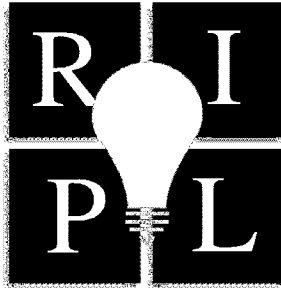


# THE JOHN MARSHALL REVIEW OF INTELLECTUAL PROPERTY LAW



RECENT DEVELOPMENTS IN COPYRIGHT LAW:  
SELECTED U.S. SUPREME COURT, COURT OF APPEALS, AND DISTRICT COURT  
OPINIONS BETWEEN FEBRUARY 1, 2005 AND MAY 1, 2006

TYLER T. OCHOA

## ABSTRACT

This article highlights nine selected U.S. copyright law decisions handed down between February 1, 2005 and May 1, 2006. Two of the decisions concern peer-to-peer file sharing, including the U.S. Supreme Court's landmark decision in *MGM v. Grokster*. One of the decisions questions the applicability of the idea/expression dichotomy to works of visual art. Two of the decisions discuss ownership of the renewal rights in a work under the 1909 Act when the author is deceased. One of the decisions interprets the requirement that an author register his or her work before filing an infringement action. Two of the decisions analyze how general principles of copyright law apply to text and image search engines operated by Google; and the final decision concerns the application of the fair use doctrine to the use of visual images in a biography of the Grateful Dead.

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RECENT DEVELOPMENTS IN COPYRIGHT LAW:  
SELECTED U.S. SUPREME COURT, COURT OF APPEALS, AND DISTRICT COURT  
OPINIONS BETWEEN FEBRUARY 1, 2005 AND MAY 1, 2006

TYLER T. OCHOA\*

PRELUDE

This article highlights nine U.S. copyright law decisions handed down between February 1, 2005 and May 1, 2006. This review was originally delivered as a speech at The 50th Annual Conference of Developments in Intellectual Property Law held by The John Marshall Law School Center for Intellectual Property Law on May 26, 2006. Discussing a wide range of cases from peer-to-peer file sharing to standing, the analysis focuses on the most recent developments in copyright.

I. RECENT COPYRIGHT CASES

*A. Metro-Goldwyn-Mayer Studios, Inc. v. Grokster, Ltd.*

Perhaps the biggest development in current copyright law occurred in June 2005, with the U.S. Supreme Court's decision in *Metro-Goldwyn-Mayer Studios, Inc. v. Grokster, Ltd.*<sup>1</sup> Defendants Grokster and StreamCast are companies that distributed software that enabled computer users to share and exchange files through a peer-to-peer network.<sup>2</sup> On a peer-to-peer network, computer users exchange their files directly with other users without having to go through a centralized server.<sup>3</sup> Both Grokster and StreamCast conceded that an individual copying music from an unauthorized source using peer-to-peer software is committing copyright infringement.<sup>4</sup> The question raised by the case was whether the providers of such software, such as Grokster and StreamCast, are contributorily liable for infringement committed by individual users.<sup>5</sup>

Grokster's defense essentially rested on the decision of the U.S. Supreme Court in *Sony Corp. of America v. Universal City Studios, Inc.*<sup>6</sup> In *Sony*, Universal and Disney filed suit against Sony because Sony was selling a television recording device (now commonly referred to as a VCR) that enabled consumers to copy the studios' copyrighted works.<sup>7</sup> Universal and

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<sup>1</sup> *Metro-Goldwyn-Mayer Studios Inc., v. Grokster, Ltd.*, 125 S. Ct. 2764 (2005).

<sup>2</sup> *Id.* at 2770.

<sup>3</sup> *Id.*

<sup>4</sup> *Id.* at 2772. By contrast, some scholars and *amici* contend that copying for personal use often is not an infringement, either, because of the fair use doctrine or because of the limitation contained in 17 U.S.C. §1008. See, e.g., J. Glynn Lunney, Jr., Brief of *Amici Curiae* Law Professors in Support of Respondents, *Metro-Goldwyn-Mayer Studios, Inc. v. Grokster, Ltd.*, 125 S. Ct. 2764 (2005), available at 2005 WL 508116; Niels B. Schaumann, *Copyright Infringement and Peer-to-Peer Technology*, 28 Wm. Mitchell L. Rev. 1001, 1023-36 (2002).

<sup>5</sup> *Grokster*, 125 S. Ct. at 2775.

<sup>6</sup> *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417 (1984).

<sup>7</sup> *Id.* at 419-20.

Disney argued that individual consumers used Sony's recording device to infringe their copyrighted television broadcasts, and that Sony was liable for copyright infringement because Sony marketed the recording device for that purpose.<sup>8</sup>

The Supreme Court reversed the Ninth Circuit's decision, which had held Sony liable for contributory copyright infringement, holding that Sony did not infringe on Universal's copyrights.<sup>9</sup> There were two parts to the Supreme Court's decision in *Sony*. First, the Court held that a majority of consumers used the VCR to record programs to view them at a later time, which, according to the Court, "enlarges the television viewing audience" and is a fair use.<sup>10</sup> Second, the Court held that the fact some people use the VCR for infringement did not mean Sony, the manufacturer, was liable for that infringement, because the VCR was capable of substantial or commercially significant non-infringing use.<sup>11</sup> The *Sony* holding helped Grokster and StreamCast survive contributory copyright infringement claims both at the district court and appellate court levels in *MGM v. Grokster*.<sup>12</sup>

While *A & M Records v. Napster*<sup>13</sup> also dealt with file sharing, it is distinguishable from *Grokster*. In *Napster*, the Ninth Circuit held that Napster's peer-to-peer file-sharing service contributorily infringed the plaintiffs' copyrights.<sup>14</sup> Unlike Grokster's and StreamCast's software, however, Napster's software utilized a centralized index. When installed on a user's computer, Napster's software would send all of the file names stored in a designated directory on the user's hard drive to the central server, and the server would search through those file names and would display the file names for other users to download.<sup>15</sup> The Ninth Circuit held Napster's software to be contributory infringement and enjoined the service.<sup>16</sup>

Grokster and StreamCast, by contrast, did not maintain a centralized index to help users find infringing files.<sup>17</sup> Grokster's software placed portions of its index on several different users' computers (designated "supernodes") to facilitate searches; whereas StreamCast's Morpheus software simply compares search requests with the existing indexes already maintained on each individual user's computer.<sup>18</sup> Since there is no central server, there is nothing to enjoin. Basically, even if the distribution of the Grokster or Morpheus software is shut down, all of the people who own the software can continue to use it. In order to prove contributory infringement against a service like Grokster or Morpheus, therefore, the alleged contribution to the infringement must have occurred further back in time. In other words, whereas in *Napster*, plaintiffs could allege that Napster's participation in maintaining the central index constituted contributory infringement, in *Grokster* that argument was not available to MGM and the other plaintiffs; instead, they had to allege that the contributory infringement was in the distribution of software itself.

The Ninth Circuit's decision in *Grokster* held that this factor was significant in ruling that Grokster's software had substantial non-infringing uses.<sup>19</sup> This was supported by evidence suggesting that at least ten percent of the people using the Grokster software were using it for non-infringing purposes.<sup>20</sup> On appeal, however, the U.S. Supreme Court unanimously reversed the Ninth Circuit's holding.<sup>21</sup> The Court disagreed with Grokster's reliance on *Sony*, stating that "*Sony* barred secondary liability based on presuming or

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<sup>8</sup> *Id.* at 420.

<sup>9</sup> *Id.* at 420–21.

<sup>10</sup> *Id.* at 421; *see also id.* at 442–56.

<sup>11</sup> *Id.* at 442; *see also id.* at 434–42.

<sup>12</sup> *Metro-Goldwyn-Mayer Studios Inc., v. Grokster, Ltd.*, 125 S. Ct. 2764, 2774–75 (2005).

<sup>13</sup> *A & M Records, Inc. v. Napster, Inc.*, 239 F.3d 1004 (9th Cir. 2001).

<sup>14</sup> *See id.* at 1019–22.

<sup>15</sup> *Id.* at 1011–12.

<sup>16</sup> *See id.* at 1022.

<sup>17</sup> *Metro-Goldwyn-Mayer Studios Inc., v. Grokster, Ltd.*, 125 S. Ct. 2764, 2771 (2005).

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

<sup>19</sup> *See id.* at 2774–75.

<sup>20</sup> *Id.* at 2772.

<sup>21</sup> *Id.* at 2777–78.

imputing intent to cause infringement” when the only evidence provided was that even though the “product [was] capable of substantial lawful use,” the distributor knew that it was being used for infringement.<sup>22</sup> The Court went on to reason that when a party claiming contributory liability can produce evidence that “goes beyond a product’s characteristics or the knowledge that it may be put to infringing uses, and shows statements or actions directed to promoting infringement,” *Sony* no longer prevents recovery.<sup>23</sup> In sum, the Court held that if a company “distributes a device with the object of promoting its use to infringe on copyrights, as shown by clear expression or other affirmative steps taken to foster infringement, [then it is] liable for the resulting acts of infringement. . . .”<sup>24</sup>

At first blush, there is nothing new about the Supreme Court ruling. Inducement liability existed in patent law before *Grokster*, and simply applying inducement theory to copyright law, another area of intellectual property, is not unusual.<sup>25</sup> Yet, upon further examination, the measure of proof the Supreme Court used in *Grokster* signals a change in the manner in which inducement has traditionally been applied. Whereas inducement traditionally required communication of an inducing message to the alleged direct infringers, the Supreme Court seemed to suggest that whether such communication actually occurred was irrelevant, so long as the evidence demonstrated that the alleged contributory infringer *subjectively intended* to encourage such infringement.<sup>26</sup> That represents a significant relaxation of the traditional standard for demonstrating inducement. In addition, the evidence that the Court relied upon to demonstrate such subjective intent is extremely problematic.

First, in *Grokster*, MGM presented evidence that Grokster and StreamCast were “aiming to satisfy a known source of demand for copyright infringement, [namely,] the market comprising former Napster users.”<sup>27</sup> However, after Napster folded, many of companies wanted to market their products to former Napster users. For example, Apple iTunes wants to sell its products and services to former Napster users. The difference, of course, is that Apple iTunes is compensating authors whereas Grokster and StreamCast were not. It is only by assuming *a priori* that the lack of compensation makes the service itself unlawful that the Court could conclude that marketing to former Napster users was somehow sinister.

Second, MGM presented evidence that Grokster and StreamCast never “attempted to develop filtering tools or other mechanisms to diminish the infringing activity using their software.”<sup>28</sup> However, the Supreme Court in *Grokster* emphasized that *Sony* could be overcome only when a party can show that the contributory infringer distributed a device “with the object of promoting its use to infringe copyright, as shown by clear expression or other *affirmative* steps taken to foster infringement.”<sup>29</sup> The act of *not* developing filtering tools is not an *affirmative* step taken to foster infringement; it is a negative step. By relying in part on the defendants’ omissions, the Supreme Court’s decision effectively imposes a duty on software manufacturers to take active steps to try to reduce infringement. Even though the Court says in footnote twelve that “in the absence of other evidence of intent, a court would be unable to find contributory infringement liability merely based on a failure to take

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<sup>22</sup> *Id.* at 2778.

<sup>23</sup> *Id.* at 2779.

<sup>24</sup> *Id.* at 2764.

<sup>25</sup> Indeed, other Courts of Appeals had already recognized inducement as a species of contributory liability for copyright infringement. *See, e.g.,* Gershwin Pub. Corp. v. Columbia Artists Management, Inc., 443 F.2d 1159, 1162 (2d Cir. 1963) (“one who, with knowledge of infringing activity, *induces*, causes or materially contributes to the infringing conduct of another, may be held liable as a ‘contributory’ infringer.”) (emphasis added); *Napster*, 239 F.3d at 1019 (same; quoting *Gershwin*).

<sup>26</sup> *Grokster*, 125 S. Ct. at 2780–81.

<sup>27</sup> *Id.* at 2781.

<sup>28</sup> *Id.* at 2781.

<sup>29</sup> *Id.* at 2780 (emphasis added).

affirmative steps,”<sup>30</sup> no responsible legal counsel would advise his or her client that it need not take such affirmative steps.

Third, MGM presented evidence that Grokster and StreamCast profited from the infringement “by selling advertising space, by directing ads to the screens of computer employing their software.”<sup>31</sup> MGM used this evidence to reason that the more infringement occurs through the use of defendants’ software, the more the total volume of use increases, and, as a result, the more defendants’ advertising profit increases.<sup>32</sup> However, a search engine such as Google capitalizes on high-volume use through advertising as well, yet most people would not consider that fact to be evidence that Google intended to induce infringement. What makes the advertiser-supported business model suspicious is not the business model itself, but the fact that such a high percentage of the uses were alleged to be infringing.

There is nothing inherently wrong with the legal concept of a third party inducing copyright infringement. Nevertheless, the ambiguous evidence relied upon by the U.S. Supreme Court in *Grokster* to establish unlawful intent to induce infringement is worrisome. It seems to me that the Supreme Court thinks it is going to be easy to distinguish “legitimate” companies, like Sony and Apple, from what it views as fly-by-night infringers, like Napster or Grokster. It may not prove that easy in practice.

The Supreme Court had granted *certiorari* in *Grokster* on the basis of a disagreement over the application of *Sony*.<sup>33</sup> There was a big dispute as to what *Sony* meant, and especially as to the proper interpretation of the phrase “capable of substantial non-infringing use.”<sup>34</sup> In *Sony*, more than two thirds of the use of the VCR was held to be fair use — consumers using the device to record a program in its entirety and view it at a later time (“time shifting”).<sup>35</sup> The facts in *Grokster* posed a more difficult question: what happens if a company’s software is *capable* of substantial non-infringing use, but ninety percent of the software’s users are using it to infringe?<sup>36</sup> Unfortunately, the Supreme Court completely dodged the question in *Grokster*, holding only that “*Sony* did not displace other theories of secondary liability,” and that it was error to grant summary judgment on inducement.<sup>37</sup> All that the Supreme Court in *Grokster* decisively concluded about *Sony* is that “the Ninth Circuit’s judgment rested on an erroneous understanding of *Sony*.”<sup>38</sup>

Why was the court content to “leave further consideration of the *Sony* rule for a day when that may be required”?<sup>39</sup> Although *Grokster* was a unanimous decision, the Supreme Court was in fact completely split about the meaning of *Sony*, as demonstrated by the two concurring opinions.<sup>40</sup> The first, comprised of three justices led by Justice Ginsburg, suggests that contributory liability arises when a product is used overwhelmingly to infringe, even though it is capable of non-infringing use.<sup>41</sup> The second, comprised of three justices led by Justice Breyer, prefers a clear rule permitting contributory liability only “when the product in question will be used almost exclusively to infringe copyrights.”<sup>42</sup>

What does this mean for the future? It was relatively easy for companies to avoid liability under *Sony*, which was an objective standard that focused on the capabilities of the device. Under *Grokster*, however, the question is now a subjective standard of actual intent

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<sup>30</sup> *Id.* at 2781 n.12.

<sup>31</sup> *Id.* at 2781.

<sup>32</sup> *Id.* at 2781–82.

<sup>33</sup> *Id.* at 2778.

<sup>34</sup> *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 442 (1984).

<sup>35</sup> *Id.* at 424 n.4, 447–56.

<sup>36</sup> *Grokster*, 125 S. Ct. at 2772.

<sup>37</sup> *Id.* at 2778.

<sup>38</sup> *Id.* at 2779.

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

<sup>40</sup> *Grokster*, 125 S. Ct. at 2783 (Ginsburg, J., concurring), 2787 (Breyer, J., concurring).

<sup>41</sup> *Id.* at 2786 (Ginsburg, J., concurring).

<sup>42</sup> *Id.* at 2791 (Breyer, J., concurring).

to cause infringement. The problem with that standard, however, is not only is it going to be extremely difficult for software companies to meet, but questions of whether the company meets the standard will rarely be resolvable on summary judgment.

### B. *BMG Music v. Gonzalez*

Turning to a different peer-to-peer file sharing case, the Seventh Circuit in *BMG Music v. Gonzalez*<sup>43</sup> presents the first analysis of whether peer-to-peer file sharing is a copyright infringement or a fair use. *Gonzalez* is the first case against an individual accused of peer-to-peer file sharing to reach the Court of Appeals level. Ms. Gonzalez had 1,370 songs saved on the hard drive of her personal computer, some, if not most, of which were downloaded using peer-to-peer file sharing software.<sup>44</sup> Ms. Gonzalez claimed that she owned CDs for most of the 1,370 songs, and that putting music from her own CDs onto her hard drive was a fair use.<sup>45</sup> BMG chose not to pursue infringement claims on the 1,340 songs Ms. Gonzalez claimed she copied from CDs she owned.<sup>46</sup> However, BMG did pursue infringement claims for the thirty songs for which Ms. Gonzalez did not own legitimate copies, alleging she downloaded the thirty songs in question using a peer-to-peer file sharing service, and thereby infringed the copyrights of each of those songs.<sup>47</sup>

Ms. Gonzalez conceded that she had downloaded those songs, but she argued that she was merely sampling the downloaded music so that she could listen to the songs and decide whether or not to buy the songs. Ms. Gonzalez argued that sampling for this purpose is a fair use.<sup>48</sup> The Seventh Circuit rejected that argument, noting that the only case on point held that downloading songs without paying for them, even if the downloader plans to purchase a legal copy later, is infringement.<sup>49</sup> The court added that not only is free downloading a substitute for actually purchasing the CD, but downloading also competes with licensed webcasts and sales.<sup>50</sup> One can listen to a song on the radio and decide whether to buy it. The broadcaster has paid a license to broadcast the song, but when one downloads it for free the artist never receives any license payment.<sup>51</sup> Downloading a song so the person can decide whether to purchase it also competes with authorized sales such as iTunes.<sup>52</sup> A potential buyer online can typically get a one minute preview, but the preview is not the whole song, and it is not something that the buyer downloads and keeps forever.<sup>53</sup> Consequently, downloading an entire song (even to try it out) is not a fair use.<sup>54</sup>

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<sup>43</sup> *BMG Music v. Gonzalez*, 430 F.3d 888 (7th Cir. 2005).

<sup>44</sup> *Id.* at 889.

<sup>45</sup> *Id.*

<sup>46</sup> *Id.* at 890–91.

<sup>47</sup> *Id.*

<sup>48</sup> *Id.* at 889–90.

<sup>49</sup> *Id.* at 890. “It is no surprise, therefore, that the only appellate decision on point has held that downloading copyrighted songs cannot be defended as fair use, whether or not the recipient plans to buy songs she likes well enough to spring for. See *A&M Records, Inc. v. Napster, Inc.*, 239 F.3d 1004, 1014–19 (9th Cir. 2001); see also *UMG Recordings, Inc. v. MP3.com, Inc.*, 92 F. Supp. 2d 349 (S.D.N.Y. 2000) (holding that downloads are not fair use even if the downloader *already* owns one purchased copy.” *Id.* (emphasis in original).

<sup>50</sup> *Id.* at 891.

<sup>51</sup> *Id.*

<sup>52</sup> *Id.*

<sup>53</sup> *Id.*

<sup>54</sup> *Id.*

Copyright law lets authors make their own decisions about how best to promote their works; copiers such as Gonzalez cannot ask courts (and juries) to second-guess the market and call wholesale copying “fair use” if they think that authors err in understanding their own economic interests or that Congress erred in granting authors the rights in the copyright statute.

The Seventh Circuit's decision is not a big surprise, as most observers had already concluded that individuals using peer-to-peer file-sharing services are subject to copyright infringement liability. The Seventh Circuit's opinion merely confirms the assumption that peer-to-peer file-sharing is infringement.

The *Gonzalez* case also addressed a minor issue regarding a possible defense for peer-to-peer file-sharers against statutory damages. Section 504(c)(2) provides that if an infringer had no reason to believe that his or her acts constituted infringement, the court may lower the minimum statutory damages to \$200 per work infringed.<sup>55</sup> Section 402(d), however, states "If notice of copyright . . . appears on the published . . . phonorecords to which a defendant . . . had access, then no weight shall be given to . . . [any] defense based on innocent infringement in mitigation of actual or statutory damages."<sup>56</sup> Ms. Gonzalez argued that the downloaded music did not provide her notice that the music was copyrighted because the songs she downloaded did not include copyright notices.<sup>57</sup> That is to be expected; people who allow others to make unauthorized copies of their unauthorized copies typically do not put a copyright notice on the songs to be downloaded. The court held that if copies were available in the marketplace that had notice on them, then Ms. Gonzalez had access to adequate copyright notice.<sup>58</sup> The court explained that "Ms. Gonzalez readily could have learned, had she inquired, that the music was under copyright" by looking for a notice on published phonorecords to which she had access, for example, in stores where they were on sale.<sup>59</sup> The court held that Ms. Gonzalez could not rely on innocent infringement to lower her statutory damages, and BMG was awarded the minimum statutory damages allowed, which is \$750 per work infringed.<sup>60</sup>

Ms. Gonzalez's last argument was to claim that all copyright infringers are entitled to a jury trial to set the amount of statutory damages, even if there is no question of law and the plaintiff is merely seeking the minimum amount of statutory damages.<sup>61</sup> Ms. Gonzalez's argument was based on a comment in *Feltner v. Columbia Pictures Television, Inc.*<sup>62</sup> The Seventh Circuit explained that Ms. Gonzalez's argument based on *Feltner* was misplaced, and relied on an inaccurate interpretation of dicta in the case.<sup>63</sup> The court said that as long as the plaintiffs are only seeking the statutory minimum, there is no right to have a jury trial; the minimum amount of statutory damages can be awarded on summary judgment.<sup>64</sup> The award of \$22,500 against Ms. Gonzalez was affirmed.<sup>65</sup>

### *C. Mannion v. Coors Brewing Co.*

The opinion in *Mannion vs. Coors Brewing Company*<sup>66</sup> develops a new analysis of what elements are relevant in analyzing infringement of a copyrightable photograph. The case revolves around a picture of NBA basketball star Kevin Garnett taken by Mr. Mannion.<sup>67</sup> Coors was interested in using the picture as part of a billboard advertising campaign, but it chose not to deal with Mannion. Instead, Coors selected another photographer to create a

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*Id.*

<sup>55</sup> 17 U.S.C. § 504(c)(2).

<sup>56</sup> 17 U.S.C. § 402(d).

<sup>57</sup> *Id.* at 892.

<sup>58</sup> *Id.*

<sup>59</sup> *Id.*

<sup>60</sup> *Id.*

<sup>61</sup> *Id.*

<sup>62</sup> See *Feltner v. Columbia Pictures Television, Inc.*, 523 U.S. 340, 353 (1998).

<sup>63</sup> *BMG Music v. Gonzalez*, 430 F.3d 888, 892–93 (7th Cir. 2005).

<sup>64</sup> *Id.*

<sup>65</sup> *Id.* at 893.

<sup>66</sup> *Mannion v. Coors Brewing Co.*, 377 F. Supp. 2d 444 (S.D.N.Y. 2005).

<sup>67</sup> *Id.* at 447. The photograph is reproduced in the reported opinion at page 464.



similar picture, which Coors ultimately used in its billboard advertising campaign.<sup>68</sup> The allegedly infringing picture is not a picture of Kevin Garnett, but it is a picture of someone who is dressed similarly, posed in a similar way and shot from a similar angle.<sup>69</sup> The question is whether the picture used on the Coors Light billboard infringed Mannion's copyright in his photograph?

Judge Kaplan, a very learned copyright judge of the Southern District of New York, wrote a lengthy opinion on the copyrightability of photographs. Judge Kaplan started with the two-step test to evaluate whether there was infringement. To infringe the copyright in a photograph, first, the defendant has to have actually copied the plaintiff's work, and second, the copying has to involve a substantial similarity between the defendant's work and protectable elements of the plaintiff's work.<sup>70</sup> In this case, access to the plaintiff's work was undisputed, and there was ample evidence from which a trier of fact could infer actual copying.<sup>71</sup>

This reduced the issue in the case to whether there was substantial similarity between the defendant's photograph and protectable elements in the plaintiff's work.<sup>72</sup> The court's analysis first focused on identification of the protectable elements of the photo, specifically answering the question: what is it about a photograph, in general, that is protectable by copyright?<sup>73</sup> Judge Kaplan reviewed case law and treatises identifying three elements in a photograph that can be protected by copyright, which he termed rendition, timing, and creation of the subject.<sup>74</sup>

Rendition is a general term for the technical aspects or choices involved in creating the photograph, which contribute to the photograph's overall originality.<sup>75</sup> Rendition includes: the angle of the shot; the use of light and shade; exposure; effects achieved by means of filters, developing techniques, type of camera and film.<sup>76</sup> The actual technical aspects themselves are not protected by copyright, but rather the results or expression they produce can be protected.<sup>77</sup> Also, copyright in rendition does not protect what is depicted, meaning the subject matter, but rather how it is depicted.<sup>78</sup> Rendition only includes those elements of the resultant photograph that constitute expression, which are protectable, though rendition may be described in technical terms.<sup>79</sup>

Timing is also an element protected by copyright under Judge Kaplan's formulation.<sup>80</sup> Timing can be described as simply taking a picture at the right place and the right time.<sup>81</sup> An example might be an action photograph of an athlete or wild animal, which has perfect composition or drama.<sup>82</sup> There was nothing special about the rendition, but there was

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<sup>68</sup> *Id.* at 448.

<sup>69</sup> *Id.* The allegedly infringing photograph is reproduced in the reported opinion at page 466.

<sup>70</sup> *Id.* at 449.

<sup>71</sup> *Id.*

<sup>72</sup> *Id.*

<sup>73</sup> *Id.*

<sup>74</sup> *Id.* at 450–54.

<sup>75</sup> *Id.* at 452.

<sup>76</sup> *Id.*

<sup>77</sup> *Id.*

<sup>78</sup> *Id.*

<sup>79</sup> *Id.*

<sup>80</sup> *Id.*

<sup>81</sup> *Id.* at 452–53.

<sup>82</sup> *Id.* at 453.

A modern work strikingly original in timing might be *Catch of the Day*, by noted wildlife photographer Thomas Mangelsen, which depicts a salmon that appears to be jumping into the gaping mouth of a brown bear at Brooks Falls in Katmai National Park, Alaska. . . . Copyright based on originality in timing is limited by the principle that copyright in a photograph ordinarily confers no rights over the subject matter. Thus, the copyright in *Catch of the Day* does not protect against subsequent photographs of bears feasting on salmon in the same location. Furthermore, if another photographer were

something unique about the timing. The originality is in the timing of the photograph, not the underlying subject, which creates an image that receives copyright protection.<sup>83</sup>

As stated above, subject matter generally does not qualify for copyright protection under the rendition and timing elements, but there are circumstances where the subject matter can qualify for protection.<sup>84</sup> When the photographer creates the scene or subject to be photographed, as when the photographer stages a photograph, the photographer has created a subject that is protectable.<sup>85</sup> In simple terms, when a photographer arranges the subject or scene of the photograph and then photographs the scene, the photographer has the right to prevent others from duplicating those elements of the photograph that are original to the photographer.<sup>86</sup>

The court then analyzed Mannion's photograph of Kevin Garnett. The court stated that there is no serious dispute that the photograph was original, as it was not copied from another work and it is original in its rendition: Mannion set up the angle, the lighting, etc.<sup>87</sup> His composition also "evidences originality in the creation of the subject."<sup>88</sup> Mannion staged the scene, posing Kevin Garnett against the sky, instructing him what to wear and how to look, and shot the staged scene from a particular angle. There is originality in the creation of the subject.<sup>89</sup>

The court went on to say, though, there are limits to how far originality in creation of the subject extends.<sup>90</sup> Kevin Garnett, himself, is not protectable; other people can take photographs of Kevin Garnett. Other people can take photographs of people against a cloudy sky as a backdrop.<sup>91</sup> However, if one takes a photograph of a young, fit African-American man, wearing similar clothes and jewelry, against a cloudy sky backdrop from the same angle, and with the same lighting, he or she may be infringing on the creation of the subject element of Mannion's expression.<sup>92</sup>

The defendant argued against finding originality in the creation of the subject by raising the idea/expression dichotomy, which postulates that ideas may not be copyrighted.<sup>93</sup> Copyright protects only the expression of ideas, not the ideas themselves.<sup>94</sup> The defendant argued that the Coors photograph and the Mannion photograph only share "the generalized idea and concept of a young African-American man wearing a white T-shirt and large amount of jewelry."<sup>95</sup>

Answering this argument, Judge Kaplan seems to break new ground by saying the idea/expression dichotomy does not work very well for analyzing infringement of works of

sufficiently skilled and fortunate to capture a salmon at the precise moment that it appeared to enter a hungry bear's mouth - and others have tried, with varying degrees of success - that photographer, even if inspired by Mangelsen, would not necessarily have infringed his work because Mangelsen's copyright does not extend to the natural world he captured.

*Id.* Another famous example of timing is the Zapruder film of John F. Kennedy's assassination. The Zapruder film has copyrightable elements simply because Mr. Zapruder was at the right place and right time. *See Time, Inc. v. Bernard Geis Associates*, 293 F. Supp. 130, 131, 133, 141-43 (S.D.N.Y. 1968).

<sup>83</sup> *Id.*

<sup>84</sup> *Id.* at 453-54.

<sup>85</sup> *Id.*

<sup>86</sup> *Id.*

<sup>87</sup> *Id.* at 454-55.

<sup>88</sup> *Id.* at 455.

<sup>89</sup> *Id.* An example of this is the String of Puppies case, *Rogers v. Koons*, 960 F.2d 301 (2d Cir. 1992). *Id.* at 453-54. The Rogers' photograph, which is now well-known, shows a couple sitting on a bench holding eight puppies. *Id.* at 454. Koons made a sculpture based on the photo, which was held to be infringing. *Id.* So subject matter can be protected, but only if it is a staged shot, meaning that the photographer created the subject matter. *Id.*

<sup>90</sup> *Id.* at 455.

<sup>91</sup> *Id.*

<sup>92</sup> *Id.*

<sup>93</sup> *See* 17 U.S.C. § 102(b).

<sup>94</sup> *Mannion*, 377 F. Supp. 2d at 455.

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

visual art.<sup>96</sup> The idea/expression dichotomy arose in the context of literary works, where it is fairly easy to separate the underlying ideas of a literary work from the expression that is used to convey the ideas.<sup>97</sup> However, in the case of a visual work of art, Judge Kaplan asks, what is the idea? It is frequently difficult to identify the particular idea captured, embodied, or conveyed by a work of visual art.<sup>98</sup> Every observer creates a different interpretation of every visual work of art.<sup>99</sup> It is not clear that there is any real distinction between the idea behind a work of visual art and the expression of that idea.<sup>100</sup> Judge Kaplan concludes the idea behind a picture is manifest in its own expression, and therefore ideas expressed in photographs can be protected.<sup>101</sup>

The opinion that the idea/expression dichotomy is not useful or relevant for analyzing infringement in the context of visual works of art probably will be controversial. One problem appears to be that, while Judge Kaplan agrees that subject matter is not generally protectable, this seems to be inconsistent with his position that the idea/expression dichotomy cannot be used defensively for works of visual art. Many observers may find it difficult to separate the concepts of subject matter and idea/expression dichotomy in a meaningful way.

After analyzing the plaintiff's photograph, Judge Kaplan finally reached the ultimate question, whether there is substantial similarity between the plaintiff's work and the defendant's work. Judge Kaplan ruled that overall the photograph has protectable expression, though some aspects of the photo are individually unprotectable.<sup>102</sup> He implied that since it is obvious that the defendant actually copied Mannion's photograph and that some of the elements copied may be protectable elements, the defendant's motion to dismiss the complaint should be denied.<sup>103</sup> On the other hand, the cloudy sky, Kevin Garnett's pose, his T-shirt, and his jewelry are not individually protectable, and there are enough differences in the conception of the two photographs that the plaintiff's motion to grant summary judgment for infringement also should be denied.<sup>104</sup> The Court ruled that there were enough triable issues of fact, and that a "reasonable jury could find substantial similarity either present or absent."<sup>105</sup>

<sup>96</sup> *Id.* at 458–60.

<sup>97</sup> *Id.* at 458.

<sup>98</sup> *Id.*

<sup>99</sup> *Id.*

<sup>100</sup> *Id.* at 460–61.

A good example is *Rogers v. Koons*, in which the court observed that "it is not . . . the idea of a couple with eight small puppies seated on a bench that is protected, but rather Rogers' *expression* of this idea -- as caught in the placement, in the particular light, and in the expressions of the subjects . . ." But "a couple with eight small puppies seated on a bench" is not necessarily the idea of Puppies, which just as easily could be "people with dogs on their laps," "the bliss of owning puppies," or even a sheepishly ironic thought such as "Ha ha! This might look cute now, but boy are these puppies going to be a lot of work!"

Rather, "a couple with eight small puppies seated on a bench" is nothing more or less than what "a young African American man wearing a white T-shirt and a large amount of jewelry" is: a description of the subject at a level of generality sufficient to avoid implicating copyright protection for an original photograph. Other copyright cases that have referred to the "idea" of a photograph also used "idea" to mean a general description of the subject or subject matter. . . . Thus another photographer may pose a couple with eight puppies on a bench, . . . or take a picture of a black man in white athletic wear and showy jewelry. In each case, however, there would be infringement (assuming actual copying and ownership of a valid copyright) if the subject and rendition were sufficiently like those in the copyrighted work.

*Id.* at 460.

<sup>101</sup> *Id.* at 461.

<sup>102</sup> *Id.* at 462–63.

<sup>103</sup> *Id.*

<sup>104</sup> *Id.* at 463.

<sup>105</sup> *Id.*

The opinion defines triable issues of fact for copyright infringement of photographs. I think the three-part categorization of protectable elements in a photograph will be quite influential. Whether or not the idea/expression part of Judge Kaplan's opinion will prove influential is somewhat more questionable. *Mannion vs. Coors Brewing Company* is an important leading opinion on copyright law in the area of infringement of works of visual art, and it will affect many future opinions and analyses.

#### *D. Twentieth Century Fox Film Corp. v. Entertainment Distributing*

*Twentieth Century Fox Film Corp. v. Entertainment Distributing*<sup>106</sup> is the case resulting from the remand of *Dastar Corp. v. Twentieth Century Fox Film Corp.*,<sup>107</sup> a case which reached the U.S. Supreme Court a few years ago. In that case, Doubleday published General Eisenhower's written memoirs of World War II in 1948, titling it *Crusade in Europe*.<sup>108</sup> Twentieth Century Fox ("Fox") obtained the rights to make a television series based on the book.<sup>109</sup> The television series was also entitled *Crusade in Europe*, and was first broadcast in 1949.<sup>110</sup> Both the book and the television series were registered for copyright, but Fox neglected to renew the copyright on the television series, allowing it to enter the public domain.<sup>111</sup> In the 1990s, Dastar produced a lightly edited derivative work based on the television series, titled *World War II Campaigns in Europe*.<sup>112</sup> Fox sued Dastar for copyright infringement, not for infringing the television series, but for infringing the underlying book.<sup>113</sup> (Fox still held the rights to the original book, after re-acquiring the rights in 1988.<sup>114</sup>) Fox also included in its complaint a claim for violation of Section 43(a) of the Lanham Act for failing to credit Fox as the original producer of the revised television series.<sup>115</sup> The U.S. Supreme Court held Section 43(a) of the Lanham Act applies only to the producer of tangible goods or services, and does not apply to the creator of intangible intellectual property.<sup>116</sup> In essence, Section 43(a) was out of the case.

However, the claim that the edited television series infringed the copyright on Eisenhower's book still remained. That claim hinged on whether the copyright in the book was properly renewed, which in turn depended upon whether it was a work made for hire.<sup>117</sup> Section 24 of the 1909 Copyright Act states that in the case of "any work copyrighted . . . by an employer for whom such work is made for hire," the proprietor of the copyright is entitled to the renewal.<sup>118</sup> In the case of other copyrighted work not created as a work-for-hire, the right of renewal passes to the widow, widower, or children of the author.<sup>119</sup>

If the book was considered a work-for-hire, Doubleday could renew the copyright. Since Doubleday did file for such a renewal, the copyright would be valid and the infringement case could go forward. If it was not a work made for hire, then the heirs of Eisenhower had the right to renew the copyright. But because the heirs never filed a renewal claim, the work would have entered the public domain. Thus, the simple question is whether the book is a work made for hire within the meaning of the 1909 Act.

<sup>106</sup> *Twentieth Century Fox Film Corp. v. Entm't Distrib.*, 429 F.3d 869 (9th Cir. 2005).

<sup>107</sup> *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23 (2003).

<sup>108</sup> *Id.* at 25.

<sup>109</sup> *Id.* at 25–26.

<sup>110</sup> *Id.* at 26.

<sup>111</sup> *Id.*

<sup>112</sup> *Id.*

<sup>113</sup> *Id.* at 27.

<sup>114</sup> *Id.* at 26.

<sup>115</sup> *Id.*

<sup>116</sup> *Id.* at 37.

<sup>117</sup> *Twentieth Century Fox Film Corp. v. Entm't Distrib.*, 429 F.3d 869, 876 (9th Cir. 2005).

<sup>118</sup> *Id.* 1909 Act, 17 U.S.C. § 24 (repealed).

<sup>119</sup> *Id.*

Under the 1976 Copyright Act, the current law, a work made for hire is a work made by an employee within the scope of his or her employment, or a work made by an independent contractor, but only if it falls within one of nine categories and there is a signed written agreement.<sup>120</sup> Unless the parties have expressly agreed otherwise in a signed written agreement, the copyright in a work made for hire is owned by the employer or other person for whom the work is commissioned.<sup>121</sup>

Under the 1909 Act, there was a more generous standard for works made for hire – it did not matter if a person was an employee or an independent contractor.<sup>122</sup> “[I]n the absence of an express contractual reservation of the copyright in the artist, the presumption arises that the mutual intent of the parties is that the title to the copyright shall be [owned by] the person at whose instance and expense the work is done.”<sup>123</sup> The question, therefore, is whether the Eisenhower memoirs were written at the “instance and expense” of Doubleday.<sup>124</sup> That is a pretty broad interpretation, because the statute states, “any work copyrighted . . . by an employer for whom such work is made for hire.”<sup>125</sup> This language could have been restricted solely to employers and employees and not include independent contractors at all. But, since the 1960s, all of the Courts of Appeals have agreed that independent contractors are included if they meet this instance and expense test.<sup>126</sup>

The Ninth Circuit held two-to-one that Eisenhower’s memoirs were written at the instance and expense of Doubleday.<sup>127</sup> One of the big factors in the decision was that Eisenhower did not begin writing until after he reached an agreement with Doubleday.<sup>128</sup> Doubleday also exercised more than their usual supervision, including regular meetings with Eisenhower and giving him extensive notes and comments.<sup>129</sup> Additionally, Doubleday took the entire financial risk — paying all of Eisenhower’s expenses and hiring staff to work with him.<sup>130</sup>

The dissent disagreed, stating that “Eisenhower sold Doubleday a *product*, not his *services*,”<sup>131</sup> and pointing out that at the time the work was written, “work for hire” meant there must be an employer-employee relationship.<sup>132</sup> The “work made for hire” portion of the statute was not applied to independent contractors until the 1960s.<sup>133</sup> In this case, the work was commissioned in 1948, so it could not have been a work made for hire within the meaning of the statute because that only applied to employees at the time.<sup>134</sup>

In addition, the contract states that Eisenhower was assigning to Doubleday his manuscript and all of the rights.<sup>135</sup> If Doubleday already owned the rights by virtue of the work made for hire doctrine, then there was no need for an assignment. Also, the tax treatment shows that Eisenhower was paid for the transfer of a capital asset rather than

<sup>120</sup> See 17 U.S.C. §§ 201, 101. “To determine whether a work is for hire under the [Copyright] Act [of 1976], a court first should ascertain, using principles of general common law of agency, whether the work was prepared by an employee or an independent contractor. After making this determination, the court can apply the appropriate subsection of § 101.” *Community for Creative Non-Violence v. Reid*, 490 US 730, 750–51 (1989).

<sup>121</sup> 17 U.S.C. § 201.

<sup>122</sup> *Twentieth Century Fox*, 429 F.3d at 877.

<sup>123</sup> *Id.* (quoting *Lin-Brook Builders Hardware v. Gertler*, 352 F.2d 298, 300 (9th Cir. 1965)).

<sup>124</sup> *Id.* at 878–79.

<sup>125</sup> *Id.* at 876. 1909 Act, 17 U.S.C. § 24.

<sup>126</sup> *Id.* at 877–78.

<sup>127</sup> *Id.* at 879.

<sup>128</sup> *Id.*

<sup>129</sup> *Id.* at 880.

<sup>130</sup> *Id.* at 881.

<sup>131</sup> *Id.* at 885–86 (D.W. Nelson, dissenting).

<sup>132</sup> *Id.* at 886.

<sup>133</sup> *Id.*

<sup>134</sup> *Id.*

<sup>135</sup> *Id.* at 887. “The contract states: ‘I hereby sell, assign, transfer and set over unto Doubleday . . . the manuscript . . . and all rights of every nature pertaining thereto.’” *Id.*

paid for personal income for his services in writing the book.<sup>136</sup> The majority did not find this persuasive. Instead, the majority affirmed the finding that Eisenhower's memoirs were a work made for hire; therefore, the renewal made by Doubleday was valid and the judgment of copyright infringement was affirmed.

*E. Venegas-Hernandez v. Asociacion de Compositores y Editores de Musica Latinoamericana ("ACEMLA")*

*Venegas Hernandez v. ACEMLA*<sup>137</sup> is another case involving ownership of copyrighted works. ACEMLA is the Latin American collective licensing association whose powers are similar to the American Society of Composers, Authors and Publishers ("ASCAP") and Broadcast Music, Inc. ("BMI").<sup>138</sup> This case involves ownership of the renewal copyrights for Puerto Rican composer Guillermo Venegas-Lloveras, who died in 1993.<sup>139</sup> There was a dispute between his widow and surviving children as to who owns the copyrights to his works.<sup>140</sup> The 1976 Act contains essentially the same language as the 1909 Act: if the work is not a work-for-hire, then the renewal rights go to the author if still living and to the "widow, widower, or children of the author" if the author is not living.<sup>141</sup> It is clear that the widow and surviving children jointly own the copyright, but in what shares? If it is a per capita distribution of the copyright, the surviving spouse and the four surviving children each own twenty percent of the copyright. But if it is a per stirpes distribution, the surviving spouse owns fifty percent of the copyright, and each of the four surviving children own 12.5 percent of the copyright. So the dispute was over the amount of royalties to be distributed between the surviving spouse and the surviving children.<sup>142</sup>

The district court held that a per capita distribution was appropriate, citing only the Copyright Act and *Nimmer on Copyright*.<sup>143</sup> But in January 2005, the Sixth Circuit held that the statute should be interpreted to require a per stirpes distribution.<sup>144</sup> In *Venegas-Hernandez*, the First Circuit makes a comparison with the termination provisions of the 1976 Act, which explicitly allow an author to terminate an assignment and then to take one's copyright rights back.<sup>145</sup> If the author is dead, the termination interests are exercised by the widow or widower, unless there are surviving children or grandchildren, in which case, the widow or widower owns one half and the other half is divided among the children.<sup>146</sup>

Thus, the termination rights expressly provide for a per stirpes distribution. The question is: should the 1909 Act be interpreted to also require a per stirpes distribution, despite the fact that it is nowhere near as explicit as the 1976 Act? In other words, did the 1976 Act change the former rule under the 1909 Act, or did it merely clarify it? The First Circuit noted that the Sixth Circuit had reasoned that termination rights are per stirpes, and that renewal rights should therefore be per stirpes too. The First Circuit in this case agreed with the Sixth Circuit, finding that a per stirpes division is preferable on policy grounds.<sup>147</sup>

This decision avoids a split with the Sixth Circuit, as both the First and the Sixth Circuits agree that the distribution of copyright renewal rights is per stirpes. There is a

<sup>136</sup> *Id.* at 887–88.

<sup>137</sup> *Venegas-Hernandez v. Asociacion de Compositores y Editores de Musica Latinoamericana (ACEMLA)*, 424 F.3d 50 (1st Cir. 2005).

<sup>138</sup> *Id.* at 52.

<sup>139</sup> *Id.* at 51.

<sup>140</sup> *Id.* at 52, 53.

<sup>141</sup> *Id.* at 53. 17 U.S.C. § 24 (repealed); 17 U.S.C. § 304(a)(1)(c).

<sup>142</sup> *Venegas-Hernandez*, 424 F.3d at 54.

<sup>143</sup> *See Venegas-Hernandez v. Peer*, 283 F. Supp. 2d 491, 503–05 (D.P.R. 2003).

<sup>144</sup> *See Broadcast Music, Inc. v. Roger Miller Music, Inc.*, 396 F.3d 762 (6th Cir. 2005).

<sup>145</sup> *Venegas-Hernandez*, 424 F.3d at 55.

<sup>146</sup> 17 U.S.C. § 203(a)(2)(A),(B); § 304(c)(2)(A),(B).

<sup>147</sup> *Id.* at 56.

potential split here with the Second Circuit, which previously assumed that a per capita distribution was appropriate without expressly addressing the issue.<sup>148</sup> Prior to this opinion, the U.S. Copyright Office had also expressed the opinion that a per capita distribution was appropriate. However, it is in the best interest of the Copyright Office to have a clear rule. If a circuit split develops, the Supreme Court might have to address this issue. But for now, the only two Circuits that have expressly decided the issue are the First and the Sixth Circuit. Both hold that renewal rights under the 1909 Act that were carried forward under the 1976 Act should be exercised on a per stirpes basis.

#### *F. La Resolana Architects v. Clay Realtors Angel Fire*

*La Resolana Architects v. Clay Realtors Angel Fire*<sup>149</sup> is a case arising out of the Tenth Circuit that raises a fairly straightforward question of when a party has standing to sue for copyright infringement. Essentially, the question before the court was when a party is deemed to have registered its work with the U.S. Copyright Office: either “1) registration occurs when the copyright owner submits an application for registration to the copyright office, or, conversely, 2) registration occurs when the copyright office actually approves or rejects the application.”<sup>150</sup> The question of standing turns on resolution of this issue, because the court does not have federal jurisdiction over a copyright infringement action until “registration of the copyright claim has been made . . . .”<sup>151</sup>

In *La Resolana*, the plaintiff submitted a copyright application for architectural drawings with the Copyright Office on November 6, 2003.<sup>152</sup> Before the Copyright Office approved the application, the plaintiff filed suit for infringement.<sup>153</sup> The defendant filed a motion to dismiss, claiming that the plaintiff “could not sue for copyright infringement until it obtained a certificate of copyright registration from the Copyright Office.”<sup>154</sup> In response, plaintiff simply attached a letter from the Copyright Office, without the certificate of registration (which the plaintiff had not received at the time), stating that “all the necessary materials had been received” and that the registration would be effective on November 19, 2003.<sup>155</sup> However, the letter was found to be inadmissible hearsay by the district court, and plaintiff did not appeal the evidentiary determination, thus waiving it on appeal.<sup>156</sup>

The Tenth Circuit ultimately affirmed the district court, holding that “registration occurs when the copyright office actually approves or rejects the application.”<sup>157</sup> In choosing this approach, the Tenth Circuit aligns itself with the interpretation of the Eleventh Circuit.<sup>158</sup> In contrast, the opposing view that registration occurs when the completed application is received is supported by the Fifth Circuit and by Nimmer’s copyright treatise.<sup>159</sup> The rationale underlying the Fifth Circuit’s interpretation is policy-based:

<sup>148</sup> See *Bartok v. Boosey & Hawkes, Inc.*, 523 F.2d 941, 949 (2d Cir. 1975) (Van Graafeiland, J., dissenting) (noting that under majority decision, widow and two surviving children will each receive one-third of royalties during renewal).

<sup>149</sup> *La Resolana Architects v. Clay Realtors Angel Fire*, 416 F.3d 1195, 1200–05 (10th Cir. 2005).

<sup>150</sup> *Id.* at 1197.

<sup>151</sup> *Id.* at 1200; 17 U.S.C. § 411(a) (2000).

<sup>152</sup> *La Resolana*, 416 F.3d at 1197.

<sup>153</sup> *Id.*

<sup>154</sup> *Id.*

<sup>155</sup> *Id.* at 1197–98.

<sup>156</sup> *Id.* at 1198. The Tenth Circuit commented that the letter from the Copyright Office “should have been sufficient evidence of registration” but since the District Court had rejected the plaintiff’s “offer of proof,” and the plaintiff did not appeal the evidentiary issue, the Court accepted “the determination that registration had not occurred at the time the court entered its order of dismissal.” *Id.* at 1208.

<sup>157</sup> *Id.* at 1197.

<sup>158</sup> *Id.* at 1202–03.

<sup>159</sup> *Id.* at 1203–05.

“because a copyright owner can sue regardless of whether an application for registration is ultimately granted or rejected, delaying the date on which a copyright owner can sue is a senseless formality.”<sup>160</sup> On the other hand, the Tenth Circuit’s agreement with the “actually approves” rule rests its reasoning on the “plain language” of Title 17 of the United States Code.<sup>161</sup> Even though there is a split in the courts, the best thing to do from a practitioner’s standpoint is to seek expedited registration to make sure that the application has been granted before filing suit, because that will satisfy both the stricter Tenth Circuit test and the more lenient Fifth Circuit test.

### *G. Field v. Google, Inc.*

Google, Inc. has recently been involved in a few interesting copyright cases. The first of these cases is *Field v. Google, Inc.*,<sup>162</sup> from the District of Nevada. The issue in that case was whether the Google search engine infringed Field’s copyright by reproducing and distributing copies of cached versions of his website.<sup>163</sup> Google uses what it calls a “Googlebot” to continuously crawl across the Internet and gather available Web pages to be catalogued into Google’s searchable web index.<sup>164</sup> During this process, a copy of each webpage analyzed is stored in a temporary repository called a “cache.”<sup>165</sup> When a link to the webpage is returned in response to a search query, often an additional link is provided that says “cached.”<sup>166</sup> Clicking on this link will display the archival copy of the webpage stored in Google’s system.<sup>167</sup> It is this storage and retrieval function of the Google site that was disputed in this case.<sup>168</sup>

The plaintiff, Blake A. Field, is an author and attorney in Nevada who filed suit in April 2004 against Google for copying and distributing his copyrighted work.<sup>169</sup> In January 2004, Field created, copyrighted, and published fifty-one works on his own website.<sup>170</sup> He sued Google for \$2,550,000 in statutory damages (\$50,000 for each of fifty-one copyrighted works) and injunctive relief.<sup>171</sup> Specifically, Field argued that his copyrights were infringed by the act of a user clicking on the “Cached” link on the Google website, not when the “Googlebot” made initial copies of the webpages and stored them in the cache.<sup>172</sup>

The foundation for the court’s finding of no infringement was that Google’s activity in the process of a user requesting a webpage by clicking the “Cached” link was passive. The court pointed out that “it is the user, not Google, who creates and downloads a copy of the cached webpage.”<sup>173</sup> The court stated that “automated, non-volitional conduct by Google in response to a user’s request does not constitute direct infringement under the Copyright Act.”<sup>174</sup> This reasoning is a theme that has run through other past copyright decisions. An early case in this line was the *Netcom* case, decided in the Northern District of California in 1995.<sup>175</sup> The court found that the defendant took no affirmative steps to copy the plaintiff’s

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<sup>160</sup> *Id.* at 1204.

<sup>161</sup> *Id.* at 1202, 1205.

<sup>162</sup> *Field v. Google Inc.*, 412 F. Supp. 2d 1106 (D. Nev. 2006).

<sup>163</sup> *Id.* at 1109, 1115.

<sup>164</sup> *Id.* at 1110.

<sup>165</sup> *Id.*

<sup>166</sup> *Id.* at 1111.

<sup>167</sup> *Id.*

<sup>168</sup> *Id.* at 1110.

<sup>169</sup> *Id.*

<sup>170</sup> *Id.* at 1110, 1114.

<sup>171</sup> *Id.* at 1110.

<sup>172</sup> *Id.* at 1115.

<sup>173</sup> *Id.*

<sup>174</sup> *Id.*

<sup>175</sup> *Religious Tech. Ctr. v. Netcom On-Line Commun’ n Servs.*, 907 F.Supp. 1361 (N.D. Ca. 1995).



works, and there was no direct copyright infringement because some element of volitional conduct is necessary for liability.<sup>176</sup> The same rule was also used in the *CoStar* case, decided by the Fourth Circuit in 2004.<sup>177</sup> The court found that the defendant's software was merely a conduit for the copiers, and that its passive storage of the plaintiff's photographs did not constitute copying.<sup>178</sup> The conclusion drawn from this line of cases is that automated, non-volitional conduct does not constitute direct infringement.

In *Field v. Google*, the court also found that Google held an implied license to reproduce and distribute copies of the copyrighted works at issue.<sup>179</sup> There are widely recognized and well publicized industry standard protocols used by website owners to instruct search engines like Google about what preferences the owner has.<sup>180</sup> Each website has an embedded "meta-tag" and "robots.txt" file that the search engine reads while it is visiting the page.<sup>181</sup> Using these features, a website owner can direct a search engine not to display a "Cached" link in search results, or even tell the search engine not to post the website at all in search results.<sup>182</sup> Plaintiff Blake Field was aware of the ability to prevent the "Googlebot" from providing links to his cached website and the ability to prevent the search engine from listing his web page.<sup>183</sup> The court concluded that since Field had this knowledge, but chose not to insert a "no-archive" meta-tag, he was making a conscious decision to permit Google to offer a "Cached" link to his website.<sup>184</sup> Field's implied license to Google to use his website in this manner defeated his own copyright claim.<sup>185</sup> A website owner must proactively opt-out of the reach of search engines if he does not want the site copied. If a website owner fails to opt-out, an implied license has been given to any search engine to list the site and to offer a "Cached" link to it.

The court further stated that "Field has long been aware that Google automatically provides 'Cached' links for pages that are included in its index and search results unless instructed otherwise. Field decided to manufacture a claim for copyright infringement against Google in the hopes of making money from Google's standard practice."<sup>186</sup> Because Google was unaware of Field's true intent, the court concluded that Field was estopped from maintaining an action for copyright infringement against Google.<sup>187</sup>

Finally, the court also concluded, in the alternative, that Google's conduct was a fair use of Field's copyrighted works.<sup>188</sup> In *Kelly v. Arriba Soft*, the Ninth Circuit held that the use of thumbnail images by an internet search engine was not infringement of the plaintiff's copyrighted photographs.<sup>189</sup> The Court specified that the search engine's use of the images was a transformative use that "added a further purpose or different character" to the copyrighted works and did not "supersede the object of the originals."<sup>190</sup> Similarly, Google's use of the cached web pages was deemed to be a transformative use, even though it was a verbatim reproduction of copyrighted material.<sup>191</sup> Field's work was creative, but it had been made available on the internet without charge; and copying the entire web page was necessary to facilitate Google's purpose of providing access to pages, which are otherwise

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<sup>176</sup> *Id.* at 1382.

<sup>177</sup> *CoStar Group, Inc. v. LoopNet, Inc.*, 373 F.3d 544 (4th Cir. 2004).

<sup>178</sup> *Id.* at 555.

<sup>179</sup> *Field*, 412 F. Supp. 2d at 1116.

<sup>180</sup> *Id.* at 1112.

<sup>181</sup> *Id.*

<sup>182</sup> *Id.* at 1113.

<sup>183</sup> *Id.*

<sup>184</sup> *Id.* at 1116.

<sup>185</sup> *Id.*

<sup>186</sup> *Id.* at 1113.

<sup>187</sup> *Id.* at 1116-17.

<sup>188</sup> *Id.* at 1117-23; see 17 U.S.C § 107.

<sup>189</sup> *Kelly v. Arriba Soft Corp.*, 336 F.3d 811, 815 (9th Cir. 2003).

<sup>190</sup> *Id.* at 818.

<sup>191</sup> *Field*, 412 F. Supp. 2d at 1119-20.

unavailable, and to provide an archival or comparative function.<sup>192</sup> Google's use of cached links was in good faith and had no effect on the market, so it was considered a fair use and not copyright infringement.<sup>193</sup>

#### *H. Perfect 10 v. Google, Inc.*

*Perfect 10 v. Google, Inc.*,<sup>194</sup> also involves Google, but it involves Google's image search engine. Perfect 10 publishes an adult magazine that has a subscription-only website displaying photographs of nude models.<sup>195</sup> Perfect 10's website was infringed by a third party, who copied a photograph of a popular model, Vibe Sorenson, and put it up on his infringing website.<sup>196</sup>

Google has an image search engine, that, when searched, displays a page containing multiple "thumbnails," or lower resolution, smaller versions of the images.<sup>197</sup> These images, from all over the Internet, are indexed by Google's "web crawler" in an automated process, in which Google scans websites, then stores and sorts the content of each site into a cache.<sup>198</sup> The thumbnail images are stored on Google's server; however, the full-scale images are not.<sup>199</sup> Instead, Google stores a link to the third-party website where the full-size image is stored.<sup>200</sup> The link to the third party site is an "in-line link," and it causes the full-size image to be displayed on Google's web page when one clicks on the thumbnail.<sup>201</sup> In *Perfect 10*, Google's search engine scanned the third-party website and produced a thumbnail of the infringed image of the model, which it placed into Google's image cache.<sup>202</sup>

The first issue considered in the case was whether the display of the full sized image by Google, through the use of an in-line link, was an unlawful "public display" within the meaning of the Copyright Act.<sup>203</sup> The court stated that two tests were available: 1) a server test, and 2) an incorporation test.<sup>204</sup> Under the server test, "display" is the act of sending the digital bits of information, the ones and zeros, to a user's computer.<sup>205</sup> In *Perfect 10*, if the server test was used, only the third-party website would be a direct infringer. This is because Google's image cache only stores a link to the third-party website, and the third-party website sends the ones and zeros to the user's computer. Therefore, only the third party site "displays" the image.

Under the incorporation test, "display" is the act of incorporating content into the web page by using an in-line link, whereby the in-line link causes the content to be pulled up by the browser.<sup>206</sup> Google uses an in-line link. Through this link, Google directs users to third-party infringing websites to read the digital bits and place them on the computer screen. Therefore, under the incorporation test, Google would be liable for direct infringement.

<sup>192</sup> *Id.* at 1120–21.

<sup>193</sup> *Id.* at 1121–23.

<sup>194</sup> *Perfect 10 v. Google, Inc.*, 416 F. Supp. 2d 828 (C.D. Cal. 2006).

<sup>195</sup> *Id.* at 832.

<sup>196</sup> *Id.* at 834.

<sup>197</sup> *Id.* at 832–33 & n.4.

<sup>198</sup> *Id.* at 833.

<sup>199</sup> *Id.* at 833–34.

<sup>200</sup> *Id.*

<sup>201</sup> *Id.* at 838 ("In-line link" refers to the process whereby a webpage can incorporate by reference (and arguably cause to be displayed) content stored on another website.").

<sup>202</sup> *Id.* at 834.

<sup>203</sup> *Id.* at 838. "To establish direct copyright infringement, a plaintiff must prove two elements: (1) ownership of a valid copyright, and (2) violation of one of the exclusive rights granted under copyright." *Id.* The Copyright Act defines six exclusive rights of copyright holder, including the right "to display the copyrighted work publicly." 17 U.S.C. § 106(5) (2005).

<sup>204</sup> *Perfect 10*, 416 F. Supp. 2d at 838.

<sup>205</sup> *Id.* at 839.

<sup>206</sup> *Id.* at 839–40.

The court in *Perfect 10* adopted the server test for direct infringement and held that Google, by using the in-line link, did not directly infringe the copyright.<sup>207</sup> It held that this test was easy to apply, and that it placed primary responsibility for the infringement upon the party most responsible for it, the third-party infringer.<sup>208</sup> The court noted, however, that under its holding, Google is only free from liability unless and until Google learns that it is infringing. Once Google has been put on notice of infringement, it could be found contributorily liable for maintaining the link<sup>209</sup> and for failing to disable access to it under the Section 512 notice-and-take-down provisions.<sup>210</sup>

The second issue the court considered was whether production and display of the thumbnail was infringement.<sup>211</sup> The court again applied the server test, but this time the result favored Perfect 10.<sup>212</sup> In *Kelly v. Arriba Soft Corp.*, a Ninth Circuit case in 2003, the reproduction and display of thumbnail versions of Kelly's images by an image search engine was held to be a fair use.<sup>213</sup> That situation is distinguishable from *Perfect 10*, however, because Kelly had put his own photographs on his own website, and therefore had a weaker claim for relief. Here, Perfect 10 has its own website, but it is a subscription-only website that is not searchable; the infringing image came from an infringing third-party website.

In response to the infringement claims lodged by Perfect 10, Google asserted the fair-use defense.<sup>214</sup> In deciding if fair use was applicable, the court focused on the first factor, the purpose and character of the use, and on the fourth factor, the effect of the use on the potential market for the copyrighted work.<sup>215</sup> The court distinguished *Kelly* in part because Google sponsors ads that appear on third-party websites.<sup>216</sup> The court reasoned that Google might receive revenue from people who are infringing on third-party websites, because Google sponsors ads on those websites.<sup>217</sup> Furthermore, the thumbnail of the infringed image competes with authorized thumbnails sold by Perfect 10, because Perfect 10 actually sells thumbnail versions of its nude photographs to put on cell phones.<sup>218</sup> Because Perfect 10 actually sells thumbnails and Google provided them for free, the court held that Google was an infringer.<sup>219</sup>

When one looks at this decision in light of the court's holding on the website issue, the result is counterintuitive. The Court held that the thumbnail was infringing, but that the full-sized image was not. It seems that it would be more reasonable to consider the thumbnail to be a fair use. The full-sized image might or might not be infringing, but it is clearly worse for the copyright owner than the thumbnail.

### *I. Bill Graham Archives, LLC v. Dorling Kindersley Ltd.*

Finally, the Second Circuit recently affirmed *Bill Graham Archives v. Dorling Kindersley Ltd.*,<sup>220</sup> holding that the unauthorized use of Grateful Dead concert posters in a biographical book was permissible as a fair use under 17 U.S.C. § 107. Bill Graham was a

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<sup>207</sup> *Id.* at 843.

<sup>208</sup> *Id.* at 844.

<sup>209</sup> *Id.*

<sup>210</sup> See 17 U.S.C. § 512(c)(1)(C), (c)(3). The notice-and-take-down provisions apply to caching and linking as well as hosting infringing material. See 17 U.S.C. § 512(b)(2)(E), (d)(3).

<sup>211</sup> *Perfect 10*, 416 F. Supp. 2d at 844.

<sup>212</sup> *Id.*

<sup>213</sup> See *Kelly v. Arriba Soft Corp.*, 336 F.3d 811, 822 (9th Cir. 2003).

<sup>214</sup> *Perfect 10*, 416 F. Supp. 2d at 845. 17 U.S.C. § 107 (2000).

<sup>215</sup> *Id.* at 845-49, 850-51.

<sup>216</sup> *Id.* at 842.

<sup>217</sup> *Id.* at 846-47.

<sup>218</sup> *Id.* at 851.

<sup>219</sup> *Id.*

<sup>220</sup> *Bill Graham Archives v. Dorling Kindersley Ltd.*, 448 F.3d 605 (2006).

famous concert promoter in the San Francisco Bay Area who commissioned numerous Grateful Dead concert posters, the copyrights of which are currently held by Bill Graham Archives (“BGA”).<sup>221</sup> In 2003, Dorling Kindersley (“DK”) published *Grateful Dead: The Illustrated Trip*, which is a cultural history of the Grateful Dead, containing a chronological timeline detailed with images and explanatory text.<sup>222</sup> Initially, DK asked for permission to use several of BGA’s Grateful Dead concert posters in the book.<sup>223</sup> However, the parties were unable to agree on an appropriate licensing fee, and when DK published the images anyway without permission, BGA filed suit for copyright infringement.<sup>224</sup>

Section 107 directs courts to consider four factors in determining whether a particular use is fair: “(1) the purpose and character of the use; (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.”<sup>225</sup>

The first factor, the purpose and character of the use, focuses on the transformative nature of the work.<sup>226</sup> In other words, does the “new work merely supersede the objects of the original creation, or [does it add] something new, with a further purpose or different character, altering the first with new expression, meaning, or message.”<sup>227</sup> The court reasoned that DK’s use of each image was transformative, because the purpose for the use of the images was different from the original purpose.<sup>228</sup> The original images created by BGA were for artistic expression and promotion of the Grateful Dead, whereas the defendant created a biography and used the images both to illustrate the text and as historical artifacts to record the Grateful Dead’s journey.<sup>229</sup> Moreover, the style in which the posters were presented further transformed the original.<sup>230</sup> The size was significantly reduced, and the expressive value was diminished due to the addition of text, a timeline and other images.<sup>231</sup> Finally, despite the commercial nature of the book, the court held that DK did not seek to profit from exploitation of the images as such for commercial gain.<sup>232</sup>

With regard to the second factor, the nature of the copyrighted work, BGA agreed with the district court that the second factor weighed in BGA’s favor because the images are creative artworks, but BGA contested the limited weight the district court afforded this factor.<sup>233</sup> The Second Circuit, however, agreed that the second factor was of limited

<sup>221</sup> *Id.* at 607, 609; see generally Wikipedia, Bill Graham (promoter), at [http://en.wikipedia.org/wiki/Bill\\_Graham\\_\(promoter\)](http://en.wikipedia.org/wiki/Bill_Graham_(promoter)) (last visited Dec. 6, 2006). Licensed reproductions of concert posters from the Bill Graham Archives can now be purchased at Wolfgang’s Vault, <http://www.wolfgangsvault.com> (last visited Dec. 6, 2006).

<sup>222</sup> *Bill Graham Archives*, 448 F.3d at 607.

<sup>223</sup> *Id.*

<sup>224</sup> *Id.* at 607. BGA originally sought permission to make CDs and DVDs from concert footage in BGA’s archives in exchange for the use of the concert posters. *Id.* When this failed, BGA offered to license the posters for \$2,500 each, which was refused. *Bill Graham Archives v. Dorling Kindersley Ltd.*, 386 F. Supp. 2d 324, 326 (2005).

<sup>225</sup> *Bill Graham Archives*, 448 F.3d at 608.

<sup>226</sup> *Id.*

<sup>227</sup> *Id.* (quoting *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 579 (1994)).

<sup>228</sup> *Id.* at 609.

<sup>229</sup> *Id.* at 609–10. The Court also recognized that DK’s book is a biography, and noted that courts generally allow biographies fair use protection in using copyrighted material, as they are “forms of historic scholarship, criticism, and comment that require incorporation of original source material for optimum treatment of their subjects.” *Id.* at 609; see also 17 U.S.C. § 107 (listing comment, criticism, and scholarship as among the illustrative purposes that may qualify as fair use).

<sup>230</sup> *Bill Graham Archives*, 448 F.3d at 611.

<sup>231</sup> *Id.* The thumbnail images account for less than one-fifth of one percent of the book. *Id.* They appear only on seven pages of the 480 page long book. *Id.* Furthermore, the largest reproduction is less than one-twentieth the size of the original. *Id.*

<sup>232</sup> *Id.* at 612.

<sup>233</sup> *Id.*

usefulness, due to the transformative nature of the reproduction.<sup>234</sup> Because DK emphasized the historical value of the images rather than their creative value, the district court properly limited the weight of the second factor.<sup>235</sup>

The third factor, the amount and substantiality of the portion used, also weighed in favor of DK.<sup>236</sup> When analyzing this factor, it is necessary to examine the quantitative and qualitative aspects of the reproduction.<sup>237</sup> Additionally, the extent of copying allowable under fair use depends on the purpose and character of the use. Even though DK reproduced the images in their entirety, the extent of this reproduction was minimized by the reduced size and was tailored to achieve the transformative purpose.<sup>238</sup> Therefore, the Second Circuit held, that the amount and substantiality of the reproduction did not weigh against fair use.<sup>239</sup>

Finally, in considering possible harm to the market, it is necessary to balance the benefit to the public against the personal gain of the copyright holder.<sup>240</sup> The parties agreed that the use of the concert posters in the biography did not have an adverse effect on the primary market, which was the sale of reproductions of the posters.<sup>241</sup> However, BGA alleged that DK's use impeded the market for licensing BGA images in books, which BGA claimed is a derivative market.<sup>242</sup> The court, however, limited consideration of lost potential licensing proceeds to "traditional, reasonable, or likely to be developed markets."<sup>243</sup> The court rejected BGA's argument that the fact that it had licensed reproductions to other publishers demonstrated the existence of a traditional licensing market, noting that those uses were substantially less transformative.<sup>244</sup> Instead, the court held that a copyright holder cannot prevent fair use of its work by creating a licensing market for fair-use reproductions, and that a publisher's initial willingness to pay a licensing fee does not result in the forfeiture of fair-use rights.<sup>245</sup> Therefore, even though BGA could have licensed these concert posters, the reproduction still qualified as fair use.

After analyzing these four factors, the Second Circuit affirmed the district court's decision to grant summary judgment in favor of DK. The transformative nature of DK's use of the concert posters was the primary reason that the reproduction was determined to be a fair use. This decision represents a significant departure from the Second Circuit's previous position that any use that substitutes for a potentially licensed use generally will not be deemed to be fair. It remains to be seen, however, whether the court can draw a principled line between those uses which require a licensing fee to be paid and those which will be deemed to be fair despite the non-payment of a licensing fee.

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<sup>234</sup> *Id.* The Second Circuit distinguished the present case from *Ringgold v. Black Entertainment Television, Inc.*, 126 F.3d 70 (2d Cir. 1997), in which the reproduction was used for the same purpose as the original. *Id.*

<sup>235</sup> *Id.* at 612–13.

<sup>236</sup> *Id.* at 613.

<sup>237</sup> *Id.*

<sup>238</sup> *Id.*

<sup>239</sup> *Id.*

<sup>240</sup> *Id.*

<sup>241</sup> *Id.* at 614.

<sup>242</sup> *Id.*

<sup>243</sup> *Id.*

<sup>244</sup> *Id.*

<sup>245</sup> *Id.*