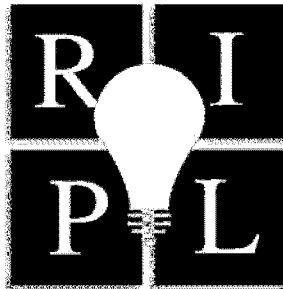


# THE JOHN MARSHALL REVIEW OF INTELLECTUAL PROPERTY LAW



## COLLATERAL DAMAGE: THE EFFECT OF THE DATABASE DEBATE ON OTHER ACTS OF CONGRESS

CHRISTOPHER A. MOHR

### ABSTRACT

Under the reasoning in *United States v. Martignon*, declaring the federal bootlegging statute unconstitutional, databases, as “non-writings,” could not be protected under Congress’s copyright power or commerce power. In other words, Congress’s power under Article I, Section 8, Clause 8 serves to limit its ability to act under Article I, Section 8, Clause 3. *Martignon*’s rationale raises questions about a variety of prospective and existing legislation that protects “non-writings” for an unlimited time, such as the trademark dilution statute. This article examines the merits of this contention, arguing that the manner in which the Supreme Court has handled overlapping Article I powers in the past, the history of the Copyright Clause, and the structure of the Constitution suggests that the decision in *Martignon* is not only wrong, but breathtakingly so. In the long term, resolution of the issues presented in this decision will set the parameters of Congress’s power to regulate not only bootlegging, but also databases and other “unoriginal” intangible property.

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# COLLATERAL DAMAGE: THE EFFECT OF THE DATABASE DEBATE ON OTHER ACTS OF CONGRESS

CHRISTOPHER A. MOHR\*

## INTRODUCTION

In recent sessions of Congress, the issue of whether and how to protect databases<sup>1</sup> seems to rise from its deathbed, only to return to a persistent vegetative state. Although the legislation remains moribund, the push for this legislation generated a fierce debate over Congress's power to enact database protection—an argument that resulted in the Southern District of New York invalidating a federal statute barring the unauthorized recording of live musical performances.<sup>2</sup>

The database proposals, and the constitutional debates which arose around them, find their impetus in the Supreme Court's 1991 *Feist* decision,<sup>3</sup> which contained both a practical and a constitutional dimension. *Feist* rejected the so-called "sweat of the brow" doctrine, under which some federal courts of appeal afforded copyright protection to the creators of large aggregations of factual information based on the effort to compile those collections.<sup>4</sup> Other courts of appeal adopted a more "Romantic" view of copyright,<sup>5</sup> construing the protection granted by

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\* Member, Meyer Klipper & Mohr, PLLC. I have represented database producers advocating legislation before Congress and the courts. This topic was first presented as a speech at the 2005 meeting of the American Bar Association's Intellectual Property Section. I wish to thank Mike Klipper and Antonio Perez for their helpful criticisms. The views contained herein are entirely mine and do not necessarily reflect the views of Meyer, Klipper & Mohr, PLLC or any of its clients. Any remaining flaws flow from the sweat of my own brow.

<sup>1</sup> For purposes of this discussion, the definition of a database might be helpful. For example, a recent congressional bill defined a database as "a collection of a large number of discrete items of information produced for the purpose of bringing such discrete items of information together in one place or through one source so that persons may access them." Database and Collections of Information Misappropriation Act, H.R. 3261, 108th Cong. § 2(5)(A) (1st Sess. 2003).

<sup>2</sup> See *United States v. Martignon*, 346 F. Supp. 2d 413, 416 (S.D.N.Y. 2004) (invalidating 18 U.S.C. § 2319A (2000) (barring bootlegging, i.e., the "[u]nauthorized fixation of and trafficking in sound recordings and music videos of live musical performances")); see also *Kiss Catalog v. Passport Int'l Prods.*, 350 F. Supp. 2d 823 (C.D. Cal. 2004) (relying on *Martignon* to invalidate 17 U.S.C. § 1101 (2000)), *aff'd on other grounds*, No. 04-57077, 2005 U.S. App. LEXIS 11644 (9th Cir. June 14, 2005). The United States has filed a notice of intent to intervene and it appears that the constitutional issue will be reargued before the District Court.

<sup>3</sup> *Feist Publ'ns v. Rural Tel. Co.*, 499 U.S. 340 (1991).

<sup>4</sup> See *id.* at 353–60. *But see* *Leon v. Pac. Tel. & Tel.*, 91 F.2d 484, 485–86 (9th Cir. 1937) (extending protection based on effort); *Jeweler's Circular Publ'g Co. v. Keystone Publ'g Co.*, 281 F. 83, 88 (2d Cir. 1922); *Dunn v. Lumberman's Credit Ass'n*, 144 F. 83, 84–85 (7th Cir. 1906), *aff'd*, 209 U.S. 20, 24 (1908); *West Publ'g Co. v. Lawyers Coop. Publ'g Co.*, 79 F. 756, 772–73 (2d Cir. 1989); *Rural Tel. Co. v. Feist Publ'ns*, 916 F.2d 718, 718 (10th Cir. 1990), *rev'd*, 499 U.S. 340, 364 (1991).

<sup>5</sup> See Jane Ginsburg, *Creation and Commercial Value*, 90 COLUM. L. REV. 1865, 1871, 1880 (1990) (discussing Justice Holmes' opinion in the circus poster case, *Bleistein v. Donaldson Lithographing Co.*, 188 U.S. 239 (1903)).

the statute to “original works of authorship” to encompass creative exercises, not the mere industriousness of compilation.<sup>6</sup>

The Court ultimately adopted an “original” view of copyright, meaning that a work must be original to the author and possess a minimum “spark” of creativity to enjoy protection.<sup>7</sup> In a passage that has caused no end of heartburn to database producers, the Supreme Court stated:

the copyright in a factual compilation is thin. Notwithstanding a valid copyright, a subsequent compiler remains free to use the facts contained in another’s publication to aid in preparing a competing work, so long as the competing work does not feature the same selection and arrangement . . . . It may seem unfair that much of the fruit of the compiler’s labor may be used by others without compensation.<sup>8</sup>

The Court did not intend the amount of originality necessary to qualify for copyright protection to be particularly high, however, noting that most works would make the grade quite easily.<sup>9</sup> It did, nonetheless, state that the originality requirement was not “some unforeseen byproduct of a statutory scheme,” but “the essence of copyright” and a “constitutional requirement.”<sup>10</sup>

In the same breath, however, the Court went on to say that “sweat” works might be protected under a theory of unfair competition.<sup>11</sup> The database industry has consistently argued that legal and technological developments necessitated unfair-competition based legislation, for the following reasons. First, the courts of appeal have arrived at differing standards of “originality,” some of them setting the standard far higher than many expected after *Feist*.<sup>12</sup> Second, other circuits have developed a distinction between “hard” and “soft” facts: those facts that are objectively verifiable, such as the temperature on a particular day, and those that have been infused with the author’s subjective editorial judgment, such as estimated used car prices or coin prices in a given market, respectively.<sup>13</sup> Although proper categorization of a fact as either “hard” or “soft” may be difficult, the courts do make one thing clear: those databases that contain accurate, unsubjectively derived

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<sup>6</sup> See 17 U.S.C. § 102(b) (2000) (extending protection under title 17 only to an “*original* work of authorship”) (emphasis added). See generally Ginsburg, *supra* note 5, at 1888–93 (discussing the historical development of the distinction between “high” and “low” authorship).

<sup>7</sup> *Feist*, 499 U.S. at 363.

<sup>8</sup> *Id.* at 349.

<sup>9</sup> *Id.* at 359.

<sup>10</sup> *Id.* at 349 (citation omitted).

<sup>11</sup> See *id.* at 354.

<sup>12</sup> See, e.g., *Warren Publ’g, Inc. v. Microdos Data Corp.*, 115 F.3d 1509, 1522 (11th Cir. 1997) (Gobold, J. dissenting) (“Categories desired may be limited or dictated by their utility or by the marketplace and hence involve no originality . . . .”); *Southco, Inc. v. Kanebridge Corp.*, 390 F.3d 276, 282–85 (3d Cir. 2004) (permitting copying of a database of parts numbers); see also *Schoolhouse Inc. v. Anderson*, 275 F.3d 726, 730, 731 (8th Cir. 2002) (defendant’s copying and posting of approximately 74% of plaintiff’s database of school information on its website did not infringe the plaintiff’s copyright in the selection and arrangement of its database).

<sup>13</sup> See *CCC Info. Sys. v. Maclean Hunter Mkt. Reports, Inc.*, 44 F.3d 61, 72 (2d Cir. 1994) (protecting used car valuations infused with editorial judgment); *CDN, Inc. v. Kapes*, 197 F.3d 1256, 1260 (9th Cir. 1999) (protecting coin prices guide on the same theory).

information, such as drug contraindications, public records, case law decisions, financial data, and a number of other industrious collections of information are rarely protectable.<sup>14</sup> The database industry argued that without statutory protection to guard the enormous investments in gathering, organizing, or maintaining these collections from the consequences of easy digital copying, re-shuffling, and re-distribution, the incentives to compile these products would dissipate and they would deteriorate in quantity and quality.

The more intellectually honest skeptics of such legislation would concede at least some shortcomings of current law, but would argue that no additional protection is needed, as no market failure has occurred. They generally point to a number of existing federal and state causes of action that a wronged database owner might use to prevent copying, such as the Computer Fraud and Abuse Act (“CFAA”),<sup>15</sup> state-defined trespass to chattels,<sup>16</sup> misappropriation law (discussed below),<sup>17</sup> and contract.<sup>18</sup> Of these, only two—misappropriation and contract—may directly proscribe the copying of unoriginal material. Although courts have upheld contracts formed over the internet and through conduct indicating acceptance of license terms, contracts cannot bind the world. Moreover, the scope of state law misappropriation has been limited by the preemptive force of § 301 of the Copyright Act, to those acts

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<sup>14</sup> See *Warren*, 115 F.3d at 1520; *EPM Commc'ns, Inc. v. Notara, Inc.*, No. 00 Civ. 4299 (LMM), 2000 U.S. Dist. LEXIS 11533, \*17 (S.D.N.Y. Aug. 11, 2000) (denying preliminary injunction and noting that comparison of a printed compilation and an electronic data base was difficult because the “Sourcebook arrangement cannot be perceived in the database unless someone uses the computer ‘to rearrange the [database] material into the [Sourcebook] copyright holder’s arrangement.’”) (citation omitted); *Mid Am. Title Co. v. Kirk*, 59 F.3d 719, 721 (7th Cir. 1995) (holding that neither the selection or the arrangement of the Mid America database was sufficiently creative to qualify for copyright protection, and noting that the large “amount of time and effort which Mid America invested in order to gather and report such information [was] irrelevant” because “originality, and not industry, is the touchstone of copyright protection”).

<sup>15</sup> Computer Fraud and Abuse Act of 1986, 18 U.S.C. § 1030 *et seq.* (2000). The CFAA prohibits accessing a “protected computer,” e.g., a computer engaged in interstate commerce, without authorization and causing “damage” or “loss.” See § 1030(e)(8) (defining “damage” as harm to the system); § 1030(e)(11) (defining “loss” as “any reasonable cost to any victim . . . or other consequential damage incurred because of interruption of service” to a particular computer or computer system). The statute does not apply to information obtained without permission, nor to industrious works contained on CD-ROM or in printed form.

<sup>16</sup> See *eBay, Inc. v. Bidder’s Edge, Inc.*, 100 F. Supp. 2d 1058, 1069–72 (N.D. Cal. 2000) (upholding injunction against “web crawler” that was systematically appropriating auction information from eBay’s web site on the basis that the aggregate affect of others could “pile on” and crash the system). Trespass to chattels is of limited utility to a database provider for a few reasons. First, only those activities that cause a risk of system collapse (i.e., actual damage to the defendant’s interest in its computer system) raise the specter of liability. See *eBay*, 100 F. Supp. 2d at 1070–71; *Intel Corp. v. Hamidi*, 71 P.3d 296, 306–07 (Cal. 2003) (holding that Intel had no cause of action in trespass to chattels where the offending emails only caused emotional harm to Intel employees, i.e., there was no injury to its computer system). Second, the tort is of no practical utility to a database provider whose contents are updated periodically (as opposed to in real time), or to the numerous providers who make material available on CD ROM or in printed volumes.

<sup>17</sup> See *NBA v. Motorola, Inc.*, 105 F.3d 841 (2d Cir. 1997).

<sup>18</sup> See *ProCD, Inc. v. Zeidenberg*, 86 F.3d 1447 (7th Cir. 1996). “Shrink wrap licenses are enforceable unless their terms are objectionable on grounds applicable to contracts in general . . .” *Id.* at 1449. Further, the law governing copyright, particularly 17 U.S.C. § 301(a), does not preempt and prevent enforcement of the license. *Id.* at 1453.

of misappropriation only applying to “hot news.”<sup>19</sup> Nonetheless, the skeptics of database protection legislation believe that this level of protection is sufficient, and that any legislation to correct the theoretical market failure should not be litigable by the wronged database producer, but solely by the government.<sup>20</sup>

The standard debate over the need for and scope of any controversial piece of legislation as applied to the database issue resulted in several bills of varying strength and, as time progressed, increasing complexity.<sup>21</sup> With the exception of H.R. 3531 (an exclusive rights bill), however, these bills adopted the same general test in various forms. The elements of that test are: (1) that the plaintiff creates a database through substantial investment; (2) that the defendant copies substantial portions of that database; and (3) that the defendant’s subsequent distribution causes some amount of harm to the market for the plaintiff’s product.<sup>22</sup> Much negotiation ensued over the quantum of harm necessary to trigger liability, the scope of defenses available for nonprofit, educational, and so-called “transformative” uses, and the treatment of so-called “sole source” databases.<sup>23</sup>

Congress ultimately chose not to act—not an especially surprising position when controversial legislation is involved. What has made the database discussion rather exceptional is that opponents of the legislation took the position not only that Congress should not enact such legislation, but also that it lacked any constitutional power to do so. More specifically, they have argued that the *Feist* decision constitutionally and preemptively bars Congress from enacting legislation that prevents the copying of facts—either directly, through database legislation, or indirectly, through statutes such as the CFAA or restrictions on the downstream use of uncopyrightable material.<sup>24</sup> In their view, *Feist* reflects a national “information

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<sup>19</sup> See, e.g., *NBA*, 105 F.3d at 851. At least one court has cast doubt on the viability of any state-law misappropriation claims. See *Lowry’s Reports, Inc. v. Legg Mason*, 271 F. Supp. 2d 737, 755–56 (D. Md. 2003) (finding that 17 U.S.C § 301 preempts “hot news” claim under Maryland Law).

<sup>20</sup> See, e.g., Consumer and Investor Access to Information Act of 1999, H.R. 1858, 106th Cong. § 107(a) (1st Sess. 1999) (enforceable only by the FTC).

<sup>21</sup> See Database Investment and Intellectual Property Antipiracy Act of 1996, H.R. 3531, 104th Cong. (2nd Sess. 1996) (exclusive rights model); Collections of Information Antipiracy Act, H.R. 2652, 105th Cong. § 1201 (1st Sess. 1997) (misappropriation model); Collections of Information Antipiracy Act, H.R. 354, 106th Cong. § 1402 (1st Sess. 1998) (misappropriation model); H.R. 1858 § 102 (misappropriation model); Database and Collections of Information Misappropriation Act, H.R. 3261, 108th Cong. § 3 (1st Sess. 2003) (misappropriation model).

<sup>22</sup> See H.R. 3261 § 3(a); H.R. 354 § 1402; H.R. 2652 § 1201.

<sup>23</sup> See, e.g., J.H. Reichman and Paul F. Uhlir, *Database Protection at the Crossroads: Recent Developments and Their Impact on Science and Technology*, 14 Berkeley Tech. L.J. 793, 817 (1999) (expressing concern over the effect of a database protection law on scientific research). While expressing grave concern over the future of scientific inquiry, see *id.*, Reichman and Uhlir (and criticisms like it) remain strangely silent on whether or to what extent access to current scientific databases is currently subject to site license.

<sup>24</sup> See Brief for Digital Future Coalition et al., as Amici Curiae Supporting Petitioner, *Register.com, Inc. v. Verio, Inc.*, 356 F.3d 393 (2d. Cir. 2004) (No. 00-9596), available at <http://www.arl.org/info/frn/copy/verio.html> (arguing that in *Register.com v. Verio*, “the district court effectively has ruled that the raw facts in a database may not be copied” and that this violates the holding in *Feist* in that “no one may copyright facts or ideas”). The brief discusses the same CFAA that database legislation opponents have stated sufficiently protects the industry from theft. See *id.* § II.

policy,” spawned by the Copyright Clause itself, dictating that the distribution of facts cannot be limited by any legal mechanism.<sup>25</sup>

This argument has its origins in a body of academic literature that has attempted to frame copyright policy disagreements as abuses of constitutional power, and has been repeatedly proffered in various forms by a group of traveling amici in a variety of different cases.<sup>26</sup> It is premised on the uncontroversial proposition that the federal government has limited powers: those that are not delegated are reserved by states or the people.<sup>27</sup> From this premise, it extrapolates to the also relatively uncontroversial proposition that the Copyright Clause,<sup>28</sup> which gives Congress the power to grant exclusive rights to authors in their writings for a limited time, serves as both a grant and a limitation on Congressional power. *Feist*, in turn, has stated that facts are not “writings,” and that originality is a “constitutional requirement.” These groups have extended *Feist’s* limitation of Congress’s power under the Copyright Clause to support a novel and destructive position that the clause *bars* the protection of unoriginal “non-writings” under another congressional power, such as the ability to regulate interstate commerce—irrespective of whether that power would otherwise grant Congress the requisite authority. This extraordinary position was not only advanced by the opponents of database legislation, but also adopted by some members of Congress that opposed the legislation.<sup>29</sup>

Despite the overall abysmal track record of constitutional challenges to copyright legislation,<sup>30</sup> this rationale has been adopted by a U.S. district court. In

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<sup>25</sup> Brief for American Library Ass’n et. al, as Amici Curiae Supporting Petitioner at \*4, \*20, *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 540 U.S. 806 (2003) (No. 02-428).

<sup>26</sup> See, e.g., Br. of Americans for Fair Electronic Commerce Transactions *et al* at 2 in *Register.com v. Verio*, 356 F.3d 393 (2d Cir. 2004) (“The Feist Court’s frequent invocations of the Constitution are not merely rhetorical flourishes; they implement a federal policy favoring free access to facts.”) (No.00-201); Brief for American Library Ass’n, *supra* note 25, at \*9–10 (attacking the legality of mass-market licenses that prohibit contracts that protect databases from misappropriation because they undermine *Feist’s* decision that facts should be freely available); Brief for Intellectual Property Law Professors as Amici Curiae Supporting Defendants-Appellants at 2, *Universal City Studios, Inc. v. Corley*, 273 F.3d 429 (2d. Cir. 2001), available at <http://cyber.law.harvard.edu/openlaw/DVD/NY> (attacking the Digital Millennium Copyright Act). Some have argued against enactment of database legislation. See generally Yochai Benkler, *Constitutional Bounds of Database Protection: The Role of Judicial Review in the Creation and Definition of Private Rights in Information*, 15 BERKELEY TECH. L.J. 535, 546–48 (2000); Paul J. Heald & Suzanna Sherry, *Implied Limits on the Legislative Power: The Intellectual Property Clause As an Absolute Constraint on Congress*, 2000 U. ILL. L. REV. 1119, 1178–79; Malla Pollack, *The Right to Know? Delimiting Database Protection at the Juncture of the Commerce Clause, the Intellectual Property Clause and the First Amendment*, 17 CARDOZO ARTS & ENT. L.J. 47 (1999).

<sup>27</sup> U.S. CONST. amend. X.

<sup>28</sup> U.S. CONST. art. I, § 8, cl. 8.

<sup>29</sup> See, e.g., H.R. REP. NO. 108-421, at 81–83 (2004) (dissenting views of Reps. Lofgren, Watt, and Meehan); H.R. REP. NO. 105-525, at 28–31 (1998) (Conf. Rep.) (dissenting views of Rep. Lofgren).

<sup>30</sup> There have been several unsuccessful—yet creative—constitutional challenges to copyright legislation in the past three years. Typically, these challenges are based on two arguments: that the legislation exceeded Congress’s authority under the Copyright Clause, and that the statute violated the First Amendment. See *Eldred v. Ashcroft*, 537 U.S. 186, 196 (2003) (challenging the Sonny Bono Copyright Term Extension Act (“CTEA”)); *United States v. Elcom Ltd.*, 203 F. Supp. 2d 1111, 1122 (D. Cal. 2002) (challenging the use restrictions capable of being placed on Adobe® eBooks); *Luck’s Music Library, Inc. v. Ashcroft*, 321 F. Supp. 2d 107, 109, 118 (D.D.C. 2004) (challenging section 514 of the Uruguay Round Agreements Act (“URAA”) implementing Article 18 of the Berne Convention

*United States v. Martignon*,<sup>31</sup> the Southern District of New York recently held the federal criminal bootlegging statute, 18 U.S.C. § 2319A, unconstitutional.<sup>32</sup> That statute prohibits the recording and distribution of recordings without the consent of the performer; a provision that Mr. Martignon violated by running a record store that trafficked in bootlegged sound recordings.

Martignon moved to dismiss the indictment on the grounds that enactment of the statute was prohibited by the Copyright Clause.<sup>33</sup> The district court agreed, and, splitting with an Eleventh Circuit case on the same issue,<sup>34</sup> found that the statute unconstitutionally applied “copyright-like” protection to unfixed and presumably unoriginal “non-writings.”<sup>35</sup> The court also found that section 2319A impermissibly offered bootlegs perpetual protection, and therefore violated the requirement that copyright laws must be for a “limited time”<sup>36</sup>

*Martignon* created a three-pronged analysis that would apply to evaluating the constitutionality of a database bill. First, the court must determine whether or not the statute at issue is “copyright-like.”<sup>37</sup> If it is, protection offered under that statute must be for a “limited time.”<sup>38</sup> Second, any “copyright-like” protection cannot protect “non-writings.”<sup>39</sup> Third, if a “copyright-like” statute protects non-writings, Congress may not use any other enumerated power to enact such a statute.<sup>40</sup> These defects, in the view of the Southern District of New York, doomed the bootlegging law.<sup>41</sup>

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for the Protection of Literary and Artistic Works that restores copyright to foreign copyright holders whose works fell into the U.S. public domain but remain protected in their origin country); *cf.* *Golan v. Ashcroft*, 310 F. Supp. 2d 1215, 1220 (D. Colo. 2004) (dismissing term extension-based challenge but permitting challenge to § 104A to go forward on Copyright Clause and First Amendment grounds); *Kahle v. Ashcroft*, No. C-04-1127 MMC, 2004 U.S. Dist. LEXIS 24090, at \*2 (N.D. Cal. Nov. 19, 2004) (challenging multiple federal copyright laws). One challenger unsuccessfully argued that the Copyright Clause limited the ability of Congress to enact the anti-circumvention provisions of DMCA under the Commerce Clause. *Elcom Ltd.*, 203 F. Supp. 2d at 1122. The most creative argument—thus far—is that Congress’s deletion of statutory formalities altered the “traditional contours of copyright” for First Amendment purposes. *Kahle*, 2004 U.S. Dist. LEXIS 24090, at \*10.

<sup>31</sup> 346 F. Supp. 2d 413 (S.D.N.Y. 2004). Furthermore, a California district court, relying heavily on the *Martignon* decision, subsequently struck down the civil analog to 18 U.S.C. § 2319A (2000) (the bootlegging statute held unconstitutional in *Martignon*). *Kiss Catalog v. Passport Int’l Prods.*, 350 F. Supp. 2d 823, 837 (C.D. Cal. 2004), *aff’d on other grounds*, No. 04-57077, 2005 U.S. App. LEXIS 11644 (9th Cir. June 14, 2005).

<sup>32</sup> Section 2319A contains two prohibitions. Section (a)(1) prohibits unauthorized creating of an audio or visual recording of a live musical performance without the consent of the performer. Sections 2319(a)(2) and (a)(3) prohibit, respectively, the unauthorized transmission of that live performance or trafficking in recordings thereof. Martignon was charged with a violation of section (a)(3). *See Martignon*, 346 F. Supp. 2d at 417 (describing how Martignon ran a record store).

<sup>33</sup> *Martignon*, 346 F. Supp. 2d at 416–17.

<sup>34</sup> *United States v. Moghadam*, 175 F.3d 1269, 1271 (11th Cir. 1999) (rejecting Moghadam’s challenge of the constitutional power of Congress to enact the “anti-bootlegging statute,” 18 U.S.C. § 2319A (2000)).

<sup>35</sup> *Compare Martignon*, 346 F. Supp. 2d at 423–24, *with Moghadam*, 175 F.3d at 1273–74.

<sup>36</sup> *See Martignon*, 346 F. Supp. 2d at 429. The Eleventh Circuit did not address this point. *See Moghadam*, 175 F.3d at 1274 n.9.

<sup>37</sup> *Martignon*, 346 F. Supp. 2d at 419–20.

<sup>38</sup> *Id.* at 424.

<sup>39</sup> *Id.* at 423.

<sup>40</sup> *Id.* at 424–29.

<sup>41</sup> The court stated



If the “Limited Times” requirement in the Copyright Clause applies to other enactments, a term of protection must be included in database legislation—a term that indeed has been included in every draft considered by Congress. Under the district court’s reasoning, databases, as “non-writings,” could not be protected under Congress’s copyright power or commerce power. In other words, Congress’s power under Article I, Section 8, Clause 8 serves to limit its ability to act under Article I, Section 8, Clause 3.

This paper will briefly examine the merits of this contention. First, it will discuss the scope of the Copyright Clause as it has been interpreted in other litigation occurring in the copyright field. It will then briefly discuss whether this position finds support in the history of the clause or the structure of the Constitution. This paper will then examine the manner in which the Supreme Court has handled related issues in the past, and why, in light of these authorities, the decision in *Martignon* is not only wrong, but breathtakingly so. This paper will then conclude with a few remarks about how these issues may ultimately be resolved.

## II. THE CONSTITUTIONALIZATION OF INTELLECTUAL PROPERTY POLICY DISPUTES

Database legislation will not be passed pursuant to the Copyright Clause, but pursuant to Congress’s power to regulate interstate commerce. Databases, and the substantial investments needed to produce them, move in and affect interstate commerce. Indeed, the legislation’s skeptics have not taken the position that database legislation lacks the requisite relationship to interstate commerce. They have adopted two variations of the same basic argument. The first states that the Copyright Clause is a complete bar to database protection of any type, which would mean that both of the bills recently passed by the House Commerce and Judiciary Committees are unconstitutional.<sup>42</sup> The second position states that the only kind of misappropriation statute that the Constitution permits is that outlined by *International News Service v. Associated Press*<sup>43</sup> and *NBA v. Motorola*,<sup>44</sup> which require that: (1) a plaintiff generates or gathers information at a cost; (2) the information is “highly” time-sensitive; (3) a defendant’s use of the information constitutes free-riding on the plaintiff’s efforts; (4) the defendant is in direct competition with a product or service offered by the plaintiffs; and (5) the ability of other parties to free-ride on the efforts of the plaintiff or others would so reduce the

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[i]n order to give meaning to the express limitations provided in the Copyright Clause, when enacting copyright-like legislation, such as the anti-bootlegging statute, whose purpose is “to promote the Progress of Science . . .,” U.S. CONST. art. I, § 8, cl. 8, Congress may not, if the Copyright Clause does not allow for such legislation, enact the law under a separate grant of power, even when that separate grant provides proper authority.

*Martignon*, 346 F. Supp. 2d at 424–25.

<sup>42</sup> See Database and Collections of Information Misappropriation Act, H.R. 3261, 108th Cong. § 3(a) (1st Sess. 2003) (prohibiting “[a]ny person who makes available in *commerce* to others a quantitatively substantial part of the information in a database generated, gathered, or maintained by another person, knowing that such making available in *commerce* is without the authorization of that person”) (emphasis added).

<sup>43</sup> *Int’l News Serv. v. Associated Press*, 248 U.S. 215 (1918).

<sup>44</sup> *NBA v. Motorola, Inc.*, 105 F.3d 841 (2d Cir. 1997).

incentive to produce the product or service that its existence or quality would be substantially threatened.<sup>45</sup>

The most striking thing about this particular argument is that neither *NBA* nor *International News*, on which misappropriation law is based, say anything whatsoever about constitutional bars to misappropriation laws. In *International News*, the dissents focused on whether the court, using its then-existing federal common law powers, should enjoin International News's activity in the absence of a federal statute.<sup>46</sup> Similarly, *NBA* is not a "constitutional" decision except to the extent that it preempts state law through the Supremacy Clause.<sup>47</sup> In that case, the Second Circuit applied the statutory preemption provision of the Copyright Act against New York's state-law misappropriation doctrine to determine whether, and to what extent, the state law survived the "extra element test."<sup>48</sup> Neither case intimates that the Copyright Clause limits legislative power to enact a misappropriation statute, or that these cases formed the outer limits of that power.<sup>49</sup>

So where does this point of view come from? Is this the ordinary way that clauses of the Constitution operate? How has the Supreme Court handled these issues in the past?

#### A. Textual Grants of Overlapping Powers: Does Post Roads Mean No Other Roads?

Congress's Article I powers under the Constitution are intended to overlap. The Federalist papers make clear that, for example, the reason for including the Necessary and Proper clause in the Constitution was to prevent the states from adopting a destructive, *lex specialis*<sup>50</sup> interpretation of Federal power under Article

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<sup>45</sup> *NBA*, 105 F.3d at 845. (stating the requirements for a "hot-news," *International News Service*-like claim).

<sup>46</sup> See *Int'l News Serv.*, 248 U.S. at 267 (Brandeis, J., dissenting) ("Courts are ill-equipped to make the investigations which should precede a determination of the limitations which should be set upon any property right in news or of the circumstances under which news gathered by a private agency should be deemed affected with a public interest.").

<sup>47</sup> See *NBA*, 105 F.3d at 848–53 (discussing statutory preemption under the copyright act).

<sup>48</sup> See *id.*

<sup>49</sup> Prior to the enactment of the 1976 Copyright Act, a number of states provided misappropriation protection under their own laws. See, e.g., *Bd. of Trade of Chi. v. Dow Jones & Co.*, 439 N.E.2d 526, 532 (1st Dist. Ill. 1982), *aff'd*, 456 N.E.2d 84 (Ill. 1983). But see *U.S. Trotting Ass'n v. Chi. Downs Ass'n*, 665 F.2d 781, 784 (7th Cir. 1984) (involving the defendant racetrack's use of horse registration information without compensation to the compiler); *Addison Wesley Publ'g Co. v. Brown*, 207 F. Supp. 678, 678–79 (E.D.N.Y. 1962) (enjoining defendant's publication of solutions to problems in plaintiff's textbook after showing that colleges would cease to purchase the textbook if the solutions were not withdrawn from the market); *Pittsburgh Athletic Co. v. KQV Broad. Co.*, 24 F. Supp. 490, 493–94 (D. Pa. 1938) (finding that defendant's rooftop viewing and simultaneous play-by-play broadcast of baseball games unlawfully interfered with an exclusive contract to broadcast those games). See generally 2 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 10:51 (4th ed. 2004) (describing the elements of misappropriation as: (1) substantial investment in the thing misappropriated; (2) act of the defendant constituting a "free ride;" and (3) injury to the plaintiff).

<sup>50</sup> The maxim, *lex specialis derogat lex generalis* is better known as the canon that the "specific controls the general."

I.<sup>51</sup> This intent is fairly obvious from its structure—the power to create post roads<sup>52</sup> does not mean, for example, that Congress may only create post roads and no others. Similarly, the power to punish felonies on the high seas<sup>53</sup> does not mean that Congress lacks the power to create misdemeanors on interstate waterways.

Comparison of the affirmative grants in Article I, Section 8 with the limitations on Congressional power contained in Article I, Section 9 reinforces this structural point. While the powers in Section 8 are phrased in terms of affirmative grants, Section 9 instructs Congress about the specific activities forbidden to it, such as the enactment of bills of attainder, the granting of titles of nobility, or the laying of duties on the exports of any State.<sup>54</sup> The textual structure of Section 8 versus Section 9 seems to foreclose the existence of a “dormant Copyright Clause” that operates to the detriment of other Article I, Section 8 powers.<sup>55</sup>

Nonetheless, there is a substantial body of academic literature that argues that the Founders had an overwhelming concern with “monopolies” in Britain, and that these historical concerns enable the Copyright clause to constrain exercise of Congress’s other powers.<sup>56</sup> In the author’s view, these commentators have misconstrued the nature of the Founders’ objections to the Crown’s grant of monopolies in Britain by confusing a relatively minor economic evil with a major structural one. In the mid to late sixteenth century, the Crown and Parliament were at odds with each other over a variety of issues.<sup>57</sup> The monopoly over playing cards and the stationers’ monopolies served to take the power of the purse away from the House of Commons and place it in the hands of the executive, removing one of the key legislative checks on executive power.<sup>58</sup> When designing the structure of the Constitution, the Founders placed the power to grant these monopolies in the hands

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<sup>51</sup> See THE FEDERALIST NO. 33 (Alexander Hamilton), available at <http://www.law.ou.edu/hist/federalist/>.

But SUSPICION may ask, why then was it [the N & P clause] introduced? The answer is that it could only have been done for greater caution, and to guard against all caviling refinements in those who might hereafter feel a disposition to curtail and evade the legitimate authorities of the Union. The Convention probably foresaw, what it has been a principal aim of these papers to inculcate, that the danger which most threatens our political welfare is that the State governments will finally sap the foundations of the Union; and might therefore think it necessary, in so cardinal a point, to leave nothing to construction.

*Id.*

<sup>52</sup> See U.S. Const. art. I, § 8, cl. 7.

<sup>53</sup> See U.S. Const. art. I, § 8, cl. 10.

<sup>54</sup> *E.g.*, U.S. CONST. art. I, § 9, cl. 3, 5.

<sup>55</sup> Even where Congress has explicit power to act under the Commerce Clause, yet does not, that power lies “dormant” and can be exerted to strike down state legislation that would be enacted in contravention to Congress’s grant. See, *e.g.*, *Gibbons v. Ogden*, 22 U.S. (9 Wheat) 1 (1884) (denoting the origination of a “dormant” power of Congress to regulate commerce among the several states).

<sup>56</sup> *E.g.*, Edward S. Irons and Mary Helen Sears, *The Constitutional Standard of Invention—The Touchstone for Patent Reform*, 1973 UTAH L. REV. 653, 667–78 (1973).

<sup>57</sup> See, *e.g.*, Marci Hamilton, *Symposium: Art and the Marketplace of Expression*, 17 CARDOZO ARTS & ENT. L.J. 167, 169–171 (2003) (describing the evils wrought by the Crown’s censorship of works).

<sup>58</sup> See *id.*

of the legislature, rendering this provision uncontroversial.<sup>59</sup> This analysis of events seems to explain why the Federalist Papers contain no mention of any external operation of the Copyright Clause, and why no record of any discussion of the clause during the federal convention exists.<sup>60</sup>

### *B. Judicial Treatment of Overlapping Powers in Non-Intellectual Property Contexts*

There are of course cases in which the Court has read certain implicit structural limits into the Constitution, such as when it found that the Eleventh Amendment to the Constitution goes well beyond its literal text and constrains other exercises of Congress's Article I power.<sup>61</sup> The resolution of this type of case involves issues at the very heart of the federal structure, and the history of judicial treatment of the Eleventh Amendment demonstrates that, in each case, the Court must resolve a question of the states' sovereignty at the expense of the federal government, or vice-versa.<sup>62</sup> The imposition of our external Copyright Clause, in contrast, pits the Congress against itself for the benefit of the "the public"—hardly the "discrete and insular minority" whose interests warrant special judicial protection.<sup>63</sup> The interplay between major structural interests (federalism, individual rights, separation of powers) that serves as the hallmark of constitutional litigation seems to be utterly lacking.

Judicial treatment of Article I powers confirms that the courts do not ordinarily set the legislature against itself. Outside the intellectual property arena, the history of treating the powers of Congress as overlapping is a robust one, starting with the instructions given in *McCullough v. Maryland* that "any means adapted to the end, any means which tended directly to the execution of the constitutional powers of the government, were in themselves constitutional."<sup>64</sup>

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<sup>59</sup> *Id.* (arguing that the stationers' monopoly created concern in the Founders over the exercise of private control); see also U.S. CONST. art. I, § 8, cl. 8.

<sup>60</sup> See Thomas Nachbar, *Intellectual Property and Constitutional Norms*, 104 COLUM. L. REV. 272, 338 (2004) (surveying the ratification debates and finding no controversy over the Copyright Clause). Indeed, in the only Federalist Paper to discuss the Copyright Clause, Madison wrote that "The utility of this power will scarcely be questioned. . . . The public good fully coincides in both cases, with the claims of individuals." THE FEDERALIST NO. 43 (James Madison). It contains no discussion of either (a) the evils of a legislatively granted intellectual property right, or (b) a suggestion that the clause limits the interstate commerce (or any other) article I power.

<sup>61</sup> See *Alden v. Maine*, 527 U.S. 706, 712 (1999) (holding that states are immune from private suit for damages under federal law even in their own courts); *Fla. Prepaid Postsecondary Educ. Expense Bd. v. Coll. Sav. Bank*, 527 U.S. 627, 630 (1999) (holding that sovereign immunity bars federal court jurisdiction of suits against states for damages); see also *Bd. of Trs. of the Univ. of Ala. v. Garrett*, 531 U.S. 356 (2000) (disability suits against states barred by the Eleventh Amendment).

<sup>62</sup> See, e.g., *Alden*, 527 U.S. at 751 (discussing "splitting the atom of sovereignty").

<sup>63</sup> *United States v. Carolene Prods. Co.*, 304 U.S. 144, 153 n.4 (1938).

<sup>64</sup> *McCulloch v. Maryland*, 17 U.S. 316, 419 (1819). *McCullough* does suggest that legislation passed under certain powers is a "pretext" for accomplishing feats not within their powers. See *id.* at 423. Some commentators have argued that past efforts at database legislation constitute mere "pretext" for granting a copyright in facts and would therefore be unconstitutional. See, e.g., Marci Hamilton, *Symposium: A Response to Professor Benkler*, 15 BERKELEY TECH. L.J. 622–23 (2000); Benkler, *supra* note 26, at 546–48. But the only vehicle that espoused an exclusive rights approach, Sections 1402 and 1403 of H.R. 354, *supra* note 21, for example, required the plaintiff to prove

Several prominent examples of Congress using its Article I powers in overlapping fashion exist. For example, the Court in the *Civil Rights Cases* found that the Fourteenth Amendment could not be used to support anti-discrimination legislation directed at private parties.<sup>65</sup> There, the Court invalidated Congressional attempts to prohibit discrimination in private affairs using the Fourteenth Amendment as the source of legislative power because the Fourteenth Amendment's text applies only to the states.<sup>66</sup> In 1964, however, the Court in the *Heart of Atlanta* case upheld Title II of the Civil Rights Act of 1964 as a valid exercise of the Commerce Clause power,<sup>67</sup> and since then, all subsequent civil rights laws have been based on the Commerce Clause.<sup>68</sup> The *Civil Rights Cases*, however, remain good law.

There is one additional line of cases which could be read to support the position in *Martignon*. In the opening decades of the twentieth century, well before *Wickard* expanded the scope of the Commerce Clause to reach purely intrastate activity,<sup>69</sup> the Court considered a number of tax cases that juxtaposed Congress's ability to tax local activity<sup>70</sup> against the scope of the commerce power. The lack of express federal power did not indicate any lack of Congressional desire to regulate purely local affairs, from futures contracts to child labor.<sup>71</sup> In this line of cases, Congress sought to discourage certain kinds of behavior through the use of its taxing power, and the Court was ultimately forced to determine whether those cases were properly "taxes" or attempts to enact intrastate economic regulation in disguise.<sup>72</sup>

These cases, which did define the relationship between the two separate Article I powers of taxation and interstate commerce, do not support the proposition that these powers limit each other. The Court struck down certain kinds of legislation on the grounds that the legislation was not in fact a "tax,"<sup>73</sup> but to the extent that the

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"material harm" to its "primary or related" market, and then permitted the defense to excuse that harm if the use was nonetheless "reasonable." These (and other) provisions of the legislation rendered it distinguishable from a "pretextual" copyright regime, and much more like, for example, the regional railroad insolvency plan considered (and approved) in the *3R Cases*, 419 U.S. 102, 159–61 (1974). See *id.* (rejecting "Uniformity" challenge to regional railroad bankruptcy rules).

<sup>65</sup> The *Civil Rights Cases*, 109 U.S. 3 (1883).

<sup>66</sup> *Id.* at 18.

<sup>67</sup> *Heart of Atlanta Motel v. United States*, 379 U.S. 241, 261–62 (1964).

<sup>68</sup> *E.g.*, *Katzenbach v. McClung*, 379 U.S. 294, 304–05 (1964) (holding that the Court "must conclude that [Congress] had a rational basis for finding that racial discrimination in restaurants had a direct and adverse effect on the free flow of interstate commerce").

<sup>69</sup> *Wickard v. Filburn*, 317 U.S. 111, 125 (1942) (holding that the Commerce Clause reaches purely local activity if, in the aggregate, that local activity has a substantial effect on interstate commerce).

<sup>70</sup> U.S. CONST. art. I, § 8, cl. 1 ("To lay and collect Taxes, Duties, Imposts and Excises . . .").

<sup>71</sup> See *Child Labor Tax Case*, 259 U.S. 20, 36–38, 44 (1922) (striking down "tax" as impermissible local regulation); *Hill v. Wallace*, 259 U.S. 44 (1922) (regulation of futures trading); *McRay v. United States*, 195 U.S. 27, 63–64 (1904) (upholding tax on oleomargarine designed to curtail its production).

<sup>72</sup> See *Hill*, 259 U.S. at 66–67 (invalidating tax statute because in addition to collecting revenue, it also proscribed false and misleading reports, prevented price manipulation by cornering the market, and set the rules for admission to certain boards); *Child Labor*, 259 U.S. at 38 (striking down excise tax on any person that employed child labor).

<sup>73</sup> See *Hill*, 259 U.S. at 66 (finding "the manifest purpose of the tax is to compel boards of trade to comply with [federal] regulations"); *Child Labor*, 259 U.S. at 38 ("To give such magic to the word 'tax' would be to break down all constitutional limitation of the powers of Congress and completely wipe out the sovereignty of the states.").

Court discussed the Commerce Clause at all, it is only to mention that it could not uphold the tax statute because the requisite jurisdictional requirements for a valid commerce statute had not been met; without that commerce nexus, upholding the statute would tread on areas of sovereignty reserved to the States.<sup>74</sup> Conversely, had the requisite Commerce Clause pre-requisites been present, there is no suggestion in these authorities that the Commerce Clause lacked power to regulate this conduct.

### *C. The Court's Treatment of Intellectual Property*

The Court's treatment of intellectual property statutes squares with its treatment of other article I powers. Although a fair amount of academic writings exist discussing the scope of the Copyright Clause and its purported limits on other Congressional power, very little case law authority supports this point of view, or, to put it more neutrally, it is a "question of first impression." The use of the Commerce Clause to fill gaps in other powers has occurred in several cases involving intellectual property.

Nearly a century after the constitutional convention, the Supreme Court decided the *Trade Mark Cases*, in which the Court found that the Copyright Clause did not support the enactment of trademark legislation.<sup>75</sup> Like the white page listings at issue in *Feist* a century later, the Court found that the trademarks did not meet the standard of "original writings" for purposes of the Copyright Clause.<sup>76</sup> The Court did, however, note that Congress might pass a valid trademark statute under the Commerce Clause, but the statute gave no indication of any intent to regulate interstate commerce.<sup>77</sup> Subsequently, all federal trademark laws have been enacted under the Commerce Clause.<sup>78</sup> The fact that in 1870 the Court found that such laws were impermissible under the Copyright Clause has not been viewed as limiting Congress' authority to protect trademarks under the Commerce Clause.<sup>79</sup>

The most recent of these cases is *Eldred v Ashcroft*.<sup>80</sup> In that case, Eric Eldred *et al.* brought a declaratory suit against the attorney general arguing that Congress, by extending the term of copyright to life plus seventy years, violated the "Limited Times" phrase of the Copyright Clause.<sup>81</sup> They argued that the Copyright Clause was "special," and that a fear of monopoly in its drafters mandated heightened judicial review of any copyright statute via the First Amendment and under the

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<sup>74</sup> See *Hill*, 259 U.S. at 68–69 (stating that the statute could not be sustained under the commerce power and that Congress had no intention of regulating interstate commerce and had not limited the statute to interstate commerce; the alternative holding would usurp state sovereignty); *Child Labor*, 259 U.S. at 39.

<sup>75</sup> 100 U.S. 82, 94 (1879).

<sup>76</sup> See *id.* Trademarks, of course, last for an unlimited time so long as they remain in use and retain their ability to identify the source of goods or services. Christine Nickles, *The Conflicts Between Intellectual Property Protections When a Character Enters the Public Domain*, 7 UCLA ENT. L. REV. 133, 155 (1999).

<sup>77</sup> *Trade Mark Cases*, 100 U.S. at 97.

<sup>78</sup> 15 U.S.C. § 1114 (2000).

<sup>79</sup> *Id.*; see also *Authors League of Am., Inc. v. Oman*, 790 F.2d 220 (2d Cir. 1986) (upholding the now defunct manufacturing requirements under 17 U.S.C. § 601 on Commerce Clause grounds).

<sup>80</sup> 537 U.S. 186 (2003).

<sup>81</sup> See *id.*

Copyright Clause itself.<sup>82</sup> In a 7-2 decision, the Supreme Court put that argument to rest, finding “that the [act extending the Copyright term] is a rational enactment; we are not at liberty to second-guess congressional determinations and policy judgments . . . .”<sup>83</sup>

In addition the Court interpreted the “writings” requirement in *Feist* by rejecting the argument that extending the term of protection to works already in copyright violates the clause’s Writings requirement.<sup>84</sup> It also rejected attempted analogies to cases in the patent context, noting that prior statements that the Copyright Clause is both a “grant and a limitation” did not establish any special “*quid pro quo*” test that must apply to a statute enacted under the Copyright Clause.<sup>85</sup> From a First Amendment standpoint, in what some have characterized as *Eldred’s* silver lining, the Court went on to say that where Congress alters the traditional contours of copyright protection, such as by removing fair use, some additional First Amendment scrutiny might be warranted.<sup>86</sup>

The deference with which the Court treated congressional judgment in the *Eldred* decision suggests that there is nothing particularly unique about Congress’s copyright power, at least when enacting “traditional” copyright statutes. The decision does not, however, address the limits of the power as applied against other clauses of the Constitution. Although there is some suggestion that Congress may not enact perpetual copyright laws because of the “Limited Times” limitation,<sup>87</sup> no case suggests that the Copyright Clause’s “Writing” limitation would facially invalidate a database statute (though the First Amendment has been used on one occasion not relevant here).<sup>88</sup>

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<sup>82</sup> See Brief of Petitioner, *Eldred v. Ashcroft*, 537 U.S. 186 (2003) (No. 01-618), available at <http://cyber.law.harvard.edu/openlaw/eldredvashcroft/supct/opening-brief.pdf>.

<sup>83</sup> *Eldred*, 537 U.S. at 208.

<sup>84</sup> See *id.* at 211.

<sup>85</sup> *Id.* at 202 n.7, 215–16 (rejecting *Graham v. John Deere Co. of Kan. City*, 383 U.S. 1, 15 (1966), *Sears, Roebuck & Co. v. Stiffel Co.*, 376 U.S. 225 (1964), and *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 14 (1989) as evidence of “quid pro quo” theory of copyright).

<sup>86</sup> See *id.* at 221. This so-called light at the end of the tunnel may well turn out to be the headlamp of an oncoming train. In *Kahle v. Ashcroft*, No. C-04-1127 MMC, 2004 U.S. Dist. LEXIS 24090, at \*9–11, (N.D. Cal. Nov. 19, 2004), the District Court for the Northern District of California rejected the argument that the abolition of formalities in the 1976 Act changed the “fundamental contours” of copyright. The case has been appealed to the Ninth Circuit.

<sup>87</sup> See *Dastar v. Twentieth Century Fox Film Corp.*, 539 U.S. 23, 37 (2003) (“To hold [that the trademark law as a statutory matter addressed works whose copyright had lapsed] would be akin to finding that § 43(a) created a species of perpetual patent and copyright, which Congress may not do.”); *Traffix Devices v. Marketing Displays*, 523 U.S. 23, 35 (2001) (petitioner and its amici argue that the Patent Clause of the Constitution, Art. I, § 8, cl. 8, of its own force, prohibits the holder of an expired utility patent from claiming trade dress protection. We need not resolve this question. If, despite the rule that functional features may not be the subject of trade dress protection, a case arises in which trade dress becomes the practical equivalent of an expired utility patent, that will be time enough to consider the matter.

) (internal citation omitted).

<sup>88</sup> See *United Christian Scientists v. Christian Sci. Bd. of Dirs.*, 829 F.2d 1152, 1164–65 (D.C. Cir. 1987) (holding that Congress cannot enact a private copyright statute to ensure that Christian Scientists enjoy doctrinal purity). The copyright act has also been invalidated on an “as applied” basis with respect to laws enacted by a local legislature. See generally *Veeck v. S. Bldg. Code Int’l, Inc.*, 293 F.3d 791 (5th Cir. 2002) (invalidating copyright protection in laws adopted by municipality

The entire basis of this theory is based on one slender reed, *Railway Labor Executives Association v. Gibbons*.<sup>89</sup> In that case, Congress created a financial safety net for the workers of a bankrupt railroad, and upset the payment of debts in the priority that the bankruptcy trustee had determined.<sup>90</sup> In the statute, Congress referred to the bankrupt Rock Island railroad specifically; the statutory requirement would not apply to any other entity or class of entities.<sup>91</sup> The Court found, however, that Congress's action violated the Bankruptcy Clause's requirement that bankruptcy laws be uniform, and that it could not enact such a statute under the Commerce Clause.<sup>92</sup> It would be truly odd if the *Gibbons* decision were interpreted to mean that bankruptcy laws relating to insolvency could not be enacted under any other power or that only the states could enact non-uniform Bankruptcy Acts. Nonetheless, the Southern District of New York seems to have gone directly down that road.

### III. THE SIGNIFICANCE OF *MARTIGNON*

In *Martignon*, the Southern District of New York disregarded this string of precedent and applied *Gibbons* to find the federal bootlegging statute unconstitutional for two reasons, and differed with an Eleventh Circuit case on the exact same issue.<sup>93</sup> First, as noted above, the court found that unfixed performances were not "writings" within the meaning of the Copyright Clause.<sup>94</sup> It then determined that because they were not "writings," and the bootleg statute prohibited distribution without authorization, the statute was "copyright-like" and unconstitutional.<sup>95</sup> The court also found the statute unconstitutional because its protection potentially lasted for an unlimited time.<sup>96</sup>

The opinion gives no guidance as to what makes a statute "copyright-like," and therefore unconstitutional if it governs things that are unfixed.<sup>97</sup> Because consent by the performer is an element of the prime facie case under 2319A, if the performer authorizes taping of the performance, then he can claim no rights under the bootlegging provision; copies may be traded freely (subject to any other claims that

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on due process grounds). I do not mean to suggest that either 18 U.S.C. § 2319A or any potential database statute might not face "as applied" challenges on First Amendment grounds; they certainly may, and those challenges may in some circumstances be successful. *See* Bartnicki v. Vopper, 532 U.S. 514 (2001) (holding application of wiretap statute to radio station unconstitutional under the First Amendment).

<sup>89</sup> 455 U.S. 457 (1982).

<sup>90</sup> *See id.* at 463–65.

<sup>91</sup> *See id.* at 471.

<sup>92</sup> *See id.* at 472.

<sup>93</sup> *Compare* United States v. Martignon, 346 F. Supp. 2d 413, 425–27 (S.D.N.Y. 2004), *with* United States v. Mogadham, 175 F.3d 1269, 1280 (11th Cir. 1999).

<sup>94</sup> *Martignon*, 346 F. Supp. 2d at 423–24.

<sup>95</sup> *Id.* at 425.

<sup>96</sup> *See id.* at 424.

<sup>97</sup> *See id.* Presumably, a copyright statute under Article I, § 8 cl. 8 must have the following elements (a) an author; (b) a writing; (c) an exclusive right; and (d) a limited duration. The court's decision did not compare 18 U.S.C. § 2319A to the Clause's requirements.



might exist).<sup>98</sup> The federal wiretap statute is structured in a similar fashion.<sup>99</sup> Even more strikingly, the Economic Espionage Act of 1996 creates criminal liability for any person who “without authorization copies, duplicates, sketches, draws, photographs, downloads, uploads, alters, destroys, photocopies, replicates, transmits, delivers, sends, mails, communicates, or conveys” a trade secret without permission.<sup>100</sup> Congress intended this provision to apply irrespective of whether the trade secret is original or within its copyright term.<sup>101</sup> The copyright term runs, however, whether the work is unpublished or not.<sup>102</sup> Finally, the federal trademark dilution act prohibits blurring and tarnishment of a famous mark (a non-writing) in perpetuity.<sup>103</sup> If *Martignon* is correct, the dilution statute, as well as others, are constitutionally vulnerable because they all protect “non-writings” for an unlimited time.<sup>104</sup> As it stands now, the *Martignon* decision raises questions about a whole variety of legislation, both existing and prospective.

Perhaps the strangest effect of that decision is that its necessary implication is that, no matter what the interstate or foreign commerce nexus, the states are the only entities in the federal system with the ability to protect bootlegs and, presumably, databases.<sup>105</sup> In the context of the bootlegging statute, in *Martignon* the fact that the bootlegging statute was part of accession to the World Trade Organization made no constitutional difference.<sup>106</sup> Similarly, database legislation is

<sup>98</sup> See 18 U.S.C. § 2319A(a)(1), (3) (2000).

<sup>99</sup> See 18 U.S.C. § 2511(1)(c) (2000) (prohibiting knowing disclosure of wire intercept, no matter how old).

<sup>100</sup> 18 U.S.C. § 1832(a)(2) (2000).

<sup>101</sup> S. REP. NO. 104-359, at 14 (1996) (“[I]t is intended that the provisions of the Act should apply regardless of whether the conduct at issue could also fall within the prohibitions of the copyright laws.”).

<sup>102</sup> 17 U.S.C. § 302(a) (2000) (denoting that a copyright in a work “subsists from its *creation*”) (emphasis added).

<sup>103</sup> *Moseley v. V Secret Catalog, Inc.*, 537 U.S. 418, 432–34 (2003).

<sup>104</sup> *E.g.*, 18 U.S.C. § 1030 (2000) (prohibiting the unauthorized access of information on a protected computer, irrespective of the information’s originality or its age).

<sup>105</sup> Prior to the 1976 revision of the Copyright Act, the bootlegging of sound recordings was handled entirely by state law. Those recordings were protected by the states irrespective of their “originality.”

<sup>106</sup> There is certainly a strong reason to believe that it should make a difference, and not only based on the commerce power. The federal government may regulate matters through treaties that might be otherwise foreclosed to it by Article I. *Missouri v. Holland*, 252 U.S. 416, 432 (1920). In *Holland*, the Court found that Congress could, via the treaty power of Article II, extend protection to subject matter outside the limits of the Commerce Clause under Article I. *Id.* Some thirty-seven years later, the Court limited *Holland’s* scope when it refused to construe Article IV to allow the government—by treaty—to deny citizens their constitutionally guaranteed individual rights. See *Reid v. Covert*, 354 U.S. 1, 17 (1957).

Section 2319A was enacted pursuant to the Uruguay Round, and some dispute exists as to whether the “majority” process of acceding to the URAA via executive-congressional agreement made the legislation a treaty. See 4 MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT § 18.06 (C)(3)(b) (2005). Such cases, however, may well not be justiciable. See *id.* § 18.06 (C)(3)(b), n.298 (citing Tribe testimony before the Senate Committee on Commerce, Science, and Transportation). The Restatement of Foreign Relations indicates that the URAA carries the full force of a treaty under Article VI of the Constitution. 3d RESTATEMENT OF FOREIGN RELATIONS § 303 cmt. E (1986) (finding that Congressional-Executive Agreement is a full substitute for a treaty). It would therefore appear that a court could sustain § 2319A on this ground. As it does not violate any express constitutional prohibition, the “injury” wrought by § 2319A seems to fall much

motivated, in part, by the reciprocity requirements in the EU Directive. Given the importance of intellectual property to the both domestic and foreign commerce, such a result would be both unfortunate and bizarre.

I am therefore cautiously optimistic that *Martignon* will be reversed in significant portion, if not in its entirety. In the short term, *Martignon's* effect on database legislation remains hypothetical, but not positive. In the long term, however, resolution of the issues presented in this decision will set the parameters of Congress's power to regulate not only bootlegging, but databases and other "unoriginal" intangible property.

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closer to the regulation permitted by *Holland* and far short of that prohibited by *Reid*. I suspect that sustaining § 2319A on a treaty theory, however, would offer cold comfort to the database industry, as the prospects for an international vehicle remain considerably dimmer than that for domestic legislation.