will give you extra points (not to exceed the maximum points available for the short paper) if, prior to May 7, 2004, you provide me with documentation that your article has been accepted for publication in one of your target periodicals.

d. **Long Paper and Presentation.** The centerpiece of this course is a long paper combined with a presentation about it. The paper should be written for submission to a writing competition. Collectively, the long paper and the presentation are worth 50% of your final grade.

Your first step is to select your targeted writing competition. I will grade you using the judging standards of that writing competition, and the competition will dictate the required length of your paper. To help you find writing competitions, review the book *How to Pay for Your Law Degree*. I have put a copy on reserve in the library. You may want to identify several target competitions, but you need to select a primary one for grading purposes. I can veto any targeted competition in my sole discretion, and in any case, the Wisconsin State Bar IP Section’s writing competition is not a suitable target (I expect you to apply for that one no matter what).

When you’ve selected your target competition, you next need to choose a topic. Topic selection is crucial, as it will likely affect your chances of winning the competition. Note that, to the extent the writing competition considers topic originality as part of their judging criteria (explicitly or implicitly), I will grade you on that as well. In these cases, an uninspired topic may limit the grade you can receive, no matter how hard you work or how well you write it. In all cases, you need to be more ambitious than a case note. I will consider recycled papers you’ve written elsewhere in law school on an individually negotiated basis.

In addition to the paper, you must make a brief (~15 minute) presentation of your work, with another 15 minutes or so reserved for class comments and discussion. You must upload a draft of your paper to the TWEN discussion forum at least 7 days prior to your presentation so that your peers may review the paper in advance of the presentation. Obviously, the more polished your paper, the more helpful your peers’ feedback will be, but I don’t expect that your paper will be complete by the time of your presentation. I will be sending out emails to the IP Law Society and others inviting them to attend the presentations, so you may have an audience beyond just the course participants.
No later than 7 days following a peer’s presentation, you are required to deliver written constructive feedback on that person’s paper/presentation. If you email the feedback, please cc me and include in the subject line “Copyright Course: Comments to [peer’s name] paper.” If you mark up the paper, please make a copy of your mark-up and put it in my in-box. Delivering thoughtful and productive comments to your peer’s work is an essential part of this course, and late or discourteous comments on your peers’ work will be heavily penalized.

e. Drafts. At your initiative, I will look at and comment on rough drafts prior to the final submission. I encourage you to submit those drafts with enough time for me to review and provide comments that you can incorporate into the paper. If at any time you’re struggling, come talk to me.

f. Paper Submissions. Submit all papers through the TWEN tab entitled “Assignment Drop Box.”

g. Deadlines. I have zero tolerance for missed deadlines. All deadlines are absolute: no grace period, no negotiations, no excuses (except those authorized by the appropriate dean pursuant to school regulations). Failure to abide by deadlines will dramatically affect your grade (usually, it means you get a zero on that grading portion).

7. TWEN. YOU MUST REGISTER FOR THE COURSE’S TWEN SITE NO LATER THAN JANUARY 16, 2004 OR I MAY DROP YOU FROM THE COURSE. I send important course-related emails to the TWEN email list, so please use an address you check regularly.

8. SCHEDULE/DEADLINES [SUBJECT TO CHANGE]

<table>
<thead>
<tr>
<th>Date</th>
<th>Class Topic</th>
<th>Reading/Deadlines</th>
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<tbody>
<tr>
<td>Jan. 13</td>
<td>Introduction; copyright law recap</td>
<td>Copyright Law Basics handout (p. 1)</td>
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<tr>
<td></td>
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<td>DEADLINE: Turn in information sheet/certification/resume prior to class</td>
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<tr>
<td>Jan. 16</td>
<td>N/A</td>
<td>DEADLINE: Register for TWEN</td>
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<td>Jan. 20</td>
<td>Copyright policy justifications</td>
<td>Eldred v. Ashcroft (p. 3)</td>
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<td>Feist Pubs. v. Rural Telephone Service (p. 64)</td>
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<td></td>
<td></td>
<td>DEADLINE: Notify me of your targeted periodical for your short paper; notify me</td>
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<td></td>
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<td>of your targeted writing competition</td>
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<tr>
<td>Jan. 27</td>
<td>Advanced idea/expression dichotomy and standards</td>
<td>Lotus Development v. Borland Int’l (p. 77)</td>
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<td></td>
<td>for infringement</td>
<td>Castle Rock Entertainment v. Carol Publishing Group (p. 93)</td>
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<td>Satava v. Lowry (p. 100)</td>
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<td>Ets-Hokin v. Skyy Spirits (p. 107)</td>
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<td>Date</td>
<td>Topic</td>
<td>Readings</td>
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<tr>
<td>Feb. 3</td>
<td>Advanced fair use</td>
<td>Positive Black Talk v. Cash Money Records and accompanying AP story (p. 109)</td>
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<tr>
<td>Feb. 10</td>
<td>Copyright practice issues [registrations, notices, term, diligencing ownership, freelancers]</td>
<td>Castile Rock Entertainment v. Carol Publishing Group (p. 115) Sega v. Accolade (p. 123)</td>
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<tr>
<td></td>
<td><strong>Guest speaker:</strong> Michael Parks, The Tribune Company</td>
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<tr>
<td>Feb. 17</td>
<td>Protecting factual databases</td>
<td>Copyright Office Circular #1 (p. 139) New York Times v. Tasini (p. 151)</td>
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<td>Feb. 24</td>
<td>Anti-circumvention</td>
<td>American Dental Association v. Delta Dental Plans Association (p. 172) CDN v. Kapes (p. 177) Assessment Technologies v. WIREdata (p. 183)</td>
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<tr>
<td>Mar. 16</td>
<td>Students' choice (see below)</td>
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<tr>
<td>Mar. 23</td>
<td>Presentations 1, 2, 3</td>
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<tr>
<td>Mar. 24</td>
<td>Presentation by Bobbi Kwall of DePaul University College of Law [attendance at this event is required just like any other class session. Please advise ASAP if you cannot make it]</td>
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<tr>
<td>Mar. 30</td>
<td>Presentations 4, 5, 6</td>
<td></td>
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<tr>
<td>Apr. 6</td>
<td>Presentations 7, 8, 9</td>
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<tr>
<td>Apr. 13</td>
<td>Presentations 10, 11, 12</td>
<td></td>
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<tr>
<td>Apr. 20</td>
<td>Presentations 13, 14, 15</td>
<td>Student papers for these presentations</td>
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<tr>
<td>Apr. 21, 4:30 pm</td>
<td>Nies Lecture by Graeme Dinwoodie of Chicago-Kent College of Law [attendance at this event is required just like any other class session. Please advise ASAP if you cannot make it]</td>
<td>Reading TBD</td>
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<tr>
<td>Apr. 30</td>
<td>N/A</td>
<td>DEADLINE: Final draft of long paper due 4 pm</td>
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<td>May 7</td>
<td>N/A</td>
<td>DEADLINE: Last date to submit evidence of short paper being accepted for publication</td>
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You and your peers can select the “students’ choice” topic. I will prepare a presentation based on the topic you select. You should collaborate with your peers in the TWEN discussion forum to determine the consensus topic. If no consensus is reached by February 10, 2004 (preferably earlier!), then I will pick the topic myself.

9. **CONTACT INFORMATION.**

Eric Goldman  
Marquette University Law School, Room 110E  
1103 W. Wisconsin Avenue  
Milwaukee, WI 53233  
Phone: 414-288-5232  
Fax: 414-288-6403  
Email: eric.goldman@marquette.edu

In all emails to me related to this course, please put the words “Copyright Course” in the subject line so that I can keep my courses straight (and avoid unintentional deletion as spam).

More course-related materials, including an electronic copy of this syllabus, are available at http://eric_goldman.tripod.com.
Appendix A
Case Summary Specifications

1. **GENERAL.** Your case summary should be approximately 500 words (no more than 800 words). Your file should be Microsoft Word for Windows, 12 point Times New Roman font.

2. **SUMMARY STRUCTURE.**

   a. **Title.** The title should contain the case name (in bold), the court, the exact decision date, and the words “Summary by [your name].”

   *Example*
   Ticketmaster Corp. v. Tickets.com, Inc.
   U.S. District Court for the Central District of California, Mar. 7, 2003
   Summary by Jeremiah Beitzel

   b. **Contents.** All summaries should include:

   - Statement of the court’s holding
   - Short statement of any facts necessary to appreciate the holding (e.g. background facts, procedural facts, and legally significant facts)
   - Statement of what the lower court held (if applicable)
   - Statement of the logic underlying the court’s holding (with respect to the issue of interest)
   - Statement of which party the court ruling favored (with respect to the issue of interest)

   If the case has multiple issues, you are free to focus on only one. In any case, please focus on the new law created (or the rule of law applied) rather than any lower court’s logic. Please avoid editorial comments about the court’s decision. Where possible, describe the parties using terms such as “plaintiff,” “defendant,” “patentee” and “licensee” instead of “Ticketmaster” or “Smith.”

   The first sentence should be a one-sentence abstract of the most prominent issue in your case, such as you would put in your outline.

   *Example*
   “Copyright law only protects a combination of unprotectable elements when the selection and arrangement of a sufficient number of elements creates an original work of authorship.”

   The last paragraph should be a statement of which party prevailed.

   *Example*
   As a result of the merger and scenes a faire doctrines, the court of appeals affirmed the district court’s decision granting summary judgment in favor of the defendant.
3. **Submission.**

When you submit your case summary to TWEN, also email it to Paul Krause at paul.krause@marquette.edu. In the email text, include your name, email address and the case citation properly bluebooked. The email should have a subject line "[Case name] [Your last name]." Please name the file "[Case name] [Your last name]."
Copyright History

- The Constitution authorizes Congress to protect copyrights...
  - "Congress shall have the power...to promote the Progress of Science and useful Arts, by securing for limited Times to Authors...the exclusive Right to their...Writings..." [Art. 1, Sec. 8, clause 8]
- ...and Congress has done so
  - Codified in the "Copyright Act of 1976"
  - Congress has preempted virtually all state-based copyright laws [17 USC 301]
  - First Amendment does not apply to copyright infringement

Copyright Defined

- Copyright protection applies to "original works of authorship fixed in any tangible medium of expression" [17 USC 102]
  - Fixed = embodied so that it may be perceived, copied or communicated for more than transitory duration
  - Original work of authorship
    - Applies to expression of ideas or facts, not the underlying ideas or facts themselves (the "idea/expression dichotomy") [17 USC 102(2)]
    - Expression needs minimal level of creativity

Copyright Defined

<table>
<thead>
<tr>
<th>Potentially Copyrightable</th>
<th>Not Copyrightable (must be facts)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Books, articles, plays,</td>
<td>Facts</td>
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<tr>
<td>movies, music</td>
<td>Ideas</td>
</tr>
<tr>
<td>Photos, sculptures,</td>
<td>Systems, devices,</td>
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<tr>
<td>paintings, choreographed</td>
<td>methods</td>
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<tr>
<td>dances</td>
<td>Slogans/titles</td>
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<tr>
<td>Architectural plans</td>
<td>Off-the-cuff speeches</td>
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<tr>
<td>Factual compilations</td>
<td>Telephone calls</td>
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<tr>
<td>Software</td>
<td>Open-source software</td>
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<tr>
<td>Emails and web pages</td>
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<tr>
<td>Intra-office memos</td>
<td></td>
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</tbody>
</table>

Formalities

- Registration [17 USC 408-412]
  - Copyright protection commences on fixation
  - However, registration is prerequisite to suing [17 USC 411]
  - Benefits to registering prior to 3 months after publication [17 USC 412]
    - Statutory damages of up to $150,000
    - Attorney's fees
    - Simple form, $30 to file
- Notices [17 USC 401-406]
  - Not required for new works, of negligible benefit

Ownership

- Copyright vests in author [17 USC 201(a)]
- But works prepared by employee within employment scope ("works for hire") automatically vest in employer [17 USC 201(b)]
- Statute of Frauds [17 USC 204]
  - Ownership transfers (except from employee to employer as work for hire) and exclusive licenses must be in writing

Main Rights Conferred

- Copyright owner can prevent the following unauthorized activities [17 USC 106]:
  - Reproduce
  - Distribute
  - Prepare derivative works
  - Publicly perform (specific categories)
  - Publicly display (specific categories)
  - Digitally perform (sound recordings)
- Copyright owner does not have exclusive right to "use" the work
- Copyright infringement is strict liability tort
Other Rights Conferred

- Rights of attribution and integrity ("moral rights") for certain limited edition works of visual art [17 USC 106A]
- Protection for mask works [17 USC 901-914]
- Limits on digital audio technology ("Audio Home Recording Act") [17 USC 1001-1010]
- Anti-bootlegging restrictions [17 USC 1101]
- Protection for vessel hull designs [17 USC 1301-1332]

Other Rights Conferred

- Digital Millennium Copyright Act ("DMCA")
  - Prohibition against circumventing technological protection measures [17 USC 1201(a)(1)]
  - Prohibition against disseminating certain devices that circumvent technological protection measures [17 USC 1201(a)(2) and 1201(b)]
  - Protection for "copyright management information" [17 USC 1202]

Limits on Rights

Statutory exceptions to Sec. 106 [17 USC 108-122]. Examples:
- Libraries [108]
- First sale defense to distribution of lawfully acquired tangible media [109]
- Jukeboxes [116]
- Copying for blind people [121]

Limits on Rights

- Duration for works created since 1/1/78 [17 USC 302]:
  - Default: Life of author + 70 years
  - Joint works: Life of last surviving author + 70 yrs
  - Works for hire and anonymous/pseudonymous works. Shorter of:
    - 95 years from first publication
    - 120 years from creation date
- For other works, see 17 USC 303-304
  - Works first published 12/31/22 or before are in public domain

Limits on Rights

- Fair use [17 USC 107]. Four factor test:
  - Purpose and character of the use
  - Educational v. commercial
  - Transformative
  - Nature of the copyrighted work
  - Published v. unpublished
  - Fact v. fiction
  - Amount and substantiality of portion taken
  - Effect on potential market for or value of the work

Limits on Rights

- Key points about fair use:
  - Multi-factor test subject to manipulation and circular reasoning
  - Impossible to reliably predict in advance
  - Be very wary about relying on fair use
Opinion of the Court

NOTICE: This opinion is subject to formal revision before publication in the preliminary print of the United States Reports. Readers are requested to notify the Reporter of Decisions, Supreme Court of the United States, Washington, D.C. 20543, of any typographical or other formal errors, in order that corrections may be made before the preliminary print goes to press.

SUPREME COURT OF THE UNITED STATES

No. 01–518

ERIC ELDRED, ET AL., PETITIONERS v. JOHN D. ASHCROFT, ATTORNEY GENERAL

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA CIRCUIT

[January 16, 2003]

JUSTICE GINSBURG delivered the opinion of the Court.

This case concerns the authority the Constitution assigns to Congress to prescribe the duration of copyrights. The Copyright and Patent Clause of the Constitution, Art. I, §8, cl. 8, provides as to copyrights: "Congress shall have Power . . . [t]o promote the Progress of Science . . . by securing [to Authors] for limited Times . . . the exclusive Right to their . . . Writings." In 1998, in the measure here under inspection, Congress enlarged the duration of copyrights by 20 years. Copyright Term Extension Act (CTEA), Pub. L. 105–298, §102(b) and (d), 112 Stat. 2827–2828 (amending 17 U.S.C. §§302, 304). As in the case of prior extensions, principally in 1831, 1909, and 1976, Congress provided for application of the enlarged terms to existing and future copyrights alike.

Petitioners are individuals and businesses whose products or services build on copyrighted works that have gone into the public domain. They seek a determination that the CTEA fails constitutional review under both the Copyright Clause's "limited Times" prescription and the First Amendment's free speech guarantee. Under the 1976 Copyright Act, copyright protection generally lasted from
the work's creation until 50 years after the author's death. Pub. L. 94–553, §302(a), 90 Stat. 2572 (1976 Act). Under the CTEA, most copyrights now run from creation until 70 years after the author's death. 17 U. S. C. §302(a). Petitioners do not challenge the "life-plus-70-years" time span itself. "Whether 50 years is enough, or 70 years too much," they acknowledge, "is not a judgment meet for this Court." Brief for Petitioners 14.¹ Congress went awry, petitioners maintain, not with respect to newly created works, but in enlarging the term for published works with existing copyrights. The "limited Tim[e]" in effect when a copyright is secured, petitioners urge, becomes the constitutional boundary, a clear line beyond the power of Congress to extend. See ibid. As to the First Amendment, petitioners contend that the CTEA is a content-neutral regulation of speech that fails inspection under the heightened judicial scrutiny appropriate for such regulations.

In accord with the District Court and the Court of Appeals, we reject petitioners' challenges to the CTEA. In that 1998 legislation, as in all previous copyright term extensions, Congress placed existing and future copyrights in parity. In prescribing that alignment, we hold, Congress acted within its authority and did not transgress constitutional limitations.

I

A

We evaluate petitioners' challenge to the constitutionality of the CTEA against the backdrop of Congress' previous exercises of its authority under the Copyright Clause.

¹Justice Breyer's dissent is not similarly restrained. He makes no effort meaningfully to distinguish existing copyrights from future grants. See, e.g., post, at 1, 13–19, 23–25. Under his reasoning, the CTEA's 20-year extension is globally unconstitutional.
The Nation's first copyright statute, enacted in 1790, provided a federal copyright term of 14 years from the date of publication, renewable for an additional 14 years if the author survived the first term. Act of May 31, 1790, ch. 15, §1, 1 Stat. 124 (1790 Act). The 1790 Act's renewable 14-year term applied to existing works (i.e., works already published and works created but not yet published) and future works alike. Ibid. Congress expanded the federal copyright term to 42 years in 1831 (28 years from publication, renewable for an additional 14 years), and to 56 years in 1909 (28 years from publication, renewable for an additional 28 years). Act of Feb. 3, 1831, ch. 16, §§1, 16, 4 Stat. 436, 439 (1831 Act); Act of Mar. 4, 1909, ch. 320, §§23–24, 35 Stat. 1080–1081 (1909 Act). Both times, Congress applied the new copyright term to existing and future works, 1831 Act §§1, 16; 1909 Act §§23–24; to qualify for the 1831 extension, an existing work had to be in its initial copyright term at the time the Act became effective, 1831 Act §§1, 16.

In 1976, Congress altered the method for computing federal copyright terms. 1976 Act §§302–304. For works created by identified natural persons, the 1976 Act provided that federal copyright protection would run from the work's creation, not—as in the 1790, 1831, and 1909 Acts—its publication; protection would last until 50 years after the author's death. §302(a). In these respects, the 1976 Act aligned United States copyright terms with the then-dominant international standard adopted under the Berne Convention for the Protection of Literary and Artistic Works. See H. R. Rep. No. 94–1476, p. 135 (1976). For anonymous works, pseudonymous works, and works made for hire, the 1976 Act provided a term of 75 years from publication or 100 years from creation, whichever expired first. §302(c).

These new copyright terms, the 1976 Act instructed, governed all works not published by its effective date of
Opinion of the Court

January 1, 1978, regardless of when the works were created. §§302–303. For published works with existing copyrights as of that date, the 1976 Act granted a copyright term of 75 years from the date of publication, §304(a) and (b), a 19-year increase over the 56-year term applicable under the 1909 Act.

The measure at issue here, the CTEA, installed the fourth major duration extension of federal copyrights.\(^2\) Retaining the general structure of the 1976 Act, the CTEA enlarges the terms of all existing and future copyrights by 20 years. For works created by identified natural persons, the term now lasts from creation until 70 years after the author’s death. 17 U. S. C. §302(a). This standard harmonizes the baseline United States copyright term with the term adopted by the European Union in 1993. See Council Directive 93/98/EEC of 29 October 1993 Harmonizing the Term of Protection of Copyright and Certain Related Rights, 1993 Official J. Eur. Cmty. 290 (EU Council Directive 93/98). For anonymous works, pseudonymous works, and works made for hire, the term is 95 years from publication or 120 years from creation, whichever expires first. 17 U. S. C. §302(c).

Paralleling the 1976 Act, the CTEA applies these new

terms to all works not published by January 1, 1978. §§302(a), 303(a). For works published before 1978 with existing copyrights as of the CTEA's effective date, the CTEA extends the term to 95 years from publication. §304(a) and (b). Thus, in common with the 1831, 1909, and 1976 Acts, the CTEA's new terms apply to both future and existing copyrights. \(^3\)

B

Petitioners' suit challenges the CTEA's constitutionality under both the Copyright Clause and the First Amendment. On cross-motions for judgment on the pleadings, the District Court entered judgment for the Attorney General (respondent here). 74 F. Supp. 2d 1 (DC 1999). The court held that the CTEA does not violate the "limited Times" restriction of the Copyright Clause because the CTEA's terms, though longer than the 1976 Act's terms, are still limited, not perpetual, and therefore fit within Congress' discretion. \textit{Id.}, at 3. The court also held that "there are no First Amendment rights to use the copyrighted works of others." \textit{Ibid.}


\(^3\)Petitioners argue that the 1790 Act must be distinguished from the later Acts on the ground that it covered existing \textit{works} but did not extend existing \textit{copyrights}. Reply Brief 3–7. The parties disagree on the question whether the 1790 Act's copyright term should be regarded in part as compensation for the loss of any then existing state- or common-law copyright protections. See \textit{Brief for Petitioners} 28–30; Brief for Respondent 17, n. 9; Reply Brief 3–7. Without resolving that dispute, we underscore that the First Congress clearly did confer copyright protection on works that had already been created.
Opinion of the Court

375. Copyright, the court reasoned, does not impermissibly restrict free speech, for it grants the author an exclusive right only to the specific form of expression; it does not shield any idea or fact contained in the copyrighted work, and it allows for "fair use" even of the expression itself. Id., at 375–376.

A majority of the Court of Appeals also upheld the CTEA against petitioners' contention that the measure exceeds Congress' power under the Copyright Clause. Specifically, the court rejected petitioners' plea for interpretation of the "limited Times" prescription not discretely but with a view to the "preambular statement of purpose" contained in the Copyright Clause: "To promote the Progress of Science." Id., at 377–378. Circuit precedent, Schnapper v. Foley, 667 F. 2d 102 (CADC 1981), the court determined, precluded that plea. In this regard, the court took into account petitioners' acknowledgment that the preamble itself places no substantive limit on Congress' legislative power. 239 F. 3d, at 378.

The appeals court found nothing in the constitutional text or its history to suggest that "a term of years for a copyright is not a 'limited Time' if it may later be extended for another 'limited Time.'" Id., at 379. The court recounted that "the First Congress made the Copyright Act of 1790 applicable to subsisting copyrights arising under the copyright laws of the several states." Ibid. That construction of Congress' authority under the Copyright Clause "by [those] contemporary with [the Constitution's] formation," the court said, merited "very great" and in this case "almost conclusive" weight. Ibid. (quoting Burrow-Giles Lithographic Co. v. Sarony, 111 U.S. 53, 57 (1884)). As early as McClurg v. Kingsland, 1 How. 202 (1843), the Court of Appeals added, this Court had made it "plain" that the same Clause permits Congress to "amplify the terms of an existing patent." 239 F. 3d, at 380. The appeals court recognized that this Court has been similarly deferential to

Concerning petitioners' assertion that Congress might evade the limitation on its authority by stringing together "an unlimited number of 'limited Times,'" the Court of Appeals stated that such legislative misbehavior "clearly is not the situation before us." 239 F. 3d, at 379. Rather, the court noted, the CTEA "matches" the baseline term for "United States copyrights [with] the terms of copyrights granted by the European Union." *Ibid.* "[I]n an era of multinational publishers and instantaneous electronic transmission," the court said, "harmonization in this regard has obvious practical benefits" and is "a 'necessary and proper' measure to meet contemporary circumstances rather than a step on the way to making copyrights perpetual." *Ibid.*

Judge Sentelle dissented in part. He concluded that Congress lacks power under the Copyright Clause to expand the copyright terms of existing works. *Id.*, at 380-384. The Court of Appeals subsequently denied rehearing and rehearing en banc. 255 F. 3d 849 (2001).

We granted certiorari to address two questions: whether the CTEA's extension of existing copyrights exceeds Congress' power under the Copyright Clause; and whether the CTEA's extension of existing and future copyrights violates the First Amendment. 534 U.S. 1126 and 1160 (2002). We now answer those two questions in the negative and affirm.

II

A

We address first the determination of the courts below that Congress has authority under the Copyright Clause to extend the terms of existing copyrights. Text, history,
and precedent, we conclude, confirm that the Copyright Clause empowers Congress to prescribe "limited Times" for copyright protection and to secure the same level and duration of protection for all copyright holders, present and future.

The CTEA's baseline term of life plus 70 years, petitioners concede, qualifies as a "limited Tim[e]" as applied to future copyrights. Petitioners contend, however, that existing copyrights extended to endure for that same term are not "limited." Petitioners' argument essentially reads into the text of the Copyright Clause the command that a time prescription, once set, becomes forever "fixed" or "inalterable." The word "limited," however, does not convey a meaning so constricted. At the time of the Framing, that word meant what it means today: "confine[d] within certain bounds," "restrain[ed]," or "circumscrib[e][d]." S. Johnson, A Dictionary of the English Language (7th ed. 1785); see T. Sheridan, A Complete Dictionary of the English Language (6th ed. 1796) ("confine[d] within certain bounds"); Webster's Third New International Dictionary 1312 (1976) ("confined within limits"; "restricted in extent, number, or duration"). Thus understood, a time span appropriately "limited" as applied to future copyrights does not automatically cease to be "limited" when applied to existing copyrights. And as we observe, infra, at 18, there is no cause to suspect that a purpose to evade the "limited Times" prescription prompted Congress to adopt the CTEA.

To comprehend the scope of Congress' power under the

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4 We note again that Justice Breyer makes no such concession. See supra, at 2, n. 1. He does not train his fire, as petitioners do, on Congress' choice to place existing and future copyrights in parity. Moving beyond the bounds of the parties' presentations, and with abundant policy arguments but precious little support from precedent, he would condemn Congress' entire product as irrational.
Copyright Clause, "a page of history is worth a volume of logic." *New York Trust Co. v. Eisner*, 256 U.S. 345, 349 (1921) (Holmes, J.). History reveals an unbroken congressional practice of granting to authors of works with existing copyrights the benefit of term extensions so that all under copyright protection will be governed evenhandedly under the same regime. As earlier recounted, see *supra*, at 3, the First Congress accorded the protections of the Nation's first federal copyright statute to existing and future works alike. 1790 Act §1.\(^6\) Since then, Congress

\(^6\)This approach comported with English practice at the time. The Statute of Anne, 1710, 8 Ann. c. 19, provided copyright protection to books not yet composed or published, books already composed but not yet published, and books already composed and published. See *ibid.* ("[T]he author of any book or books already composed, and not printed and published, or that shall hereafter be composed, and his assignee or assigns, shall have the sole liberty of printing and reprinting such book and books for the term of fourteen years, to commence from the day of the first publishing the same, and no longer."); *ibid.* ("[T]he author of any book or books already printed . . . or the bookseller or booksellers, printer or printers, or other person or persons, who hath or have purchased or acquired the copy or copies of any book or books, in order to print or reprint the same, shall have the sole right and liberty of printing such book and books for the term of one and twenty years, to commence from the said tenth day of April, and no longer.").

Justice Stevens stresses the rejection of a proposed amendment to the Statute of Anne that would have extended the term of existing copyrights, and reports that opponents of the extension feared it would perpetuate the monopoly position enjoyed by English booksellers. *Post*, at 12, and n. 9. But the English Parliament confronted a situation that never existed in the United States. Through the late 17th century, a government-sanctioned printing monopoly was held by the Stationers' Company, "the ancient London guild of printers and booksellers." M. Rose, *Authors and Owners: The Invention of Copyright* 4 (1993); see L. Patterson, Copyright in Historical Perspective ch. 3 (1968). Although that legal monopoly ended in 1695, concerns about monopolistic practices remained, and the 18th century English Parliament was resistant to any enhancement of booksellers' and publishers' entrenched position. See Rose, *supra*, at 52–56. In this country, in contrast, competition

Because the Clause empowering Congress to confer copyrights also authorizes patents, congressional practice with respect to patents informs our inquiry. We count it significant that early Congresses extended the duration of numerous individual patents as well as copyrights. See, e.g., Act of Jan. 7, 1808, ch. 6, 6 Stat. 70 (patent); Act of Mar. 3, 1809, ch. 35, 6 Stat. 80 (patent); Act of Feb. 7, 1815, ch. 36, 6 Stat. 147 (patent); Act of May 24, 1828, ch. 145, 6 Stat. 389 (copyright); Act of Feb. 11, 1830, ch. 13, 6 Stat. 403 (copyright); see generally Ochoa, Patent and Copyright Term Extension and the Constitution: A Historical Perspective, 49 J. Copyright Society 19 (2001). The

among publishers, printers, and booksellers was “intense[ly]” at the time of the founding, and “there was not even a rough analog to the Stationers’ Company on the horizon.” Nachbar, Constructing Copyright’s Mythology, 6 Green Bag 2d 37, 43 (2002). The Framers guarded against the future accumulation of monopoly power in booksellers and publishers by authorizing Congress to vest copyrights only in “Authors.” Justice Stevens does not even attempt to explain how Parliament’s response to England’s experience with a publishing monopoly may be construed to impose a constitutional limitation on Congress’ power to extend copyrights granted to “Authors.”

Moreover, the precise duration of a federal copyright has never been fixed at the time of the initial grant. The 1790 Act provided a federal copyright term of 14 years from the work’s publication, renewable for an additional 14 years if the author survived and applied for an additional term. §1. Congress retained that approach in subsequent statutes. See Stewart v. Abend, 495 U. S. 207, 217 (1990) (“Since the earliest copyright statute in this country, the copyright term of ownership has been split between an original term and a renewal term.”). Similarly, under the method for measuring copyright terms established by the 1976 Act and retained by the CTEA, the baseline copyright term is measured in part by the life of the author, rendering its duration indeterminate at the time of the grant. See 1976 Act §302(a); 17 U. S. C. §302(a).
courts saw no "limited Times" impediment to such extensions; renewed or extended terms were upheld in the early days, for example, by Chief Justice Marshall and Justice Story sitting as circuit justices. See Evans v. Jordan, 8 F. Cas. 872, 874 (No. 4,564) (CC Va. 1813) (Marshall, J.) ("Th[e] construction of the constitution which admits the renewal of a patent is not controverted. A renewed patent ... confers the same rights, with an original."); aff'd, 9 Cranch 199 (1815); Blanchard v. Sprague, 3 F. Cas. 648, 650 (No. 1,518) (CC Mass. 1839) (Story, J.) ("I never have entertained any doubt of the constitutional authority of congress" to enact a 14-year patent extension that "operates retrospectively"); see also Evans v. Robinson, 8 F. Cas. 886, 888 (No. 4,571) (CC Md. 1813) (Congress "have the exclusive right ... to limit the times for which a patent right shall be granted, and are not restrained from renewing a patent or prolonging" it.).

Further, although prior to the instant case this Court did not have occasion to decide whether extending the duration of existing copyrights complies with the "limited Times" prescription, the Court has found no constitutional barrier to the legislative expansion of existing patents.

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7 JUSTICE STEVENS would sweep away these decisions, asserting that Graham v. John Deere Co. of Kansas City, 388 U.S. 1 (1967), "flatly contradicts" them. Post, at 17. Nothing but wishful thinking underpins that assertion. The controversy in Graham involved no patent extension. Graham addressed an invention's very eligibility for patent protection, and spent no words on Congress' power to enlarge a patent's duration.

8 JUSTICE STEVENS recites words from Sears, Roebuck & Co. v. Stiffel Co., 376 U.S. 225 (1964), supporting the uncontroversial proposition that a State may not "extend the life of a patent beyond its expiration date," id., at 231, then boldly asserts that for the same reasons Congress may not do so either. See post, at 1, 5. But Sears placed no reins on Congress' authority to extend a patent's life. The full sentence in Sears, from which JUSTICE STEVENS extracts words, reads: "Obviously a State could not, consistently with the Supremacy Clause of the Constitution, extend the
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**McClurg v. Kingsland**, 1 How. 202 (1843), is the pathsetting precedent. The patentee in that case was unprotected under the law in force when the patent issued because he had allowed his employer briefly to practice the invention before he obtained the patent. Only upon enactment, two years later, of an exemption for such allowances did the patent become valid, retroactive to the time it issued. **McClurg** upheld retroactive application of the new law. The Court explained that the legal regime governing a particular patent “depend[s] on the law as it stood at the emanation of the patent, together with such changes as have been since made; for though they may be retrospective in their operation, that is not a sound objection to their validity.” *Id.*, at 206. Neither is it a sound objection to the life of a patent beyond its expiration date or give a patent on an article which lacked the level of invention required for federal patents.” 376 U.S., at 231. The point insistently made in *Sears* is no more and no less than this: *States* may not enact measures inconsistent with the federal patent laws. *Ibid.* (“[A] State cannot encroach upon the federal patent laws directly . . . [and] cannot . . . give protection of a kind that clashes with the objectives of the federal patent laws.”). A decision thus rooted in the Supremacy Clause cannot be turned around to shrink congressional choices.

Also unavailing is JUSTICE STEVENS’ appeal to language found in a private letter written by James Madison. *Post*, at 9, n. 6; see also dissenting opinion of BREYER, J., *post*, at 5, 20. Respondent points to a better “demonstration[,]” *post*, at 5, n. 3 (STEVENS, J., dissenting), of Madison’s and other Framers’ understanding of the scope of Congress’ power to extend patents: “[T]hen-President Thomas Jefferson—the first administrator of the patent system, and perhaps the Founder with the narrowest view of the copyright and patent powers—signed the 1808 and 1809 patent term extensions into law; . . . James Madison, who drafted the Constitution’s ‘limited Times’ language, issued the extended patents under those laws as Secretary of State; and . . . Madison as President signed another patent term extension in 1816.” Brief for Respondent 16.

JUSTICE STEVENS reads *McClurg* to convey that “Congress cannot change the bargain between the public and the patentee in a way that
to the validity of a copyright term extension, enacted pursuant to the same constitutional grant of authority, that the enlarged term covers existing copyrights.

Congress' consistent historical practice of applying newly enacted copyright terms to future and existing copyrights reflects a judgment stated concisely by Representative Huntington at the time of the 1831 Act: "[J]ustice, policy, and equity alike forb[i]d" that an "author who had sold his [work] a week ago, be placed in a worse situation than the author who should sell his work the day after the passing of [the] act." 7 Cong. Deb. 424 (1831); accord Symposium, The Constitutionality of Copyright Term Extension, 18 Cardozo Arts & Ent. L. J. 651, 694 (2000) (Prof. Miller) ("[S]ince 1790, it has indeed been Congress's policy that the author of yesterday's work should not get a lesser reward than the author of tomorrow's work just because Congress passed a statute lengthening the term today."). The CTEA follows this historical practice by keeping the duration provisions of the 1976 Act largely in place and simply adding 20 years to each of them. Guided by text, history, and precedent, we cannot agree with petitioners' submission that extending the duration of existing copyrights is categorically beyond Congress' authority under the Copyright Clause.

Satisfied that the CTEA complies with the "limited Times" prescription, we turn now to whether it is a ra-

... disadvantages the patentee." Post, at 19. But McClurg concerned no such change. To the contrary, as JUSTICE STEVENS acknowledges, McClurg held that use of an invention by the patentee's employer did not invalidate the inventor's 1834 patent, "even if it might have had that effect prior to the amendment of the patent statute in 1836." Post, at 18. In other words, McClurg evaluated the patentee's rights not simply in light of the patent law in force at the time the patent issued, but also in light of "such changes as had been since made." 1 How., at 206. It is thus inescapably plain that McClurg upheld the application of expanded patent protection to an existing patent.
tional exercise of the legislative authority conferred by the Copyright Clause. On that point, we defer substantially to Congress. *Sony*, 464 U. S., at 429 ("[I]t is Congress that has assigned the task of defining the scope of the limited monopoly that should be granted to authors... in order to give the public appropriate access to their work product.").

The CTEA reflects judgments of a kind Congress typically makes, judgments we cannot dismiss as outside the Legislature's domain. As respondent describes, see Brief for Respondent 37–38, a key factor in the CTEA's passage was a 1993 European Union (EU) directive instructing EU members to establish a copyright term of life plus 70 years. EU Council Directive 93/98, p. 4; see 144 Cong. Rec. S12377–S12378 (daily ed. Oct. 12, 1998) (statement of Sen. Hatch). Consistent with the Berne Convention, the EU directed its members to deny this longer term to the works of any non-EU country whose laws did not secure the same extended term. See Berne Conv. Art. 7(8); P.

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10Justice Breyer would adopt a heightened, three-part test for the constitutionality of copyright enactments. Post, at 3. He would invalidate the CTEA as irrational in part because, in his view, harmonizing the United States and European Union baseline copyright terms "apparent[ly]" fails to achieve "significant" uniformity. Post, at 23. But see infra, at 15. The novelty of the "rational basis" approach he presents is plain. Cf. Board of Trustees of Univ. of Ala. v. Garrett, 531 U. S. 356, 383 (2001) (Breyer, J., dissenting) ("Rational-basis review—with its presumptions favoring constitutionality—is 'a paradigm of judicial restraint.'") (quoting FCC v. Beach Communications, Inc., 508 U. S. 307, 314 (1993)). Rather than subjecting Congress' legislative choices in the copyright area to heightened judicial scrutiny, we have stressed that "it is not our role to alter the delicate balance Congress has labored to achieve." Stewart v. Abend, 495 U. S., at 290; see Sony Corp. of America v. Universal City Studios, Inc., 464 U. S. 417, 429 (1984). Congress' exercise of its Copyright Clause authority must be rational, but Justice Breyer's stringent version of rationality is unknown to our literary property jurisprudence.
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Goldstein, International Copyright §5.3, p. 239 (2001). By extending the baseline United States copyright term to life plus 70 years, Congress sought to ensure that American authors would receive the same copyright protection in Europe as their European counterparts. The CTEA may also provide greater incentive for American and other authors to create and disseminate their work in the United States. See Perlmutter, Participation in the International Copyright System as a Means to Promote the Progress of Science and Useful Arts, 36 Loyola (LA) L. Rev. 323, 330 (2002) ("[M]atching th[e] level of [copyright] protection in the United States [to that in the EU] can ensure stronger protection for U.S. works abroad and avoid competitive disadvantages vis-à-vis foreign rightholders."); see also id., at 332 (the United States could not "play a leadership role" in the give-and-take evolution of the international copyright system, indeed it would "lose all flexibility," "if the only way to promote the progress of science were to provide incentives to create new works").

11 Responding to an inquiry whether copyrights could be extended "forever," Register of Copyrights Marybeth Peters emphasized the dominant reason for the CTEA: "There certainly are proponents of perpetual copyright. We heard that in our proceeding on term extension. The Songwriters Guild suggested a perpetual term. However, our Constitution says limited times, but there really isn't a very good indication on what limited times is. The reason why you're going to life-plus-70 today is because Europe has gone that way ...." Copyright Term, Film Labeling, and Film Preservation Legislation: Hearings on H. R. 980 et al. before the Subcommittee on Courts and Intellectual Property of the House Committee on the Judiciary, 104th Cong., 1st Sess., 230 (1995) (hereinafter House Hearings).

12 The author of the law review article cited in text, Shira Perlmutter, currently a vice president of AOL Time Warner, was at the time of the CTEA's enactment Associate Register for Policy and International Affairs, United States Copyright Office.
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In addition to international concerns, Congress passed the CTEA in light of demographic, economic, and technological changes, Brief for Respondent 25–26, 33, and nn. 23 and 24, and rationally credited projections that longer terms would encourage copyright holders to invest in the restoration and public distribution of their works, id., at 54–57; see H. R. Rep. No. 105–452, p. 4 (1998) (term extension "provide[s] copyright owners generally with the incentive to restore older works and further disseminate them to the public").

See also Austin, Does the Copyright Clause Mandate Isolationism? 26 Colum.-VLA J. L. & Arts 17, 59 (2002) (cautioning against "an isolationist reading of the Copyright Clause that is in tension with... America's international copyright relations over the last hundred or so years").

Members of Congress expressed the view that, as a result of increases in human longevity and in parents' average age when their children are born, the pre-CTEA term did not adequately secure "the right to profit from licensing one's work during one's lifetime and to have pride and comfort in knowing that one's children—and perhaps their children—might also benefit from one's posthumous popularity." 141 Cong. Rec. 6553 (1995) (statement of Sen. Feinstein); see 144 Cong. Rec. S12317 (daily ed. Oct. 12, 1998) (statement of Sen. Hatch) ("Among the main developments [compelling reconsideration of the 1976 Act's term] is the effect of demographic trends, such as increasing longevity and the trend toward rearing children later in life, on the effectiveness of the life-plus-50 term to provide adequate protection for American creators and their heirs."). Also cited was "the failure of the U.S. copyright term to keep pace with the substantially increased commercial life of copyrighted works resulting from the rapid growth in communications media." Ibid. (statement of Sen. Hatch); cf. Sony, 464 U.S., at 430–431 ("From its beginning, the law of copyright has developed in response to significant changes in technology... As new developments have occurred in this country, it has been the Congress that has fashioned the new rules that new technology made necessary.").

Justice Breyer urges that the economic incentives accompanying copyright term extension are too insignificant to "move[e]" any author with a "rational economic perspective." Post, at 14; see post, at 13–16. Calibrating rational economic incentives, however, like "fashion[ing]
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In sum, we find that the CTEA is a rational enactment; we are not at liberty to second-guess congressional determinations and policy judgments of this order, however debatable or arguably unwise they may be. Accordingly, we cannot conclude that the CTEA—which continues the unbroken congressional practice of treating future and existing copyrights in parity for term extension purposes—is an impermissible exercise of Congress' power under the Copyright Clause.

B

Petitioners' Copyright Clause arguments rely on several novel readings of the Clause. We next address these arguments and explain why we find them unpersuasive.

... new rules [in light of] new technology," Sony, 464 U. S., at 431, is a task primarily for Congress, not the courts. Congress heard testimony from a number of prominent artists; each expressed the belief that the copyright system's assurance of fair compensation for themselves and their heirs was an incentive to create. See, e.g., House Hearings 233-239 (statement of Quincy Jones); Copyright Term Extension Act of 1996: Hearings before the Senate Committee on the Judiciary, 104th Cong., 1st Sess., 55-56 (1995) (statement of Bob Dylan); id., at 56-57 (statement of Don Henley); id., at 57 (statement of Carlos Santana). We would not take Congress to task for crediting this evidence which, as JUSTICE BREYER acknowledges, reflects general "propositions about the value of incentives" that are "undeniably true," Post, at 14.

Congress also heard testimony from Register of Copyrights Marybeth Peters and others regarding the economic incentives created by the CTEA. According to the Register, extending the copyright for existing works "could ... provide additional income that would finance the production and distribution of new works." House Hearings 158. "Authors would not be able to continue to create," the Register explained, "unless they earned income on their finished works. The public benefit not only from an author's original work but also from his or her further creations. Although this truism may be illustrated in many ways, one of the best examples is Noah Webster[,] who supported his entire family from the earnings on his speller and grammar during the twenty years he took to complete his dictionary." Id., at 165.
Petitioners contend that even if the CTEA’s 20-year term extension is literally a “limited Tim[e],” permitting Congress to extend existing copyrights allows it to evade the “limited Times” constraint by creating effectively perpetual copyrights through repeated extensions. We disagree.

As the Court of Appeals observed, a regime of perpetual copyrights “clearly is not the situation before us.” 239 F. 3d, at 379. Nothing before this Court warrants construction of the CTEA’s 20-year term extension as a congressional attempt to evade or override the “limited Times” constraint.16 Critically, we again emphasize,

16Justice Breyer agrees that “Congress did not intend to act unconstitutionally” when it enacted the CTEA, post, at 15, yet in his very next breath, he seems to make just that accusation, ibid. What else is one to glean from his selection of scattered statements from individual members of Congress? He does not identify any statement in the statutory text that installs a perpetual copyright, for there is none. But even if the statutory text were sufficiently ambiguous to warrant recourse to legislative history, Justice Breyer’s selections are not the sort to which this Court accords high value: “In surveying legislative history we have repeatedly stated that the authoritative source for finding the Legislature’s intent lies in the Committee Reports on the bill, which represent[] the considered and collective understanding of those [members of Congress] involved in drafting and studying proposed legislation.” Garcia v. United States, 469 U. S. 70, 76 (1984) (quoting Zuber v. Allen, 396 U. S. 168, 186 (1969)). The House and Senate Reports accompanying the CTEA reflect no purpose to make copyright a forever thing. Notably, the Senate Report expressly acknowledged that the Constitution “clearly precludes Congress from granting unlimited protection for copyrighted works,” S. Rep. No. 104–315, p. 11 (1996), and disclaimed any intent to contravene that prohibition, ibid. Members of Congress instrumental in the CTEA’s passage spoke to similar effect. See, e.g., 144 Cong. Rec. H1458 (daily ed. Mar. 25, 1998) (statement of Rep. Coble) (observing that “copyright protection should be for a limited time only” and that “[p]erpetual protection does not benefit society”).

Justice Breyer nevertheless insists that the “economic effect” of the
petitioners fail to show how the CTEA crosses a constitutionally significant threshold with respect to "limited Times" that the 1831, 1909, and 1976 Acts did not. See supra, at 3–5; Austin, supra, n. 13, at 56 ("If extending copyright protection to works already in existence is constitutionally suspect," so is "extending the protections of U.S copyright law to works by foreign authors that had already been created and even first published when the federal rights attached."). Those earlier Acts did not create perpetual copyrights, and neither does the CTEA.17

CTEA is to make the copyright term "virtually perpetual." Post, at 1. Relying on formulas and assumptions provided in an amicus brief supporting petitioners, he stresses that the CTEA creates a copyright term worth 99.8% of the value of a perpetual copyright. Post, at 13–15. If JUSTICE BREYER's calculations were a basis for holding the CTEA unconstitutional, then the 1976 Act would surely fall as well, for—under the same assumptions he indulges—the term set by that Act secures 99.4% of the value of a perpetual term. See Brief for George A. Akerlof et al. as Amici Curiae 6, n. 6 (describing the relevant formula). Indeed, on that analysis even the "limited" character of the 1909 (97.7%) and 1831 (94.1%) Acts might be suspect. JUSTICE BREYER several times places the Founding Fathers on his side. See, e.g., post, at 5, 20. It is doubtful, however, that those architects of our Nation, in framing the "limited Times" prescription, thought in terms of the calculator rather than the calendar.

17Respondent notes that the CTEA's life-plus-70-years baseline term is expected to produce an average copyright duration of 95 years, and that this term "resembles some other long-accepted duration practices in the law, such as 99-year leases of real property and bequests within the rule against perpetuities." Brief for Respondent 27, n. 18. Whether such references mark the outer boundary of "limited Times" is not before us today. JUSTICE BREYER suggests that the CTEA's baseline term extends beyond that typically permitted by the traditional rule against perpetuities. Post, at 15–16. The traditional common-law rule looks to lives in being plus 21 years. Under that rule, the period before a bequest vests could easily equal or exceed the anticipated average copyright term under the CTEA. If, for example, the vesting period on a deed were defined with reference to the life of an infant, the sum of the measuring life plus 21 years could commonly add up to 95 years.
Petitioners dominantly advance a series of arguments all premised on the proposition that Congress may not extend an existing copyright absent new consideration from the author. They pursue this main theme under three headings. Petitioners contend that the CTEA’s extension of existing copyrights (1) overlooks the requirement of “originality,” (2) fails to “promote the Progress of Science,” and (3) ignores copyright’s *quid pro quo*.

Petitioners’ “originality” argument draws on *Feist Publications, Inc. v. Rural Telephone Service Co.*, 499 U.S. 340 (1991). In *Feist*, we observed that “[t]he *sine qua non* of copyright is originality,” *id.*, at 345, and held that copyright protection is unavailable to “a narrow category of works in which the creative spark is utterly lacking or so trivial as to be virtually nonexistent,” *id.*, at 359. Relying on *Feist*, petitioners urge that even if a work is sufficiently “original” to qualify for copyright protection in the first instance, any extension of the copyright’s duration is impermissible because, once published, a work is no longer original.

*Feist*, however, did not touch on the duration of copyright protection. Rather, the decision addressed the core question of copyrightability, *i.e.*, the “creative spark” a work must have to be eligible for copyright protection at all. Explaining the originality requirement, *Feist* trained on the Copyright Clause words “Authors” and “Writings.” *Id.*, at 346–347. The decision did not construe the “limited Times” for which a work may be protected, and the originality requirement has no bearing on that prescription.

More forcibly, petitioners contend that the CTEA’s extension of existing copyrights does not “promote the Progress of Science” as contemplated by the preambular language of the Copyright Clause. Art. I, §8, cl. 8. To sustain this objection, petitioners do not argue that the Clause’s preamble is an independently enforceable limit
on Congress' power. See 239 F.3d, at 378 (Petitioners acknowledge that "the preamble of the Copyright Clause is not a substantive limit on Congress' legislative power." (internal quotation marks omitted)). Rather, they maintain that the preambular language identifies the sole end to which Congress may legislate; accordingly, they conclude, the meaning of "limited Times" must be "determined in light of that specified end." Brief for Petitioners 19. The CTEA's extension of existing copyrights categorically fails to "promote the Progress of Science," petitioners argue, because it does not stimulate the creation of new works but merely adds value to works already created.

As petitioners point out, we have described the Copyright Clause as "both a grant of power and a limitation," *Graham v. John Deere Co. of Kansas City*, 383 U.S. 1, 5 (1966), and have said that "[t]he primary objective of copyright" is "[t]o promote the Progress of Science," *Feist*, 499 U.S., at 349. The "constitutional command," we have recognized, is that Congress, to the extent it enacts copyright laws at all, create a "system" that "promote[s] the Progress of Science." *Graham*, 383 U.S., at 6.18

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18JUSTICE STEVENS' characterization of reward to the author as "a secondary consideration" of copyright law, post, at 6, n. 4 (internal quotation marks omitted), understates the relationship between such rewards and the "Progress of Science." As we have explained, "[t]he economic philosophy behind the [Copyright] [C]lause ... is the conviction that encouragement of individual effort by personal gain is the best way to advance public welfare through the talents of authors and inventors." *Mazer v. Stein*, 347 U.S. 201, 219 (1954). Accordingly, "copyright law celebrates the profit motive, recognizing that the incentive to profit from the exploitation of copyrights will redound to the public benefit by resulting in the proliferation of knowledge.... The profit motive is the engine that ensures the progress of science." *American Geophysical Union v. Texaco Inc.*, 802 F. Supp. 1, 27 (SDNY 1992), aff'd, 60 F.3d 913 (CA2 1994). Rewarding authors for their creative labor and "promot[ing] ... Progress" are thus complementary; as James Madison observed, in copyright "[t]he public good fully coincides ... with the claims
We have also stressed, however, that it is generally for Congress, not the courts, to decide how best to pursue the Copyright Clause's objectives. See Stewart v. Abend, 495 U. S., at 230 ("Th[e] evolution of the duration of copyright protection tellingly illustrates the difficulties Congress faces . . . . [I]t is not our role to alter the delicate balance Congress has labored to achieve"); Sony, 464 U. S., at 429 ("[I]t is Congress that has been assigned the task of defining the scope of [rights] that should be granted to authors or to inventors in order to give the public appropriate access to their work product."); Graham, 383 U. S., at 6 ("Within the limits of the constitutional grant, the Congress may, of course, implement the stated purpose of the Framers by selecting the policy which in its judgment best effectuates the constitutional aim."). The justifications we earlier set out for Congress' enactment of the CTEA, supra, at 14-17, provide a rational basis for the conclusion that the CTEA "promote[s] the Progress of Science."

On the issue of copyright duration, Congress, from the start, has routinely applied new definitions or adjustments of the copyright term to both future works and existing works not yet in the public domain. Such consistent
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congressional practice is entitled to "very great weight, and when it is remembered that the rights thus established have not been disputed during a period of [over two] centur[ies], it is almost conclusive." Burrow-Giles Lithographic Co. v. Sarony, 111 U. S., at 57. Indeed, "[t]his Court has repeatedly laid down the principle that a contemporaneous legislative exposition of the Constitution when the founders of our Government and framers of our Constitution were actively participating in public affairs, acquiesced in for a long term of years, fixes the construction to be given [the Constitution's] provisions." Myers v. United States, 272 U. S. 52, 175 (1926). Congress' unbroken practice since the founding generation thus overwhelms petitioners' argument that the CTEA's extension of existing copyrights fails per se to "promote the Progress of Science."20

Closely related to petitioners' preambular argument, or a variant of it, is their assertion that the Copyright Clause "imbeds a quid pro quo." Brief for Petitioners 23. They contend, in this regard, that Congress may grant to an "Author[r]" an "exclusive Right" for a "limited Tim[e]," but only in exchange for a "Writin[g]." Congress' power to confer copyright protection, petitioners argue, is thus contingent upon an exchange: The author of an original work receives an "exclusive Right" for a "limited Tim[e]" in

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20 Justice Stevens, post, at 15, refers to the "legislative veto" held unconstitutional in INS v. Chadha, 462 U. S. 919 (1983), and observes that we reached that decision despite its impact on federal laws geared to our "contemporary political system," id., at 967 (White, J., dissenting). Placing existing works in parity with future works for copyright purposes, in contrast, is not a similarly pragmatic endeavor responsive to modern times. It is a measure of the kind Congress has enacted under its Patent and Copyright Clause authority since the founding generation. See supra, at 5–6.
exchange for a dedication to the public thereafter. Extending an existing copyright without demanding additional consideration, petitioners maintain, bestows an unpaid-for benefit on copyright holders and their heirs, in violation of the *quid pro quo* requirement.

We can damn to petitioners’ description of the Copyright Clause as a grant of legislative authority empowering Congress “to secure a bargain—this for that.” Brief for Petitioners 16; see *Mazer v. Stein*, 347 U.S. 201, 219 (1954) (“The economic philosophy behind the clause empowering Congress to grant patents and copyrights is the conviction that encouragement of individual effort by personal gain is the best way to advance public welfare through the talents of authors and inventors in ‘Science and useful Arts.’”). But the legislative evolution earlier recalled demonstrates what the bargain entails. Given the consistent placement of existing copyright holders in parity with future holders, the author of a work created in the last 170 years would reasonably comprehend, as the “this” offered her, a copyright not only for the time in place when protection is gained, but also for any renewal or extension legislated during that time. 21 Congress could

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21 Standard copyright assignment agreements reflect this expectation. See, e.g., A. Kohn & B. Kohn, *Music Licensing* 471 (3d ed. 1992–2002) (short form copyright assignment for musical composition, under which assignor conveys all rights to the work, “including the copyrights and proprietary rights therein and in any and all versions of said musical composition(s), and any renewals and extensions thereof (whether presently available or subsequently available as a result of intervening legislation)” (emphasis added)); 5 M. Nimmer & D. Nimmer, *Copyright* §21.11[B], p. 21–306 (2002) (short form copyright assignment under which assignor conveys all assets relating to the work, “including without limitation, copyrights and renewals and/or extensions thereof”); 6 id., §30.04[B][1], p. 30–325 (form composer-producer agreement under which composer “assigns to Producer all rights (copyrights, rights under copyright and otherwise, whether now or hereafter known) and all renewals and extensions (as may now or hereafter exist)”).
rationally seek to "promote . . . Progress" by including in every copyright statute an express guarantee that authors would receive the benefit of any later legislative extension of the copyright term. Nothing in the Copyright Clause bars Congress from creating the same incentive by adopting the same position as a matter of unbroken practice. See Brief for Respondent 31–32.

Neither Sears, Roebuck & Co. v. Stiffel Co., 376 U.S. 225 (1964), nor Bonito Boats, Inc. v. Thunder Craft Boats, Inc., 489 U.S. 141 (1989), is to the contrary. In both cases, we invalidated the application of certain state laws as inconsistent with the federal patent regime. Sears, 376 U.S., at 231–233; Bonito, 489 U.S., at 152. Describing Congress' constitutional authority to confer patents, Bonito Boats noted: "The Patent Clause itself reflects a balance between the need to encourage innovation and the avoidance of monopolies which stifle competition without any concomitant advance in the 'Progress of Science and useful Arts.'" Id., at 146. Sears similarly stated that "[p]atents are not given as favors . . . but are meant to encourage invention by rewarding the inventor with the right, limited to a term of years fixed by the patent, to exclude others from the use of his invention." 376 U.S., at 229. Neither case concerned the extension of a patent's duration. Nor did either suggest that such an extension might be constitutionally infirm. Rather, Bonito Boats reiterated the Court's unclouded understanding: "It is for Congress to determine if the present system" effectuates the goals of the Copyright and Patent Clause. 489 U.S., at 168. And as we have documented, see supra, at 10–13, Congress has many times sought to effectuate those goals by extending existing patents.

We note, furthermore, that patents and copyrights do not entail the same exchange, and that our references to a quid pro quo typically appear in the patent context. See, e.g., J. E. M. Ag Supply, Inc. v. Pioneer Hi-Bred Interna-
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Eldred v. Ashcroft, 534 U.S. 124, 142 (2001) ("The disclosure required by the Patent Act is the quid pro quo of the right to exclude.") (quoting Kewanee Oil Co. v. Bicron Corp., 416 U.S. 470, 484 (1974)); Bonito Boats, 489 U.S., at 161 ("the quid pro quo of substantial creative effort required by the federal [patent] statute"); Brenner v. Manson, 383 U.S. 519, 534 (1966) ("The basic quid pro quo ... for granting a patent monopoly is the benefit derived by the public from an invention with substantial utility."); Pennock v. Dialogue, 2 Pet. 1, 23 (1829) (If an invention is already commonly known and used when the patent is sought, "there might be sound reason for presuming, that the legislature did not intend to grant an exclusive right," given the absence of a "quid pro quo"). This is understandable, given that immediate disclosure is not the objective of, but is exacted from, the patentee. It is the price paid for the exclusivity secured. See J. E. M. Ag Supply, 534 U.S., at 142. For the author seeking copyright protection, in contrast, disclosure is the desired objective, not something exacted from the author in exchange for the copyright. Indeed, since the 1976 Act, copyright has run from creation, not publication. See 1976 Act §302(a); 17 U.S. C. §302(a).

Further distinguishing the two kinds of intellectual property, copyright gives the holder no monopoly on any knowledge. A reader of an author's writing may make full use of any fact or idea she acquires from her reading. See §102(b). The grant of a patent, on the other hand, does prevent full use by others of the inventor's knowledge. See Brief for Respondent 22; Alfred Bell & Co. v. Catalda Fine Arts, 191 F. 2d 99, 103, n. 16 (CA2 1951) (The monopoly granted by a copyright "is not a monopoly of knowledge. The grant of a patent does prevent full use being made of knowledge, but the reader of a book is not by the copyright laws prevented from making full use of any information he may acquire from his reading." (quoting W. Copinger, Law

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of Copyright 2 (7th ed. 1936)). In light of these distinctions, one cannot extract from language in our patent decisions—language not trained on a grant’s duration—genuine support for petitioners’ bold view. Accordingly, we reject the proposition that a quid pro quo requirement stops Congress from expanding copyright’s term in a manner that puts existing and future copyrights in parity.22

As an alternative to their various arguments that extending existing copyrights violates the Copyright Clause per se, petitioners urge heightened judicial review of such extensions to ensure that they appropriately pursue the purposes of the Clause. See Brief for Petitioners 31–32. Specifically, petitioners ask us to apply the “congruence and proportionality” standard described in cases evaluating exercises of Congress’ power under §5 of the Fourteenth Amendment. See, e.g., City of Boerne v. Flores, 521 U.S. 507 (1997). But we have never applied that standard outside the §5 context; it does not hold sway for judicial review of legislation enacted, as copyright laws are, pursuant to Article I authorization.

Section 5 authorizes Congress to enforce commands contained in and incorporated into the Fourteenth Amendment. Amdt. 14, §5 (“The Congress shall have power to enforce, by appropriate legislation, the provisions of this article.”) (emphasis added)). The Copyright Clause,

22The fact that patent and copyright involve different exchanges does not, of course, mean that we may not be guided in our “limited Times” analysis by Congress’ repeated extensions of existing patents. See supra, at 10–13. If patent’s quid pro quo is more exacting than copyright’s, then Congress’ repeated extensions of existing patents without constitutional objection suggests even more strongly that similar legislation with respect to copyrights is constitutionally permissible.
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in contrast, empowers Congress to define the scope of the substantive right. See Sony, 464 U.S., at 429. Judicial deference to such congressional definition is "but a corollary to the grant to Congress of any Article I power." Graham, 383 U.S., at 6. It would be no more appropriate for us to subject the CTEA to "congruence and proportionality" review under the Copyright Clause than it would be for us to hold the Act unconstitutional per se.

For the several reasons stated, we find no Copyright Clause impediment to the CTEA's extension of existing copyrights.

III

Petitioners separately argue that the CTEA is a content-neutral regulation of speech that fails heightened judicial review under the First Amendment. We reject petitioners' plea for imposition of uncommonly strict scrutiny on a copyright scheme that incorporates its own speech-protective purposes and safeguards. The Copyright Clause and First Amendment were adopted close in time. This proximity indicates that, in the Framers' view, copyright's limited monopolies are compatible with free speech principles. Indeed, copyright's purpose is to promote the creation and publication of free expression. As Harper & Row observed: "[T]he Framers intended copyright itself to

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Petitioners originally framed this argument as implicating the CTEA's extension of both existing and future copyrights. See Pet. for Cert. i. Now, however, they train on the CTEA's extension of existing copyrights and urge against consideration of the CTEA's First Amendment validity as applied to future copyrights. See Brief for Petitioners 39--48; Reply Brief 16--17; Tr. of Oral Arg. 11--13. We therefore consider petitioners' argument as so limited. We note, however, that petitioners do not explain how their First Amendment argument is moored to the prospective/restrictive line they urge us to draw, nor do they say whether or how their free speech argument applies to copyright duration but not to other aspects of copyright protection, notably scope.
be the engine of free expression. By establishing a marketable right to the use of one’s expression, copyright supplies the economic incentive to create and disseminate ideas.” 471 U. S., at 558.

In addition to spurring the creation and publication of new expression, copyright law contains built-in First Amendment accommodations. See id., at 560. First, it distinguishes between ideas and expression and makes only the latter eligible for copyright protection. Specifically, 17 U. S. C. §102(b) provides: “In no case does copyright protection for an original work of authorship extend to any idea, procedure, process, system, method of operation, concept, principle, or discovery, regardless of the form in which it is described, explained, illustrated, or embodied in such work.” As we said in Harper & Row, this “idea/expression dichotomy strike[s] a definitional balance between the First Amendment and the Copyright Act by permitting free communication of facts while still protecting an author’s expression.” 471 U. S., at 556 (internal quotation marks omitted). Due to this distinction, every idea, theory, and fact in a copyrighted work becomes instantly available for public exploitation at the moment of publication. See Feist, 499 U. S., at 349–350.

Second, the “fair use” defense allows the public to use not only facts and ideas contained in a copyrighted work, but also expression itself in certain circumstances. Codified at 17 U. S. C. §107, the defense provides: “[T]he fair use of a copyrighted work, including such use by reproduction in copies ..., for purposes such as criticism, comment, news reporting, teaching (including multiple copies for classroom use), scholarship, or research, is not an infringement of copyright.” The fair use defense affords considerable “latitude for scholarship and comment,” Harper & Row, 471 U. S., at 560, and even for parody, see Campbell v. Acuff-Rose Music, Inc., 510 U. S. 569 (1994) (rap group’s musical parody of Roy Orbison’s “Oh, Pretty
Woman" may be fair use).

The CTEA itself supplements these traditional First Amendment safeguards. First, it allows libraries, archives, and similar institutions to "reproduce" and "distribute, display, or perform in facsimile or digital form" copies of certain published works "during the last 20 years of any term of copyright ... for purposes of preservation, scholarship, or research" if the work is not already being exploited commercially and further copies are unavailable at a reasonable price. 17 U.S.C. §108(h); see Brief for Respondent 36. Second, Title II of the CTEA, known as the Fairness in Music Licensing Act of 1998, exempts small businesses, restaurants, and like entities from having to pay performance royalties on music played from licensed radio, television, and similar facilities. 17 U.S.C. §110(5)(B); see Brief for Representative F. James Sensenbrenner, Jr., et al. as Amici Curiae 5–6, n. 3.

Finally, the case petitioners principally rely upon for their First Amendment argument, Turner Broadcasting System, Inc. v. FCC, 512 U.S. 622 (1994), bears little on copyright. The statute at issue in Turner required cable operators to carry and transmit broadcast stations through their proprietary cable systems. Those "must-carry" provisions, we explained, implicated "the heart of the First Amendment," namely, "the principle that each person should decide for himself or herself the ideas and beliefs deserving of expression, consideration, and adherence." Id., at 641.

The CTEA, in contrast, does not oblige anyone to reproduce another's speech against the carrier's will. Instead, it protects authors' original expression from unrestricted exploitation. Protection of that order does not raise the free speech concerns present when the government compels or burdens the communication of particular facts or ideas. The First Amendment securely protects the freedom to make—or decline to make—one's own speech; it
bears less heavily when speakers assert the right to make other people's speeches. To the extent such assertions raise First Amendment concerns, copyright's built-in free speech safeguards are generally adequate to address them. We recognize that the D.C. Circuit spoke too broadly when it declared copyrights "categorically immune from challenges under the First Amendment." 239 F.3d, at 375. But when, as in this case, Congress has not altered the traditional contours of copyright protection, further First Amendment scrutiny is unnecessary. See Harper & Row, 471 U.S., at 560; cf. San Francisco Arts & Athletics, Inc. v. United States Olympic Comm., 483 U.S. 522 (1987).24

IV

If petitioners' vision of the Copyright Clause held sway, it would do more than render the CTEA's duration extensions unconstitutional as to existing works. Indeed, petitioners' assertion that the provisions of the CTEA are not severable would make the CTEA's enlarged terms invalid even as to tomorrow's work. The 1976 Act's time extensions, which set the pattern that the CTEA followed, would be vulnerable as well.

As we read the Framers' instruction, the Copyright Clause empowers Congress to determine the intellectual property regimes that, overall, in that body's judgment,

24 We are not persuaded by petitioners' attempt to distinguish Harper & Row on the ground that it involved an infringement suit rather than a declaratory action of the kind here presented. As respondent observes, the same legal question can arise in either posture. See Brief for Respondent 42. In both postures, it is appropriate to construe copyright's internal safeguards to accommodate First Amendment concerns. Cf. United States v. X-Cite Video, Inc., 513 U.S. 64, 78 (1994) ("It is . . . incumbent upon us to read the statute to eliminate [serious constitutional] doubts so long as such a reading is not plainly contrary to the intent of Congress.").
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will serve the ends of the Clause. See Graham, 383 U. S., at 6 (Congress may "implement the stated purpose of the Framers by selecting the policy which in its judgment best effectuates the constitutional aim." (emphasis added)). Beneath the facade of their inventive constitutional interpretation, petitioners forcefully urge that Congress pursued very bad policy in prescribing the CTEA's long terms. The wisdom of Congress' action, however, is not within our province to second guess. Satisfied that the legislation before us remains inside the domain the Constitution assigns to the First Branch, we affirm the judgment of the Court of Appeals.

It is so ordered.
BREYER, J., dissenting

SUPREME COURT OF THE UNITED STATES

No. 01–618

ERIC ELDRED, ET AL., PETITIONERS v. JOHN D. ASHCROFT, ATTORNEY GENERAL

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA CIRCUIT

[January 15, 2003]

JUSTICE BREYER, dissenting.

The Constitution’s Copyright Clause grants Congress the power to “promote the Progress of Science . . . by securing for limited Times to Authors . . . the exclusive Right to their respective Writings.” Art. I, §8, cl. 8 (emphasis added). The statute before us, the 1998 Sonny Bono Copyright Term Extension Act, extends the term of most existing copyrights to 95 years and that of many new copyrights to 70 years after the author’s death. The economic effect of this 20-year extension is the longest blanket extension since the Nation’s founding—is to make the copyright term not limited, but virtually perpetual. Its primary legal effect is to grant the extended term not to authors, but to their heirs, estates, or corporate successors. And most importantly, its practical effect is not to promote, but to inhibit, the progress of “Science”—by which word the Framers meant learning or knowledge, E. Walterscheid, The Nature of the Intellectual Property Clause: A Study in Historical Perspective 125–126 (2002).

The majority believes these conclusions rest upon practical judgments that at most suggest the statute is unwise, not that it is unconstitutional. Legal distinctions, however, are often matters of degree. Panhandle Oil Co. v. Mississippi ex rel. Knox, 277 U.S. 218, 223 (1928) (Holmes, J., dissenting), overruled in part by Alabama v.
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King & Boozer, 314 U. S. 1, 8–9 (1941); accord, Wals v. Tax Comm’n of City of New York, 397 U. S. 664, 678–679 (1970). And in this case the failings of degree are so serious that they amount to failings of constitutional kind. Although the Copyright Clause grants broad legislative power to Congress, that grant has limits. And in my view this statute falls outside them.

I

The “monopoly privileges” that the Copyright Clause confers “are neither unlimited nor primarily designed to provide a special private benefit.” Sony Corp. of America v. Universal City Studios, Inc., 464 U. S. 417, 429 (1984); cf. Graham v. John Deere Co. of Kansas City, 383 U. S. 1, 5 (1966). This Court has made clear that the Clause’s limitations are judicially enforceable. E.g., Trade-Mark Cases, 100 U. S. 82, 93–94 (1879). And, in assessing this statute for that purpose, I would take into account the fact that the Constitution is a single document, that it contains both a Copyright Clause and a First Amendment, and that the two are related.

The Copyright Clause and the First Amendment seek related objectives—the creation and dissemination of information. When working in tandem, these provisions mutually reinforce each other, the first serving as an “engine of free expression,” Harper & Row, Publishers, Inc. v. Nation Enterprises, 471 U. S. 539, 558 (1985), the second assuring that government throws up no obstacle to its dissemination. At the same time, a particular statute that exceeds proper Copyright Clause bounds may set Clause and Amendment at cross-purposes, thereby depriving the public of the speech-related benefits that the Founders, through both, have promised.

Consequently, I would review plausible claims that a copyright statute seriously, and unjustifiably, restricts the dissemination of speech somewhat more carefully than
BREYER, J., dissenting

reference to this Court's traditional Commerce Clause jurisprudence might suggest, cf. ante, at 13–14, and n. 10. There is no need in this case to characterize that review as a search for "congruence and proportionality," ante, at 27, or as some other variation of what this Court has called "intermediate scrutiny," e.g., San Francisco Arts & Athletics, Inc. v. United States Olympic Comm., 463 U.S. 522, 536–537 (1987) (applying intermediate scrutiny to a variant of normal trademark protection). Cf. Nixon v. Shrink Missouri Government PAC, 528 U.S. 377, 402–403 (2000) (BREYER, J., concurring) (test of proportionality between burdens and benefits "where a law significantly implicates competing constitutionally protected interests"). Rather, it is necessary only to recognize that this statute involves not pure economic regulation, but regulation of expression, and what may count as rational where economic regulation is at issue is not necessarily rational where we focus on expression—in a Nation constitutionally dedicated to the free dissemination of speech, information, learning, and culture. In this sense only, and where line-drawing among constitutional interests is at issue, I would look harder than does the majority at the statute's rationality—though less hard than precedent might justify, see, e.g., Cleburne v. Cleburne Living Center, Inc., 473 U.S. 432, 446–450 (1985); Plyler v. Doe, 457 U.S. 202, 223–224 (1982); Department of Agriculture v. Moreno, 413 U.S. 528, 534–538 (1973).

Thus, I would find that the statute lacks the constitutionally necessary rational support (1) if the significant benefits that it bestows are private, not public; (2) if it threatens seriously to undermine the expressive values that the Copyright Clause embodies; and (3) if it cannot find justification in any significant Clause-related objective. Where, after examination of the statute, it becomes difficult, if not impossible, even to dispute these characterizations, Congress "choice is clearly wrong." Helvering v.
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*Davis*, 301 U. S. 619, 640 (1937).

II

A

Because we must examine the relevant statutory effects in light of the Copyright Clause's own purposes, we should begin by reviewing the basic objectives of that Clause. The Clause authorizes a "tax on readers for the purpose of giving a bounty to writers." 56 Parl. Deb. (3d Ser.) (1841) 341, 350 (Lord Macaulay). Why? What constitutional purposes does the "bounty" serve?

The Constitution itself describes the basic Clause objective as one of "promot[ing] the Progress of Science," *i.e.*, knowledge and learning. The Clause exists not to "provide a special private benefit," *Sony*, *supra*, at 429, but "to stimulate artistic creativity for the general public good," *Twentieth Century Music Corp. v. Aiken*, 422 U. S. 151, 156 (1975). It does so by "motivat[ing] the creative activity of authors" through "the provision of a special reward." *Sony*, *supra*, at 429. The "reward" is a means, not an end. And that is why the copyright term is limited. It is limited so that its beneficiaries—the public—"will not be permanently deprived of the fruits of an artist's labors." *Stewart v. Abend*, 495 U. S. 207, 228 (1990).

That is how the Court previously has described the Clause's objectives. See also *Mazer v. Stein*, 347 U. S. 201, 219 (1954) ("C)opyright law . . . makes reward to the owner a secondary consideration" (internal quotation marks omitted)); *Sony*, *supra*, at 429 ("[L]imited grant" is "intended . . . to allow the public access to the products of [authors'] genius after the limited period of exclusive control has expired"); *Harper & Row, supra*, at 545 (Copyright is "intended to increase and not to impede the harvest of knowledge"). But cf. *ante*, at 21–22, n. 18. And, in doing so, the Court simply has reiterated the views of the Founders.
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Madison, like Jefferson and others in the founding generation, warned against the dangers of monopolies. See, e.g., Monopolies. Perpetuities. Corporations. Ecclesiastical Endowments. in J. Madison, Writings 756 (J. Rakove ed. 1999) (hereinafter Madison on Monopolies); Letter from Thomas Jefferson to James Madison (July 31, 1788), in 13 Papers of Thomas Jefferson 443 (J. Boyd ed. 1956) (hereinafter Papers of Thomas Jefferson) (arguing against even copyright monopolies); 2 Annals of Cong. 1917 (Gales and Seaton eds. 1834) (statement of Rep. Jackson in the First Congress, Feb. 1791) ("What was it that drove our forefathers to this country? Was it not the ecclesiastical corporations and perpetual monopolies of England and Scotland?"). Madison noted that the Constitution had "limited them to two cases, the authors of Books, and of useful inventions." Madison on Monopolies 756. He thought that in those two cases monopoly is justified because it amounts to "compensation for" an actual community "benefit" and because the monopoly is "temporary"—the term originally being 14 years (once renewable). Ibid. Madison concluded that "under that limitation a sufficient recompence and encouragement may be given." Ibid. But he warned in general that monopolies must be "guarded with strictness against abuse." Ibid.

Many Members of the Legislative Branch have expressed themselves similarly. Those who wrote the House Report on the landmark Copyright Act of 1909, for example, said that copyright was not designed "primarily to "benefit" the "author" or "any particular class of citizens, however worthy." H. R. Rep. No. 2222, 60th Cong., 2d Sess., 6–7 (1909). Rather, under the Constitution, copyright was designed "primarily for the benefit of the public," for "the benefit of the great body of people, in that it will stimulate writing and invention." Id., at 7. And were a copyright statute not "believed, in fact, to accomplish"
the basic constitutional objective of advancing learning, that statute "would be beyond the power of Congress" to enact. *Id.*, at 6–7. Similarly, those who wrote the House Report on legislation that implemented the Berne Convention for the Protection of Literary and Artistic Works said that "[t]he constitutional purpose of copyright is to facilitate the flow of ideas in the interest of learning." H. R. Rep. No. 100–609, p. 22 (1988) (internal quotation marks omitted). They added:

"Under the U. S. Constitution, the primary objective of copyright law is not to reward the author, but rather to secure for the public the benefits derived from the authors' labors. By giving authors an incentive to create, the public benefits in two ways: when the original expression is created and . . . when the limited term . . . expires and the creation is added to the public domain." *Id.*, at 17.

For present purposes, then, we should take the following as well established: that copyright statutes must serve public, not private, ends; that they must seek "to promote the Progress" of knowledge and learning; and that they must do so both by creating incentives for authors to produce and by removing the related restrictions on dissemination after expiration of a copyright's "limited Tim[e]"—a time that (like "a limited monarch") is "restrain[ed]" and "circumscribe[d]," "not [left] at large," 2 S. Johnson, A Dictionary of the English Language 1151 (4th rev. ed. 1773). I would examine the statute's effects in light of these well-established constitutional purposes.

B

This statute, like virtually every copyright statute, imposes upon the public certain expression-related costs in the form of (1) royalties that may be higher than necessary to evoke creation of the relevant work, and (2) a require-
ment that one seeking to reproduce a copyrighted work must obtain the copyright holder's permission. The first of these costs translates into higher prices that will potentially restrict a work's dissemination. The second means search costs that themselves may prevent reproduction even where the author has no objection. Although these costs are, in a sense, inevitable concomitants of copyright protection, there are special reasons for thinking them especially serious here.

First, the present statute primarily benefits the holders of existing copyrights, i.e., copyrights on works already created. And a Congressional Research Service (CRS) study prepared for Congress indicates that the added royalty-related sum that the law will transfer to existing copyright holders is large. E. Rappaport, CRS Report for Congress, Copyright Term Extension: Estimating the Economic Values (1998) (hereinafter CRS Report). In conjunction with official figures on copyright renewals, the CRS Report indicates that only about 2% of copyrights between 55 and 75 years old retain commercial value—i.e., still generate royalties after that time. Brief for Petitioners 7 (estimate, uncontested by respondent, based on data from the CRS, Census Bureau, and Library of Congress). But books, songs, and movies of that vintage still earn about $400 million per year in royalties. CRS Report 8, 12, 15. Hence, (despite declining consumer interest in any given work over time) one might conservatively estimate that 20 extra years of copyright protection will mean the transfer of several billion extra royalty dollars to holders of existing copyrights—copyrights that, together, already will have earned many billions of dollars in royalty “reward.” See id., at 16.

The extra royalty payments will not come from thin air. Rather, they ultimately come from those who wish to read or see or hear those classic books or films or recordings that have survived. Even the $500,000 that United Air-
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lines has had to pay for the right to play George Gershwin's 1924 classic Rhapsody in Blue represents a cost of doing business, potentially reflected in the ticket prices of those who fly. See Ganzel, Copyright or Copy-wrong? Training 36, 42 (Dec. 2002). Further, the likely amounts of extra royalty payments are large enough to suggest that unnecessarily high prices will unnecessarily restrict distribution of classic works (or lead to disobedience of the law)—not just in theory but in practice. Cf. CRS Report 3 ("[N]ew, cheaper editions can be expected when works come out of copyright"); Brief for College Art Association et al. as Amici Curiae 24 (One year after expiration of copyright on Willa Cather's My Antonia, seven new editions appeared at prices ranging from $2 to $24); Ganzel, supra, at 40–41, 44 (describing later abandoned plans to charge individual Girl Scout camps $257 to $1,439 annually for a license to sing songs such as God Bless America around a campfire).

A second, equally important, cause for concern arises out of the fact that copyright extension imposes a "permissions" requirement—not only upon potential users of "classic" works that still retain commercial value, but also upon potential users of any other work still in copyright. Again using CRS estimates, one can estimate that, by 2018, the number of such works 75 years of age or older will be about 350,000. See Brief for Petitioners 7. Because the Copyright Act of 1976 abolished the requirement that an owner must renew a copyright, such still-in-copyright works (of little or no commercial value) will eventually number in the millions. See Pub. L. 94–553, §§802–804, 90 Stat. 2572–2576; U. S. Dept. of Commerce, Bureau of Census, Statistical History of the United States: From Colonial Times to the Present 956 (1976) (hereinafter Statistical History).

The potential users of such works include not only movie buffs and aging jazz fans, but also historians, scholars,
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teachers, writers, artists, database operators, and researchers of all kinds—those who want to make the past accessible for their own use or for that of others. The permissions requirement can inhibit their ability to accomplish that task. Indeed, in an age where computer-accessible databases promise to facilitate research and learning, the permissions requirement can stand as a significant obstacle to realization of that technological hope.

The reason is that the permissions requirement can inhibit or prevent the use of old works (particularly those without commercial value): (1) because it may prove expensive to track down or to contract with the copyright holder, (2) because the holder may prove impossible to find, or (3) because the holder when found may deny permission either outright or through misinformed efforts to bargain. The CRS, for example, has found that the cost of seeking permission “can be prohibitive.” CRS Report 4. And amici, along with petitioners, provide examples of the kinds of significant harm at issue.

Thus, the American Association of Law Libraries points out that the clearance process associated with creating an electronic archive, Documenting the American South, “consumed approximately a dozen man-hours” per work. Brief for American Association of Law Libraries et al. as Amici Curiae 20. The College Art Association says that the costs of obtaining permission for use of single images, short excerpts, and other short works can become prohibitively high; it describes the abandonment of efforts to include, e.g., campaign songs, film excerpts, and documents exposing “horrors of the chain gang” in historical works or archives; and it points to examples in which copyright holders in effect have used their control of copyright to try to control the content of historical or cultural works. Brief for College Art Association et al. as Amici Curiae 7–13. The National Writers Union provides simi-
lar examples. Brief for National Writers Union et al. as
Amici Curiae 25–27. Petitioners point to music fees that
may prevent youth or community orchestras, or church
choirs, from performing early 20th-century music. Brief
for Petitioners 3–5; see also App. 16–17 (Copyright exten-
sion caused abandonment of plans to sell sheet music of
Maurice Ravel's Alborada Del Gracioso). Amici for peti-
tioners describe how electronic databases tend to avoid
adding to their collections works whose copyright holders
may prove difficult to contact, see, e.g., Arms, Getting the
Picture: Observations from the Library of Congress on
Providing Online Access to Pictorial Images, 48 Library
Trends 379, 405 (1999) (describing how this tendency
applies to the Library of Congress' own digital archives).

As I have said, to some extent costs of this kind accom-
pany any copyright law, regardless of the length of the
copyright term. But to extend that term, preventing
works from the 1920's and 1930's from falling into the
public domain, will dramatically increase the size of the
costs just as—perversely—the likely benefits from protec-
tion diminish. See infra, at 13–15. The older the work,
the less likely it retains commercial value, and the harder
it will likely prove to find the current copyright holder.
The older the work, the more likely it will prove useful to
the historian, artist, or teacher. The older the work, the
less likely it is that a sense of authors' rights can justify a
copyright holder's decision not to permit reproduction, for
the more likely it is that the copyright holder making the
decision is not the work's creator, but, say, a corporation
or a great-grandchild whom the work's creator never
knew. Similarly, the costs of obtaining permission, now
perhaps ranging in the millions of dollars, will multiply as
the number of holders of affected copyrights increases
from several hundred thousand to several million. See
supra, at 8. The costs to the users of nonprofit databases,
now numbering in the low millions, will multiply as the
use of those computer-assisted databases becomes more prevalent. See, e.g., Brief for Internet Archive et al. as Amici Curiae 2, 21, and n. 37 (describing nonprofit Project Gutenberg). And the qualitative costs to education, learning, and research will multiply as our children become ever more dependent for the content of their knowledge upon computer-accessible databases—thereby condemning that which is not so accessible, say, the cultural content of early 20th-century history, to a kind of intellectual purgatory from which it will not easily emerge.

The majority finds my description of these permissions-related harms overstated in light of Congress' inclusion of a statutory exemption, which, during the last 20 years of a copyright term, exempts "facsimile or digital" reproduction by a "library or archives" "for purposes of preservation, scholarship, or research," 17 U. S. C. §108(h). Ante, at 30. This exemption, however, applies only where the copy is made for the special listed purposes; it simply permits a library (not any other subsequent users) to make "a copy" for those purposes; it covers only "published" works not "subject to normal commercial exploitation" and not obtainable, apparently not even as a used copy, at a "reasonable price"; and it insists that the library assure itself through "reasonable investigation" that these conditions have been met. 17 U. S. C. §108(h). What database proprietor can rely on so limited an exemption—particularly when the phrase "reasonable investigation" is so open-ended and particularly if the database has commercial, as well as non-commercial, aspects?

The majority also invokes the "fair use" exception, and it notes that copyright law itself is restricted to protection of a work's expression, not its substantive content. Ante, at 29–30. Neither the exception nor the restriction, however, would necessarily help those who wish to obtain from electronic databases material that is not there—say, teachers wishing their students to see albums of Depres-
sion Era photographs, to read the recorded words of those who actually lived under slavery, or to contrast, say, Gary Cooper's heroic portrayal of Sergeant York with filmed reality from the battlefield of Verdun. Such harm, and more, see supra, at 6–11, will occur despite the 1998 Act's exemptions and despite the other "First Amendment safeguards" in which the majority places its trust, ante, at 29–30.

I should add that the Motion Picture Association of America also finds my concerns overstated, at least with respect to films, because the extension will sometimes make it profitable to reissue old films, saving them from extinction. Brief for Motion Picture Association of America, Inc., as Amicus Curiae 14–24. Other film preservationists note, however, that only a small minority of the many films, particularly silent films, from the 1920's and 1930's have been preserved. 1 Report of the Librarian of Congress, Film Preservation 1993, pp. 3–4 (Half of all pre-1950 feature films and more than 80% of all such pre-1929 films have already been lost); cf. Brief for Hal Roach Studios et al. as Amici Curiae 18 (Out of 1,200 Twenties Era silent films still under copyright, 63 are now available on digital video disc). They seek to preserve the remainder. See, e.g., Brief for Internet Archive et al. as Amici Curiae 22 (Nonprofit database digitized 1,001 public-domain films, releasing them online without charge); 1 Film Preservation 1993, supra, at 23 (reporting well over 200,000 titles held in public archives). And they tell us that copyright extension will impede preservation by forbidding the reproduction of films within their own or within other public collections. Brief for Hal Roach Studios et al. as Amici Curiae 10–21; see also Brief for Internet Archive et al. as Amici Curiae 16–29; Brief for American Association of Law Libraries et al. as Amici Curiae 26–27.

Because this subsection concerns only costs, not countervailing benefits, I shall simply note here that, with
respect to films as with respect to other works, extension
does cause substantial harm to efforts to preserve and to
disseminate works that were created long ago. And I shall
turn to the second half of the equation: Could Congress
reasonably have found that the extension’s toll-related and
permissions-related harms are justified by extension’s
countervailing preservationist incentives or in other ways?

C

What copyright-related benefits might justify the stat-
ute’s extension of copyright protection? First, no one could
reasonably conclude that copyright’s traditional economic
rationales applies here. The extension will not act as an
economic spur encouraging authors to create new works.
See Mazer, 347 U.S., at 219 (The “economic philosophy” of
the Copyright Clause is to “advance public welfare” by
duc[ing] individual effort” through “personal gain”); see also ante, at 21–22, n. 18 (“[C]opyright law serves
public ends by providing individuals with an incentive to
pursue private ones”). No potential author can reasonably
believe that he has more than a tiny chance of writing a
classic that will survive commercially long enough for the
copyright extension to matter. After all, if, after 55 to 75
years, only 2% of all copyrights retain commercial value,
the percentage surviving after 75 years or more (a typical
pre-extension copyright term)—must be far smaller. See
supra, at 7; CRS Report 7 (estimating that, even after
copyright renewal, about 3.8% of copyrighted books go out
of print each year). And any remaining monetary incen-
tive is diminished dramatically by the fact that the rele-
vant royalties will not arrive until 75 years or more into
the future, when, not the author, but distant heirs, or
shareholders in a successor corporation, will receive them.
Using assumptions about the time value of money pro-
vided us by a group of economists (including five Nobel
prize winners), Brief for George A. Akerlof et al. as Amici
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_Curiae_ 5–7, it seems fair to say that, for example, a 1% likelihood of earning $100 annually for 20 years, starting 75 years into the future, is worth less than seven cents today. See id., at 3a; see also CRS Report 5. See generally Appendix, Part A, _infra_.

What potential Shakespeare, Wharton, or Hemingway would be moved by such a sum? What monetarily motivated Melville would not realize that he could do better for his grandchildren by putting a few dollars into an interest-bearing bank account? The Court itself finds no evidence to the contrary. It refers to testimony before Congress (1) that the copyright system’s incentives encourage creation, and (2) (referring to Noah Webster) that income earned from one work can help support an artist who “continue[s] to create.” _Ante_, at 16–17, n. 15. But the first of these amounts to no more than a set of undeniably true propositions about the value of incentives in general. And the applicability of the second to this Act is mysterious. How will extension help today’s Noah Webster create new works 60 years after his death? Or is that hypothetical Webster supposed to support himself with the extension’s present discounted value, _i.e._, a few pennies? Or (to change the metaphor) is the argument that Dumas _fils_ would have written more books had Dumas _père’s_ Three Musketeers earned more royalties?

Regardless, even if this cited testimony were meant more specifically to tell Congress that somehow, somewhere, some potential author might be moved by the thought of great-grandchildren receiving copyright royalties a century hence, so might some potential author also be moved by the thought of royalties being paid for two centuries, five centuries, 1,000 years, “till the End of Time.” And from a rational economic perspective the time difference among these periods _makes no real difference_. The present extension will produce a copyright period of protection that, even under conservative assumptions, is
worth more than 99.8% of protection in perpetuity (more than 99.99% for a songwriter like Irving Berlin and a song like Alexander's Ragtime Band). See Appendix, Part A, infra. The lack of a practically meaningful distinction from an author's ex ante perspective between (a) the statute's extended terms and (b) an infinite term makes this latest extension difficult to square with the Constitution's insistence on "limited Times." Cf. Tr. of Oral Arg. 34 (Solicitor General's related concession).

I am not certain why the Court considers it relevant in this respect that "[n]othing . . . warrants construction of the [1998 Act's] 20-year term extension as a congressional attempt to evade or override the 'limited Times' constraint." Ante, at 18. Of course Congress did not intend to act unconstitutionally. But it may have sought to test the Constitution's limits. After all, the statute was named after a Member of Congress, who, the legislative history records, "wanted the term of copyright protection to last forever." 144 Cong. Rec. H9952 (daily ed. Oct. 7, 1998) (statement of Rep. Mary Bono). See also Copyright Term, Film Labeling, and Film Preservation Legislation: Hearings on H. R. 989 et al. before the Subcommittee on Courts and Intellectual Property of the House Judiciary Committee, 104th Cong., 1st Sess., 94 (1995) (hereinafter House Hearings) (statement of Rep. Sonny Bono) (questioning why copyrights should ever expire); ibid. (statement of Rep. Berman) ("I guess we could . . . just make a permanent moratorium on the expiration of copyrights"); id., at 230 (statement of Rep. Hoke) ("Why 70 years? Why not forever? Why not 150 years?"); cf. ibid. (statement of the Register of Copyrights) (In Copyright Office proceedings, "[t]he Songwriters Guild suggested a perpetual term"); id., at 234 (statement of Quincy Jones) ("I'm particularly fascinated with Representative Hoke's statement. . . . Why not forever?"); id., at 277 (statement of Quincy Jones) ("If we can start with 70, add 20, it would be a good
The statute ended up creating a term so long that the vesting of 19th-century real property at issue would typically violate the traditional rule against perpetuities. See 10 R. Powell, Real Property §§71.02[2]–[3], p. 71–11 (M. Wolf ed. 2002) (traditional rule that estate must vest, if at all, within lives in being plus 21 years); cf. id. §71.03, p. 71–15 (modern statutory perpetuity term of 90 years, 5 years shorter than 95-year copyright terms).

In any event, the incentive-related numbers are far too small for Congress to have concluded rationally, even with respect to new works, that the extension's economic-incentive effect could justify the serious expression-related harms earlier described. See Part II–B, supra. And, of course, in respect to works already created—the source of many of the harms previously described—the statute creates no economic incentive at all. See ante, at 5–6 (STEVENS, J., dissenting).

Second, the Court relies heavily for justification upon international uniformity of terms. Ante, at 4, 14–15. Although it can be helpful to look to international norms and legal experience in understanding American law, cf. Printz v. U. S., 521 U. S. 898, 977 (1997) (BREYER, J., dissenting), in this case the justification based upon foreign rules is surprisingly weak. Those who claim that significant copyright-related benefits flow from greater international uniformity of terms point to the fact that the nations of the European Union have adopted a system of copyright terms uniform among themselves. And the extension before this Court implements a term of life plus 70 years that appears to conform with the European standard. But how does "uniformity" help to justify this statute?

Despite appearances, the statute does not create a uniform American-European term with respect to the lion's share of the economically significant works that it af-
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The statute does produce uniformity with respect to copyrights in new, post-1977 works attributed to natural persons. Compare 17 U.S.C. §302(a) with EU Council Directive 93/98, Art. 1(1). But these works constitute only a subset (likely a minority) of works that retain commercial value after 75 years. See Appendix, Part B, infra. And the fact that uniformity comes so late, if at all, means that bringing American law into conformity with this particular aspect of European law will neither encourage creation nor benefit the long-dead author in any other important way.

What benefit, then, might this partial future uniformity achieve? The majority refers to "greater incentive for American and other authors to create and disseminate their work in the United States," and cites a law review article suggesting a need to "avoid competitive disadvantages." Ante, at 15. The Solicitor General elaborates on this theme, postulating that because uncorrected disuniformity would permit Europe, not the United States, to hold out the prospect of protection lasting for "life plus 70 years" (instead of "life plus 50 years"), a potential author might decide to publish initially in Europe, delaying

\[ \text{law is not uniform} \]
American publication. Brief for Respondent 38. And the statute, by creating a uniformly longer term, corrects for the disincentive that this disuniformity might otherwise produce.

That disincentive, however, could not possibly bring about serious harm of the sort that the Court, the Solicitor General, or the law review author fears. For one thing, it is unclear just who will be hurt and how, should American publication come second—for the Berne Convention still offers full protection as long as a second publication is delayed by 30 days. See Berne Conv. Arts. 3(4), 5(4). For another, few, if any, potential authors would turn a "where to publish" decision upon this particular difference in the length of the copyright term. As we have seen, the present commercial value of any such difference amounts at most to comparative pennies. See supra, at 13–14. And a commercial decision that turned upon such a difference would have had to have rested previously upon a knife edge so fine as to be invisible. A rational legislature could not give major weight to an invisible, likely nonexistent incentive-related effect.

But if there is no incentive-related benefit, what is the benefit of the future uniformity that the statute only partially achieves? Unlike the Copyright Act of 1976, this statute does not constitute part of an American effort to conform to an important international treaty like the Berne Convention. See H. R. Rep. No. 94–1476, pp. 135–136 (1976) (The 1976 Act's life-plus-50 term was "required for adherence to the Berne Convention"); S. Rep. No. 94–473, p. 118 (1975) (same). Nor does European acceptance of the longer term seem to reflect more than special European institutional considerations, i.e., the needs of, and the international politics surrounding, the development of the European Union. House Hearings 230 (statement of the Register of Copyrights); id., at 396–398 (statement of J. Reichman). European and American copyright law
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have long coexisted despite important differences, including Europe's traditional respect for authors' "moral rights" and the absence in Europe of constitutional restraints that restrict copyrights to "limited Times." See, e.g., Kwall, Copyright and the Moral Right: Is an American Marriage Possible? 38 Vand. L. Rev. 1, 1–3 (1985) (moral rights); House Hearings 187 (testimony of the Register of Copyrights) ("limited [T]imes").

In sum, the partial, future uniformity that the 1998 Act promises cannot reasonably be said to justify extension of the copyright term for new works. And concerns with uniformity cannot possibly justify the extension of the new term to older works, for the statute there creates no uniformity at all.

Third, several publishers and filmmakers argue that the statute provides incentives to those who act as publishers to republish and to redistribute older copyrighted works. This claim cannot justify this statute, however, because the rationale is inconsistent with the basic purpose of the Copyright Clause—as understood by the Framers and by this Court. The Clause assumes an initial grant of monopoly, designed primarily to encourage creation, followed by termination of the monopoly grant in order to promote dissemination of already-created works. It assumes that it is the disappearance of the monopoly grant, not its perpetuation, that will, on balance, promote the dissemination of works already in existence. This view of the Clause does not deny the empirical possibility that grant of a copyright monopoly to the heirs or successors of a long-dead author could on occasion help publishers resurrect the work, say, of a long-lost Shakespeare. But it does deny Congress the Copyright Clause power to base its actions primarily upon that empirical possibility—lest copyright grants become perpetual, lest on balance they restrict dissemination, lest too often they seek to bestow benefits that are solely retroactive.
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This view of the Clause finds strong support in the writings of Madison, in the antimonopoly environment in which the Framers wrote the Clause, and in the history of the Clause's English antecedent, the Statute of Anne—a statute which sought to break up a publishers' monopoly by offering, as an alternative, an author's monopoly of limited duration. See Patterson, Understanding the Copyright Clause, 47 J. Copyright Society 365, 379 (2000) (Statute of Anne); L. Patterson, Copyright in Historical Perspective 144–147 (1968) (same); Madison on Monopolies 756–757; Papers of Thomas Jefferson 442–443; The Constitutional Convention and the Formation of the Union 334, 338 (W. Solberg 2d ed. 1990); see also supra, at 5.

This view finds virtually conclusive support in the Court's own precedents. See Sony, 464 U. S., at 429 (The Copyright Clause is "intended . . . to allow the public access . . . after the limited period of exclusive control"); Stewart, 495 U. S., at 228 (The copyright term is limited to avoid "permanently depriv[ing]" the public of "the fruits of an artist's labors"); see also supra, at 4.

This view also finds textual support in the Copyright Clause's word "limited." Cf. J. Story, Commentaries on the Constitution §§558, p. 402 (R. Rotunda & J. Nowak eds. 1987) (The Copyright Clause benefits the public in part because it "admit[s] the people at large, after a short interval, to the full possession and enjoyment of all writings . . . without restraint" (emphasis added)). It finds added textual support in the word "Authors," which is difficult to reconcile with a rationale that rests entirely upon incentives given to publishers perhaps long after the death of the work's creator. Cf. Feist Publications, Inc. v. Rural Telephone Service Co., 499 U. S. 340, 346–347 (1991).

It finds empirical support in sources that underscore the wisdom of the Framers' judgment. See CRS Report 3 ("[N]ew, cheaper editions can be expected when works come out of copyright"); see also Part II–B, supra. And it
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draws logical support from the endlessly self-perpetuating nature of the publishers' claim and the difficulty of finding any kind of logical stopping place were this Court to accept such a uniquely publisher-related rationale. (Would it justify continuing to extend copyrights indefinitely, say, for those granted to F. Scott Fitzgerald or his lesser known contemporaries? Would it not, in principle, justify continued protection of the works of Shakespeare, Melville, Mozart, or perhaps Salieri, Mozart's currently less popular contemporary? Could it justify yet further extension of the copyright on the song Happy Birthday to You (melody first published in 1893, song copyrighted after litigation in 1935), still in effect and currently owned by a subsidiary of AOL Time Warner? See Profitable "Happy Birthday," Times of London, Aug. 5, 2000, p. 6.)

Given this support, it is difficult to accept the conflicting rationale that the publishers advance, namely that extension, rather than limitation, of the grant will, by rewarding publishers with a form of monopoly, promote, rather than retard, the dissemination of works already in existence. Indeed, given these considerations, this rationale seems constitutionally perverse—unable, constitutionally speaking, to justify the blanket extension here at issue. Cf. ante, at 20 (STEVENS, J., dissenting).

Fourth, the statute's legislative history suggests another possible justification. That history refers frequently to the financial assistance the statute will bring the entertainment industry, particularly through the promotion of exports. See, e.g., S. Rep. No. 104–315, p. 3 (1996) ("The purpose of this bill is to ensure adequate copyright protection for American works in foreign nations and the continued economic benefits of a healthy surplus balance of trade"); 144 Cong. Rec., at H9951 (statement of Rep. Foley) (noting "the importance of this issue to America's creative community," "[w]hether it is Sony, BMI, Disney" or other companies). I recognize that Congress has some-
times found that suppression of competition will help Americans sell abroad—though it has simultaneously taken care to protect American buyers from higher domestic prices. See, e.g., Webb-Pomerene Act (Export Trade), 40 Stat. 516, as amended, 15 U. S. C. §§61–65; see also IA P. Areeda & H. Hovenkamp, Antitrust Law ¶251a, pp. 134–137 (2d ed. 2000) (criticizing export cartels). In doing so, however, Congress has exercised its commerce, not its copyright, power. I can find nothing in the Copyright Clause that would authorize Congress to enhance the copyright grant's monopoly power, likely leading to higher prices both at home and abroad, solely in order to produce higher foreign earnings. That objective is not a copyright objective. Nor, standing alone, is it related to any other objective more closely tied to the Clause itself. Neither can higher corporate profits alone justify the grant's enhancement. The Clause seeks public, not private, benefits.

Finally, the Court mentions as possible justifications "demographic, economic, and technological changes"—by which the Court apparently means the facts that today people communicate with the help of modern technology, live longer, and have children at a later age. Ante, at 16, and n. 14. The first fact seems to argue not for, but instead against, extension. See Part II–B, supra. The second fact seems already corrected for by the 1976 Act's life-plus-50 term, which automatically grows with lifespans. Cf. Department of Health and Human Services, Centers for Disease Control and Prevention, Deaths: Final Data for 2000 (2002) (Table 8) (reporting a 4-year increase in expected lifespan between 1976 and 1998). And the third fact—that adults are having children later in life—is a makeweight at best, providing no explanation of why the 1976 Act's term of 50 years after an author's death—a longer term than was available to authors themselves for most of our Nation's history—is an insufficient potential bequest. The weakness of these final rationales simply
underscores the conclusion that emerges from consideration of earlier attempts at justification: There is no legitimate, serious copyright-related justification for this statute.

III

The Court is concerned that our holding in this case not inhibit the broad decisionmaking leeway that the Copyright Clause grants Congress. Ante, at 13–14, 17, 31–32. It is concerned about the implications of today’s decision for the Copyright Act of 1976—an Act that changed copyright’s basic term from 56 years (assuming renewal) to life of the author plus 50 years, ante, at 3. Ante, at 31. It is concerned about having to determine just how many years of copyright is too many—a determination that it fears would require it to find the “right” constitutional number, a task for which the Court is not well suited. See ante, at 32; but cf. ante, at 19, n. 17.

I share the Court’s initial concern, about intrusion upon the decisionmaking authority of Congress. See ante, at 14, n. 10. But I do not believe it intrudes upon that authority to find the statute unconstitutional on the basis of (1) a legal analysis of the Copyright Clause’s objectives, see supra, at 4–6, 19–21; (2) the total implausibility of any incentive effect, see supra, at 13–16; and (3) the statute’s apparent failure to provide significant international uniformity, see supra, at 16–19. Nor does it intrude upon congressional authority to consider rationality in light of the expressive values underlying the Copyright Clause, related as it is to the First Amendment, and given the constitutional importance of correctly drawing the relevant Clause/Amendment boundary. Supra, at 2–4. We cannot avoid the need to examine the statute carefully by saying that “Congress has not altered the traditional contours of copyright protection,” ante, at 31, for the sentence points to the question, rather than the answer. Nor
should we avoid that examination here. That degree of judicial vigilance—at the far outer boundaries of the Clause—is warranted if we are to avoid the monopolies and consequent restrictions of expression that the Clause, read consistently with the First Amendment, seeks to preclude. And that vigilance is all the more necessary in a new Century that will see intellectual property rights and the forms of expression that underlie them play an ever more important role in the Nation's economy and the lives of its citizens.

I do not share the Court's concern that my view of the 1998 Act could automatically doom the 1976 Act. Unlike the present statute, the 1976 Act thoroughly revised copyright law and enabled the United States to join the Berne Convention—an international treaty that requires the 1976 Act's basic life-plus-56 term as a condition for substantive protections from a copyright's very inception, Berne Conv. Art. 7(1). Consequently, the balance of copyright-related harms and benefits there is far less one-sided. The same is true of the 1909 and 1831 Acts, which, in any event, provided for maximum terms of 56 years or 42 years while requiring renewal after 28 years, with most copyrighted works falling into the public domain after that 28-year period, well before the putative maximum terms had elapsed. See ante, at 3; Statistical History 956–957. Regardless, the law provides means to protect those who have reasonably relied upon prior copyright statutes. See Heckler v. Mathews, 465 U. S. 728, 746 (1984). And, in any event, we are not here considering, and we need not consider, the constitutionality of other copyright statutes.

Neither do I share the Court's aversion to line-drawing in this case. Even if it is difficult to draw a single clear bright line, the Court could easily decide (as I would decide) that this particular statute simply goes too far. And such examples—of what goes too far—sometimes offer better constitutional guidance than more absolute-
sounding rules. In any event, “this Court sits” in part to decide when a statute exceeds a constitutional boundary. See Panhandle Oil, 277 U.S., at 223 (Holmes, J., dissenting). In my view, “[t]ext, history, and precedent,” ante, at 7–8, support both the need to draw lines in general and the need to draw the line here short of this statute. See supra, at 1–6, 19–21. But see ante, at 8, n. 4.

Finally, the Court complains that I have not “restrained” my argument or “train[ed] my fire, as petitioners do, on Congress’ choice to place existing and future copyrights in parity.” Ante, at 2, n. 1, and 8, n. 4. The reason that I have not so limited my argument is my willingness to accept, for purposes of this opinion, the Court’s understanding that, for reasons of “[j]ustice, policy, and eq

uity”—as well as established historical practice—it is not “categorically beyond Congress’ authority” to “exten[d] the duration of existing copyrights” to achieve such parity. Ante, at 13 (internal quotation marks omitted). I have accepted this view, however, only for argument’s sake—putting to the side, for the present, JUSTICE STEVENS’ persuasive arguments to the contrary, ante, at 5–22 (dis
senting opinion). And I make this assumption only to emphasize the lack of rational justification for the present statute. A desire for “parity” between A (old copyrights) and B (new copyrights) cannot justify extending A when there is no rational justification for extending B. At the very least, (if I put aside my rationality characterization) to ask B to support A here is like asking Tom Thumb to support Paul Bunyan’s ox. Where the case for extending new copyrights is itself so weak, what “justice,” what “policy,” what “equity” can warrant the tolls and barriers that extension of existing copyrights imposes?

IV

This statute will cause serious expression-related harm. It will likely restrict traditional dissemination of copy-
righted works. It will likely inhibit new forms of dissemination through the use of new technology. It threatens to interfere with efforts to preserve our Nation's historical and cultural heritage and efforts to use that heritage, say, to educate our Nation's children. It is easy to understand how the statute might benefit the private financial interests of corporations or heirs who own existing copyrights. But I cannot find any constitutionally legitimate, copyright-related way in which the statute will benefit the public. Indeed, in respect to existing works, the serious public harm and the virtually nonexistent public benefit could not be more clear.

I have set forth the analysis upon which I rest these judgments. This analysis leads inexorably to the conclusion that the statute cannot be understood rationally to advance a constitutionally legitimate interest. The statute falls outside the scope of legislative power that the Copyright Clause, read in light of the First Amendment, grants to Congress. I would hold the statute unconstitutional.

I respectfully dissent.
APPENDIX TO OPINION OF BREYER, J.

The text's estimates of the economic value of 1998 Act copyrights relative to the economic value of a perpetual copyright, supra, at 14–15, as well as the incremental value of a 20-year extension of a 75-year term, supra, at 13–14, rest upon the conservative future value and discount rate assumptions set forth in the brief of economist amici. Brief for George A. Akerlof et al. as Amici Curiae 5–7. Under these assumptions, if an author expects to live 30 years after writing a book, the copyright extension (by increasing the copyright term from "life of the author plus 50 years" to "life of the author plus 70 years") increases the author's expected income from that book—i.e., the economic incentive to write—by no more than about 0.33%. Id., at 6.

The text assumes that the extension creates a term of 95 years (the term corresponding to works made for hire and for all existing pre-1978 copyrights). Under the economists' conservative assumptions, the value of a 95-year copyright is slightly more than 99.8% of the value of a perpetual copyright. See also Tr. of Oral Arg. 50 (Petitioners' statement of the 99.8% figure). If a "life plus 70" term applies, and if an author lives 78 years after creation of a work (as with Irving Berlin and Alexander's Ragtime Band), the same assumptions yield a figure of 99.996%.

The most unrealistically conservative aspect of these assumptions, i.e., the aspect most unrealistically favorable to the majority, is the assumption of a constant future income stream. In fact, as noted in the text, supra, at 7, uncontested data indicate that no author could rationally expect that a stream of copyright royalties will be constant forever. Indeed, only about 2% of copyrights can be ex-
pected to retain commercial value at the end of 55 to 75 years. *Ibid.* Thus, in the overwhelming majority of cases, the ultimate value of the extension to copyright holders will be zero, and the economic difference between the extended copyright and a perpetual copyright will be zero.

Nonetheless, there remains a small 2% or so chance that a given work will remain profitable. The CRS Report suggests a way to take account of both that likelihood and the related “decay” in a work’s commercial viability: Find the annual decay rate that corresponds to the percentage of works that become commercially unavailable in any given year, and then discount the revenue for each successive year accordingly. See CRS Report 7. Following this approach, if one estimates, conservatively, that a full 2% of all works survives at the end of 75 years, the corresponding annual decay rate is about 5%. I instead (and again conservatively) use the 3.8% decay rate the CRS has applied in the case of books whose copyrights were renewed between 1950 and 1970. *Ibid.* Using this 3.8% decay rate and the economist amici’s proposed 7% discount rate, the value of a 95-year copyright is more realistically estimated not as 99.8%, but as 99.9996% of the value of a perpetual copyright. The comparable “Irving Berlin” figure is 99.99999%. (With a 5% decay rate, the figures are 99.999% and 99.999998%, respectively.) Even these figures seem likely to be underestimates in the sense that they assume that, if a work is still commercially available, it earns as much as it did in a year shortly after its creation.

B

Conclusions regarding the economic significance of “works made for hire” are judgmental because statistical information about the ratio of “for hire” works to all works is scarce. Cf. *Community for Creative Non-Violence v. Reid*, 490 U. S. 730, 737-738, n. 4 (1989). But we know that, as
of 1955, copyrights on "for hire" works accounted for 40% of newly registered copyrights. Varmer, Works Made for Hire and on Commission, Study No. 13, in Copyright Law Revision Studies Nos. 1–19, prepared for the Subcommittee on Patents, Trademarks, and Copyrights of the Senate Committee on the Judiciary, 86th Cong., 2d Sess., 139, n. 49 (Comm. Print 1960). We also know that copyrights on works typically made for hire—feature-length movies—were renewed, and since the 1930's apparently have remained commercially viable, at a higher than average rate. CRS Report 13–14. Further, we know that "harmonization" looks to benefit United States exports, see, e.g., H. R. Rep. No. 105–452, p. 4 (1998), and that films and sound recordings account for the dominant share of export revenues earned by new copyrighted works of potential lasting commercial value (i.e., works other than computer software), S. Siwek, Copyright Industries in the U.S. Economy: The 2002 Report 17. It also appears generally accepted that, in these categories, "for hire" works predominate. E.g., House Hearings 176 (testimony of the Register of Copyrights) ("[A]udiovisual works are generally works made for hire"). Taken together, these circumstances support the conclusion in the text that the extension fails to create uniformity where it would appear to be most important—pre-1978 copyrighted works nearing the end of their pre-extension terms, and works made for hire.
O'CONNOR, J., delivered the opinion of the Court, in which REHNQUIST, C. J., and WHITE, MARSHALL, STEVENS, SCALIA, KENNEDY, and SOUTER, JJ., joined. BLACKMUN, J., concurred in the judgment.

[p*342] JUSTICE O'CONNOR delivered the opinion of the Court.

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

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

[3] Feist Publications, Inc., is a publishing company that specializes in area-wide telephone directories. Unlike a typical [p*343] directory, which covers only a particular calling area, Feist's area-wide directories cover a much larger geographical range, reducing the need to call directory assistance or consult multiple directories. The Feist directory that is the subject of this litigation covers 11 different telephone service areas in 15 counties and contains 46,878 white pages listings - compared to Rural's approximately 7,700 listings. Like Rural's directory, Feist's is distributed free of charge and includes both white pages and yellow pages. Feist and Rural compete vigorously for yellow pages advertising.

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

[5] Of the 11 telephone companies, only Rural refused to license its listings to Feist. Rural's refusal created a problem for Feist, as omitting these listings would have left a gaping hole in its area-wide directory, rendering it less attractive to potential yellow pages advertisers. In a decision subsequent to that which we review here, the District Court determined that this was precisely the reason Rural refused to license its listings. The refusal was motivated by an unlawful purpose "to extend its monopoly in telephone service to a monopoly in yellow pages.

[6] Unable to license Rural's white pages listings, Feist used them without Rural's consent. Feist began by removing several thousand listings that fell outside the geographic range of its area-wide directory, then hired personnel to investigate the 4,935 that remained. These employees verified [p*344] the data reported by Rural and sought to obtain additional information. As a result, a typical Feist listing includes the individual's street address; most of Rural's listings do not. Notwithstanding these additions, however, 1,309 of the 46,878 listings in Feist's 1983 directory were identical to listings in Rural's 1982-1983 white pages. App. 54 (para. 15-16), 57. Four of these were fictitious listings that Rural had inserted into its directory to detect copying.

[7] Rural sued for copyright infringement in the District Court for the District of Kansas taking the position that Feist, in compiling its own directory, could not use the information contained in Rural's white pages. Rural asserted that Feist's employees were obliged to travel door-to-door or conduct a telephone survey to discover the same information for themselves. Feist responded that such efforts were economically impractical and, in any event, unnecessary because the information copied was beyond the scope of copyright protection. The District Court granted summary judgment to Rural, explaining that "courts have consistently held that telephone directories are copyrightable" and citing a string of lower court decisions. 663 F. Supp. 214, 218 (1987). In an unpublished opinion, the Court of Appeals for the Tenth Circuit affirmed "for substantially the reasons given by the district court." App. to Pet. for Cert. 4a, judgt. order reported at 916 F. 2d 718 (1990). We granted certiorari, 498 U.S. 808 (1990), to determine whether the copyright in Rural's directory protects the names, towns, and telephone numbers copied by Feist.

II

A

[8] This case concerns the interaction of two well-established propositions. The first is that facts are not copyrightable; the other, that compilations of facts generally are. Each of these propositions possesses an impeccable pedigree. That there can be no valid copyright in facts is universally understood. The most fundamental axiom of copyright law is that [p*345] "no author may copyright his ideas or the facts he narrates." *Harper & Row, Publishers, Inc. v. Nation Enterprises*, 471 U.S. 539, 556 (1985). Rural wisely concedes this point, noting in its brief that "facts and discoveries, of course, are not themselves subject to copyright protection." Brief for Respondent 24. At the same time, however, it is beyond dispute that compilations of facts are within the subject matter of copyright. Compilations were expressly mentioned in the Copyright Act of 1909, and again in the Copyright Act of 1976.

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

[10] The key to resolving the tension lies in understanding why facts are not copyrightable.
The *sine qua non* of copyright is originality. To qualify for copyright protection, a work must be original to the author. See Harper & Row, *supra*, at 547-549. Original, as the term is used in copyright, means only that the work was independently created by the author (as opposed to copied from other works), and that it possesses at least some minimal degree of creativity. 1 M. Nimmer & D. Nimmer, Copyright §§ 2.01[A], [B] (1990) (hereinafter Nimmer). To be sure, the requisite level of creativity is extremely low; even a slight amount will suffice. The vast majority of works make the grade quite easily, as they possess some creative spark, "no matter how crude, humble or obvious" it might be. *Id.*, § 1.08[C][1]. Originality does not signify novelty; a work may be original even though it closely resembles other works so long as the similarity is fortuitous, not the result of copying. To illustrate, *p*346 assume that two poets, each ignorant of the other, compose identical poems. Neither work is novel, yet both are original and, hence, copyrightable. See *Sheldon v. Metro-Goldwyn Pictures Corp.*, 81 F. 2d 49, 54 (CA2 1936).

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

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

[13] In *Burrow-Giles*, the Court distilled the same requirement from the Constitution's use of the word "authors." The Court defined "author," in a constitutional sense, to mean "he to whom anything owes its origin; originator; maker." 111 U.S., at 58 (internal quotations omitted). As in *The Trade-Mark Cases*, the Court emphasized the creative component of originality. It described copyright as being limited to "original intellectual conceptions of the author," *ibid.*, and stressed the importance of requiring an author who accuses another of infringement to prove "the existence [p*347] of those facts of originality, of intellectual production, of thought, and conception." *Id.*, at 59-60.

[15] It is this bedrock principle of copyright that mandates the law's seemingly disparate treatment of facts and factual compilations. "No one may claim originality as to facts." Id., § 2.11[A], p. 2-157. This is because facts do not owe their origin to an act of authorship. The distinction is one between creation and discovery: the first person to find and report a particular fact has not created the fact; he or she has merely discovered its existence. To borrow from Burrow-Giles, one who discovers a fact is not its "maker" or "originator." 111 U.S., at 58. "The discoverer merely finds and records." Nimmer § 2.03[E]. Census-takers, for example, do not "create" the population figures that emerge from their efforts; in a sense, they copy these figures from the world around them. Denicola, Copyright in Collections of Facts: A Theory for the Protection of Nonfiction Literary Works, 81 Colum. L. Rev. 516, 525 (1981) (hereinafter Denicola). Census data therefore do not trigger copyright because these data are not "original" in the constitutional sense. Nimmer [*348] § 2.03[E]. The same is true of all facts -- scientific, historical, biographical, and news of the day. "They may not be copyrighted and are part of the public domain available to every person." Miller, supra, at 1369.

[16] Factual compilations, on the other hand, may possess the requisite originality. The compilation author typically chooses which facts to include, in what order to place them, and how to arrange the collected data so that they may be used effectively by readers. These choices as to selection and arrangement, so long as they are made independently by the compiler and entail a minimal degree of creativity, are sufficiently original that Congress may protect such compilations through the copyright laws. Nimmer §§ 2.11[D], 3.03; Denicola 523, n. 38. Thus, even a directory that contains absolutely no protectible written expression, only facts, meets the constitutional minimum for copyright protection if it features an original selection or arrangement. See Harper & Row, 471 U.S., at 547. Accord Nimmer § 3.03.

[17] This protection is subject to an important limitation. The mere fact that a work is copyrighted does not mean that every element of the work may be protected. Originality remains the sine qua non of copyright; accordingly, copyright protection may extend only to those components of a work that are original to the author. Patterson & Joyce 800-802; Ginsburg, Creation and Commercial Value: Copyright Protection of Works of Information, 90 Colum. L. Rev. 1865, 1868, and n. 12 (1990) (hereinafter Ginsburg). Thus, if the compilation author clothes facts with an original collocation of words, he or she may be able to claim a copyright in this written expression. Others may copy the underlying facts from the publication, but not the precise words used to present them. In Harper & Row, for example, we explained that President Ford could not prevent others from copying bare historical facts from his autobiography, see 471 U.S., at 556-557, but that he could prevent others from copying his "subjective descriptions and portraits of public figures." [*349] Id., at 563. Where the compilation author adds no written expression but rather lets the facts speak for themselves, the expressive element is more elusive. The only conceivable expression is the manner in which the compiler has selected and arranged the facts. Thus, if the selection and arrangement are original, these elements of the work are eligible for copyright protection. See Patry, Copyright in Compilations of Facts (or Why the "White Pages" Are Not Copyrightable), 12 Com. & Law 37, 64 (Dec. 1990) (hereinafter Patry). No matter how original the format, however, the facts themselves do not become original through association. See Patterson & Joyce 776.

[18] This inevitably means that the copyright in a factual compilation is thin. Notwithstanding a valid copyright, a subsequent compiler remains free to use the facts contained in an another's publication to aid in preparing a competing work, so long as the competing work does not feature the same selection and arrangement. As one commentator explains it: "No matter how much original authorship the work displays, the facts and ideas it exposes are free
for the taking . . . The very same facts and ideas may be divorced from the context imposed by the author, and restated or reshuffled by second comers, even if the author was the first to discover the facts or to propose the ideas." Ginsburg 1868.

[19] It may seem unfair that much of the fruit of the compiler's labor may be used by others without compensation. As Justice Brennan has correctly observed, however, this is not "some unforeseen byproduct of a statutory scheme." Harper & Row, 471 U.S., at 589 (dissenting opinion). It is, rather, "the essence of copyright," ibid., and a constitutional requirement. The primary objective of copyright is not to reward the labor of authors, but "to promote the Progress of Science and useful Arts." Art. I, § 8, cl. 8. Accord Twentieth Century Music Corp. v. Aiken, 422 U.S. 151, 156 (1975). To this end, copyright assures authors the right to their original [p*350] expression, but encourages others to build freely upon the ideas and information conveyed by a work. Harper & Row, supra, at 556-557. This principle, known as the idea-expression or fact-expression dichotomy, applies to all works of authorship. As applied to a factual compilation, assuming the absence of original written expression, only the compiler's selection and arrangement may be protected; the raw facts may be copied at will. This result is neither unfair nor unfortunate. It is the means by which copyright advances the progress of science and art.

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

"No author may copyright facts or ideas. The copyright is limited to those aspects of the work -- termed 'expression' -- that display the stamp of the author's originality.

"Copyright does not prevent subsequent users from copying from a prior author's work those constituent elements that are not original -- for example . . . facts, or materials in the public domain -- as long as such use does not unfairly appropriate the author's original contributions." 471 U.S., at 547-548 (citation omitted).

[21] This, then, resolves the doctrinal tension: Copyright treats facts and factual compilations in a wholly consistent manner. Facts, whether alone or as part of a compilation, are not original and therefore may not be copyrighted. A factual compilation is eligible for copyright if it features an original selection or arrangement of facts, but the copyright is limited to [p*351] the particular selection or arrangement. In no event may copyright extend to the facts themselves.

B

[22] As we have explained, originality is a constitutionally mandated prerequisite for copyright protection. The Court's decisions announcing this rule predate the Copyright Act of 1909, but ambiguous language in the 1909 Act caused some lower courts temporarily to lose sight of this requirement.
[23] The 1909 Act embodied the originality requirement, but not as clearly as it might have. See Nimmer § 2.01. The subject matter of copyright was set out in § 3 and § 4 of the Act. Section 4 stated that copyright was available to “all the writings of an author.” 35 Stat. 1076. By using the words “writings” and “author” -- the same words used in Article I, § 8 of the Constitution and defined by the Court in The Trade-Mark Cases and Burrow-Giles -- the statute necessarily incorporated the originality requirement articulated in the Court’s decisions. It did so implicitly, however, thereby leaving room for error.

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

[25] Most courts construed the 1909 Act correctly, notwithstanding the less-than-perfect statutory language. They understood from this Court’s decisions that there could be no copyright without originality. See Patterson & Joyce 760-761. As explained in the Nimmer treatise: “The 1909 Act neither defined originality, nor even expressly required that a work be ‘original’ in order to command protection. However, the courts uniformly inferred the requirement from the fact that copyright protection may only be claimed by ‘authors’ . . . . It was reasoned that since an author is ‘the . . . [p*352] creator, originator’ it follows that a work is not the product of an author unless the work is original.” Nimmer § 2.01 (footnotes omitted) (citing cases).

[26] But some courts misunderstood the statute. See, e. g., Leon v. Pacific Telephone & Telegraph Co., 91 F. 2d 484 (CA9 1937); Jeweler's Circular Publishing Co. v. Keystone Publishing Co., 281 F. 83 (CA2 1922). These courts ignored § 3 and § 4, focusing their attention instead on § 5 of the Act. Section 5, however, was purely technical in nature: it provided that a person seeking to register a work should indicate on the application the type of work, and it listed 14 categories under which the work might fall. One of these categories was “books, including composite and cyclopedic works, directories, gazetteers, and other compilations.” § 5(a). Section 5 did not purport to say that all compilations were automatically copyrightable. Indeed, it expressly disclaimed any such function, pointing out that “the subject-matter of copyright is defined in section four.” Nevertheless, the fact that factual compilations were mentioned specifically in § 5 led some courts to infer erroneously that directories and the like were copyrightable per se, “without any further or precise showing of original -- personal -- authorship.” Ginsburg 1895.

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

“The right to copyright a book upon which one has expended labor in its preparation does not depend upon whether the materials which he has collected consist or not of matters which are publici juris, or whether such materials show literary skill or originality, either in thought or in language, or anything more than industrious collection. The man who goes through the streets of a town and puts down the names of each of the inhabitants, with their occupations and their street number, acquires material of which he is the

http://www.law.cornell.edu/copyright/cases/499_US_340.htm

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[28] The "sweat of the brow" doctrine had numerous flaws, the most glaring being that it extended copyright protection in a compilation beyond selection and arrangement -- the compiler's original contributions -- to the facts themselves. Under the doctrine, the only defense to infringement was independent creation. A subsequent compiler was "not entitled to take one word of information previously published," but rather had to "independently work out the matter for himself, so as to arrive at the same result from the same common sources of information." Id., at 88-89 (internal quotations omitted). "Sweat of the brow" courts thereby eschewed the most fundamental axiom of copyright law -- that no one may copyright facts or ideas. See Miller v. Universal City Studios, Inc., 650 F. 2d at 1372 (criticizing "sweat of the brow" courts because "ensuring that later writers obtain the facts independently . . . is precisely the scope of protection given . . . copyrighted matter, and the law is clear that facts are not entitled to such protection").

[29] Decisions of this Court applying the 1909 Act make clear that the statute did not permit the "sweat of the brow" approach. The best example is International News Service v. Associated Press, 248 U.S. 215 (1918). In that decision, the Court stated unambiguously that the 1909 Act conferred copyright protection only on those elements of a work that were original to the author. Associated Press had conceded taking news reported by International News Service and publishing it in its own newspapers. Recognizing that § 5 of the Act specifically mentioned "periodicals, including newspapers," § 5(b), the Court acknowledged that news articles were copyrightable. Id., at 234. It flatly rejected, however, the notion that the copyright in an article extended to [p*354] the factual information it contained: "The news element -- the information respecting current events contained in the literary production -- is not the creation of the writer, but is a report of matters that ordinarily are publici juris; it is the history of the day." Ibid. [n1]

[30] Without a doubt, the "sweat of the brow" doctrine flouted basic copyright principles. Throughout history, copyright law has "recognized a greater need to disseminate factual works than works of fiction or fantasy." Harper & Row, 471 U.S., at 563. Accord Gorman, Fact or Fancy: The Implications for Copyright, 29 J. Copyright Soc. 560, 563 (1982). But "sweat of the brow" courts took a contrary view; they handed out proprietary interests in facts and declared that authors are absolutely precluded from saving time and effort by relying upon the facts contained in prior works. In truth, "it is just such wasted effort that the proscription against the copyright of ideas and facts . . . [is] designed to prevent." Rosemont Enterprises, Inc. v. Random House, Inc., 366 F. 2d 303, 310 (CA2 1966), cert. denied, 385 U.S. 1009 (1967). "Protection for the fruits of such research . . . may in certain circumstances be available under a theory of unfair competition. But to accord copyright protection on this basis alone distorts basic copyright principles in that it creates a monopoly in public domain materials without the necessary justification of protecting and encouraging the creation of 'writings' by 'authors.'" Nimmer § 3.04, p. 3-23 (footnote omitted).

C

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

[32] Congress took the Register’s advice. In enacting the Copyright Act of 1976, Congress dropped the reference to “all the writings of an author” and replaced it with the phrase “original works of authorship.” 17 U.S.C. § 102(a). In making explicit the originality requirement, Congress announced that it was merely clarifying existing law: “The two fundamental criteria of copyright protection [are] originality and fixation in tangible form . . . . The phrase ‘original works of authorship,’ which is purposely left undefined, is intended to incorporate without change the standard of originality established by the courts under the present [1909] copyright statute.” H. R. Rep. No. 94-1476, p. 51 (1976) (emphasis added) (hereinafter H. R. Rep.); S. Rep. No. 94-473, p. 50 (1975) (emphasis added) (hereinafter S. Rep.). This sentiment was echoed by the Copyright Office: “Our intention here is to maintain the established standards of originality . . . .” *Supplementary Report of the Register of Copyrights on the General Revision of U.S. Copyright Law, 89th Cong., 1st Sess., Part 6, p. 3* (H. Judiciary Comm. Print 1965) (emphasis added).

[33] To ensure that the mistakes of the “sweat of the brow” courts would not be repeated, Congress took additional measures. For example, § 3 of the 1909 Act had stated that copyright protected only the “copyrightable component parts” of a work, but had not identified originality as the basis for distinguishing those component parts that were copyrightable from those that were not. The 1976 Act deleted this section and replaced it with § 102(b), which identifies specifically those elements of a work for which copyright is not available: “In no case does copyright protection for an original work of authorship extend to any idea, procedure, process, system, method of operation, concept, principle, or discovery, regardless of the form in which it is described, explained, illustrated, or embodied in such work.” § 102(b) is universally understood to prohibit any copyright in facts. *Harper & Row,* *supra,* at 547, 556. Accord *Nimmer § 2.03[E]* (equating facts with “discoveries”). As with § 102(a), Congress emphasized that § 102(b) did not change the law, but merely clarified it: “Section 102(b) in no way enlarges or contracts the scope of copyright protection under the present law. Its purpose is to restate . . . that the basic dichotomy between expression and idea remains unchanged.” H. R. Rep., at 57; S. Rep., at 54.

[34] Congress took another step to minimize confusion by deleting the specific mention of “directories . . . and other compilations” in § 5 of the 1909 Act. As mentioned, this section had led some courts to conclude that directories were copyrightable *per se* and that every element of a directory was protected. In its place, Congress enacted two new provisions. First, to make clear that compilations were not copyrightable *per se*, Congress provided a definition of the term “compilation.” Second, to make clear that the copyright in a compilation did not extend to the facts themselves, Congress enacted 17 U.S.C. § 103.

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

[36] The purpose of the statutory definition is to emphasize that collections of facts are not
copyrightable *per se*. It conveys this message through its tripartite structure, as emphasized above by the italics. The statute identifies three distinct elements and requires each to be met for a work to qualify as a copyrightable compilation: (1) the collection and assembly of pre-existing material, facts, or data; (2) the selection, coordination, or arrangement of those materials; and (3) the creation, by virtue of the particular selection, coordination, or arrangement, of an “original” work of authorship. “This tripartite conjunctive structure is self-evident, and should be assumed to ‘accurately express the legislative purpose.’” Patry 51, quoting *Mills Music*, 469 U.S., at 164.

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

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

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

[40] Not every selection, coordination, or arrangement will pass muster. This is plain from the statute. It states that, to merit protection, the facts must be selected, coordinated, or arranged “in such a way” as to render the work as a whole original. This implies that some “ways” will trigger copyright, but that others will not. See Patry 57, and n. 76. Otherwise, the phrase “in such a way” is meaningless and Congress should have defined “compilation” simply as “a work formed by the collection and assembly of preexisting materials or data that are selected, coordinated, or arranged.” That Congress did not do so is dispositive. In accordance with “the established principle that a court should give effect, if possible, to every clause and word of a statute,” *Moskal v. United States*, 498 U.S. 103, 109-110 (1990) (internal quotations omitted), we conclude that the statute envisions that there will be some fact-based works in which the selection, coordination, and arrangement are not sufficiently original to trigger copyright protection.

[41] As discussed earlier, however, the originality requirement is not particularly stringent. A compiler may settle upon a selection or arrangement that others have used; novelty is not required. Originality requires only that the author make the selection or arrangement independently (*i. e.*, without copying that selection or arrangement from another work), and
that it display some minimal level of creativity. Presumably, [p*359] the vast majority of compilations will pass this test, but not all will. There remains a narrow category of works in which the creative spark is utterly lacking or so trivial as to be virtually nonexistent. See generally Bleistein v. Donaldson Lithographing Co., 188 U.S. 239, 251 (1903) (referring to "the narrowest and most obvious limits"). Such works are incapable of sustaining a valid copyright. Nimmer § 2.01[B].

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

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

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

[44] In summary, the 1976 revisions to the Copyright Act leave no doubt that originality, not "sweat of the brow," is the [p*360] touchstone of copyright protection in directories and other fact-based works. Nor is there any doubt that the same was true under the 1909 Act. The 1976 revisions were a direct response to the Copyright Office's concern that many lower courts had misconstrued this basic principle, and Congress emphasized repeatedly that the purpose of the revisions was to clarify, not change, existing law. The revisions explain with painstaking clarity that copyright requires originality, § 102(a); that facts are never original, § 102(b); that the copyright in a compilation does not extend to the facts it contains, § 103(b); and that a compilation is copyrightable only to the extent that it features an original selection, coordination, or arrangement, § 101.

[45] The 1976 revisions have proven largely successful in steering courts in the right direction. A good example is Miller v. Universal City Studios, Inc., 650 F. 2d, at 1369-1370: "A copyright in a directory . . . is properly viewed as resting on the originality of the selection and arrangement of the factual material, rather than on the industriousness of the efforts to develop the information. Copyright protection does not extend to the facts themselves, and the mere use of information contained in a directory without a substantial copying of the format does not constitute infringement" (citation omitted). Additionally, the Second Circuit, which almost 70 years ago issued the classic formulation of the "sweat of the brow" doctrine in Jeweler's Circular Publishing Co., has now fully repudiated the reasoning of that decision. See, e. g., Financial Information, Inc. v. Moody's Investors Service, Inc., 808 F. 2d 204, 207 (CA2 1986), cert. denied, 484 U.S. 820 (1987); Financial Information, Inc. v. Moody's Investors Service, Inc., 751 F. 2d 501, 510 (CA2 1984) (Newman, J., concurring); Hoehling v.
Universal City Studios, Inc., 618 F. 2d 972, 979 (CA2 1980). Even those scholars who believe that "industrious collection" should be rewarded seem to recognize that this is beyond the scope of existing copyright law. See Denicola 516 ("the very vocabulary of copyright [p*361] is ill suited to analyzing property rights in works of nonfiction"); id., at 520-521, 525; Ginsburg 1867, 1870.

III

[46] There is no doubt that Feist took from the white pages of Rural's directory a substantial amount of factual information. At a minimum, Feist copied the names, towns, and telephone numbers of 1,309 of Rural's subscribers. Not all copying, however, is copyright infringement. To establish infringement, two elements must be proven: (1) ownership of a valid copyright, and (2) copying of constituent elements of the work that are original. See Harper & Row, 471 U.S., at 548. The first element is not at issue here; Feist appears to concede that Rural's directory, considered as a whole, is subject to a valid copyright because it contains some foreword text, as well as original material in its yellow pages advertisements. See Brief for Petitioner 18; Pet. for Cert. 9.

[47] The question is whether Rural has proved the second element. In other words, did Feist, by taking 1,309 names, towns, and telephone numbers from Rural's white pages, copy anything that was "original" to Rural? Certainly, the raw data does not satisfy the originality requirement. Rural may have been the first to discover and report the names, towns, and telephone numbers of its subscribers, but this data does not "owe its origin" to Rural. Burrow-Giles, 111 U.S., at 58. Rather, these bits of information are uncopyrightable facts; they existed before Rural reported them and would have continued to exist if Rural had never published a telephone directory. The originality requirement "rules out protecting . . . names, addresses, and telephone numbers of which the plaintiff by no stretch of the imagination could be called the author." Patterson & Joyce 776.

[48] Rural essentially concedes the point by referring to the names, towns, and telephone numbers as "preexisting material." Brief for Respondent 17. Section 103(b) states explicitly [p*362] that the copyright in a compilation does not extend to "the preexisting material employed in the work."

[49] The question that remains is whether Rural selected, coordinated, or arranged these uncopyrightable facts in an original way. As mentioned, originality is not a stringent standard; it does not require that facts be presented in an innovative or surprising way. It is equally true, however, that the selection and arrangement of facts cannot be so mechanical or routine as to require no creativity whatsoever. The standard of originality is low, but it does exist. See Patterson & Joyce 760, n. 144 ("While this requirement is sometimes characterized as modest, or a low threshold, it is not without effect") (internal quotations omitted; citations omitted). As this Court has explained, the Constitution mandates some minimal degree of creativity, see The Trade-Mark Cases, 100 U.S., at 94; and an author who claims infringement must prove "the existence of . . . intellectual production, of thought, and conception." Burrow-Giles, supra, at 59-60.

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

[51] Rural's selection of listings could not be more obvious: it publishes the most basic information -- name, town, and telephone number -- about each person who applies to it for telephone service. This is "selection" of a sort, but it lacks the modicum of creativity necessary to transform mere selection into copyrightable expression. Rural expended sufficient effort [p*363] to make the white pages directory useful, but insufficient creativity to make it original.

[52] We note in passing that the selection featured in Rural's white pages may also fail the originality requirement for another reason. Feist points out that Rural did not truly "select" to publish the names and telephone numbers of its subscribers; rather, it was required to do so by the Kansas Corporation Commission as part of its monopoly franchise. See 737 F. Supp., at 612. Accordingly, one could plausibly conclude that this selection was dictated by state law, not by Rural.

[53] Nor can Rural claim originality in its coordination and arrangement of facts. The white pages do nothing more than list Rural's subscribers in alphabetical order. This arrangement may, technically speaking, owe its origin to Rural; no one disputes that Rural undertook the task of alphabetizing the names itself. But there is nothing remotely creative about arranging names alphabetically in a white pages directory. It is an age-old practice, firmly rooted in tradition and so commonplace that it has come to be expected as a matter of course. See Brief for Information Industry Association et al. as Amici Curiae 10 (alphabetical arrangement "is universally observed in directories published by local exchange telephone companies"). It is not only unoriginal, it is practically inevitable. This time-honored tradition does not possess the minimal creative spark required by the Copyright Act and the Constitution.

[54] We conclude that the names, towns, and telephone numbers copied by Feist were not original to Rural and therefore were not protected by the copyright in Rural's combined white and yellow pages directory. As a constitutional matter, copyright protects only those constituent elements of a work that possess more than a de minimis quantum of creativity. Rural's white pages, limited to basic subscriber information and arranged alphabetically, fall short of the mark. As a statutory matter, 17 U.S.C. § 101 does not afford protection [p*364] from copying to a collection of facts that are selected, coordinated, and arranged in a way that utterly lacks originality. Given that some works must fail, we cannot imagine a more likely candidate. Indeed, were we to hold that Rural's white pages pass muster, it is hard to believe that any collection of facts could fail.

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

[56] Reversed.

http://www.law.cornell.edu/copyright/cases/499_US_340.htm
JUSTICE BLACKMUN concurs in the judgment.

* Briefs of amici curiae urging reversal were filed for the Association of North American Directory Publishers et al. by Theodore Case Whitehouse; for the International Association of Cross Reference Directory Publishers by Richard D. Grauer and Kathleen McCree Lewis; and for the Third-Class Mail Association by Ian D. Voiner.


Briefs of amici curiae were filed for Bellsouth Corp. by Anthony B. Askew, Robert E. Richards, Walter H. Alford, and Vincent L. Sgrosso for Direct Marketing Association, Inc., by Robert L. Sherman for Haines and Co., Inc., by Jeremish D. McAuliffe, Bernard A. Barken, and Eugene Gressman; and for the Information Industry Association et al. by Steven J. Metcalfe and Angela Burnett.

LOTUS DEVELOPMENT CORP. v. BORLAND INTERNATIONAL INC., 49 F.3d 807 (1st Cir. 1995).

Before TORRUella, Chief Judge, BOUDIN and STAHL, Circuit Judges.

STAHL, Circuit Judge.


1.

[2] Background

[3] Lotus 1-2-3 is a spreadsheet program that enables users to perform accounting functions electronically on a computer. Users manipulate and control the program via a series of menu commands, such as "Copy," "Print," and "Quit." Users choose commands either by highlighting them on the screen or by typing their first letter. In all, Lotus 1-2-3 has 469 commands arranged into more than 50 menus and submenus.

[4] Lotus 1-2-3, like many computer programs, allows users to write what are called "macros." By writing a macro, a user can designate a series of command choices with a single macro keystroke. Then, to execute that series of commands in multiple parts of the spreadsheet, rather than typing the whole series each time, the user only needs to type the single pre-programmed macro keystroke, causing the program to recall and perform the designated series of commands automatically. Thus, Lotus 1-2-3 macros shorten the time needed to set up and operate the program.

[5] Borland released its first Quattro program to the public in 1987, after Borland’s engineers had labored over its development for nearly three years. Borland’s objective was to develop a spreadsheet program far superior to existing programs, including Lotus 1-2-3. In Borland’s words, "[f]rom the time of its initial release . . . Quattro included enormous innovations over competing spreadsheet products."

[6] The district court found, and Borland does not now contest, that Borland included in its Quattro and Quattro Pro version 1.0 programs "a virtually identical copy of the entire 1-2-3

http://www.law.cornell.edu/copyright/cases/49_F3d_807.htm

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menu tree." *Borland III*, 831 F. Supp. at 212 (emphasis in original). In so doing, Borland did not copy any of Lotus's underlying computer code; it copied only the words and structure of Lotus's menu command hierarchy. Borland included the Lotus menu command hierarchy in its programs to make them compatible with Lotus 1-2-3 so that spreadsheet users who were already familiar with Lotus 1-2-3 would be able to switch to the Borland programs without having to learn new commands or rewrite their Lotus macros.

[7] In its Quattro and Quattro Pro version 1.0 programs, Borland achieved compatibility with Lotus 1-2-3 by offering its users an alternate user interface, the "Lotus Emulation Interface." By activating the Emulation Interface, Borland users would see the Lotus menu commands on their screens and could interact with Quattro or Quattro Pro as if using Lotus 1-2-3, albeit with a slightly different looking screen and with many Borland options not available on Lotus 1-2-3. In effect, Borland allowed users to choose how they wanted to communicate with Borland's spreadsheet programs: either by using menu commands designed by Borland, or by using the commands and command structure used in Lotus 1-2-3 augmented by Borland-added commands.

[8] Lotus filed this action against Borland in the District of Massachusetts on July 2, 1990, four days after a district court held that the Lotus 1-2-3 "menu structure, taken as a whole - including the choice of command terms [and] the structure and order of those terms," was protected expression covered by Lotus's copyrights. *Lotus Dev. Corp. v. Paperback Software Int'l*, 740 F. Supp. 37, 68, 70 (D.Mass. 1990) ("*Paperback*").[n1] There days earlier, on the morning after the *Paperback* decision, Borland had filed a declaratory judgment action against Lotus in the Northern District of California, seeking a declaration of non-infringement. On September 10, 1990, the district court in California dismissed Borland's declaratory judgment action in favor of this action.

[9] Lotus and Borland filed cross motions for summary judgment; the district court denied both motions on March 20, 1992, concluding that "neither party's motion is supported by the record." *Borland I*, 788 F. Supp. at 80. The district court invited the parties to file renewed summary judgment motions that would "focus their arguments more precisely" in light of rulings it had made in conjunction with its denial of their summary judgment motions. *Id.* at 82. Both parties filed renewed motions for summary judgment on April 24, 1992. In its motion, Borland contended that the Lotus 1-2-3 menus were not copyrightable as a matter of law and that no reasonable trier of fact could find that the similarity between its products and Lotus 1-2-3 was sufficient to sustain a determination of infringement. Lotus contended in its motion that Borland had copied Lotus 1-2-3's entire user interface and had thereby infringed Lotus's copyrights.

[10] On July 31, 1992, the district court denied Borland's motion and granted Lotus's motion in part. The district court ruled that the Lotus menu command hierarchy was copyrightable expression because

[a] very satisfactory spreadsheet menu tree can be constructed using different commands and a different command structure from those of Lotus 1-2-3. In fact, Borland has constructed just such an alternate tree for use in Quattro Pro's native mode. Even if one holds the arrangement of menu commands constant, it is possible to generate literally millions of satisfactory menu trees by varying the menu commands employed.
Borland II, 799 F. Supp. at 217. The district court demonstrated this by offering alternate command words for the ten commands that appear in Lotus's main menu. Id. For example, the district court stated that "[t]he 'Quit' command could be named 'Exit' without any other modifications," and that "[t]he 'Copy' command could be called Clone', 'Ditto,' 'Duplicate,' 'Imitate,' 'Mimic,' 'Replicate,' and 'Reproduce,' among others." Id. Because so many variations were possible, the district court concluded that the Lotus developers' choice and arrangement of command terms, reflected in the Lotus menu command hierarchy, constituted copyrightable expression.

In granting partial summary judgment to Lotus, the district court held that Borland had infringed Lotus's copyright in Lotus 1-2-3:

As a matter of law, Borland's Quattro products infringe the Lotus 1-2-3 copyright because of (1) the extent of copying of the "menu commands" and "menu structure" that is not genuinely disputed in this case, (2) the extent to which the copied elements of the "menu commands" and "menu structure" contain expressive aspects separable from the functions of the "menu commands" and "menu structure," and (3) the scope of those copied expressive aspects as an integral part of Lotus 1-2-3.

Borland II, 799 F. Supp. at 223 (emphasis in original). The court nevertheless concluded that while the Quattro and Quattro Pro programs infringed Lotus's copyright, Borland had not copied the entire Lotus 1-2-3 user interface, as Lotus had contended. Accordingly, the court concluded that a jury trial was necessary to determine the scope of Borland's infringement, including whether Borland copied the long prompts[n2] of Lotus 1-2-3, whether the long prompts contained expressive elements, and to what extent, if any, functional constraints limited the number of possible ways that the Lotus menu command hierarchy could have been arranged at the time of its creation. See Borland III, 831 F. Supp. at 207. Additionally, the district court granted Lotus summary judgment on Borland's affirmative defense of waiver, but not on its affirmative defenses of laches and estoppel. Borland II, 799 F. Supp. at 222-23.

Immediately following the district court's summary judgment decision, Borland removed the Lotus Emulation Interface from its products. Thereafter, Borland's spreadsheet programs no longer displayed the Lotus 1-2-3 Menus to Borland users, and as a result Borland users could no longer communicate with Borland's programs as if they were using a more sophisticated version of Lotus 1-2-3. Nonetheless, Borland's programs continued to be partially compatible with Lotus 1-2-3, for Borland retained what it called the "Key Reader" in its Quattro Pro programs. Once turned on, the Key Reader allowed Borland's programs to understand and perform some Lotus 1-2-3 macros.\[n3\] With the Key Reader on, the Borland Programs used Quattro Pro menus for display, interaction, and macro execution, except when they encountered a slash ("/"") key in a macro (the starting key for any Lotus 1-2-3 macro), in which case they interpreted the macro as having been written for Lotus 1-2-3. Accordingly, people who wrote or purchased macros to shorten the time needed to perform an operation in Lotus 1-2-3 could still use those macros in Borland's programs.\[n4\] The district court permitted Lotus to file a supplemental complaint alleging that the Key Reader infringed its copyright.

The parties agreed to try the remaining liability issues without a jury. The district court held two trials, the Phase I trial covering all remaining issues raised in the original complaint.
(relating to the Emulation Interface) and the Phase II trial covering all issues raised in the supplemental complaint (relating to the Key Reader). At the Phase I trial, there were no live witnesses, although considerable testimony was presented in the form of affidavits and deposition excerpts. The district court ruled upon evidentiary objections counsel interposed. At the Phase II trial, there were two live witnesses, each of whom demonstrated the programs for the district court.

[16] After the close of the Phase I trial, the district court permitted Borland to amend its answer to include the affirmative defense of "fair use." Because Borland had presented all of the evidence supporting its fair-use defense during the Phase I trial, but Lotus had not presented any evidence on fair use (as the defense had not been raised before the conclusion of the Phase I trial), the district court considered Lotus's motion for judgment on partial findings of fact. See Fed.R.Civ.P. 52(c). The district court held that Borland had failed to show that its use of the Lotus 1-2-3 menu command hierarchy in its Emulation Interface was a fair use. See Borland III, 831, F. Supp. at 208.

[17] In its Phase I-trial decision, the district court found that "each of the Borland emulation interfaces contains a virtually identical copy of the 1-2-3 menu tree and that the 1-2-3 menu tree is capable of a wide variety of expression." Borland III, 831 F. Supp. at 218. The district court also rejected Borland's affirmative defenses of laches and estoppel. Id. at 218-23.

[18] In its Phase II-trial decision, the district court found that Borland's Key Reader file included "a virtually identical copy of the Lotus menu tree structure, but represented in a different form and with first letters of menu command names in place of the full menu command names." Borland IV, 831 F. Supp. at 228. In other words, Borland's programs no longer included the Lotus command terms, but only their first letters. The district court held that "the Lotus menu structure, organization, and first letters of the command names . . . constitute part of the protectable expression found in [Lotus 1-2-3]." Id. at 233. Accordingly, the district court held that with its Key Reader, Borland had infringed Lotus's copyright. Id. at 245. The district court also rejected Borland's affirmative defenses of waiver, laches, estoppel, and fair use. Id. at 235-45. The district court then entered a permanent injunction against Borland, Id. at 245, from which Borland appeals.

[19] This appeal concerns only Borland's copying of the Lotus menu command hierarchy into its Quattro programs and Borland's affirmative defenses to such copying. Lotus has not cross-appealed; in other words, Lotus does not contend on appeal that the district court erred in finding that Borland had not copied other elements of Lotus 1-2-3, such as its screen displays.

II.

[20] Discussion

[21] On appeal, Borland does not dispute that it factually copied the words and arrangement of the Lotus menu command hierarchy. Rather, Borland argues that it "lawfully copied the unprotectable menus of Lotus 1-2-3." Borland contends that the Lotus menu command hierarchy is not copyrightable because it is a system, method of operation, process, or procedure foreclosed from protection by 17 U.S.C. § 102(b). Borland also raises a number of affirmative defenses.

[22] A. Copyright Infringement Generally
[23] To establish copyright infringement, a plaintiff must prove "(1) ownership of a valid copyright, and (2) copying of constituent elements of the work that are original." Feist Publications, Inc. v. Rural Tel., Serv. Co., 499 U.S. 340, 361, 111 S.Ct. 1282, 1296, 113 L.Ed.2d 358 (1991); see also Data Gen. Corp. v. Grumman Sys. Support Corp., 36 F.3d 1147, 1160 n. 19 (1st Cir. 1994); Concrete Mach. Co. v. Classic Lawn Ornaments, Inc., 843 F.2d 600, 605 (1st Cir. 1988). To show ownership of a valid copyright and therefore satisfy Feist's first prong, a plaintiff must prove that the work as a whole is original and that the plaintiff complied with applicable statutory formalities. See Engineering Dynamics, Inc. v. Structural Software, Inc., 26 F.3d 1335, 1340 (5th Cir. 1994). "In judicial proceedings, a certificate of copyright registration constitutes prima facie evidence of copyrightability and shifts the burden to the defendant to demonstrate why the copyright is not valid." Bibbero Sys., Inc. v. Colwell Sys., Inc., 893 F.2d 1104, 1106 (9th Cir. 1990); see also 17 U.S.C. § 410(c); Folio Impressions, Inc. v. Byer California, 937 F.2d 759, 763 (2d Cir. 1991) (presumption of validity may be rebutted).

[24] To show actionable copying and therefore satisfy Feist's second prong, a plaintiff must first prove that the alleged infringer copied plaintiff's copyrighted work as a factual matter; to do this, he or she may either present direct evidence of factual copying or, if that is unavailable, evidence that the alleged infringer had access to the copyrighted work and that the offending and copyrighted works are so similar that the court may infer that there was factual copying (i.e., probative similarity). Engineering Dynamics, 26 F.3d at 1340; see also Concrete Mach., 843 F.2d at 606. The plaintiff must then prove that the copying of copyrighted material was so extensive that it rendered the offending and copyrighted works substantially similar. See Engineering Dynamics, 26 F.3d at 1341.

[25] In this appeal, we are faced only with whether the Lotus menu command hierarchy is copyrightable subject matter in the first instance, for Borland concedes that Lotus has a valid copyright in Lotus 1-2-3 as a whole\(^{[n5]}\) and admits to factually copying the Lotus menu command hierarchy. As a result, this appeal is in a very different posture from most copyright-infringement cases, for copyright infringement generally turns on whether the defendant has copied protected expression as a factual matter. Because of this different posture, most copyright-infringement cases provide only limited help to us in deciding this appeal. This is true even with respect to those copyright-infringement cases that deal with computers and computer software.

[26] B. Matter of First Impression

[27] Whether a computer menu command hierarchy constitutes copyrightable subject matter is a matter of first impression in this court. While some other courts appear to have touched on it briefly in dicta, see, e.g., Autoskill, Inc. v. National Educ. Support Sys., Inc., 994 F.2d 1476, 1495 n. 23 (10th Cir.), cert. denied, ___ U.S. ___, 114 S.Ct. 307, 126 L.Ed.2d 254 (1993), we know of no cases that deal with the copyrightability of a menu command hierarchy standing on its own (i.e., without other elements of the user interface, such as screen displays, in issue). Thus we are navigating in uncharted waters.

[28] Borland vigorously argues, however, that the Supreme Court charted our course more than 100 years ago when it decided Baker v. Selden, 101 U.S. 99, 25 L.Ed. 841 (1879). In Baker v. Selden, the Court held that Selden's copyright over the textbook in which he explained his new way to do accounting did not grant him a monopoly on the use of his accounting system.\(^{[n6]}\) Borland argues:
The facts of *Baker v. Selden*, and even the arguments advanced by the parties in that case, are identical to those in this case. The only difference is that the "user interface" of Selden's system was implemented by pen and paper rather than by computer.

[29] To demonstrate that *Baker v. Selden* and this appeal both involve accounting systems, Borland even supplied this court with a video that, with special effects, shows Selden's paper forms "melting" into a computer screen and transforming into Lotus 1-2-3.

[30] We do not think that *Baker v. Selden* is nearly as analogous to this appeal as Borland claims. Of course, Lotus 1-2-3 is a computer spreadsheet, and as such its grid of horizontal rows and vertical columns certainly resembles an accounting ledger or any other paper spreadsheet. Those grids, however, are not at issue in this appeal for, unlike Selden, Lotus does not claim to have a monopoly over its accounting system. Rather, this appeal involves Lotus's monopoly over the commands it uses to operate the computer. Accordingly, this appeal is not, as Borland contends, "identical" to *Baker v. Selden*.

[31] **C. Altai**

[32] Before we analyze whether the Lotus menu command hierarchy is a system, method of operation, process, or procedure, we first consider the applicability of the test the Second Circuit set forth in *Computer Assoc. Int'l, Inc. v. Altai, Inc.*, 982 F.2d 693 (2d Cir. 1992).[n7] The Second Circuit designed its *Altai* test to deal with the fact that computer programs, copyrighted as "literary works," can be infringed by what is known as "nonliteral" copying, which is copying that is paraphrased or loosely paraphrased rather than word for word. See id. at 701 (citing nonliteral-copying cases); see also 3 Melville B. Nimmer & David Nimmer, *Nimmer on Copyright* § 13.03[A][1] (1993). When faced with nonliteral-copying cases, courts must determine whether similarities are due merely to the fact that the two works share the same underlying idea or whether they instead indicated that the second author copied the first author's expression. The Second Circuit designed its *Altai* test to deal with this situation in the computer context, specifically with whether one computer program copied nonliteral expression from another program's code.

[33] The *Altai* test involves three steps: abstraction, filtration, and comparison. The abstraction step requires courts to "dissect the allegedly copied program's structure and isolate each level of abstraction contained within it." *Altai*, 982 F.2d at 707. This step enables courts to identify the appropriate framework within which to separate protectable expression from unprotected ideas. Second, courts apply a "filtration" step in which they examine "the structural components at each level of abstraction to determine whether their particular inclusion at that level was 'idea' or was dictated by considerations of efficiency, so as to be necessarily incidental to that idea; required by factors external to the program itself; or taken from the public domain." *Id.* Finally, courts compare the protected elements of the infringed work (i.e., those that survived the filtration screening) to the corresponding elements of the allegedly infringing work to determine whether there was sufficient copying of protected material to constitute infringement. *Id.* at 710.

[34] In the instant appeal, we are not confronted with alleged nonliteral copying of computer code. Rather, we are faced with Borland's deliberate, literal copying of the Lotus menu command hierarchy. Thus, we must determine not whether nonliteral copying occurred in some amorphous sense, but rather whether the literal copying of the Lotus menu command
hierarchy constitutes copyright infringement.

[35] While the Altai test may provide a useful framework for assessing the alleged nonliteral copying of computer code, we find it to be of little help in assessing whether the literal copying of a menu command hierarchy constitutes copyright infringement. In fact, we think that the Altai test in this context may actually be misleading because, in instructing courts to abstract the various levels, it seems to encourage them to find a base level that includes copyrightable subject matter that, if literally copied, would make the copier liable for copyright infringement. [n8] While that base (or literal) level would not be at issue in a nonliteral-copying case like Altai, it is precisely what is at issue in this appeal. We think that abstracting menu command hierarchies down to their individual word and menu levels and then filtering idea from expression at that stage, as both the Altai and the district court tests require, obscures the more fundamental question of whether a menu command hierarchy can be copyrighted at all. The initial inquiry should not be whether individual components of a menu command hierarchy are expressive, but rather whether the menu command hierarchy as a whole can be copyrighted. But see Gates Rubber Co. v. Bando Chem. Indus., Ltd., 9 F.3d 823 (10th Cir. 1993) (endorsing Altai's abstraction-filtration-comparison test as a way of determining whether "menus and sorting criteria" are copyrightable).


[37] Borland argues that the Lotus menu command hierarchy is uncopyrightable because it is a system, method of operation, process, or procedure foreclosed from copyright protection by 17 U.S.C. § 102(b). Section 102(b) states: "In no case does copyright protection for an original work of authorship extend to any idea, procedure, process, system, method of operation, concept, principle, or discovery, regardless of the form in which it is described, explained, illustrated, or embodied in such work." Because we conclude that the Lotus menu command hierarchy is a method of operation, we do not consider whether it could also be a system, process, or procedure.

[38] We think that "method of operation," as that term is used in § 102(b), refers to the means by which a person operates something, whether it be a car, a food processor, or a computer. Thus a text describing how to operate something would not extend copyright protection to the method of operation itself; other people would be free to employ that method and to describe it in their own words. Similarly, if a new method of operation is used rather than described, other people would still be free to employ or describe that method.

[39] We hold that the Lotus menu command hierarchy is an uncopyrightable "method of operation." The Lotus menu command hierarchy provides the means by which users control and operate Lotus 1-2-3. If users wish to copy material, for example, they use the "Copy" command. If users wish to print material, they use the "Print" command. Users must use the command terms to tell the computer what to do. Without the menu command hierarchy, users would not be able to access and control, or indeed make use of, Lotus 1-2-3's functional capabilities.

[40] The Lotus menu command hierarchy does not merely explain and present Lotus 1-2-3's functional capabilities to the user; it also serves as the method by which the program is operated and controlled. The Lotus menu command hierarchy is different from the Lotus long prompts, for the long prompts are not necessary to the operation of the program; users could operate Lotus 1-2-3 even if there were no long prompts. [n9] The Lotus menu command
hierarchy is also different from the Lotus screen displays, for users need not "use" any expressive aspects of the screen displays in order to operate Lotus 1-2-3; because the way the screens look has little bearing on how users control the program, the screen displays are not part of Lotus 1-2-3's "method of operation." [n10] The Lotus menu command hierarchy is also different from the underlying computer code, because while code is necessary for the program to work, its precise formulation is not. In other words, to offer the same capabilities as Lotus 1-2-3, Borland did not have to copy Lotus's underlying code (and indeed it did not); to allow users to operate its programs in substantially the same way, however, Borland had to copy the Lotus menu command hierarchy. Thus the Lotus 1-2-3 code is not a uncopyrightable "method of operation." [n11]

[41] The district court held that the Lotus menu command hierarchy, with its specific choice and arrangement of command terms, constituted an "expression" of the "idea" of operating a computer program with commands arranged hierarchically into menus and submenus. *Borland II*, 799 F. Supp. at 216. Under the district court's reasoning, Lotus's decision to employ hierarchically arranged command terms to operate its program could not foreclose its competitors from also employing hierarchically arranged command terms to operate their programs, but it did foreclose them from employing the specific command terms and arrangement that Lotus had used. In effect, the district court limited Lotus 1-2-3's "method of operation" to an abstraction.

[42] Accepting the district court's finding that the Lotus developers made some expressive choices in choosing and arranging the Lotus command terms, we nonetheless hold that that expression is not copyrightable because it is part of Lotus 1-2-3's "method of operation." We do not think that "methods of operation" are limited to abstractions; rather, they are the means by which a user operates something. If specific words are essential to operating something, then they are part of a "method of operation" and, as such, are unprotectable. This is so whether they must be highlighted, typed in, or even spoken, as computer programs no doubt will soon be controlled by spoken words.

[43] The fact that Lotus developers could have designed the Lotus menu command hierarchy differently is immaterial to the question of whether it is a "method of operation." In other words, our initial inquiry is not whether the Lotus menu command hierarchy incorporates any expression. [n12] Rather, our initial inquiry is whether the Lotus menu command hierarchy is a "method of operation." Concluding, as we do, that users operate Lotus 1-2-3 by using the Lotus menu command hierarchy, and that the entire Lotus menu command hierarchy is essential to operating Lotus 1-2-3, we do not inquire further whether that method of operation could have been designed differently. The "expressive" choices of what to name the command terms and how to arrange them do not magically change the uncopyrightable menu command hierarchy into copyrightable subject matter.

[44] Our holding that "methods of operation" are not limited to mere abstractions is bolstered by *Baker v. Selden*. In *Baker*, the Supreme Court explained that

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the teachings of science and the rules and methods of useful art have their final end in application and use; and this application and use are what the public derive from the publication of a book which teaches them. . . . The description of the art in a book, though entitled to the benefit of copyright, lays no foundation for an exclusive claim to the art itself. The object of the one is explanation; the object of
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http://www.law.cornell.edu/copyright/cases/49_F3d_807.htm

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the other is use. The former may be secured by copyright. The latter can only be secured, if it can be secured at all, by letters-patent.

[45] Baker v. Selden, 101 U.S. at 104-05. Lotus wrote its menu command hierarchy so that people could learn it and use it. Accordingly, it falls squarely within the prohibition on copyright protection established in Baker v. Selden and codified by Congress in § 102(b).

[46] In many ways, the Lotus menu command hierarchy is like the buttons used to control, say, a video cassette recorder ("VCR"). A VCR is a machine that enables one to watch and record video tapes. Users operate VCRs by pressing a series of buttons that are typically labelled "Record, Play, Reverse, Fast Forward, Pause, Stop/Eject." That the buttons are arranged and labeled does not make them a "literary work," nor does it make them an "expression" of the abstract "method of operating" a VCR via a set of labeled buttons. Instead, the buttons are themselves the "method of operating" the VCR.

[47] When a Lotus 1-2-3 user chooses a command, either by highlighting it on the screen or by typing its first letter, he or she effectively pushes a button. Highlighting the "Print" command on the screen, or typing the letter "P," is analogous to pressing a VCR button labeled "Play."

[48] Just as one could not operate a buttonless VCR, it would be impossible to operate Lotus 1-2-3 without employing its menu command hierarchy. Thus the Lotus command terms are not equivalent to the labels on the VCR's buttons, but are instead equivalent to the buttons themselves. Unlike the labels on a VCR's buttons, which merely make operating a VCR easier by indicating the buttons' functions, the Lotus menu commands are essential to operating Lotus 1-2-3. Without the menu commands, there would be no way to "push" the Lotus buttons, as one could push unlabeled VCR buttons. While Lotus could probably have designed a user interface for which the command terms were mere labels, it did not do so here. Lotus 1-2-3 depends for its operation on the precise command terms that make up the Lotus menu command hierarchy.

[49] One might argue that the buttons for operating a VCR are not analogous to the commands for operating a computer program because VCRs are not copyrightable, whereas computer programs are. VCR's may not be copyrighted because they do not fit within any of the § 102(a) categories of copyrightable works; the closest they come is "sculptural work." Sculptural works, however, are subject to a "useful-article" exception whereby "the design of a useful article... shall be considered a pictorial, graphic, or sculptural work only if, and only to the extent that, such design incorporates pictorial, graphic, or sculptural features that can be identified separately from, and are capable of existing independently of, the utilitarian aspects of the article." 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." Id. Whatever expression there may be in the arrangement of the parts of a VCR is not capable of existing separately from the VCR itself, so an ordinary VCR would not be copyrightable.

[50] Computer programs, unlike VCRs, are copyrightable as "literary works." 17 U.S.C. § 102 (a). Accordingly, one might argue, the "buttons" used to operate a computer program are not like the buttons used to operate a VCR, for they are not subject to a useful-article exception. The response, of course, is that the arrangement of buttons on a VCR would not be copyrightable even without a useful-article exception, because the buttons are an uncopyrightable "method of operation." Similarly, the "buttons" of a computer program are also an uncopyrightable "method of operation."
[51] That the Lotus menu command hierarchy is a "method of operation" becomes clearer when one considers program compatibility. Under Lotus's theory, if a user uses several different programs, he or she must learn how to perform the same operation in a different way for each program used. For example, if the user wanted the computer to print material, then the user would have to learn not just one method of operating the computer such that it prints, but many different methods. We find this absurd. The fact that there may be many different ways to operate a computer program, or even many different ways to operate a computer program using a set of hierarchically arranged command terms, does not make the actual method of operation chosen copyrightable; it still functions as a method for operating the computer and as such is uncopyrightable.

[52] Consider also that users employ the Lotus menu command hierarchy in writing macros. Under the district court's holding, if the user wrote a macro to shorten the time needed to perform a certain operation in Lotus 1-2-3, the user would be unable to use that macro to shorten the time needed to perform that same operation in another program. Rather, the user would have to rewrite his or her macro using that other program's menu command hierarchy. This is despite the fact that the macro is clearly the user's own work product. We think that forcing the user to cause the computer to perform the same operation in a different way ignores Congress's direction in § 102(b) that "methods of operation" are not copyrightable. That programs can offer users the ability to write macros in many different ways does not change the fact that, once written, the macro allows the user to perform an operation automatically. As the Lotus menu command hierarchy serves as the basis for Lotus 1-2-3 macros, the Lotus menu command hierarchy is a "method of operation."

[53] In holding that expression that is part of a "method of operation" cannot be copyrighted, we do not understand ourselves to go against the Supreme Court's holding in Feist. In Feist, the Court explained:

The primary objective of copyright is not to reward the labor of authors, but to promote the Progress of Science and useful Arts. To this end, copyright assures authors the right to their original expression, but encourages others to build freely upon the ideas and information conveyed by a work.

[54] Feist, 499 U.S. at 349-50, 111 S.Ct. at 1290 (quotations and citations omitted). We do not think that the Court's statement that "copyright assures authors the right to their original expression" indicates that all expression is necessarily copyrightable; while original expression is necessary for copyright protection, we do not think that it is alone sufficient. Courts must still inquire whether original expression falls within one of the categories foreclosed from copyright protection by § 102(b), such as being a "method of operation."

[55] We also note that in most contexts, there is no need to "build" upon other people's expression, for the ideas conveyed by that expression can be conveyed by someone else without copying the first author's expression. In the context of methods of operation, however, "building" requires the use of the precise method of operation already employed; otherwise, "building" would require dismantling, too. Original developers are not the only people entitled to build on the methods of operation they create; anyone can. Thus, Borland may build on the method of operation that Lotus designed and may use the Lotus menu command hierarchy in doing so.

[56] Our holding that methods of operation are not limited to abstractions goes against
Autoskill, 994 F.2d at 1495 n. 23, in which the Tenth Circuit rejected the defendant's argument that the keying procedure used in a computer program was an uncopyrightable "procedure" or "method of operation" under § 102(b). The program at issue, which was designed to test and train students with reading deficiencies, id. at 1481, required students to select responses to the program's queries "by pressing the 1, 2, or 3 keys." Id. at 1495 n. 23. The Tenth Circuit held that, "for purposes of the preliminary injunction, . . . the record showed that [this] keying procedure reflected at least a minimal degree of creativity," as required by Feist for copyright protection. Id. As an initial matter, we question whether a programmer's decision to have users select a response by pressing the 1, 2, or 3 keys is original. More importantly, however, we fail to see how "a student select[ing] a response by pressing the 1, 2, or 3 keys," id., can be anything but an unprotectable method of operation. [n14]

III.

[57] Conclusion

[58] Because we hold that the Lotus menu command hierarchy is uncopyrightable subject matter, we further hold that Borland did not infringe Lotus's copyright by copying it. Accordingly, we need not consider any of Borland's affirmative defenses. The judgment of the district court is

[59] Reversed.

[60] Concurrence follows.

1. Judge Keeton presided over both the Paperback litigation and this case.

2. Lotus 1-2-3 utilizes a two-line menu; the top line lists the commands from which the user may choose, and the bottom line displays what Lotus calls its "long prompts." The long prompts explain, as a sort of "help text," what the highlighted menu command will do if entered. For example, the long prompt for the "Worksheet" command displays the submenu that the "Worksheet" command calls up; it reads "Global, Insert, Delete, Column, Erase, Titles, Window, Status, Page." The long prompt for the "Copy" command explains what function the "Copy" command will perform; "Copy a cell or range of cells." The long prompt for the "Quit" command reads, "End 1-2-3 Session (Have you saved your work?)."

Prior to trial, the parties agreed to exclude the copying of the long prompts from the case; Lotus agreed not to contend that Borland had copied the long prompts, Borland agreed not to argue that it had not copied the long prompts, and both sides agreed not to argue that the issue of whether Borland had copied the long prompts was material to any other issue in the case. See Borland III, 831 F. Supp. at 208.

3. Because Borland's programs could no longer display the Lotus menu command hierarchy to users, the Key Reader did not allow debugging or modification of macros, nor did it permit the execution of most interactive macros.

4. See Borland IV, 831 F. Supp. at 226-27, for a more detailed explanation of macros and the Key Reader.

5. Computer programs receive copyright protection as "literary works." See 17 U.S.C. § 102(a)(1) (granting protection to "literary works") and 17 U.S.C. § 101 (defining "literary works" as "works . . . expressed in words, numbers, or other verbal or numerical symbols or indicia, regardless of the nature of the material objects, such as

http://www.law.cornell.edu/copyright/cases/49_F3d_807.htm 11/19/2003
books, periodicals, phonorecords, films, tapes, disks, or cards, in which they are embodied" (emphasis added); see also H.R.Rep. No. 1476, 94th Cong., 2d Sess. 54 (1976), reprinted in 1976 U.S.C.C.A.N. 5659, 5667 ("The term 'literary works' . . . includes computer data bases, and computer programs to the extent that they incorporate authorship in the programmer's expression of original ideas, as distinguished from the ideas themselves.").

6. Selden's system of double-entry bookkeeping is the now almost-universal T-accounts system.

7. We consider the Altai test because both parties and many of the amici focus on it so heavily. Borland, in particular, is highly critical of the district court for not employing the Altai test. Borland does not, however, indicate how using that test would have been dispositive in Borland's favor. Interestingly, Borland appears to contradict its own reasoning at times by criticizing the applicability of the Altai test.

8. We recognize that Altai never states that every work contains a copyrightable "nugget" of protectable expression. Nonetheless, the implication is that for literal copying, "it is not necessary to determine the level of abstraction at which similarity cases to consist of an 'expression of ideas,' because literal similarity by definition is always a similarity as to the expression of ideas." 3 Melville B. Nimmer & David Nimmer, Nimmer on Copyright § 13.03[A](2) (1993).

9. As the Lotus long prompts are not before us on appeal, we take no position on their copyrightability, although we do note that a strong argument could be made that the brief explanations they provide "merge" with the underlying idea of explaining such functions. See Morrissey v. Procter & Gamble Co., 379 F.2d 675, 678-79 (1st Cir. 1967) (when the possible ways to express an idea are limited, the expression "merges" with the idea and is therefore uncopyrightable; when merger occurs, identical copying is permitted).

10. As they are not before us on appeal, we take no position on whether the Lotus 1-2-3 screen displays constitute original expression capable of being copyrighted.

11. Because the Lotus 1-2-3 code is not before us on appeal, we take no position on whether it is copyrightable. We note, however, that original computer codes generally are protected by copyright. See, e.g., Altai, 982 F.2d at 702 ("It is now well settled that the literal elements of computer programs, i.e., their source and object codes, are the subject of copyright protection.") (citing cases).

12. We think that the Altai test would contemplate this being the initial inquiry.

13. When there are a limited number of ways to express an idea, however, the expression "merges" with the idea and becomes uncopyrightable. Morrissey, 379 F.2d at 678-79.

14. The Ninth Circuit has also indicated in dicta that "menus, and keystrokes" may be copyrightable. Brown Bag Software v. Syntec Corp., 960 F.2d 1465, 1477 (9th Cir.), cert. denied, BB Asset Management, Inc. v. Symantec Corp., ___ U.S. ___, 113 S.Ct. 198, 121 L.Ed.2d 141 (1992). In that case, however, the plaintiff did not assert that the defendant had copied the plaintiff's menus or keystrokes, so the court was not directly faced with whether the menus or keystrokes constituted an unprotectable method of operation. Id.

[61] BOUDIN, Circuit Judge, concurring.

[62] The importance of this case, and a slightly different emphasis in my view of the underlying problem, prompt me to add a few words to the majority's tightly focused discussion.

1.

[63] Most of the law of copyright and the "tools" of analysis have developed in the context of literary works such as novels, plays, and films. In this milieu, the principal problem - simply
stated, if difficult to resolve - is to stimulate creative expression without unduly limiting access by others to the broader themes and concepts deployed by the author. The middle of the spectrum presents close cases; but a "mistake" in providing too much protection involves a small cost: subsequent authors treating the same themes must take a few more steps away from the original expression.

[64] The problem presented by computer programs is fundamentally different in one respect. The computer program is a means for causing something to happen; it has a mechanical utility, an instrumental role, in accomplishing the word's work. Granting protection, in other words, can have some of the consequences of patent protection in limiting other people's ability to perform a task in the most efficient manner. Utility does not bar copyright (dictionaries may be copyrighted), but it alters the calculus.

[65] Of course, the argument for protection is undiminished, perhaps even enhanced, by utility; if we want more of an intellectual product, a temporary monopoly for the creator provides incentives for others to create other, different items in this class. But the "cost" side of the equation may be different where one places a very high value on public access to a useful innovation that may be the most efficient means of performing a given task. Thus, the argument for extending protection may be the same; but the stakes on the other side are much higher.

[66] It is no accident that patent protection has preconditions that copyright protection does not - notably, the requirements of novelty and non-obviousness - and that patents are granted for a shorter period than copyrights. This problem of utility has sometimes manifested itself in copyright cases, such as Baker v. Selden, 101 U.S. 99, 25 L.Ed. 841 (1879), and been dealt with through various formulations that limit copyright or create limited rights to copy. But the case law and doctrine addressed to utility in copyright have been brief detours in the general march of copyright law.

[67] Requests for the protection of computer menus present the concern with fencing off access to the commons in an acute form. A new menu may be a creative work, but over time its importance may come to reside more in the investment that has been made by users in learning the menu and in building their own mini-programs - macros - in reliance upon the menu. Better typewriter keyboard board layouts may exist, but the familiar QWERTY keyboard dominates the market because that is what everyone has learned to use. See P. David, CLIO and the Economics of QWERTY, 75 Am.Econ.Rev. 332 (1985). The QWERTY keyboard is nothing other than a menu of letters.

[68] Thus, to assume that computer programs are just one more new means of expression, like a filmed play, may be quite wrong. The "from" - the written source code or the menu structure depicted on the screen - look hauntingly like the familiar stuff of copyright; but the "substance" probably has more to do with problems presented in patent law or, as already noted, in those rare cases where copyright law has confronted industrially useful expressions. Applying copyright law to computer programs is like assembling a jigsaw puzzle whose pieces do not quite fit.

[69] All of this would make no difference if Congress had squarely confronted the issue, and given explicit directions as to what should be done. The Copyright Act of 1976 took a different course. While Congress said that computer programs might be subject to copyright protection, it said this in very general terms; and, especially in § 102(b), Congress adopted a string of exclusions that if taken literally might easily seem to exclude most computer
programs from protection. The only detailed prescriptions for computers involve narrow issues (like back-up copies) of no relevance here.

[70] Of course, one could still read the statute as a congressional command that the familiar doctrines of copyright law be taken and applied to computer programs, in cookie cutter fashion, as if the programs were novels or play scripts. Some of the cases involving computer programs embody this approach. It seems to be mistaken on two different grounds: the tradition of copyright law, and the likely intent of Congress.

[71] The broad-brush conception of copyright protection, the time limits, and the formalities have long been prescribed by statute. But the heart of copyright doctrine - what may be protected and with what limitations and exceptions - has been developed by the courts through experience with individual cases. B. Kaplan, An Unhurried View of Copyright 40 (1967). Occasionally Congress addresses a problem in detail. For the most part the interstitial development of copyright through the courts is our tradition.

[72] Nothing in the language or legislative history of the 1976 Act, or at least nothing brought to our attention, suggests that Congress meant the courts to abandon this case-by-case approach. Indeed, by setting up § 102(b) as a counterpoint theme, Congress has arguably recognized the tension and left it for the courts to resolve through the development of case law. And case law development is adaptive: it allows new problems to be solved with help of earlier doctrine, but it does not preclude new doctrines to meet new situations.

II.

[73] In this case, the raw facts are mostly, if not entirely, undisputed. Although the inferences to be drawn may be more debatable, it is very hard to see that Borland has shown any interest in the Lotus menu except as a fall-back option for those users already committed to it by prior experience or in order to run their own macros using 1-2-3 commands. At least for the amateur, accessing the Lotus menu in the Borland Quattro or Quattro Pro program takes some effort.

[74] Put differently, it is unlikely that users who value the Lotus menu for its own sake - independent of any investment they have made themselves in learning Lotus' commands or creating macros dependent upon them - would choose the Borland program in order to secure access to the Lotus menu. Borland's success is due primarily to other features. Its rationale for deploying the Lotus menu bears the ring of truth.

[75] Now, any use of the Lotus menu by Borland is a commercial use and deprives Lotus of a portion of its "reward," in the sense that an infringement claim if allowed would increase Lotus' profits. But this is circular reasoning: broadly speaking, every limitation on copyright or privileged use diminishes the reward of the original creator. Yet not every writing is copyrightable or every use an infringement. The provision of reward is one concern of copyright law, but it is not the only one. If it were, copyrights would be perpetual and there would be no exceptions.

[76] The present case is an unattractive one for copyright protection of the menu. The menu commands (e.g., "print," "quit") are largely for standard procedures that Lotus did not invent and are common words that Lotus cannot monopolize. What is left is the particular combination and sub-grouping of commands in a pattern devised by Lotus. This arrangement
may have a more appealing logic and ease of use than some other configurations; but there is a certain arbitrariness to many of the choices.

[77] If Lotus is granted a monopoly on this pattern, users who have learned the command structure of Lotus 1-2-3 or devised their own macros are locked into Lotus, just as a typist who has learned the QWERTY keyboard would be the captive of anyone who had a monopoly on the production of such a keyboard. Apparently, for a period Lotus 1-2-3 has had such sway in the market that it has represented the de facto standard for electronic spreadsheet commands. So long as Lotus is the superior spreadsheet - either in quality or in price - there may be nothing wrong with this advantage.

[78] But if a better spreadsheet comes along, it is hard to see why customers who have learned the Lotus menu and devised macros for it should remain captives of Lotus because of an investment in learning made by the users and not by Lotus. Lotus has already reaped a substantial reward for being first; assuming that the Borland program is now better, good reasons exist for freeing it to attract old Lotus customers: to enable the old customers to take advantage of a new advance, and to reward Borland in turn for making a better product. If Borland has not made a better product, then customers will remain with Lotus anyway.

[79] Thus, for me the question is not whether Borland should prevail but on what basis. Various avenues might be traveled, but the main choices are between holding that the menu is not protectable by copyright and devising a new doctrine that Borland's use is privileged. No solution is perfect and no intermediate appellate court can make the final choice.

[80] To call the menu a "method of operation" is, in the common use of those words, a defensible position. After all, the purpose of the menu is not to be admired as a work of literary or pictorial art. It is to transmit directions from the user to the computer, i.e., to operate the computer. The menu is also a "method" in the dictionary sense because it is a "planned way of doing something," an "order or system," and (aptly here) an "orderly or systematic arrangement, sequence or the like." Random House Webster's College Dictionary 853 (1991).

[81] A different approach would be to say that Borland's use is privileged because, in the context already described, it is not seeking to appropriate the advances made by Lotus' menu; rather, having provided an arguably more attractive menu of its own, Borland is merely trying to give former Lotus users an option to exploit their own prior investment in learning or in macros. The difference is that such a privileged use approach would not automatically protect Borland if it had simply copied the Lotus menu (using different codes), contributed nothing of its own, and resold Lotus under the Borland label.

[82] The closest analogue in conventional copyright is the fair use doctrine. E.g., Harper & Row, Publishers, Inc. v. Nation Enters., 471 U.S. 539, 105 S.Ct. 2218, 85 L.Ed.2d 588 (1985). Although invoked by Borland, it has largely been brushed aside in this case because the Supreme Court has said that it is "presumptively" unavailable where the use is a "commercial" one. See id. at 562, 105 S.Ct. at 2231-32. But See Campbell v. Acuff-Rose Music, Inc., ___ U.S. ___, ___, 114 S.Ct. 1164, 1174, 127 L.Ed.2d 500 (1994). In my view, this is something less than a definitive answer; "presumptively" does not mean "always" and, in any event, the doctrine of fair use was created by the courts and can be adapted to new purposes.

[83] But a privileged use doctrine would certainly involve problems of its own. It might more
closely tailor the limits on copyright protection to the reasons for limiting that protection; but it would entail a host of administrative problems that would cause cost and delay, and would also reduce the ability of the industry to predict outcomes. Indeed, to the extent that Lotus' menu is an important standard in the industry, it might be argued that any use ought to be deemed privileged.

[84] In sum, the majority's result persuades me and its formulation is as good, if not better, than any other that occurs to me now as within the reach of courts. Some solutions (e.g., a very short copyright period for menus) are not options at all for courts but might be for Congress. In all events, the choices are important ones of policy, not linguistics, and they should be made with the underlying considerations in view.
CASTLE ROCK ENTERTAINMENT, INC. v. CAROL PUBLISHING GROUP, 150 F.3d 132 (2nd Cir. 1998)

Before: VAN GRAAFEILAND, WALKER, Circuit Judges, and RAKOFF, District Judge.^[n1]

WALKER, Circuit Judge: NB - Footnotes follow the fair use discussion later in the reader

[1] This case presents two interesting and somewhat novel issues of copyright law. The first is whether The Seinfeld Aptitude Test, a trivia quiz book devoted exclusively to testing its readers' recollection of scenes and events from the fictional television series Seinfeld, takes sufficient protected expression from the original, as evidenced by the book's substantial similarity to the television series, such that, in the absence of any defenses, the book would infringe the copyright in Seinfeld. The second is whether The Seinfeld Aptitude Test (also referred to as The SAT) constitutes fair use of the Seinfeld television series.

[2] Defendants-appellants Carol Publishing Group, Inc. and Beth B. Golub appeal from the July 23, 1997 judgment of the United States District Court for the Southern District of New York (Sonia Sotomayor, District Judge) granting, pursuant to Fed. R. Civ. P. 56, plaintiff-appellee Castle Rock Entertainment, Inc.'s ("Castle Rock") motion for summary judgment; denying defendants' cross-motion for summary judgment; awarding Castle Rock $403,000 for defendants' copyright infringement; and permanently enjoining defendants from publishing The Seinfeld Aptitude Test.

[3] We conclude that The SAT unlawfully copies from Seinfeld and that its copying does not constitute fair use and thus is an actionable infringement. Accordingly, we affirm the judgment in favor of Castle Rock.

Background

[4] The material facts in this case are undisputed. Plaintiff Castle Rock is the producer and copyright owner of each episode of the Seinfeld television series. The series revolves around the petty tribulations in the lives of four single, adult friends in New York: Jerry Seinfeld, George Costanza, Elaine Benes, and Cosmo Kramer. Defendants are Beth Golub, the author, and Carol Publishing Group, Inc., the publisher, of The SAT, a 132-page book containing 643 trivia questions and answers about the events and characters depicted in Seinfeld. These include 211 multiple choice questions, in which only one out of three to five answers is correct; 93 matching questions; and a number of short-answer questions. The questions are divided into five levels of difficulty, labeled (in increasing order of difficulty) "Wuss Questions," "This, That, and the Other Questions," "Tough Monkey Questions," "Atomic Wedgie Questions," and "Master of Your Domain Questions." Selected examples from level 1 are indicative of the questions throughout The SAT:

1. To impress a woman, George passes himself off as
a) a gynecologist
b) a geologist
c) a marine biologist
d) a meteorologist

11. What candy does Kramer snack on while observing a surgical procedure from an operating-room balcony?

12. Who said, "I don't go for those nonrefundable deals . . . I can't commit to a woman . . . I'm not committing to an airline."?

a) Jerry
b) George
c) Kramer[n2]

[5] The book draws from 84 of the 86 Seinfeld episodes that had been broadcast as of the [p*136] time The SAT was published. Although Golub created the incorrect answers to the multiple choice questions, every question and correct answer has as its source a fictional moment in a Seinfeld episode. Forty-one questions and/or answers contain dialogue from Seinfeld. The single episode most drawn upon by The SAT, "The Cigar Store Indian," is the source of 20 questions that directly quote between 3.6% and 5.6% of that episode (defendants' and plaintiff's calculations, respectively).

[6] The name "Seinfeld" appears prominently on the front and back covers of The SAT, and pictures of the principal actors in Seinfeld appear on the cover and on several pages of the book. On the back cover, a disclaimer states that "This book has not been approved or licensed by any entity involved in creating or producing Seinfeld."[n3] The front cover bears the title "The Seinfeld Aptitude Test" and describes the book as containing "[h]undreds of spectacular questions of minute details from TV's greatest show about absolutely nothing." The back cover asks:

Just how well do you command the buzzwords, peccadilloes, petty annoyances, and triflingly complex escapades of Jerry Seinfeld, Elaine Benes, George Costanza, and Kramer - the fabulously neurotic foursome that makes the offbeat hit TV series Seinfeld tick?

....

If you think you know the answers - and really keep track of Seinfeld aminutiae - challenge yourself and your friends with these 550 trivia questions and 10 extra matching quizzes. No, The Seinfeld Aptitude Test can't tell you whether you're Master of Your Domain, but it will certify your status as King or Queen of Seinfeld trivia. So twist open a Snapple, double-dip a chip, and open this book to satisfy your between-episode cravings.
[7] Golub has described The SAT as a "natural outgrowth" of Seinfeld which, "like the Seinfeld show, is devoted to the trifling, picayune and petty annoyances encountered by the show's characters on a daily basis." According to Golub, she created The SAT by taking notes from Seinfeld programs at the time they were aired on television and subsequently reviewing videotapes of several of the episodes, as recorded by her or various friends.

[8] The SAT's publication did not immediately provoke a challenge. The National Broadcasting Corporation, which broadcasted Seinfeld, requested free copies of The SAT from defendants and distributed them together with promotions for the program. Seinfeld's executive producer characterized The SAT as "a fun little book." There is no evidence that The SAT's publication diminished Seinfeld's profitability, and in fact Seinfeld's audience grew after The SAT was first published.

[9] Castle Rock has nevertheless been highly selective in marketing products associated with Seinfeld, rejecting numerous proposals from publishers seeking approval for a variety of projects related to the show. Castle Rock licensed one Seinfeld book, The Entertainment Weekly Seinfeld Companion, and has licensed the production of a CD-ROM product that includes discussions of Seinfeld episodes; the CD-ROM allegedly might ultimately include a trivia bank. Castle Rock claims in this litigation that it plans to pursue a more aggressive marketing strategy for Seinfeld-related products, including "publication of books relating to Seinfeld."

[10] In November 1994, Castle Rock notified defendants of its copyright and trademark infringement claims. In February 1995, after defendants continued to distribute The SAT, Castle Rock filed this action alleging federal copyright and trademark infringement and state law unfair competition. Subsequently, both parties moved, pursuant to Fed. R. Civ. P. 56, for summary judgment on both the copyright and unfair competition claims.

[11] The district court granted summary judgment to Castle Rock on the copyright claim. It held that defendants had violated plaintiff's copyrights in Seinfeld and that such copying did not constitute fair use. See Castle Rock Entertainment v. Carol Pub'lg Group, Inc., 955 F. Supp. 260, 274 (S.D.N.Y. 1997). The district court did not grant summary judgment to either party on the unfair competition claim. See id. The parties then stipulated to damages and attorneys' fees on the copyright infringement claim and, presumably to facilitate the appeal, to the dismissal without prejudice of all remaining claims. Carol Publishing's cross-claims against Golub were dismissed with prejudice. The district court entered final judgment on the copyright infringement claim, awarded Castle Rock $403,000 with interest, permanently enjoined defendants from publishing or distributing The SAT, and ordered defendants to destroy all copies of The SAT in their custody or control. Defendants now appeal.

Discussion

I. Standard of Review

[12] Summary judgment is appropriate only if the moving party can show that there is "no genuine issue as to any material fact and that the moving party is entitled to a judgment as a matter of law." Fed. R. Civ. P. 56(c). The court "must draw all reasonable inferences and resolve all ambiguities in favor of the non-moving party." Garza v. Marine Transp. Lines, Inc., 861 F.2d 23, 26 (2d Cir. 1988). Although "[f]air use is a mixed question of law and fact,"

http://www.law.cornell.edu/copyright/cases/150_F3d_132.htm

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II. Copyright Infringement

[13] The Copyright Act of 1976 ("Copyright Act"), 17 U.S.C. §§ 101-803, grants copyright owners a bundle of exclusive rights, including the rights to "reproduce the copyrighted work in copies" and "to prepare derivative works based upon the copyrighted work." Id. § 106. "Copyright infringement is established when the owner of a valid copyright demonstrates unauthorized copying." Repp v. Webber, 132 F.3d 882, 889 (2d Cir. 1997); see Feist Publications, Inc. v. Rural Tel. Serv. Co., 499 U.S. 340, 361 (1991). There are two main components of this prima facie case of infringement: "a plaintiff must first show that his work was actually copied . . . [and] then must show that the copying amounts to an improper or unlawful appropriation." Laureysens v. Idea Group, Inc., 964 F.2d 131, 139-40 (2d Cir. 1992) (quotation marks and citations omitted). Actual copying may be established "either by direct evidence of copying or by indirect evidence, including access to the copyrighted work, similarities that are probative of copying between the works, and expert testimony," Id. at 140. As we have noted before, "probative," rather than "substantial" similarity is the correct term in referring to the plaintiff's initial burden of proving actual copying by indirect evidence. See Webber, 132 F.3d at 889 n. 1; Laureysens, 964 F.2d at 140. "It is only after actual copying is established that one claiming infringement" then proceeds to demonstrate that the copying was improper or unlawful by showing that the second work bears "substantial similarity" to protected expression in the earlier work. Webber, 132 F.3d at 889; Laureysens, 964 F.2d at 140. In the instant case, no one disputes that Castle Rock owns valid copyrights in the Seinfeld television programs and that defendants actually copied from those programs in creating The SAT. Golub freely admitted that she created The SAT by taking notes from Seinfeld programs at the time they were aired on television and subsequently reviewing videotapes of several of the episodes that she or her friends recorded. Since the fact of copying is acknowledged and undisputed, the critical question for decision is whether the copying was unlawful or improper in that it took a sufficient amount of protected expression from Seinfeld as evidenced by its substantial similarity to such expression. Page 138

A. "Substantial Similarity"

[14] We have stated that "substantial similarity" requires that the copying [be] quantitatively and qualitatively sufficient to support the legal conclusion that infringement (actionable copying) has occurred. The qualitative component concerns the copying of expression, rather than ideas[, facts, works in the public domain, or any other non-protectable elements]. . . . The quantitative component generally concerns the amount of the copyrighted work that is copied, which must be more than "de minimis." Ringgold v. Black Entertainment Television, Inc., 126 F.3d 70, 75 (2d Cir. 1997) (emphasis added). As to the quantitative element, we conclude that The SAT has crossed the de minimis threshold. At the outset, we observe that the fact that the copying appears in question and answer form is by itself without particular consequence: the trivia quiz copies fragments of Seinfeld in the same way that a collection of Seinfeld jokes or trivia would copy fragments of the series. In order to determine the
quantitative extent of the defendants' copying, we must then decide whether to analyze separately the amount of expression copied from each individually copyrighted Seinfeld episode, or to analyze in the aggregate the amount copied from the eighty-four Seinfeld episodes. As defendants observe, 17 U.S.C. § 106 speaks throughout in the singular, referring to the allegedly infringed "work," thus bolstering an individual-episode analysis. Our precedents, however, tend to support the aggregate analysis. See Twin Peaks Prods., Inc. v. Publications Int'l, Ltd., 996 F.2d 1366, 1372-73, 1381 (2d Cir. 1993) (finding substantial similarity between infringing book and 8 episodes of Twin Peaks weekly television series seen as a whole, but awarding statutory damages on per-episode basis); Wainwright Secs. Inc. v. Wall St. Transcript Corp., 558 F.2d 91, 94 (2d Cir. 1977) (abstracts of a number of research reports treated cumulatively in fair use analysis); see also Craft v. Kobler, 667 F. Supp. 120, 124-25 (S.D.N.Y. 1987) (passages taken from 15 separate books of copyright holder treated cumulatively in finding infringement); cf. New Era Publications Int'l, ApS v. Carol Publ'g Group, 904 F.2d 152, 158 (2d Cir. 1990) (in analyzing whether critical biography was fair use of 48 original writings, court noted that biography "uses overall a small percentage of [plaintiffs'] works" but also noted that percentage of copying taken from each individual work was not "unfair") (emphasis added); but see Salinger v. Random House, Inc., 811 F.2d 90, 98 (2d Cir. 1987) (copying of Salinger letters not fair use because, among other factors, secondary work copied one-third of 17 letters and 10 percent of 42 letters).

[15] As in Twin Peaks, for the purposes of the quantitative copying analysis we shall treat Seinfeld - a discrete, continuous television series - as a single work.[n4] Where the secondary work focuses on an entire continuous television series such as Seinfeld, there is no basis for looking in isolation at the amount copied from each separately copyrighted episode. Although 17 U.S.C. § 106 speaks in terms of a singular copyrighted "work," it would elevate form over substance to conclude that The SAT's copying of 643 fragments from 84 individually copyrighted Seinfeld episodes is indistinguishable from a case in which a 634-question trivia quiz book poses a few questions from each of 84 unrelated television programs, books, movies, or any combination of creative works that do not constitute a discrete series of works. Had the SAT copied a few fragments from each of 84 unrelated television programs (perhaps comprising the entire line-up on broadcast television), defendants would have a stronger case under the de minimis doctrine. By copying not a few but 643 fragments from the Seinfeld television series, however, The SAT has plainly crossed the quantitative copying threshold under Ringgold.

[16] As to Ringgold's qualitative component, each SAT trivia question is based directly upon original, protectable expression in Seinfeld. As noted by the district court, The SAT did not copy from Seinfeld unprotected [p*139] facts, but, rather, creative expression. Cf. Feist, 499 U.S. at 364 (finding no infringement where defendant produced a multi-county phone directory, in part, by obtaining names and phone numbers from plaintiffs' single-county directory). Unlike the facts in a phone book, which "do not owe their origin to an act of authorship," id. at 347, each "fact" tested by The SAT is in reality fictitious expression created by Seinfeld's authors. The SAT does not quiz such true facts as the identity of the actors in Seinfeld, the number of days it takes to shoot an episode, the biographies of the actors, the location of the Seinfeld set, etc. Rather, The SAT tests whether the reader knows that the character Jerry places a Pez dispenser on Elaine's leg during a piano recital, that Kramer enjoys going to the airport because he's hypnotized by the baggage carousels, and that Jerry, opining on how to identify a virgin, said "It's not like spotting a toupee." Because these characters and events spring from the imagination of Seinfeld's authors, The SAT plainly copies copyrightable, creative expression.[n5] See Feist, 499 U.S. at 347 (discussing distinction between discovered facts, which do not "owe their origin to an act of authorship"
and therefore are not protected by copyright, and created facts, which constitute original, protected expression).

[17] We find support for this conclusion in a previous case in which we held that a series of still photographs of a ballet may in some cases infringe the copyright in an original choreographic work. See Horgan v. Macmillan, Inc., 789 F.2d 157, 163 (2d Cir. 1986). The defendants in Horgan claimed that still photographs could not "capture the flow of movement, which is the essence of dance," that "the staged performance could not be recreated from the photographs," and thus, that the photographs were not substantially similar to the choreographic work. Id. at 161-62 (quotation marks omitted). Although noting that the issue "was not a simple one," this court rejected that argument, holding that "the standard for determining copyright infringement is not whether the original could be recreated from the allegedly infringing copy, but whether the latter is substantially similar to the former." Id. at 162 (quotation marks omitted). That observation applies with equal force to the trivia quiz fragments in this case. Although Seinfeld could not be "recreated" from The SAT, Castle Rock has nevertheless established both the quantitative and qualitative components of the substantial similarity test, establishing a prima facie case of copyright infringement.

B. Other Tests

[18] As defendants note, substantial similarity usually "arises out of a claim of infringement as between comparable works . . . . [where] because of the equivalent nature of the competing works, the question of similarity can be tested conventionally by comparing comparable elements of the two works." Because in the instant case the original and secondary works are of different genres and to a lesser extent because they are in different media, tests for substantial similarity other than the quantitative/qualitative approach are not particularly helpful to our analysis.

[19] Under the "ordinary observer" test, for example, "[t]wo works are substantially similar where 'the ordinary observer, unless he set out to detect the disparities, would be disposed to overlook them, and regard [the] aesthetic appeal [of the two works] as the same." Arica Inst., Inc. v. Palmer, 970 F.2d 1067, 1072 (2d Cir. 1992) (quoting Peter Pan Fabrics, Inc. v. Martin Weiner Corp., 274 F.2d 487, 489 (2d Cir. 1960) (L. Hand, J.) (comparing dress designs)) (alterations in original). Undoubtedly, Judge Hand did not have in mind a comparison of aesthetic appeal as between a television series and a trivia quiz and, in the usual case, we might [p*140] question whether any "ordinary observer" would "regard [the] aesthetic appeal" in a situation-comedy television program as being identical to that of any book, let alone a trivia quiz book, about that program. Cf. Laureysens, 964 F.2d at 132, 141 (applying "ordinary observer" test to compare two sets of foam rubber puzzles). We note here, however, that plaintiff has a plausible claim that there is a common aesthetic appeal between the two works based on The SAT's plain copying of Seinfeld and Golub's statement on the back cover that the book was designed to complement the aesthetic appeal of the television series. See The SAT ("So twist open a Snapple, double-dip a chip, and open this book to satisfy your between episode cravings."). Under the "total concept and feel" test, urged by defendants, we analyze "the similarities in such aspects as the total concept and feel, theme, characters, plot, sequence, pace, and setting" of the original and the allegedly infringing works. Williams v. Crichton, 84 F.3d 581, 588 (2d Cir. 1996) (comparing children's books with novel and movie); Reyher v. Children's Television Workshop, 533 F.2d 87, 91 (2d Cir. 1976) (comparing children's book with story in Sesame Street Magazine). Defendants contend that The SAT and the Seinfeld programs are incomparable in conventional terms such as plot, sequence, themes, pace, and setting. For example, The SAT has no plot; "[t]he notion of
pace ... cannot be said even to exist in the book"; The SAT's "sequence has no relationship to the sequences of any of the Seinfeld episodes, since it is a totally random and scattered collection of questions relating to events that occurred in the shows"; and The SAT's only theme is "how much a Seinfeld fan can remember of 84 different programs." The total concept and feel test, however, is simply not helpful in analyzing works that, because of their different genres and media, must necessarily have a different concept and feel. Indeed, many "derivative" works of different genres, in which copyright owners have exclusive rights, see 17 U.S.C. § 106, may have a different total concept and feel from the original work.

[20] Finally, we do not apply the "fragmented literal similarity" test, [n6] which focuses upon copying of direct quotations or close paraphrasing, or the "comprehensive nonliteral similarity" test, which examines whether "the fundamental essence or structure of one work is duplicated in another." 4 Melville B. Nimmer & David Nimmer, Nimmer on Copyright § 13.03[A][1], at 13-29, § 13.03[A][2], at 13-45 (1997) (hereafter "Nimmer"); Twin Peaks, 996 F.2d at 1372-73 (applying Nimmer test); Warner Bros. Inc. v. American Broad. Cos., 720 F.2d 231, 240, 242 (2d Cir. 1983) (applying Nimmer test to compare Superman and The Greatest American Hero). In the instant case, because the direct quotations or close paraphrases that The SAT copied from the Seinfeld series are few and almost irrelevant to The SAT, undue focus upon these isolated quotations could improperly distract us from inquiring as to whether substantial similarity exists between Seinfeld and The SAT. Castle Rock's comprehensive nonliteral similarity argument - that the defendants "literally constructed the SAT with 643 fragments of Seinfeld's creative whole" - is also unhelpful to our analysis and unnecessary to our determination that The SAT is substantially similar to Seinfeld. Without having viewed Seinfeld itself, no SAT reader could plausibly "construct" in his or her mind the plot of any Seinfeld episode, nor any of Seinfeld's settings (the Seinfeld and Kramer apartments, the foursons's restaurant hangout, George Steinbrenner's office, etc.), nor even the four principal Seinfeld characters. Nor does The SAT "[duplicate] the fundamental essence or structure" of Seinfeld. 4 Nimmer § 13.03[A][1], at 13-29; cf. Twin Peaks, 996 F.2d 1372-73 (finding "substantial similarity through comprehensive nonliteral similarity" where chapter of infringing book "is essentially a detailed recounting of the first eight episodes of the [television] series" and "[e]very intricate plot twist and element of character development appear in the Book [p*141] in the same sequence as in the teleplays"). However, "[t]he standard for determining copyright infringement is not whether the original could be recreated from the allegedly infringing copy, but whether the latter is 'substantially similar' to the former," Horgan, 789 F.2d at 162, and in copying a sufficient amount of protected expression from the Seinfeld television series, The SAT easily passes the threshold of substantial similarity between the contents of the secondary work and the protected expression in the original.

III. Fair Use

[21] Defendants claim that, even if The SAT's copying of Seinfeld constitutes prima facie infringement, The SAT is nevertheless a fair use of Seinfeld. "From the infancy of copyright protection," the fair use doctrine "has been thought necessary to fulfill copyright's very purpose, '[t]o promote the Progress of Science and useful Arts.'" Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569, 575 (1994) (quoting U.S. Const., art. I, § 8, cl. 8). As noted in Campbell, "in truth, in literature, in science and in art, there are...and can be...if any...things, which in an abstract sense, are strictly new and original throughout. Every book in literature, science and art, borrows, and must necessarily borrow, and use much which was well known and used before." Id. (quotation marks omitted). Until the 1976 Copyright Act, the doctrine of fair use grew exclusively out of the common law. See id. at 575; Potsom v.
SATAVA v. LOWRY, 323 F.3d 805 (9th Cir. 2003)

Before: Barry G. Silverman and Ronald M. Gold, Circuit Judges, and Charles R. Weinger, [* Senior Circuit Judge

GOULD, Circuit Judge:

[1] In the Copyright Act, Congress sought to benefit the public by encouraging artists' creative expression. Congress carefully drew the contours of copyright protection to achieve this goal. It granted artists the exclusive right to the original expression in their works, thereby giving them a financial incentive to create works to enrich our culture. But it denied artists the exclusive right to ideas and standard elements in their works, thereby preventing them from monopolizing what rightfully belongs to the public. In this case, we must locate the faint line between unprotected idea and original expression in the context of realistic animal sculpture. We must decide whether an artist's lifelike glass-in-glass sculptures of jellyfish are protectable by copyright. Because we conclude that the sculptures are composed of unprotectable ideas and standard elements, and also that the combination of those unprotectable elements is unprotectable, we reverse the judgment of the district court.

[2] Plaintiff Richard Satava is a glass artist from California. In the late 1980s, Satava was inspired by the jellyfish display at an aquarium. He began experimenting with jellyfish sculptures in the glass-in-glass medium and, in 1990, began selling glass-in-glass jellyfish sculptures. The sculptures sold well, and Satava made more of them. By 2002, Satava was designing and creating about three hundred jellyfish sculptures each month. Satava's sculptures are sold in galleries and gift shops in forty states, and they sell for hundreds or thousands of dollars, depending on size. Satava has registered several of his works with the Register of Copyrights.

[3] Satava describes his sculptures as "vertically oriented, colorful, fanciful jellyfish with tendril-like tentacles and a rounded bell encased in an outer layer of rounded clear glass that is bulbous at the top and tapering toward the bottom to form roughly a bullet shape, with the jellyfish portion of the sculpture filling almost the entire volume of the outer, clear-glass shroud." Satava's jellyfish appear lifelike. They resemble the pelagia colorata that live in the Pacific Ocean:

http://www.law.cornell.edu/copyright/cases/323_F3d_805.htm
[4] During the 1990s, defendant Christopher Lowry, a glass artist from Hawaii, also began making glass-in-glass jellyfish sculptures. Lowry's sculptures look like Satava's, and many people confuse them:
[5] In Hawaii, Satava’s sculptures have appeared in tourist brochures and art magazines. The sculptures are sold in sixteen galleries and gift shops, and they appear in many store windows. Lowry admits he saw a picture of Satava’s jellyfish sculptures in American Craft magazine in 1996. And he admits he examined a Satava jellyfish sculpture that a customer brought him for repair in 1997.

[7] Glass-in-glass sculpture is a centuries-old art form that consists of a glass sculpture inside a second glass layer, commonly called the shroud. The artist creates an inner glass sculpture and then dips it into molten glass, encasing it in a solid outer glass shroud. The shroud is malleable before it cools, and the artist can manipulate it into any shape he or she desires.


[9] A preliminary injunction must be affirmed on appeal unless the district court (1) abused its discretion or (2) based its decision on an erroneous legal standard or on clearly erroneous findings of fact. United States v. Peninsula Communications, Inc., 287 F.3d 832, 839 (9th Cir. 2002). We hold that the district court based its decision on an erroneous legal standard, so we reverse.

[10] Copyright protection is available for “original works of authorship fixed in any tangible
medium of expression, now known or later developed, from which they can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device.” 17 U.S.C. § 102(a). Copyright protection does not, however, “extend to any idea, procedure, process, system, method of operation, concept, principle, or discovery . . . .” 17 U.S.C. § 102(b).

[11] Any copyrighted expression must be “original.” Feist Publs., Inc. v. Rural Tel. Serv. Co., 499 U.S. 340, 345 (1991). Although the amount of creative input by the author required to meet the originality standard is low, it is not negligible. See Feist, 499 U.S. at 362. There must be something more than a “merely trivial” variation, something recognizably the artist’s own. Three Boys Music Corp. v. Bolton, 212 F.3d 477, 489 (9th Cir. 2000).

[12] The originality requirement mandates that objective “facts” and ideas are not copyrightable. Baker v. Selden, 101 U.S. (11 Otto) 99 (1879); Feist, 499 U.S. at 347; Roth Greeting Cards v. United Card Co., 429 F.2d 1106, 1109-10 (9th Cir. 1970). Similarly, expressions that are standard, stock, or common to a particular subject matter or medium are not protectable under copyright law. See v. Durang, 711 F.2d 141, 143 (9th Cir. 1983).

[13] It follows from these principles that no copyright protection may be afforded to the idea of producing a glass-in-glass jellyfish sculpture or to elements of expression that naturally follow from the idea of such a sculpture. See Aliotti v. R. Dakin & Co., 831 F.2d 898, 901 (9th Cir. 1987) (“No copyright protection may be afforded to the idea of producing stuffed dinosaur toys or to elements of expression that necessarily follow from the idea of such dolls.”). Satava may not prevent others from copying aspects of his sculptures resulting from either jellyfish physiology or from their depiction in the glass-in-glass medium. See id. (“Appellants therefore may place no reliance upon any similarity in expression resulting from either the physiognomy of dinosaurs or from the nature of stuffed animals.”).

[14] Satava may not prevent others from depicting jellyfish with tendril-like tentacles or rounded bells, because many jellyfish possess those body parts. He may not prevent others from depicting jellyfish in bright colors, because many jellyfish are brightly colored. He may not prevent others from depicting jellyfish swimming vertically, because jellyfish swim vertically in nature and often are depicted swimming vertically. See id. at 901 n.1 (noting that a Tyrannosaurus stuffed animal’s open mouth was not an element protected by copyright because Tyrannosaurus “was a carnivore and is commonly pictured with its mouth open”).

[15] Satava may not prevent others from depicting jellyfish within a clear outer layer of glass, because clear glass is the most appropriate setting for an aquatic animal. See id. (noting that a Pterodactyl stuffed animal’s depiction as a mobile hanging from the ceiling was not protectable because Pterodactyl “was a winged creature and thus is appropriate for such treatment”). He may not prevent others from depicting jellyfish “almost filling the entire volume” of the outer glass shroud, because such proportion is standard in glass-in-glass sculpture. And he may not prevent others from tapering the shape of their shrouds, because that shape is standard in glass-in-glass sculpture.

[16] Satava’s glass-in-glass jellyfish sculptures, though beautiful, combine several unprotectable ideas and standard elements. These elements are part of the public domain. They are the common property of all, and Satava may not use copyright law to seize them for his exclusive use.
[17] It is true, of course, that a combination of unprotectable elements may qualify for copyright protection. *Apple Computer, Inc. v. Microsoft Corp.*, 35 F.3d 1435, 1446 (9th Cir. 1994); *United States v. Hamilton*, 583 F.2d 448, 451 (9th Cir. 1978) (Kennedy, J.) (“[O] riginality may be found in taking the commonplace and making it into a new combination or arrangement.”). See also *Metcalf*, 294 F.3d at 1074 (“The particular sequence in which an author strings a significant number of unprotectable elements can itself be a protectable element. Each note in a scale, for example, is not protectable, but a pattern of notes in a tune may earn copyright protection.”). But it is not true that any combination of unprotectable elements automatically qualifies for copyright protection. Our case law suggests, and we hold today, that a combination of unprotectable elements is eligible for copyright protection only if those elements are numerous enough and their selection and arrangement original enough that their combination constitutes an original work of authorship. See *Metcalf*, 294 F.3d at 1074; *Apple Computer, Inc.*, 35 F.3d at 1446. See also *Feist*, 499 U.S. at 358 (“[T]he principal focus should be on whether the selection, coordination, and arrangement are sufficiently original to merit protection.”).

[18] The combination of unprotectable elements in Satava’s sculpture falls short of this standard. The selection of the clear glass, oblong shroud, bright colors, proportion, vertical orientation, and stereotyped jellyfish form, considered together, lacks the quantum of originality needed to merit copyright protection. See *Hamilton*, 583 F.2d at 451 (“Trivial elements of compilation and arrangement, of course, are not copyrightable because they fall below the threshold of originality.”). These elements are so commonplace in glass-in-glass sculpture and so typical of jellyfish physiology that to recognize copyright protection in their combination effectively would give Satava a monopoly on lifelike glass-in-glass sculptures of single jellyfish with vertical tentacles. See *Feist*, 499 U.S. at 363 (noting that the selection, coordination, and arrangement of phone numbers in a directory “is not only unoriginal, it is practically inevitable”). Because the quantum of originality Satava added in combining these standard and stereotyped elements must be considered “trivial” under our case law, Satava cannot prevent other artists from combining them. [n5]

[19] We do not mean to suggest that Satava has added nothing copyrightable to his jellyfish sculptures. He has made some copyrightable contributions: the distinctive curls of particular tendrils; the arrangement of certain hues; the unique shape of jellyfishes’ bells. To the extent that these other artistic choices were not governed by jellyfish physiology or the glass-in-glass medium, they are original elements that Satava theoretically may protect through copyright law. Satava’s copyright on these original elements (or their combination) is “thin,” however, comprising no more than his original contribution to ideas already in the public domain. Stated another way, Satava may prevent others from copying the original features he contributed, but he may not prevent others from copying elements of expression that nature displays for all observers, or that the glass-in-glass medium suggests to all sculptors. Satava possesses a thin copyright that protects against only virtually identical copying. See *Eis-Hokin*, ___ F.3d at ___ (9th Cir. 2003) (“When we apply the limiting doctrines, subtracting the unoriginal elements, Eis-Hokin is left with . . . a ‘thin’ copyright, which protects against only virtually identical copying.”); *Apple*, 35 F.3d at 1439 (“When the range of protectable expression is narrow, the appropriate standard for illicit copying is virtual identity.”).

[20] We do not hold that realistic depictions of live animals cannot be protected by copyright. In fact, we have held to the contrary. See *Kamar Intl*, Inc. v. *Russ Berrie and Co.*, 657 F.2d 1059, 1061 (9th Cir. 1981). We recognize, however, that the scope of copyright protection in such works is narrow. See *Herbert Rosenthal Jewelry Corp. v. Kalpakian*, 446 F.2d 738, 741

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(9th Cir. 1971) ("Any inference of copying based upon similar appearance lost much of its strength because both [works] were lifelike representations of a natural creature."). Nature gives us ideas of animals in their natural surroundings: an eagle with talons extended to snatch a mouse; a grizzly bear clutching a salmon between its teeth; a butterfly emerging from its cocoon; a wolf howling at the full moon; a jelly-fish swimming through tropical waters. These ideas, first expressed by nature, are the common heritage of humankind, and no artist may use copyright law to prevent others from depicting them.

[21] An artist may, however, protect the original expression he or she contributes to these ideas. An artist may vary the pose, attitude, gesture, muscle structure, facial expression, coat, or texture of animal. An artist may vary the background, lighting, or perspective. Such variations, if original, may earn copyright protection. Because Satava's jellyfish sculptures contain few variations of this type, the scope of his copyright is narrow.

[22] We do not mean to short-change the legitimate need of creative artists to protect their original works. After all, copyright law achieves its high purpose of enriching our culture by giving artists a financial incentive to create. But we must be careful in copyright cases not to cheat the public domain. Only by vigorously policing the line between idea and expression can we ensure both that artists receive due reward for their original creations and that proper latitude is granted other artists to make use of ideas that properly belong to us all.

[23] REVERSED.

1. Justice Potter Stewart explained this feature of copyright law: "The immediate effect of our copyright law is to secure a fair return for an 'author's' creative labor. But the ultimate aim is, by this incentive, to stimulate artistic creativity for the general public good." Twentieth Century Music Corp. v. Aiken, 422 U.S. 151, 156 (1975).

2. The injunction prevented Lowry from making or selling sculptures with "a vertically oriented, colorful, fanciful jellyfish with tendril-like tentacles and a rounded bell encased in an outer layer of rounded clear glass that is bulbous at the top and tapering toward the bottom to form roughly a bullet shape, with the jellyfish portion of the sculpture filling almost the entire volume of the outer, clear glass shroud."

3. Standard elements sometimes are called "scènes à faire," vaguely French for "scenes which 'must' be done." Ets-Hokin v. Skyy Spirits, Inc., 225 F.3d 1068, 1082 n.17 (9th Cir. 2000). The Ninth Circuit treats scènes à faire as a defense to infringement rather than as a barrier to copyrightability. Id. See also Ets-Hokin v. Skyy Spirits, Inc., ___ F.3d ___ (9th Cir. 2003) (reviewing the district court's decision after remand).

4. Vertical orientation is a standard element partly because human beings prefer the world right-side-up.

5. We reach this conclusion based in part on our examination of the dozens of photographs of glass-in-glass jellyfish sculptures in the record. Some of the sculptures depict almost colorless jellyfish. Some of the sculptures have spherical shrouds. Some have shrouds encased in opaque black glass with clear windows cut through. Though none of the sculptures are identical, all of them are substantially similar. They differ only insofar as an artist has added or omitted some standard element. To give Satava a copyright on this basic combination of elements would effectively give him a monopoly on the idea of glass-in-glass sculptures of single vertical jellyfish. Congress did not intend for artists to fence off private preserves from within the public domain, and, if we recognized Satava's copyright, we would permit him to do exactly that.

Our analysis above suggests that the "merger doctrine" might apply in this case. Under the merger doctrine, courts will not protect a copyrighted work from infringement if the idea underlying the copyrighted work can be expressed in only one way, lest there be a monopoly on the underlying idea. CDN Inc. v. Kapes, 197 F.3d 1256, 1261 (9th Cir. 1999). In light of our holding that Satava cannot prevent other artists from using the standard and stereotyped elements in his sculptures, or the combination of those elements, we find it unnecessary to consider
the application of the merger doctrine.
ETS-HOKIN v. SKYY SPIRITS INC., 323 F.3d 763 (9th Cir. 2003)


SCHROEDER, Chief Judge

[1] This long-running litigation is fundamentally about how many ways one can create an advertising photograph, called a "product shot," of a blue vodka bottle. We conclude there are not very many. We therefore affirm the district court's summary judgment because the allegedly infringing photographs are not "virtually identical" as required upon application of the defensive doctrines of merger and scenes a faire. We agree fully with the district court that such defenses were appropriately invoked.

[2] Indeed, we held as much when this case was previously before this court. See *Ets-Hokin v. Skyy Spirits, Inc.*, 225 F.3d 1068 (9th Cir. 2000). The facts and background of the case are contained in that opinion, and we repeat them here only as necessary.

[3] In 1993, photographer Joshua Ets-Hokin took a series of photographs of Skyy's iconic blue vodka bottle for use in a marketing campaign. Skyy later hired two other photographers to photograph the bottle and used these photographs in advertising and other marketing materials. In 1996, Ets-Hokin filed this action against Skyy alleging infringement of his copyrights in the 1993 photographs.

[4] The district court originally granted summary judgment in favor of Skyy on the ground that Ets-Hokin's photographs were not sufficiently original to merit copyright protection. We reversed, holding that the photographs met the minimal threshold of originality required for copyright protection, but noted that such protection was limited by the doctrines of merger and scenes a faire, which apply because of the narrow range of artistic expression available in the context of a commercial product shot. See *Ets-Hokin*, 225 F.3d at 1082. We instructed the district court to consider those defenses on remand, which it did, and they are now the subject of this appeal.

[5] While the previous panel's majority opinion reflects that the applicable defenses were not before the court at that stage of the litigation, Judge Dorothy Nelson's dissent was prescient: "[A]s a matter of law, legal defenses such as scenes a faire and the merger doctrine prevent Ets-Hokin from prevailing on his copyright infringement claims." *Ets-Hokin*, 225 F.3d at 1083 (D.W. Nelson, dissenting). We agree, and we now affirm the district court.

[6] In this appeal, Ets-Hokin argues that the district court's decision is inconsistent with the principle recognized in *Burrow-Giles Lithographic Co. v. Sarony*, 111 U.S. 53, at 58 (1884), that photographs are entitled to copyright protection. This argument reflects a misconception of the district court's ruling, and indeed of the prior ruling of this court, neither of which questioned the copyrightability of photographs. Whether Ets-Hokin's photographs are subject to copyright protection is not before us either. We answered that question affirmatively in the previous iteration of this case. See *Ets-Hokin*, 225 F.3d at 1077. Rather, the question is the
scope of Ets-Hokin's copyright within the limited landscape of commercial product shots.

[7] Ets-Hokin argues that Skyy's photographs are substantially similar to those in which he holds the copyrights and that they are therefore infringing. However, his claim fails upon application of the defensive doctrines of merger and scenes a faire. As we previously explained:

Under the merger doctrine, courts will not protect a copyrighted work from infringement if the idea underlying the work can be expressed only in one way, lest there be a monopoly on the underlying idea. In such an instance, it is said that the work's idea and expression "merge." Under the related doctrine of scenes a faire, courts will not protect a copyrighted work from infringement if the expression embodied in the work necessarily flows from a commonplace idea... Ets-Hokin, 225 F.3d at 1082. Likewise, when similar features of a work are "as a practical matter indispensable, or at least standard, in the treatment of a given idea, they are treated like ideas and are therefore not protected by copyright." Apple Computer Corp. v. Microsoft Corp., 33 F.3d 1435, 1444 (9th Cir. 1994) (internal quotation marks and citation omitted).

[8] Though the Ets-Hokin and Skyy photographs are indeed similar, their similarity is inevitable, given the shared concept, or idea, of photographing the Skyy bottle. When we apply the limiting doctrines, subtracting the unoriginal elements, Ets-Hokin is left with only a "thin" copyright, which protects against only virtually identical copying. See Apple, 35 F.3d at 1442 (9th Cir. 1994). As we observed, in Apple, "[w]hen the range of protectable expression is narrow, the appropriate standard for illicit copying is virtual identity." Id. at 1439.

[9] This principle has long been a part of copyright law. Indeed, as Judge Learned Hand observed in the context of stock dramatics: "The less developed the characters, the less they can be copyrighted; that is the penalty an author must bear for marking them too indistinctly." Nichols v. Universal Pictures Corp., 45 F.2d 119, 121 (2d Cir. 1930). The same is true here, where the range of protectable expression is constricted by both the subject-matter idea of the photograph and the conventions of the commercial product shot.

[10] Skyy's photographs are not virtually identical to those of Ets-Hokin. Indeed, they differ in as many ways as possible within the constraints of the commercial product shot. The lighting differs; the angles differ; the shadows and highlighting differ, as do the reflections and background. The only constant is the bottle itself. The photographs are therefore not infringing.

[11] Skyy cross-appeals the denial of attorney's fees it sought under 17 U.S.C. § 505 for fees incurred after remand from the Ninth Circuit. The Supreme Court identified the following non-exclusive list of factors to guide the award or denial of attorney's fees: "frivolousness, motivation, objective unreasonableness (both in the factual and in the legal components of the case), and the need in particular circumstances to advance considerations of compensation and deterrence." Fogerty v. Fantasy, Inc., 510 U.S. 517, 534 n. 19 (1994) (citation omitted). The Ninth Circuit has added as additional considerations: the degree of success obtained, the purposes of the Copyright Act, and whether the chilling effect of attorney's fees may be too great or impose an inequitable burden on an imppecunious plaintiff. Fantasy, Inc. v. Fogerty, 94 F.3d 553, 559-60 (9th Cir. 1996).
ZAINEY, J.

*1 Before the Court is Universal/Motown Defendants' Motion for Legal Determination of Copyrightability (Rec.Doc. 145). The Court granted Universal's request for expedited hearing on the motion. Plaintiff, Positive Black Talk, Inc. ("PBT") filed its opposition on April 14, 2003, at which time the matter was submitted for hearing on the briefs.

The Court had previously denied Universal's motion for summary judgment [and reconsideration thereon] which raised a multitude of arguments and defenses. Universal has now streamlined its prior motion to bring before the Court matters it characterizes as issues of law, the resolution of which will determine the "framework" for the upcoming trial. The parties' contentions are summarized below.

Motion for Legal Determination of Copyrightability

Universal points out that PBT bears the burden of specifically identifying which elements of Juvenile's song have infringed the copyright. To the extent that Plaintiff stakes its claims on the similarity of the titles and the four- word phrase "back that ass up," Universal argues that neither of these elements are protected under copyright law. Further, to the extent PBT seeks to show similarity via the triggerman beat and cowbell percussion, those elements are likewise not protectible.

In opposition, PBT asserts that to demonstrate copyrightability, it need only show that the subject matter of its copyright, i.e., Juvenile's song, is protected under the Copyright Act. PBT asserts that it has a copyright on the unique combination of words and music which forms the original work that constitutes Back That Ass Up. Moreover, PBT argues that the abstraction/filtration test urged by Universal has been employed primarily in software infringement cases and has never been used in this circuit or any other in a music infringement case. PBT argues that a legal determination of "copyrightability" does not encompass dissecting Jubilee's song as Universal seeks to do under the abstraction/filtration analysis.

Discussion

To establish a claim for music copyright infringement, plaintiff must prove 1) ownership of a valid copyright, and 2) that defendant copied his copyrighted material. Szabo v. Errison, 68 F.3d 940, 942 (5th Cir.1995) (citing Apple Barrel Prods. v. Beard, 730 F.2d 384 (5th Cir.1984)). The "copying" prong requires proof of two aspects of copying: first, that defendant did in fact copy plaintiff's work (factual copying), and second, that the copying is legally actionable because the works are substantially similar. Szabo, 68 F.3d at 944. In other words, proof of copying alone does not constitute an infringement claim.

PBT correctly asserts that a determination as to "copyrightability" does not involve a dissection of Jubilee's song under the abstraction/filtration test or any other for that matter. However, Universal is not challenging the copyrightability of Jubilee's song. Clearly, the work taken as a whole--"the unique combination of words and music" which forms Jubilee's Back That Ass Up-- is copyrightable. Rather, Universal is challenging PBT's ability to prove infringement of the song's copyright by relying upon similarities in the uncopyrightable elements of the song. In other words, Universal argues that substantial similarity or actionable copying cannot be based upon copy of unprotected portions of Jubilee's song.


Naturally, PBT hopes to avoid any type of abstractions test because the phrase "back that ass up," the most similar aspect of the two songs at issue, might not be copyrightable.

FN3. This approach is not at odds with Apple Barrel Productions, Inc. v. Beard, 730 F.2d 384 (5th Cir.1984), cited by PBT. In Apple Barrel the Fifth Circuit found error with the district court's dissection of a television program as a means to determine copyrightability. The Fifth Circuit clarified that a work composed of unprotectible elements might nevertheless be entitled to copyright protection when taken as a whole. Id. at 387. Thus, the Fifth Circuit did not reject dissection of a work when addressing infringement as opposed to copyrightability.

The test most commonly associated with the Ninth Circuit is the two part extrinsic/intrinsic test for substantial similarity. The extrinsic first step of the test involves some degree of analytic dissection and expert testimony to determine whether the two works share similarity of ideas. Smith v. Jackson, 84 F.3d 1213, 1218 (9th Cir.1996). The test is an objective one. See id. The jurisprudence is not clear on how much dissection should take place. If plaintiff satisfies the extrinsic test then the subjective intrinsic test asks whether an "ordinary, reasonable observer" would find substantial similarity of expression of the shared idea. Id. This subjective inquiry is always left to the trier of fact. [FN4] Id.

FN4. The "audience test" or "the total concept and feel test" urged by PBT is captured in the intrinsic portion of the extrinsic/intrinsic analysis.

Fifth Circuit decisions offer no guidance as to the appropriate test for use in this circuit when evaluating substantial similarity in a music copyright infringement case. In other copyright contexts, however, the Fifth Circuit expressly recognizes that infringement can only be based upon protectible elements of a copyrighted work. See, e.g., Bridgmon v. Array Sys. Corp., 2003 WL 1359253 (5th Cir. Mar. 20, 2003); F.3d--; Peel & Co. v. Rug Market, 238 F.3d 391, 397 (5th Cir.2001); Kepner-Tregoe, Inc. v. Leadership Software, Inc., 12 F.3d 527, 533 (5th Cir.1994). It is unclear whether the Fifth Circuit would apply the "abstractions" test to music infringement cases which generally involve a more artistic type of expression. At least one district court in this circuit has concluded that the extrinsic/intrinsic test applies. See McKinley v. Raye, 1998 WL 119540, at *5 (N.D.Tex. Mar. 10, 1998) (recognizing that the Fifth Circuit has not established guidelines for determining whether two pieces of music are substantially similar).

* Based on the foregoing discussion of the state of the law in this circuit, the Court will be forced to basically take a shot in the dark as to the law to be applied in this case. At this time and without having reviewed proposed jury charges, the Court envisions using the basic extrinsic/intrinsic test which has found acceptance outside of the Ninth Circuit. See, e.g., Moore v. Columbia Pictures Indus., Inc., 972 F.2d 939 (8th Cir.1992); Dawson v. Hinshaw Music, Inc., 905 F.2d 731 (4th Cir.1990) . However, at this time the Court also envisions tempering that test with an appropriate instruction(s) regarding the use of non-original elements of Jubilee's song in the substantial similarity analysis. For instance, the parties agree that the song's title is not a protectible element. It would therefore be unduly prejudicial to Defendants to let the jury attach undue weight to this similarity.

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prove infringement by relying on similarity of non-copyrightable elements of the song.

According to defendant Juvenile, the phrase "back that ass up" was a club chant popular around the New Orleans area in the 1990's. Exhibit 4, (Juvenile deposition) at 76-78. Dr. Murchinson, Universal's expert musicologist, opined that the phrase is relatively common in hip-hop vernacular. Universal Exhibit 6, (Murchinson report) at 5. Dr. Murchinson also opined that the dance move of "backing it up" is common in New Orleans' second line culture and therefore original to neither artist. Id. Juvenile, on the other hand, believes that he created the dance and came up with the phrase "back that thang [ass] up." Exhibit 5, (Juvenile deposition) at 31-32, 207.

*4 Based on the foregoing testimony, the Court concludes that a genuine issue of material fact exists as to whether the phrase "back that ass up" is original to Juvenile. [FN6] Consequently, the jury must decide whether the phrase is original to Juvenile and therefore copyrightable. Of course, if the evidence presented at trial shows that reasonable minds could not differ as to the originality of the phrase, then the Court will decide the issue prior to the case being submitted to the jury.

FN6. Juilee has no copyright on the dance itself and his claims to having invented it are specious in that he admits having come up with the idea for the dance after watching a female audience member perform the dance move at one of his performances. Exhibit 5 at 133. Indeed, ideas, such as the idea for the dance, are never copyrightable—only the original expression of those ideas. Kern River Gas Transmission Co. v. Coastal Corp., 899 F.2d 1458, 1463 (5th Cir.1990).

b. Merger

As noted above, an idea is never copyrightable. Kern River, 899 F.2d at 1463. Copyright only bars others from copying an author's original expression of an idea. Mason v. Montgomery Data, Inc., 967 F.2d 135, 138 (5th Cir.1992). Others are therefore

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[FN5] Again, Universal is not attacking the originality of Juvenile's song rather only that of the four-word phrase "back that ass up." PBT should not lose sight of the fact that Defendants are not attacking PBT's ability to copyright the song in its entirety. Rather, they challenge PBT's ability to
free to use and copy an idea as long as they do not "plagiarize its ‘expression.’" ' Id. (citing Herbert Rosenthal Jewelry Corp. v. Kalpakian, 446 F.2d 738 (9th Cir.1971)).

The Fifth Circuit has recognized that in some cases separation of an idea from its expression is so difficult that the idea and its expression are said to "merge." Id. "Merger" occurs when there is essentially only one way to express an idea. Id. Denying copyright protection to an expression that is merged with its underlying idea prevents an author from monopolizing an idea." Id. (quoting Toro Co. v. R & R Prods. Co., 787 F.2d 1208 (8th Cir.1986)). In short, if the court can distinguish the idea from its expression then the expression is protected under copyright law. Id. at 139. If the idea and its expression are indistinguishable, then merger precludes a finding of infringement. {FN7}

FN7. In Kern River, supra, the Fifth Circuit applied merger to the threshold question of copyrightability. Other courts apply it to the issue of infringement. Either way, where the doctrine applies plaintiff cannot prevail on an infringement claim.

Universal correctly points out that any artist may compose and perform a song about the dance Jubilee describes in Back That Ass Up because Jubilee cannot "monopolize" the idea. Universal goes on to assert that any expression of this dance, in the context of a rap song, necessarily includes use of the phrase "back that ass up."

Courts have recognized that separation of an idea from its expression is one of the single most difficult determinations to make in a copyright case. See Kern River, 899 F.2d at 1463. To be sure, Universal's arguments are persuasive but not so much so that the Court is willing to declare the phrase "back that ass up" non-copyrightable based upon the merger doctrine. The Court cannot say with any certainty that any expression of the non-copyrightable idea of the dance necessarily includes use of the phrase "back that ass up."

c. Scenes a Faire

"Scenes a faire" is a legal term of art given to

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"incidents, characters or settings" which are either indispensable or standard in the treatment of a given topic. Hoehling v. Universal City Studios, Inc., 618 F.2d 972, 979 (2d Cir.1980). "Where a particular expression is common to the treatment of a particular idea or theme, it may lack sufficient originality-the sine qua non for copyright protection." Boorsyn on Copyright, § 11.05[2], at 11-33 (citing Feist, 499 U.S. at 340, 111 S.Ct. at 1289). For instance, one court has held that elements such as "drunks, prostitutes, vermin and demented cars" would appear in any realistic work about police work in the South Bronx and therefore constitute non-protectible scenes a faire. Walker v. Time Life Films, Inc., 784 F.2d 44, 50 (2d Cir.1986).

*5 Universal's expert musicologist Dr. Murchinson opined that the lyrics of both songs fall into the genre of "bootycall" music. Exhibit 6 at 11. She also notes the long tradition in African American music in which reference is made to the type of dance movement described in Jubilee's song. Id. at 12. She cites numerous examples such as Shake Your Booty by K.C. and the Sunshine Band and Doin' the Butt.

PBT offered no evidence to contradict Dr. Murchinson's opinion. The Court has no doubt that Jubilee's song describes a movement or dance that is a common theme in either bootycall or rap music. Surely the movement or dance of "back [ing] that ass up" is considered scenes a fair or at the very least a non-copyrightable idea. But that the movement described in Jubilee's song is commonplace and non-original does not answer whether the four-word phrase "back that ass up" is an original expression of that idea.

The Court will not feign familiarity with either bootycall or rap music. The Court suspects, after having reviewed Dr. Murchinson's report, that Universal is correct. Nevertheless, given the importance of the copyrightability vel non of the phrase to PBT's case, the Court will reserve a ruling on the scenes a faire issue until having an opportunity to hear more evidence at trial. {FN8}

FN8. Further, the Court strongly suspects that the evidence at trial will show that the phrase is not original to Jubilee. If that is

so, the Court need not concern itself with
the scenes a faire issue.

2. Similarities in the Music

Universal expresses concerns that PBT might
contend that the "triggerman beat" or "cowbell
percussion" in Juvenile's song is an infringed
element of Jubilee's work. Universal contends,
based upon the deposition testimony of Mannie
Fresh, that those elements are not original to Jubilee
because they were produced by a drum machine
known as the Roland 808. Universal also asserts
that those elements are common to the rap industry.

In sum, the Court is denying Universal's motion to
have the phrase "back that ass up" declared
uncopyrightable prior to trial.

Accordingly:

IT IS ORDERED that Universal/Motown
Defendants' Motion for Legal Determination of
Copyrightability (Rec.Doc. 145) should be and is
hereby DENIED.

2003 WL 1921999 (E.D.La.), 67 U.S.P.Q.2d 1051

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Rapper Juvenile did not steal song, jury rules
The Associated Press - (Published May 6, 2003)

NEW ORLEANS (AP) - Rapper Juvenile did not steal his most successful song from a rival New Orleans performer, a federal jury has ruled.

Juvenile, whose real name is Terius Gray, was sued by Jerome "DJ Jubilee" Temple, who claimed he created "Back That A- Up," Juvenile's 1998 hit that sold millions of records. Jubilee and his record label, Positive Black Talk Inc., claimed Juvenile, Cash Money Records and Cash Money's national partner, Universal Records, violated copyright laws by using the song without permission.

A federal court jury ruled Monday in Juvenile's favor, deciding that the song was his creation and was not cribbed from a Jubilee song with a similar title. Both rappers testified in the trial, as did two experts: a University of New Orleans music professor who said the versions were similar; and a Tulane University professor, who testified they were not.

Jubilee is considered a pioneer of the New Orleans brand of rap, known as "bounce," which features singsong, call-and-response refrains and beats. His singles are popular locally, but national success has eluded him. He works as a high school special education teacher.

In interviews, Jubilee has cast himself as the unsung originator of songs and catch phrases that other local rappers copied, earning millions. His attorneys claim Juvenile is among them.

Juvenile became one of rap's biggest new stars in 1999 with the success of "Back That A- Up" and its video. Cash Money grew into a powerful label in the rap world.
CASTLE ROCK ENTERTAINMENT, INC. v. CAROL PUBLISHING GROUP, 150 F.3d... Page 7 of 14

"...cannot be said even to exist in the book". The SAT's "sequence has no relationship to the sequences of any of the Seinfeld episodes, since it is a totally random and scattered collection of questions relating to events that occurred in the shows"; and The SAT's only theme is "how much a Seinfeld fan can remember of 84 different programs." The total concept and feel test, however, is simply not helpful in analyzing works that, because of their different genres and media, must necessarily have a different concept and feel. Indeed, many "derivative" works of different genres, in which copyright owners have exclusive rights, see 17 U.S.C. § 106, may have a different total concept and feel from the original work.

[20] Finally, we do not apply the "fragmented literal similarity" test, which focuses upon copying of direct quotations or close paraphrasing, or the "comprehensive nonliteral similarity" test, which examines whether "the fundamental essence or structure of one work is duplicated in another." 4 McElvaine B. Nimmer & David Nimmer, Nimmer on Copyright § 13.03[A][1], at 13-29, § 13.03[A][2], at 13-45 (1997) (hereafter "Nimmer"); Twin Peaks, 996 F.2d at 1372-73 (applying Nimmer test); Warner Bros. Inc. v. American Broad. Cos., 720 F.2d 231, 240, 242 (2d Cir. 1983) (applying Nimmer test to compare Superman and The Greatest American Hero). In the instant case, because the direct quotations or close paraphrases that The SAT copied from the Seinfeld series are few and almost irrelevant to the SAT, undue focus upon these isolated quotations could improperly distract us from inquiring as to whether substantial similarity exists between Seinfeld and The SAT. Castle Rock's "comprehensive nonliteral similarity argument - that the defendants "literally constructed the SAT with 643 fragments of Seinfeld's creative whole" - is also unhelpful to our analysis and unnecessary to our determination that The SAT is substantially similar to Seinfeld. Without having viewed Seinfeld itself, no SAT reader could plausibly "construct" in his or her mind the plot of any Seinfeld episode, nor any of Seinfeld's settings (the Seinfeld and Kramer apartments, the Foursome's restaurant hangout, George Steinbrenner's office, etc.), nor even the four principal Seinfeld characters. Nor does the SAT "[duplicate] the fundamental essence or structure" of Seinfeld. 4 Nimmer § 13.03[A][1], at 13-29; cf. Twin Peaks, 996 F.2d at 1372-73 (finding "substantial similarity through comprehensive nonliteral similarity" where chapter of infringing book "is essentially a detailed recounting of the first eight episodes of the television series" and "[e]very intricate plot twist and element of character development appear in the Book [p*141] in the same sequence as in the teleplays"). However, "[t]he standard for determining copyright infringement is not whether the original could be recreated from the allegedly infringing copy, but whether the latter is "substantially similar" to the former," Horgan, 789 F.2d at 162, and in copying a sufficient amount of protected expression from the Seinfeld television series, The SAT easily passes the threshold of substantial similarity between the contents of the secondary work and the protected expression in the original.

See earlier portion of text for facts

III. Fair Use

[21] Defendants claim that, even if The SAT's copying of Seinfeld constitutes prima facie infringement, The SAT is nevertheless a fair use of Seinfeld. "From the infancy of copyright protection," the fair use doctrine "has been thought necessary to fulfill copyright's very purpose, "[t]o promote the Progress of Science and useful Arts."" Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569, 575 (1994) (quoting U.S. Const., art. I, § 8, cl. 8). As noted in Campbell, "in truth, in literature, in science and in art, there are, and can be, few, if any, things, which in an abstract sense, are strictly new and original throughout. Every book in literature, science and art, borrows, and must necessarily borrow, and use much which was well known and used before." Id. (quotation marks omitted). Until the 1976 Copyright Act, the doctrine of fair use grew exclusively out of the common law. See id. at 576; Folsom v.

http://www.law.cornell.edu/copyright/cases/150_F3d_132.htm

11/19/2003
Marsh, 9 F.Cas. 342, 348 (No. 4,901) (CCD Mass. 1841) (Story, J.) (stating fair use test); Pierre N. Leval, Toward a Fair Use Standard, 103 Harv. L. Rev. 1105, 1105 (1990) ("Leval"). In the Copyright Act, Congress restated the common law tradition of fair use:

[T]he fair use of a copyrighted work . . . for purposes such as criticism, comment, news reporting, teaching (including multiple copies for classroom use), scholarship, or research, is not an infringement of copyright. In determining whether the use made of a work in any particular case is a fair use the factors to be considered shall include -

(1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;

(2) the nature of the copyrighted work;

(3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and

(4) the effect of the use upon the potential market for or value of the copyrighted work.

[22] 17 U.S.C. § 107. This section "intended that courts continue the common law tradition of fair use adjudication" and "permits and requires courts to avoid rigid application of the copyright statute, when, on occasion, it would stifle the very creativity which that law is designed to foster." Campbell, 510 U.S. at 577 (quotation marks omitted). Fair use analysis, therefore, always "calls for case-by-case analysis." Id. The fair use examples provided in § 107 are "illustrative and not limiting" and "provide only general guidance about the sorts of copying that courts and Congress most commonly had found to be fair uses." Id. at 577-78. Similarly, the four listed statutory factors in § 107 guide but do not control our fair use analysis and "are to be explored, and the results weighed together, in light of the purposes of copyright." Id.; see 4 Nimmer § 13.05[A], at 13-153 ("[T]he factors contained in Section 107 are merely by way of example, and are not an exhaustive enumeration."). The ultimate test of fair use, therefore, is whether the copyright law's goal of "promot[ing] the Progress of Science and useful Arts," U.S. Const., art. I, § 8, cl. 8, "would be better served by allowing the use than by preventing it." Arica, 970 F.2d at 1077.

A. Purpose/Character of Use

[23] The first fair use factor to consider is "the purpose and character of the [allegedly infringing] use, including whether such use is of a commercial nature or is for nonprofit educational purposes." 17 U.S.C. § 107(1). That The SAT's use is commercial, at most, "tends to weigh against a finding of fair use." [p*142] Campbell, 510 U.S. at 585 (quotation marks omitted); Texaco, 60 F.3d at 921. But we do not make too much of this point. As noted in Campbell, "nearly all of the illustrative uses listed in the preamble paragraph of § 107, including news reporting, comment, criticism, teaching, scholarship, and research . . . are generally conducted for profit in this country," 510 U.S. at 584 (quotation marks omitted), and "no man but a blockhead ever wrote, except for money," id. (quoting 3 Boswell's Life of Johnson 19 (G. Hill ed. 1934)). We therefore do not give much weight to the fact that the secondary use was for commercial gain.
[24] The more critical inquiry under the first factor and in fair use analysis generally is
whether the allegedly infringing work "merely supersedes" the original work "or instead adds
something new, with a further purpose or different character, altering the first with new . . .
meaning [or] message," in other words "whether and to what extent the new work is
'transformative.'" *Id.* at 579 (quoting Leval at 1111). If "the secondary use adds value to the
original - if [copyrightable expression in the original work] is used as raw material,
transformed in the creation of new information, new aesthetics, new insights and
understandings - this is the very type of activity that the fair use doctrine intends to protect for
the enrichment of society." Leval at 1111. In short, "the goal of copyright, to promote science
and the arts, is generally furthered by the creation of transformative works." *Campbell*, 510
U.S. at 579.

[25] Defendants claim two primary "transformative" qualities of The SAT. First, as noted by
the district court, "a text testing one's knowledge of Joyce's Ulysses, or Shakespeare's Hamlet,
would qualify as 'criticism, comment, scholarship, or research,' or such. The same must be
said, then, of a text testing one's knowledge of Castle Rock's Seinfeld." *Castle Rock*, 955 F.
Supp. at 268 (citing *Twin Peaks*, 996 F.2d at 1374 ("A comment is as eligible for fair use
protection when it concerns 'Masterpiece Theater' and appears in the New York Review of
Books as when it concerns 'As the World Turns' and appears in Soap Opera Digest.")). In
other words, the fact that the subject matter of the quiz is plebeian, banal, or ordinary stuff
does not alter the fair use analysis. Criticism, comment, scholarship, research, and other
potential fair uses are no less protectable because their subject is the ordinary.

[26] Second, defendants style The SAT as a work "decode[ing] the obsession with . . . and
mystique that surround[s] Seinfeld," by "critically restructur[ing] [Seinfeld's mystique] into a
system complete with varying levels of 'mastery' that relate the reader's control of the show's
trivia to knowledge of and identification with their hero, Jerry Seinfeld." Citing one of their
own experts for the proposition that "[t]he television environment cannot speak for itself but
must be spoken for and about," defendants argue that "The SAT is a quintessential example of
critical text of the TV environment . . . expos[ing] all of the show's nothingness to articulate its
true motive forces and its social and moral dimensions." (Quotation marks omitted). Castle
Rock dismisses these arguments as post hoc rationalizations, claiming that had defendants
been half as creative in creating The SAT as were their lawyers in crafting these arguments
about transformation, defendants might have a colorable fair use claim.

[27] Any transformative purpose possessed by The SAT is slight to non-existent. We reject
the argument that The SAT was created to educate Seinfeld viewers or to criticize, "expose,"
or otherwise comment upon Seinfeld. The SAT's purpose, as evidenced definitively by the
statements of the book's creators and by the book itself, is to repackage Seinfeld to entertain
Seinfeld viewers. The SAT's back cover makes no mention of exposing Seinfeld to its readers,
for example, as a pitifully vacuous reflection of a puerile and pervasive television culture, but
rather urges SAT readers to "open this book to satisfy [their] between-episode [Seinfeld] cravings." Golub, The SAT's author, described the trivia quiz book not as a commentary or a
Seinfeld research tool, but as an effort to "capture Seinfeld's flavor in quiz book fashion."
Finally, even viewing The SAT in the light most favorable to defendants, we find scant
[p*143] reason to conclude that this trivia quiz book seeks to educate, criticize, parody,
comment, report upon, or research Seinfeld, or otherwise serve a transformative purpose. The
book does not contain commentary or analysis about Seinfeld, nor does it suggest how
The SAT can be used to research Seinfeld; rather, the book simply poses trivia questions. The
SAT's plain purpose, therefore, is not to expose Seinfeld's "nothingness," but to satiate
Seinfeld fans' passion for the "nothingness" that Seinfeld has elevated into the realm of
[28] Although a secondary work need not necessarily transform the original work's expression to have a transformative purpose, see, e.g., 4 Nimmer § 13.05(D)(2), at 13-227-13-228 (discussing reproduction of entire works in judicial proceedings), the fact that The SAT so minimally alters Seinfeld's original expression in this case is further evidence of The SAT's lack of transformative purpose. To be sure, the act of testing trivia about a creative work, in question and answer form, involves some creative expression. While still minimal, it does require posing the questions and hiding the correct answer among three or four incorrect ones. [n8] Also, dividing the trivia questions into increasing levels of difficulty is somewhat more original than arranging names in a telephone book in alphabetical order. See Feist, 499 U.S. at 362-63. The SAT's incorrect multiple choice answers are also original. However, the work as a whole, drawn directly from the Seinfeld episodes without substantial alteration, is far less transformative than other works we have held not to constitute fair use. See, e.g., Twin Peaks, 996 F.2d at 1378 (book about Twin Peaks television series that discusses show's popularity, characters, actors, plots, creator, music, and poses trivia questions about show held not to be fair use).

[29] Finally, we note a potential source of confusion in our copyright jurisprudence over the use of the term "transformative." A "derivative work," over which a copyright owner has exclusive control, is defined as

a work based upon one or more pre-existing works, such as a translation, musical arrangement, dramatization, fictionalization, motion picture version, sound recording, art reproduction, abridgment, condensation, or any other form in which a work may be recast, transformed, or adapted.

[30] 17 U.S.C. §§ 101, 106(2) (emphasis added). Although derivative works that are subject to the author's copyright transform an original work into a new mode of presentation, such works - unlike works of fair use - take expression for purposes that are not "transformative." [n9] In the instant case, since The SAT has transformed Seinfeld's expression into trivia quiz book form with little, if any, transformative purpose, the first fair use factor weighs against defendants.

B. Nature of the Copyrighted Work

[31] The second statutory factor, "the nature of the copyrighted work," 17 U.S.C. § 107(2), "calls for recognition that some works are closer to the core of intended copyright protection than others, with the consequence that fair use is more difficult to establish when the former works are copied." Campbell, 510 U.S. at 586. Defendants concede that the scope of fair use is somewhat narrower with respect to fictional works, such as Seinfeld, than to factual works. See Stewart v. Abend, 495 U.S. 207, 237 (1990) ("In general, fair use is more likely to be found in factual works than in fictional works"); Twin Peaks, 996 F.2d at 1376 (second factor "favor[s] . . . creative and fictional work"). Although this factor may be of less (or even no) importance when assessed in the context of certain transformative uses, see, e.g., Campbell, 510 U.S. at 586 (creative nature of original "Pretty Woman" song "not much help" to fair use analysis "since parodies almost invariably copy . . . expressive works"), the fictional nature of the copyrighted work remains significant in the instant case, where the secondary use is at best minimally transformative. Thus, the second statutory factor favors the plaintiff.
C. Amount and Substantiality of the Portion Used in Relation to the Copyrighted Work as a Whole

[32] As a preliminary matter, the district court held that its determination that The SAT is substantially similar to Seinfeld "should suffice for a determination that the third fair use factor favors the plaintiff." *Castle Rock*, 955 F. Supp. at 269-70 (quoting *Twin Peaks*, 996 F.2d at 1377). However, because secondary users need invoke the fair use defense only where there is substantial similarity between the original and allegedly infringing works, and thus actionable copying, the district court's analysis is of little if any assistance. Under the district court's analysis, the third fair use factor would always and unfairly favor the original copyright owner claiming no fair use. See 4 *Nimmer* § 13.05[A], at 13-152 ("[F]air use is a defense not because of the absence of substantial similarity but rather despite the fact that the similarity is substantial.").

[33] In *Campbell*, a decision post-dating *Twin Peaks*, the Supreme Court clarified that the third factor - the amount and substantiality of the portion of the copyrighted work used - must be examined in context. The inquiry must focus upon whether "[t]he extent of . . . copying" is consistent with or more than necessary to further "the purpose and character of the use." 510 U.S. at 586-87; see *Sony Corp. of America v. Universal City Studios, Inc.*, 464 U.S. 417, 449-50 (1984) (reproduction of entire work "does not have its ordinary effect of militating against a finding of fair use" as to home videotaping of television programs); *Harper & Row*, 471 U.S. at 564 ("[E]ven substantial quotations might qualify as fair use in a review of a published work or a news account of a speech" but not in a scope of a soon-to-be-published memoir.). "[B]y focussing [sic] on the amount and substantiality of the original work used by the secondary user, we gain insight into the purpose and character of the use as we consider whether the quantity of the material used was reasonable in relation to the purpose of the copying." *Texaco*, 60 F.3d at 926 (quotation marks omitted). In *Campbell*, for example, the Supreme Court determined that a "parody must be able to "conjure up" at least enough of [the] original [work] to make the object of its critical wit recognizable" and then determined whether the amount used of the original work was "no more than necessary" to satisfy the purpose of parody, 510 U.S. at 588-89.

[34] In the instant case, it could be argued that The SAT could not expose Seinfeld's "nothingness" without repeated, indeed exhaustive examples deconstructing Seinfeld's humor, thereby emphasizing Seinfeld's meaninglessness to The SAT's readers. That The SAT posed as many as 643 trivia questions to make this rather straightforward point, however, suggests that The SAT's purpose was entertainment, not commentary. Such an argument has not been advanced on appeal, but if it had been, it would not disturb our conclusion that, under any fair reading, The SAT does not serve a critical or otherwise transformative purpose. Accordingly, the third factor weighs against fair use.

D. Effect of Use Upon Potential Market for or Value of Copyrighted Work

[35] Defendants claim that the fourth factor favors their case for fair use because Castle Rock has offered no proof of actual market harm to Seinfeld caused by The SAT. To the contrary, Seinfeld's audience grew after publication of The SAT, and Castle Rock has evidenced no interest in publishing Seinfeld [p*145] trivia quiz books and only minimal interest in publishing Seinfeld-related books.

[36] The Supreme Court has recently retreated from its earlier cases suggesting that the fourth statutory factor is the most important element of fair use, see *Harper & Row*, 471 U.S. at 566.
recognizing instead that "[a]ll [factors] are to be explored, and the results weighed together, in light of the purposes of copyright," Campbell, 510 U.S. at 578; see Texaco, 60 F.3d at 926 (applying Campbell approach). Under this factor, we "consider not only the extent of market harm caused by the particular actions of the alleged infringer, but also whether unrestricted and widespread conduct of the sort engaged in by the defendant . . . would result in a substantially adverse impact on the potential market for the original." Campbell, 510 U.S. at 590 (quotation marks and citation omitted). The fourth factor must also "take account . . . of harm to the market for derivative works," id., defined as those markets "that creators of original works would in general develop or license others to develop," id. at 592.

[37] In considering the fourth factor, our concern is not whether the secondary use suppresses or even destroys the market for the original work or its potential derivatives, but whether the secondary use usurps or substitutes for the market of the original work. Id. at 593. The more transformative the secondary use, the less likelihood that the secondary use substitutes for the original. Id. at 591. As noted by the district court, "[b]y the very nature of [transformative] endeavors, persons other than the copyright holder are undoubtedly better equipped, and more likely, to fill these particular market and intellectual niches." Seinfeld, 955 F. Supp. at 271. And yet the fair use, being transformative, might well harm, or even destroy, the market for the original. See Campbell, 510 U.S. at 591-92 ("[A] lethal parody, like a scathing theater review, kills demand for the original, [but] does not produce a harm cognizable under the Copyright Act."); New Era Publications, 904 F.2d at 160 ("a critical biography serves a different function than does an authorized, favorable biography, and thus injury to the potential market for the favorable biography by the publication of the unfavorable biography does not affect application of factor four.").[n10]

[38] Unlike parody, criticism, scholarship, news reporting, or other transformative uses, The SAT substitutes for a derivative market that a television program copyright owner such as Castle Rock "would in general develop or license others to develop." Campbell, 510 U.S. at 592.[n11] Because The SAT borrows exclusively from Seinfeld and not from any other television or entertainment programs, The SAT is likely to fill a market niche that Castle Rock would in general develop. Moreover, as noted by the district court, this "Seinfeld trivia game is not critical of the program, nor does it parody the program; if anything, SAT pays homage to Seinfeld." Castle Rock, 955 F. Supp. at 271-72. Although Castle Rock has evidenced little if any interest in exploiting this market for derivative works based on Seinfeld, such as by creating and publishing Seinfeld trivia books (or at least trivia books that endeavor to "satisfy" the "between-episode [p*146] cravings" of Seinfeld lovers), the copyright law must respect that creative and economic choice. "It would . . . not serve the ends of the Copyright Act - i.e., to advance the arts - if artists were denied their monopoly over derivative versions of their creative works merely because they made the artistic decision not to saturate those markets with variations of their original." Castle Rock, 955 F. Supp. at 272; see Salinger, 811 F.2d at 99 ("The need to assess the effect on the market for Salinger's letters is not lessened by the fact that their author has disavowed any intention to publish them during his lifetime."). The fourth statutory factor therefore favors Castle Rock.

E. Other Factors

[39] As we have noted, the four statutory fair use factors are non-exclusive and serve only as a guide to promote the purposes underlying the copyright law. One factor that is of no relevance to the fair use equation, however, is defendants' continued distribution of The SAT after Castle Rock notified defendants of its copyright infringement claim, because "[i]f the use is otherwise fair, then no permission need be sought or granted. . . . [B]eing denied permission
to use a work does not weigh against a finding of fair use." *Campbell*, 510 U.S. at 585 n. 18; *see Wright*, 953 F.2d at 737 (rejecting as irrelevant to fair use analysis argument that defendant failed to get plaintiff's permission to create work).

[40] We also note that free speech and public interest considerations are of little relevance in this case, which concerns garden-variety infringement of creative fictional works. *See 4 Nimmer § 13.05[B][4]*, at 13-205 ("The public interest is also a factor that continually informs the fair use analysis."); *cf. Time Inc. v. Bernard Geis Assocs.*, 293 F. Supp. 130, 146 (S.D.N.Y. 1968) (discussing importance of access to information about President Kennedy assassination in fair use analysis of home video of assassination).

**F. Aggregate Assessment**

[41] Considering all of the factors discussed above, we conclude that the copyright law's objective "[t]o promote the Progress of Science and useful Arts" would be undermined by permitting The SAT's copying of Seinfeld, *see Arica*, 970 F.2d at 1077, and we therefore reject defendants' fair use defense. Finally, we note that defendants do not assert that Castle Rock abandoned, forfeited, or misused copyrights in Seinfeld, and that defendants have asserted no defense on appeal other than that of fair use.

**Conclusion**

[42] Undoubtedly, innumerable books could "expose" the "nothingness" or otherwise comment upon, criticize, educate the public about, or research Seinfeld and contemporary television culture. The SAT, however, is not such a book. For the reasons set forth above, the judgment of the district court is affirmed.[n12]

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2. An example of the trivia quiz book's matching questions (entitled "Family Trees") is as follows:

   
   a) Former condo association president
   
   b) Drinks Colt 45 in the nude
   
   c) Arm-grabbing, loquacious garbage can picker
   
   d) Leaves a rent-controlled New York City apartment for the Phoenix sunshine
   
   e) Gruff-talking, well-known novelist
   
   f) New York City employee who watches the Nature Channel
   
   g) Wears sneakers in the swimming pool and has to "get the good spot in front of the good building in the good neighborhood"

http://www.law.cornell.edu/copyright/cases/150_F3d_132.htm 11/19/2003
h) Enjoys the heat and never uses air conditioning

i) Elderly immigrant whose beloved pony was "the pride of Krakow"

j) Nagging, shrill-voiced Glamour magazine reader who was hospitalized for a back injury.

3. As noted later, this opinion does not address issues of trademark or unfair competition.

4. Because the parties have stipulated to damages, we need not address, as did Twin Peaks, whether damages should be assessed on a per-episode basis.

5. We appreciate that the line between unprotected fact and protected creative expression may in some instances be less clear. Where a "fictional" single mother in a popular television series engages in real political discourse with a real Vice-President of the United States, for example, it is less clear whether the television "script" is fiction - in the sense that it is only a television script, or fact - in the sense that it is a real dialogue with a real political figure about contemporary issues. Whatever the line between historical fact and creative expression, however, Seinfeld is securely on the side of creative expression.

6. We do not understand Ringgold's quantitative analysis to be the same as a fragmented similarity analysis. The former considers the amount of copying not only of direct quotations and close paraphrasing, but also of all other protectable expression in the original work.

7. Had The SAT's incorrect answer choices attempted to parody Seinfeld, for example, defendants would have a stronger case for fair use. See Campbell, 510 U.S. at 588.

8. In the time it took to write this last sentence, for example, one could have easily created the following trivia question about the film trilogy Star Wars: "Luke Skywalker was aghast to learn that Darth Vader was Luke's (a) father (b) father-in-law (c) best friend (d) Jerry Seinfeld," and innumerable other such trivia questions about original creative works.

9. Indeed, if the secondary work sufficiently transforms the expression of the original work such that the two works cease to be substantially similar, then the secondary work is not a derivative work and, for that matter, does not infringe the copyright of the original work. See 1 Nimmer § 3.01, at 3-3 (stating that a work will be considered a derivative work only if it would be considered an infringing work if it were unauthorized).

10. By the same token, because a "film producer's appropriation of a composer's previously unknown song that turns the song into a commercial success" is a market substitute, that use is not made fair because it increases the market for the original work. Campbell, 510 U.S. at 591 n. 21.

11. Just as secondary users may not exploit markets that original copyright owners would "in general develop or license others to develop" even if those owners had not actually done so, copyright owners may not preempt exploitation of transformative markets, which they would not "in general develop or license others to develop," by actually developing or licensing others to develop those markets. Thus, by developing or licensing a market for parody, news reporting, educational or other transformative uses of its own creative work, a copyright owner plainly cannot prevent others from entering those fair use markets. See 4 Nimmer § 13.05[A](4), at 13-181-13-182 (recognizing "danger of circularity" where original copyright owner redefines "potential market" by developing or licensing others to develop that market); Texaco, 60 F.3d at 930 ("Only an impact on potential licensing revenues for traditional, reasonable, or likely to be developed markets is relevant to fourth factor.

12. For any reader of this opinion still possessed by post-Seinfeld "cravings," the answers to the trivia questions posed supra, at 3-4 & n. 2, are: 1-c, 11 - "Junior Mints," 12-a; matching: 1-f, 2-c, 3-i, 4-d, 5-a, 6-h, 7-c, 8-g, 9-j, 10-b.
SEGA ENTERPRISES LTD., a Japanese corporation, Plaintiff-Appellee,
vs.
ACCOLADE, INC., a California corporation, Defendant-Appellant.

No. 92-15655
United States Court Of Appeals For The Ninth Circuit
October 20, 1992, Filed


[F.2d 1513] OPINION

REINHARDT, Circuit Judge:

This case presents several difficult questions of first impression involving our copyright and trademark laws. We are asked [F.2d 1514] to determine, first, whether the Copyright Act permits persons who are neither copyright holders nor licensees to disassemble a copyrighted computer program in order to gain an understanding of the unprotected functional elements of the program. In light of the public policies underlying the Act, we conclude that, when the person seeking the understanding has a legitimate reason for doing so and when no other means of access to the unprotected elements exists, such disassembly is as a matter of law a fair use of the copyrighted work. Second, we must decide the legal consequences under the Lanham Trademark Act of a computer manufacturer's use of a security system that affords access to its computers to software cartridges that include an initialization code which triggers a screen display of the computer manufacturer's trademark. The computer manufacturer also manufactures software cartridges; those cartridges all contain the initialization code. The question is whether the computer manufacturer may enjoin competing cartridge manufacturers from gaining access to its computers through the use of the code on the ground that such use will result in the display of a "false" trademark. Again, our holding is based on the public policies underlying the statute. We hold that when there is no other method of access to the computer that is known or readily available to rival cartridge manufacturers, the use of the initialization code by a rival does not violate the Act even though that use triggers a misleading trademark display. Accordingly, we reverse the district court's grant of a preliminary injunction in favor of plaintiff-appellee Sega Enterprises, Ltd. on its claims of copyright and trademark infringement. We decline, however, to order that an injunction pendente lite issue precluding Sega from continuing to use its security system, even though such use may result in a certain amount of
false labeling. We prefer to leave the decision on that question to the district court initially.

I. Background

Plaintiff-appellee Sega Enterprises, Ltd. ("Sega"), a Japanese corporation, and its subsidiary, Sega of America, develop and market video entertainment systems, including the "Genesis" console (distributed in Asia under the name "Mega-Drive") and video game cartridges. Defendant-appellant Accolade, Inc., is an independent developer, manufacturer, and marketer of computer entertainment software, including game cartridges that are compatible with the Genesis console, as well as game cartridges that are compatible with other computer systems.

Sega licenses its copyrighted computer code and its "SEGA" trademark to a number of independent developers of computer game software. Those licensees develop and sell Genesis-compatible video games in competition with Sega. Accolade is not and never has been a licensee of Sega. Prior to rendering its own games compatible with the Genesis console, Accolade explored the possibility of entering into a licensing agreement with Sega, but abandoned the effort because the agreement would have required that Sega be the exclusive manufacturer of all games produced by Accolade.

Accolade used a two-step process to render its video games compatible with the Genesis console. First, it "reverse engineered" Sega's video game programs in order to discover the requirements for compatibility with the Genesis console. As part of the reverse engineering process, Accolade transformed the machine-readable object code contained in commercially available copies of Sega's game cartridges into human-readable source code using a process called "disassembly" or "decompilation". Accolade purchased a Genesis [F.2d 1515] console and three Sega game cartridges, wired a decryptor into the console circuitry, and generated printouts of the resulting source code. Accolade engineers studied and annotated the printouts in order to identify areas of commonality among the three game programs. They then loaded the disassembled code back into a computer, and experimented to discover the interface specifications for the Genesis console by modifying the programs and studying the results. At the end of the reverse engineering process, Accolade created a development manual that incorporated the information it had discovered about the requirements for a Genesis-compatible game. According to the Accolade employees who created the manual, the manual contained only functional descriptions of the interface requirements and did not include any of Sega's code.

In the second stage, Accolade created its own games for the Genesis. According to Accolade, at this stage it did not copy Sega's programs, but relied only on the information concerning interface specifications for the Genesis that was contained in its development manual. Accolade maintains that with the exception of the interface specifications, none of the code in its own games is derived in any way from its examination of Sega's code. In 1990, Accolade released "Ishido", a game which it had originally developed and released for use with the Macintosh and IBM personal computer systems, for use with the Genesis console.

Even before Accolade began to reverse engineer Sega's games, Sega had grown concerned about the rise of software and hardware piracy in Taiwan and other Southeast Asian countries to which it exported its products. Taiwan is not a signatory to the Berne Convention and does not recognize foreign copyrights. Taiwan does not allow prosecution of trademark counterfeiters. However, the counterfeiters had discovered how to modify Sega's game programs to blank out the screen display of Sega's trademark before repackaging and reselling the games as their own. Accordingly, Sega began to explore methods of protecting its trademark rights in the Genesis and Genesis-compatible games. While the development of its own trademark security system (TMSS) was pending, Sega licensed a patented TMSS for use with the Genesis home entertainment system.
The most recent version of the Genesis console, the "Genesis III", incorporates the licensed TMSS. When a game cartridge is inserted, the microprocessor contained in the Genesis III searches the game program for four bytes of data consisting of the letters "S-E-G-A" (the "TMSS initialization code"). If the Genesis III finds the TMSS initialization code in the right location, the game is rendered compatible and will operate on the console. In such case, the TMSS initialization code then prompts a visual display for approximately three seconds which reads "PRODUCED BY OR UNDER LICENSE FROM SEGA ENTERPRISES LTD" (the "Sega Message"). All of Sega's game cartridges, including those disassembled by Accolade, contain the TMSS initialization code.

Accolade learned of the impending release of the Genesis III in the United States in January, 1991, when the Genesis III was displayed at a consumer electronics show. When a demonstration at the consumer electronics show revealed that Accolade's "Ishido" game cartridges would not operate on the Genesis III, Accolade returned to the drawing board. During the reverse engineering process, Accolade engineers had discovered a small segment of code - the TMSS initialization code - that was included in the "power-up" sequence of every Sega game, but that had no identifiable function. The games would operate on the original Genesis console even if the code segment was removed. Mike Lorenzen, [F.2d 1516] the Accolade engineer with primary responsibility for reverse engineering the interface procedures for the Genesis console, sent a memo regarding the code segment to Alan Miller, his supervisor and the current president of Accolade, in which he noted that "it is possible that some future Sega peripheral device might require it for proper initialization."

In the second round of reverse engineering, Accolade engineers focused on the code segment identified by Lorenzen. After further study, Accolade added the code to its development manual in the form of a standard header file to be used in all games. The file contains approximately twenty to twenty-five bytes of data. Each of Accolade's games contains a total of 500,000 to 1,500,000 bytes. According to Accolade employees, the header file is the only portion of Sega's code that Accolade copied into its own game programs. In this appeal, Sega does not raise a separate claim of copyright infringement with respect to the header file.

In 1991, Accolade released five more games for use with the Genesis III, "Star Control", "Hardball!", "Onslaught", "Turrican", and "Mike Ditka Power Football." With the exception of "Mike Ditka Power Football", all of those games, like "Ishido", had originally been developed and marketed for use with other hardware systems. All contained the standard header file that included the TMSS initialization code. According to Accolade, it did not learn until after the Genesis III was released on the market in September, 1991, that in addition to enabling its software to operate on the Genesis III, the header file caused the display of the Sega Message. All of the games except "Onslaught" operate on the Genesis III console; apparently, the programmer who translated "Onslaught" for use with the Genesis system did not place the TMSS initialization code at the correct location in the program.

All of Accolade's Genesis-compatible games are packaged in a similar fashion. The front of the box displays Accolade's "Ballistic" trademark and states "for use with Sega Genesis and Mega Drive Systems." The back of the box contains the following statement: "Sega and Genesis are registered trademarks of Sega Enterprises, Ltd. Game 1991 Accolade, Inc. All rights reserved. Ballistic is a trademark of Accolade, Inc. Accolade, Inc. is not associated with Sega Enterprises, Ltd. All product and corporate names are trademarks and registered trademarks of their respective owners."

Sega filed suit against Accolade on October 31, 1991, alleging trademark infringement and false designation of origin in violation of sections 32(1) and 43(a) of the Lanham Act, 15 U.S.C. §§ 1114(a) (1), 1125(a).\(^3\) On November 29, 1991, Sega amended its complaint to include a claim for copyright infringement. Accolade filed a counterclaim against Sega for false designation of origin under section 43

After expedited discovery and a hearing, the district court granted Sega's motion. Prior to the hearing, Sega introduced the declaration of Takeshi Nagashima, an employee of Sega. Nagashima stated that it was possible either to create a game program which did not contain the TMSS code but would still operate on the Genesis III, or to modify a game program so that the Sega Message would not appear when the game cartridge was inserted. Nagashima stated that he had been able to make both modifications using standard components, at a total extra cost of approximately fifty cents. At the hearing, counsel for Sega produced two game cartridges which, he represented, contained the modifications made by Nagashima, and demonstrated to the district judge that the Sega Message [F.2d 1517] did not appear when the cartridges were inserted into a Genesis III console. Sega offered to make the cartridges available for inspection by Accolade's counsel, but declined to let Accolade's software engineers examine the cartridges or to reveal the manner in which the cartridges had been modified. The district court concluded that the TMSS code was not functional and that Accolade could not assert a functionality defense to Sega's claim of trademark infringement.

With respect to Sega's copyright claim, the district court rejected Accolade's contention that intermediate copying of computer object code does not constitute infringement under the Copyright Act. It found that Accolade had disassembled Sega's code for a commercial purpose, and that Sega had likely lost sales of its games as a result of Accolade's copying. The court further found that there were alternatives to disassembly that Accolade could have used in order to study the functional requirements for Genesis compatibility. Accordingly, it also rejected Accolade's fair use defense to Sega's copyright infringement claim.

Based on its conclusion that Sega is likely to succeed on the merits of its claims for copyright and trademark infringement, on April 3, 1992, the district court enjoined Accolade from: (1) disassembling Sega's copyrighted code; (2) using or modifying Sega's copyrighted code; (3) developing, manufacturing, distributing, or selling Genesis-compatible games that were created in whole or in part by means that included disassembly; and (4) manufacturing, distributing, or selling any Genesis-compatible game that prompts the Sega Message. On April 9, 1992, in response to a request from Sega, the district court modified the preliminary injunction order to require the recall of Accolade's infringing games within ten business days.

On April 14, 1992, Accolade filed a motion in the district court for a stay of the preliminary injunction pending appeal. When the district court failed to rule on the motion for a stay by April 21, ten business days after the April 9 recall order, Accolade filed a motion for an emergency stay in this court pursuant to 9th Cir. R. 27-3, together with its notice of appeal. On April 23, we stayed the April 9 recall order. The April 3 preliminary injunction order remained in effect until August 28, when we ordered it dissolved and announced that this opinion would follow.

II. Standard of Review

In order to obtain a preliminary injunction, the movant must demonstrate "either a likelihood of success on the merits and the possibility of irreparable injury, or that serious questions going to the merits were raised and the balance of hardships tips sharply in its favor." Johnson Controls, Inc. v. Phoenix Control Systems, Inc., 886 F.2d 1173, 1174 (9th Cir. 1989). We may reverse the district court's grant of a preliminary injunction to Sega if the district court abused its discretion, made an error of law, or based its decision on an erroneous legal standard or on clearly erroneous findings of fact. Religious Technology Ctr. v. Scott, 869 F.2d 1306, 1309 (9th Cir. 1989); Lou v. Belzberg, 834 F.2d 930, 733 (9th Cir. 1987).
III. Copyright Issues

Accolade raises four arguments in support of its position that disassembly of the object code in a copyrighted computer program does not constitute copyright infringement. First, it maintains that intermediate copying does not infringe the exclusive rights granted to copyright owners in section 106 of the Copyright Act unless the end product of the copying is substantially similar to the copyrighted work. Second, it argues [F.2d 1518] that disassembly of object code in order to gain an understanding of the ideas and functional concepts embodied in the code is lawful under section 102(b) of the Act, which exempts ideas and functional concepts from copyright protection. Third, it suggests that disassembly is authorized by section 117 of the Act, which entitles the lawful owner of a copy of a computer program to load the program into a computer. Finally, Accolade contends that disassembly of object code in order to gain an understanding of the ideas and functional concepts embodied in the code is a fair use that is privileged by section 107 of the Act.

Neither the language of the Act nor the law of this circuit supports Accolade's first three arguments. Accolade's fourth argument, however, has merit. Although the question is fairly debatable, we conclude based on the policies underlying the Copyright Act that disassembly of copyrighted object code is, as a matter of law, a fair use of the copyrighted work if such disassembly provides the only means of access to those elements of the code that are not protected by copyright and the copier has a legitimate reason for seeking such access. Accordingly, we hold that Sega has failed to demonstrate a likelihood of success on the merits of its copyright claim. Because on the record before us the hardships do not tip sharply (or at all) in Sega's favor, the preliminary injunction issued in its favor must be dissolved, at least with respect to that claim.

A. Intermediate Copying

We have previously held that the Copyright Act does not distinguish between unauthorized copies of a copyrighted work on the basis of what stage of the alleged infringer's work the unauthorized copies represent. Walker v. University Books, 602 F.2d 859, 864 (9th Cir. 1979) ("The fact that an allegedly infringing copy of a protected work may itself be only an inchoate representation of some final product to be marketed commercially does not in itself negate the possibility of infringement."). Our holding in Walker was based on the plain language of the Act. Section 106 grants to the copyright owner the exclusive rights "to reproduce the work in copies", "to prepare derivative works based upon the copyrighted work", and to authorize the preparation of copies and derivative works. 17 U.S.C. § 106 (1)-(2). Section 501 provides that "anyone who violates any of the exclusive rights of the copyright owner as provided by sections 106 through 118 . . . is an infringer of the copyright." Id. § 501(a). On its face, that language unambiguously encompasses and proscribes "intermediate copying", Walker, 602 F.2d at 863-64; see also Walt Disney Productions v. Filmation Associates, 628 F. Supp. 871, 875-76 (C.D. Cal. 1986).

In order to constitute a "copy" for purposes of the Act, the allegedly infringing work must be fixed in some tangible form, "from which the work can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device." 17 U.S.C. § 101. The computer file generated by the disassembly program, the printouts of the disassembled code, and the computer files containing Accolade's modifications of the code that were generated during the reverse engineering process all satisfy that requirement. The intermediate copying done by Accolade therefore falls squarely within the category of acts that are prohibited by the statute.

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Accolade points to a number of cases that it argues establish the lawfulness of intermediate copying. Most of the cases involved the alleged copying of books, scripts, or literary characters. See v. Durang, 711 F.2d 141 (9th Cir. 1983); Warner Bros. v. ABC, 654 F.2d 204 (2d Cir. 1981); Miller v. Universal City Studios, Inc., 650 F.2d 1365 (5th Cir. 1981); Walker v. Time Life Films, Inc., 615 F. Supp. 430 (S.D.N.Y. 1985), aff'd, 784 F.2d 44 (2d Cir.), cert. denied, 476 U.S. 1159, 90 L. Ed. 2d 721, 106 S. Ct. 2278 (1986); Davis v. United Artists, Inc., 547 F. Supp. 722 (S.D.N.Y. 1982); Fuld v. NBC, 390 F. Supp. 877 (S.D.N.Y. 1975); Cain v. Universal Pictures Co., 47 F. Supp. 1013 (S.D. Cal. 1942). In each case, however, the eventual lawsuit alleged infringement only as to the final work of the defendants. We conclude that this group of cases does not alter or limit the holding of Walker.


In summary, the question whether intermediate copying of computer object code infringes the exclusive rights granted to the copyright owner in section 106 of the Copyright Act is a question of first impression. In light of the unambiguous language of the Act, we decline to depart from the rule set forth in Walker for copyrighted works generally. Accordingly, we hold that intermediate copying of computer object code may infringe the exclusive rights granted to the copyright owner in section 106 of the Copyright Act regardless of whether the end product of the copying also infringes those rights. If intermediate copying is permissible under the Act, authority for such copying must be found in one of the statutory provisions to which the rights granted in section 106 are subject.

B. The Idea/Expression Distinction

Accolade next contends that disassembly of computer object code does not violate the Copyright Act because it is necessary in order to gain access to the ideas and functional concepts embodied in the code, which are not protected by copyright. 17 U.S.C. § 102(b). Because humans cannot comprehend object code, it reasons, disassembly of a commercially available computer program into human-readable form should not be considered an infringement of the owner's copyright. Insofar as Accolade suggests that disassembly of object code is lawful per se, it seeks to overturn settled law.

Accolade's argument regarding access to ideas is, in essence, an argument that object code is not eligible for the full range of copyright protection. Although some scholarly authority supports that view, we have previously rejected it based on the language and legislative history of the Copyright Act. Johnson Controls, Inc. v. Phoenix Control Sys., Inc., 886 F.2d 1173, 1175 (9th Cir. 1989); Apple Computer, Inc. v. Formula Int'l Inc., 725 F.2d 521, 524-25 (9th Cir. 1984); see also Apple Computer, Inc. v. Franklin Computer Corp., 714 F.2d 1240, 1246-48 (3d Cir. 1983), cert. dismissed, 464 U.S. 1033, 79 L. Ed. 2d 158, 104 S. Ct. 690 (1984).

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As recommended by the National Commission on New Technological Uses of Copyrighted Works (CONTU), the 1980 amendments to the Copyright Act unambiguously extended copyright protection to computer programs. Pub. L. 96-517, sec. 10, 94 Stat. 3028 (1980) (codified at 17 U.S.C. §§ 101, 117); see National Commission on New Technological Uses of Copyrighted Works, Final Report 1 (1979) [CONTU Report]. "The Act makes no distinction between the copyrightability of those programs which directly interact with the computer user and those which simply manage the computer system." Formula, 725 F.2d at 525. Nor does the Act require that a work be directly accessible to humans in order to be eligible for copyright protection. Rather, it extends protection to all original works "which . . . can be perceived, reproduced, or otherwise communicated, [F.2d 1520] either directly or with the aid of a machine or device." 17 U.S.C. § 102(a); see Formula, 725 F.2d at 525. The statutory language, read together with the CONTU report, leads inexorably to the conclusion that the copyright in a computer program extends to the object code version of the program. Formula, 725 F.2d at 525; Franklin, 714 F.2d at 1248; CONTU Report at 21.

Nor does a refusal to recognize a per se right to disassemble object code lead to an absurd result. The ideas and functional concepts underlying many types of computer programs, including word processing programs, spreadsheets, and video game displays, are readily discernible without the need for disassembly, because the operation of such programs is visible on the computer screen. The need to disassemble object code arises, if at all, only in connection with operations systems, system interface procedures, and other programs that are not visible to the user when operating - and then only when no alternative means of gaining an understanding of those ideas and functional concepts exists. In our view, consideration of the unique nature of computer object code thus is more appropriate as part of the case-by-case, equitable "fair use" analysis authorized by section 107 of the Act. See infra Part III(D).

Accordingly, we reject Accolade's second argument.

C. Section 117

Section 117 of the Copyright Act allows the lawful owner of a copy of a computer program to copy or adapt the program if the new copy or adaptation "is created as an essential step in the utilization of the computer program in conjunction with a machine and . . . is used in no other manner." 17 U.S.C. § 117 (1). Accolade contends that section 117 authorizes disassembly of the object code in a copyrighted computer program.

Section 117 was enacted on the recommendation of CONTU, which noted that "because the placement of any copyrighted work into a computer is the preparation of a copy [since the program is loaded into the computer's memory], the law should provide that persons in rightful possession of copies of programs be able to use them freely without fear of exposure to copyright liability." CONTU Report at 13. We think it is clear that Accolade's use went far beyond that contemplated by CONTU and authorized by section 117. Section 117 does not purport to protect a user who disassembles object code, converts it from assembly into source code, and makes printouts and photocopies of the refined source code version.6

D. Fair Use

Accolade contends, finally, that its disassembly of copyrighted object code as a necessary step in its examination of the unprotected ideas and functional concepts embodied in the code is a fair use that is privileged by section 107 of the Act. Because, in the case before us, disassembly is the only means of gaining access to those unprotected aspects of the program, and because Accolade has a legitimate interest in gaining such access (in order to determine how to make its cartridges compatible with the Genesis console), we agree with Accolade. Where there is good reason for studying or examining the
unprotected aspects of a copyrighted computer program, disassembly for purposes of such study or examination constitutes a fair use.

1.

As a preliminary matter, we reject Sega's contention that the assertion of a fair use defense in connection with the disassembly of object code is precluded by statute. First, Sega argues that not only does section 117 of the Act not authorize disassembly of object code, but it also constitutes a legislative determination that any copying of a computer program other than that authorized by section 117 cannot be considered a fair use of that program under [F.2d 1521] section 107. That argument verges on the frivolous. Each of the exclusive rights created by section 106 of the Copyright Act is expressly made subject to all of the limitations contained in sections 107 through 120. 17 U.S.C. § 106. Nothing in the language or the legislative history of section 117, or in the CONTU Report, suggests that section 117 was intended to preclude the assertion of a fair use defense with respect to uses of computer programs that are not covered by section 117, nor has section 107 been amended to exclude computer programs from its ambit.

Moreover, sections 107 and 117 serve entirely different functions. Section 117 defines a narrow category of copying that is lawful per se. 17 U.S.C. § 117. Section 107, by contrast, establishes a defense to an otherwise valid claim of copyright infringement. It provides that particular instances of copying that otherwise would be actionable are lawful, and sets forth the factors to be considered in determining whether the defense applies. Id. § 107. The fact that Congress has not chosen to provide a per se exemption to section 106 for disassembly does not mean that particular instances of disassembly may not constitute fair use.

Second, Sega maintains that the language and legislative history of section 906 of the Semiconductor Chip Protection Act of 1984 (SCPA) establish that Congress did not intend that disassembly of object code be considered a fair use. Section 906 of the SCPA authorizes the copying of the "mask work" on a silicon chip in the course of reverse engineering the chip. 17 U.S.C. § 906. The mask work in a standard ROM chip, such as those used in the Genesis console and in Genesis-compatible cartridges, is a physical representation of the computer program that is embedded in the chip. The zeros and ones of binary object code are represented in the circuitry of the mask work by open and closed switches. Sega contends that Congress's express authorization of copying in the particular circumstances set forth in section 906 constitutes a determination that other forms of copying of computer programs are prohibited.

The legislative history of the SCPA reveals, however, that Congress passed a separate statute to protect semiconductor chip products because it believed that semiconductor chips were intrinsically utilitarian articles that were not protected under the Copyright Act. H.R. Rep. No. 781, 98th Cong., 2d Sess. 8-10, reprinted in 1984 U.S.C.C.A.N. 5750, 5757-59. Accordingly, rather than amend the Copyright Act to extend traditional copyright protection to chips, it enacted "a sui generis form of protection, apart from and independent of the copyright laws." Id. at 10, 1984 U.S.C.C.A.N. at 5759. Because Congress did not believe that semiconductor chips were eligible for copyright protection in the first instance, the fact that it included an exception for reverse engineering of mask work in the SCPA says nothing about its intent with respect to the lawfulness of disassembly of computer programs under the Copyright Act. Nor is the fact that Congress did not contemporaneously amend the Copyright Act to permit disassembly significant, since it was focusing on the protection to be afforded to semiconductor chips. Here we are dealing not with an alleged violation of the SCPA, but with the copying of a computer program, which is governed by the Copyright Act. Moreover, Congress expressly stated that it did not intend to "limit, enlarge or otherwise affect the scope, duration, ownership or subsistence of copyright protection ... in computer programs, data bases, or any other copyrightable works embodied in semiconductor chip
products." Id. at 28, 1984 U.S.C.C.A.N. at 5777. Accordingly, Sega's second statutory argument also fails. We proceed to consider Accolade's fair use defense.

2.

Section 107 lists the factors to be considered in determining whether a particular use is a fair one. Those factors include:

(1) the purpose and character of the use, including whether such use is of a commercial [F.2d 1522] nature or is for nonprofit educational purposes;

(2) the nature of the copyrighted work;

(3) the amount and实质性 of the portion used in relation to the copyrighted work as a whole; and

(4) the effect of the use upon the potential market for or value of the copyrighted work.


In determining that Accolade's disassembly of Sega's object code did not constitute a fair use, the district court treated the first and fourth statutory factors as dispositive, and ignored the second factor entirely. Given the nature and characteristics of Accolade's direct use of the copied works, the ultimate use to which Accolade put the functional information it obtained, and the nature of the market for home video entertainment systems, we conclude that neither the first nor the fourth factor weighs in Sega's favor. In fact, we conclude that both factors support Accolade's fair use defense, as does the second factor, a factor which is important to the resolution of cases such as the one before us.

(a)

With respect to the first statutory factor, we observe initially that the fact that copying is for a commercial purpose weighs against a finding of fair use. Harper & Row, 471 U.S. at 562. However, the presumption of unfairness that arises in such cases can be rebutted by the characteristics of a particular commercial use. Hustler Magazine, Inc. v. Moral Majority, Inc., 796 F.2d 1148, 1152 (9th Cir. 1986); see also Maxtone-Graham v. Burtchall, 803 F.2d 1253, 1262 (2d Cir. 1986), cert. denied, 481 U.S. 1059, 95 L. Ed. 2d 856, 107 S. Ct. 2201 (1987). Further "the commercial nature of a use is a matter of degree, not an absolute. . . " Maxtone-Graham, 803 F.2d at 1262.

Sega argues that because Accolade copied its object code in order to produce a competing product, the Harper & Row presumption applies and precludes a finding of fair use. That analysis is far too simple and ignores a number of important considerations. We must consider other aspects of "the purpose and character of the use" as well. As we have noted, the use at issue was an intermediate one only and thus any commercial "exploitation" was indirect or derivative.

The declarations of Accolade's employees indicate, and the district court found, that Accolade copied Sega's software solely in order to discover the functional requirements for compatibility with the

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Genesis console - aspects of Sega's programs that are not protected by copyright. 17 U.S.C. § 102(b). With respect to the video game programs contained in Accolade's game cartridges, there is no evidence in the record that Accolade sought to avoid performing its own creative work. Indeed, most of the games that Accolade released for use with the Genesis console were originally developed for other hardware systems. Moreover, with respect to the interface procedures for the Genesis console, Accolade did not seek to avoid paying a customarily charged fee for use of those procedures, nor did it simply copy Sega's code; rather, it wrote its own procedures based on what it had learned through disassembly. Taken together, these facts indicate that although Accolade's ultimate purpose was the release of Genesis-compatible games for sale, its direct purpose in copying Sega's code, and thus its direct use of the copyrighted material, was simply to study the functional requirements for Genesis compatibility so that it could modify existing games and make them usable with the Genesis console. Moreover, as we discuss below, no other method of studying those requirements was available to Accolade. On these facts, we conclude that Accolade copied [F.2d 1523] Sega's code for a legitimate, essentially non-exploitative purpose, and that the commercial aspect of its use can best be described as of minimal significance.

We further note that we are free to consider the public benefit resulting from a particular use notwithstanding the fact that the alleged infringer may gain commercially. See Hustler, 796 F.2d at 1153 (quoting MCA, Inc. v. Wilson, 677 F.2d 180, 182 (2d Cir. 1982)). Public benefit need not be direct or tangible, but may arise because the challenged use serves a public interest. Id. In the case before us, Accolade's identification of the functional requirements for Genesis compatibility has led to an increase in the number of independently designed video game programs offered for use with the Genesis console. It is precisely this growth in creative expression, based on the dissemination of other creative works and the unprotected ideas contained in those works, that the Copyright Act was intended to promote. See Feist Publications, Inc. v. Rural Tel. Serv. Co., ___ U.S. ___, 111 S. Ct. 1282, 1290, 113 L. Ed. 2d 358 (1991) (citing Harper & Row, 471 U.S. at 556-57). The fact that Genesis-compatible video games are not scholarly works, but works offered for sale on the market, does not alter our judgment in this regard. We conclude that given the purpose and character of Accolade's use of Sega's video game programs, the presumption of unfairness has been overcome and the first statutory factor weighs in favor of Accolade.

(b)

As applied, the fourth statutory factor, effect on the potential market for the copyrighted work, bears a close relationship to the "purpose and character" inquiry in that it, too, accommodates the distinction between the copying of works in order to make independent creative expression possible and the simple exploitation of another's creative efforts. We must, of course, inquire whether, "if [the challenged use] should become widespread, it would adversely affect the potential market for the copyrighted work."

Sony Corp. v. Universal City Studios, 464 U.S. 417, 451, 78 L. Ed. 2d 574, 104 S. Ct. 774 (1984), by diminishing potential sales, interfering with marketability, or usurping the market, Hustler, 796 F.2d at 1155-56. If the copying resulted in the latter effect, all other considerations might be irrelevant. The Harper & Row Court found a use that effectively usurped the market for the copyrighted work by supplanting that work to be dispositive. 471 U.S. at 567-69. However, the same consequences do not and could not attach to a use which simply enables the copier to enter the market for works of the same type as the copied work.

Unlike the defendant in Harper & Row, which printed excerpts from President Ford's memoirs verbatim with the stated purpose of "scooping" a Time magazine review of the book, 471 U.S. at 562, Accolade did not attempt to "scoop" Sega's release of any particular game or games, but sought only to become a legitimate competitor in the field of Genesis-compatible video games. Within that market, it is the characteristics of the game program as experienced by the user that determine the program's commercial success. As we have noted, there is nothing in the record that suggests that Accolade copied any of those

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By facilitating the entry of a new competitor, the first lawful one that is not a Sega licensee, Accolade's disassembly of Sega's software undoubtedly "affected" the market for Genesis-compatible games in an indirect fashion. We note, however, that while no consumer except the most avid devotee of President Ford's regime might be expected to buy more than one version of the President's memoirs, video game users typically purchase more than one game. There is no basis for assuming that Accolade's "Ishido" has significantly affected the market for Sega's "Altered Beast", since a consumer might easily purchase both; nor does it seem unlikely that a consumer particularly interested in sports might purchase both Accolade's "Mike Ditka Power Football" and Sega's "Joe Montana Football", particularly if the games are, as Accolade contends, not substantially similar. In any event, an attempt to monopolize [F.2d 1524] the market by making it impossible for others to compete runs counter to the statutory purpose of promoting creative expression and cannot constitute a strong equitable basis for resisting the invocation of the fair use doctrine. Thus, we conclude that the fourth statutory factor weighs in Accolade's, not Sega's, favor, notwithstanding the minor economic loss Sega may suffer.

The second statutory factor, the nature of the copyrighted work, reflects the fact that not all copyrighted works are entitled to the same level of protection. The protection established by the Copyright Act for original works of authorship does not extend to the ideas underlying a work or to the functional or factual aspects of the work. 17 U.S.C. § 102(b). To the extent that a work is functional or factual, it may be copied, Baker v. Selden, 101 U.S. 99, 102-04, 25 L. Ed. 841 (1879), as may those expressive elements of the work that "must necessarily be used as incident to" expression of the underlying ideas, functional concepts, or facts, id. at 104. Works of fiction receive greater protection than works that have strong factual elements, such as historical or biographical works, Maxtone-Graham, 803 F.2d at 1263 (citing Rosemont Enterprises, Inc. v. Random House, Inc., 366 F.2d 303, 307 (2d Cir. 1966), cert. denied, 385 U.S. 1009, 17 L. Ed. 2d 546, 87 S. Ct. 714 (1967)), or works that have strong functional elements, such as accounting textbooks, Baker, 101 U.S. at 104. Works that are merely compilations of fact are copyrightable, but the copyright in such a work is "thin." Feist Publications, 111 S. Ct. at 1289.

Computer programs pose unique problems for the application of the "idea/expression distinction" that determines the extent of copyright protection. To the extent that there are many possible ways of accomplishing a given task or fulfilling a particular market demand, the programmer's choice of program structure and design may be highly creative and idiosyncratic. However, computer programs are, in essence, utilitarian articles - articles that accomplish tasks. As such, they contain many logical, structural, and visual display elements that are dictated by the function to be performed, by considerations of efficiency, or by external factors such as compatibility requirements and industry demands. Computer Assoc. Intl, Inc. v. Altai, Inc., 1992 U.S. App. Decision, 23 U.S.P.Q.2D (BNA) 1241, 1253-56 (2d Cir. 1992) (" CAI "). In some circumstances, even the exact set of commands used by the programmer is deemed functional rather than creative for purposes of copyright. "When specific instructions, even though previously copyrighted, are the only and essential means of accomplishing a given task, their later use by another will not amount to infringement." CONTU Report at 20; see CAI, 23 U.S.P.Q. 2d at 1254.

Because of the hybrid nature of computer programs, there is no settled standard for identifying what is protected expression and what is unprotected idea in a case involving the alleged infringement of a copyright in computer software. We are in wholehearted agreement with the Second Circuit's recent observation that "thus far, many of the decisions in this area reflect the courts' attempt to fit the proverbial square peg in a round hole." CAI, 23 U.S.P.Q. 2d at 1257. In 1986, the Third Circuit attempted to resolve the dilemma by suggesting that the idea or function of a [F.2d 1525] computer
program is the idea of the program as a whole, and "everything that is not necessary to that purpose or function [is] part of the expression of that idea." Whelan Assoc., Inc. v. Jaslow Dental Laboratory, Inc., 797 F.2d 1222, 1236 (3d Cir. 1986) (emphasis omitted). The Whelan rule, however, has been widely - and soundly - criticized as simplistic and overbroad. See CAI, 23 U.S.P.Q. 2d at 1252 (citing cases, treatises, and articles). In reality, "a computer program's ultimate function or purpose is the composite result of interacting subroutines. Since each subroutine is itself a program, and thus, may be said to have its own 'idea,' Whelan's general formulation . . . is descriptively inadequate." Id. For example, the computer program at issue in the case before us, a video game program, contains at least two such subroutines - the subroutine that allows the user to interact with the video game and the subroutine that allows the game cartridge to interact with the console. Under a test that breaks down a computer program into its component subroutines and sub-subroutines and then identifies the idea or core functional element of each, such as the test recently adopted by the Second Circuit in CAI, 23 U.S.P.Q.2d (BNA) at 1252-53, many aspects of the program are not protected by copyright. In our view, in light of the essentially utilitarian nature of computer programs, the Second Circuit's approach is an appropriate one.

Sega argues that even if many elements of its video game programs are properly characterized as functional and therefore not protected by copyright, Accolade copied protected expression. Sega is correct. The record makes clear that disassembly is wholesale copying. Because computer programs are also unique among copyrighted works in the form in which they are distributed for public use, however, Sega's observation does not bring us much closer to a resolution of the dispute.

The unprotected aspects of most functional works are readily accessible to the human eye. The systems described in accounting textbooks or the basic structural concepts embodied in architectural plans, to give two examples, can be easily copied without also copying any of the protected, expressive aspects of the original works. Computer programs, however, are typically distributed for public use in object code form, embedded in a silicon chip or on a floppy disk. For that reason, humans often cannot gain access to the unprotected ideas and functional concepts contained in object code without disassembling that code - i.e., making copies. Atari Games Corp. v. Nintendo of America, 975 F.2d 832 (Fed. Cir. 1992).

Sega argues that the record does not establish that disassembly of its object code is the only available method for gaining access to the interface specifications for the Genesis console, and the district court agreed. An independent examination of the record reveals that Sega misstates its contents, and demonstrates that the district court committed clear error in this respect.

First, the record clearly establishes that humans cannot read object code. Sega makes much of Mike Lorenzen's statement that a reverse engineer can work directly from the zeros and ones of object code but "it's not as fun." In full, Lorenzen's statements establish only that the use of an electronic decompiler is not absolutely necessary. Trained programmers can disassemble object code by hand. Because even a trained programmer cannot possibly remember the millions of zeros and ones that make up a program, however, he must make a written or computerized copy of the disassembled code in order to keep track of his work. See generally Johnson-Laird, Technical Demonstration of "Decompilation", reprinted in Reverse Engineering: Legal and Business Strategies for Competitive Design in the 1990's 102 (Prentice Hall Law & Business ed. 1992). The relevant fact for purposes of Sega's copyright infringement claim and Accolade's fair use [F.2d 1526] defense is that translation of a program from object code into source code cannot be accomplished without making copies of the code.

Second, the record provides no support for a conclusion that a viable alternative to disassembly exists. The district court found that Accolade could have avoided a copyright infringement claim by "peeling" the chips contained in Sega's games or in the Genesis console, as authorized by section 906 of the

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SCPA, 17 U.S.C. § 906. Even Sega's amici agree that this finding was clear error. The declaration of Dr. Harry Tredennick, an expert witness for Accolade, establishes that chip peeling yields only a physical diagram of the object code embedded in a ROM chip. It does not obviate the need to translate object code into source code. Atari Games Corp., slip op. at 22.

The district court also suggested that Accolade could have avoided a copyright infringement suit by programming in a "clean room". That finding too is clearly erroneous. A "clean room" is a procedure used in the computer industry in order to prevent direct copying of a competitor's code during the development of a competing product. Programmers in clean rooms are provided only with the functional specifications for the desired program. As Dr. Tredennick explained, the use of a clean room would not have avoided the need for disassembly because disassembly was necessary in order to discover the functional specifications for a Genesis-compatible game.

In summary, the record clearly establishes that disassembly of the object code in Sega's video game cartridges was necessary in order to understand the functional requirements for Genesis compatibility. The interface procedures for the Genesis console are distributed for public use only in object code form, and are not visible to the user during operation of the video game program. Because object code cannot be read by humans, it must be disassembled, either by hand or by machine. Disassembly of object code necessarily entails copying. Those facts dictate our analysis of the second statutory fair use factor. If disassembly of copyrighted object code is per se an unfair use, the owner of the copyright gains a de facto monopoly over the functional aspects of his work - aspects that were expressly denied copyright protection by Congress. 17 U.S.C. § 102(b). In order to enjoy a lawful monopoly over the idea or functional principle underlying a work, the creator of the work must satisfy the more stringent standards imposed by the patent laws. Bonito Boats, Inc. v. Thunder Craft Boats, Inc., 489 U.S. 141, 159-64, 103 L. Ed. 2d 118, 109 S. Ct. 971 (1989). Sega does not hold a patent on the Genesis console.

Because Sega's video game programs contain unprotected aspects that cannot be examined without copying, we afford them a lower degree of protection than more traditional literary works. See CAI, 23 U.S.P.Q. 2d at 1257. In light of all the considerations discussed above, we conclude that the second statutory factor also weighs in favor of Accolade.8

(d)

As to the third statutory factor, Accolade disassembled entire programs written by Sega. Accordingly, the third factor weighs against Accolade. The fact that an entire work was copied does not, however, preclude a finding a fair use. Sony Corp., 464 U.S. at 449-50; Hustler, 795 F.2d at 1155 (" Sony Corp. teaches us that the copying of an entire work does not preclude fair use per se."). In fact, where the ultimate (as opposed to direct) use is as [F.2d 1527] limited as it was here, the factor is of very little weight. Cf. Wright v. Warner Books, Inc., 953 F.2d 731, 738 (2d Cir. 1991).

(e)

In summary, careful analysis of the purpose and characteristics of Accolade's use of Sega's video game programs, the nature of the computer programs involved, and the nature of the market for video game cartridges yields the conclusion that the first, second, and fourth statutory fair use factors weigh in favor of Accolade, while only the third weighs in favor of Sega, and even then only slightly. Accordingly, Accolade clearly has by far the better case on the fair use issue.

We are not unaware of the fact that to those used to considering copyright issues in more traditional contexts, our result may seem incongruous at first blush. To oversimplify, the record establishes that

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Accolade, a commercial competitor of Sega, engaged in wholesale copying of Sega's copyrighted code as a preliminary step in the development of a competing product. However, the key to this case is that we are dealing with computer software, a relatively unexplored area in the world of copyright law. We must avoid the temptation of trying to force "the proverbial square peg into a round hole." CAI, 23 U.S.P.Q. 2d at 1257.

In determining whether a challenged use of copyrighted material is fair, a court must keep in mind the public policy underlying the Copyright Act. "The immediate effect of our copyright law is to secure a fair return for an "author's" creative labor. But the ultimate aim is, by this incentive, to stimulate artistic creativity for the general public good." Sony Corp., 464 U.S. at 432 (quoting Twentieth Century Music Corp. v. Aiken, 422 U.S. 151, 156, 45 L. Ed. 2d 84, 95 S. Ct. 2040 (1975)). When technological change has rendered an aspect or application of the Copyright Act ambiguous, "the Copyright Act must be construed in light of this basic purpose." Id. As discussed above, the fact that computer programs are distributed for public use in object code form often precludes public access to the ideas and functional concepts contained in those programs, and thus confers on the copyright owner a de facto monopoly over those ideas and functional concepts. That result defeats the fundamental purpose of the Copyright Act - to encourage the production of original works by protecting the expressive elements of those works while leaving the ideas, facts, and functional concepts in the public domain for others to build on. Feist Publications, 111 S. Ct. at 1290; see also Atari Games Corp., slip op. at 18-20.

Sega argues that the considerable time, effort, and money that went into development of the Genesis and Genesis-compatible video games militate against a finding of fair use. Borrowing from antitrust principles, Sega attempts to label Accolade a "free rider" on its product development efforts. In Feist Publications, however, the Court unequivocally rejected the "sweat of the brow" rationale for copyright protection. 111 S. Ct. at 1290-95. Under the Copyright Act, if a work is largely functional, it receives only weak protection. "This result is neither unfair nor unfortunate. It is the means by which copyright advances the progress of science and art." Id. at 1290; see also id. at 1292 ("In truth, 'it is just such wasted effort that the proscription against the copyright of ideas and facts . . . [is] designed to prevent.'") (quoting Rosemont Enterprises, Inc. v. Random House, Inc., 366 F.2d 303, 310 (2d Cir. 1966), cert. denied 385 U.S. 1009, 87 S. Ct. 714, 17 L. Ed. 2d 546 (1967)); CAI, 23 U.S.P.Q. 2d at 1257. Here, while the work may not be largely functional, it incorporates functional elements which do not merit protection. The equitable considerations involved weigh on the side of public access. Accordingly, we reject Sega's argument.

We conclude that where disassembly is the only way to gain access to the ideas and functional elements embodied in a copyrighted computer program and where there is a legitimate reason for seeking such access, disassembly is a fair use of [F.2d 1528] the copyrighted work, as a matter of law. Our conclusion does not, of course, insulate Accolade from a claim of copyright infringement with respect to its finished products. Sega has reserved the right to raise such a claim, and it may do so on remand.

IV. Trademark Issues

Ordinarily in a trademark case, a trademark holder contends that another party is misusing the holder's mark or is attempting to pass off goods or services as those of the trademark holder. The other party usually protests that the mark is not being misused, that there is no actual confusion, or that for some other reason no violation has occurred. This case is different. Here, both parties agree that there is a misuse of a trademark, both agree that there is unlawful mislabeling, and both agree that confusion may result. The issue here is - which party is primarily responsible? Which is the wrongdoer - the violator? Is it Sega, which has adopted a security system governing access to its Genesis III console that displays

http://cyber.law.harvard.edu/openlaw/DVD/cases/Sega_v_Accolade.html 11/19/2003
In summary, because Sega did not produce sufficient evidence regarding the existence of a feasible alternative to the use of the TMSS initialization code, it did not carry its burden and its claim of nonfunctionality fails. Possibly, Sega will be able to meet its burden of proof at trial. We cannot say. However, we conclude that in light of the record before the district court, Sega was not entitled to preliminary injunctive relief under the Lanham Act.\textsuperscript{10}

C. Accolade’s Request for Preliminary Injunctive Relief

Finally, we decline to order the district court to grant Accolade preliminary injunctive relief on its Lanham Act claim. If requested, the district court may reconsider that issue in light of the legal principles we [F.2d 1533] have set forth. The parties have presented arguments regarding the hardships they would suffer under various circumstances. We believe those arguments should be weighed by the district court before any affirmative relief is ordered. Moreover, the parties may have additional factual material they wish to present regarding the question of Accolade’s right to preliminary injunctive relief. Pending further consideration of this matter by the district court, we are content to let the matter rest where it stands, with each party as free to act as it was before the issuance of preliminary injunctive relief. We are confident that preserving the status quo in this manner will not lead to any serious inequity. Costs on appeal shall be assessed against Sega.

AFFIRMED IN PART; REVERSED IN PART; AND REMANDED.

1 The recent decision by the Federal Circuit in Atari Games Corp. v. Nintendo of America, Inc., 975 F.2d 832 (Fed. Cir. 1992), which discusses a number of the issues we decide here, is consistent both with our analysis and the result we reach.

2 Computer programs are written in specialized alphanumeric languages, or "source code". In order to operate a computer, source code must be translated into computer readable form, or "object code". Object code uses only two symbols, 0 and 1, in combinations which represent the alphanumeric characters of the source code. A program written in source code is translated into object code using a computer program called an "assembler" or "compiler", and then imprinted onto a silicon chip for commercial distribution. Devices called "disassemblers" or "decompilers" can reverse this process by "reading" the electronic signals for "0" and "1" that are produced while the program is being run, storing the resulting object code in computer memory, and translating the object code into source code. Both assembly and disassembly devices are commercially available, and both types of devices are widely used within the software industry.

3 The complaint also included state law claims for common law trademark infringement, dilution, unfair competition, and false or misleading statements. None of the state law claims are at issue in this appeal.

4 Accolade also asserted state law counterclaims for unfair competition, false or misleading statements, and intentional interference with prospective economic advantage. Again, the state law counterclaims are not at issue here.

5 Congress adopted all of the statutory changes recommended by CONTU verbatim. Subsequent Congresses, the courts, and commentators have regarded the CONTU Report as the authoritative guide to congressional intent.

6 We need not decide whether section 117 protects only the use intended by the copyright owner, as Sega argues. See Vault Corp. v. Quaid Software Ltd., 847 F.2d 255, 261 (5th Cir. 1988) (authorization of section 117(1) not limited to use intended by copyright owner).
7 We do not intend to suggest that disassembly is always the only available means of access to those aspects of a computer program that are unprotected by copyright. As we noted in Part III(B), supra, in many cases the operation of a program is directly reflected on the screen display and therefore visible to the human eye. In those cases, it is likely that a reverse engineer would not need to examine the code in order to understand what the program does.

8 Sega argues that its programs are unpublished works and that therefore, under Harper & Row, the second statutory factor weighs in its favor. 471 U.S. at 553-55. Recently, however, this court affirmed a district court holding that computer game cartridges that are held out to the public for sale are published works for purposes of copyright. Lewis Galoob Toys, Inc. v. Nintendo of America, Inc., 964 F.2d 965 (9th Cir. 1992) (affirming 780 F. Supp. 1283, 1293 (N.D. Cal. 1991). The decision in Association of Am. Medical Colleges v. Cuomo, 928 F.2d 519 (2d Cir. 1991), cert. denied, 112 S. Ct. 184, 116 L. Ed. 2d 146 (1991), is not to the contrary. The Medical College Admission Test is not held out to the public for sale, but rather is distributed on a highly restricted basis.

9 Accolade challenges the admissibility of the Nagashima declaration and the modified cartridges on several grounds. First, it argues that the district court promised to hold an in camera hearing on the declaration, but never did so. However, the record reveals that the district judge ultimately promised to hold such a hearing only if she felt it was necessary.

Second, Accolade contends that because Nagashima never specified the nature of the modification that he had made to Accolade's cartridges, the district court erred in admitting the cartridges as evidence without ascertaining that the TMSS initialization sequence really had been omitted. In a preliminary injunction proceeding, the district court accorded broad discretion in ruling on the admissibility of evidence. Flynn Distributing Co., Inc. v. Harvey, 734 F.2d 1389, 1394 (9th Cir. 1984). In the absence of any evidence that Nagashima was lying, it was not an abuse of discretion for the district judge to admit his declaration and the altered Accolade cartridges as evidence. The fact that neither Accolade nor the district court was able to verify Nagashima's statements affects the weight to be given the statements and the proffered cartridges, not their admissibility.

10 Sega contends that even if the TMSS code is functional, Accolade, as the copier, was obligated to take the most effective measures reasonably available to eliminate the consumer confusion that has arisen as a result of the association of Sega's trademark with Accolade's product. The district court relied on Plasticolor Molded Products v. Ford Motor Co., 713 F. Supp. 1329, 1339 (C.D. Cal. 1989), a decision it acknowledged had been vacated. See Plasticolor Molded Products v. Ford Motor Co., 767 F. Supp. 1036 (C.D. Cal. 1991). When a product feature is both functional and source-identifying, the copier need only take reasonable measures to avoid consumer confusion. American Greetings Corp. v. Dan-Dee Imports, Inc., 807 F.2d 1136, 1141 (3d Cir. 1986); Job's Daughters, 633 F.2d at 919 (the degree of protection afforded a product feature that has both functional and source-identifying aspects depends on the characteristics of the use and on the copier's merchandising practices). Assuming arguendo that the rules applicable to copiers apply here, the measures adopted by Accolade satisfy a reasonableness standard. Accolade placed disclaimers on its packaging materials which stated that "Accolade, Inc. is not associated with Sega Enterprises, Ltd." While Accolade could have worded its disclaimer more strongly, the version that it chose would appear to be sufficient.
Copyright is a form of protection provided by the laws of the United States (title 17, U.S. Code) to the authors of "original works of authorship," including literary, dramatic, musical, artistic, and certain other intellectual works. This protection is available to both published and unpublished works. Section 106 of the 1976 Copyright Act generally gives the owner of copyright the exclusive right to do and to authorize others to do the following:

- To reproduce the work in copies or phonorecords;
- To prepare derivative works based upon the work;
- To distribute copies or phonorecords of the work to the public by sale or other transfer of ownership, or by rental, lease, or lending;
- To perform the work publicly, in the case of literary, musical, dramatic, and choreographic works, pantomimes, and motion pictures and other audiovisual works;
- To display the work publicly, in the case of literary, musical, dramatic, and choreographic works, pantomimes, and pictorial, graphic, or sculptural works, including the individual images of a motion picture or other audiovisual work; and
- In the case of sound recordings, to perform the work publicly by means of a digital audio transmission.

In addition, certain authors of works of visual art have the rights of attribution and integrity as described in section 106A of the 1976 Copyright Act. For further information, request Circular 40, "Copyright Registration for Works of the Visual Arts."
It is illegal for anyone to violate any of the rights provided by the copyright law to the owner of copyright. These rights, however, are not unlimited in scope. Sections 107 through 121 of the 1976 Copyright Act establish limitations on these rights. In some cases, these limitations are specified exemptions from copyright liability. One major limitation is the doctrine of "fair use," which is given a statutory basis in section 107 of the 1976 Copyright Act. In other instances, the limitation takes the form of a "compulsory license" under which certain limited uses of copyrighted works are permitted upon payment of specified royalties and compliance with statutory conditions. For further information about the limitations of any of these rights, consult the copyright law or write to the Copyright Office.

WHO CAN CLAIM COPYRIGHT?

Copyright protection subsists from the time the work is created in fixed form. The copyright in the work of authorship immediately becomes the property of the author who created the work. Only the author or those deriving their rights through the author can rightfully claim copyright.

In the case of works made for hire, the employer and not the employee is considered to be the author. Section 101 of the copyright law defines a "work made for hire" as:

(1) a work prepared by an employee within the scope of his or her employment; or
(2) a work specially ordered or commissioned for use as:
   a contribution to a collective work
   a part of a motion picture or other audiovisual work
   a translation
   a supplementary work
   a compilation
   an instructional text
   a test
   answer material for a test
   a sound recording
   an atlas

If the parties expressly agree in a written instrument signed by them that the work shall be considered a work made for hire....

The authors of a joint work are co-owners of the copyright in the work, unless there is an agreement to the contrary.

Copyright in each separate contribution to a periodical or other collective work is distinct from copyright in the collective work as a whole and vests initially with the author of the contribution.

Two General Principles
- Mere ownership of a book, manuscript, painting, or any other copy or phonorecord does not give the possessor of the copyright the right to control the presentation of that work. The law provides that transfer of ownership of any material object that embodies a protected work does not of itself convey any rights in the copyright.
- Minors may claim copyright, but state laws may regulate the business dealings involving copyrights owned by minors. For information on relevant state laws, consult an attorney.

COPYRIGHT AND NATIONAL ORIGIN OF THE WORK

Copyright protection is available for all unpublished works, regardless of the nationality or domicile of the author. Published works are eligible for copyright protection in the United States if any one of the following conditions is met:

- The work is first published in the United States or in a foreign nation that, on the date of first publication, is a treaty party. For purposes of this condition, a work that is published in the United States or a treaty party within 30 days after publication in a foreign nation that is not a treaty party shall be considered to be first published in the United States or such treaty party, as the case may be; or
- The work is a sound recording that was first fixed in a treaty party; or
- The work is a pictorial, graphic, or sculptural work that is incorporated in a building or other structure, or an architectural work that is embodied in a building and the building or structure is located in the United States or a treaty party; or
- The work is first published by the United Nations or any of its specialized agencies, or by the Organization of American States; or
- The work is a foreign work that was in the public domain in the United States prior to 1996 and its copyright was restored under the Uruguay Round Agreements Act (URAA). Request Circular 38b, "Highlights of Copyright Amendments Contained in the Uruguay Round Agreements Act (URAA-GATT)," for further information.
- The work comes within the scope of a Presidential proclamation.

* A treaty party is a country or intergovernmental organization other than the United States that is a party to an international agreement.
WHAT WORKS ARE PROTECTED?

Copyright protects "original works of authorship" that are fixed in a tangible form of expression. The fixation need not be directly perceptible so long as it may be communicated with the aid of a machine or device. Copyrightable works include the following categories:

1. literary works
2. musical works, including any accompanying words
3. dramatic works, including any accompanying music
4. pantomimes and choreographic works
5. pictorial, graphic, and sculptural works
6. motion pictures and other audiovisual works
7. sound recordings
8. architectural works

These categories should be viewed broadly. For example, computer programs and most "compilations" may be registered as "literary works"; maps and architectural plans may be registered as "pictorial, graphic, and sculptural works."

WHAT IS NOT PROTECTED BY COPYRIGHT?

Several categories of material are generally not eligible for federal copyright protection. These include among others:

- Works that have not been fixed in a tangible form of expression (for example, choreographic works that have not been notated or recorded, or improvisational speeches or performances that have not been written or recorded)
- Titles, names, short phrases, and slogans; familiar symbols or designs; mere variations of typographic ornamentation, lettering, or coloring; mere listings of ingredients or contents
- Ideas, procedures, methods, systems, processes, concepts, principles, discoveries, or devices, as distinguished from a description, explanation, or illustration
- Works consisting entirely of information that is common property and containing no original authorship (for example: standard calendars, height and weight charts, tape measures and rulers, and lists or tables taken from public documents or other common sources)

HOW TO SECURE A COPYRIGHT

Copyright Secured Automatically upon Creation
The way in which copyright protection is secured is frequently misunderstood. No publication or registration or other action in the Copyright Office is required to secure copyright. (See following NOTE.) There are, however, certain definite advantages to registration. See "Copyright Registration" on page 7.

Copyright is secured automatically when the work is created, and a work is "created" when it is fixed in a copy or phonorecord for the first time. "Copies" are material objects from which a work can be read or visually perceived either directly or with the aid of a machine or device, such as books, manuscripts, sheet music, film, videotape, or microfilm. "Phonorecords" are material objects embodying fixations of sounds (excluding, by statutory definition, motion picture soundtracks), such as cassette tapes, CDs, or LPs. Thus, for example, a song (the "work") can be fixed in sheet music ("copies") or in phonograph disks ("phonorecords"), or both.

If a work is prepared over a period of time, the part of the work that is fixed on a particular date constitutes the created work as of that date.

PUBLICATION

Publication is no longer the key to obtaining federal copyright as it was under the Copyright Act of 1909. However, publication remains important to copyright owners.

The 1976 Copyright Act defines publication as follows:
"Publication" is the distribution of copies or phonorecords of a work to the public by sale or other transfer of ownership, or by rental, lease, or lending. The offering to distribute copies or phonorecords to a group of persons for purposes of further distribution, public performance, or public display constitutes publication. A public performance or display of a work does not of itself constitute publication.

NOTE: Before 1978, federal copyright was generally secured by the act of publication with notice of copyright, assuming compliance with all other relevant statutory conditions. U.S. works in the public domain on January 1, 1978, (for example, works published without satisfying all conditions for securing federal copyright under the Copyright Act of 1909) remain in the public domain under the 1976 Copyright Act.

Certain foreign works originally published without notice had their copyrights restored under the Uruguay Round Agreements Act (URAA), Request Circular 38b and see the "Notice of Copyright" section on page 4 of this publication for further information.

Federal copyright could also be secured before 1978 by the act of registration in the case of certain un-published works and works eligible for ad interim copyright. The 1976 Copyright Act automatically extends to full term (section 304 sets the term) copyright for all works, including those subject to ad interim copyright if ad interim registration has been made on or before June 30, 1978.
A further discussion of the definition of "publication" can be found in the legislative history of the 1976 Copyright Act. The legislative reports define "to the public" as distribution to persons under no explicit or implicit restrictions with respect to disclosure of the contents. The reports state that the definition makes it clear that the sale of phonorecords constitutes publication of the underlying work, for example, the musical, dramatic, or literary work embodied in a phonorecord. The reports also state that it is clear that any form of dissemination in which the material object does not change hands, for example, performances or displays on television, is not a publication no matter how many people are exposed to the work. However, when copies or phonorecords are offered for sale or lease to a group of wholesalers, broadcasters, or motion picture theaters, publication does take place if the purpose is further distribution, public performance, or public display.

Publication is an important concept in the copyright law for several reasons:

- Works that are published in the United States are subject to mandatory deposit with the Library of Congress. See discussion on "Mandatory Deposit for Works Published in the United States" on page 9.

- Publication of a work can affect the limitations on the exclusive rights of the copyright owner that are set forth in sections 107 through 121 of the law.

- The year of publication may determine the duration of copyright protection for anonymous and pseudonymous works (when the author's identity is not revealed in the records of the Copyright Office) and for works made for hire.

- Deposit requirements for registration of published works differ from those for registration of unpublished works. See discussion on "Registration Procedures" on page 7.

- When a work is published, it may bear a notice of copyright to identify the year of publication and the name of the copyright owner and to inform the public that the work is protected by copyright. Copies of works published before March 1, 1989, must bear the notice or risk loss of copyright protection. See discussion on "Notice of Copyright" below.

**NOTICE OF COPYRIGHT**

The use of a copyright notice is no longer required under U.S. law, although it is often beneficial. Because prior law did contain such a requirement, however, the use of notice is still relevant to the copyright status of older works.

Notice was required under the 1976 Copyright Act. This requirement was eliminated when the United States adhered to the Berne Convention, effective March 1, 1989. Although works published without notice before that date could have entered the public domain in the United States, the Uruguay Round Agreements Act (URAA) restores copyright in certain foreign works originally published without notice. For further information about copyright amendments in the URAA, request Circular 38b.

The Copyright Office does not take a position on whether copies of works first published with notice before March 1, 1989, which are distributed on or after March 1, 1989, must bear the copyright notice.

Use of the notice may be important because it informs the public that the work is protected by copyright, identifies the copyright owner, and shows the year of first publication. Furthermore, in the event that a work is infringed, if a proper notice of copyright appears on the published copy or copies to which a defendant in a copyright infringement suit had access, then no weight shall be given to such a defendant's interposition of a defense based on innocent infringement in mitigation of actual or statutory damages, except as provided in section 504(c)(2) of the copyright law. Innocent infringement occurs when the infringer did not realize that the work was protected.

The use of the copyright notice is the responsibility of the copyright owner and does not require advance permission from, or registration with, the Copyright Office.

**Form of Notice for Visually Perceptible Copies**

The notice for visually perceptible copies should contain all the following three elements:

1. **The symbol © (the letter C in a circle), or the word "Copyright," or the abbreviation "Copr."); and**

2. **The year of first publication of the work. In the case of compilations or derivative works incorporating previously published material, the year date of first publication of the compilation or derivative work is sufficient. The year date may be omitted where a pictorial, graphic, or sculptural work, with accompanying textual matter, if any, is reproduced in or on greeting cards, postcards, stationery, jewelry, dolls, toys, or any useful article; and**

3. **The name of the owner of copyright in the work, or an abbreviation by which the name can be recognized, or a generally known alternative designation of the owner.**

Example: © 2002 John Doe

The "C in a circle" notice is used only on "visually perceptible copies." Certain kinds of works—for example, musical, dramatic, and literary works—may be fixed not in "copies" but by means of sound in an audio recording.
Since audio recordings such as audio tapes and phonograph disks are "phonorecords" and not "copies," the "C in a circle" notice is not used to indicate protection of the underlying musical, dramatic, or literary work that is recorded.

**Form of Notice for Phonorecords of Sound Recordings**

The notice for phonorecords embodying a sound recording should contain all the following three elements:

1. **The symbol π** (the letter P in a circle); and
2. **The year of first publication** of the sound recording; and
3. **The name of the owner of copyright** in the sound recording, or an abbreviation by which the name can be recognized, or a generally known alternative designation of the owner. If the producer of the sound recording is named on the phonorecord label or container and if no other name appears in conjunction with the notice, the producer's name shall be considered a part of the notice.

**Example:** π 2002 A.B.C. Records Inc.

**NOTE:** Since questions may arise from the use of variant forms of the notice, you may wish to seek legal advice before using any form of the notice other than those given here.

**Position of Notice**

The copyright notice should be affixed to copies or phonorecords in such a way as to "give reasonable notice of the claim of copyright." The three elements of the notice should ordinarily appear together on the copies or phonorecords or on the phonorecord label or container. The Copyright Office has issued regulations concerning the form and position of the copyright notice in the *Code of Federal Regulations* (37 CFR Section 201.20). For more information, request Circular 3, "Copyright Notice."

**Publications Incorporating U.S. Government Works**

Works by the U.S. Government are not eligible for U.S. copyright protection. For works published on and after March 1, 1989, the previous notice requirement for works consisting primarily of one or more U.S. Government works has been eliminated. However, use of a notice on such a work will defeat a claim of innocent infringement as previously described provided the notice also includes a statement that identifies either those portions of the work in which copyright is claimed or those portions that constitute U.S. Government material.

**Example:** © 2002 Jane Brown. Copyright claimed in Chapters 7–10, exclusive of U.S. Government maps

Copies of works published before March 1, 1989, that consist primarily of one or more works of the U.S. Government should have a notice and the identifying statement.

**Unpublished Works**

The author or copyright owner may wish to place a copyright notice on any unpublished copies or phonorecords that leave his or her control.

**Example:** Unpublished work © 2002 Jane Doe

**Omission of Notice and Errors in Notice**

The 1976 Copyright Act attempted to ameliorate the strict consequences of failure to include notice under prior law. It contained provisions that set out specific corrective steps to cure omissions or certain errors in notice. Under these provisions, an applicant had 5 years after publication to cure omission of notice or certain errors. Although these provisions are technically still in the law, their impact has been limited by the amendment making notice optional for all works published on and after March 1, 1989. For further information, request Circular 3.

**HOW LONG COPYRIGHT PROTECTION ENDURES**

**Works Originally Created on or after January 1, 1978**

A work that is created (fixed in tangible form for the first time) on or after January 1, 1978, is automatically protected from the moment of its creation and is ordinarily given a term enduring for the author's life plus an additional 70 years after the author's death. In the case of "a joint work prepared by two or more authors who did not work for hire," the term lasts for 70 years after the last surviving author's death. For works made for hire, and for anonymous and pseudonymous works (unless the author's identity is revealed in Copyright Office records), the duration of copyright will be 95 years from publication or 120 years from creation, whichever is shorter.
Works Originally Created Before January 1, 1978, But Not Published or Registered by That Date
These works have been automatically brought under the statute and are now given federal copyright protection. The duration of copyright in these works will generally be computed in the same way as for works created on or after January 1, 1978: the life-plus-70 or 95/120-year terms will apply to them as well. The law provides that in no case will the term of copyright for works in this category expire before December 31, 2002, and for works published on or before December 31, 2002, the term of copyright will not expire before December 31, 2047.

Works Originally Created and Published or Registered before January 1, 1978
Under the law in effect before 1978, copyright was secured either on the date a work was published with a copyright notice or on the date of registration if the work was registered in unpublished form. In either case, the copyright endured for a first term of 28 years from the date it was secured. During the last (28th) year of the first term, the copyright was eligible for renewal. The Copyright Act of 1976 extended the renewal term from 28 to 47 years for copyrights that were subsisting on January 1, 1978, or for pre-1978 copyrights restored under the Uruguay Round Agreements Act (URAA), making these works eligible for a total term of protection of 75 years. Public Law 105-298, enacted on October 27, 1998, further extended the renewal term of copyrights still subsisting on that date by an additional 20 years, providing for a renewal term of 67 years and a total term of protection of 95 years.

Public Law 102-307, enacted on June 26, 1992, amended the 1976 Copyright Act to provide for automatic renewal of the term of copyrights secured between January 1, 1964, and December 31, 1977. Although the renewal term is automatically provided, the Copyright Office does not issue a renewal certificate for these works unless a renewal application and fee are received and registered in the Copyright Office.

Public Law 102-307 makes renewal registration optional. Thus, filing for renewal registration is no longer required in order to extend the original 28-year copyright term to the full 95 years. However, some benefits accrue from making a renewal registration during the 28th year of the original term.

For more detailed information on renewal of copyright and the copyright term, request Circular 15, “Renewal of Copyright”; Circular 15a, “Duration of Copyright”; and Circular 15t, “Extension of Copyright Terms.”

TRANSFER OF COPYRIGHT

Any or all of the copyright owner’s exclusive rights or any subdivision of those rights may be transferred, but the transfer of exclusive rights is not valid unless that transfer is in writing and signed by the owner of the rights conveyed or such owner’s duly authorized agent. Transfer of a right on a nonexclusive basis does not require a written agreement.

A copyright may also be conveyed by operation of law and may be bequeathed by will or pass as personal property by the applicable laws of intestate succession. Copyright is a personal property right, and it is subject to the various state laws and regulations that govern the ownership, inheritance, or transfer of personal property as well as terms of contracts or conduct of business. For information about relevant state laws, consult an attorney.

Transfers of copyright are normally made by contract. The Copyright Office does not have any forms for such transfers. The law does provide for the recordation in the Copyright Office of transfers of copyright ownership. Although recordation is not required to make a valid transfer between the parties, it does provide certain legal advantages and may be required to validate the transfer as against third parties. For information on recordation of transfers and other documents related to copyright, request Circular 12, “Recordation of Transfers and Other Documents.”

Termination of Transfers
Under the previous law, the copyright in a work reverted to the author, if living, or to the author’s beneficiaries, on the specified beneficiaries, provided a renewal claim was registered in the 28th year of the original term.* The present law drops the renewal feature except for works already in the first term of statutory protection when the present law took effect. Instead, the present law permits termination of a grant of rights after 35 years under certain conditions by serving written notice on the transferee within specified time limits.

For works already under statutory copyright protection before 1978, the present law provides a similar right of termination covering the newly added years that extended the former maximum term of the copyright from 56 to 95 years. For further information, request Circulars 15a and 15t.

INTERNATIONAL COPYRIGHT PROTECTION

There is no such thing as an “international copyright” that will automatically protect an author’s writings throughout the entire world. Protection against unauthorized use in a particular country depends, basically, on the national laws of that country. However, most countries do offer protection to foreign works under certain conditions, and these con-

*The copyright in works eligible for renewal on or after June 26, 1992, will vest in the name of the renewal claimant on the effective date of any renewal registration made during the 28th year of the original term. Otherwise, the renewal copyright will vest in the party entitled to claim renewal as of December 31st of the 28th year.
ditions have been greatly simplified by international copyright treaties and conventions. For further information and a list of countries that maintain copyright relations with the United States, request Circular 38a, "International Copyright Relations of the United States."

COPYRIGHT REGISTRATION

In general, copyright registration is a legal formality intended to make a public record of the basic facts of a particular copyright. However, registration is not a condition of copyright protection. Even though registration is not a requirement for protection, the copyright law provides several inducements or advantages to encourage copyright owners to make registration. Among these advantages are the following:

- Registration establishes a public record of the copyright claim.
- Before an infringement suit may be filed in court, registration is necessary for works of U.S. origin.
- If made before or within 5 years of publication, registration will establish prima facie evidence in court of the validity of the copyright and of the facts stated in the certificate.
- If registration is made within 3 months after publication of the work or prior to an infringement of the work, statutory damages and attorney’s fees will be available to the copyright owner in court actions. Otherwise, only an award of actual damages and profits is available to the copyright owner.
- Registration allows the owner of the copyright to record the registration with the U.S. Customs Service for protection against the importation of infringing copies. For additional information, request Publication No. 563, "How to Protect Your Intellectual Property Right," from: U.S. Customs Service, P.O. Box 7404, Washington, D.C. 20044. See the U.S. Customs Service Website at www.customs.gov for online publications.

Registration may be made at any time within the life of the copyright. Unlike the law before 1978, when a work has been registered in unpublished form, it is not necessary to make another registration when the work becomes published, although the copyright owner may register the published edition, if desired.

REGISTRATION PROCEDURES

Original Registration
To register a work, send the following three elements in the same envelope or package to:

Library of Congress
Copyright Office
101 Independence Avenue, S.E.
Washington, D.C. 20559-6000

1. A properly completed application form.
2. A nonrefundable filing fee of $30 (effective through June 30, 2002) for each application.

NOTE: For current information on fees, please write the Copyright Office, check the Copyright Office website at www.copyright.gov, or call (202) 707-3000.

3. A nonreturnable deposit of the work being registered. The deposit requirements vary in particular situations. The general requirements follow. Also note the information under "Special Deposit Requirements" on page 8.

- If the work is unpublished, one complete copy or phonorecord.
- If the work was first published in the United States on or after January 1, 1978, two complete copies or phonorecords of the best edition.
- If the work was first published in the United States before January 1, 1978, two complete copies or phonorecords of the work as first published.
- If the work was first published outside the United States, one complete copy or phonorecord of the work as first published.
- If sending multiple works, all applications, deposits, and fees should be sent in the same package. If possible, applications should be attached to the appropriate deposit. Whenever possible, number each package (e.g., 1 of 3, 2 of 4) to facilitate processing.

What Happens if the Three Elements Are Not Received Together
Applications and fees received without appropriate copies, phonorecords, or identifying material will not be processed and ordinarily will be returned. Unpublished deposits without applications or fees ordinarily will be returned, also. In most cases, published deposits received without applications and fees can be immediately transferred to the collections of the Library of Congress. This practice is in accordance with section 408 of the law, which provides that the published deposit required for the collections of the Library of Congress may be used for registration only if the deposit is "accompanied by the prescribed application and fee...."

After the deposit is received and transferred to another service unit of the Library for its collections or other disposition, it is no longer available to the Copyright Office. If you wish to register the work, you must deposit additional copies or phonorecords with your application and fee.
Renewal Registration
To register a renewal, send:

1. A properly completed application Form RE and, if necessary, Form RE Addendum, and
2. A nonrefundable filing fee of $60 without Addendum; $90 with Addendum for each application. Filing fees are effective through June 30, 2002. Each Addendum form must be accompanied by a deposit representing the work being renewed. See Circular 15, “Renewal of Copyright.”

NOTE: Complete the application form using black ink pen or type. You may photocopy blank application forms. However, photocopied forms submitted to the Copyright Office must be clear, legible, on a good grade of 8½-inch by 11-inch white paper suitable for automatic feeding through a photocopier. The forms should be printed, preferably in black ink, head-to-head so that when you turn the sheet over, the top of page 2 is directly behind the top of page 1. Forms not meeting these requirements may be returned resulting in delayed registration.

Special Deposit Requirements
Special deposit requirements exist for many types of works. The following are prominent examples of exceptions to the general deposit requirements:

- If the work is a motion picture, the deposit requirement is one complete copy of the unpublished or published motion picture and a separate written description of its contents, such as a continuity, press book, or synopsis.

- If the work is a literary, dramatic, or musical work published only in a phonorecord, the deposit requirement is one complete phonorecord.

- If the work is an unpublished or published computer program, the deposit requirement is one visually perceivable copy in source code of the first 25 and last 25 pages of the program. For a program of fewer than 50 pages, the deposit is a copy of the entire program. For more information on computer program registration, including deposits for revised programs and provisions for trade secrets, request Circular 61, “Copyright Registration for Computer Programs.”

- If the work is in a CD-ROM format, the deposit requirement is one complete copy of the material, that is, the CD-ROM, the operating software, and any manual(s) accompanying it. If registration is sought for the computer program on the CD-ROM, the deposit should also include a printout of the first 25 and last 25 pages of source code for the program.

In the case of works reproduced in three-dimensional copies, identifying material such as photographs or drawings is ordinarily required. Other examples of special deposit requirements (but by no means an exhaustive list) include many works of the visual arts such as greeting cards, toys, fabrics, and oversized materials (request Circular 40a, “Deposit Requirements for Registration of Claims to Copyright in Visual Arts Material”); video games and other machine-readable audiovisual works (request Circular 61); automated databases (request Circular 65, “Copyright Registration for Automated Databases”); and contributions to collective works. For information about deposit requirements for group registration of serials, request Circular 62, “Copyright Registration for Serials.”

If you are unsure of the deposit requirement for your work, write or call the Copyright Office and describe the work you wish to register.

Unpublished Collections
Under the following conditions, a work may be registered in unpublished form as a “collection,” with one application form and one fee:

- The elements of the collection are assembled in an orderly form;
- The combined elements bear a single title identifying the collection as a whole;
- The copyright claimant in all the elements and in the collection as a whole is the same; and
- All the elements are by the same author, or, if they are by different authors, at least one of the authors has contributed copyrightable authorship to each element.

NOTE: A Library of Congress Control Number is different from a copyright registration number. The Cataloging in Publication (CIP) Division of the Library of Congress is responsible for assigning LC Control Numbers and is operationally separate from the Copyright Office. A book may be registered in or deposited with the Copyright Office but not necessarily cataloged and added to the Library’s collections. For information about obtaining an LC Control Number, see the following homepage: http://pcn.loc.gov/pcn. For information on International Standard Book Numbering (ISBN), write to: ISBN, R.R. Bowker, 630 Central Ave., New Providence, NJ 07974. Call (877) 310-7333. For further information and to apply online, see www.isbn.org/standards/home. For information on International Standard Serial Numbering (ISSN), write to: Library of Congress, National Serials Data Program, Serial Record Division, Washington, D.C. 20540-4160. Call (202) 707-6452. Or obtain information from www.loc.gov/issn.
An unpublished collection is not indexed under the individual titles of the contents but under the title of the collection.

**EFFECTIVE DATE OF REGISTRATION**

A copyright registration is effective on the date the Copyright Office receives all the required elements in acceptable form, regardless of how long it takes to process the application and mail the certificate of registration. The time the Copyright Office requires to process an application varies, depending on the amount of material the Office is receiving.

If you apply for copyright registration, you will not receive an acknowledgment that your application has been received (the Office receives more than 600,000 applications annually), but you can expect:

- A letter or a telephone call from a Copyright Office staff member if further information is needed
- A certificate of registration indicating that the work has been registered, or if the application cannot be accepted, a letter explaining why it has been rejected.

Requests to have certificates available for pickup in the Public Information Office or to have certificates sent by Federal Express or another mail service cannot be honored.

If you want to know the date that the Copyright Office receives your material, send it by registered or certified mail and request a return receipt.

**CORRECTIONS AND AMPLIFICATIONS OF EXISTING REGISTRATIONS**

To correct an error in a copyright registration or to amplify the information given in a registration, file a supplementary registration form—Form CA—with the Copyright Office. The filing fee is $100. (See Note on page 7.) The information in a supplementary registration augments but does not supersede that contained in the earlier registration. Note also that a supplementary registration is not a substitute for an original registration, for a renewal registration, or for recording a transfer of ownership. For further information about supplementary registration, request Circular 8, “Supplementary Copyright Registration.”

**MANDATORY DEPOSIT FOR WORKS PUBLISHED IN THE UNITED STATES**

Although a copyright registration is not required, the Copyright Act establishes a mandatory deposit requirement for works published in the United States. See the definition of "publication" on page 3. In general, the owner of copyright or the owner of the exclusive right of publication in the work has a legal obligation to deposit in the Copyright Office, within 3 months of publication in the United States, two copies (or in the case of sound recordings, two phonorecords) for the use of the Library of Congress. Failure to make the deposit can result in fines and other penalties but does not affect copyright protection.

Certain categories of works are exempt entirely from the mandatory deposit requirements, and the obligation is reduced for certain other categories. For further information about mandatory deposit, request Circular 7d, “Mandatory Deposit of Copies or Phonorecords for the Library of Congress.”

**USE OF MANDATORY DEPOSIT TO SATISFY REGISTRATION REQUIREMENTS**

For works published in the United States, the copyright law contains a provision under which a single deposit can be made to satisfy both the deposit requirements for the Library and the registration requirements. In order to have this dual effect, the copies or phonorecords must be accompanied by the prescribed application form and filing fee.

**WHO MAY FILE AN APPLICATION FORM?**

The following persons are legally entitled to submit an application form:

- **The author.** This is either the person who actually created the work or, if the work was made for hire, the employer or other person for whom the work was prepared.
- **The copyright claimant.** The copyright claimant is defined in Copyright Office regulations as either the author of the work or a person or organization that has obtained ownership of all the rights under the copyright initially belonging to the author. This category includes a person or organization who has obtained by contract the right to claim legal title to the copyright in an application for copyright registration.
- **The owner of exclusive right(s).** Under the law, any of the exclusive rights that make up a copyright and any subdivision of them can be transferred and owned separately, even though the transfer may be limited in time or place of effect. The term "copyright owner" with respect to any one of the exclusive rights contained in a copyright refers to the owner of that particular right. Any owner of an exclusive right may apply for registration of a claim in the work.
• The duly authorized agent of such author, other copyright claimant, or owner of exclusive right(s). Any person authorized to act on behalf of the author, other copyright claimant, or owner of exclusive rights may apply for registration.

There is no requirement that applications be prepared or filed by an attorney.

APPLICATION FORMS

For Original Registration
Form PA: for published and unpublished works of the performing arts (musical and dramatic works, pantomimes and choreographic works, motion pictures and other audiovisual works)

Form SE: for serials, works issued or intended to be issued in successive parts bearing numerical or chronological designations and intended to be continued indefinitely (periodicals, newspapers, magazines, newsletters, annuals, journals, etc.)

Form SR: for published and unpublished sound recordings

Form TX: for published and unpublished nondramatic literary works

Form VA: for published and unpublished works of the visual arts (pictorial, graphic, and sculptural works, including architectural works)

Form G/DN: a specialized form to register a complete month’s issues of a daily newspaper and newsletter when certain conditions are met

Short Form/SE and Form SE/GROUP: specialized SE forms for use when certain requirements are met

Short Forms TX, PA, and VA: short versions of applications for original registration. For further information about using the short forms, request publication SL-7.

Form GATT and Form GATT/GRP: specialized forms to register a claim in a work or group of related works in which U.S. copyright was restored under the 1994 Uruguay Round Agreements Act (URAA). For further information, request Circular 38b.

For Renewal Registration
Form RE: for claims to renew copyright in works copyrighted under the law in effect through December 31, 1977 (1909 Copyright Act) and registered during the initial 28-year copyright term

Form RE Addendum: accompanies Form RE for claims to renew copyright in works copyrighted under the 1909 Copyright Act but never registered during their initial 28-year copyright term

For Corrections and Amplifications
Form CA: for supplementary registration to correct or amplify information given in the Copyright Office record of an earlier registration

For a Group of Contributions to Periodicals
Form GR/CP: an adjunct application to be used for registration of a group of contributions to periodicals in addition to an application Form TX, PA, or VA

How to Obtain Application Forms
See “For Further Information” on page 11.

You must have Adobe Acrobat Reader® installed on your computer to view and print the forms accessed on the Internet. Adobe Acrobat Reader may be downloaded free from Adobe Systems Incorporated through links from the same Internet site from which the forms are available.

Print forms head to head (top of page 2 is directly behind the top of page 1) on a single piece of good quality, 8½-inch by 11-inch white paper. To achieve the best quality copies of the application forms, use a laser printer.

FILL-IN FORMS AVAILABLE

All Copyright Office forms are available on the Copyright Office Website in fill-in version. Go to www.copyright.gov and follow the instructions. The fill-in forms allow you to enter information while the form is displayed on the screen by an Adobe Acrobat Reader product. You may then print the completed form and mail it to the Copyright Office. Fill-in forms provide a clean, sharp printout for your records and for filing with the Copyright Office.

FEES

All remittances should be in the form of drafts, that is, checks, money orders, or bank drafts, payable to: Register of Copyrights. Do not send cash. Drafts must be redeemable without service or exchange fee through a U. S. institution, must be payable in U. S. dollars, and must be imprinted
with American Banking Association routing numbers. International Money Orders and Postal Money Orders that are negotiable only at a post office are not acceptable.

If a check received in payment of the filing fee is returned to the Copyright Office as uncollectible, the Copyright Office will cancel the registration and will notify the remitter.

The filing fee for processing an original, supplementary, or renewal claim is nonrefundable, whether or not copyright registration is ultimately made.

**Do not send cash.** The Copyright Office cannot assume any responsibility for the loss of currency sent in payment of copyright fees. For further information, request Circular 4, "Copyright Fees."

**Certain Fees and Services May Be Charged to a Credit Card**
Some fees may be charged by telephone and in person in the office. Others may only be charged in person in the office. Credit card payments are generally authorized only for services that do not require filing of applications or other materials. An exception is made for fees related to items that are hand-carried into the Public Information Office.

**Certifications and Documents Section:** These fees may be charged in person in the office or by phone: additional certificates; copies of documents and deposits; searching, locating and retrieving deposits; certifications; and expedited processing.

**Public Information Office:** These fees may only be charged in person in the office, not by phone: standard registration request forms; special handling requests for all standard registration requests; requests for services provided by the Certifications and Documents Section when the request is accompanied by a request for special handling; search requests for which a fee estimate has been provided; additional fee for each claim using the same deposit; full term retention fees; appeal fees; Secure Test processing fee; short fee payments when accompanied by a Remittance Due Notice; in-process retrieval fees; and online service providers fees.

**Reference and Bibliography Section:** Requests for searches on a regular or expedited basis can be charged to a credit card by phone.

**Records Maintenance Unit:** Computer time on COINS, printing from the Optical Disk, and photocopying can be charged in person in the office.

**Fiscal Control Section:** Deposit Accounts maintained by the Fiscal Control Section may be replenished by credit card. See Circular 5, "How to Open and Maintain a Deposit Account in the Copyright Office."

NIE recordings and claims filed on Forms GATT and GATT/GRP may be paid by credit card if the card number is included in a separate letter that accompanies the form.

**NOTE:** Copyright Office fees are subject to change. For current fees, check the Copyright Office website at [www.copyright.gov](http://www.copyright.gov), write the Copyright Office, or call (202) 707-3000.

**SEARCH OF COPYRIGHT OFFICE RECORDS**
The records of the Copyright Office are open for inspection and searching by the public. Moreover, on request, the Copyright Office will search its records for you at the statutory hourly rate of $75 for each hour or fraction of an hour. (See note above.) For information on searching the Office records concerning the copyright status or ownership of a work, request Circular 22, "How to Investigate the Copyright Status of a Work," and Circular 23, "The Copyright Card Catalog and the Online Files of the Copyright Office."

Copyright Office records in machine-readable form cataloged from January 1, 1978, to the present, including registration and renewal information and recorded documents, are now available for searching on the Internet via the Copyright Office website at [www.copyright.gov](http://www.copyright.gov).

**FOR FURTHER INFORMATION**

**Information via the Internet:** Circulars, announcements, regulations, other related materials, and all copyright application forms are available on the Copyright Office website at [www.copyright.gov](http://www.copyright.gov).

**Information by fax:** Circulars and other information (but not application forms) are available by using a touchtone phone to access Fax-on-Demand at (202) 707-2600.

**Information by telephone:** For general information about copyright, call the Copyright Public Information Office at (202) 707-3000. The TTY number is (202) 707-6737. Information specialists are on duty from 8:30 a.m. to 5:00 p.m., eastern time, Monday through Friday, except federal holidays. Recorded information is available 24 hours a day. Or, if you know which application forms and circulars you want, request them 24 hours a day from the Forms and Publications Hotline at (202) 707-9100. Leave a recorded message.
Information by regular mail:

Library of Congress
Copyright Office
Publications Section, LM-455
101 Independence Avenue, S.E.
Washington, D.C. 20559-6000

For a list of other material published by the Copyright Office, request Circular 2, "Publications on Copyright."

NOTE: The Copyright Office provides a free electronic mailing list, NewsNet, that issues periodic email messages on the subject of copyright. The messages alert subscribers to hearings, deadlines for comments, new and proposed regulations, new publications, and other copyright-related subjects of interest. NewsNet is not an interactive discussion group. To subscribe, send a message to listserv@loc.gov. In the body of the message say "subscribe uscopyright". Or fill in the subscription form online at www.copyright.gov/newsnet. You will receive a standard welcoming message indicating that your subscription to NewsNet has been accepted.

The Copyright Public Information Office is open to the public 8:30 a.m. to 5:00 p.m. Monday through Friday, eastern time, except federal holidays. The office is located in the Library of Congress, James Madison Memorial Building, Room 401, at 101 Independence Avenue, S.E., Washington, D.C., near the Capitol South Metro stop. Information specialists are available to answer questions, provide circulars, and accept applications for registration. Access for disabled individuals is at the front door on Independence Avenue, S.E.

The Copyright Office is not permitted to give legal advice. If information or guidance is needed on matters such as disputes over the ownership of a copyright, suits against possible infringers, the procedure for getting a work published, or the method of obtaining royalty payments, it may be necessary to consult an attorney.
Opinion of the Court

NOTICE: This opinion is subject to formal revision before publication in the preliminary print of the United States Reports. Readers are requested to notify the Reporter of Decisions, Supreme Court of the United States, Washington, D.C. 20543, of any typographical or other formal errors. In order that corrections may be made before the preliminary print goes to press.

SUPREME COURT OF THE UNITED STATES

No. 00–201

NEW YORK TIMES COMPANY, INC., ET AL.,
PETITIONERS v. JONATHAN TASINI ET AL.

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF
APPEALS FOR THE SECOND CIRCUIT

[June 25, 2001]

JUSTICE GINSBURG delivered the opinion of the Court.

This copyright case concerns the rights of freelance authors and a presumptive privilege of their publishers. The litigation was initiated by six freelance authors and relates to articles they contributed to three print periodicals (two newspapers and one magazine). Under agreements with the periodicals' publishers, but without the freelancers' consent, two computer database companies placed copies of the freelancers' articles—along with all other articles from the periodicals in which the freelancers' work appeared—into three databases. Whether written by a freelancer or staff member, each article is presented to, and retrievable by, the user in isolation, clear of the context the original print publication presented.

The freelance authors' complaint alleged that their copyrights had been infringed by the inclusion of their articles in the databases. The publishers, in response, relied on the privilege of reproduction and distribution accorded them by §201(c) of the Copyright Act, which provides:

"Copyright in each separate contribution to a collec-
tive work is distinct from copyright in the collective work as a whole, and vests initially in the author of the contribution. In the absence of an express transfer of the copyright or of any rights under it, the owner of copyright in the collective work is presumed to have acquired only the privilege of reproducing and distributing the contribution as part of that particular collective work, any revision of that collective work, and any later collective work in the same series." 17 U. S. C. §201(c).

Specifically, the publishers maintained that, as copyright owners of collective works, i.e., the original print publications, they had merely exercised "the privilege" §201(c) accords them to "reproduc[e] and distribut[e]" the author's discretely copyrighted contribution.

In agreement with the Second Circuit, we hold that §201(c) does not authorize the copying at issue here. The publishers are not sheltered by §201(c), we conclude, because the databases reproduce and distribute articles standing alone and not in context, not "as part of that particular collective work" to which the author contributed, "as part of . . . any revision" thereof, or "as part of . . . any later collective work in the same series." Both the print publishers and the electronic publishers, we rule, have infringed the copyrights of the freelance authors.

I

A

Respondents Jonathan Tasini, Mary Kay Blakely, Barbara Garson, Margot Mifflin, Sonia Jaffe Robbins, and David S. Whitford are authors (Authors). Between 1990 and 1993, they wrote the 21 articles (Articles) on which this dispute centers. Tasini, Mifflin, and Blakely contributed 12 Articles to The New York Times, the daily newspaper published by petitioner The New York Times Com-
pany (Times). Tasini, Carson, Robbins, and Whitford wrote eight Articles for Newsday, another New York daily paper, published by petitioner Newsday, Inc. (Newsday). Whitford also contributed one Article to Sports Illustrated, a weekly magazine published by petitioner Time, Inc. (Time). The Authors registered copyrights in each of the Articles. The Times, Newsday, and Time (Print Publishers) registered collective work copyrights in each periodical edition in which an Article originally appeared. The Print Publishers engaged the Authors as independent contractors (freelancers) under contracts that in no instance secured consent from an Author to placement of an Article in an electronic database.¹

At the time the Articles were published, all three Print Publishers had agreements with petitioner LEXIS/NEXIS (formerly Mead Data Central Corp.), owner and operator of NEXIS, a computerized database that stores information in a text-only format. NEXIS contains articles from hundreds of journals (newspapers and periodicals) spanning many years. The Print Publishers have licensed to LEXIS/NEXIS the text of articles appearing in the three periodicals. The licenses authorize LEXIS/NEXIS to copy and sell any portion of those texts.

Pursuant to the licensing agreements, the Print Publishers regularly provide LEXIS/NEXIS with a batch of all the articles published in each periodical edition. The Print Publisher codes each article to facilitate computerized retrieval, then transmits it in a separate file. After further coding, LEXIS/NEXIS places the article in the central

¹In the District Court, Newsday and Time contended that the freelancers who wrote for their publications had entered into agreements authorizing reproduction of the Articles in the databases. The Court of Appeals ruled that Newsday’s defense was waived, and rejected Time’s argument on the merits. Neither petitioner presses the contention here.
discs of its database.

Subscribers to NEXIS, accessing the system through a computer, may search for articles by author, subject, date, publication, headline, key term, words in text, or other criteria. Responding to a search command, NEXIS scans the database and informs the user of the number of articles meeting the user's search criteria. The user then may view, print, or download each of the articles yielded by the search. The display of each article includes the print publication (e.g., The New York Times), date (September 23, 1990), section (Magazine), initial page number (26), headline or title ("Remembering Jane"), and author (Mary Kay Blakely). Each article appears as a separate, isolated "story"—without any visible link to the other stories originally published in the same newspaper or magazine edition. NEXIS does not contain pictures or advertisements, and it does not reproduce the original print publication's formatting features such as headline size, page placement (e.g., above or below the fold for newspapers), or location of continuation pages.

The Times (but not Newsday or Time) also has licensing agreements with petitioner University Microfilms International (UMI). The agreements authorize reproduction of Times materials on two CD-ROM products, the New York Times OnDisc (NYTO) and General Periodicals OnDisc (GPO).

Like NEXIS, NYTO is a text-only system. Unlike NEXIS, NYTO, as its name suggests, contains only the Times. Pursuant to a three-way agreement, LEXIS/NEXIS provides UMI with computer files containing each article as transmitted by the Times to LEXIS/NEXIS. Like LEXIS/NEXIS, UMI marks each article with special codes. UMI also provides an index of all the articles in NYTO. Articles appear in NYTO in essentially the same way they appear in NEXIS, i.e., with identifying information (author, title, etc.), but without
Opinion of the Court

original formatting or accompanying images.

GPO contains articles from approximately 200 publications or sections of publications. Unlike NEXIS and NYTO, GPO is an image-based, rather than a text-based, system. The Times has licensed GPO to provide a facsimile of the Times' Sunday Book Review and Magazine. UMI "burns" images of each page of these sections onto CD-ROMs. The CD-ROMs show each article exactly as it appeared on printed pages, complete with photographs, captions, advertisements, and other surrounding materials. UMI provides an index and abstracts of all the articles in GPO.

Articles are accessed through NYTO and GPO much as they are accessed through NEXIS. The user enters a search query using similar criteria (e.g., author, headline, date). The computer program searches available indexes and abstracts, and retrieves a list of results matching the query. The user then may view each article within the search result, and may print the article or download it to a disc. The display of each article provides no links to articles appearing on other pages of the original print publications.²

B

On December 16, 1993, the Authors filed this civil action in the United States District Court for the Southern Dis-

²For example, the GPO user who retrieves Blakely's "Remembering Jane" article will see the entirety of Magazine page 26, where the article begins, and Magazine page 78, where the article continues and ends. The NYTO user who retrieves Blakely's article will see only the text of the article and its identifying information (author, headline, publication, page number, etc.). Neither the GPO retrieval nor the NYTO retrieval produces any text on page 27, page 79, or any other page. The user who wishes to see other pages may not simply "flip" to them. She must conduct a new search.
District of New York. The Authors alleged that their copyrights were infringed when, as permitted and facilitated by the Print Publishers, LEXIS/NEXIS and UMI (Electronic Publishers) placed the Articles in the NEXIS, NYTO, and GPO databases (Databases). The Authors sought declaratory and injunctive relief, and damages. In response to the Authors' complaint, the Print and Electronic Publishers raised the reproduction and distribution privilege accorded collective work copyright owners by 17 U. S. C. §201(c). After discovery, both sides moved for summary judgment.

The District Court granted summary judgment for the Publishers, holding that §201(c) shielded the Database reproductions. 972 F. Supp. 804, 806 (1997). The privilege conferred by §201(c) is transferable, the court first concluded, and therefore could be conveyed from the original Print Publishers to the Electronic Publishers. Id., at 816. Next, the court determined, the Databases reproduced and distributed the Authors' works, in §201(c)'s words, "as part of . . . [a] revision of that collective work" to which the Authors had first contributed. To qualify as "revisions," according to the court, works need only "preserve some significant original aspect of [collective works]—whether an original selection or an original arrangement." Id., at 821. This criterion was met, in the District Court's view, because the Databases preserved the Print Publishers' "selection of articles" by copying all of the articles originally assembled in the periodicals' daily or weekly issues. Id., at 823. The Databases "highlight[ed]" the connection between the articles and the print periodicals, the court observed, by showing for each article not only the author and periodical, but also the print publication's particular issue and page numbers. Id., at 824 ("[T]he electronic technologies not only copy the publisher defendants' complete original 'selection' of articles, they tag those articles in such a way that the pub-
lisher defendants’ original selection remains evident online.

The Authors appealed, and the Second Circuit reversed. 206 F. 3d 161 (1999). The Court of Appeals granted summary judgment for the Authors on the ground that the Databases were not among the collective works covered by §201(c), and specifically, were not “revisions” of the periodicals in which the Articles first appeared. *Id.*, at 167–170. Just as §201(c) does not “permit a Publisher to sell a hard copy of an Author’s article directly to the public even if the Publisher also offered for Individual sale all of the other articles from the particular edition,” the court reasoned, so §201(c) does not allow a Publisher to “achieve the same goal indirectly” through computer databases. *Id.*, at 168. In the Second Circuit’s view, the Databases effectively achieved this result by providing multitudes of “individually retrievable” articles. *Ibid.* As stated by the Court of Appeals, the Databases might fairly be described as containing “new anthology[s] of innumerable” editions or publications, but they do not qualify as “revisions” of particular editions of periodicals in the Databases. *Id.*, at 169. Having concluded that §201(c) “does not permit the Publishers,” acting without the author’s consent, “to license Individually copyrighted works for inclusion in the electronic databases,” the court did not reach the question whether the §201(c) privilege is transferable. *Id.*, at 165, and n. 2.

We granted certiorari to determine whether the copying of the Authors’ Articles in the Databases is privileged by 17 U. S. C. §201(c). 531 U. S. 978 (2000). Like the Court of Appeals, we conclude that the §201(c) privilege does not override the Authors’ copyrights, for the Databases do not reproduce and distribute the Articles as part of a collective work privileged by §201(c). Accordingly, and again like the Court of Appeals, we find it unnecessary to determine whether the privilege is transferable.
II

Under the Copyright Act, as amended in 1976, "Copyright protection subsists . . . in original works of authorship fixed in any tangible medium of expression . . . from which they can be perceived, reproduced, or otherwise communicated." 17 U.S.C. §102(a). When, as in this case, a freelance author has contributed an article to a "collective work" such as a newspaper or magazine, see §101 (defining "collective work"), the statute recognizes two distinct copyrighted works: "Copyright in each separate contribution to a collective work is distinct from copyright in the collective work as a whole . . . ." §201(c) (emphasis added). Copyright in the separate contribution vests initially in the author of the contribution (here, the freelancer). Ibid. Copyright in the collective work vests in the collective author (here, the newspaper or magazine publisher) and extends only to the creative material contributed by that author, not to "the preexisting material employed in the work." §103(b). See also Feist Publications, Inc. v. Rural Telephone Service Co., 499 U.S. 340, 358 (1991) (copyright in "compilation"—a term that includes "collective works," 17 U.S.C. §101—is limited to the compiler's original "selection, coordination, and arrangement").

Prior to the 1976 revision, as the courts below recognized, see 206 F. 3d, at 168; 972 F. Supp., at 815, authors risked losing their rights when they placed an article in a collective work. Pre-1976 copyright law recognized a freelance author's copyright in a published article only when the article was printed with a copyright notice in the author's name. See Copyright Act of 1909, §18, 35 Stat. 1079. When publishers, exercising their superior bargaining power over authors, declined to print notices in each contributor's name, the author's copyright was put in jeopardy. See A. Kaminstein, Divisibility of Copyrights,
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Study No. 11, in Copyright Law Revision Studies Nos. 11–13, prepared for the Senate Committee on the Judiciary, 86th Cong., 2d Sess., p. 18 (1960). The author did not have the option to assign only the right of publication in the periodical; such a partial assignment was blocked by the doctrine of copyright "indivisibility." See id., at 11. Thus, when a copyright notice appeared only in the publisher's name, the author's work would fall into the public domain, unless the author's copyright, in its entirety, had passed to the publisher. See id., at 18. Such complete transfer might be accomplished by a contract, perhaps one with a provision, not easily enforced, for later retransfer of rights back to the author. See id., at 20–22. Or, absent a specific contract, a court might find that an author had tacitly transferred the entire copyright to a publisher, in turn deemed to hold the copyright in "trust" for the author's benefit. See id., at 18–19; see generally 3 M. Nimmer, Copyright §10.01[C][2], pp. 10–12 to 10–14 (2000).


3Two Registers of Copyrights have observed that the 1976 revision of the Copyright Act represented "a break with the two-hundred-year-old tradition that has identified copyright more closely with the publisher than with the author." Letter from M. Peters to Rep. McGovern, reprinted in 147 Cong. Rec. E182 (Feb. 14, 2001) (hereinafter Peters Letter) (quoting Ringer, First Thoughts on the Copyright Act of 1976, 22 N. Y. L. S. L. Rev. 477, 490 (1977)). The intent to enhance the author's position vis-à-vis the patron is also evident in the 1976 Act's work-for-hire provisions. See Community for Creative Non-Violence v. Reid, 490 U. S. 730, 742–750 (1989); see also 17 U. S. C. §203(a)(3) (inalienable authorial right to revoke a copyright transfer). Congress' adjustment of the author/publisher balance is a permissible expression of the "economic philosophy behind the [Copyright Clause]." i.e., "the conviction
1976 Act rejected the doctrine of indivisibility, recasting the copyright as a bundle of discrete "exclusive rights," 17 U. S. C. §106 (1994 ed. and Supp. V).\textsuperscript{4} each of which "may be transferred . . . and owned separately," §201(d)(2).\textsuperscript{5} Congress also provided, in §404(a), that "a single notice applicable to the collective work as a whole is sufficient" to protect the rights of freelance contributors. And in §201(c), Congress codified the discrete domains of "[c]opyright in each separate contribution to a collective work" and "copyright in the collective work as a whole." Together, §404(a) and §201(c) "preserve the author's copyright in a contribution even if the contribution does not bear a separate notice in the author's name, and without requiring any unqualified transfer of rights to the owner of the collective work." H. R. Rep. 122.

\textsuperscript{4}As amended, §106 now provides: "Subject to sections 107 through 121, the owner of copyright under this title has the exclusive rights to do and to authorize any of the following:

\(\text{(1) to reproduce the copyrighted work in copies or phonorecords;}\)
\(\text{(2) to prepare derivative works based upon the copyrighted work;}\)
\(\text{(3) to distribute copies or phonorecords of the copyrighted work to the public by sale or other transfer of ownership, or by rental, lease, or lending;}\)
\(\text{(4) in the case of literary, musical, dramatic, and choreographic works, pantomimes, and motion pictures and other audiovisual works, to perform the copyrighted work publicly;}\)
\(\text{(5) in the case of literary, musical, dramatic, and choreographic works, pantomimes, and pictorial, graphic, or sculptural works, including the individual images of a motion picture or other audiovisual work, to display the copyrighted work publicly; and} \)
\(\text{(6) in the case of sound recordings, to perform the copyrighted work publicly by means of a digital audio transmission."} \textsuperscript{1}

\textsuperscript{5}It bears repetition here, see supra, at 7, that we neither decide nor express any view on whether the §201(c) "privilege" may be transferred.
Section 201(c) both describes and circumscribes the "privilege" a publisher acquires regarding an author's contribution to a collective work:

"In the absence of an express transfer of the copyright or of any rights under it, the owner of copyright in the collective work is presumed to have acquired only the privilege of reproducing and distributing the contribution as part of that particular collective work, any revision of that collective work, and any later collective work in the same series." (Emphasis added.)

A newspaper or magazine publisher is thus privileged to reproduce or distribute an article contributed by a freelance author, absent a contract otherwise providing, only "as part of" any (or all) of three categories of collective works: (a) "that collective work" to which the author contributed her work, (b) "any revision of that collective work," or (c) "any later collective work in the same series." In accord with Congress' prescription, a "publishing company could reprint a contribution from one issue in a later issue of its magazine, and could reprint an article from a 1980 edition of an encyclopedia in a 1990 revision of it; the publisher could not revise the contribution itself or include it in a new anthology or an entirely different magazine or other collective work." H. R. Rep. 122-123.

Essentially, §201(c) adjusts a publisher's copyright in its collective work to accommodate a freelancer's copyright in her contribution. If there is demand for a freelance article standing alone or in a new collection, the Copyright Act allows the freelancer to benefit from that demand; after authorizing initial publication, the freelancer may also sell the article to others. Cf. *Stewart v. Abend*, 495 U. S. 207, 229 (1990) ("[w]hen an author produces a work which later commands a higher price in the market than the original bargain provided, the copyright statute [i.e., the separate renewal term of former 17 U. S. C. §24] is designed to
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provide the author the power to negotiate for the realized value of the work"); id., at 230 (noting author’s “inalienable termination right” under current 17 U. S. C. §§203, 302). It would scarcely ‘preserve the author’s copyright in a contribution’ as contemplated by Congress; H. R. Rep. 122, if a newspaper or magazine publisher were permitted to reproduce or distribute copies of the author’s contribution in isolation or within new collective works. See Gordon, Fine-Tuning Tasini: Privileges of Electronic Distribution and Reproduction, 66 Brooklyn L. Rev. 473, 484 (2000).

III

In the instant case, the Authors wrote several Articles and gave the Print Publishers permission to publish the Articles in certain newspapers and magazines. It is undisputed that the Authors hold copyrights and, therefore,

6The dissenting opinion suggests that a ruling for the Publishers today would maintain, even enhance, authors’ “valuable copyright protection.” Post, at 16–17 (opinion of STEVENS, J.). We are not so certain. When the reader of an article in a periodical wishes to obtain other works by the article’s author, the Databases enable that reader simply to print out the author’s articles, without buying a “new anthology . . . or other collective work,” H. R. Rep. 122–123. In years past, books compiling stories by journalists such as Janet Flanner and Ernie Pyle might have sold less well had the individual articles been freely and permanently available online. In the present, print collections of reviews, commentaries, and reportage may prove less popular because of the Databases. The Register of Copyrights reports that “freelance authors have experienced significant economic loss” due to “a digital revolution that has given publishers [new] opportunities to exploit authors’ works.” Peters Letter E182.

More to the point, even if the dissent is correct that some authors, in the long-run, are helped, not hurt, by Database reproductions, the fact remains that the Authors who brought the case now before us have asserted their rights under §201(c). We may not invoke our conception of their interests to diminish those rights.
exclusive rights in the Articles. It is clear, moreover, that the Print and Electronic Publishers have exercised at least some rights that §106 initially assigns exclusively to the Authors: LEXIS/NEXIS' central discs and UMI's CD-ROMs "reproduce ... copies" of the Articles, §106(1); UMI, by selling those CD-ROMs, and LEXIS/NEXIS, by selling copies of the Articles through the NEXIS Database, "distribute copies" of the Articles "to the public by sale," §106(3); and the Print Publishers, through contracts licensing the production of copies in the Databases, "authorize" reproduction and distribution of the Articles, §106.8

Against the Authors' charge of infringement, the Publishers do not here contend the Authors entered into an agreement authorizing reproduction of the Articles in the Databases. See supra, at 3, n. 1. Nor do they assert that the copies in the Databases represent "fair use" of the Authors' Articles. See 17 U. S. C. §107 ("fair use of a copyrighted work ... is not an infringement"); four factors identified among those relevant to fair use determination). Instead, the Publishers rest entirely on the privilege described in §201(c). Each discrete edition of the periodicals in which the Articles appeared is a "collective work," the

7 The Publishers do not claim that the Articles are "work[s] made for hire." 17 U. S. C. §201(b). As to such works, the employer or person for whom a work was prepared is treated as the author. Ibid. The Print Publishers, however, neither engaged the Authors to write the Articles as "employee[s]" nor "commissioned" the Articles through "a written instrument signed by [both parties] indicating that the Articles shall be considered "work[s] made for hire." §101 (1994 ed., Supp. V) (defining "work made for hire").

8 Satisfied that the Publishers exercised rights §106 initially assigns exclusively to the Author, we need resolve no more on that score. Thus, we do not reach an issue the Register of Copyrights has argued vigorously. The Register maintains that the Databases publicly "display" the Articles, §106(9); because §201(c) does not privilege "display," the Register urges, the §201(c) privilege does not shield the Databases. See Peters Letter E182–E183.
Publishers agree. They contend, however, that reproduction and distribution of each Article by the Databases lie within the "privilege of reproducing and distributing the [Articles] as part of . . . [a] revision of that collective work," §201(c). The Publishers' encompassing construction of the §201(c) privilege is unacceptable, we conclude, for it would diminish the Authors' exclusive rights in the Articles.

In determining whether the Articles have been reproduced and distributed "as part of" a "revision" of the collective works in issue, we focus on the Articles as presented to, and perceptible by, the user of the Databases. See §102 (copyright protection subsists in original works fixed in any medium "from which they can be perceived, reproduced, or otherwise communicated"); see also §101 (definitions of "copies" and "fixed"); Haenmerli, Commentary: Tasini v. New York Times Co., 22 Colum.-VLA. J. L. & Arts 129, 142–143 (1998). In this case, the three Databases present articles to users clear of the context provided either by the original periodical editions or by any revision of those editions. The Databases first prompt users to search the universe of their contents: thousands or millions of files containing individual articles from thousands of collective works (i.e., editions), either in one series (the Times, in NYTO) or in scores of series (the sundry titles in NEXIS and GPO). When the user conducts a search, each article appears as a separate item within the search result. In NEXIS and NYTO, an article appears to a user without the graphics, formatting, or other articles with which the article was initially published. In GPO, the article appears with the other materials published on the same page or pages, but without any material published on other pages of the original periodical. In either circumstance, we cannot see how the Database perceptibly reproduces and distributes the article "as part of" either the original edition or a "revision" of that edition.
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One might view the articles as parts of a new compendium—namely, the entirety of works in the Database. In that compendium, each edition of each periodical represents only a miniscule fraction of the ever-expanding Database. The Database no more constitutes a "revision" of each constituent edition than a 400-page novel quoting a sonnet in passing would represent a "revision" of that poem. "Revision" denotes a new "version," and a version is, in this setting, a "distinct form of something regarded by its creators or others as one work." Webster's Third New International Dictionary 1944, 2545 (1976). The massive whole of the Database is not recognizable as a new version of its every small part.

Alternatively, one could view the Articles in the Databases "as part of" no larger work at all, but simply as individual articles presented individually. That each article bears marks of its origin in a particular periodical (less vivid marks in NEXIS and NYTO, more vivid marks in GPO) suggests the article was previously part of that periodical. But the markings do not mean the article is currently reproduced or distributed as part of the periodical. The Databases' reproduction and distribution of Individual Articles—simply as individual Articles—would invade the core of the Authors' exclusive rights under §106.9

The Publishers press an analogy between the Databases, on the one hand, and microfilm and microfiche, on

9The dissenting opinion takes as its starting point "what is sent from the New York Times to the Electronic Databases." See post, at 6-11. This case, however, is not ultimately about what is sent between Publishers in an intermediate step of Database production; it is about what is presented to the general public in the Databases. See supra, at 14. Those Databases simply cannot bear characterization as a "revision" of any one periodical edition. We would reach the same conclusion if the Times sent intact newspapers to the Electronic Publishers.
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the other. We find the analogy wanting. Microforms typically contain continuous photographic reproductions of a periodical in the medium of miniaturized film. Accordingly, articles appear on the microforms, writ very small, in precisely the position in which the articles appeared in the newspaper. The Times, for example, printed the beginning of Blakely's "Remembering Jane" Article on page 26 of the Magazine in the September 23, 1990, edition; the microfilm version of the Times reproduces that same Article on film in the very same position, within a film reproduction of the entire Magazine, in turn within a reproduction of the entire September 23, 1990, edition. True, the microfilm roll contains multiple editions, and the microfilm user can adjust the machine lens to focus only on the Article, to the exclusion of surrounding material. Nonetheless, the user first encounters the Article in context. In the Databases, by contrast, the Articles appear disconnected from their original context. In NEXIS and NYTO, the user sees the "Jane" Article apart even from the remainder of page 26. In GPO, the user sees the Article within the context of page 26, but clear of the context of page 25 or page 27, the rest of the Magazine, or the remainder of the day's newspaper. In short, unlike microforms, the Databases do not perceptibly reproduce articles as part of the collective work to which the author contributed or as part of any "revision" thereof.10

Invoking the concept of "media neutrality," the Publishers urge that the "transfer of a work between media" does

10The Court of Appeals concluded NEXIS was infringing partly because that Database did "almost nothing to preserve the copyrightable aspects of the [Print] Publishers' collective works," i.e., their original "selection, coordination, and arrangement." 206 F. 3d 161, 168 (CA2 1999). We do not pass on this issue. It suffices to hold that the Databases do not contain "revisions" of the Print Publishers' works "as part of" which the Articles are reproduced and distributed.
not "alte[r] the character of" that work for copyright purposes. Brief for Petitioners 23. That is indeed true. See 17 U. S. C. §102(a) (copyright protection subsists in original works "fixed in any tangible medium of expression"). But unlike the conversion of newsprint to microfilm, the transfer of articles to the Databases does not represent a mere conversion of intact periodicals (or revisions of periodicals) from one medium to another. The Databases offer users individual articles, not intact periodicals. In this case, media neutrality should protect the Authors' rights in the individual Articles to the extent those Articles are now presented individually, outside the collective work context, within the Databases' new media.\(^{11}\)

For the purpose at hand—determining whether the Authors' copyrights have been infringed—an analogy to an imaginary library may be instructive.\(^{12}\) Rather than...

\(^{11}\) The dissenting opinion apparently concludes that, under the banner of "media-neutrality," a copy of a collective work, even when considerably changed, must constitute a "revision" of that collective work so long as the changes were "necessitated by . . . the medium." Post, at 9. We lack the dissent's confidence that the current form of the Databases is entirely attributable to the nature of the electronic media, rather than the nature of the economic market served by the Databases. In any case, we see no grounding in §201(c) for a "medium-driven" necessity defense, post, at 9, n. 11, to the Authors' infringement claims. Furthermore, it bears reminder here and throughout that these Publishers and all others can protect their interests by private contractual arrangement.

\(^{12}\) The Publishers have frequently referred to their products as "electronic libraries." We need not decide whether the Databases come within the legal coverage of the term "libraries" as used in the Copyright Act. For even if the Databases are "libraries," the Copyright Act's special authorizations for libraries do not cover the Databases' reproductions. See, e.g., 17 U.S.C. §108(a)(1) (reproduction authorized "without any purpose of direct or indirect commercial advantage"); §108(b)(reproduction authorized "solely for purposes of preservation and security or for deposit for research use"); §108(c) (1994 ed., Supp. V) (reproduction "solely for the purpose of replacement of a copy or
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maintaining intact editions of periodicals, the library would contain separate copies of each article. Perhaps these copies would exactly reproduce the periodical pages from which the articles derive (if the model is GPO); perhaps the copies would contain only typescript characters, but still indicate the original periodical's name and date, as well as the article's headline and page number (if the model is NEXIS or NYTO). The library would store the folders containing the articles in a file room, indexed based on diverse criteria, and containing articles from vast numbers of editions. In response to patron requests, an inhumanly speedy librarian would search the room and provide copies of the articles matching patron-specified criteria.

Viewing this strange library, one could not, consistent with ordinary English usage, characterize the articles "as part of" a "revision" of the editions in which the articles first appeared. In substance, however, the Databases differ from the file room only to the extent they aggregate articles in electronic packages (the LEXIS/NEXIS central discs or UMI CD-ROMs), while the file room stores articles in spatially separate files. The crucial fact is that the Databases, like the hypothetical library, store and retrieve articles separately within a vast domain of diverse texts. Such a storage and retrieval system effectively overrides the Authors' exclusive right to control the individual reproduction and distribution of each Article, 17 U. S. C. §§106(1), (3). Cf. Ryan v. Carl Corp., 23 F. Supp. 2d 1146 (ND Cal. 1998) (holding copy shop in violation of §201(c)).

The Publishers claim the protection of §201(c) because users can manipulate the Databases to generate search results consisting entirely of articles from a particular phonorecord that is damaged, deteriorating, lost, or stolen, or if the existing format in which the work is stored has become obsolete.

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periodical edition. By this logic, §201(c) would cover the hypothetical library if, in response to a request, that library's expert staff assembled all of the articles from a particular periodical edition. However, the fact that a third party can manipulate a database to produce a noninfringing document does not mean the database is not infringing. Under §201(c), the question is not whether a user can generate a revision of a collective work from a database, but whether the database itself perceptibly presents the author's contribution as part of a revision of the collective work. That result is not accomplished by these Databases.

The Publishers finally invoke *Sony Corp. of America v. Universal City Studios, Inc.*, 464 U.S. 417 (1984). That decision, however, does not genuinely aid their argument. *Sony* held that the "sale of copying equipment" does not constitute contributory infringement if the equipment is "capable of substantial noninfringing uses." *Id.*, at 442. The Publishers suggest that their Databases could be liable only under a theory of contributory infringement, based on end-user conduct, which the Authors did not plead. The Electronic Publishers, however, are not merely selling "equipment"; they are selling copies of the Articles. And, as we have explained, it is the copies themselves, without any manipulation by users, that fall outside the scope of the §201(c) privilege.

IV

The Publishers warn that a ruling for the Authors will have "devastating" consequences. Brief for Petitioners 49. The Databases, the Publishers note, provide easy access to complete newspaper texts going back decades. A ruling for the Authors, the Publishers suggest, will punch gaping holes in the electronic record of history. The Publishers' concerns are echoed by several historians, see Brief for
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Ken Burns et al. as Amici Curiae, but discounted by several other historians, see Brief for Ellen Schrecker et al. as Amici Curiae; Brief for Authors’ Guild, Jacques Barzun et al. as Amici Curiae.

Notwithstanding the dire predictions from some quarters, see also post, at 16 (STEVENS, J., dissenting), it hardly follows from today’s decision that an injunction against the inclusion of these Articles in the Databases (much less all freelance articles in any databases) must issue. See 17 U.S.C. §502(a) (court "may" enjoin infringement); Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569, 578, n. 10 (1994) (goals of copyright law are "not always best served by automatically granting injunctive relief"). The parties (Authors and Publishers) may enter into an agreement allowing continued electronic reproduction of the Authors’ works; they, and if necessary the courts and Congress, may draw on numerous models for distributing copyrighted works and remunerating authors for their distribution. See, e.g., 17 U.S.C. §118(b); Broadcast Music, Inc. v. Columbia Broadcasting System, Inc., 441 U.S. 1, 4–6, 10–12 (1979) (recounting history of blanket music licensing regimes and consent decrees governing their operation). 13

13Courts in other nations, applying their domestic copyright laws, have also concluded that Internet or CD-ROM reproduction and distribution of freelancers’ works violate the copyrights of freelancers. See, e.g., Union Syndicale des Journalistes Fran ais v. SDV Plurim dia (T.G.I., Strasbourg, Fr., Feb. 3, 1998), in Lodging of International Federation of Journalists (IFJ) as Amicus Curiae; S. C. R. L. Central Station v. Association Generale des Journalistes Professionnels de Belgique (CA, Brussels, Belg., 9e ch., Oct. 28, 1997), transl. and ed. in 22 Colum.-VLA J. L. & Arts 195 (1998); Heg v. De Volskrant B. V. (Dist. Ct., Amsterdam, Neth., Sept. 24, 1997), transl. and ed. in 22 Colum.-VLA J. L. & Arts, at 181. After the French Plurim dia decision, the journalists’ union and the newspaper-defendant entered into an agreement compensating authors for the continued electronic reproduction of their works. See FR3 v. Syndicats de Journalistes (CA, Colmar, Sept. 15, 1998), in Lodging of IFJ as Amicus Curiae. In Norway, it has been
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In any event, speculation about future harms is no basis for this Court to shrink authorial rights Congress established in §201(c). Agreeing with the Court of Appeals that the Publishers are liable for infringement, we leave remedial issues open for initial airing and decision in the District Court.

* * *

We conclude that the Electronic Publishers infringed the Authors' copyrights by reproducing and distributing the Articles in a manner not authorized by the Authors and not privileged by §201(c). We further conclude that the Print Publishers infringed the Authors' copyrights by authorizing the Electronic Publishers to place the Articles in the Databases and by aiding the Electronic Publishers in that endeavor. We therefore affirm the judgment of the Court of Appeals.

It is so ordered.

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reported, a similar agreement was reached. See Brief for IFJ as Amicus Curiae 18.
EASTERBROOK, Circuit Judge.

[1] This case presents the question whether a taxonomy is copyrightable. The American Dental Association has created the *Code on Dental Procedures and Nomenclature*. The first edition was published in 1969; the Code has been revised frequently since, in response to changes in dental knowledge and technology. All dental procedures are classified into groups; each procedure receives a number, a short description, and a long description. For example, number 04267 has been assigned to the short description "guided tissue regeneration - nonresorbable barrier, per site, per tooth (includes membrane removal)", which is classified with other surgical periodontic services. The Code made its first appearance in the *Journal of the American Dental Association*, covered by a general copyright notice; the 1991 and 1994 versions were submitted for copyright registration, which was granted by the Register of Copyrights. Delta Dental Association has published a work entitled *Universal Coding and Nomenclature* that includes most of the numbering system and short descriptions from the ADA's Code. In this suit for copyright infringement, Delta contends that it is entitled to reprint modified versions of the Code under an express or implied license, as a joint author (Delta participated in the groups that drafted the Code), and as fair use. It contends that by distributing pamphlets containing some of the Code's older versions without copyright notices the ADA has forfeited its copyright. Delta also argues that the Code is not copyrightable subject matter, and the district court granted summary judgment in its favor on this ground without reaching Delta's other arguments.

[2] The district court held that the Code cannot be copyrighted because it catalogs a field of knowledge - in other words, that no taxonomy may be copyrighted. A comprehensive treatment cannot be selective in scope or arrangement, the judge believed, and therefore cannot be original either. Taxonomies are designed to be useful. The judge wrote that if "nothing remains after the 'useful' is taken away - if the primary function is removed from the form - the work is devoid of even that modicum of creativity required for protection, and hence is uncopyrightable." 39 U.S.P.Q.2d 1715, 1721, *Copyright L. Rep.* ¶ 27,582 at 29,440 (1996) (footnote omitted). No one would read the ADA's Code for pleasure; it was designed and is used for business (for records of patients' dental history or making insurance claims) rather than aesthetic purposes. The district court added that, as the work of a committee, the Code could not be thought original. Creation by committee is an oxymoron, the judge wrote.

[3] The sweep of the district court's reasoning attracted the attention of many other suppliers of taxonomies. The American Medical Association, the American National Standards Institute, Underwriters Laboratories, and several other groups have filed a brief as amici curiae to observe that they, too, produce catalogs of some field of knowledge and depend on the copyright laws to enable them to recover the costs of the endeavor. Other groups or firms might say the same. The manuals issued by the Financial Accounting Standards Board to specify generally accepted accounting practices could not be copyrighted. Nor could the tests and answers devised by the Educational Testing Service. The district court's reasoning...
logically removes copyright protection from the West Key Number System, which is
designed as a comprehensive index to legal topics, and A Uniform System of Citation (the
Bluebook), a taxonomy of legal sources. Very little computer software could receive a
copyright if the district judge is correct: no one reads, for pleasure, the source or object code
of the word processing program on which this opinion was written, or of the operating system
that runs the computer: take away the "useful" elements and these endeavors are worthless.
Worse, most commercial software these days is written by committee, and authors receive
less public credit than the gaffers on a movie set, whose names at least scroll by at the end
after the audience has turned its collective back to head up the aisles. Blueprints for large
buildings (more committee work), instruction manuals for repairing automobiles, used car
value guides, dictionaries, encyclopedias, maps - all these, and many more, would flunk the
district court's test of originality. Yet these items are routinely copyrighted, and challenges to
the validity of these copyrights are routinely rejected. E.g., Educational Testing Service v.
Katzman, 793 F.2d 533 (3d Cir. 1986) (Scholastic Aptitude Test); CCC Information Services,
Inc. v. Maclean Hunter Market Reports, Inc., 44 F.3d 61 (2d Cir. 1994) (list of used-car
prices); Lipton v. Nature Co., 71 F.3d 464 (2d Cir. 1995) (terms describing groups of
animals). See also 17 U.S.C. § 101 (including "architectural plans" within the definition of
"pictorial, graphic and sculptural works" that are copyrightable); Paul Goldstein, Copyright:
Principles, Law and Practice § 2.15.2 (1989) (discussing copyright protection for computer
programs). The American Medical Association's copyright in the Physician's Current
Procedural Terminology, its catalog of medical procedures, was recently sustained, although
against a challenge different from the district court's rationale. Practice Management
Information Corp. v. American Medical Association, No. 94-56774 (9th Cir. Aug. 6, 1997),
slip op. 9323-27. Maps and globes are not only copyrightable, see Rockford Map Publishers,
Inc. v. Directory Service Co., 768 F.2d 145 (7th Cir. 1985), but also constituted two-thirds of
the original scope of copyright. The Copyright Act of 1790 specified three protectable items:
maps, charts, and books. Act of May 31, 1790, 1 Stat. 124. Like taxonomies, maps are valued
to the extent they offer useful organizations of facts; like the Code, maps are produced by
committees. (As are opinions of appellate courts, which despite this handicap, and the judges' effort to produce something useful, might occasionally have a modicum of originality.)

[4] Any original literary work may be copyrighted. The necessary degree of "originality" is
low, and the work need not be aesthetically pleasing to be "literary." Feist Publications, Inc v.
sophomores are as much within the domain of copyright as Saul Bellow's latest novel. See Bleistein v. Donaldson Lithographing Co., 188 U.S. 239 (1903). Scholarship that explicates
important facts about the universe likewise is well within this domain. Einstein's articles
laying out the special and general theories of relativity were original works even though many
of the core equations, such as the famous E = mc2, express "facts" and therefore are not
copyrightable. Einstein could have explained relativity in any of a hundred different ways;
another physicist could expound the same principles differently.

[5] So too with a taxonomy - of butterflies, legal citations, or dental procedures. Facts do not
supply their own principles of organization. Classification is a creative endeavor. Butterflies
may be grouped by their color, or the shape of their wings, or their feeding or breeding habits,
or their habitats, or the attributes of their caterpillars, or the sequence of their DNA; each
scheme of classification could be expressed in multiple ways. Dental procedures could be
classified by complexity, or by the tools necessary to perform them, or by the parts of the
mouth involved, or by the anesthesia employed, or in any of a dozen different ways. The
Code's descriptions don't "merge with the facts" any more than a scientific description of
butterfly attributes is part of a butterfly. Cf. Nash v. CBS, Inc., 899 F.2d 1537 (7th Cir. 1990)

http://www.law.cornell.edu/copyright/cases/126_F3d_977.htm 11/19/2003
(discussing the fact-expression dichotomy). There can be multiple, and equally original, biographies of the same person's life, and multiple original taxonomies of a field of knowledge. Creativity marks the expression even after the fundamental scheme has been devised. This is clear enough for the long description of each procedure in the ADA's Code. The long description is part of the copyrighted work, and original long descriptions make the work as a whole copyrightable. But we think that even the short description and the number are original works of authorship.

[6] Number 04267 reads "guided tissue regeneration - nonresorbable barrier, per site, per tooth" but could have read "regeneration of tissue, guided by nonresorbable barrier, one site and tooth per entry". Or "use of barrier to guide regeneration of tissue, without regard to the number of sites per tooth and whether or not the barrier is resorbable". The first variation is linguistic, the second substantive; in each case the decision to use the actual description is original to the ADA, not knuckling under to an order imposed on language by some "fact" about dental procedures. Blood is shed in the ADA's committees about which description is preferable. The number assigned to any one of the three descriptions could have had four or six digits rather than five; guided tissue regeneration could have been placed in the 2500 series rather than the 4200 series; again any of these choices is original to the author of a taxonomy, and another author could do things differently. Every number in the ADA's Code begins with zero, assuring a large supply of unused numbers for procedures to be devised or reclassified in the future; an author could have elected instead to leave wide gaps inside the sequence. A catalog that initially assigns 04266, 04267, 04268 to three procedures will over time depart substantively from one that initially assigns 42660, 42670, and 42680 to the same three procedures. So all three elements of the Code - numbers, short descriptions, and long descriptions, are copyrightable subject matter under 17 U.S.C. § 102(a). The Maroon Book and the Bluebook offer different taxonomies of legal citations. Wotquenne and Helm devised distinct catalogs of C.P.E. Bach's oeuvre; Delta Dental Association could have written its own classification of dental procedures.

[7] Note that we do not conclude that the Code is a compilation covered by 17 U.S.C. § 103. It could be a compilation only if its elements existed independently and the ADA merely put them in order. A taxonomy is a way of describing items in a body of knowledge or practice; it is not a collection or compilation of bits and pieces of "reality". The 1991 and 1994 versions of the Code may be recompositions of earlier editions, but the original Code is covered by § 102(a) as an "original work of authorship", and its amendments by § 106(2) as derivative works.

[8] The district court's contrary conclusion instantiates the adage that where you come out depends on where you go in. The court asked whether the Code would be copyrightable if it were a lamp. This is not quite as foolish as it sounds. Congress permits works of art, including sculptures, to be copyrighted, but does not extend the copyright to industrial design, which in the main falls into the province of patent, trademark, or trade dress law. See 17 U.S.C. secs. 101, 102(a)(5), 113; W.T. Rogers Co. v. Keene, 778 F.2d 334 (7th Cir. 1985). When the maker of a lamp - or any other three-dimensional article that serves some utilitarian office - seeks to obtain a copyright for the item as a sculpture, it becomes necessary to determine whether its artistic and utilitarian aspects are separable. If yes, the artistic elements of the design may be copyrighted; if no, the designer must look outside copyright law for protection from imitation. Compare Hart v. Dan Chase Taxidermy Supply Co., 86 F.3d 320 (2d Cir. 1996), which holds that fish mannequins may be copyrightable if they possess artistic features separable from their utilitarian aspects, with Carol Barnhart Inc. v. Economy Cover Corp., 773 F.2d 411 (2d Cir. 1985), which holds that mannequins of human torsos may not be copyrighted. Judge Zagel
applied to the ADA's Code the same approach courts use for three-dimensional articles, found that the Code has no expression separable from its utilitarian aspects, and held that it therefore may not be copyrighted.

[9] Such an inquiry mixes two distinct issues: originality and functionality. A lamp may be entirely original, but if the novel elements are also functional the lamp cannot be copyrighted. This is not a line between intellectual property and the public domain; it is a line among bodies of intellectual-property law. An article with intertwined artistic and utilitarian ingredients may be eligible for a design patent, or the artistic elements may be trade dress protected by the Lanham Act or state law. Yet the district court did not set out to mark the boundaries among copyright, patent, trademark, and state law. Anyway, to restate the obvious, the Code is not a sculpture. The ADA does not make any claim to its protection as a "pictorial, graphic, [or] sculptural" work under § 102(a)(5), and the unique limitations on the protection of that category of works do not extend to the written word. Not only are the issues different - original is not an antonym for utilitarian - but the special question under § 102(a)(5) and § 113 is not one that should be extended. "Of the many fine lines that run through the Copyright Act, none is more troublesome than the line between protectible pictorial, graphic and sculptural works and unprotectible utilitarian elements of industrial design." Goldstein, § 2.5.3 at 99 (footnote omitted). Whether a literary work is original ought to be a question easy to pose and easy to answer, so that people know the status of their intellectual property; it ought not be complicated with a test designed for a completely different problem.

[10] Delta asks us to affirm the judgment on a ground that the district judge did not reach: that the Code is not copyrightable because it is a "system." Section 102(b) tells us that copyright protection even of an original work does not cover "any idea, procedure, process, system, method of operation, concept, principle, or discovery, regardless of the form in which it is described, explained, illustrated, or embodied in such work." But what could it mean to call the Code a "system"? This taxonomy does not come with instructions for use, as if the Code were a recipe for a new dish. Cf. Publications International, Ltd. v. Meredith Corp., 88 F.3d 473 (7th Cir. 1996) (holding that recipes are not copyrightable). A dictionary cannot be called a "system" just because new novels are written using words, all of which appear in the dictionary. Nor is word-processing software a "system" just because it has a command structure for producing paragraphs. The Code is a taxonomy, which may be put to many uses. These uses may be or include systems; the Code is not.

[11] Section 102(b) codifies the fact-expression dichotomy, which we have already considered, as well as the holding of Baker v. Selden, 101 U.S. 99 (1879), that blank forms are not copyrightable, even if the structure of the forms captures the essence of an original work of literature. The book was protected as original literary expression, the Court held, but the form was a means of putting the book's ideas into practice - and copyright law, unlike patent law, covers only expression. Someone who buys a book full of ideas for new machines may build and sell one of the machines without infringing the author's copyright; Baker thought that the use of an accounting system described in a book is pretty much the same thing, even if practice of the system entails use of the author's forms. Baker rearranged Selden's forms, but if the original forms were copyrightable then the rearrangements were derivative works, which the original author had an exclusive right to produce. Protecting variations on the forms could have permitted the author of an influential accounting treatise to monopolize the practice of double-entry bookkeeping. Yet copyright law does not permit the author to monopolize the revenues to be derived from an improved system of accounting - or of reporting dental procedures. See William M. Landes & Richard A. Posner, An Economic Analysis of Copyright Law, 17 J. Legal Studies 325, 350-53 (1989).
[12] Few "how-to" works are "systems" in Baker's sense. If they were, architectural blueprints could be freely copied, although the Berne Convention Implementation Act of 1988, Pub. L. 100-567, 102 Stat. 2854, adds protection for "architectural plans" to the statute. Descriptions of how to build or do something do not facilitate monopoly of the subject-matter being described, so the concern of Baker is not activated. Again consider blueprints: other architects can imitate the style of the completed building; they just can't copy the plans. What is more, a form that contains instructions for its completion is copyrightable in part (the instructions) and in the public domain in part (the lines and boxes). Edwin K. Williams & Co. v. Edwin K. Williams & Co. East, 542 F.2d 1053, 1061 (9th Cir. 1976); Goldstein at § 2.15.1.b. So far as the ADA is concerned, any dentist, any insurer, anyone at all, may devise and use forms into which the Code's descriptions may be entered. The ADA encourages this use; standardization of language promotes interchange among professionals. (The fact that Delta used most of the Code but made modifications is the reason ADA objects, for variations salted through a convention impede communication.) Section 102(b) precludes the ADA from suing, for copyright infringement, a dentist whose office files record treatments using the Code's nomenclature. No field of practice has been or can be monopolized, given this constraint. Section 102(b) permits Delta Dental to disseminate forms inviting dentists to use the ADA's Code when submitting bills to insurers. But it does not permit Delta to copy the Code itself, or make and distribute a derivative work based on the Code, any more than Baker could copy Selden's book.

[13] Whether there are other obstacles to the relief the ADA seeks is a subject best left to the district court in the first instance. The judgment is vacated, and the case is remanded for further proceedings consistent with this opinion. Any award of attorneys' fees, the second subject of the ADA's appeal, must abide the final decision in the litigation.
CDN Inc. v. Kapes, 197 F.3d 1256 (9th Cir. 1999)


O'SCANNLAIN, Circuit Judge:

[1] We must decide whether prices listed in a wholesale coin price guide contain sufficient originality to merit the protection of the copyright laws.

[2] Kenneth Kapes operates a coin business, Western Reserve Numismatics, in Ohio. In response to many inquiries he received regarding the price of coins, Kapes developed "The Fair Market Coin Pricer," which listed on his internet web page the retail prices of many coins. In order to generate the prices he listed, Kapes used a computer program he developed to create retail prices from wholesale prices. The exact process is unclear, but Kapes acknowledges using appellee CDN, Inc.'s wholesale price lists.

[3] CDN publishes the Coin Dealer Newsletter, a weekly report of wholesale prices for collectible United States coins, as well as the Coin Dealer Newsletter Monthly Supplement and the CDN Quarterly. The Newsletter, or "Greysheet" as it is known in the industry, includes prices for virtually all collectible coins and is used extensively by dealers. In December 1996, CDN discovered the existence of Kapes' internet site and list of current retail prices. CDN filed a complaint on February 21, 1997 in the U.S. District Court for the Central District of California, alleging that Kapes infringed CDN's copyrights by using CDN's wholesale prices as a baseline to arrive at retail prices. The complaint asked the court to determine that Kapes infringed its copyright and to enjoin Kapes from future infringement.

[4] Kapes responded that although the subject works contained some original copyrightable subject matter, he did not copy any of it. Kapes also asserted various affirmative defenses including license, unclean hands, and estoppel. On December 17, 1997, the parties executed a "Stipulation to Waive Trial in Lieu of Case Dispositive Cross-Motions for Summary Judgment." ("Stipulation") The Stipulation provided that "the dispositive issue in this copyright infringement case is whether the prices listed in plaintiff's copyrighted wholesale coin price guides comprise copyrightable subject matter under Section 102 of the 1976 Copyright Act (17 U.S.C. § 102)." The parties agreed that the "issue of copyrightability may effectively be presented to the Court by cross-motions for summary judgment which, once argued and ruled upon, will dispose of the case in its entirety."

[5] In accordance with the stipulation, the parties filed cross-motions for summary judgment, which the district court heard on February 2, 1998. After reciting the parties' stipulation that the issue of copyrightability was dispositive of the case, the court ruled that CDN's "prices are original creations, not uncopyrightable facts." By order entered February 9, 1998, the court granted CDN's motion for summary judgment and denied that of Kapes. The court enjoined Kapes from infringing CDN's copyright. Kapes timely appealed.
[6] As an initial matter it is important to clarify the scope of this appeal. To make out a claim for copyright infringement, a plaintiff must show: (1) ownership of a valid copyright and (2) copying by the defendant of protectable elements of the work. See Smith v. Jackson, 84 F.3d 1213, 1218 (9th Cir. 1996); Harper & Row Publishers, Inc. v. Nation Enters., 471 U.S. 539, 548 (1985). Although CDN's original complaint alleged infringement, the parties in their stipulation agreed that the dispositive issue in this infringement case was whether the prices are copyrightable subject matter. By entering into this stipulation, Kapes effectively admitted to having copied CDN's work.

[7] Nevertheless, Kapes attempts to raise several issues in his appeal beyond that of copyrightability. This he cannot do for he is bound by the stipulation. Because stipulations serve both judicial economy and the convenience of the parties, courts will enforce them absent indications of involuntary or uninformed consent. See United States v. McGregor, 529 F.2d 928, 931 (9th Cir. 1976). No claim that the stipulation should not be enforced has been made here. Thus the stipulation bars any litigation over copying, the second prong of an infringement action.

[8] The stipulation also prevents Kapes from raising on appeal the affirmative defenses--license, unclean hands, and estoppel--originally raised in his answer to CDN's complaint. An appellate court will not consider issues not properly raised before the district court. See Crawford v. Langren, 96 F.3d 380, 389 n.6 (9th Cir. 1996). The "withdrawal of an objection is tantamount to a waiver of an issue for appeal." Slaven v. American Trading Transp. Co., Inc., 146 F.3d 1066, 1069 (9th Cir. 1998) (quoting United States v. Mamarone, 44 F.3d 1407, 1419 n.18 (9th Cir. 1995)). In Slaven, the appellant first raised several objections to a settlement agreement. See id. at 1069. It then unconditionally signed a stipulation agreeing to the proposed settlement. See id. When the appellant tried to object to the settlement on appeal, the court held that it had waived its right to challenge the agreement by signing the stipulation. See id. Likewise, by stipulating that the sole issue in this case is the copyrightability of the prices, Kapes waived the affirmative defenses he initially asserted and the issue of whether he copied CDN's. Thus the sole issue in this appeal, and the only one presented to the district court for decision, is whether the prices are copyrightable. [n1]

[9] The Constitution gives Congress the power "To promote the Progress of Science ... by securing for limited Times to Authors ... the exclusive Right to their ... Writings." U.S. Const. art. I, § 8, cl. 8. Accordingly, Congress has granted copyright protection to "original works of authorship," 17 U.S.C. § 102(a), as well as "compilations." Id. at § 103(a). The copyright in a compilation "extends only to the material contributed by the author of such work, as distinguished from the preexisting material employed in the work ...." Id. at § 103(b).

[10] Discoverable facts, like ideas, are not copyrightable. But compilations of facts are copyrightable even where the underlying facts are not. See Feist Publications, Inc. v. Rural Tel. Serv. Co., 499 U.S. 340, 344 (1991). The distinction between facts and non-facts, and between discovery and creation, lies at the heart of this case. The essential ingredient present in creations, but absent in facts, is originality, "the sine qua non of copyright." Id. at 345. Subject matter created by and original to the author merits copyright protection. Items not
original to the author, i.e., not the product of his creativity, are facts and not copyrightable. In  
*Feist*, the issue was whether white page listings of telephone numbers qualified for copyright  
protection as compilations. The Court held that they did not. In order to warrant protection,  
compilations and other works must contain a minimal amount of originality or creativity. See  
*id.* at 361. The white page listings, which included everyone within a geographical area and  
were arranged alphabetically, did not. See *id.* at 362-63. Thus they could be copied in their  
entirety despite the time and effort spent to compile them.

[11] Appellant's attempt to equate the phone number listings in *Feist* with CDN's price lists  
does not withstand close scrutiny. First, Kapes conflates two separate arguments: (1) that the  
listing, selection, and inclusion of prices is not original enough to merit protection; and (2)  
that the prices themselves are not original creations. Whether CDN's selection and  
arrangement of the price lists is sufficiently original to merit protection is not at issue here.  
CDN does not allege that Kapes copied the entire lists, as the alleged infringer had in *Feist*.  
Rather, the issue in this case is whether the prices themselves are sufficiently original as  
compilations to sustain a copyright. Thus Kapes' argument that the selection is obvious or  
dictated by industry standards is irrelevant.

[12] Although the requirement of originality is a constitutional one inherent in the grant to  
Congress of the power to promote science and the useful arts, the required level of originality  
is "minimal." *Feist*, 499 U.S. at 358. The telephone listings did not qualify because they fell  
into the "narrow category of works in which the creative spark is utterly lacking or so trivial  
as to be virtually nonexistent." *Id.* at 359. The numbers themselves were given by the phone  
company. Their selection (or rather universal inclusion) and arrangement in alphabetical order  
were too obvious to be original. Nevertheless, "the requisite level of creativity is extremely  
low; even a slight amount will suffice. The vast majority of works make the grade quite  
easily, as they possess some creative spark, 'no matter how crude, humble or obvious' it might  
be." *Feist*, 499 U.S. at 345 (quoting 1 M. Nimmer & D. Nimmer, Copyright § 1.08[C][1]  
(1990)). This spark glows in CDN's prices, which are compilations of data chosen and  
weighed with creativity and judgment.

[13] Here, the district court, explicitly referencing *Feist*, held that the prices in CDN's guides  
are not facts, they are "wholly the product of [CDN's] creativity. The evidence indicates that  
the plaintiff uses its considerable expertise and judgment to determine how a multitude of  
variable factors impact upon available bid and ask price data. And it is this creative process  
which ultimately gives rise to the Plaintiff's 'best guess' as to what the current 'bid' and 'ask'  
prices should be. As such, the Court finds that these prices were created, not discovered."  

[14] We agree. CDN's process to arrive at wholesale prices begins with examining the major  
coin publications to find relevant retail price information. CDN then reviews this data to  
retain only that information it considers to be the most accurate and important. Prices for each  
grade of coin are determined with attention to whether the coin is graded by a professional  
service (and which one). CDN also reviews the online networks for the bid and ask prices  
posted by dealers. It extrapolates from the reported prices to arrive at estimates for prices for  
unreported coin types and grades. CDN also considers the impact of public auctions and  
private sales, and analyzes the effect of the economy and foreign policies on the price of  
coins. As the district court found, CDN does not republish data from another source or apply a  
set formula or rule to generate prices. The prices CDN creates are compilations of data that  
represent its best estimate of the value of the coins.

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[15] That this process takes much time and effort is wholly irrelevant to whether the end product of this work is copyrightable. See Feist, 499 U.S. at 349. The Supreme Court in Feist expressly rejected the "sweat of the brow" theory of copyright which would protect subject matter that was expensive and time-consuming to gather. See id. at 352-56. "[C]opyright rewards originality, not effort." Id. at 364. Thus if CDN did nothing more than discover and report the prices paid by dealers in transactions throughout the country, the prices would not be copyrightable. But it did much more than this. The prices listed are not mere listings of actual prices paid; rather, they are CDN's best estimate of the fair value of that coin. To arrive at this estimate, CDN employs the process described above that satisfies the "minimal degree of creativity" demanded by the Constitution for copyright protection. Id. at 345. This is not a process that is "so mechanical or routine as to require no creativity whatsoever." Id. at 362.

[16] As this court has stated, consistent with Feist, the requisite level of creativity is "extremely low." Urantia Foundation v. Maaherra, 114 F.3d 955, 959 (9th Cir. 1997) (holding that the arrangement of divine revelations met the level of creativity required for copyright); see also Los Angeles News Serv. v. Tullo, 973 F.2d 791 (9th Cir. 1992) (holding that raw news videotape is original and copyrightable).

[17] Our holding that the prices are copyrightable is consistent with that of the Second Circuit in CCC Info. Servs., Inc. v. Maclean Hunter Mkt. Reports, 44 F.3d 61 (2d Cir. 1994). Maclean Hunter published the Red Book, a list of car values for various regions of the United States. The Red Book listed the editors' projections of the value of different kinds of used cars for six weeks after publication. CCC Information Systems had used these values in compiling its computer databases. Maclean Hunter sued for infringement, and the district court found that the values were facts and as such were not copyrightable. The Second Circuit reversed. The court held that the valuations were not "pre-existing facts that had merely been discovered by the Red Book editors," but instead "represented predictions by the Red Book editors of future prices estimated to cover specified geographic regions." CCC, 44 F.3d at 67. Like CDN's prices, the prices in the Red Book granted copyright protection by the Second Circuit, are "based not only on a multitude of data sources, but also on professional judgment and expertise." Id.

[18] Kapes attempts to distinguish CCC by arguing that the prices in the Red Book were projections of future values, while the prices in the Greysheet are estimates of present value. But the distinction between present and future values is not important to this case. What is important is the fact that both Maclean and CDN arrive at the prices they list through a process that involves using their judgment to distill and extrapolate from factual data. It is simply not a process through which they discover a preexisting historical fact, but rather a process by which they create a price which, in their best judgment, represents the value of an item as closely as possible. If CDN merely listed historical facts of actual transactions, the guides would be long, cumbersome, and of little use to anyone. Dealers looking through such data would have to use their own judgment and expertise to estimate the value of a coin. What CDN has done is use its own judgment and expertise in arriving at that value for the dealers. This process imbues the prices listed with sufficient creativity and originality to make them copyrightable.

IV

[19] In his defense, Kapes argues that a price is an idea of the value of the product, which can be expressed only using a number. Thus the idea and the expression merge and neither
Finally, Kapes argues that CDN lacks equity for lack of diligence because it did not use the appropriate legal regime (license) to protect its material. Kapes cites several cases in which companies protected their uncopyrighted works through license and claims that CDN could have done so here. But Kapes cites no authority to support the proposition that CDN is not entitled to an injunction because it attempted to use copyright as opposed to contract to protect its work. In fact, the argument makes little sense. Either CDN was correct in claiming copyright and is entitled to the injunction the district court ordered, or CDN's material is not copyrightable and the injunction should be dissolved. If copyright protection were not warranted, then CDN would not be entitled to an injunction regardless of whether it inappropriately claimed copyrightability.

VI

For the foregoing reasons, we affirm the district court's holding that the prices in the guides contain sufficient originality to sustain copyright protection.

AFFIRMED.

1. We review the district court's determination that the prices are sufficiently original to merit copyright protection de novo. See Los Angeles News Serv. v. Tullo, 973 F.2d 791, 793 (9th Cir. 1992).
qualifies for copyright protection. This is the doctrine of merger. The argument springs from a
desirable principle of copyright law. See Mazer v. Stein, 347 U.S. 201, 217 (1954) (Copyright
"protection is given only to the expression of the idea—not the idea itself."). Ideas, like facts,
are not entitled to copyright. See 17 U.S.C. § 102(b); Baker v. Selden, 101 U.S. 99 (1879). In
order to protect the free exchange of ideas, courts have long held that when expression is
essential to conveying the idea, expression will also be unprotected. "When the 'idea' and its
'expression' are thus inseparable, copying the 'expression' will not be barred, since protecting
the 'expression' in such circumstances would confer a monopoly of the 'idea' upon the
copyright owner free of the conditions and limitations imposed by the patent law." Herbert
Rosenthal Jewelry Corp. v. Kalpakian, 446 F.2d 738, 742 (9th Cir. 1971). But accepting the
principle in all cases, including on these facts, would eviscerate the protection of the
copyright law. Cf. CCC, 44 F.3d at 70 (noting that every compilation represents an idea,
which in order to be conveyed accurately must be conveyed only by its expression).

[20] Conceptually, the problem arises because the "critical distinction between 'idea' and
expression" is difficult to draw. As Judge [Learned] Hand candidly wrote, 'Obviously, no
principle can be stated as to when an imitator has gone beyond copying the "idea," and has
borrowed its "expression."' See Rosenthal, 446 F.2d at 742 (quoting Peter Pan Fabrics, Inc.
v. Martin Weiner Corp., 274 F.2d 487, 489 (2d Cir. 1960). We have endorsed Judge Hand's
abstractions formulation laid out in Nichols v. Universal Pictures Corp., 45 F.2d 119, 121 (2d
Cir. 1930). See Rosenthal, 446 F.2d at 742. The formulation recognizes that every work can
be described at varying levels of abstraction, and the higher the level of abstraction copied,
the less likely this taking will be infringement of a copyright.

[21] As Judge Hand noted, the difference between idea and expression is one of degree. This
circuit has held that "[t]he guiding consideration in drawing the line is the preservation of the
balance between competition and protection reflected in the patent and copyright laws."
Rosenthal, 446 F.2d at 742. In this case, the prices fall on the expression side of the line. CDN
does not, nor could it, claim protection for its idea of creating a wholesale price guide, but it
can use the copyright laws to protect its idea of what those prices are. See id. at 742 (denying
protection to the idea of creating a jeweled bee pin where there was no indication that the
alleged infringer had copied the pin in question). Drawing this line preserves the balance
between competition and protection: it allows CDN's competitors to create their own price
guides and thus furthers competition, but protects CDN's creation, thus giving it an incentive
to create such a guide. See Mazer, 347 U.S. at 219 ("The economic philosophy behind the
clause empowering Congress to grant patents and copyrights is the conviction that
encouragement of individual effort by personal gain is the best way to advance public welfare
through the talents of authors and inventors ... "). The doctrine of merger does not bar
copyright protection in this case.

V

A

[22] Kapes raises the defense of copyright estoppel, arguing that because CDN represented its
prices in its promotional literature as facts, it is estopped from arguing that they are non-facts
entitled to protection. Like the district court, we do not consider this argument because Kapes
did not raise the issue properly below and waived it when he stipulated that the only issue in
this case was the copyrightability of the prices. "It is well-established that an appellate court
will not consider issues that were not properly raised before the district court." Slaven, 146

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11/19/2003
In the

United States Court of Appeals
For the Seventh Circuit

No. 03-2061

ASSESSMENT TECHNOLOGIES OF WI, LLC,

Plaintiff-Appellee,

v.

WIREDATA, INC.,

Defendant-Appellant.

Appeal from the United States District Court for the
Eastern District of Wisconsin.
No. 01-C-769—Aaron E. Goodstein, Magistrate Judge.


Before POSNER, DIANE P. WOOD, and EVANS, Circuit Judges.

POSNER, Circuit Judge. This case is about the attempt of a
copyright owner to use copyright law to block access to data
that not only are neither copyrightable nor copyrighted, but
were not created or obtained by the copyright owner. The
owner is trying to secrete the data in its copyrighted
program—a program the existence of which reduced the
likelihood that the data would be retained in a form in
which they would have been readily accessible. It would be
appalling if such an attempt could succeed.

Assessment Technologies (AT, we'll call it) brought
suit for copyright infringement and theft of trade secrets
against WIREdata, and the district court after an evidentiary hearing issued a permanent injunction on the basis of AT’s copyright claim alone, without reaching the trade secret claim. A sample database in the demo version of AT’s product—a version freely distributed for promotional purposes—reveals the entire structure of the database, thus making the trade secret claim incomprehensible to us. But we shall not make a formal ruling on the claim. It was not addressed either by the district court or by the parties in their submissions in this court, and conceivably if improbably it has more merit than we can find in it.

The copyright case seeks to block WIREdata from obtaining noncopyrighted data. AT claims that the data can’t be extracted without infringement of its copyright. The copyright is of a compilation, and the general issue that the appeal presents is the right of the owner of such a copyright to prevent his customers (that is, the copyright licensees) from disclosing the compiled data even if the data are in the public domain.

WIREdata, owned by Multiple Listing Services, Inc., wants to obtain, for use by real estate brokers, data regarding specific properties—address, owner’s name, the age of the property, its assessed valuation, the number and type of rooms, and so forth—from the southeastern Wisconsin municipalities in which the properties are located. The municipalities collect such data in order to assess the value of the properties for property-tax purposes. Ordinarily they’re happy to provide the data to anyone who will pay the modest cost of copying the data onto a disk. Indeed, Wisconsin’s “open records” law, Wis. Stat. §§ 19.31-.39; State ex rel. Milwaukee Police Ass’n v. Jones, 615 N.W.2d 190, 194-96 (Wis. App. 2000), which is applicable to data in digital form, see id. at 195-96; Wis. Stat. § 19.32(2), requires them to furnish such data to any person who will pay the copying
cost. However, three municipalities refused WIREdata's request. They (or the contractors who do the actual tax assessment for them) are licensees of AT. The open-records law contains an exception for copyrighted materials, id., and these municipalities are afraid that furnishing WIREdata the requested data would violate the copyright. WIREdata has sued them in the state courts of Wisconsin in an attempt to force them to divulge the data, and those suits are pending. Alarmed by WIREdata's suits, AT brought the present suit to stop WIREdata from making such demands of the municipalities and seeking to enforce them by litigation.

The data that WIREdata wants are collected not by AT but by tax assessors hired by the municipalities. The assessors visit the property and by talking to the owner and poking around the property itself obtain the information that we mentioned in the preceding paragraph—the age of the property, the number of rooms, and so forth. AT has developed and copyrighted a computer program, called "Market Drive," for compiling these data. The assessor types into a computer the data that he has obtained from his visit to the property or from other sources of information and then the Market Drive program, in conjunction with a Microsoft database program (Microsoft Access), automatically allocates the data to 456 fields (that is, categories of information) grouped into 34 master categories known as tables. Several types of data relating to a property, each allocated to a different field, are grouped together in a table called "Income Valuations," others in a table called "Residential Buildings," and so on. The data collected by the various assessors and inputted in the manner just described are stored in an electronic file, the database. The municipality's tax officials can use various queries in Market Drive or Market Access to view the data in the file.
WIREdata's appeal gets off on the wrong foot, with the contention that Market Drive lacks sufficient originality to be copyrightable. Copyright law unlike patent law does not require substantial originality. *Feist Publications, Inc. v. Rural Telephone Service Co.*, 499 U.S. 340, 345-48 (1991). In fact, it requires only enough originality to enable a work to be distinguished from similar works that are in the public domain, *Bucklew v. Hawkins, Ash, Baptie & Co.*, 329 F.3d 923, 929 (7th Cir. 2003); *Alfred Bell & Co. v. Catalda Fine Arts, Inc.*, 191 F.2d 99, 102-03 (2d Cir. 1951), since without some discernible distinction it would be impossible to determine whether a subsequent work was copying a copyrighted work or a public-domain work. This modest requirement is satisfied by Market Drive because no other real estate assessment program arranges the data collected by the assessor in these 456 fields grouped into these 34 categories, and because this structure is not so obvious or inevitable as to lack the minimal originality required, *Key Publications, Inc. v. Chinatown Today Publishing Enterprises, Inc.*, 945 F.2d 509, 513-14 (2d Cir. 1991), as it would if the compilation simply listed the data in alphabetical or numerical order. *Feist Publications, Inc. v. Rural Telephone Service Co.*, supra, 499 U.S. at 362-64. The obvious orderings, the lexical and the numeric, have long been in the public domain, and what is in the public domain cannot be appropriated by claiming copyright. Alternatively, if there is only one way in which to express an idea—for example, alphabetical order for the names in a phone book—then form and idea merge, and in that case since an idea cannot be copyrighted the copying of the form is not an infringement. *Ets-Hokin v. Skyy Spirits, Inc.*, 225 F.3d 1068, 1082 (9th Cir. 2000); *Kregos v. Associated Press*, 937 F.2d 700, 705-07 (2d Cir. 1991). That is not the situation here.

So AT has a valid copyright; and if WIREdata said to itself, "Market Drive is a nifty way of sorting real estate data
and we want the municipalities to give us their data in the form in which it is organized in the database, that is, sorted into AT’s 456 fields grouped into its 34 tables,” and the municipalities obliged, they would be infringing AT’s copyright because they are not licensed to make copies of Market Drive for distribution to others; and WIREdata would be a contributory infringer (subject to a qualification concerning the fair-use defense to copyright infringement, including contributory infringement, that we discuss later). But WIREdata doesn’t want the Market Drive compilation. It isn’t in the business of making tax assessments, which is the business for which Market Drive is designed. It only wants the raw data, the data the assessors inputted into Market Drive. Once it gets those data it will sort them in accordance with its own needs, which have to do with providing the information about properties that is useful to real estate brokers as opposed to taxing authorities.

But how are the data to be extracted from the database without infringing the copyright? Or, what is not quite the same question, how can the data be separated from the tables and fields to which they are allocated by Market Drive? One possibility is to use tools in the Market Drive program itself to extract the data and place it in a separate electronic file; this can be done rapidly and easily with just a few keystrokes. But the municipalities may not have the program, because the inputting of the data, which did of course require its use, was done by assessors employed by firms to do this work as independent contractors of the municipalities. And if the municipalities do have the program, still their license from AT forbids them to disseminate the data collected by means of it—a restriction that may or may not be in violation of the state’s open-records law, a question we come back to later. A second extraction possibility, which arises from the fact that the database is a
Microsoft file accessible by Microsoft Access, is to use Access to extract the data and place it in a new file, bypassing Market Drive. But there is again the scope of the license to be considered and also whether the method of extraction is so cumbersome that it would require more effort than the open-records law requires of the agencies subject to it. It might take a programmer a couple of days to extract the data using Microsoft Access, and the municipalities might lack the time, or for that matter the programmers, to do the extraction. But that should not be a big problem, because WIREdata can hire programmers to extract the data from the municipalities' computers at its own expense.

From the standpoint of copyright law all that matters is that the process of extracting the raw data from the database does not involve copying Market Drive, or creating, as AT mysteriously asserts, a derivative work; all that is sought is raw data, data created not by AT but by the assessors, data that are in the public domain. A derivative work is a translation or other transformation of an original work and must itself contain minimum originality for the same evidentiary reason that we noted in discussing the requirement that a copyrighted work be original. Pickett v. Prince, 207 F.3d 402, 405 (7th Cir. 2000); Gracen v. Bradford Exchange, 698 F.2d 300, 304-05 (7th Cir. 1983). A work that merely copies uncopyrighted material is wholly unoriginal and the making of such a work is therefore not an infringement of copyright. The municipalities would not be infringing Market Drive by extracting the raw data from the databases by either method that we discussed and handing those data over to WIREdata; and since there would thus be no direct infringement, neither would there be contributory infringement by WIREdata. It would be like a Westlaw licensee's copying the text of a federal judicial opinion that he found in the Westlaw opinion database and giving it to
someone else. Westlaw’s compilation of federal judicial opinions is copyrighted and copyrightable because it involves discretionary judgments regarding selection and arrangement. But the opinions themselves are in the public domain (federal law forbids assertion of copyright in federal documents, 17 U.S.C. § 105), and so Westlaw cannot prevent its licensees from copying the opinions themselves as distinct from the aspects of the database that are copyrighted. See Matthew Bender & Co. v. West Publishing Co., 158 F.3d 693 (2d Cir. 1998); Matthew Bender & Co. v. West Publishing Co., 158 F.3d 674 (2d Cir. 1998).

AT would lose this copyright case even if the raw data were so entangled with Market Drive that they could not be extracted without making a copy of the program. The case would then be governed by Sega Enterprises Ltd. v. Accolade, Inc., 977 F.2d 1510, 1520-28 (9th Cir. 1992). Sega manufactured a game console, which is a specialized computer, and copyrighted the console’s operating system, including the source code. Accolade wanted to make computer games that would be compatible with Sega’s console, and to that end it bought a Sega console and through reverse engineering reconstructed the source code, from which it would learn how to design its games so that they would activate the operating system. For technical reasons, Accolade had to make a copy of the source code in order to be able to obtain this information. It didn’t want to sell the source code, produce a game-console operating system, or make any other use of the copyrighted code except to be able to sell a noninfringing product, namely a computer game. The court held that this “intermediate copying” of the operating system was a fair use, since the only effect of enjoining it would be to give Sega control over noninfringing products, namely Accolade’s games. See also Sony Computer Entertainment, Inc. v. Connectix Corp., 203 F.3d 596, 602-08 (9th Cir.
2000); Bateman v. Mnemonics, Inc., 79 F.3d 1532, 1539-40 n. 18 (11th Cir. 1996); Atari Games Corp. v. Nintendo of America, Inc., 975 F.2d 832, 842-44 (Fed. Cir. 1992). Similarly, if the only way WIREdata could obtain public-domain data about properties in southeastern Wisconsin would be by copying the data in the municipalities’ databases as embedded in Market Drive, so that it would be copying the compilation and not just the compiled data only because the data and the format in which they were organized could not be disentangled, it would be privileged to make such a copy, and likewise the municipalities. For the only purpose of the copying would be to extract noncopyrighted material, and not to go into competition with AT by selling copies of Market Drive. We emphasize this point lest AT try to circumvent our decision by reconfiguring Market Drive in such a way that the municipalities would find it difficult or impossible to furnish the raw data to requesters such as WIREdata in any format other than that prescribed by Market Drive. If AT did that with that purpose it might be guilty of copyright misuse, of which more shortly.

AT argues that WIREdata doesn’t need to obtain the data in digital form because they exist in analog form, namely in the handwritten notes of the assessors, notes that all agree are not covered by the Market Drive copyright. But we were told at argument without contradiction that some assessors no longer make handwritten notes to copy into a computer at a later time. Instead they take their laptop to the site and type the information in directly. So WIREdata could not possibly obtain all the data it wants (all of which data are in the public domain, we emphasize) from the handwritten notes. But what is more fundamental is that since AT has no ownership or other legal interest in the data collected by the assessor, it has no legal ground for making the acquisition of that data more costly for WIREdata. AT is trying to use its
copyright to sequester uncompromised data, presumably in the hope of extracting a license fee from WIREdata.

We are mindful of pressures, reflected in bills that have been pending in Congress for years, Jonathan Band & Makoto Kono, "The Database Protection Debate in the 106th Congress," 62 Ohio St. L.J. 869 (2001), to provide legal protection to the creators of databases, as Europe has already done. Jane C. Ginsburg, "Copyright, Common Law, and Sui Generis Protection of Databases in the United States and Abroad," 66 U. Cinc. L. Rev. 151 (1997). (Ironically, considering who owns WIREdata, the multiple-listing services are pressing for such protection. Ron Eckstein, "The Database Debate," Legal Times, Jan. 24, 2000, p. 16.) The creation of massive electronic databases can be extremely costly, yet if the database is readily searchable and the data themselves are not copyrightable (and we know from Feist that mere data are indeed not copyrightable) the creator may find it difficult or even impossible to recoup the expense of creating the database. Legal protection of databases as such (as distinct from programs for arranging the data, like Market Drive) cannot take the form of copyright, as the Supreme Court made clear in Feist when it held that the copyright clause of the Constitution does not authorize Congress to create copyright in mere data. But that is neither here nor there; what needs to be emphasized in this case is that the concerns (whether or not valid, as questioned in Ginsburg, supra, and also J.H. Reichman & Pamela Samuelson, "Intellectual Property Rights in Data?" 50 Vand. L. Rev. 51 (1997), and Stephen M. Maurer & Suzanne Scotchmer, "Database Protection: Is It Broken and Should We Fix It?" 284 Sci. 1129 (1999)) that actuate the legislative proposals for database protection have no relevance because AT is not the collector of the data that go into the database. All the data are collected and inputted by
the assessors; it is they, not AT, that do the footwork, the heavy lifting.

AT points to the terms of its license agreements with the municipalities, which though ambiguous might be interpreted to forbid the licensees to release the raw data, even without the duplication, or revelation of any copyrighted feature, of Market Drive. But AT is not suing for breach of the terms of the agreements—it can’t, since WIREData is not a party to them. Nor is it suing for intentional interference with contract, *Frandsen v. Jensen-Sundquist Agency, Inc.*, 802 F.2d 941, 947-48 (7th Cir. 1986) (Wisconsin law); *Dorr v. Sacred Heart Hospital*, 597 N.W.2d 462, 478 (Wis. App. 1999); *Cudd v. Crownhart*, 364 N.W.2d 158, 160-61 (Wis. App. 1985), which would be the logical route for complaining about WIREData’s inviting the municipalities that are AT’s licensees to violate the terms of their license. The licenses do nothing for AT in this case.

So it is irrelevant that *ProCD, Inc. v. Zeidenberg*, 86 F.3d 1447, 1453-55 (7th Cir. 1996), holds that a copyright owner can by contract limit copying beyond the right that a copyright confers. See also *Bowers v. Baystate Technologies, Inc.*, 320 F.3d 1317, 1323-26 (Fed. Cir. 2003). Like other property rights, a copyright is enforceable against persons with whom the owner has no contractual relations; so a property owner can eject a trespasser even though the trespasser had not contractually bound himself to refrain from entering the property. That is why AT is suing WIREData for copyright infringement rather than for breach of contract. The scope of a copyright is given by federal law, but the scope of contractual protection is, at least prima facie, whatever the parties to the contract agreed to. The existence of contractual solutions to the problem of copying the contents of databases is one of the reasons that Professor
Ginsburg and others are skeptical about the need for legislative protection of databases. But our plaintiff did not create the database that it is seeking to sequester from WIREdata; or to be more precise, it created only an empty database, a bin that the tax assessors filled with the data. It created the compartments in the bin and the instructions for sorting the data to those compartments, but those were its only innovations and their protection by copyright law is complete. To try by contract or otherwise to prevent the municipalities from revealing their own data, especially when, as we have seen, the complete data are unavailable anywhere else, might constitute copyright misuse.

The doctrine of misuse "prevents copyright holders from leveraging their limited monopoly to allow them control of areas outside the monopoly." A&M Records, Inc. v. Napster, Inc., 239 F.3d 1004, 1026-27 (9th Cir. 2001); see Alcatel USA, Inc. v. DGI Technologies, Inc., 166 F.3d 772, 792-95 (5th Cir. 1999); Practice Management Information Corp. v. American Medical Ass'n, 121 F.3d 516, 520-21 (1997), amended, 133 F.3d 1140 (9th Cir. 1998); DSC Communications Corp. v. DGI Technologies, Inc., 81 F.3d 597, 601-02 (5th Cir. 1996); Lasercomb America, Inc. v. Reynolds, 911 F.2d 970, 976-79 (4th Cir. 1990). The data in the municipalities' tax-assessment databases are beyond the scope of AT's copyright. It is true that in Reed-Union Corp. v. Turtle Wax, Inc., 77 F.3d 909, 913 (7th Cir. 1996), we left open the question whether copyright misuse, unless it rises to the level of an antitrust violation, is a defense to infringement; our earlier decision in Saturday Evening Post Co. v. Rumbleseat Press, Inc., 816 F.2d 1191, 1200 (7th Cir. 1987), had intimated skepticism. No effort has been made by WIREdata to show that AT has market power merely by virtue of its having a copyright on one system for compiling valuation data for real estate tax assessment purposes. Cases such as Lasercomb, however, cut misuse free from antitrust,
pointing out that the cognate doctrine of patent misuse is not so limited, 911 F.3d at 977-78, though a difference is that patents tend to confer greater market power on their owners than copyrights do, since patents protect ideas and copyrights, as we have noted, do not. The argument for applying copyright misuse beyond the bounds of antitrust, besides the fact that confined to antitrust the doctrine would be redundant, is that for a copyright owner to use an infringement suit to obtain property protection, here in data, that copyright law clearly does not confer, hoping to force a settlement or even achieve an outright victory over an opponent that may lack the resources or the legal sophistication to resist effectively, is an abuse of process.

We need not run this hare to the ground; nor decide whether the licenses interpreted as AT would have us interpret them—as barring municipalities from disclosing noncopyrighted data—would violate the state’s open-records law. Cf. Antisdel v. City of Oak Creek Police & Fire Comm’n, 600 N.W.2d 1, 3 (Wis. App. 1999); Gordie Boucher Lincoln-Mercury Madison, Inc. v. J & H Landfill, Inc., 493 N.W.2d 375, 378 (Wis. App. 1992); State ex rel. Sun Newspapers v. Westlake Board of Education, 601 N.E.2d 173, 175 (Ohio App. 1991); but cf. Pierce v. St. Vrain Valley School District, 981 P.2d 600, 605-06 (Colo. 1999). WIREdata is not a licensee of AT, and AT is not suing to enforce any contract it might have with WIREdata. It therefore had no cause to drag the licenses before us. But since it did, we shall not conceal our profound skepticism concerning AT’s interpretation. If accepted, it would forbid municipalities licensed by AT to share the data in their tax-assessment databases with each other even for the purpose of comparing or coordinating their assessment methods, though all the data they would be exchanging would be data that their assessors had collected and inputted into the databases. That seems an absurd result.
No. 03-2061

To summarize, there are at least four possible methods by which WIREdata can obtain the data it is seeking without infringing AT’s copyright; which one is selected is for the municipality to decide in light of applicable trade-secret, open-records, and contract laws. The methods are: (1) the municipalities use Market Drive to extract the data and place it in an electronic file; (2) they use Microsoft Access to create an electronic file of the data; (3) they allow programmers furnished by WIREdata to use their computers to extract the data from their database—this is really just an alternative to WIREdata’s paying the municipalities’ cost of extraction, which the open-records law requires; (4) they copy the database file and give it to WIREdata to extract the data from.

The judgment is reversed with instructions to vacate the injunction and dismiss the copyright claim.

REVERSED AND REMANDED, WITH INSTRUCTIONS.

A true Copy:

Teste:

____________________________________________________________________
Clerk of the United States Court of Appeals for the Seventh Circuit

USCA-02-C-0072—11-25-03

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LIBRARY OF CONGRESS

Copyright Office

37 CFR Part 201

[Docket No. RM 2002-4E]

Exemption to Prohibition on Circumvention of Copyright Protection Systems for Access Control Technologies

AGENCY: Copyright Office, Library of Congress.

ACTION: Final rule.

SUMMARY: This notice announces that during the period from October 28, 2003, through October 27, 2006, the prohibition against circumvention of technological measures that effectively control access to copyrighted works shall not apply to persons who engage in noninfringing uses of four classes of copyrighted works.


FOR FURTHER INFORMATION CONTACT: Robert Kasunic, Office of the General Counsel, Copyright GC/I&R, P.O. Box 70400, Southwest Station, Washington, D.C. 20024-0400. Telephone: (202) 707-8380; telefax: (202) 707-8366.

SUPPLEMENTARY INFORMATION:

In this notice, the Librarian of Congress, upon the recommendation of the Register of Copyrights, announces that during the period from October 28, 2003, through October 27, 2006, the prohibition against circumvention of technological measures that effectively control access to copyrighted works shall not apply to persons who engage in noninfringing uses of four classes of copyrighted works. This announcement is the culmination of a year-long rulemaking proceeding conducted by the Register. A more comprehensive statement of the background and legal
requirements of the rulemaking, a discussion of the record and the Register's analysis may be found in the Register's memorandum of October 27, 2003 to the Librarian, which contains the full explanation of the Register's recommendation.¹ This notice summarizes the Register's recommendation and publishes the regulatory text codifying the four exempted classes of works.

I. Background

A. Legislative Requirements for Rulemaking Proceeding

Section 1201 of title 17, United States Code, prohibits circumvention of technological measures employed by or on behalf of copyright owners to protect their works (hereinafter "access controls"). In order to ensure that the public will have continued ability to engage in noninfringing uses of copyrighted works, such as fair use, subparagraph (B) limits this prohibition, exempting noninfringing uses of any "particular class of works" when users are (or in the next 3 years are likely to be) adversely affected by the prohibition in their ability to make noninfringing uses of that class of works. Identification of such classes of works is made in a rulemaking proceeding conducted by the Register of Copyrights, who is to provide notice of the rulemaking, seek comments from the public, consult with the Assistant Secretary for Communications and Information of the Department of Commerce, and recommend final regulations to the Librarian of Congress. The regulations, to be issued by the Librarian of Congress, announce "any class of copyrighted works for which the Librarian has determined, pursuant to the rulemaking conducted under subparagraph (C), that noninfringing uses by persons who are users of a copyrighted work

¹ A copy of the Register's memorandum may be found at http://www.copyright.gov/1201.
are, or are likely to be, adversely affected, and the prohibition contained in subparagraph (A) shall not apply to such users with respect to such class of works for the ensuing 3-year period.\footnote{17 U.S.C. 1201(a)(1)(D).}

The first section 1201 rulemaking took place three years ago, and on October 27, 2000, the Librarian announced that noninfringing users of two classes of works would not be subject to the prohibition on circumvention of access controls.\footnote{Exemption to Prohibition on Circumvention of Copyright Protection Systems for Access Control Technologies, 65 FR 64556 (October 27, 2000); http://www.copyright.gov/fedreg/2000/65fr64556.pdf. The Federal Register notice contained the recommendation of the Register of Copyrights and the determination of the Librarian.} Exemptions to the prohibition on circumvention remain in force for a three-year period and expire at the end of that period. The Librarian is required to make a determination on potential new exemptions every three years.

\section*{Responsibilities of Register of Copyrights and Librarian of Congress}

The purpose of the rulemaking proceeding conducted by the Register is to determine whether users of particular classes of copyrighted works are, or in the next three years are likely to be, adversely affected by the prohibition in their ability to make noninfringing uses of copyrighted works. In making her recommendation to the Librarian, the Register must carefully balance the availability of works for use, the effect of the prohibition on particular uses and the effect of circumvention on copyrighted works.

\section*{The Purpose and Focus of the Rulemaking}

\subsection*{1. Purpose of the Rulemaking.} As originally drafted, section 1201(a)(1) provided simply that “No person shall circumvent a technological measure that effectively controls access to a work protected under this title.” However, in response to concerns that section 1201, in its
noninfringing users of four classes of works be exempt from the prohibition on circumvention of access controls.

III. Discussion

A. The Four Exempted Classes

Based on the Register’s review of the record, the case has been made for exemptions of the following four classes of copyrighted works.

1. Compilations consisting of lists of Internet locations blocked by commercially marketed filtering software applications that are intended to prevent access to domains, websites or portions of websites, but not including lists of Internet locations blocked by software applications that operate exclusively to protect against damage to a computer or computer network or lists of Internet locations blocked by software applications that operate exclusively to prevent receipt of email. For purposes of this exemption, “Internet locations” are defined to include “domains, uniform resource locators (URLs), numeric IP addresses or any combination thereof.”

This is similar to an exemption made in the previous rulemaking, but with some modifications. The class consists of lists of blocked websites that are used in various filtering software programs sometimes referred to as “censorware.” These programs are intended to prevent children and other Internet users from viewing objectionable material while online. It was alleged that although the software is intended to serve a useful societal purpose, the emphasis of the programs is on blocking rather than accuracy. Critics contend that the result of this focus is that filtering software used to prevent access to objectionable material tends to over-block, thereby preventing access to legitimate information resources. In order to comment on this software and expose what they claim is the excessive blocking of websites, critics claim they need to gain access to the lists of blocked websites, which typically are protected by access controls.
Opponents argued that filtering software companies serve a critical societal purpose and that an exemption would undermine the integrity of filtering software. They also argued that filtering software companies provide reasonable means for ascertaining the material or sites that a particular filtering software blocks. They also stated that even if the Register found that an exemption was warranted, the particular class articulated in the previous rulemaking was overly broad and that repeating an exemption for that class could create adverse consequences for other types of software, such as antivirus and spam software.

Although a similar class was exempted in the first rulemaking, proponents are required to make their case anew every three years. The record in the current rulemaking warrants a new exemption. While providers of filtering software offer some information about the websites their software blocks, it is too limited to permit comprehensive or meaningful analysis. Persons wishing to review, comment on and criticize this software as part of an ongoing debate on a matter of public interest should be permitted to gain access to the complete lists of blocked websites.

The particular class of works designated in this rulemaking covers the lists of websites blocked by commercially marketed filtering software applications that are intended to prevent access to domains, websites or portions of websites. However, the exempted class specifically excludes lists of Internet locations blocked by software designed to protect against damage to computers, such as firewalls and antivirus software, or software designed to prevent receipt of unwanted email, such as anti-spam software.

2. Computer programs protected by dongles that prevent access due to malfunction or damage and which are obsolete.
The second exempted class is also similar to a class exempted in 2000, but again the class exempted in this proceeding is somewhat more limited. Many commenters supported a renewal of the previous exemption for “literary works, including computer programs and databases, protected by access control mechanisms that fail to permit access because of malfunction, damage or obsoleteness.” Few commenters, however, provided any factual support for such an exemption. The facts that were presented related to a narrower class of works: computer programs using “dongles,” or hardware locks, which control access to the programs. Accordingly, the exempted class is limited to such computer programs. When a dongle is damaged or malfunctions in such a way that the authorized user of the software cannot gain access to the software, the authorized user should be given a means to make the software work. The exempted class includes only that software that actually cannot be accessed due to a damaged or malfunctioning dongle, and only when the dongle cannot be replaced or repaired. The class is formulated as including “computer programs protected by dongles that prevent access due to malfunction or damage and which are obsolete.” Copyright law already provides a definition of obsolete, found in section 108(c) of the Copyright Act, which captures the circumstances under which an exemption is justified: “a [dongle] shall be considered obsolete if [it] is no longer manufactured or is no longer reasonably available in the commercial marketplace.” For purposes of this exemption, a dongle would be considered “obsolete” if replacement or repair are not reasonably available in the marketplace. In addition to encouraging reasonable support to be made available to users, the exemption will allow users who are denied access as a result of a damaged or malfunctioning dongle to circumvent when repair or a replacement are unavailable. This exemption minimizes the adverse effects on noninfringing uses by users of software.
protected by these access control measures while also minimizing the adverse effects on copyright owners.

3. Computer programs and video games distributed in formats that have become obsolete and which require the original media or hardware as a condition of access. This is a new exemption, in response to a proposal by The Internet Archive for "[literary and audiovisual works embodied in software whose access control systems prohibit access to replicas of the works." The Internet Archive, a non-profit library that maintains a collection of websites, software and other works in digital formats in a digital archive, migrates such works to modern storage systems (e.g., by transferring a computer program from a floppy diskette to a hard drive) that are more stable and that will ensure continuing access to the works.

The Internet Archive stated that works distributed in digital formats on physical media (such as floppy diskettes, CD-ROMs, etc.) have sometimes been accompanied by "original only" access controls, technological measures that, while technically permitting copies to be made, prevent those copies from functioning (so that, for example, a copy of a computer program made from the original floppy diskette will not run, or a copy of an audiovisual game made from the original CD-ROM cannot be played). This prevents the Internet Archive from migrating those works to its modern storage system.

The problem is particularly compelling when the physical format in which the copy was originally marketed has become obsolete. If the Internet Archive is given computer software that was marketed on 5 1/4 inch floppy diskettes, it will not even be able to access the work in its original format on the typical computer sold in the marketplace today, because computers sold today are not equipped with 5 1/4 inch floppy drives. However, Internet Archive also desires an exemption that addresses the "original only" problem even when the medium on which the
original copy was marketed (e.g., CD-ROM) is not yet obsolete, noting that it is crucial to archive
digital works before they become inaccessible and before the information on the medium has
degraded.

The Register has concluded that to the extent that libraries and archives wish to make
preservation copies of published software and videogames that were distributed in formats that
are (either because the physical medium on which they were distributed is no longer in use or
because the use of an obsolete operating system is required), such activity is a noninfringing use
covered by section 108(c) of the Copyright Act. The exempted class is therefore limited to works
distributed in such now-obsolete formats. Again, "obsolete" has the same meaning that is set
forth in section 108(c). A format shall be considered obsolete if the machine or system necessary
to render perceptible a work stored in that format is no longer manufactured or is no longer
reasonably available in the commercial marketplace. The class is also limited to computer
programs and video games because the evidence in the record of this rulemaking does not support
a broader class of works.

4. Literary works distributed in ebook format when all existing ebook editions of the
work (including digital text editions made available by authorized entities) contain
access controls that prevent the enabling of the ebook's read-aloud function and
that prevent the enabling of screen readers to render the text into a "specialized
format." For purposes of this exemption, "specialized format," "digital text" and
"authorized entities" shall have the same meaning as in 17 U.S.C. 121.

The final exempted class is based upon proposals by the American Foundation for the
Blind and five major library associations. It is in response to problems experienced by the blind
and visually impaired in gaining meaningful access to literary works distributed as ebooks.
Ebooks can offer accessibility to the blind and the visually impaired that is otherwise not available
from a print version. Ebooks may allow the user to activate a "read-aloud" function offered by certain ebook readers. Ebooks may also permit accessibility to the work by means of screen reader software, a separate program for the blind and visually impaired that interacts with an ebook reader and that is capable of converting the text into either synthesized speech or braille.

By using digital rights management tools that implicate access controls, publishers of ebooks can disable the read-aloud function of an ebook and may prevent access to a work in ebook form by means of screen reader software. The record indicates that many ebooks are distributed with these two functions disabled. The disabling of these functions is alleged to prevent the blind and visually impaired from engaging in particular noninfringing uses such as private performance, and to prevent access to these works by blind and visually impaired users altogether. The uses that such persons make by using the "read-aloud" function and screen readers are noninfringing, and are likely to be the most reasonable means of meaningful access for such persons to works that are published in ebook format.

To be included in the exempted class, a literary work must exist in ebook format. Moreover, the exemption is not available if any existing edition of the work permits the "read-aloud" function or is screen reader-enabled. Thus, a publisher may avoid subjecting any of its works to this exemption simply by ensuring that for each of its works published in ebook form, an edition exists which is accessible to the blind and visually impaired in at least one of these two ways.

B. Other Exemptions Considered, But Not Recommended

A number of other proposed exemptions were considered, but rejected. They are briefly discussed below. Similar proposed exemptions are discussed together.
Final Regulations

For the reasons set forth in the preamble, 37 CFR part 201 is amended as follows:

1. The authority citation for part 201 continues to read as follows:

   Authority: 17 U.S.C. 702

2. Section 201.40 is amended as follows:

   (a) by revising paragraph (b); and

   (b) by adding new paragraph (c).

The revisions and additions to § 201.40 read as follows:

§ 201.40 [Amended]

   * * * *

(b) Classes of copyrighted works. Pursuant to the authority set forth in 17 U.S.C. 1201(a)(1)(C) and (D), and upon the recommendation of the Register of Copyrights, the Librarian has determined that during the period from October 28, 2003, through October 27, 2006, the prohibition against circumvention of technological measures that effectively control access to copyrighted works set forth in 17 U.S.C. 1201(a)(1)(A) shall not apply to persons who engage in noninfringing uses of the following four classes of copyrighted works:

   (1) Compilations consisting of lists of Internet locations blocked by commercially marketed filtering software applications that are intended to prevent access to domains, websites or portions of websites, but not including lists of Internet locations blocked by software applications that operate exclusively to protect against damage to a computer or computer network or lists of Internet locations blocked by software applications that operate exclusively to prevent receipt of email.
(2) Computer programs protected by dongles that prevent access due to malfunction or damage and which are obsolete.

(3) Computer programs and video games distributed in formats that have become obsolete and which require the original media or hardware as a condition of access. A format shall be considered obsolete if the machine or system necessary to render perceptible a work stored in that format is no longer manufactured or is no longer reasonably available in the commercial marketplace.

(4) Literary works distributed in ebook format when all existing ebook editions of the work (including digital text editions made available by authorized entities) contain access controls that prevent the enabling of the ebook's read-aloud function and that prevent the enabling of screen readers to render the text into a specialized format.

(c) Definitions. (1) "Internet locations" are defined to include domains, uniform resource locators (URLs), numeric IP addresses or any combination thereof.

(2) "Obsolete" shall mean "no longer manufactured or reasonably available in the commercial marketplace."

(3) "Specialized format," "digital text" and "authorized entities" shall have the same meaning as in 17 U.S.C. 121.

Dated: October 28, 2003

James H. Billington,
The Librarian of Congress.
Cite as: 253 F.Supp.2d 943

United States District Court,
E.D. Kentucky

at Lexington.

LEXMARK INTERNATIONAL, INC. Plaintiff

v.

STATIC CONTROL COMPONENTS, INC. Defendant

No. 02-CV-571.


Manufacturer of laser printer toner cartridges sued remanufacturer of replacement cartridges for violation of its copyrights in computer codes used in cartridges. On plaintiff's motion for preliminary injunction, the District Court, Forester, Chief Judge, held that: (1) plaintiff was likely to prevail on infringement claim, and (2) plaintiff was likely to prevail on Digital Millennium Copyright Act (DMCA) claim.

Motion granted.


*946 Michael J. Conlon, Conlon, Frantz, Phelan, Pires LLP, Washington, DC, for Automotive Parts Rebuilders Association.


George W. Keeley, Keeley, Kuenn & Reid, Automotive
Aftermarket Industry, Chicago, IL, for Automotive Aftermarket Industry Association.

FINDINGS OF FACT

FORESTER, Chief Judge.

I. THE PARTIES

1. The Plaintiff, Lexmark International, Inc. ("Lexmark") is a Delaware corporation with its principal place of business in Lexington, Kentucky. Lexmark is a worldwide developer, manufacturer, and supplier of, inter alia, laser printers and toner cartridges. Lexmark Complaint ("Complaint") ¶ 2.

2. The Lexmark products that are the focus of this dispute are Lexmark's T520/522 and T620/622 laser printers and toner cartridges, and in particular, certain computer codes resident on microchips that are within the toner cartridges. See generally, Complaint ¶¶ 22-23; Declaration of Michael Robert Yaro ("Yaro Dec.") ¶ 1.

3. The Defendant, Static Control Components, Inc. ("SCC") is a North Carolina corporation with its principal place of business in Sanford, North Carolina. SCC manufactures and sells, inter alia, components for remanufactured toner cartridges. Affidavit of William K. Swartz ("Swartz Aff.") ¶¶ 4-5.

II. THE CAUSES OF ACTION AND PROCEDURAL POSTURE OF THE CASE

5. Concurrent with the filing of its Complaint, Lexmark moved for a preliminary injunction to prevent SCC from manufacturing, distributing, selling, or marketing the SMARTEK microchips.

6. On January 8, 2003, the Court, upon agreement of the parties, entered an order that enjoined SCC from making, selling, distributing, offering for sale, or otherwise trafficking the SMARTEK microchips until the hearing on Lexmark's motion for a preliminary injunction.

7. On February 7, 2003, the Court held an evidentiary hearing on Lexmark's motion for a preliminary injunction, at which time the parties presented evidence and argument regarding the issue involved in the motion. At the conclusion of the hearing, the Court extended the temporary injunctive relief until February 28, 2003.

III. LEXMARK'S PRODUCTS

8. The computer programs at issue in this case are used by laser printers and are sold either within the laser printers or within toner cartridges that are used with the laser printers.

9. A toner cartridge is a device that is inserted within a laser printer and contains the toner necessary for the printer to print.


11. Customers can choose to buy either regular cartridges or Prebate cartridges for use with Lexmark's T-Series printers. 2nd Yaro Dec. ¶ 2.

12. Lexmark sells the Prebate cartridges at an up-front discount to consumers. Yaro Dec. ¶ 9; 2nd Yaro Dec. ¶ 2. The up-front discount could amount to approximately $50 depending on the type of toner cartridge. Yaro Dec. ¶ 5.

13. In exchange for this discount, consumers agree to
use the Prebate toner cartridge only once and return the used cartridge to Lexmark for remanufacturing and recycling. Yaro Dec. ¶ 9.

14. The Prebate agreement between Lexmark and the consumer is in the form of a shrink-wrap agreement that is placed across the top of every Prebate toner cartridge box. [FN1] Yaro Dec. ¶ 9.

FN1. The Prebate agreement states as follows: RETURN EMPTY CARTRIDGE TO LEXMARK FOR REMANUFACTURING AND RECYCLING. Please read before opening. Opening this package or using the patented cartridge inside confirms your acceptance of the following license/agreement. This all-new cartridge is sold at a special price subject to a restriction that it may be used only once. Following this initial use, you agree to return the empty cartridge only to Lexmark for remanufacturing and recycling. If you don't accept these terms, return the unopened package to your point of purchase. A regular price cartridge without these terms is available.

*948 15. Consumers that find the Prebate conditions objectionable can choose to purchase regular toner cartridges instead of Prebate toner cartridges. Yaro Dec. ¶ 10; 2nd Yaro Dec. ¶ 4.

16. Regular toner cartridges do not contain the "use and return" conditions that accompany the Prebate cartridges. 2nd Yaro Dec. ¶ 4.

17. When consumers purchase regular toner cartridges, they do not receive up-front discounts and are not obligated to return the used regular cartridges to Lexmark. 2nd Yaro Dec. ¶ 4.

18. Consumers can purchase regular toner cartridges and refill them themselves or have them refilled by a third party remanufacturer. 2nd Yaro Dec. ¶ 4.

19. Consumers can purchase regular toner cartridges from numerous resellers or directly from Lexmark. 2nd Yaro Dec. ¶ 4.

20. Third party remanufacturers offer refilled versions of Lexmark's regular toner cartridges for sale. 2nd Yaro Dec. ¶ 4. SCC has sold and continues to sell products for the remanufacturing of Lexmark's...

21. Lexmark's regular toner cartridges contain microchips that utilize a technological measure. This technological measure, however, does not prevent third parties from remanufacturing the regular cartridges. Neither does this technological measure prohibit consumers from using remanufactured regular cartridges. 2nd Yaro Dec. ¶ 5.

IV. LEXMARK'S PROGRAMS

22. Lexmark's T-Series printers utilize computer programs to control various operations of the printer and to monitor operational characteristics of its associated toner cartridge. The computer programs at issue in this case are the Printer Engine Program and the Toner Loading Programs. Lexmark's Memorandum in Support of its Motion for Preliminary Injunction ("Lexmark Memo"), Ex. B, Declaration of Douglas Able ("Able Dec.") ¶ 4.

23. Lexmark is the legal owner of the Printer Engine Program and the Toner Loading Programs. Lexmark Memo, Exs. D-F.

A. The Printer Engine Program

24. The Printer Engine Program resides within the Lexmark T-Series printers and controls various operations of the printer including, for example, paper feed, paper movement, motor control, fuser operation, and voltage control for the electrophotographic (EP) system. Able Dec. ¶ 5.

25. Slightly different Printer Engine Programs are used in each of the T-Series printers with the differences being minor variations to account for differences in operational characteristics and available options of the particular printer model. Able Dec. ¶ 5.

26. Lexmark has obtained a Certificate of Registration from the Register of Copyrights for its Printer Engine Program. The Printer Engine Program for the T620 model printers is covered by Certificate of Registration No. TX 5-624-273. Lexmark Memo, Ex. F.
27. The Printer Engine Programs used by each of the remaining T-Series models, namely the Lexmark T520/T22 and T622 laser printers, are slight modifications of each other and are covered by the copyright registrations either as original or derivative works. Lexmark Memo at 2.

28. Lexmark applied for a Certificate of Registration for the Printer Engine Program under the Rule of Doubt due to trade secret information being contained in the program. Hearing, p. 68, lines 16-23. There has never been any question about *949 the Printer Engine Program's eligibility for copyright protection. Hearing, p. 64, lines 18-25.

29. The Rule of Doubt for computer programs does not mean that it is not copyrightable. It merely means that the Copyright Office cannot determine copyrightability due to the deposit being in human-unreadable object code. (Hearing, p. 64, line 18---p. 65, line 25).


31. The former head of the Copyright Office, Ralph Oman, in his expert opinion, testified at the preliminary injunction hearing that if the copyright registration application for the Printer Engine Program were filed with twenty (20) pages of its source code, there would be absolutely no question that the Printer Engine Program would have been registered without the Rule of Doubt. According to Oman, under the Copyright Office procedures, the Printer Engine Program meets the test for registrability because the Printer Engine Program contains the requisite amount of original expression. Hearing, p. 68, lines 7-15.

32. SCC does not dispute the copyrightability of the Printer Engine Program. SCC's computer programming expert, Dr. Benjamin Goldberg, has not offered any opinion on the Printer Engine Program and acknowledged at the preliminary injunction hearing that he did not review the Printer Engine Program source code. Hearing, p. 212, lines 14-17.

B. The Toner Loading Programs
33. The Toner Loading Programs reside within microchips attached to the toner cartridges for Lexmark's T-Series printers. Able Dec. ¶ 6. The Toner Loading Programs enable the printers to approximate the amount of toner remaining in the toner cartridges. Hearing, p. 88, lines 16-20; p. 101, lines 7-16. The printers, using the Printer Engine Program, use this information to display a "toner low" condition on the printer screen at the appropriate time. Able Dec. ¶ 6; Hearing, p. 102, lines 16-19.

34. The Toner Loading Programs are located on the toner cartridge for the purpose of allowing for future changes to the Toner Loading Programs should there be changes made to the toner or cartridge characteristics in future aftermarket cartridges. Hearing, p. 124, lines 1-16.

35. The T520/522 model laser printers use one Toner Loading Program and the T620/622 model laser printers use another Toner Loading Program. Different cartridge and toner characteristics dictate the differences between the two Toner Loading Programs. SCC's Opposition Memorandum ("SCC Opp."), App. 6, Tab B, p. 2.

36. The Toner Loading Program for the T520/522 printer contains an embedded "reference tag" or marker to aid Lexmark in detecting copyright infringers. In particular, the T520/522 printers' Toner Loading Program contains the ASCII code sequence "4C 58 4B" that spells out Lexmark's stock market ticker symbol, "LXK." This reference tag does not affect Toner Loading Program functionality. Its sole use is as an infringement detection tool. Able Dec. ¶ 7.

37. Lexmark has obtained Certificates of Registration from the Register of Copyrights for its Toner Loading Programs. The Toner Loading Program for the T520/522 model printers is covered by Certificate of Registration No. TX 5-609-284. Lexmark Memo, Ex. D. The Toner Loading Program for the T620/622 model printers is covered by Certificate of Registration No. TX 5-609-285. Lexmark Memo, Ex. E.

*950 1. The Toner Loading Programs are not "Lock-Out Codes"
38. The size of the Toner Loading Program for the T520/522 printers is 37 bytes. None of this Toner Loading Program is used as input to the Secure Hash Algorithm-1 ("SHA-1"), a publicly available government standard, as part of Lexmark's authentication sequence between its T-Series printers and Prebate cartridges.

39. The Toner Loading Program for the T520/522 printers does not function, in whole or in part, as a lock-out code because it is not used in Lexmark's authentication sequence. Hearing, p. 115, line 12--p. 116, line 1, lines 15-18; Lexmark Reply, Ex. E, Declaration of Bruce Maggs ("Maggs Dec.") ¶ 14.

40. The size of the Toner Loading Program for the T620/622 is 55 bytes. Only 7 of these 55 bytes are used as input to the SHA-1 as part of Lexmark's authentication sequence. Hearing, p. 112, line 22--p. 113, line 6.

41. It does not matter what the values are for these 7 bytes of Toner Loading Program for the T620/622, which are used as an input to the SHA-1. These bytes could be any values at all. The contents of the Toner Loading Program are irrelevant to the authentication sequence. Hearing, p. 113, lines 11-25; Maggs Dec. ¶ 14.

42. The Toner Loading Program for the T620/622 printers does not function as a lock-out code because it is neither necessary nor required in Lexmark's authentication sequence.

43. For purposes of Lexmark's authentication sequence, it is irrelevant whether a Toner Loading Program is even stored on the toner cartridge. The authentication sequence can work correctly irrespective of the existence of a Toner Loading Program on the cartridge. Hearing, p. 113, lines 11-25; Maggs Dec. ¶ 14.

44. The Toner Loading Programs for the T520/522 and the T620/622 are readable directly from the microchips on the toner cartridges. Hearing, p. 115, lines 4-11.

45. The key to understanding Lexmark's authentication sequence is an 8-byte secret code called the Derived

2. The Toner Loading Programs may be Expressed in Different Ways

46. Lexmark made a series of design choices when writing the Toner Loading Programs for purposes of estimating the amount of toner remaining in a toner cartridge. Maggs Dec. ¶ 23.

47. The Toner Loading Programs contain creative expression because of the creative choices made by Lexmark during the development of the Toner Loading Programs. Hearing, p. 88, line 21--p. 89, line 3; p. 102, line 20--p. 103, line 21.

48. The Toner Loading Programs may be expressed in different ways to perform the same function, namely estimating the amount of toner remaining in toner cartridges. Hearing, p. 101, lines 17-24; Maggs Dec. ¶ 30. Lexmark's computer programming expert, Dr. Bruce Maggs, in his testimony and his declaration, outlined a number of different possible methods of performing this function. These methods include applying other mathematical equations than the ones chosen by Lexmark, using a look-up table, and even abandoning the torque reading system relied upon by Lexmark in favor of an altogether different system. Hearing, p. 89, line 4--p. 90, line 6, Maggs Dec. ¶ 30. Dr. Maggs also demonstrated that other options exist for expressing the Toner Loading Program even when the same approximation technique is used and the same formulas and constants are employed. Hearing, p. 104, *951 lines 13-17, p. 105, lines 11-22; Maggs Dec. ¶ 30.

49. SCC's computer programming expert, Dr. Benjamin Goldberg, acknowledged, with some reservations regarding efficiency, that other ways of writing the Toner Loading Programs were possible. Hearing, p. 206, line 6--p. 207, line 2. Dr. Goldberg also suggested that the Toner Loading Programs could have been expressed differently by writing the Toner Loading Programs in a programming language other than Lexmark's custom programming language. Hearing, p. 209, lines 5-20.

50. Lexmark's unique computer programming language and its selection and arrangement of appropriate approximation techniques, including the selection,
arrangement, and particular expression of formulas, constants, and variables that comprise the Toner Loading Programs constitutes creative expression and is entitled to copyright protection.

3. The Copyright Office Considered Copyrightability Issues of the Toner Loading Programs

51. The Copyright Office considered copyrightability issues when it examined the Toner Loading Programs and granted Certificates of Registration for those programs. Hearing, p. 69, line 6--p. 71, line 12; Lexmark Reply, Ex. F., Declaration of Ralph Oman ("Oman Dec.") ¶ 18, 54. The correspondence between the Copyright Office and Lexmark describes the issues that the Copyright Office addressed with Lexmark. Oman Dec. ¶ 53; SCC Opp., App. 6.

52. The Copyright Office considered whether the Toner Loading Programs were mere mathematical formulas, and informed Lexmark that mathematical formulas are not copyrightable. Oman Dec. ¶ 62; SCC Opp., App. 6, Tab A.

53. The Copyright Office reviewed the information submitted by Lexmark and determined that both Toner Loading Programs constituted more than mere mathematical formulas. Rather, the programs were determined to contain source code and a series of symbols and numerical indicia that implement a particular formula, and that "set of ... instructions to be used directly or indirectly in a computer in order to bring about a certain result," contains enough original authorship to qualify for copyright protection. Hearing, p. 75, line 13--p. 76, line 12; Oman Dec. ¶ 62; see 17 U.S.C. § 101 (definition of computer program).

54. The Copyright Office's examining manual provides that a set of statements and instructions in a computer program that implement a mathematical formula or algorithm is entitled to copyright protection. For example, the Copyright Office will register "a program that calculates the orbit of a rocket" or "a program that computes wages and salaries for a payroll," even if the program uses a formula or an algorithm to perform these calculations. Hearing, p. 75, line 16--p. 76, line 12; Lexmark Reply, Ex. C., Compendium of Copyright Office Practices § 321 at 300-16.
55. The Copyright Office considered merger issues, and sought to determine if the expressive elements in the Toner Loading Programs were dictated by the functional aspects of the printer or the toner cartridge. Hearing, p. 76, line 24–p. 77, line 19; Oman Dec. ¶ 65.

56. The Copyright Office reviewed the information submitted by Lexmark and determined that both Toner Loading Programs contain a sufficient amount of original expression, and that Lexmark's expression does not merge with the ideas, procedures, processes, systems, or methods of operations that it has expressed. *952 Hearing, p. 76, line 13–p. 77, line 19; Oman Dec. ¶ 65.

57. The Copyright Office considered the two Toner Loading Programs to be independently copyrightable when it issued the Certificates of Registration for both programs. Hearing, p. 70, lines 5-15; Oman Dec. ¶ 58.

V. LEXMARK'S AUTHENTICATION SEQUENCE

58. Lexmark's authentication sequence prevents the unauthorized access to its Printer Engine Programs and Toner Loading Programs and is the subject of the DMCA counts in this case.

59. To protect the Printer Engine Programs and Toner Loading Programs and to prevent unauthorized toner cartridges from being used with Lexmark's T-Series printers, Lexmark uses an authentication sequence that runs each time a toner cartridge is inserted into a Lexmark printer, the printer is powered on, or whenever the printer is opened and closed. Able Dec. ¶ 8.

60. The first step of the authentication sequence requires the printer and the microchip on the toner cartridge to calculate a Message Authentication Code ("MAC"). Hearing, p. 107, lines 8-12; Maggs Dec. ¶ 6.

61. The second step requires the microchip on the toner cartridge to communicate its MAC to the printer. Hearing, p. 107, lines 13-17; Maggs Dec. ¶ 6.

62. The third step requires the printer to compare
the MAC that it calculated with the MAC it received from the microchip on the toner cartridge. Hearing, p. 107, lines 18-19; Maggs Dec. ¶ 6.

63. The authentication sequence succeeds if the MAC calculated by the printer matches the MAC calculated by the microchip on the toner cartridge. Hearing, p. 107, line 20--p. 108, line 9; Maggs Dec. ¶ 6.

64. The MAC computations on both the printer and the toner cartridge are calculated by using the SHA-1. Maggs Dec. ¶ 7.

65. There are six pre-defined inputs to the SHA-1 that are used to calculate the MAC on the Lexmark microchips. Hearing, p. 110, lines 7-24; Maggs Dec. ¶ 9. Those pre-defined inputs are located in certain memory portions on the Lexmark microchip. Hearing, p. 110, line 19--p. 111, line 14; Maggs Dec. ¶ 9.

66. The Printer Engine Program uses these same six pre-defined inputs to calculate the MAC on the printer side. Hearing, p. 116, lines 2-8.

67. The contents of the Toner Loading Program are irrelevant to the SHA-1 for calculating the MAC. Maggs Dec. ¶ 14.

68. The effectiveness of Lexmark's authentication sequence has been widely acknowledged by aftermarket cartridge microchip manufacturers. Lexmark Memo, Ex. H.

A. Lexmark's Authentication Sequence Controls Access to Lexmark's Printer Engine Program

69. If the MAC calculated by the microchip matches the MAC calculated by the printer, the cartridge is authenticated and authorized for use by the printer. Able Dec. ¶ 8. The printer is then capable of running the Printer Engine Program to thereby print. Hearing, p. 108, lines 6-9, p. 107, line 22--p. 108, line 1, p. 128, lines 8-12; Able Dec. ¶ 8.

70. If, on the other hand, the two MAC calculations do not match, the printer will issue an error message and will not run the Printer Engine Program. Hearing, p. 108, lines 10-17; Able Dec. ¶ 8.
71. By design, unless this authentication sequence successfully occurs, the *953 printer will not recognize the toner cartridge as being an authorized cartridge and access to the Printer Engine Program will be disabled. Able Dec. ¶ 9.

B. Lexmark's Authentication Sequence Controls Access to Lexmark's Toner Loading Programs

72. If the MAC calculated by the microchip on the toner cartridge matches the MAC calculated by the printer, then the cartridge is authenticated and authorized for use by the printer. Able Dec. ¶ 8. The printer can then access the Toner Loading Program to monitor the toner status of the authenticated toner cartridge. Hearing, p. 107, line 22--p. 108, line 1, p. 128, lines 8--12; Able Dec. ¶ 8.

73. If, on the other hand, the MAC calculated by the printer does not match the MAC calculated by the microchip on the toner cartridge, the printer will issue an error message and the printer will not access the Toner Loading Program for toner status monitoring. Able Dec. ¶ 8.

74. By design, unless this authentication sequence successfully occurs, the printer will not recognize the toner cartridge as being an authenticated cartridge and the Toner Loading Program will not be accessed. Able Dec. ¶ 9.

C. The "Checksum" Operation is not Part of Lexmark's Authentication Sequence nor is it a Secondary Authentication Sequence

75. Following the successful completion of Lexmark's authentication sequence, the Printer Engine Program may download a copy of the Toner Loading Program from the microchip on the toner cartridge if a certain bit on the microchip is set. Hearing, p. 107, line 22--p. 108, line 1, p. 120, line 4 -p. 121, lines 5-11.

76. In the event that the Toner Loading Program is downloaded from the toner cartridge, the Printer Engine Program will perform a checksum operation to ensure the integrity of the Toner Loading Program. Hearing, p. 117, line 24--p. 118, line 16, p. 122, lines 8-11; Maggs Dec. ¶ 16.
77. Checksum operations are commonly used techniques to ensure data integrity when data is transmitted from one point to another. Hearing, p. 146, lines 8-16; Maggs Dec. ¶ 16.

78. The checksum operation can be summarized as follows. When a message is transmitted, a numerical checksum value is also transmitted. This checksum value represents the result of a mathematical computation that is performed on the bits in the transmitted message. Upon receiving the transmitted message, the receiving station performs the same mathematical computation on the bits in the transmitted message and compares the computed result with the transmitted checksum value. If the result matches, then the receiving station has some assurance that the transmitted message is accurate. If not, the receiving station assumes that the message was somehow corrupted. Hearing, p. 94, line 24--p. 95, line 15; Maggs Dec. ¶ 16.

79. The memory map for the microchips on Lexmark's toner cartridges identifies the existence of the checksum value, and specifies the checksum's location and size. Hearing, p. 118, line 23--p. 120, line 1; Maggs Dec. ¶ 17.

80. If the checksum operation performed by the Printer Engine Program results in a value that matches the checksum value stored in the microchip on the toner cartridge, the Printer Engine Program assumes that the integrity of the Toner Loading Program was not compromised and continues operation. Hearing, p. 125, lines 12-16; Maggs Dec. ¶ 16.

81. If, on the other hand, the checksum operation performed by the Printer Engine Program results in a value that does not match the checksum value stored in the microchip on the toner cartridge, the Printer Engine Program assumes that the integrity of the Toner Loading Program was somehow compromised. Maggs Dec. ¶ 16. As a result, the Printer Engine Program issues a "32 Unsupported Print Cartridge" message. Hearing, p. 122, line 20--p. 123, line 3; Maggs Dec. ¶ 17.

82. The "secondary authentication sequence" referred to at the hearing by SCC's computer programming expert, Dr. Benjamin Goldberg, is the checksum operation used by Lexmark to determine data
integrity. Hearing, p. 192, lines 2-14, p. 197, lines 7-12, p. 203, lines 11-14.

83. The checksum process could successfully process any arbitrary computer program, whether or not toner related. The particular Toner Loading Programs used by Lexmark are not required for the checksum process to be successfully completed. The checksum process could be successfully completed for any Toner Loading Program as long as the proper checksum value was provided in the microchip. Hearing, p. 118, line 19--p. 119, line 3, p. 125, line 21- 24; Maggs Decl. ¶ 18.

84. There was some dispute at the hearing between Dr. Goldberg and Lexmark's computer programming expert, Dr. Bruce Maggs, as to the particular computation that the Printer Engine Program performs in determining the checksum value. Dr. Maggs testified that the Printer Engine Program performs a calculation, other than an SHA-1 computation, to determine the checksum value. Dr. Goldberg, on the other hand, testified that the Printer Engine Program performs an SHA-1 computation to determine the checksum value and therefore the checksum computation was a secondary authentication sequence. Hearing, p. 194, lines 10-16.

85. The Court finds little value in this distinction because the method used to calculate the checksum value is irrelevant. Hearing, p. 148, lines 2-9. Knowledge of the particular mathematical computation performed by the checksum process would not be needed to incorporate a different Toner Loading Program. Hearing, p. 148, lines 6-9.

86. Because the checksum value used in Lexmark's microchips is only eight (8) bits long, there are only a total of 256 possible values that the checksum value could have. Hearing, p. 121, lines 15-25. Accordingly, if one wanted to use another Toner Loading Program, the checksum value could be determined by trial and error and without having to know the actual method used to calculate the checksum value. Hearing, p. 121, lines 17-25.

87. Dr. Goldberg's byte-by-byte analysis of Lexmark's Toner Loading Programs did not pass the checksum check because Dr. Goldberg did not make a corresponding change to the checksum. If the checksum is not updated corresponding to a change in the Toner
Loading Programs, the checksum operation will fail and the printer will issue a "32 Unsupported Cartridge Error" message. Hearing, p. 122, lines 1-24.

88. Dr. Goldberg does not dispute that with an understanding of the checksum, a different toner loading program having a correct checksum value could be employed. Dr. Goldberg acknowledges that with knowledge of the checksum information, it would only be a matter of 256 tries. Hearing, p. 197, lines 19-21.

89. It would be extraordinarily difficult to determine the existence and location of the checksum value on Lexmark's microchips without any contextual information to assist in determining the meaning and significance of the bytes on the microchips.

*955 VI. SCC'S SMARTEK MICROCHIPS

90. SCC manufactures and sells components for use in the remanufacturing of toner cartridges for Lexmark's T-Series printers. One such component is its SMARTEK microchip, which is used to replace the microchip found in Lexmark's toner cartridges. SCC sells one SMARTEK microchip for use with Lexmark's T520/522 toner cartridges and another SMARTEK microchip for use with Lexmark's T620/622 toner cartridges. SCC Opp. at 1.

91. SCC's Imaging Supplies Division, which is one of two divisions in SCC, manufactures and sells a multitude of other products and parts to the toner cartridge remanufacturing industry. According to William Schwartz, the president of this division, SCC's product line includes over 3,000 products. Hearing at p. 163, lines 21-24, p. 164, lines 3-5.

A. SCC's SMARTEK Microchip Contains Identical Copies of Lexmark's Toner Loading Programs

92. SCC acknowledges that it copied Lexmark's Toner Loading Programs "in the exact format and order" in its SMARTEK microchips. Hearing, p. 196, line 22--p. 197, line 1; SCC Opp. at 4 & 19.

93. The SMARTEK microchip for use with Lexmark's T520/522 toner cartridges contains an identical copy
of Lexmark's T520/522 Toner Loading Program that is covered by Registration No. TX 5-609-284. Able Dec. ¶ 12.

94. The SMARTEK microchip for use with Lexmark's T520/522 toner cartridges also contains the ASCII code sequence "4C 58 4B" that spells out Lexmark's stock market ticker symbol, "LXK." Able Dec. ¶ 14; SCC Opp. at 4.

95. The SMARTEK microchip for use with Lexmark's T620/622 toner cartridges contains an identical copy of Lexmark's T620/622 Toner Loading Program that is covered by Registration No. TX 5-624-273. Able Dec. ¶ 12.

96. SCC admits that it had access to Lexmark's Toner Loading Programs and that it "slavishly copied" Lexmark's Toner Loading Programs. SCC Opp., App. 2 ¶ 7; SCC Opp. at 11.

97. According to one SCC press release dated October 10, 2002, the "new" SMARTEK microchip was introduced to be compatible with Lexmark's new firmware release for the T-Series printers. SCC was able to introduce its SMARTEK microchip within five (5) months after this new firmware release from Lexmark. Lexmark Memo, Ex. 1.

B. SCC's SMARTEK Microchip Circumvents Lexmark's Authentication Sequence

98. SCC acknowledges that it specifically designed its SMARTEK microchip to circumvent Lexmark's authentication sequence. SCC Opp. at 2-4.

99. SCC acknowledges that its SMARTEK microchip has no commercial purpose other than to circumvent Lexmark's authentication sequence. SCC Opp. at 2-4.

100. The SMARTEK microchip's method of circumvention involves the use of technology that mimics the authentication sequence performed by an original microchip on Lexmark's T-Series toner cartridges and the printer. SCC Opp. at 2-4.

101. Each time a consumer installs an unauthorized toner cartridge containing a SMARTEK microchip into a Lexmark T-Series laser printer, powers on, or opens
and closes the printer containing such an unauthorized toner cartridge, the SMARTEK microchip circumvents Lexmark's authentication sequence, the technological measure that controls access to both the Printer Engine Program and the Toner Loading Program. Hearing, p. 90, line 2--p. 91, line 1.

102. By circumventing Lexmark's technological measure, the SMARTEK microchip enables various printer functions by providing access to both Lexmark's Printer Engine Program resident on the controller board in the Lexmark T-Series laser printers and the unauthorized copy of Lexmark's Toner Loading Programs resident on the SMARTEK microchip. Hearing, p. 128, lines 8-16.

103. SCC sells and markets its SMARTEK microchips for use in circumventing Lexmark's authentication sequence. According to one SCC advertisement, the SMARTEK microchip circumvents the "secret code," which "even on the fastest computer available today... would take years to run through all of the possible 8-byte combinations to break ...." Lexmark Memo, Ex. K (emphasis in original).

104. According to another SCC advertisement, the SMARTEK microchips are "[c]hips that send the right messages [to Lexmark's T-Series printers"]. Lexmark Memo, Ex. S (emphasis in original).

VII. SCC'S PETITION TO EXEMPT ITS SMARTEK MICROCHIPS FROM COVERAGE UNDER THE DMCA

105. On January 23, 2003, SCC applied to the Copyright Office for an exemption to cover both the specific allegations lodged in this case with respect to toner cartridges and printers and, more broadly, embedded software without independent market value.

106. On February 5, 2003, the Copyright Office granted SCC's petition and will consider SCC's request to exempt its SMARTEK microchips from the prohibitions under the DMCA. Hearing, p. 9, lines 4-18.

VIII. THE BALANCE OF POTENTIAL HARMs

A. Lexmark
107. Lexmark expended significant time and financial resources developing its Printer Engine Program, Toner Loading Programs and the authentication sequence designed to prevent unauthorized access to the programs. Yaro Dec. ¶ 15.

108. Lexmark sells a significant number of toner cartridges for its T-Series printers under the Prebate agreement with consumers where the consumers agree to use the toner cartridge only once and then return the used cartridge to Lexmark for remanufacturing and recycling. Yaro Dec. ¶ 9. Approximately 90% of the toner cartridges sold by Lexmark for its T-Series printers are Prebate cartridges. Hearing, p. 19, lines 14-18.

109. The SMARTEK microchip allows consumers to reuse refilled Prebate cartridges without returning those cartridges for remanufacturing to Lexmark in accordance with the Prebate agreement. Yaro Dec. ¶ 16.

110. Lexmark's remanufacturing program is dependent upon the return of used Prebate cartridges, and consumers' failure to return those used Prebate cartridges to Lexmark may significantly increase the cost of Lexmark’s remanufacturing process and may limit Lexmark’s ability to compete for remanufactured toner cartridges. Yaro Dec. ¶ 16.

111. In addition, third parties can sell reused Prebate cartridges containing the SMARTEK microchip to consumers in direct competition with Lexmark's authorized remanufactured toner cartridges. Yaro Dec. ¶ 14.

112. The sale of unauthorized toner cartridges at reduced prices to consumers could result in fewer customer orders for authorized Lexmark remanufactured toner cartridges and could significantly damage Lexmark's remanufactured toner cartridge sales for its T-Series printers. Yaro Dec. ¶ 14.

B. SCC

113. The issuance of a preliminary injunction will result in substantial lost profits for SCC on the sale of its SMARTEK microchip. Hearing, p. 161.
114. In addition to causing lost profits on the sale of the SMARTEK microchip and related components, the issuance of a preliminary injunction could affect SCC's sales of other components for older Lexmark cartridges, and have a depressing effect on the remanufacturing industry as a whole. Hearing, p. 160-61.

CONCLUSIONS OF LAW

1. This Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. §§ 1331, 1338(a), and 17 U.S.C. § 1203(a) and has personal jurisdiction over SCC.

2. Venue in this jurisdiction is proper under 28 U.S.C. §§ 1391 and 1400(a).

I. PRELIMINARY INJUNCTION STANDARD

[1] 3. In considering Lexmark's Motion for a Preliminary Injunction, four factors must be considered: (1) Lexmark's likelihood of success on the merits; (2) whether Lexmark will suffer irreparable harm if the injunction is not issued; (3) the public interest; and (4) the possibility of substantial harm to others. Forry, Inc. v. Neundorfer, Inc., 837 F.2d 259, 262 (6th Cir.1988).

4. These factors are to be balanced and the relative strength of one or more factors can offset the weakness of another. In re Dehorean Motor Co., 755 F.2d 1223, 1229 (6th Cir.1985).

5. The "likelihood of success" factor should be given the strongest weight in balancing all four tests, because irreparable harm and inadequate remedies at law can be presumed in cases involving registered copyrights and violations of the anti-trafficking provisions of the DMCA. See Forry, 837 F.2d at 267 (irreparable injury presumed in copyright infringement cases when the plaintiff establishes a likelihood of success on the merits); Universal City Studios, Inc. v. Reimerdes, 82 F.Supp.2d 241, 215 (S.D.N.Y.2000) (irreparable injury presumed when the plaintiff establishes a likelihood of success on DMCA claims); Tree Publishing Co., Inc. v. Warner Bros. Records, 785 F.Supp. 1272, 1276-77 (M.D.Tenn.1991) (citing Johnson Controls, Inc. v. Phoenix Control...
II. LEXMARK HAS DEMONSTRATED A LIKELIHOOD OF SUCCESS ON THE MERITS OF ITS COPYRIGHT INFRINGEMENT CLAIM

6. The manufacture and/or sale of an unauthorized copy that is substantially similar to a protected work constitutes copyright infringement. See 17 U.S.C. §§ 106, 501(a).


A. Lexmark's Toner Loading Programs are Entitled to Copyright Protection

8. "A 'computer program' is a set of statements or instructions to be used directly or indirectly in a computer in order to bring about a certain result." 17 U.S.C. § 101.

[3] 9. A computer program, whether in object code or source code, is a "literary work" and is protected from unauthorized copying, whether from the object or source code version. Apple Computer, Inc. v. Franklin Computer Corp., 714 F.2d 1240, 1249 (3d Cir.1983).

10. "To qualify for copyright protection, a work must be original to the author." Feist, 499 U.S. at 345, 111 S.Ct. 1282. "Original, as the term is used in copyright, means only that the work was independently created by the author ... and that it possesses at least some minimal degree of creativity." Id.

[4] 11. "[T]he requisite level of creativity is extremely low; even a slight amount will suffice." Id. Indeed, "[t]he vast majority of works make the grade quite easily, as they possess some creative spark, 'no matter how crude, humble or obvious' it might be." Id.; SAS Inst., Inc. v. S&H Computer Sys.,
Inc., 605 F. Supp. 816, 825 (M.D. Tenn. 1985) (determining that a program contained copyrightable expression and noting that "[e]ven in the case of simple statistical calculations, there is room for variation, such as the order in which arithmetic operations are performed.").

12. Lexmark's unique creative computer programming language and its selection and arrangement of appropriate approximation techniques, including the selection, arrangement, and particular expression of formulas, constants, and variables that comprise the Toner Loading Programs contain the requisite amount of creativity for the Toner Loading Programs to qualify for copyright protection.

[5] 13. The Certificates of Registration for Lexmark's Toner Loading Programs constitute prima facie evidence of copyright originality and validity. See, e.g., Johnson Controls, 886 F.2d at 1175. The burden therefore rests upon SCC to demonstrate that the Toner Loading Programs are not entitled to copyright protection. See, e.g., Ets-Hokin v. Sky Spirits, Inc., 225 F.3d 1068, 1075-76 (9th Cir. 2000) ("A certificate of copyright registration ... shifts to the defendant the burden to prove the invalidity of the plaintiff's copyrights.").

14. Lexmark is likely to succeed at trial on the merits of its copyright infringement claim because SCC has failed to prove the invalidity of the Lexmark copyrights covering the Toner Loading Programs.

1. The Toner Loading Programs are not Lock-Out Codes

[6] 15. SCC's primary defense to Lexmark's copyright infringement claim is that the Toner Loading Programs are lock-out codes, and that the exact Toner Loading Program is required as a part of the authentication sequence performed between the toner cartridge and the printer.

16. The Toner Loading Programs are not required as a part of the authentication sequence. Hearing, p. 118, lines 5-18. Any Toner Loading Program could be used that would result in a valid authentication sequence and a valid checksum operation. Hearing, p. 125, lines 17-24.
17. SCC does not deny that a valid authentication sequence and valid checksum operation could occur with any Toner Loading Program being used. Rather, SCC argues that there is no way that it could have known this because of the technological complexity of the microchips on Lexmark's toner cartridges. SCC Opp. at 5.


19. SCC's claim that it would have been extraordinarily difficult to know, without having access to Lexmark's confidential documents, that the Toner Loading Programs are not needed for a valid authentication sequence and a valid checksum operation to occur does not excuse infringement or change the fact that the Toner Loading Programs are not actually lock-out codes.

20. SCC's incomplete analysis of Lexmark's microchips is no excuse for being unable to determine that the Toner Loading Programs are not lock-out codes. See, e.g., Brooktree Corp. v. Advanced Micro Devices, Inc., 977 F.2d 1555, 1570 (Fed.Cir.1992) (in context of the Semiconductor Chip Prevention Act, 17 U.S.C. §§ 901-914, declining to find that the accused infringer had, as a matter of law, a defense against infringement when it spent two and a half years and in excess of three million dollars to reverse engineer its competitor's chip--"an element of the defense of reverse engineering [is] that the product be original ... The statute does not reflect an intent to excuse copying as a matter of law, if the copier had first tried and failed to do the job without copying.").

21. The Toner Loading Programs do not need to be copied in whole or in part for a valid authentication sequence and a valid checksum to occur.

22. The lock-out cases relied upon by SCC are
irrelevant because Lexmark's Toner Loading Programs do not function as lock-out codes. See Sega Enters. Ltd. v. Accolade, Inc., 977 F.2d 1510 (9th Cir. 1992); Atari Games Corp. v. Nintendo of Am., No. C88-4805 FMS, 689-0027 FMS 1993 WL 214886, 1993 U.S. Dist. LEXIS 8183 (N.D. Cal. Apr. 15, 1993). Sega and Atari do not apply in the instant case because the plaintiffs' computer programs in those cases were, either in their entirety or in part, security codes that were required to circumvent the lock-out measures that prevented the use of unauthorized products with the plaintiffs' game systems. This is simply not the case here where the use of any Toner Loading Program could still result in a valid authentication sequence and a valid checksum.

23. In Sega, the accused infringing activity focused on "intermediate copying" engaged in by the accused infringer for the sole purpose of reverse engineering. Sega, 977 F.2d at 1522 ("[Defendant] copied [plaintiff's] software solely in order to discover the functional requirements for compatibility."). The Sega Court, after a lengthy overview of the copyright fair use factors and public policy concerns, allowed this narrow exception of copying a copyrighted program for the limited purpose of allowing reverse engineering activities to analyze ideas embedded in computer programs. Sega did not involve allegations of an accused infringer copying a protected work and then incorporating that very work into a product offered for sale. Sega, 977 F.2d at 1515.

24. The instant case, on the other hand, does not deal with any intermediate copying that SCC may have engaged in for purposes of analyzing or testing Lexmark's Toner Loading Programs and creating an independent work using the ideas expressed by the Toner Loading Programs. Rather, this is a case of wholesale, identical copying of Lexmark's Toner Loading Programs for commercial exploitation and profit. Lexmark has not *960 challenged, in this action, any reverse engineering activities SCC may have undertaken in its attempts to understand the Toner Loading Programs.

[8] 25. Even if the Toner Loading Programs were somehow considered to be lock-out codes, copyright infringement would still exist in the instant case. "Security systems are just like any other computer
program and are not inherently unprotectable." Atari, 1993 U.S. Dist. LEXIS 8183 at *28-29, 1993 WL 214886. Infringement may still be found if there is substantial similarity and "that those similarities extend beyond those necessary to produce the sequence of bits that will unlock the [copyright owner's] console." Id. at *29, 1993 WL 214886.

26. "[T]he fact that multiple ways exist to generate the necessary signal stream may provide evidence that [the accused infringer] copied more than was necessary to achieve compatibility." Id.; see also Atari Games Corp. v. Nintendo of Am., Inc., 975 F.2d 832, 845 (Fed.Cir.1992) ("While Atari may freely reproduce the idea or process of Nintendo's 10NES code, copying of fully extraneous instructions unnecessary to the 10NES program's function strongly supports the district court's imposition of an injunction on the likelihood Nintendo will show infringement."). Public policy favors requiring competitors to carefully study security systems and discern what is truly necessary for compatibility. Atari, 975 F.2d at 843.

27. In the instant case, SCC's identical copying of Lexmark's Toner Loading Programs went beyond that which was necessary for compatibility because SCC could have achieved a valid authentication sequence and a valid checksum operation without engaging in the verbatim copying of Lexmark's Toner Loading Programs.

2. The Fair Use Exception does not Apply


29. The cases relied upon by SCC do "not stand for the proposition that any form of copyright infringement is privileged as long as it is done as part of an effort to explore the operation of a product that uses copyrighted software." DSC Communications Corp. v. Pulse Communications, Inc., 170 F.3d 1354, 1363 (Fed.Cir.1999). Where the accused infringer's copying is part of the ordinary operation of the accused product, fair use does not apply. Id.; see also Cable/Home Communication Corp. v. Network Prods., Inc. 902 F.2d 829, 843-45 (11th Cir.1990) (affirming grant of summary judgment of infringement in favor of the plaintiffs and holding that the
defendant's copying of the plaintiff's copyrighted cable descrambling software is not fair use); *Allen-Mylane, Inc. v. Int'l Bus. Machs. Corp.*, 746 F.Supp. 520, 533-35 (E.D.Pa.1990) (holding that copying all or substantial portions of microcode was not fair use); *Compaq Computer Corp. v. Procom Tech., Inc.*, 908 F.Supp. 1409, 1419-21 (S.D.Tex.1995) (issuing judgment for the plaintiff and permanent injunction and holding that the defendants' verbatim copying of copyrighted "threshold values" was not fair use); *Princeton Univ. Press v. Mich. Document Servs.*, 99 F.3d 1381, 1385-92 (6th Cir.1996) (en banc) (holding that substantial verbatim copying by a copy service of materials to be used in "coursepacks" for college students was not fair use).

[10] 30. The fair use doctrine requires the balancing of four non-exclusive factors: (1) the purpose and character of the use, including whether the use is of a commercial nature or is for nonprofit or educational purposes; (2) the nature of the copyrighted work; (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and (4) the effect of the use upon the potential market for or the value of the copyrighted work. 17 U.S.C. § 107 (2002).

31. *Purpose and Character of the Use*—"[T]he fact that copying is for a commercial purpose weighs against a finding of fair use." *Sega*, 977 F.2d at 1522. accord *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 585, 114 S.Ct. 1164, 127 L.Ed.2d 500 (1994). It is clear that SCC has copied Lexmark's Toner Loading Programs for the commercial purpose of developing its SMARTEK microchips for use with Lexmark's T-Series toner cartridges and printers. SCC contends that commercial gain is only one factor to consider, and that the Court is also free to consider the public interest and benefit resulting from a particular use, such as the marketing of compatible and interoperable products, notwithstanding the fact that an accused party may gain commercially. *Sega*, 977 F.2d at 1522-23. While this is certainly the case, the Court finds that this factor weighs heavily in Lexmark's favor because SCC engaged in the wholesale copying of Lexmark's Toner Loading Programs for the purpose of developing the SMARTEK microchips and profiting from their sale.

32. *Nature of the Copyrighted Work*—Not all
copyrighted works are entitled to the same degree of protection. Works that are essentially factual, have strong functional elements, or are essentially utilitarian articles, such as computer programs, are afforded a lower degree of copyright protection than more traditional literary works. *Sony Computer Entm't, Inc. v. Connectix*, 203 F.3d 596, 603 (9th Cir.2000); *Sega*, 977 F.2d at 1524-26. While computer programs are entitled to some copyright protection, the Court finds that this factor weighs slightly in SCC's favor because of the lesser degree of protection frequently provided to computer programs.

33. Amount and Substantiality of the Portion Used in Relation to the Copyrighted Work as a Whole--In the instant case, it is clear that SCC copied Lexmark's Toner Loading Programs in their entirety. This finding heavily favors Lexmark. See *Campbell*, 510 U.S. at 587-88, 114 S.Ct. 1164 ("[A] work composed primarily of an original ... with little added or changed, is more likely to be a merely superseding use, fulfilling demand for the original."). SCC contends that copying an entire work can be deemed fair use. See *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 104 S.Ct. 774, 78 L.Ed.2d 574 (1984); *Sega*, 977 F.2d at 1523 ("The fact that an entire work was copied does not, however, preclude a finding of fair use."). While this is certainly the case in some instances, the Court finds that this factor weighs heavily in Lexmark's favor in the instant case because SCC did not have to engage in wholesale copying of the Toner Loading Programs in their entirety to enable interoperability, given that valid authentication sequences and checksum operations can occur with completely different Toner Loading Programs.

34. The Effect of the Use upon the Potential Market for or Value of the Copyrighted Work--Where, as here, a verbatim copy of a work is made with the intended purpose of commercial gain, a likelihood of significant market harm is presumed. See *Sony*, 464 U.S. at 451, 104 S.Ct. 774 ("If the intended use is for commercial gain, [the] likelihood [of significant market harm may be] presumed."); accord *Campbell*, 510 U.S. at 591, 114 S.Ct. 1164 (presumption of likelihood of significant market harm is presumed for "mere duplication for commercial purposes."). Accordingly, the Court finds that this factor weighs in Lexmark's favor.
35. In sum, three of the four fair use factors weigh heavily in Lexmark's favor. The only factor that weighs in SCC's favor, the nature of the protected work, only weighs slightly in SCC's favor because computer programs are still entitled to some copyright protection, even if this protection does not rise to the level afforded to more traditional literary works. On balance, the three factors in Lexmark's favor substantially outweigh the one factor in SCC's favor. Accordingly, the Court finds that SCC's actions do not fall under the protective umbrella of the fair use doctrine.

3. The Toner Loading Programs are not Mere Formulas and Constants

[11] 36. The copyright protection for each of the Toner Loading Programs covers the unique creative computer programming language and selection and arrangement of appropriate approximation techniques, including the selection, arrangement, and particular expression of formulas, constants, and variables. See, e.g., Feist, 499 U.S. at 348, 111 S.Ct. 1282 ("arrangement or selection of facts can be protected by copyright ... however, the copyright is limited to the particular selection and arrangement."); Apple Computer, Inc. v. Formula Int'l, Inc., 725 F.2d 521, 525 (9th Cir.1984) (a plaintiff "seeks to copyright only its particular set of instructions [i.e., the source code or object code], not the underlying computer process [i.e., performing a function].").

37. External factors such as compatibility requirements, industry standards, and efficiency should be considered as part of the substantial similarity analysis rather than a copyrightability analysis. See, e.g., Liberty Am. Ins. Group, Inc. v. Westpoint Underwriters, L.L.C., 199 F.Supp.2d 1271, 1290 (M.D.Fla.2001) (considering the effect of external factors during the substantial similarity analysis); cf. Diamond Direct, L.L.C. v. Star Diamond Group, Inc., 116 F.Supp.2d 525, 529–30 n. 29 (S.D.N.Y.2000) (noting that the idea/expression distinction is not a limitation on copyrightability but rather "a measure of the degree of similarity that must exist between a copyrightable work and an unauthorized copy, in order to constitute the latter an infringement" (quoting Melville B. Nimmer & David Nimmer, 1 Nimmer on Copyright § 2.03[D] (2000))).
38. To determine whether Lexmark's Toner Loading Programs are entitled to copyright protection, the Court may consider "whether other programs can be written which perform the same function as the copyrighted program." *E.F. Johnson Co. v. Uniden Corp. of Am.*, 623 F.Supp. 1485, 1502 (D.Minn.1985). Indeed, "[i]f other programs can be written or created which perform the same function as the copyrighted program, then that program is an expression of the idea and hence copyrightable." Id. at 1502 (granting preliminary injunction and determining that the plaintiff's computer program was copyrightable because the plaintiff's computer program contained an "H-matrix" consisting of "a series of ones and zeroes arranged in rows and columns in a matrix format" that could "be configured in any of 32 different ways.").

39. There are a number of ways that Toner Loading Programs may be written to approximate toner level. Hearing, p. 90, lines 4-6, p. 127, lines 6-15. Alternative Toner Loading Program possibilities exist even if one were to implement the same formulas used by Lexmark. Hearing, p. 123, lines 15-20. The Toner Loading Programs were written in a custom programming language created by Lexmark. Hearing, p. 94, lines 18-21, p. 138, lines 1-7.

40. Lexmark's Toner Loading Programs are entitled to copyright protection because they could be written in a number *963* of different ways. This conclusion is consistent with the decisions of numerous other courts. See, e.g., *Formula Int'l*, 725 F.2d at 525 (affirming grant of preliminary injunction and determining that the plaintiff's computer programs were copyrightable on the basis that "[the plaintiff] introduced evidence that numerous other methods exist for writing the programs involved here, and [the defendant] does not contend to the contrary."); *Franklin Computer*, 714 F.2d at 1253 ("If other programs can be written or created which perform the same function as [the plaintiff's] operating system program, then [the plaintiff's] program is an expression of the idea and hence copyrightable."); *Whelan Assocs., Inc. v. Jaslow Dental Lab, Inc.*, 797 F.2d 1222, 1240 (3d Cir.1986) (A computer program is copyrightable where "there are a variety of program structures through which that idea [i.e., the function performed by that program] can be expressed."); *Allen-Myland*, 770 F.Supp. At 1011-12
(computer microcode was copyrightable because the plaintiff could have written the microcode in a different programming language, could have chosen different verbs for the command terms and could have used different values and numeric codes).

41. SCC's reliance on Gates Rubber Co. v. Bando Chem. Indus., Ltd., 9 F.3d 823 (10th Cir. 1993) for the proposition that constants are unprotectable facts is misplaced. Unlike the constants at issue in Gates, the constants at issue in the instant case are not simply observable scientific measurements that Lexmark merely recorded. Rather, substantial skill and ingenuity went into the selection of Lexmark's constants.

42. While the programs at issue in Gates took direct measurements, Lexmark's Toner Loading Programs do not directly measure toner level. They are expressions of creative approximation techniques. Indeed, Lexmark not only expended creative skill in selecting its hybrid approximation technique--as evidenced by the fact that numerous techniques could have been employed--but also exercised creative skill in selecting the specific constants at issue. That is, unlike the constants at issue in Gates, Lexmark's constants were not simply observations of fact that were "mechanical or routine." Additionally, as the United States Court of Appeals for the Tenth Circuit noted, the district court in Gates relied heavily upon the constants at issue in granting injunctive relief, finding that the constants "lie at the heart of the dispute." Gates, 9 F.3d at 843.

43. In the instant case, the constants are not at the heart of the dispute. Rather, SCC copied Lexmark's entire Toner Loading Programs. See Adobe Sys. Inc. v. S. Software, Inc., No. C95-20710 RMW(RPT), 1998 WL 104303, 1998 U.S. Dist. LEXIS 1941 at *16-17 (N.D.Cal. Feb. 02, 1999) (selection of x and y coordinates, or reference points, for use in a font generating software met the requisite degree of creativity and constituted copyrightable expression); Compaq, 908 F.Supp. at 1418 (selection of five threshold values for use in a computer hard drive monitor met the requisite degree of creativity and constituted copyrightable expression); Allen-Myland, 770 F.Supp. at 1011-12 ("choices as to whether and how to use a table structure, how to arrange the instructions and other information within the tables
and within the entries in the tables were all copyrightable expression); SAS Inst., 605 F.Supp. at 825 (determining that the program contained copyrightable expressing and noting that "[e]ven in the case of simple statistical calculations, there is room for variation, such as the order in which arithmetic operations are performed.").

44. Even if, as SCC argues, there are only a limited number of ways to write a computer program that performs the same function as the Toner Loading Programs, Lexmark's Toner Loading Programs are still protected against the type of identical copying that SCC performed in the instant case. Homan v. Clinton, 187 F.3d 635 (6th Cir.1999) (unpublished); Concrete Mach. Co. v. Classic Lawn Ornaments, Inc., 843 F.2d 600, 606-07 (1st Cir.1988).

B. SCC Copied the Entire Protectable Expression of Lexmark's Toner Loading Programs

45. To prove copying, it is sufficient to show (1) that the accused work is "substantially similar" to the protected work, and (2) that the accused infringer had access to the protected work. Robert R. Jones, 858 F.2d at 276-77; Johnson Controls, 886 F.2d at 1176.

46. The general test for substantial similarity is "whether the accused work is so similar to the plaintiff's work that an ordinary reasonable person would conclude that the defendant unlawfully appropriated the plaintiff's protectable expression by taking material of substance and value." Wildlife Express Corp. v. Carol Wright Sales, Inc., 18 F.3d 502, 509 (7th Cir.1994).

47. Access need not be proven where the similarities between the protected computer program and the accused program are identical or so striking that copying may be inferred. Ty, Inc. v. GMA Accessories, Inc., 132 F.3d 1167, 1170-71 (7th Cir.1997).

48. The presence of non-functional elements of the protected work is evidence of access and copying. See Williams Elecs., Inc. v. Arctic Int'l, Inc., 685 F.2d 870, 876 n. 6 (3d Cir.1982) (the presence of identical errors in the copyrighted program and the accused program was evidence of copying); E.F.
Johnson Co., 523 F.Supp. at 1495-96 (the presence of identical, superfluous instructions in copyrighted program and the accused program was evidence of copying); SAS Inst., 605 F.Supp. at 824 (the presence of identical, unnecessary instructions in the copyrighted program and the accused program was evidence of copying).

1. SCC's Works are "Substantially Similar" because they are Identical Copies of Lexmark's Toner Loading Programs

49. The "substantial similarity" requirement is satisfied in the instant case because the computer programs resident on SCC's SMARTEK microchips contain exact copies of Lexmark's Toner Loading Programs. See Ty, 132 F.3d at 1170-71.

50. Lexmark's Toner Loading Programs, in their entirety, constitute copyrightable expression. Hearing, p. 88, line 24--p. 89, line 3. Lexmark's unique creative computer programming language and its selection and arrangement of appropriate approximation techniques, including the selection, arrangement, and particular expression of formulas, constants, and variables is entitled to copyright protection.

51. SCC admittedly copied Lexmark's Toner Loading Programs in their entireties. Moreover, the presence of the "LXX" infringement detector in SCC's SMARTEK microchips demonstrates that it engaged in wholesale copying of Lexmark's Toner Loading Programs.

2. The Abstraction-Filtration-Comparison Test

52. Because SCC admits that it engaged in the verbatim copying of Lexmark's Toner Loading Programs in its SMARTEK microchips, there is no dispute as to the copying element of the infringement analysis. The Court therefore need not perform any further analysis to determine *965 whether SCC's copying amounts to infringement. See, e.g., Wilcom Pty. Ltd. v. Endless Visions, 128 F.Supp.2d 1027, 1029-32 (E.D.Mich.1998) (finding copyright infringement by simply comparing the plaintiff's copyrighted computer program with the defendant's accused program and not applying the abstraction-filtration-comparison test), aff'd, 229 F.3d 1155 (6th Cir.2000).
[15] 53. As other federal courts have determined, the abstraction-filtration-comparison ("AFC") test is either unnecessary or simply does not apply in cases of literal copying. [FN2] See Mitek Holdings, Inc. v. Arce Eng'g Co., 89 F.3d 1548, 1555-56 n. 16 (11th Cir.1996) (explaining that the AFC test "was designed to help assess nonliteral copying of a nonliteral element, not nonliteral copying of computer code (a literal element)"); Lotus Dev. Corp. v. Borland Int'l, Inc., 49 F.3d 807, 815 (1st Cir.1995) ("While the [AFC] test may provide a useful framework for assessing the alleged nonliteral copying of computer code, we find it to be of little help in assessing whether the literal copying of a menu command hierarchy constitutes copyright infringement."); ILOG, Inc. v. Bell Logic, LLC, 181 F.Supp.2d 3, 7 (D.Mass.2002) (holding that literal copying is not governed by the AFC test); Data Gen. Corp. v. Grumman Sys. Support Corp., 803 F.Supp. 487, 490-91 (D.Mass.1992) ("The complex [AFC] test ... and such a detailed code examination are not applicable to the case before this court ... Since [the accused infringer] has directly copied [the copyright holder's object code], there is no need to confront the more difficult issue of evaluating 'non-literal' elements of a program."); aff'd, 36 F.3d 1147 (1st Cir.1994).

FN2. The terms "literal" and "non-literal" are used in two ways in copyright infringement cases involving computer software: to describe different types of elements of software and different types of copying. See Mitek Holdings, Inc. v. Arce Eng'g Co., 89 F.3d 1548, 1555-56 n. 16 (11th Cir.1996). "The 'literal elements' of a computer program are its source and object code." Id. at 1555 n. 15. The "non-literal elements" of a computer program "are the products that are generated by the code's interaction with the computer hardware and operating program[s]." Id. Examples of non-literal elements include "screen displays and the main menu and submenu command tree structure." Id. "Literal copying" means verbatim copying, whereas "non-literal copying" means non-verbatim copying. See id. at 1555-56 n. 16.

54. Accordingly, the Court finds that it is unnecessary to apply the AFC test in the instant case. All this Court needs to do is determine that SCC copied the protectable expression from Lexmark's Toner Loading Programs. In the instant case, each of
the Toner Loading Programs, in its entirety, is a protectable expression for approximating toner level within a toner cartridge. SCC admits that it "slavishly copied" both Toner Loading Programs in their entireties. As a result, SCC identically copied the entire protectable expression of each Toner Loading Program.

55. Application of the AFC test would result in the same result. Each of the Toner Loading Programs represents an expression (i.e., the unique selection and arrangement of equations, variables, and constants written in a custom programming language created by Lexmark) of an idea (i.e., approximating the amount of toner remaining in a toner cartridge based upon a sensed torque value) and SCC copied verbatim the protectable elements of both Toner Loading Programs.

C. Copyright Misuse

56. The misuse defense, while often asserted, has rarely been upheld as a defense to a claim of copyright infringement. Where the misuse defense has been upheld, *966 it has been where a party has sought to extend its limited copyright monopoly beyond that to which it is entitled under the Copyright Act. See Nimmer § 13.09[A].

[16] 57. To establish copyright misuse, a defendant must establish either "(1) that [the plaintiff] violated the antitrust laws, or (2) that [the plaintiff] illegally extended its monopoly beyond the scope of the copyright or violated the public policies underlying the copyright laws." See Microsoft Corp. v. Compusource Distrib., Inc., 115 F.Supp.2d 800, 811 (E.D.Mich.2000) (finding that the defendant failed to raise a genuine issue of material fact regarding copyright misuse that would preclude a grant of summary judgment in favor of the plaintiff).

[17] 58. In the instant case, other than merely accuse Lexmark's Prebate program as being anticompetitive, SCC presents no factual or legal basis for there being an antitrust violation by Lexmark. [FN3] SCC's misuse defense is based on the mere allegation that Lexmark is "using copyright to secure an exclusive right or limited monopoly not expressly granted by copyright law." SCC Opp. at p. 20. Contrary to SCC's allegation, however, Lexmark is
not seeking to improperly extend its copyright monopoly.

FN3. An antitrust claim cannot succeed under an after-market antitrust theory when the accused party has not changed its policy and has been otherwise forthcoming about its policies. See PSI Repair Serv., Inc. v. Honeywell, Inc., 104 F.3d 811 (6th Cir.), cert. denied, 520 U.S. 1265, 117 S.Ct. 2434, 138 L.Ed.2d 195 (1997). Here, Lexmark's Prebate program has been in existence and widely publicized since 1997, well before the sale of Lexmark's T520/522 and T620/622 laser printers at issue here, and allows customers an unfettered choice in selecting remanufacturing options, i.e., an upfront discount for a Prebate toner cartridge to be returned only to Lexmark for remanufacturing or a regular toner cartridge capable of being remanufactured by anyone.

59. Lexmark is simply attempting to enforce, and protect access to, its copyrighted computer programs.

60. Lexmark's copyright infringement claim against a party that has engaged in the wholesale copying of Lexmark's copyrighted computer programs cannot be considered misuse.

61. Lexmark's efforts to enforce the rights conferred to it under the DMCA cannot be considered an unlawful act undertaken to stifle competition. Cf. Data Gen. Corp. v. Grumman Sys. Support Corp., 36 F.3d 1147 (1st Cir.1994) ( "[A]n author's desire to exclude others from use of its copyrighted work is a presumptively valid business justification for any immediate harm to consumers.").

62. SCC's argument is virtually identical to the argument asserted by the defendants and rejected by the court in Sony Computer Entm't Am., Inc. v. Gamemasters, 87 F.Supp.2d 976 (N.D.Cal.1999). In Gamemasters, the defendant argued that Sony was "misusing" its copyright rights by attempting to extend or enlarge those rights through use of an access control measure that precluded users from playing non-authorized video games on the Sony console. Id. at 988-89. The court rejected the defense because Sony's "targeting of the [product was] based upon a sound construction of the [DMCA]." Id.
III. LEXMARK HAS DEMONSTRATED A LIKELIHOOD OF SUCCESS ON THE MERITS OF ITS TWO SEPARATE AND DISTINCT CLAIMS UNDER SECTION 1201(a)(2) OF THE DIGITAL MILLENNIUM COPYRIGHT ACT

[18] 63. The DMCA was enacted to prohibit, inter alia, the trafficking of products or devices that circumvent the technological*967 measures used by copyright owners to restrict access to their copyrighted works. Universal City Studios, Inc. v. Corley, 273 F.3d 429, 440-41 (2d Cir.2001).

64. Section 1201(a)(2) of the DMCA, commonly referred to as the anti-trafficking provision, prohibits any product or device that circumvents a technological measure that prevents unauthorized access to a copyrighted work. Universal City Studios, 273 F.3d at 440-41.


66. The plain meaning of the DMCA is clear and it would be inappropriate for the Court to consider the legislative history in an effort to determine the "true" congressional intent. See United States v. Elcom, Ltd., 203 F.Supp.2d 1111, 1124 (N.D.Cal.2002).

67. Section 1201(a)(2) of the DMCA contains three independent bases for liability. RealNetworks, Inc. v. Streambox, Inc., No. C99-2070P, 1999 WL 1448173, 2000 U.S. Dist. LEXIS 1889, at *20 (W.D.Wash. Jan.18, 2000). To establish a violation of section 1201(a)(2), a party must prove that an accused product or device satisfies just one of those tests. Id. Section 1201(a)(2) prohibits the manufacture, distribution, and/or sale of any product or device that:

(A) is primarily designed or produced for the purpose of circumventing a technological measure that effectively controls access to a work protected under this title;
has only a limited commercially significant purpose or use other than to circumvent a technological measure that effectively controls access to a work protected under this title; or

(C) is marketed by that person or another acting in concert with that person with that person's knowledge for use in circumventing a technological measure that effectively controls access to a work protected under this title.


68. The DMCA explains that a technological measure "controls access" to a copyrighted work if that measure "requires the application of information, or a process or a treatment, with the authority of the copyright owner, to gain access to the work." Id. at § 1201(a)(3)(B). In addition, the statute provides that a product or device "circumvents" a technological measure by "avoid[ing], bypass[ing], remov[ing], deactivat[ing] or [otherwise] impair [ing]" the operation of that technological measure. Id. at § 1201(a)(3)(A).

69. The DMCA does not specifically define the term "access." Thus, the term should be given its ordinary, customary meaning. See FDIC v. Meyer, 510 U.S. 471, 476, 114 S.Ct. 996, 127 L.Ed.2d 308 (1994) (when the text of a statute contains an undefined term, that term receives its "ordinary or natural meaning."). The ordinary, customary meaning of the term "access" is the "ability to enter, to obtain, or to make use of." Merriam-Webster's Collegiate Dictionary 6 (10th ed.1999).

70. The authentication sequence that occurs between Lexmark's printers and the microchips contained on authorized Lexmark toner cartridges constitutes a "technological measure" that "controls access" to a copyrighted work. This authentication sequence requires the application of information and the application of a process to gain access to Lexmark's copyrighted *968 Toner Loading Programs and Printer Engine Programs.

71. Lexmark's authentication sequence effectively "controls access" to the Toner Loading Programs and the Printer Engine Program because it controls the consumer's ability to make use of these programs. See
Gamemasters, 87 F.Supp.2d at 987 (Sony's PlayStation console contained a technological measure that controlled a consumer's ability to make use of copyrighted computer programs).

A. SCC's SMARTeK Microchips Circumvent the Technological Measure that Controls Access to Lexmark's Copyrighted Toner Loading Programs

72. SCC admits that its SMARTeK microchips avoid or bypass Lexmark's authentication sequence. SCC Opp. at p. 4. The SMARTeK microchips mimic the technology for calculating and transmitting a MAC from Lexmark's toner cartridges to Lexmark's T-Series printers and circumvents the authentication sequence. As a result, the SMARTeK microchips are able to deceive the Lexmark T-Series printers into thinking that the SMARTeK microchips are, in fact, original microchips contained on authorized Lexmark toner cartridges. After the SMARTeK microchips bypass the authentication sequence, the printers access, without Lexmark's authority, the copyrighted Toner Loading Programs.

73. Lexmark has demonstrated that SCC's SMARTeK microchips satisfy all three tests for liability under section 1201(a)(2).

74. SCC's SMARTeK microchips satisfy the first independent test for liability because SCC acknowledges that it specifically developed the SMARTeK microchips to circumvent the authentication sequence that controls access to Lexmark's copyrighted Toner Loading Programs. SCC Opp. at pp. 2-4; Lexmark Memo, Exs. R, Q.

75. SCC's SMARTeK microchips satisfy the second independent test for liability because SCC acknowledges that its SMARTeK microchips have no commercial purpose other than to circumvent the authentication sequence that controls access to Lexmark's copyrighted Toner Loading Programs. SCC Opp. at pp. 2-4; Lexmark Memo, Exs. R, Q.

76. SCC's SMARTeK microchips satisfy the third independent test for liability because SCC markets the SMARTeK microchips as being capable of circumventing the access control protections provided by the original microchips on Lexmark's T-Series toner cartridges. Lexmark Memo, Exs. J, K, S.
B. SCC's SMARTEK Microchips Circumvent the Technological Measure that Controls Access to Lexmark's Copyrighted Printer Engine Program

77. SCC admits that its SMARTEK microchips avoid or bypass Lexmark's authentication sequence. SCC Opp. at p. 4. After the SMARTEK microchips bypass the authentication sequence, the printer accesses, without Lexmark's authority, the Printer Engine Program.

78. Lexmark has demonstrated that SCC's SMARTEK microchips satisfy all three tests for liability under section 1201(a)(2) of the DMCA.

79. SCC's SMARTEK microchips satisfy the first independent test for liability because SCC acknowledges that it specifically developed the SMARTEK microchips to circumvent the authentication sequence that controls access to Lexmark's copyrighted Printer Engine Program. SCC Opp. at pp. 2-4; Lexmark Memo, Exs. R, Q.

*969 80. SCC's SMARTEK microchips satisfy the second independent test for liability because SCC acknowledges that its SMARTEK microchips have no commercial purpose other than to circumvent the authentication sequence that controls access to Lexmark's copyrighted Printer Engine Program. SCC Opp. at pp. 2-4; Lexmark Memo, Exs. R, Q.

81. SCC's SMARTEK microchips satisfy the third independent test for liability because SCC markets the SMARTEK microchips as being capable of circumventing the access control protections provided by the original microchips on Lexmark's T-Series toner cartridges. Lexmark Memo, Exs. J, K, S.

C. SCC's Actions do not Fall under any of the Exceptions to Section 1201(a)(2)

1. SCC's Manufacture, Distribution and Sale of its SMARTEK Microchips Fall within the Plain Language of the DMCA

82. Because the language of the DMCA is clear, it is unnecessary to consider the legislative history or the policy arguments raised by SCC to determine congressional intent or the scope of the DMCA. See
Elcom, 203 F.Supp.2d at 1124. In addition, SCC does not cite to any portion of the legislative history that indicates that "the literal application of [the] statute will produce a result demonstrably at odds with the intentions of its drafters." Koenig Sporting Goods, 203 F.3d at 988.

[20] 83. The protections provided by the DMCA are not, and were never intended to be, as limited as SCC asserts. The DMCA is clear that the right to protect against unauthorized access is a right separate and distinct from the right to protect against violations of exclusive copyright rights such as reproduction and distribution. Section 1201(b) prohibits trafficking in devices that circumvent measures that "effectively protect[] a right of a copyright owner under this title." 17 U.S.C. § 1201(b)(1)(A). In contrast, section 1201(a)(2) more broadly prohibits trafficking in devices that circumvent measures that "effectively control[] access to a work protected under this title." 17 U.S.C. § 1201(a)(2)(A).

84. If the DMCA were only intended to protect copyrighted works from digital piracy, that goal was accomplished through section 1201(b); SCC's argument would render section 1201(a)(2) mere surplusage. Section 1201(a) creates, and section 1201(a)(2) protects, a right of "access," the violation of which is the "electronic equivalent [of] breaking into a castle." 3 Nimmer § 12A.03[D][1] at 12A-29.

85. The few cases that have applied the DMCA are in accord. See, e.g., RealNetworks, Inc., 1999 WL 1448173, 2000 U.S. Dist. LEXIS 1889 at *3 (the plaintiff's "Secret Handshake" was species of access control governed by section 1201(a)(2)); Gamemasters, 87 F.Supp.2d at 987 (enjoining sale of device that circumvented technological measure that prevented access to software embedded in Sony's PlayStation console, even though the device did not facilitate piracy).

86. The DMCA is not limited to the protection of "copies of works (such as books, CD's and motion pictures) that have an independent market value." The DMCA broadly prohibits trafficking in a product or device that circumvents "a technological measure that effectively controls access to a work protected under this title." 17 U.S.C. § 1201(a)(2)(A), (B) (emphasis added).
87. Lexmark's Toner Loading Programs and Printer Engine Program are works protected under the Copyright Act.

[21] 88. Quite simply, if a work is entitled to protection under the Copyright Act, trafficking in a device that circumvents a technological measure that controls access to such work constitutes a violation under section 1201(a). The few cases decided under the DMCA prove that section 1201(a) applies to the very type of computer software that Lexmark seeks to protect, and the very type of access-protection regime Lexmark has employed to protect it.

89. The authentication sequence employed by Lexmark in this case is similar to the technological measure employed by Sony in the Gamemasters case that prevented access to the copyrighted computer software that operates with Sony's PlayStation video game console. The console employs a technological measure that verifies whether a CD-ROM game inserted into the console is "an authorized, legitimate [Sony] product licensed for distribution in the same geographical territory of the console's sale." Gamemasters, 87 F.Supp.2d at 981. If the console cannot verify that the game is, in fact, such an authorized product, the console will not operate and the game will not play. Id. The Gamemasters court found that Sony was likely to succeed on the merits of its 1201(a)(2)(A) claim, and thus granted injunctive relief, because the defendant's "GameEnhancer" device circumvented the access control measure on the console "that ensures the console operates only when encrypted data is read from an authorized CD-ROM [video game]." Id. at 987.

90. The access control measure upheld by the Gamemasters court is, as a technical matter, virtually identical to, and as a legal matter, indistinguishable from, the access control measure employed by Lexmark in the instant case. Like the PlayStation console, the Lexmark printer employs a technological measure—the authentication sequence—that verifies whether the toner cartridge inserted into the printer is authorized (e.g., it is either a Prebate cartridge, a non-Prebate cartridge, a refilled non-Prebate cartridge, or a Lexmark remanufactured cartridge, but it is not an unauthorized third- party refilled Prebate cartridge). If the printer cannot verify that the
cartridge is, in fact, such a product, the Printer Engine Program will not operate and will not "play" the Toner Loading Program. SCC's SMARTEK microchips, like the "GameEnhancer" device in Gamemasters, circumvents the access control measure on the Lexmark printer "that ensures the [printer] operates only when encrypted data is read from an authorized [toner cartridge]." Thus, the allegations in Lexmark's complaint are hardly, as SCC claims, "novel."

2. The Reverse Engineering Exemption under Section 1201(f) of the DMCA does not Apply

[22] 91. Sections 1201(f)(2) and (3) of the DMCA are not broad exceptions that can be employed to excuse any behavior that makes some device "interoperable" with some other device.

92. Sections 1201(f)(2) and (3) provide that a person may develop a circumvention device and make that circumvention device available to others "solely for the purpose of enabling interoperability of an independently created computer program with other programs, and to the extent that doing so does not constitute infringement under this title or violate applicable law other than this section." 17 U.S.C. § 1201(f)(3) (emphasis added).

a. SCC's SMARTEK Microchips are not Independently Created Computer Programs

[23] 93. SCC contends that it was justified in developing the SMARTEK microchips because these circumvention devices enable independently created programs *971 to interoperate with Lexmark's Printer Engine Program and Toner Loading Programs. The independently created programs identified by SCC are programs contained on the SMARTEK microchips.

94. SCC's SMARTEK microchips cannot be considered independently created computer programs. The SMARTEK microchips serve no legitimate purpose other than to circumvent Lexmark's authentication sequence and the SMARTEK microchips cannot qualify as independently created when they contain exact copies of Lexmark's Toner Loading Programs.

b. SCC's Conduct Constitutes Copyright Infringement
95. SCC can only take advantage of the protection afforded by section 1201(f) of the DMCA if its conduct "does not constitute infringement under this title [the Copyright Act] or violate applicable law other than this section." 17 U.S.C. § 1201(f)(3).

96. For reasons set forth above, SCC's exact copying of Lexmark's Toner Loading Programs into its SMARTek microchips constitutes copyright infringement. Accordingly, section 1201(f) of the DMCA does not offer any protection to SCC.

IV. LEXMARK HAS DEMONSTRATED THAT IT WILL SUFFER IRREPARABLE HARM IF THE COURT REFUSES TO GRANT THE PRELIMINARY INJUNCTION

A. Irreparable Harm to Lexmark is Presumed as a Matter of Law

[24] 97. Irreparable harm is presumed as a matter of law because Lexmark has shown that it is likely to succeed on the merits of its copyright infringement and DMCA claims.

98. If a plaintiff in a copyright infringement action demonstrates a likelihood of success on the merits of its copyright infringement claim, then the irreparable harm to that plaintiff as a result of the infringement is presumed. Forry, 837 F.2d at 267. There is a well-established presumption that damages incurred by copyright infringement are, by their very nature, irreparable and not susceptible of monetary measurement, thus rendering any remedy at law inadequate. See Atari, 672 F.2d at 620; ISC-Bunker Ramo Corp. v. Altech, Inc., 765 F.Supp. 1310, 1329 (N.D.III.1990).

99. In copyright infringement cases, there simply is no need to prove irreparable harm. See Concrete Mach., 843 F.2d at 612 (discussing the presumption of irreparable harm and stating that "[t]here is ... no need actually to prove irreparable harm when seeking an injunction against copyright infringement."). In fact, some courts have held that a failure to consider the presumption of irreparable harm is reversible error. See Franklin Computer, 714 F.2d at 1254 (holding that the district court erred when it failed to consider the presumption of irreparable harm); Atari, 672 F.2d at 620-21 (reversing the district court's finding of noninfringement and
directing the district court to enter a preliminary
injunction based upon the presumption of irreparable
harm).

100. Similarly, a plaintiff that demonstrates a
likelihood of success on the merits of its claim for
violation of the anti-trafficking provisions of the
DMCA is entitled to a presumption of irreparable
injury. See Reimerdes, 82 F.Supp.2d at 215
determining that the plaintiff was entitled to a
presumption of irreparable harm because the plaintiff
demonstrated a likelihood of success on its claim for
violation of section 1201(a)(2) of the DMCA. The
damages incurred by violations of section 1201(a)(2)
of the DMCA simply "cannot readily be measured,
suggesting that the injury truly [is] irreparable."
Id.

*972 101. SCC has failed to rebut the presumption
that Lexmark will suffer irreparable injury as a
result of SCC's copyright infringement. SCC contends
that money damages could adequately compensate
Lexmark, but the alleged availability of money
damages is not a sufficient reason to deny injunctive
relief. See Cadence Design Sys., Inc. v. Avant!
Corp., 125 F.3d 824, 827 (9th Cir.1997) (quoting
Nimmer for the proposition that if a plaintiff
establishes a likelihood of success on the merits of
a copyright infringement claim, "it would seem
erroneous to deny a preliminary injunction simply
because actual damages can be precisely
calculated."). In any event, it would be incredibly
difficult to precisely calculate Lexmark's damages in
the instant case because of the possibility of
Lexmark suffering the loss of customer goodwill.

B. Even without the Presumption of Irreparable Harm,
Lexmark has Established the Irreparable Harm that it
will Suffer Absent an Injunction against SCC

102. Lexmark has demonstrated that it expended
significant time and financial resources to develop
its copyrighted programs and the authentication
sequence that prevents unauthorized access to those
programs. Yaro Dec. ¶ 15. SCC copied Lexmark's Toner
Loading Programs and sells identical copies of the
programs to consumers in its SMARTEK microchips.

103. SCC's copyright infringement and the trafficking
of the SMARTEK microchips could result in a multitude

of harms to Lexmark that would be difficult to quantify. These harms include fewer customer orders, reduced margins, potential market share loss, damage to the reputation of Lexmark's products, and damage to Lexmark's relationships with consumers. See, e.g., Basicomputer Corp. v. Scott, 973 F.2d 507, 512 (6th Cir. 1992) ("The loss of customer goodwill often amounts to irreparable injury because the damages flowing from such losses are difficult to compute.").

104. Lexmark's potential damages are difficult to measure or quantify, and thus Lexmark will likely suffer irreparable injury absent an injunction against SCC.

V. THE PUBLIC INTEREST FACTOR FAVORS LEXMARK

[25] 105. In copyright infringement cases, as with the irreparable harm factor, it is ordinarily presumed that an injunction will serve the public interest if the copyright holder shows a likelihood of success on the merits. Concrete Mach., 843 F.2d at 612. Further, "it is virtually axiomatic that the public interest can only be served by upholding copyright protections and, correspondingly, preventing the misappropriation of the skills, creative energies, and resources which are invested in the protected work." Franklin Computer, 714 F.2d at 1254. Moreover, a preliminary injunction is necessary "to preserve the integrity of the copyright laws which seek to encourage individual effort and creativity by granting valuable enforcement rights." Atari, 672 F.2d at 620.

106. SCC contends that policies of the United States government favor the recycling and remanufacturing of toner cartridges and further claims that "an injunction would threaten significant and truly irreparable harm to the environment." SCC Opp. at p. 30. This argument rests primarily upon the assumption that the majority of Lexmark's Prebate toner cartridges will end up in landfills should the Court enjoin SCC from trafficking in its SMARTEK microchips. The Court finds this claim to be largely unsubstantiated. Lexmark, in fact, has an extensive remanufacturing program for all of its used Prebate cartridges. Accordingly, the Court does not accept SCC's argument that an injuction will threaten significant environmental degradation.
107. SCC contends that public policy favors competition and supports the availability of multiple remanufacturers for toner cartridges. SCC further contends that public policy opposes the use of technological measures to prevent or limit remanufacturing. The Court has no trouble accepting SCC's claim that public policy generally favors competition. The Court finds, however, that this general principle only favors legitimate competition. Public policy certainly does not support copyright infringement and violations of the DMCA in the name of competition.

VI. THE POSSIBILITY OF SUBSTANTIAL HARM TO OTHERS

A. SCC

[26] 108. "Advantages built [on] deliberately [copied software] do not ... give [SCC] standing to complain that [its] vested interests will be disturbed." Atari, 672 F.2d at 620. One cannot build a business based upon infringing another's intellectual property rights, and then be allowed to complain that making them stop will cause harm. See Cadence, 125 F.3d at 829 (the district court erred by giving improper emphasis to harm to defendant that would devastate its business; "a defendant who knowingly infringes another's copyright 'cannot complain of the harm that will befall it when properly forced to desist from its infringing activities.'"); Franklin Computer, 714 F.2d at 1255 (reversing district court's denial of a preliminary injunction because of its "devastating effect" on the defendant's business: "[i]f [the effect on the defendant] were the correct standard, then a knowing infringer would be permitted to construct its business around its infringement, a result we cannot condone.").

109. SCC intentionally copied Lexmark's Toner Loading Programs and purposely developed and sold a product that circumvents the access control measure that protects Lexmark's copyrighted works. Thus, under the circumstances, the "Court should not consider a balancing of hardships as a determining factor in granting injunctive relief in a copyright matter" because "[a]llowing for a balancing of hardships would permit a knowing infringer to construct its entire business around infringement." Value Group, Inc. v. Mendham Lake Estates, L.P., 800 F.Supp. 1228, 1235 (D.N.J.1992) (citing Franklin Computer, 714 F.2d
at 1255). In any event, the Court finds that the harm that Lexmark would likely suffer absent an injunction outweighs the harm that SCC would likely suffer because of an injunction.

B. Third Parties

110. As has been stated by SCC and various amici, the issuance of an injunction in the instant case could have a significant impact upon the toner cartridge remanufacturing industry and some impact upon the remanufacturing industries as a whole. SCC and the various amici, however, have provided little evidentiary support for these claims and any possible impact that an injunction in the instant case would have on others in the remanufacturing industry appears to be almost entirely speculative.

111. SCC also contends that the issuance of an injunction in the instant case would have a negative impact upon consumers because they will not have the opportunity to have their Prebate cartridges refilled or remanufactured by third parties. While this may be the case, the Court feels little sympathy for consumers that accept the up-front discount when purchasing Prebate cartridges and are subsequently required to comply with the *974 Prebate agreement and return the used cartridges to Lexmark.

VII. LEGAL CONCLUSION

112. Lexmark is likely to prevail on the merits of its copyright infringement and DMCA claims. It is presumed that Lexmark will suffer irreparable harm in the absence of an injunction, and SCC has failed to rebut this presumption. Even in the absence of this presumption, Lexmark has shown that it will suffer irreparable harm. It is further presumed that the public interest favors granting the injunction, and SCC has failed to rebut this presumption. Even in the absence of this presumption, it is clear that the public interest favors discouraging copyright infringement and violations of the DMCA. SCC contends that certain third parties could be harmed should the Court issue an injunction, but the Court finds these claims to be unpersuasive. The Court has fully considered the four preliminary injunction factors, and, on balance, it is clear that injunctive relief is appropriate in the instant case.
CONCLUSION

For the reasons stated above, Lexmark's Motion for a Preliminary Injunction shall be granted by Order of this Court, contemporaneously entered in accordance with these Findings of Fact and Conclusions of Law. In announcing this decision, the Court has adopted a majority of Lexmark's Proposed Findings of Fact and Conclusions. The Court has, however, conducted an exhaustive independent review of this matter and has made changes to Lexmark's Proposed Findings of Fact and Conclusions of Law where appropriate.

ORDER

In accordance with the Findings of Fact and Conclusions of Law entered on the same date herewith, IT IS HEREBY ORDERED that:

1. Lexmark International, Inc.'s ("Lexmark") motion for a preliminary injunction is GRANTED;

2. Static Control Components, Inc. ("SCC") shall cease making, selling, distributing, offering for sale or otherwise trafficking in the "SMART" microchips for the Lexmark T520/522 and T620/622 toner cartridges, until further Order from this Court; and

3. the bond previously posted by Lexmark shall remain in effect until further Order from this Court.


Can SCC write a new Toner

Lindy Bryman is ok?
MEMORANDUM OPINION AND ORDER


On December 3, 2002, Chamberlain filed a motion for summary judgment on Count III of the SAC, in which Chamberlain alleges that Skylink violated the DMCA by manufacturing and marketing a transmitter that is capable of operating Chamberlain's "Security+" garage door opener system. According to Chamberlain, the Skylink transmitter unlawfully circumvents a technological protective measure known as "rolling code" in Chamberlain's garage door opener's computer program. This court denied Chamberlain's motion on August 29, 2003, and invited Skylink to file its own motion for summary judgment on Count III. Chamberlain Group, Inc. v. Skylink Technologies, Inc., 68 U.S.P.Q.2d 1009, 2003 WL 22038638, at *15 (N.D. Ill. Aug. 29, 2003). Skylink accepted the
invitation, and its own motion for summary judgment is now before the court.¹ For the reasons set forth here, that motion is granted.

**Background**

The facts of this matter are more fully presented in this court's August 29, 2003 Memorandum Opinion and Order ("Order"). See Chamberlain Group, 2003 WL 22038638, at *1-9. This opinion assumes the reader's familiarity with the earlier decision and will summarize the relevant facts here only briefly.²

Chamberlain manufactures and sells garage door openers ("GDOs"), transmitters, and garage door remote controls, including a Security+ line that utilizes a "rolling code" technology. (Def. Facts ¶¶ 2, 6.) Chamberlain claims that it developed the rolling code technology as a security measure to prevent "code-grabbing" — that is, capturing and recording transmitter signals to obtain illegal access to a homeowner's garage. According to Chamberlain, "[t]his security feature is the main selling point for Chamberlain's line of rolling code GDOs and is the very reason homeowners are willing to pay top dollar." (Pl. Facts ¶ 6; Chamberlain Group, 2003 WL 22038638, at *2.)

Skylink distributes universal remote control devices that operate many different brands of GDOs and other remotely controlled equipment. One of those universal transmitters, the Model 39, can be used to open a variety of standard GDOs, as well as Chamberlain's Security+ rolling code GDO. In fact, the Model 39 has one setting dedicated solely to operating Chamberlain's GDOs and not any other brand. Before a Model 39 transmitter can be used to open a Security+ GDO, the user

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¹ On October 21, 2003, the court granted the parties' joint motion to dismiss all other claims remaining in the SAC.

² Chamberlain has objected to a number of the factual assertions in Defendant's 56.1 Statement of Material Facts on the basis that these statements are immaterial. Defendant has made similar objections to Plaintiff's 56.1(b)(3) Statement of Material Facts and has also moved to strike certain of Plaintiff's exhibits. To the extent the court addresses any facts in this decision, the court finds them material and overrules the parties' objections; to the extent the challenged facts are not addressed here, the objections are moot.
must first store the Model 39 transmitter signal into the GDO's memory, using procedures described in this court's earlier opinion. (Def. Facts ¶¶ 1, 8; Pl. Facts ¶ 2; Chamberlain Group, 2003 WL 22038638, at *2-4, 7.)

For purposes of Chamberlain's motion for summary judgment, both sides agreed that Chamberlain "does not place any restrictions on consumers regarding the type of transmitter they must buy to operate a Chamberlain rolling code GDO." Indeed, Chamberlain markets and sells its own universal transmitter called the "Clicker," but "does not advise consumers that they are limited to purchasing Clicker transmitters for any additional or replacement transmitters." (Def. Facts ¶ 7; Chamberlain Group, 2003 WL 22038638, at *7, 8.) In addition, the parties agreed that there is a history in the GDO industry of universal transmitters being marketed and sold to allow homeowners an alternative means to access any brand of GDO. (Chamberlain Group, 2003 WL 22038638, at *6.)

Chamberlain now contests these statements, however, and argues that it never authorized consumers or Skylink to "circumvent the security measure in the Chamberlain rolling code GDOs." (Pl. Facts ¶ 1; Tone Decl. ¶ 3.) Chamberlain points to its webpage, which lists only Chamberlain transmitters as "Your Compatible Replacement Control(s)," and to its owners' manual for rolling code GDOs, which instructs users on programming the GDO to operate with "additional Security+ remote controls." Chamberlain also stresses that its warranty for rolling code GDOs "does not cover . . . use of unauthorized parts or accessories . . . [or] alterations to this product . . ." (Pl. Facts ¶¶ 3-5.) With respect to the history of universal remotes, Chamberlain argues that Skylink's product is the first of its kind to be able to operate Chamberlain's rolling code GDOs and that it "did not believe it was possible to circumvent the rolling code system" before now. As a result, Chamberlain posits, it had no reason to warn its customers against using universal transmitters with its rolling code GDOs. (Id. ¶¶ 7-8.)
Chamberlain advanced similar arguments before the United States International Trade Commission ("ITC") in a July 16, 2003 complaint and motion for temporary relief or for a temporary exclusion order ("TEO"). On November 4, 2003, an Administrative Law Judge ("ALJ") made an Initial Determination that Chamberlain’s allegations did not establish that Skylink violated the DMCA or provide any basis to issue a TEO. See In the Matter of Certain Universal Transmitters for Garage Door Openers ("Matter of GDOs"), Inv. No. 337-TA-497, 2003 WL _____ (Nov. 4, 2003). Specifically, the ALJ found that Chamberlain does not place any restrictions on the use of competing transmitters and that Chamberlain’s customers have a reasonable expectation that they can access their garages using either a Chamberlain or a Skylink transmitter if the original transmitter malfunctions or is misplaced. Id. slip op. at 39, 41-42.

Discussion

I. Summary Judgment Standard

Summary judgment is warranted where "there is no genuine issue as to any material fact and the moving party is entitled to judgment as a matter of law." FED. R. CIV. P. 56(c); Becton Dickinson and Co. v. C.R. Bard, Inc., 922 F.2d 792, 795 (Fed. Cir. 1990); Southwall Technologies, Inc. v. Cardinal IG Co., 54 F.3d 1570, 1575 (Fed. Cir. 1995). Material facts are those that might affect the lawsuit under the governing substantive law. Anderson v. Liberty Lobby, Inc., 477 U.S. 242, 248 (1986). The court will draw all reasonable factual inferences in favor of the non-moving party. Id. "For the grant of summary judgment there must be no material fact in dispute, or no reasonable version of material fact upon which the nonmovant could prevail." Brown v. 3M, 265 F.3d 1349, 1351 (Fed. Cir. 2001).

II. The Digital Millennium Copyright Act

The DMCA was enacted in 1998 to implement the World Intellectual Property Organization Copyright Treaty and serves as a means to better protect copyright in the digital age. Universal City
Studios, Inc. v. Corley, 273 F.3d 429, 440 (2d Cir. 2001). The section of the Act at issue in this case provides:

(2) No person shall manufacture, import, offer to the public, provide, or otherwise traffic in any technology, product, service, device, component, or part thereof, that
   (A) is primarily designed or produced for the purpose of circumventing a technological measure that effectively controls access to a work protected under this title;
   (B) has only limited commercially significant purpose or use other than to circumvent a technological measure that effectively controls access to a work protected under this title; or
   (C) is marketed by that person or another acting in concert with that person with that person's knowledge for use in circumventing a technological measure that effectively controls access to a work protected under this title.

17 U.S.C. § 1201(a)(2). Under the Act, to "circumvent a technological measure" means to "descramble a scrambled work, to decrypt an encrypted work, or otherwise to avoid, bypass, remove, deactivate, or impair a technological measure, without the authority of the copyright owner."


Skylink argues that Chamberlain's DMCA claim fails because Chamberlain cannot demonstrate that Skylink's Model 39 transmitter provides unauthorized access to Chamberlain's software. (Def. Mem., at 1.) See Chamberlain Group, 2003 WL 22038638, at *14. As a preliminary matter, Chamberlain disputes that it bears the burden of proof on this issue, arguing that Skylink must prove that it was authorized to circumvent—not access—Chamberlain's software as an affirmative defense. The court disagrees. Under the Act, it is clearly the plaintiff's burden to demonstrate that the defendant circumvented a technological measure. This, in turn, requires a showing that the defendant acted "without the authority of the copyright owner." 17 U.S.C. § 1201(a)(3)(A).

Chamberlain notes that it never expressly authorized the circumvention of its GDOs and argues that under copyright and patent infringement law, implied authorization—more accurately, implied license—constitutes an affirmative defense. (Pl. Mem., at 5-6.) Chamberlain has not
provided any authority for its assumption that the patent law or copyright statute sets forth the proper analysis for a DMCA claim. See, e.g., I.A.E., Inc. v. Shaver, 74 F.3d 768, 774 (7th Cir. 1996) (prima facie case of copyright infringement requires a showing of (1) ownership of a valid copyright; and (2) copying of "constituent elements of the work that are original"; proof of "unauthorized access" to the copyrighted work not listed as part of prima facie case). In any event, regardless of which party bears the burden of proof on this issue, it is clear that to the extent Skylink was authorized to decrypt, descramble, avoid, bypass, remove, deactivate, or impair Chamberlain’s GDOs, it cannot be held liable under the DMCA.

Skylink argues that in order for the Model 39 transmitter to operate the Chamberlain GDO, the homeowner must store the transmitter’s signal into the GDO’s memory. By doing so, Skylink reasons, the homeowner “must by definition have authorized access by the Skylink transmitter to operate the Chamberlain GDO.” (Def. Mem., at 3.) In addition, Skylink reasons, the homeowners themselves are authorized to access the Chamberlain GDO because Chamberlain does not place any restrictions on the type of transmitters they are permitted to use. (Id. at 4.)

Chamberlain first argues that it never intended to authorize GDO purchasers or Skylink to circumvent the security measures in Chamberlain’s rolling code GDOs, as evidenced by Chamberlain Vice President Mark Tone’s declaration to that effect. (Pl. Mem., at 7.) Tone’s conclusory assertion that Chamberlain did not authorize the circumvention of its rolling code GDOs has little weight. See Payne v. Pauley, 337 F.3d 767, 773 (7th Cir. 2003) (“[c]onclusory allegations, unsupported by specific facts, will not suffice” to defeat a summary judgment motion). Chamberlain admits that the packaging for its Security+ GDO does not include "any restrictions on a consumer's ability to buy a replacement transmitter or additional transmitter." (Def. Facts ¶ 7; Gregory Dep., at 174-75.) See also Chamberlain Group, 2003 WL 22038638, at *14.
Chamberlain concedes that it never warned customers against using unauthorized transmitters but explains that it did not do so because it had no idea that other transmitters could be made to operate its rolling code GDOs. (Pl. Mem., at 9-10.) Chamberlain's failure to anticipate such technology, however, does not refute the fact that homeowners have a reasonable expectation of using the technology now that it is available. In any event, as the ITC recently explained:

The fact that [Chamberlain] did not give customers any warning about not using any unauthorized transmitters because there were none at one time does not explain why Chamberlain has done nothing now that they know that there are transmitters that can be used with their rolling code GDOs. And the fact that there is new technology in the rolling code GDOs . . . does not mean that consumers' expectations in the GDO market are much different. That is, it is reasonable for consumers to expect that a universal transmitter that operates a rolling code GDO will be available.


In the alternative, Chamberlain claims that restrictions on the use of competing transmitters can be found on its webpage, which does not identify any non-Chamberlain transmitters in its GDO/accessory compatibility chart, and in its owners' manual, which provides instructions for using the Security+ GDO only with other Security+ transmitters. (Pl. Mem., at 7.) Again, the court is not persuaded. The mere fact that Chamberlain's webpage and owners' manual only mention its own products in no way demonstrates its intention to prohibit customers from using any competing products. To the contrary, there is a history in the GDO industry of universal transmitters being marketed and sold to allow homeowners an alternative means to access any brand of GDO. In fact, Chamberlain itself markets and sells a universal remote under the brand name "Clicker." Chamberlain did not advise its customers that no other universal transmitter would work on its Security+ line, let alone prohibit them from using such products.

The court is similarly not persuaded that the warranty in Chamberlain's owners' manual demonstrates its intention to prevent consumers from using non-Chamberlain transmitters. To be sure, the warranty does not cover use of unauthorized accessories or product alterations. (Pl.
Customers are not required to operate their GDOs in a manner that entitles them to coverage, however, and instead, may choose to forgo any warranty benefits in favor of using "unauthorized accessories." See, e.g., *Marts v. Xerox, Inc.*, 77 F.3d 1109, 1112 (8th Cir. 1996) (warranty that required use of defendant’s products did not force customers to comply; "[a]n owner of a new Xerox copier could forego the benefits of the warranty, buy service from Xerox or an independent provider, and purchase cartridges from the vendor of its choice"). Nor does anything in the warranty language convey Chamberlain’s claimed intent to prohibit customers who do not want warranty coverage from using universal transmitters with the Security+ line.

Chamberlain next reiterates its argument raised in support of its summary judgment motion that under *Universal City Studios, Inc. v. Reimerdes*, 111 F. Supp. 2d 294, 317 (S.D.N.Y. 2000), customers do not obtain implied authorization to circumvent the rolling code security measure simply by purchasing the GDO. (Pl. Mem., at 10-11.) As the court explained in its August 29, 2003 Order, however, *Reimerdes* is distinguishable from this case: "[T]he plaintiff in *Reimerdes* did in fact authorize certain circumvention of its technological protective measure pursuant to a license. It did not authorize circumvention by means of non-licensed software." *Chamberlain Group*, 2003 WL 22038638, at *15. See also *Lexmark Int'l, Inc. v. Static Control Components, Inc.*, 253 F. Supp. 2d 943, 947-48 (E.D. Ky. 2003) (plaintiff explicitly restricted the use of third-party toner cartridge refills for customers opting to buy toner cartridges at a discount under a shrinkwrap agreement). Chamberlain places no such limitations on the type of transmitter a homeowner can utilize to access his or her own garage.

In addition, a homeowner has a legitimate expectation that he or she will be able to access the garage even if the original transmitter is misplaced or malfunctions. *Chamberlain Group*, 2003 WL 22038638, at *15. Chamberlain disagrees, but "[i]t is rather curious why Chamberlain would take such an extreme position, considering that, if marketed as such, few homeowners would be
inclined to purchase such a product." *Matter of GDOs*, 2003 WL ____, at 41. Under Chamberlain's theory, any customer who loses his or her Chamberlain transmitter, but manages to operate the opener either with a non-Chamberlain transmitter or by some other means of circumventing the rolling code, has violated the DMCA. In this court's view, the statute does not require such a conclusion. GDO transmitters are similar to television remote controls in that consumers of both products may need to replace them at some point due to damage or loss, and may program them to work with other devices manufactured by different companies. In both cases, consumers have a reasonable expectation that they can replace the original product with a competing, universal product without violating federal law. See *id.* at 42.

Chamberlain argues that even if its customers are authorized to circumvent its security measures, that has no bearing on whether sellers have similar authorization. (Pl. Mem., at 15.) This argument ignores the fact that (1) there is a history in the GDO industry of marketing and selling universal transmitters; (2) Chamberlain has not placed any restrictions on the use of competing transmitters to access its Security+ GDOs; and (3) in order for the Skylink transmitter to activate the Chamberlain garage door, the homeowner herself must choose to store Skylink's transmitter signal into the Chamberlain GDO's memory. Chamberlain suggests that Skylink has misinformed Chamberlain's customers regarding the security risks involved in using a Model 39 transmitter to bypass the rolling code technology and that, as a result, those customers "cannot properly authorize the sale of the Model 39 transmitter for the purpose of circumventing of Chamberlain's technological measure." (Pl. Mem., at 12-13.) Again, however, homeowners must voluntarily program the Chamberlain GDO to operate with a Model 39 transmitter, which demonstrates their willingness to bypass Chamberlain's system and its protections.

Equally unavailing is Chamberlain's claim that exemptions to user liability under § 1201(a)(1), which are currently under consideration by the Librarian and Registrar of Copyrights, demonstrate
that "Congress did not want fair use by a user, Chamberlain's customer, to be transferred to the trafficker, Skylink." (Pl. Mem., at 14.) Exempting a certain class of works from the prohibitions of § 1201(a)(1)(A) does not speak to whether a copyright owner has authorized access to its software.

Conclusion

For the reasons stated above, Skylink's Motion for Partial Summary Judgment on Chamberlain's DMCA Claim (152-1) is granted.

ENTER:

Dated:

______________________________________________
REBECCA R. PALLMEYER
United States District Judge
IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION

UNITED STATES OF AMERICA, No. CR 01-20138 RMW

Plaintiff,

v.

ELCOM LTD., a/k/a ELCOMSOFT CO., LTD.
and DMITRY SKLYAROV,

Defendants.

ORDER DENYING DEFENDANT'S MOTIONS TO DISMISS THE INDICTMENT ON CONSTITUTIONAL GROUNDS

On April 1, 2002, the court heard defendant Elcom Ltd.'s motions to dismiss the indictment for violation of due process and on First Amendment grounds. The government opposed the motions. The court has considered the papers submitted by the parties and amici curiae and had the benefit of oral argument on the motions, and for the reasons set forth below, defendant's motions to dismiss the indictment are denied.

BACKGROUND

1. The Technology: eBooks and the AEBPR

Adobe Systems is a software company headquartered in San Jose, California. Adobe's Acrobat eBook Reader product provides the technology for the reading of books in digital form (i.e., electronic books, or "ebooks") on personal computers. Use of the Adobe eBook format allows publishers or distributors of electronic books to control the subsequent distribution of the ebook, typically by limiting the distribution to those who pay for a copy. Diaz Decl. ¶5. These restrictions are imposed by the publisher's
use of the Adobe Content Server, which allows the publisher to grant or withhold a range of privileges from the consumer. For example, the ebook publisher may choose whether the consumer will be able to copy the ebook, whether the ebook can be printed to paper (in whole, in part, or not at all), whether the "lending function" is enabled to allow the user to lend the ebook to another computer on the same network of computers, and whether to permit the ebook to be read audibly by a speech synthesizer program. Id. ¶8.

When a consumer purchases an ebook formatted for Adobe Acrobat eBook Reader from an Internet website, the ebook is downloaded directly to the consumer's computer from the ebook distributor's Adobe Content Server.1 The ebook is accompanied by an electronic "voucher" which is recognized and read by the Adobe Acrobat eBook Reader,2 which then "knows" that the copy of the ebook can only be read on the computer onto which it has been downloaded. Id. ¶9. Thus, typically, the purchaser of an ebook may only read the ebook on the computer onto which the ebook was downloaded but may not e-mail or copy the ebook to another computer. The user may or may not be able to print the ebook in paper form or have it audibly read by the computer. Id. ¶¶5-9.

The indictment alleges that "[w]hen an ebook purchased for viewing in the Adobe eBook Reader format was sold by the publisher or distributor, the publisher or distributor of the ebook could authorize or limit the purchaser's ability to copy, distribute, print, or have the text read audibly by the computer. Adobe designed the eBook Reader to permit the management of such digital rights so that in the ordinary course of its operation, the eBook Reader effectively permitted the publisher or distributor of the ebook to restrict or limit the exercise of certain copyright rights of an owner of the copyright for an ebook distributed in the eBook Reader format." Indictment ¶1(g).

Defendant Elcomsoft Company Ltd. ("Elcomsoft") developed and sold a product known as the Advanced eBook Processor ("AEBPR"). AEBPR is a Windows-based software program that allows a user to remove use restrictions from Adobe Acrobat PDF files and files formatted for the Adobe eBook

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1 The purchases are frequently accompanied by an End User License Agreement which may contain contractual language limiting the user's rights to use the ebook, including the rights to sell or transfer the ebook or to copy or distribute the content of the ebook without the publisher's permission. See Declaration of O'Connell, Exh. A (EBIA Agreement, ¶4), Exh. B. (Sybex Agreement, ¶2), Exh. C (Forth Inc. Agreement, Part III).

2 Adobe distributes the eBook Reader program free of charge and users download the software directly from the Internet onto their computers.
Reader. The program allows a purchaser of an eBook Reader formatted electronic book to convert the
format to one that is readable in any PDF viewer without the use restrictions imposed by the publisher.

Katalov Decl. ¶6. Thus, the restrictions imposed by the publisher are stripped away, leaving the ebook in a
"naked PDF" format that is readily copyable, printable, and easily distributed electronically. The
conversion accomplished by the AEBPR program enables a purchaser of an ebook to engage in "fair use"
of an ebook without infringing the copyright laws, for example, by allowing the lawful owner of an ebook to
read it on another computer, to make a back-up copy, or to print the ebook in paper form. The same
technology, however, also allows a user to engage in copyright infringement by making and distributing
unlawful copies of the ebook. Defendant was indicted for alleged violations of Section 1201(b)(1)(A) and
(C) of the Digital Millennium Copyright Act ("DMCA"), 17 U.S.C. §§ 1201(b)(1)(A) and (C), for
allegedly trafficking in and marketing of the AEBPR.

2. The DMCA

Congress enacted the DMCA following the adoption of the World Intellectual Property
Organization Copyright Treaty as an expansion of traditional copyright law in recognition of the fact that in
the digital age, authors must employ protective technologies in order to prevent their works from being
unlawfully copied or exploited. As described by one court:

In December 1996, the World Intellectual Property Organization ("WIPO"), held a
diplomatic conference in Geneva that led to the adoption of two treaties. Article 11 of the
relevant treaty, the WIPO Copyright Treaty, provides in relevant part that contracting
states "shall provide adequate legal protection and effective legal remedies against the
circumvention of effective technological measures that are used by authors in connection
with the exercise of their rights under this Treaty or the Berne Convention and that restrict
acts, in respect of their works, which are not authorized by the authors concerned or
permitted by law."

The adoption of the WIPO Copyright Treaty spurred continued Congressional attention to
the adaptation of the law of copyright to the digital age. Lengthy hearings involving a broad
range of interested parties both preceded and succeeded the Copyright Treaty. . . . [A] critical focus of Congressional consideration of the legislation was the conflict between
those who opposed anti-circumvention measures as inappropriate extensions of copyright
impediments to fair use and those who supported them as essential to proper protection of
copyrighted materials in the digital age. The DMCA was enacted in October 1998 as the
culmination of this process.

omitted), aff'd 273 F.3d 429 (2d Cir. 2001).

Through the DMCA, Congress sought to prohibit certain efforts to unlawfully circumvent protective
technologies, while at the same time preserving users' rights of fair use. Some understanding of the interplay between copyright and fair use is essential to understanding the issues confronting Congress and the issues presented here. Fair use and copyright are discussed in more detail below, but in brief, copyright grants authors the exclusive right to make and distribute copies of their original works of authorship but the doctrine of fair use permits a certain amount of copying for limited purposes without infringing the copyright, notwithstanding the exclusive rights of the copyright owner.

As part of the balance Congress sought to strike in protecting the rights of copyright owners while preserving fair use, Congress enacted three new anti-circumvention prohibitions, Section 1201(a)(1), Section 1201(a)(2) and Section 1201(b). The first two provisions target circumvention of technological measures that effectively control access to a copyrighted work; the third targets circumvention of technological measures that impose limitations on the use of protected works.

With regard to the first category, Congress banned both the act of circumventing access control restrictions as well as trafficking in and marketing of devices that are primarily designed for such circumvention. Specifically, Section 1201(a)(1)(A) provides that "[n]o person shall circumvent a technological measure that effectively controls access to a work protected under this title." Thereafter, Section 1201(a)(2) provides that:

[n]o person shall manufacture, import, offer to the public, provide or otherwise traffic in any technology, product, service, device, component, or part thereof, that—

(A) is primarily designed or produced for the purpose of circumventing a technological measure that effectively controls access to a work protected under this title;

(B) has only limited commercially significant purpose or use other than to circumvent a technological measure that effectively controls access to a work protected under this title [17 U.S.C. § 1 et seq.] ; or

(C) is marketed by that person or another acting in concert with that person with that person's knowledge for use in circumventing a technological measure that effectively controls access to a work protected under this title.


The third prohibition, however, addresses a different circumvention, specifically, circumventing a technological measure that imposes limitations on the use of a copyrighted work, or in the words of the statute, that "effectively protects the right of a copyright owner." Using language quite similar to Section 1201(a)(2), the Act provides that:
[n]o person shall manufacture, import, offer to the public, provide or otherwise traffic in any technology, product, service, device, component, or part thereof, that—

(A) is primarily designed or produced for the purpose of circumventing protection afforded by a technological measure that effectively protects a right of a copyright owner under this title [17 U.S.C.A. § 1 et seq.] in a work or a portion thereof;

(B) has only limited commercially significant purpose or use other than to circumvent protection afforded by a technological measure that effectively protects a right of a copyright owner under this title in a work or a portion thereof; or

(C) is marketed by that person or another acting in concert with that person with that person's knowledge for use in circumventing protection afforded by a technological measure that effectively protects a right of a copyright owner under this title in a work or a portion thereof.

17 U.S.C. §1201(b). Unlike Section 1201(a), however, Congress did not ban the act of circumventing the use restrictions. Instead, Congress banned only the trafficking in and marketing of devices primarily designed to circumvent the use restriction protective technologies. Congress did not prohibit the act of circumvention because it sought to preserve the fair use rights of persons who had lawfully acquired a work. See H.R. Rep. 105-551, pt. 1, at 18 (1998); Burton Decl. Ex. N.; Exemption to Prohibition on Circumvention of Copyright Protection Systems for Access Control Technologies, 65 Fed. Reg. 64,557 (2000) (codified at 37 C.F.R. §201) ("The prohibition in section 1201(b) extends only to devices that circumvent copy control measures. The decision not to prohibit the conduct of circumventing copy controls was made, in part, because it would penalize some noninfringing conduct such as fair use."). In fact, Congress expressly disclaimed any intent to impair any person's rights of fair use: "Nothing in this section shall affect rights, remedies, or defenses to copyright infringement, including fair use, under this title [17 U.S.C.A. §1 et seq.]." 17 U.S.C. §1201(c)(1). Thus, circumventing use restrictions is not unlawful, but in order to protect the rights of copyright owners while maintaining fair use, Congress banned trafficking in devices that are primarily designed for the purpose of circumventing any technological measure that "effectively protects a right of a copyright owner," or that have limited commercially significant purposes other than circumventing use restrictions, or that are marketed for use in circumventing the use restrictions.

The difficulty is created by Section 1201(b)'s use of the phrase "effectively protects a right of a

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3 Congress also enacted specific provisions to protect certain uses, including exceptions for law enforcement, reverse engineering, encryption research and security testing. 17 U.S.C. §1201(e)-(g) and 1201(f).
copyright owner" to define the prohibited device because the rights of a copyright owner are intertwined
with the rights of others. The rights of a copyright owner include the exclusive rights to reproduce the
copyrighted work, to prepare derivative works based upon the copyrighted work, to distribute copies by
sale or otherwise, to perform the copyrighted work publicly, and to display the copyrighted work publicly.
§§107-120. One of those exceptions is that the copyright owner loses control over the disposition of a
copy of a work upon the sale or transfer of the copy. 17 U.S.C. §109. Thus, once a published copy is
sold, the copyright owner has no right to restrict the further sale or transfer of that copy. Id. In addition,
one of the most significant exceptions to the rights of a copyright owner is the doctrine of fair use. 17

Fair use is a defense to copyright infringement, allowing a certain amount of direct copying for
certain uses, without the permission of the copyright owner and notwithstanding the copyright owner's
exclusive rights. Section 107 provides that the fair use of a copyrighted work for purposes such as
criticism, comment, news reporting, teaching, scholarship or research is not an infringement of a copyright.
17 U.S.C. §107. Section 107 also sets forth a series of factors for determining whether any particular use
is a "fair use," including: "(1) the purpose and character of the use, including whether such use is of a
commercial nature or is for nonprofit educational purposes; (2) the nature of the copyrighted work; (3) the
amount and substantiality of the portion used in relation to the copyrighted work as a whole; and (4) the
effect of the use upon the potential market for or value of the copyrighted work." Id. There is no bright line
test for determining whether any particular use is a "fair use" or is instead an act of copyright infringement,
and each use requires a case-by-case determination. See Harper & Row, Publishers, Inc. v. Nation

The interplay between fair use and copyright weaves throughout defendant's motions to dismiss.
The parties dispute whether Congress banned, or intended to ban, all circumvention tools or instead banned
only those circumvention devices that would facilitate copyright infringement, and if, as a result, the DMCA
is unconstitutionally vague. The parties also dispute whether, because of its effect on the fair use doctrine,
the DMCA is an unconstitutional infringement upon the First Amendment and whether Congress had the
power to enact the legislation. It is to these issues the court will next turn.
DISCUSSION

Defendant's two motions to dismiss the indictment challenge the constitutionality of the DMCA on a number of grounds. Defendant contends that Section 1201(b) is unconstitutionally vague as applied to Elcomsoft and therefore violates the Due Process Clause of the Fifth Amendment. Defendant also contends that Section 1201(b) violates the First Amendment on several grounds: because it constitutes a content-based restriction on speech that is not sufficiently tailored to serve a compelling government interest, because it impermissibly infringes upon the First Amendment rights of third parties to engage in fair use, and because it is too vague in describing what speech it prohibits, thereby impermissibly chilling free expression. Finally, defendant contends that Congress exceeded its constitutional power in enacting the DMCA, and that the Act is therefore unconstitutional. Each argument will be addressed.

1. Fifth Amendment Due Process Challenge

Defendant first contends that Section 1201(b) is unconstitutionally vague as applied to Elcomsoft because it does not clearly delineate the conduct which it prohibits. Due Process Motion at 13. A statute violates the Due Process Clause of the Fifth Amendment if its prohibitions are not clearly defined. Grayned v. City of Rockford, 408 U.S. 104, 108 (1972). Vagueness may invalidate a statute for either of two reasons: first, the statute may fail to provide the kind of notice that will enable ordinary people to understand what conduct it prohibits, and second, the statute may authorize or encourage arbitrary and discriminatory enforcement. City of Chicago v. Morales, 527 U.S. 41, 56 (1999) (citing Kolender v. Lawson, 461 U.S. 352, 357 (1983)). "It is established that a law fails to meet the requirements of the Due Process Clause if it is so vague and standardless that it leaves the public uncertain as to the conduct it prohibits . . . ." 527 U.S. at 56 (plurality) (quoting Giaccio v. Pennsylvania, 382 U.S. 399, 402-03 (1966)). A criminal statute is not vague if it provides adequate notice of the prohibited conduct in terms that a reasonable person of ordinary intelligence would understand. United States v. Martinez, 49 F.3d 1398, 1403 (9th Cir. 1995), cert. denied, 516 U.S. 1065 (1996) (superseded by statute on other grounds).

Defendant argues that the DMCA bans only those tools that are primarily designed to circumvent usage control technologies in order to enable copyright infringement. Defendant reaches this conclusion because Congress did not ban the act of circumventing use control technologies and expressly refused to
do so in order to avoid treadng on legitimate fair use. Defendant thus argues that:

[i]he legislative history and the language of the DMCA establish that Congress did not
prohibit the act of circumventing usage control technologies. For reasons directly related to
that decision, it also did not ban all tools which might be used to circumvent usage control
technologies. Congress sought to prohibit only those tools which are intended to be used
to circumvent usage control technologies for the purpose of copyright infringement. Section
1201(b) does not provide a constitutionally adequate notice of this prohibition.

Due Process Motion at 14. From the premise that Congress has banned only those tools that are intended
to circumvent usage control technologies for the purpose of copyright infringement, defendant then argues
that the statute is unconstitutionally vague. "Section 1201(b) is doomed to inherent vagueness because not
all tools are banned, and the language of the statute renders it impossible to determine which tools it in fact
bans." Id. at 15. Defendant argues that because of the nature of the interplay between copyright owners'
rights and fair use, any circumvention of a usage control technology for a legitimate purpose—such as for a
fair use—must invariably involve circumvention of a technology that "protects the right of a copyright
owner." Accordingly, there is no way for a manufacturer to know whether its tool is lawful. Moreover, this
statutory vagueness leads to arbitrary enforcement.

The government's opposition brief does not directly address defendant's argument that some
circumvention tools are prohibited while other circumvention tools are allowed. At the hearing, however,
the government contended that the DMCA imposes a blanket ban on all circumvention tools. According to
the government, Section 1201(b) does not prohibit only those tools that circumvent usage controls for the
purpose of facilitating copyright infringement; the statute also prohibits tools that circumvent usage controls
for the purpose of enabling fair use. Thus, if all tools that are primarily designed or produced for the
purpose of circumventing protections afforded by technological measures are banned, the statute is not
impermissibly vague.

Thus, the court's initial task is to determine whether the DMCA bans trafficking in all circumvention
tools, regardless of whether they are designed to enable fair use or to facilitate infringement, or whether
instead the statute bans only those tools that circumvent use restrictions for the purpose of facilitating
copyright infringement. If all circumvention tools are banned, defendant's void-for-vagueness challenge
necessarily fails.

The court must first consider the statutory language enacted by Congress. Despite defendant's
repeated citations to the legislative history, if the language of the statute is clear, there is no need to resort to the legislative history in order to determine the statute's meaning. Recording Indus. Ass'n of Am. v. Diamond Multimedia Sys., Inc., 180 F.3d 1072, 1076 (9th Cir. 1999). Section 1201(b) provides that:

(n) no person shall manufacture, import, offer to the public, provide or otherwise traffic in any technology, product, service, device, component, or part thereof, that –

(A) is primarily designed or produced for the purpose of circumventing protection afforded by a technological measure that effectively protects a right of a copyright owner under this title [17 U.S.C.A. § 1 et seq.] in a work or a portion thereof . . . .

17 U.S.C. §1201(b). The section is comprised of three parts: 1) trafficking in "any technology," "product," "service," "device," "component" or "part thereof"; 2) that is "primarily designed or produced for the purpose of circumventing protection afforded by a technological measure"; and 3) a technological measure that "effectively protects a right of a copyright owner" under the copyright statute.

The first element targets "any technology, product, service, device, component, or part thereof."

This language is not difficult to decipher and is all-encompassing: it includes any tool, no matter its form, that is primarily designed or produced to circumvent technological protection.

Next, the phrase "circumvent protection afforded by a technological measure" is expressly defined in the statute to mean: "avoiding, bypassing, removing, deactivating, or otherwise impairing a technological measure." 17 U.S.C. §1201(b)(2)(A).

Finally, the statute provides that "a technological measure `effectively protects a right of a copyright owner under this title' if the measure, in the ordinary course of its operation, prevents, restricts, or otherwise limits the exercise of a right of a copyright owner under this title." Id. §1201(b)(2)(B). The rights of a copyright owner are specified in 17 U.S.C. §106. These include the exclusive rights:

1. to reproduce the copyrighted work in copies or phonorecords;
2. to prepare derivative works based upon the copyrighted work;
3. to distribute copies or phonorecords of the copyrighted work to the public by sale or other transfer of ownership, or by rental, lease, or lending;
4. in the case of literary, musical, dramatic, and choreographic works, pantomimes, and motion pictures and other audiovisual works, to perform the copyrighted work publicly;
5. in the case of literary, musical, dramatic, and choreographic works, pantomimes, and pictorial, graphic, or sculptural works, including the individual images of a motion picture or other audiovisual work, to display the copyrighted work publicly;
(6) in the case of sound recordings, to perform the copyrighted work publicly by means of a digital audio transmission.

17 U.S.C. §106. Putting Section 1201(b)(2)(B) together with Section 106, a technological measure "effectively protects the right of a copyright owner" if, in the ordinary course of its operation, it prevents, restricts or otherwise limits the exercise of any of the rights set forth in Section 106, such as the rights to reproduce the work, prepare derivative works, distribute copies of the work, perform the work publicly or by digital audio transmission, or display the work publicly.

Taken in combination, Section 1201(b) thus prohibits trafficking in any tool that avoids, bypasses, removes, deactivates, or otherwise impairs any technological measure that prevents, restricts or otherwise limits the exercise of the right to reproduce the work, prepare derivative works, distribute copies of the work, perform the work publicly or by digital audio transmission, or display the work publicly. In short, the statute bans trafficking in any device that bypasses or circumvents a restriction on copying or performing a work. Nothing within the express language would permit trafficking in devices designed to bypass use restrictions in order to enable a fair use, as opposed to an infringing use. The statute does not distinguish between devices based on the uses to which the device will be put. Instead, all tools that enable circumvention of use restrictions are banned, not merely those use restrictions that prohibit infringement.

Thus, as the government contended at oral argument, Section 1201(b) imposes a blanket ban on trafficking in or the marketing of any device that circumvents use restrictions.

Because the statutory language is clear, it is unnecessary to consider the legislative history to determine congressional intent or the scope of the statute. Nevertheless, statements within the legislative history support the interpretation reached above. Congress was concerned with promoting electronic commerce while protecting the rights of copyright owners, particularly in the digital age where near exact copies of protected works can be made at virtually no cost and distributed instantaneously on a worldwide basis. S. Rep. No. 105-190, at 8 (1998), Burton Decl. Exh. P. Congress recognized that "most acts of circumventing a technological copyright protection measure will occur in the course of conduct which itself implicates the copyright owners rights," i.e., acts of infringement. Id. at 29. Accordingly,
otherwise trafficking in certain technologies, products, services, device, components, or
e parts thereof that can be used to circumvent a technological protection measure that
effectively protects a right of a copyright owner under title 17 in a work or portion thereof.

Like paragraph (a)(2), this provision is designed to protect copyright owners.

Id. at 29-30 (emphasis added). Congress thus recognized that most uses of tools to circumvent copy
restrictions would be for unlawful infringement purposes rather than for fair use purposes and sought to ban
all circumvention tools that "can be used" to bypass or avoid copy restrictions.

Defendant relies heavily on congressional intent to preserve fair use but that congressional intent
does not change the analysis. The Act expressly disclaims any intent to affect the rights, remedies,
limitations, or defenses to copyright infringement, including the right of fair use. 17 U.S.C. §1201(c).
Congress' expressed intent to preserve the right of fair use is not inconsistent with a ban on trafficking in
circumvention technologies, even those that could be used for fair use purposes rather than infringement.
Fair use of a copyrighted work continues to be permitted, as does circumventing use restrictions for the
purpose of engaging in a fair use, even though engaging in certain fair uses of digital works may be made
more difficult if tools to circumvent use restrictions cannot be readily obtained.

The inescapable conclusion from the statutory language adopted by Congress and the legislative
history discussed above is that Congress sought to ban all circumvention tools because most of the time
those tools would be used to infringe a copyright. Thus, while it is not unlawful to circumvent for the
purpose of engaging in fair use, it is unlawful to traffic in tools that allow fair use circumvention. That is part
of the sacrifice Congress was willing to make in order to protect against unlawful piracy and promote the
development of electronic commerce and the availability of copyrighted material on the Internet.

Accordingly, there is no ambiguity in what tools are allowed and what tools are prohibited because
the statute bans trafficking in or the marketing of all circumvention devices. Moreover, because all
circumvention tools are banned, it was not necessary for Congress to expressly tie the use of the tool to an
unlawful purpose in order to distinguish lawful tools from unlawful ones. Thus, the multi-use device
authorities cited by defendant, such as the statutes and case law addressing burglary tools and drug
paraphernalia, offer defendant no refuge. The law, as written, allows a person to conform his or her
conduct to a comprehensible standard and is thus not unconstitutionally vague. Coates v. City of
Cincinnati, 402 U.S. 611, 614 (1971). Therefore, defendant's motion to dismiss the indictment on due

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process grounds is denied.

2. First Amendment Challenges

Defendant asserts several First Amendment challenges, arguing that the DMCA violates the First Amendment as applied to the sale of the AEBPR, that the DMCA violates the First Amendment because it infringes the First Amendment rights of third parties, and that the DMCA violates the First Amendment because it is impermissibly vague, thus chilling otherwise protected speech. As an initial matter, however, the government contends that review under the First Amendment is unnecessary. The government offers two arguments: 1) the statute bans the sale of technology and the sale of technology is not "speech"; and 2) the AEBPR, in object code form, is not speech protected by the First Amendment. Neither argument is persuasive.

First, the government erroneously contends that the DMCA does not implicate the First Amendment because defendant's sale of circumvention technology is not speech. While selling is the act giving rise to potential criminal liability under Section 1201(b), the DMCA bans trafficking in the AEBPR, software which at some level contains expression, thus implicating the First Amendment. As noted by defendant in reply, the government could not ban the sale of newspapers without implicating the First Amendment, even if newspapers themselves were not banned. First Amendment Reply at 4. First Amendment scrutiny is triggered because the statute bans the sale of something that at some level contains protected expression. See Arkansas Writers' Project, Inc. v. Ragland, 481 U.S. 221, 227-28 (1987) (invalidating tax on magazines, with exceptions based on content, as inconsistent with First Amendment); Simon & Schuster, Inc. v. Members of N.Y. State Crime Victims Bd., 502 U.S. 105, 116 (1991) (invalidating as inconsistent with the First Amendment New York's "Son of Sam" law, which required a criminal's income from works describing his crime be deposited into an escrow account for the benefit of victims of crime).

Second, the government contends that computer code is not speech and hence is not subject to First Amendment protections. The court disagrees. Computer software is expression that is protected by the copyright laws and is therefore "speech" at some level, speech that is protected at some level by the First Amendment. See Sony Computer Entm't v. Connectix Corp., 203 F.3d 596, 602 (9th Cir.) (recognizing that object code may be copyrighted as expression under 17 U.S.C. §102(b)), cert. denied,
531 U.S. 871 (2000). While there is some disagreement over whether object code, as opposed to source
code, is deserving of First Amendment protection, the better reasoned approach is that it is protected.
Object code is merely one additional translation of speech into a new, and different, language. See
Universal City Studios, Inc. v. Corley, 273 F.3d 429, 445-49 (2d Cir. 2001) (recognizing that code is
speech); Reimerdes, 111 F. Supp. 2d at 326-27; Bernstein v. U.S. Dept of State, 922 F. Supp. 1426,
1436 (N.D. Cal. 1996) (recognizing that source code is speech but not reaching the object code issue).
As the Reimerdes court explained:

It cannot be seriously argued that any form of computer code may be regulated
without reference to First Amendment doctrine. The path from idea to human language to
source code to object code is a continuum. As one moves from one side to the other, the
levels of precision and, arguably, abstraction increase, as does the level of training
necessary to discern the idea from the expression. Not everyone can understand each of
these forms. Only English speakers will understand English formulations. Principally those
familiar with the particular programming language will understand the source code
expression. And only a relatively small number of skilled programmers and computer
scientists will understand the machine readable object code. But each form expresses the
same idea, albeit in different ways.

All modes by which ideas may be expressed or, perhaps, emotions
evoked—including speech, books, movies, art, and music—are within the area of First
Amendment concern. As computer code—whether source or object—is a means of
expressing ideas, the First Amendment must be considered before dissemination may be
prohibited or regulated. In that sense, computer code is covered, or as sometimes said,
"protected" by the First Amendment. But that conclusion still leaves for determination the
level of scrutiny to be applied in determining the constitutionality of regulation of computer
code.

111 F. Supp. 2d at 326-27 (footnotes omitted).

Accordingly, it is appropriate to consider defendant's First Amendment challenges.

A. Whether the DMCA Violates the First Amendment as Applied to
the Sale of AEBPR

Defendant first argues that the DMCA, as applied to the sale of defendant's AEBPR, violates the
First Amendment. Defendant's argument is structured as follows: computer code is speech protected by
the First Amendment; the DMCA regulates that speech based upon its content because it bans the code
that conveys a certain message (i.e., circumventing use restrictions); content-based regulations must be
narrowly tailored; the DMCA is not narrowly tailored; ergo, the DMCA is unconstitutional. See First
Amendment Reply at 1.

In opposition, the government argues that under the appropriate level of scrutiny, the DMCA does
not violate the First Amendment as applied to the sale of the AEBPR. The government argues that strict
scrutiny is not appropriate because the statute does not target speech and is content-neutral with respect to
speech. Under intermediate scrutiny, the government has legitimate interests in promoting electronic
commerce and in protecting the rights of copyright owners, and the statute is sufficiently tailored to achieve
those objectives without unduly burdening free speech.

In order to determine whether the DMCA violates the First Amendment as applied to the sale of
the AEBPR, the court must first determine the appropriate level of scrutiny to apply to the statute. As a
general matter, content-based restrictions on speech are permissible only if they serve a compelling state
interest and do so by the least restrictive means. *Turner Broadcasting Sys., Inc. v. FCC*, 512 U.S. 622,
Communications of Cal. v. FCC*, 492 U.S. 115, 126 (1989)). On the other hand, if a statute or regulation
is content-neutral, it

will be sustained if "it furthers an important or substantial governmental interest; if the
governmental interest is unrelated to the suppression of free expression; and if the incidental
restriction on alleged First Amendment freedoms is no greater than is essential to the
furtherance of that interest." To satisfy this standard, a regulation need not be the least
speech-restrictive means of advancing the Government's interests. "Rather, the requirement
of narrow tailoring is satisfied 'so long as the ... regulation promotes a substantial
government interest that would be achieved less effectively absent the regulation.'" Narrow
tailoring in this context requires, in other words, that the means chosen do not "burden
substantially more speech than is necessary to further the government’s legitimate interests."

*Turner Broadcasting*, 512 U.S. at 662 (citations omitted).

When speech and non-speech elements are combined in a single course of conduct, a sufficiently
important government interest in regulating the non-speech element can justify incidental intrusions on First
485 (6th Cir. 2000) (applying intermediate scrutiny to regulations banning exportation of encryption
software).

The principal inquiry in determining whether a statute is content-neutral is whether the government
has adopted a regulation of speech because of agreement or disagreement with the message it conveys.

consideration. *Id.* Here, the parties have pointed to no portion of the legislative history that demonstrates a
congressional intent to target speech because of its expressive content. Rather, Congress sought ways to
further electronic commerce and protect intellectual property rights, while at the same time protecting fair
use. In order to balance these priorities, Congress sought to ban trafficking in any technology or device that
could be used to circumvent technological restrictions that served to protect the rights of copyright owners.

Defendant contends that because this occurs in a digital arena, the technological measures
necessarily involve computer code and, thus, necessarily implicate speech protected by the First
Amendment. Defendant further argues that the regulation is not content-neutral because it only bans a
certain type of speech—speech that allows the circumvention of protection measures—and therefore that
strict scrutiny must be applied. "Indeed, it is precisely the content of the code that causes the government
to regulate it." First Amendment Reply at 5.

Defendant’s argument, however, stretches too far. In the digital age, more and more conduct
occurs through the use of computers and over the Internet. Accordingly, more and more conduct occurs
through "speech" by way of messages typed onto a keyboard or implemented through the use of computer
code when the object code commands computers to perform certain functions. The mere fact that this
conduct occurs at some level through expression does not elevate all such conduct to the highest levels of
First Amendment protection. Doing so would turn centuries of our law and legal tradition on its head,
eviscerating the carefully crafted balance between protecting free speech and permissible governmental
regulation.

On its face, the statute does not target speech. Section 1201(b) bans trafficking in devices,
whether software, hardware, or other. Thus, strict scrutiny is not appropriate in the absence of any
suggestion that Congress sought to ban particular speech, qua speech. Courts that have considered the
issue in the context of the DMCA have determined that Congress was not concerned with suppressing
ideas but instead enacted the anti-trafficking measures because of the function performed by the code.

Reimerdes, 111 F. Supp. 2d at 329 ("The reason that Congress enacted the anti-trafficking provision of the
DMCA had nothing to do with suppressing particular ideas of computer programmers and everything to do
with functionality."); Corley, 273 F.3d at 454. Thus, to the extent that the DMCA targets computer code,
Congress sought to ban the code not because of what the code says, but rather because of what the code
does.

Defendant contends that these authorities are wrongly decided and that it is impossible to regulate
the "functional" aspects of computer code without necessarily regulating the content of the expressive aspects of the code. Divorcing the function from the message, however, is precisely what the courts have done in other contexts, for example, in determining what portions of code are protectable by copyright and what uses of that same code are permitted as fair uses. See Connectix, 203 F.3d at 602-03 (recognizing that computer programs pose unique problems in copyright context because they are both expressive and functional utilitarian articles; copyright protects only the expression, and fair use allows incidental copying for the purpose of reverse engineering code to determine its unprotected functional aspects).

Accordingly, the court concludes that intermediate scrutiny, rather than strict scrutiny, is the appropriate standard to apply. Under this test, the regulation will be upheld if it furthers an important or substantial government interest unrelated to the suppression of free expression, and if the incidental restrictions on First Amendment freedoms are no greater than essential to the furtherance of that interest. Turner Broadcasting, 512 U.S. at 662. By this standard, a statute is constitutional as long as it "promotes a substantial governmental interest that would be achieved less effectively absent the regulation" and the means chosen do not burden substantially more speech than is necessary to further the government's legitimate interests. Id.

1) The Governmental Interests

In this case, there are two asserted governmental interests: preventing the unauthorized copying of copyrighted works and promoting electronic commerce. As noted in the House Report:

The debate on this legislation highlighted two important priorities: promoting the continued growth and development of electronic commerce; and protecting intellectual property rights. These goals are mutually supportive. A thriving electronic marketplace provides new and powerful ways for the creators of intellectual property to make their works available to legitimate consumers in the digital environment. And a plentiful supply of intellectual property—whether in the form of software, music, movies, literature, or other works—drives the demand for a more flexible and efficient electronic marketplace.


Congress recognized that a primary threat to electronic commerce and to the rights of copyright holders was the plague of digital piracy. The Senate Report notes:

Due to the ease with which digital works can be copied and distributed worldwide virtually instantaneously, copyright owners will hesitate to make their works readily available on the Internet without reasonable assurance that they will be protected against massive piracy. Legislation implementing the treaties provides this protection and creates the legal platform for launching the global digital on-line marketplace for copyrighted works. It will facilitate
making available quickly and conveniently via the Internet the movies, music, software, and 
literary works that are the fruit of American creative genius. It will also encourage the 
continued growth of the existing off-line global marketplace for copyrighted works in digital 
format by setting strong international copyright standards.

S. Rep. No. 105-190, at 8 (1998), Burton Decl. Exh. P. Congress has elsewhere expressed its concern 
over the state of intellectual property piracy:

Notwithstanding [penalties for copyright infringement] copyright piracy of intellectual 
property flourishes, assisted in large part by today's world of advanced technologies. For 
example, industry groups estimate that counterfeiting and piracy of computer software cost 
the affected copyright holders more than $11 billion last year (others believe the figure is 
closer to $20 billion). In some countries, software piracy rates are as high as 97% of all 
sales. The U.S. rate is far lower (25%) but the dollar losses ($2.9 billion) are the highest 
worldwide. The effect of this volume of theft is substantial: lost U.S. jobs, lost wages, 
lower tax revenue, and higher prices for honest purchasers of copyrighted software. 
Unfortunately, the potential for this problem to worsen is great.


These governmental interests are both legitimate and substantial.

2) Whether Section 1201(b) is Sufficiently Tailored

The next step is to determine whether these governmental interests would be promoted less 
effectively absent the regulation and whether the means chosen burden substantially more speech than is 
necessary to further the government's interests. Turner Broadcasting, 512 U.S. at 662.

Without the ban on trafficking in circumvention tools, the government's interest in promoting 
electronic commerce, preserving the rights of copyright holders, and preventing piracy would be 
undermined. The absence of effective technological restrictions to prevent copyright infringement would 
inevitably result in even more rampant piracy, with a corresponding likely decrease in the willingness of 
authors and owners of copyrighted works to produce them in digital form or make the works available on-
line. Thus, there is little question that the governmental interests would be promoted less effectively in the 
absence of the regulation. Nevertheless, there is substantial disagreement between the parties with regard 
to whether or not the regulation "substantially burdens more speech than is necessary" to achieve the 
government's interests.

Defendant contends that the DMCA burdens substantially more speech than is necessary to protect 
copyright holders from digital copyright pirates. First, defendant contends that it was not necessary to ban 
all circumvention tools, because those tools can serve legitimate purposes. Congress had other options
more narrowly tailored to prevent the harm sought: it could have made the penalties for infringement more severe or it could have criminalized the use of the Internet to distribute infringing copies. Second, defendant argues that the DMCA fails to pass constitutional review because

the government's approach to the DMCA effectively eliminates fair use, limits noninfringing uses and prevents access to material in the public domain and uncopyrightable material protected by "technological measures." Many of these uses are themselves protected expression and none of them constitute copyright infringement. The anti-trafficking provisions of the DMCA do not "respond[ ] precisely to the substantive problem which legitimately concern[ed]" [Congress] and that it therefore do [sic, does] not comport with the First Amendment.

First Amendment Motion at 12 (citing Members of the City Council of L.A. v. Taxpayers for Vincent, 466 U.S. 789, 810 (1984)).

The government responds that there are numerous exceptions to the DMCA that demonstrate that the DMCA is sufficiently tailored to withstand intermediate scrutiny:

Congress carefully balanced, inter alia, the needs of law enforcement and other government agencies, computer programmers, encryption researchers, and computer security specialists against the serious problems created by circumvention technology. See 17 U.S.C. §§ 1201(e)-1201(g), 1201(j). That defendant Elcomsoft's conduct did not fall within the exceptions does not suggest, let alone prove, the DMCA sweeps to broadly.

Opposition Brief at 24 (citing Fed. Election Comm'n v. National Right to Work Comm., 459 U.S. 197, 208 (1982) ("statutory prohibitions and exceptions" regarding political contributions by corporations and unions held "sufficiently tailored . . . to avoid undue restriction on the associational interests asserted" by political organization)).

Defendant's arguments are not persuasive. First, the DMCA does not "eliminate" fair use.

Although certain fair uses may become more difficult, no fair use has been prohibited. Lawful possessors of copyrighted works may continue to engage in each and every fair use authorized by law. It may, however, have become more difficult for such uses to occur with regard to technologically protected digital works, but the fair uses themselves have not been eliminated or prohibited.

For example, nothing in the DMCA prevents anyone from quoting from a work or comparing texts for the purpose of study or criticism. It may be that a technological perspective, the fair user my find it more difficult to do so—quoting may have to occur the old fashioned way, by hand or by re-typing, rather than by "cutting and pasting" from existing digital media. Nevertheless, the fair use is still available.

Defendant has cited no authority which guarantees a fair user the right to the most technologically
convenient way to engage in fair use. The existing authorities have rejected that argument. See Corley, 273 F.3d at 459 ("We know of no authority for the proposition that fair use, as protected by the Copyright Act, much less the Constitution, guarantees copying by the optimum method or in the identical format of the original. . . . Fair use has never been held to be a guarantee of access to copyrighted material in order to copy it by the fair user's preferred technique or in the format of the original.")

In the same vein, the DMCA does not "prevent access to matters in the public domain" or allow any publisher to remove from the public domain and acquire rights in any public domain work. Nothing within the DMCA grants any rights to anyone in any public domain work. A public domain work remains in the public domain and no party has any intellectual property right in the expression of that work. A flaw in defendant's argument is that it presumes that the only available version of a public domain work is an electronic, technology-protected, version. If a work is in the public domain, any person may make use of that expression, for whatever purposes desired. To the extent that a publisher has taken a public domain work and made it available in electronic form, and in the course of doing so has also imposed use restrictions on the electronic version, the publisher has not gained any lawfully protected intellectual property interest in the work. The publisher has only gained a technological protection against copying that particular electronic version of the work. *Is this true? They're copying.*

The situation is little different than if a publisher printed a new edition of Shakespeare's plays, but chose to publish the book on paper that was difficult to photocopy. Copy protection measures could be employed, similar to what is now commonly done on bank checks, so that the photocopy revealed printing that is otherwise unnoticeable on the original, perhaps rendering the text difficult to read on the photocopy. Would the publisher have thus recaptured Shakespeare's plays from the public domain? No, the publisher has gained no enforceable rights in the works of Shakespeare; all that has happened is that the purchaser of the copy-protected book would be unable to easily make a photocopy of that particular book.

Publishing a public domain work in a restricted format does not thereby remove the work from the public domain, even if it does allow the publisher to control that particular electronic copy. If this is an evil in the law, the remedy is for Congress to prohibit use or access restrictions from being imposed upon public domain works. Or perhaps, if left to the market, the consuming public could decline to purchase public domain works packaged with use restrictions.
In addition, the alternatives proposed by defendant—enacting more severe penalties for copyright infringement—may not be as effective at preventing widespread copyright infringement and electronic piracy as is banning the trafficking in or the marketing of the tools that allow piracy to thrive. Congress certainly could have approached the problem by targeting the infringers, rather than those who traffic in the tools that enable the infringement to occur. However, it is already unlawful to infringe, yet piracy of intellectual property has reached epidemic proportions. Pirates are world-wide, and locating and prosecuting each could be both impossible and ineffective, as new pirates arrive on the scene. But, pirates and other infringers require tools in order to bypass the technological measures that protect against unlawful copying. Thus, targeting the tool sellers is a reasoned, and reasonably tailored, approach to "remedying the evil" targeted by Congress. In addition, because tools that circumvent copyright protection measures for the purpose of allowing fair use can also be used to enable infringement, it is reasonably necessary to ban the sale of all circumvention tools in order to achieve the objectives of preventing widespread copyright infringement and electronic piracy in digital media. Banning the sale of all circumvention tools thus does not substantially burden more speech than is necessary.

Under intermediate scrutiny, it is not necessary that the government select the least restrictive means of achieving its legitimate governmental interest. By its very nature, the intermediate scrutiny test allows some impingement on protected speech in order to achieve the legitimate governmental objective. A sufficiently important government interest in regulating the targeted conduct can justify incidental limitations on First Amendment freedoms. O'Brien, 391 U.S. 367. Having considered the arguments asserted by the parties, the court finds that the DMCA does not burden substantially more speech than is necessary to achieve the government's asserted goals of promoting electronic commerce, protecting copyrights, and preventing electronic piracy.

B. Overbreadth Challenge: Does the DMCA Substantially Burden the First Amendment Rights of Others?

Defendant next asserts a facial challenge to the DMCA, contending that the statute is overbroad because it infringes upon the First Amendment rights of third parties. In a facial challenge on overbreadth grounds, the challenger contends that the statute at issue is invalid because it is so broadly written that it infringes unacceptably on the First Amendment rights of third parties. Anderson v. Nidorf, 26 F.3d 100,
103 (9th Cir. 1994), cert. denied, 514 U.S. 1035 (1995); Taxpayers for Vincent, 466 U.S. at 798-99. "A statute will be declared unconstitutional only if the court finds 'a "realistic danger that the statute itself will significantly compromise recognized First Amendment protections of parties not before the Court."' The overbreadth must be not only 'real, but substantial as well, judged in relation to the statute's plainly legitimate sweep.'" Nidorf, 26 F.3d at 104 (citing New York State Club Ass'n v. City of New York, 487 U.S. 1, 11 (1988) and Broadrick v. Oklahoma, 413 U.S. 601, 615 (1973)). Defendant contends that the DMCA is unconstitutionally overbroad on two grounds: first, the statute impairs the First Amendment right to access non-copyrighted works; and second, the statute precludes third parties from exercising their rights of fair use.

The fatal flaw in defendant's argument, however, is that facial attacks on overbreadth grounds are limited to situations in which the statute or regulation by its terms regulates spoken words or expressive conduct. In Roulette v. City of Seattle, 97 F.3d 300 (9th Cir. 1996), the Ninth Circuit noted that "the Supreme Court has entertained facial freedom-of-expression challenges only against statutes that, by their terms, 'sought to regulate 'spoken words,' or patently 'expressive or communicative conduct' such as picketing or handbilling." Id. at 303. Reviewing Supreme Court precedent, the Ninth Circuit concluded that "[t]he lesson we take from Broadrick and its progeny is that a facial freedom of speech attack must fail unless, at a minimum, the challenged statute 'is directed narrowly and specifically at expression or conduct commonly associated with expression.'" Id. at 305 (citations omitted). Because the statute at issue in Roulette was addressed to conduct that was not commonly associated with expression—sitting or lying on sidewalks—the Ninth Circuit rejected the facial attack on the ordinance.

Under Roulette, defendant's facial attack on the DMCA necessarily fails. By its terms, the statute is directed to trafficking in or the marketing of "any technology, product, service, device, component, or part thereof," that circumvents usage control restrictions. The statute is not directed "narrowly and specifically at expression or conduct commonly associated with expression." Software as well as hardware falls within the scope of the Act, as does any other technology or device. Accordingly, an overbreadth facial challenge is not available.

Even if the DMCA were to be considered a statute directed at conduct commonly associated with expression and the court were to consider the merits of the facial challenge, however, defendant's argument...
is ultimately unsuccessful. In order to prevail on a facial overbreadth challenge, defendant must establish that there is a realistic danger that the First Amendment rights of third parties will be significantly compromised. Defendant bases its argument on the assertion that the DMCA "significantly compromises" the First Amendment rights of third parties in two ways: 1) it impacts third parties' rights to access public domain and non-copyrighted works; and 2) it impacts the fair use rights of third parties, which it contends are protected by the First Amendment. Assuming for the sake of discussion that these asserted rights are protected by the First Amendment, an issue which is not clear,⁴ defendant's challenge nevertheless fails because the DMCA does not substantially impair those rights.

Defendant first argues that the DMCA "runs afoul of the First Amendment because it places almost unlimited power in the hands of copyright holders to control information, including information that is not even protected by copyright. Society has a strong interest in the free flow of such information." First Amendment Motion at 13 (citing First Nat'l Bank of Boston v. Bellotti, 435 U.S. 765, 783 (1978)). Thus, according to defendant, because society has a strong interest in the free flow of such information which is based in the First Amendment, the DMCA violates the First Amendment by allowing others to impair that interest.

The argument is not compelling. Bellotti recognized that the First Amendment extends beyond

⁴ The is no direct authority for the proposition that the doctrine of fair use is coextensive with the First Amendment, such that "fair use" is a First Amendment right. As noted by the Second Circuit, "the Supreme Court has never held that fair use is constitutionally required, although some isolated statements in its opinions might arguably be enlisted for such a requirement." Corley, 273 F.2d at 458. There is plainly a tension between the First Amendment's command that "Congress shall make no law... abridging the freedom of speech" and the copyright laws which grant limited monopolies to authors to publish and profit from their original works of authorship. 1 M.B. Nimmer & D. Nimmer, Nimmer on Copyright, §1.10[A] at 1-61.55 to 1-61.56. Several courts have recognized that the limitations on copyright, such as the idea-expression dichotomy and to some extent fair use, are what serve to protect First Amendment interests. See Harper & Row, 471 U.S. at 560; Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569 (1994) (noting that some opportunity for fair use has been thought necessary to fulfill copyright's purpose of promoting the progress of science and the useful arts). The Supreme Court has also described the doctrine as an "equitable rule of reason." Sony Corp. of Am. v. Universal City Studios, Inc., 464 U.S. 417, 448 (1984). So too, the Ninth Circuit has never held that fair use is a right guaranteed by the First Amendment. L. A. News Serv v. Tulio, 973 F.2d 791 (9th Cir. 1992), relied on by defendant, did not hold that "fair use" is a constitutional right under the First Amendment, although it did recognize that First Amendment concerns are addressed in the copyright field through the idea/expression dichotomy and the fair use doctrine. Id. at 795. See also Connectix, 203 F.3d at 602-03 (discussing fair use with no mention of First Amendment underpinnings); Dr. Seuss Enters., L.P. v. Penguin Books USA, Inc., 109 F.3d 1394, 1399 (9th Cir.) (fair use is an equitable rule of reason requiring the careful balancing of multiple factors in light of the purposes of copyright), cert. dismissed, 521 U.S. 1146 (1997).
protection of the press and the self-expression of individuals and includes prohibiting the government from limiting the stock of information from which members of the public may draw. 435 U.S. at 783. Assuming for the sake of argument that it would violate the First Amendment for the government to grant exclusive copyright-like rights in works that have already entered the public domain, that situation is not presented here. The hole in defendant's argument is that the DMCA does not grant anyone exclusive rights in public domain works or otherwise non-copyrighted expression. A public domain work remains in the public domain. Any person may use the public domain work for any purpose—quoting, republishing, critiquing, comparing, or even making and selling copies. Publishing the public domain work in an electronic format with technologically imposed restrictions on how that particular copy of the work may be used does not give the publisher any legally enforceable right to the expressive work, even if it allows the publisher to control that particular copy.

Similarly, with regard to the argument that fair use rights are impaired, as discussed above, the DMCA does not eliminate fair use or substantially impair the fair use rights of anyone. Congress has not banned or eliminated fair use and nothing in the DMCA prevents anyone from quoting from a work or comparing texts for the purpose of study or criticism. The fair user may find it more difficult to engage in certain fair uses with regard to electronic books, but nevertheless, fair use is still available.

Defendant makes much of the right to make a back-up copy of digital media for personal use, holding this right up as an example of how the DMCA eliminates fair use. Defendant relies heavily on Recording Industry Association of America v. Diamond Multimedia Systems, 180 F.3d 1072 (9th Cir. 1999), for the assertion that the right to make a copy of electronic media for personal, noncommercial use, is a paradigmatic fair use consistent with the Copyright Act. First Amendment Motion at 16. But, defendant overstates the significance and holding of that decision. The Ninth Circuit was not presented with, and did not hold, that the right to make a copy for personal use is protected as a fair use right or protected as a right guaranteed by the Constitution. Rather, the Ninth Circuit was discussing the Audio Home Recording Act of 1992, 17 U.S.C. §1001, and the statutory exemption for home taping which protects all noncommercial copying by consumers of digital and analog musical recordings. The court held that copying for personal, noncommercial use was consistent with the Audio Home Recording Act's main purpose of facilitating personal use. Id. at 1079.
Courts have been receptive to the making of an archival copy of electronic media in order to safeguard against mechanical or electronic failure. See Vault Corp. v. Quaid Software Ltd., 847 F.2d 255, 267 (5th Cir. 1988). Making a back-up copy of an ebook, for personal noncommercial use would likely be upheld as a non-infringing fair use. But the right to make a back-up copy of "computer programs" is a statutory right, expressly enacted by Congress in Section 117(a), and there is as yet no generally recognized right to make a copy of a protected work, regardless of its format, for personal noncommercial use. There has certainly been no generally recognized First Amendment right to make back-up copies of electronic works. Thus, to the extent the DMCA impacts a lawful purchaser's "right" to make a back-up copy, or to space-shift that copy to another computer, the limited impairment of that one right does not significantly compromise or impair of the First Amendment rights of users so as to render the DMCA unconstitutionally overbroad.

C. Whether the DMCA Is Unconstitutionally Vague Under the First Amendment

Defendant's final First Amendment challenge is that the DMCA is unconstitutionally vague under the First Amendment because it "provokes uncertainty among speakers" about precisely what speech is prohibited. Reno v. ACLU, 521 U.S. 844, 871 (1997). Defendant argues that "[t]he DMCA criminalizes the manufacture and sale of a device that 'is primarily designed or produced for the purpose of circumventing a technological measure that effectively controls access' to a work protected under this title' if the device has 'only limited commercially significant purpose' or use other than to circumvent a technological measure." First Amendment Motion at 17. Defendant's premise is that the DMCA regulates expression based at least in part upon the motive of the speaker, specifically, the purpose for which the program was primarily designed and the extent to which there was a commercially significant purpose in doing so other than the circumvention of copyrighted works. In order to determine if the code violates the DMCA, the seller must assess all possible uses of the technology and determine which are the "significant purpose[s]" and what it is "primarily" designed to do. First Amendment Reply at 13.

In opposition, the government argues that the statutory language "primarily designed or produced

5 Defendant's vagueness challenge thus appears to erroneously challenge Section 1201(a)(2)'s prohibition on trafficking in technology that is primarily designed to circumvent access restrictions, rather than Section 1201(b)'s ban on trafficking in devices that circumvent use restrictions. The language of the two statutes is similar, however, and the court will treat the argument as if asserted against Section 1201(b).
for" is substantially similar to language that has been upheld in other cases, citing the Supreme Court's
("designed for" and "marketed primarily for use" drug law not unconstitutionally vague), and Posters 'N'
unconstitutionally vague), as well as the Second Circuit's decision in Richmond Boro Gun Club, Inc. v. City
of New York, 97 F.3d 681, 685-86 (2d Cir. 1996) ("designed for" gun law not unconstitutionally vague).
The government does not address defendant's argument that the "limited commercially significant purpose"
phrase renders the statute impermissibly vague, nor does it address the vagueness argument in the context
of the alleged impermissible chilling effect on First Amendment rights.

In reply, defendant argues that this statute is distinguishable from the drug paraphernalia statute at
issue in Flipside, 455 U.S. 489, because

it should be obvious that it is considerably easier to determine if an item was "designed or
marketed for use with illegal drugs" than if it was "primarily designed or produced for the
purpose of circumventing a technological measure that effectively controls access to a work
protected under" Title 17 of the United States Code. The challenged provision in Flipside
requires only a rudimentary knowledge of illegal drug use. The DMCA, by contrast,
requires knowledge of (a) the primary and secondary uses of immensely sophisticated
technology, (b) whether the technology "effectively" controls access vis a vis other
controls, and (c) knowledge of the provisions of Title 17 of the United States Code, which
regulates copyrights including its provision as they relate to fair use. The DMCA, to put it
mildly, is significantly more difficult to understand, and thus more vague.

First Amendment Reply at 12-13.

Once again, defendant's arguments are not persuasive. The primary flaw in defendant's argument is
that the court rejects the contention that the DMCA is a content-based restriction on speech and thus Reno
v. ACLU is inapplicable. Reno v. ACLU involved a challenge to the Communications Decency Act's
provisions that sought to protect minors from harmful material on the Internet. The CDA sought to protect
children from the primary harmful effects of "indecent" and "patently offensive" speech and was thus a
content-based blanket restriction on speech. 521 U.S. at 868. Among the challenged provisions was the
knowing transmission of "obscene or indecent" messages to any recipient under 18 years of age and the
knowing sending or displaying to a person under 18 years of age any message "that, in context, depicts or
describes, in terms patently offensive as measured by contemporary community standards, sexual or
excretory activities or organs." Id., at 859-60. The Court held that the statutory language—"indecent" and

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"in context, depicts or describes, in terms patently offensive as measured by contemporary community standards, sexual or excretory activities or organs"—was unconstitutionally vague in the absence of statutory definitions, and as a result would "provoke uncertainty among speakers about how the two standards relate to each other and just what they mean" thereby causing a chilling effect on free speech. Id. at 871-72, 874. Here, by contrast, the DMCA is not a content-based restriction on speech and its restrictions do not "provoke uncertainty among speakers" about what speech is permitted and what speech is prohibited. The statute is not unconstitutionally vague in violation of the First Amendment.

In addition, defendant's attempt to distinguish 

Flipside and the other authorities is not persuasive, and ultimately, 

Flipside and Posters N' Things are controlling. The "primarily designed for " and "marketed for use" language is not unconstitutionally vague. Similarly, the "has only limited commercially significant purpose other than to circumvent protection afforded by a technological measure that effectively protects the right of a copyright owner under this title" is also not unconstitutionally vague. Section 106 sets forth the rights of a copyright owner; Section 107 sets forth the criteria for the fair use exception. Together with the definitions contained in Section 1201(b)(2), the DMCA's prohibition on trafficking in technologies that circumvent use and copy restrictions is sufficiently clear to withstand a vagueness attack.

3. Congressional Authority to Enact the DMCA

Defendant's final challenge is that Congress exceeded its authority in enacting the DMCA and that, as a result, the statute is unconstitutional. The federal government is one of enumerated powers and Congress may exercise only those powers granted to it. 


Under the Intellectual Property Clause, Congress is empowered "to promote the Progress of Science and the useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries." U.S. Const., art. I, §8 cl. 8. This power, while broad, is not

6 Defendant appears to contend that the legal complexity of a statute may render it unconstitutionally vague, but cites no authority in support of that assertion. If legal complexity is sufficient to support a vagueness challenge, the Internal Revenue Code would almost certainly have been struck down long ago.
unlimited. More than a century ago, the Supreme Court held that Congress could not exercise its
Intellectual Property power to grant exclusive rights in matters other than "writings" or "discoveries" such
that the Trademark Act of 1876 was not a proper exercise of Congress' Intellectual Property power. The
Trade-Mark Cases, 100 U.S. 82, 93-94 (1879). Congress may not, for example, grant exclusive rights to
writings that do not constitute original works of authorship. Feist Pub'ns v. Rural Tel. Serv. Co., 499 U.S.
340 (1991). Similarly, the Intellectual Property Clause limits Congress' powers so that patents may only be
granted in new inventions that are not obvious in view of the existing art and Congress may not authorize the
issuance of a patent whose effects are to remove existing knowledge from the public domain. Graham v.

Under the Commerce Clause, Congress' power is quite broad. Congress may regulate the use of
the channels of interstate commerce; may regulate and protect the instrumentalities of interstate commerce,
including persons or things in interstate commerce; and may regulate those activities having a substantial
relation to, or which substantially affect, interstate commerce. Lopez, 514 U.S. at 558-59. Once again,
however, the power is not unlimited and Congress does not have the authority to legislate matters that are
of such a local character that there is too remote a connection to interstate commerce. Id. at 559. Both
parties also agree that, as broad as Congress' Commerce Power is, Congress may not use that power in
such a way as to override or circumvent another constitutional restraint. Ry. Labor Executives' Ass'n v.
Gibbons, 455 U.S. 457 (1982) (striking down an act by Congress under the Commerce Clause that
violated the Bankruptcy Clause's uniformity requirement). First Amendment Reply at 13; Opposition at 14.

Defendant argues that Congress exceeded its powers under the Intellectual Property Clause in
enacting the DMCA. The government responds that Congress used its Commerce Power to regulate
trafficking in devices for gain. Thus, the issue presented is whether the DMCA was within Congress'
Commerce Power, generally, and if so, whether Congress was nevertheless prohibited from enacting the
DMCA because of other restraints on Congress' power imposed by the Intellectual Property Clause.

With regard to the first issue, Congress plainly has the power to enact the DMCA under the

7 The Court also held that the Trademark Act could not have been enacted pursuant to Congress' Commerce Powers, but that aspect of the Court's holding was superseded by the development of the Court's Commerce Clause jurisprudence over the next 100 years.

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Commerce Clause. "The commerce power is the power to regulate; that is, to prescribe the rule by which commerce is to be governed. This power, like all others vested in Congress, is complete in itself, may be exercised to its utmost extend, and acknowledges no limitations, other than are prescribed by the Constitution." \textit{Lopez}, 514 U.S. at 553 (citing \textit{Gibbons v. Ogden}, 9 Wheat. 1, 196, 6 L.Ed. 23 (1824)).

The DMCA prohibits conduct that has a substantial effect on commerce between the states and commerce with foreign nations. Trafficking in or the marketing of circumvention devices "for gain," as proscribed by Sections 1201(b) and 1204, has a direct effect on interstate commerce. To the extent that circumvention devices enable wrongdoers to engage in on-line piracy by unlawfully copying and distributing copyrighted works of authorship, the sale of such devices has a direct effect on suppressing the market for legitimate copies of the works. Accordingly, there is a rational basis for concluding that the regulated activity sufficiently affects interstate commerce to establish that Congress had authority under the Commerce Clause to enact the legislation. \textit{Lopez}, 514 U.S. at 557; \textit{United States v. Moghadam}, 175 F.3d 1269, 1276-77 (11th Cir. 1999) (finding the anti-bootlegging statute to have a sufficient connection to interstate and foreign commerce to meet the \textit{Lopez} test).

The more difficult question, however, is whether Congress was nevertheless precluded from enacting the DMCA by restraints imposed by the Intellectual Property Clause. The Eleventh Circuit was presented with this same issue in the context of the anti-bootlegging statute in \textit{Moghadam}, 175 F.3d 1269. The statute in that case prohibited persons from making unauthorized recordings of live performances, in effect, granting copyright-like protection to live performances. The defendant challenged the constitutionality of the statute, contending that the Intellectual Property power extended only to "writings" and "inventions," and that a live performance was not a "writing." The government argued that the statute was a valid exercise of Congress' Commerce Power. In a well-reasoned opinion, the Eleventh Circuit first analyzed Supreme Court precedents that could be read to conflict with each other—\textit{The Trade-Mark Cases}, 100 U.S. 82 (1879), \textit{Heart of Atlanta Motel, Inc. v. United States}, 379 U.S. 241 (1964), and \textit{Railway Labor Executives' Association v. Gibbons}, 455 U.S. 457 (1982)—and then resolved the tension in those cases to decide the case before it.

We note that there is some tension between the former line of cases (\textit{Heart of Atlanta Motel}, the \textit{Trade-Mark Cases} and \textit{Authors League [of America, Inc. v. Oman}, 790 F.2d 220 (2d Cir. 1986)]) and the \textit{Railway Labor Executives} case. The former
cases suggest that in some circumstances the Commerce Clause can be used by Congress to accomplish something that the [Intellectual Property] Clause might not allow. But the Railway Labor Executives case suggests that in some circumstances the Commerce Clause cannot be used to eradicate a limitation placed upon Congressional power in another grant of power.

Moghadam, 175 F.3d at 1279-80. The court then resolved the tension as follows:

[W]e take as a given that there are some circumstances, as illustrated by Railway Labor Executives, in which the Commerce Clause cannot be used by Congress to eradicate a limitation placed upon Congress in another grant of power. For the reasons that follow, we hold that the instant case is not one such circumstance. We hold that the [Intellectual Property] Clause does not envision that Congress is positively forbidden from extending copyright-like protection under other constitutional clauses, such as the Commerce Clause, to works of authorship that may not meet the fixation requirement inherent in the term "Writings." The grant itself is stated in positive terms, and does not imply any negative pregnant that suggests that the term "Writings" operates as a ceiling on Congress' ability to legislate pursuant to other grants. Extending quasi-copyright protection to unfixed live musical performances is in no way inconsistent with the [Intellectual Property] Clause, even if that Clause itself does not expressly authorize such protection. Quite the contrary, extending such protection actually complements and is in harmony with the existing scheme that Congress has set up under the [Intellectual Property] Clause. A live musical performance clearly satisfies the originality requirement. Extending quasi-copyright protection also furthers the purpose of the [Intellectual Property] Clause to promote the progress of the useful arts by securing some exclusive rights to the creative author. . . .

For the foregoing reasons, we conclude that extending copyright-like protection in the instant case is not fundamentally inconsistent with the fixation requirement of the [Intellectual Property] Clause. By contrast, the nonuniform bankruptcy statute at issue in Railway Labor Executives was irreconcilably inconsistent with the uniformity requirement of the Bankruptcy Clause of the Constitution.

Id., 175 F.3d at 1280-81.

Accordingly, Moghadam provides an instructive guide and analytical framework for resolving the constitutional question posed. If the statute passed by Congress "is not fundamentally inconsistent with" the Intellectual Property clause and is otherwise within Congress' Commerce Power to enact, then the statute is not an unconstitutional exercise of congressional power. On the other hand, if the statute is "irreconcilably inconsistent" with a requirement of another constitutional provision, then the enactment exceeds congressional authority even if otherwise authorized by the Commerce Clause. With this teaching in mind, the court turns to the DMCA and the Intellectual Property Clause.

The first issue is to determine whether the DMCA is "not fundamentally inconsistent" with the purpose of the Intellectual Property Clause. The purpose of the Intellectual Property Clause is to promote the useful arts and sciences. Thus, the government is empowered to grant exclusive rights to inventors and authors in their respective inventions and original works of authorship, for limited times. This allows the
inventor/author a reasonable time in which to reap the economic fruits of his or her inventive or creative labor. As a result of this economic incentive, people are encouraged to engage in inventive and originally expressive endeavors, thereby promoting the arts and sciences. In addition, because the grant of property rights is to be of limited duration, the public will generally benefit, once the exclusive rights expire and the invention or expression becomes dedicated to the public.

According to the government's brief, the DMCA and its legislative history demonstrate that Congress' intent was to protect intellectual property rights and thus promote the same purposes served by the Intellectual Property Clause. The government specifically argues that

[as reflected in the legislative history of the DMCA, Congress recognized that while the purpose of the DMCA was to protect intellectual property rights, the means of doing so involved a dramatic shift from the regulation of the use of information to the regulation of the devices by which information is delivered. 144 Cong. Rec. E2136-2. For this reason, the legislators viewed the legislation as "paracopyright" legislation that could be enacted under the Commerce Clause. Id. at 2137. Such a step by Congress to protect the market for digital content as an action under the Commerce Clause cannot be said to override Constitutional restraints of the Intellectual Property Clause, because Congress' fundamental motivation was to protect rights granted under the Intellectual Property Clause in the digital world. Congress recognized that traditional intellectual property laws regulating the use of information border on unenforceable in the digital world; only regulation of the devices by which information is delivered will successfully save constitutionally guaranteed intellectual property rights. See S. Rep. 105-190, at 8 ("Due to the ease with which digital works can be copied and distributed worldwide virtually instantaneously, copyright owners will hesitate to make their works readily available on the Internet without reasonable assurance that they will be protected against massive piracy.")

Opposition at 15.

The argument carries some weight. Protecting the exclusive rights granted to copyright owners against unlawful piracy by preventing trafficking in tools that would enable widespread piracy and unlawful infringement is consistent with the purpose of the Intellectual Property Clause's grant to Congress of the power to "promote the useful arts and sciences" by granting exclusive rights to authors in their writings. In addition, Congress did not ban the use of circumvention tools out of a concern that enacting such a ban would unduly restrict the fair use doctrine and expressly sought to preserve fair use. See 17 U.S.C. §1201(c). Therefore, on the whole, the DMCA's anti-device provisions are not fundamentally inconsistent

 Nevertheless, the argument also stretches too far. Under that same reasoning, Congress would be authorized to extend perpetual copyrights, a result plainly prohibited by the "Limited Times" clause. See Moghadam 175 F.3d at 1281 (noting that the "Limited Times" requirement of the Intellectual Property clause forbids Congress from conferring intellectual property rights of perpetual duration, citing Pennock v. Dialogue, 27 U.S. (2 Pet.) 1, 16-17, 7 L. Ed. 327, 333 (1829)).
with the Intellectual Property Clause.

The second half of the analysis is to determine whether the DMCA is nevertheless "irreconcilably inconsistent" with a limitation contained within the Intellectual Property Clause. Here, defendant and the amici curiae make several arguments, some of which have already been addressed. Defendant and the amici curiae contend that the DMCA is irreconcilably inconsistent with the Intellectual Property Clause because: 1) the Act eliminates fair use; 2) the Act allows publishers to recapture works from the public domain and obtain copyright-like protection in those works; and 3) the Act violates the "limited times" clause by effectively granting copyright owners perpetual rights to protect their works.

The first two contentions have been addressed, and rejected, above. While the DMCA may make certain fair uses more difficult for digital works of authorship published with use restrictions, fair use has not been eliminated. Similarly, the argument that Congress' ban on the sale of circumvention tools has the effect of allowing publishers to claim copyright-like protection in public domain works is tenuous and unpersuasive. Nothing within the DMCA grants any rights to anyone in any public domain work. A public domain work remains in the public domain and any person may make use of the public domain work for any purpose.

Finally, the DMCA does not allow a copyright owner to effectively prevent an ebook from ever entering the public domain, despite the expiration of the copyright. See Amici EFF Brief at 16. Upon the expiration of the copyright, there is no longer any protectable intellectual property right in the work's expression. The expression may be copied, quoted, republished in new format and sold, without any legally enforceable restriction on the use of the expression. The publisher/copyright owner has no right to prevent any user from using the work any way the user prefers. At best, the publisher has a technological measure embedded within the digital product precluding certain uses of that particular copy of the work and, in many cases, the user/purchaser has acquiesced in this restriction when purchasing/licensing the work. See End User License Agreements, O'Connell Decl. Exhs. A-D. The essence of a copyright is the legally enforceable exclusive rights to reproduce and distribute copies of an original work of authorship, to make derivative works, and to perform the work publicly, for a limited period of time. 17 U.S.C. §§106, 302-303. None of those rights is extended beyond the statutory term merely by prohibiting the trafficking in or marketing of devices primarily designed to circumvent use restrictions on works in electronic form.
Accordingly, the DMCA does not run afoul of any restraint on Congress' power imposed by the Intellectual Property Clause. Section 1201(b) of the DMCA was within Congress' Commerce Power to enact, and because it is not irreconcilably inconsistent with any provision of the Intellectual Property Clause, Congress did not exceed its constitutional authority in enacting the law.

CONCLUSION

For the foregoing reasons, defendant's motions to dismiss the indictment on constitutional grounds are DENIED.

DATED: ____________________________________________

RONALD M. WHYTE
United States District Judge