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FROM THE STATUTE OF ANNE TO Z.Z. TOP: THE STRANGE WORLD OF AMERICAN SOUND RECORDINGS, HOW IT CAME ABOUT, AND WHY IT WILL NEVER GO AWAY

BRUCE D. EPPERSON

ABSTRACT

Uniquely among all industrialized nations, the United States extended no copyright protection to sound recordings until 1972. The individual aural representation captured for playback could only be protected by the common or statutory laws of individual states. This feature was carried forward into the comprehensive revision of the Copyright Act implemented on January 1, 1978. Although the Copyright Act contained a sweeping provision that brought works created prior to the legislation under federal protection, pre-1972 sound recordings were specifically exempted. The extent to which this lack of status has created a legal and environmental void is best demonstrated by a series of cases litigated in New York from 2003 to 2006, known colloquially as the *Capitol v. Naxos* cases. They involved a series of classical music recordings made in England in the 1930s and reissued in 1999, over a decade after their United Kingdom copyright had expired. The critical New York state court case—*Capitol v. Naxos IV*—strongly implied that states have a fundamental power of copyright covering those things defined in the Constitution as writings, but which do not fall under federal copyright. Moreover, federal copyright does not extinguish such state powers, but instead merely preempts them for the duration of federal protection, at which point state copyright reverts—in perpetuity.

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BRUCE D. EPPERSON*

I. INTRODUCTION

Uniquely among all industrialized nations, the United States extended no copyright protection to sound recordings until February 15, 1972. Between the adoption of the Copyright Act of 1909¹ and the 1971 Sound Recording Act Amendments,² only musical compositions submitted to the Register of Copyrights in the form of sheet music were protected by federal copyright.³ The individual aural representation captured for playback on a cylinder, disc, or tape could only be protected by the common or statutory laws of the individual states. The 1971 Sound Recording Act Amendments specified that only future sound recordings were subject to federal protection.⁴ This feature was carried forward into the comprehensive revision of the Copyright Act enacted in 1976 and implemented on January 1, 1978.⁵ Although Section 302 of the Copyright Act contained a sweeping provision that brought works created prior to the 1976 legislation under federal protection, pre-1972 sound recordings were specifically exempted by Section 301(c).⁶

In the 1990s, federal courts in California and Tennessee, relying on language that was admittedly vague, held that commercially issued pre-1972 sound recordings were “published.” However, because the Register of Copyright had not issued a notice protocol (instructions on how the “circle-C” or “circle-P” symbol should be displayed on the label) until after February 1972, it was impossible for these records

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¹ Copyright Act of 1909, Pub. L. No. 60-349, 35 Stat. 1075 (1909).

² Sound Recordings, limited copyright, Pub. L. No. 92-140, 85 Stat. 391 (1971).

³ 37 Fed. Reg. 3055 (Feb. 11, 1972) (proposed amendments to 37 C.F.R. §§ 202.8 and 202.15a regarding permissible registration of musical compositions and sound recordings).

⁴ Sound Recordings, limited copyright, Pub. L. 92-140, 85 Stat. 391 § 3 (1971) (“The provisions of title 17, United State Code, as amended by section 1 of this Act, shall apply only to sound recordings fixed, published, and copyrighted on and after the effective date of this Act and before January 1, 1975 and nothing in title 17, United States Code, as amended by section one of this Act, shall be applied retroactively or be construed as affecting in any way any rights with respect to sound recordings fixed before the effective date of this Act.”).

⁵ The Copyright Act of 1976, Pub. L. No. 94-553, 90 Stat. 2544 (1976).

⁶ 17 U.S.C. § 303 (after 1997, 17 U.S.C. § 303(a), *see* Pub. L. 105-80, § 11, 111 Stat. 1534 (1997)); 17 U.S.C. § 301(c) (2000).

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to be published without being simultaneously divested into the public domain.⁷ The Register of Copyright had not prepared a copyright notice protocol because sound recordings were not capable of being copyrighted at that time.⁸ Congress quickly added new language to Section 303 making clear its intent that pre-1972 sound recordings were neither federally copyrightable nor legally capable of publication, further muddying their legal status.⁹

The extent to which the status, or to be more accurate, the lack of status, of pre-1972 phonorecords¹⁰ has created a legal and environmental void is best demonstrated by a series of cases litigated in New York from 2003 to 2006, known colloquially as the *Capitol v. Naxos* cases. They involved a series of classical music recordings made in London in the 1930s by the Gramophone Company, Ltd. They were reissued worldwide by Naxos starting in 1999. The last United Kingdom copyright on these recordings expired in 1986. Despite this, Capitol Records, who asserted worldwide rights as a licensee to EMI, successor to the Gramophone Company, sued Naxos for copyright infringement.¹¹

The District Court for the Southern District of New York initially determined that no issue of federal copyright was involved and that no tort had been committed under New York state law, based primarily on the expiration of the United Kingdom copyrights, and granted summary judgment in favor of Naxos.¹² Capitol appealed to the Second Circuit Court of Appeals, which found that Capitol held a state-based, common law copyright in the recordings, and certified the case to the New York Court of Appeals to answer three questions pertaining to New York state law. The central question was “[d]oes the expiration of the term of copyright in [England] terminate a common-law copyright in New York?”¹³

⁷ 37 Fed. Reg. 3055 (Feb. 11, 1972) (Amendments to 37 C.F.R. § 202.2 “Copyright Notice Requirements”).

⁸ *La Cienega Music Co. v. ZZ Top*, 53 F.3d 950 (9th Cir. 1995); *Mayhew v. Gusto Records, Inc.*, 960 F. Supp. 1302 (M.D. Tenn. 1997).

⁹ 17 U.S.C. § 303(b) (2000); Pub. L. No. 105-80, 111 Stat. 1529, § 11 (1997); *Hearings on H. R. 1861, Satellite Home Viewer Act of 1994*, 90th Cong. 1st Sess. (Nov. 9, 1995) (comments of Marybeth Peters, Register of Copyrights); 143 Fed. Reg. S11301 (Oct. 28, 1997) (comments of Senator Hatch).

¹⁰ “Phonorecords” are physical objects in which sounds are fixed. 17 U.S.C. § 102 (2010) (Historical and Revision Notes). Phonorecords include cylinders, 78s, LPs, open-reel tapes, cassette tapes, 8-track tapes, CDs, DVDs or any other tangible medium. They do not include digital downloads, streaming, or any other intangible medium. Mark A. Bailey, *Phonorecords and Forfeiture of Common-Law Copyright in Music*, 71 Wash. L. R. 151, 152-53, n. 13 (1996). “Sound recordings” are original works of authorship comprising an aggregate of musical, spoken words or other sounds that have been fixed in tangible form. 17 U.S.C. § 102 (2010) (Historical and Revision Notes). On its own initiative, the Copyright Office has created the term “song,” a unitary musical work analogous to a unitary “musical work” in § 102(a)(2) of the Copyright Act after 1976 to distinguish between the rights in copyright accorded to unitary musical works and sound recordings in § 106(4)-(6) of the Copyright Act. See Copyright Office Circular 56 (*Copyright Registration for Sound Recordings* (2014)) and Circular 56a (*Copyright Registration of Musical Compositions and Sound Recordings* (2012)), available at <http://copyright.gov/circs/>.

¹¹ *Capitol Records, Inc. v. Naxos of America, Inc.* (*Capitol v. Naxos I*), 262 F. Supp. 2d 204 (S.D.N.Y. 2003).

¹² *Id.*

¹³ *Capitol Records, Inc. v. Naxos of America, Inc.* (*Capitol v. Naxos III*), 372 F. 3d 471, 484 (2d Cir. 2004).

Judge Victoria Graffeo returned a complex opinion that clearly replied to the Circuit Court's query in the negative.¹⁴ She also expanded the scope of the Circuit Court's inquiry by examining at length the threshold question of whether the tort of common-law copyright infringement existed in New York state.¹⁵ Although Klaus Heymann, president and CEO of Naxos International,¹⁶ the Hong Kong based firm that owned Naxos of America, subsequently entered into a consent decree with Capitol agreeing to withdraw most of Naxos's historical reissue series in the United States,¹⁷ it is unclear if Judge Graffeo's opinion actually reached the conclusion that Naxos met all the elements necessary to comprise an action for copyright infringement in New York.¹⁸

Many lawyers who have read the *Capitol v. Naxos IV* case have accused Judge Graffeo of bad faith because she relied on precedent that veered back-and-forth between cases that dealt with musical compositions, which have been copyrightable since 1831, and sound recordings—the aural material contained on a single record or tape—which have only been copyright-eligible since February 15, 1972. They correctly point out that the chain of legal precedent is entirely different in each type of case. They maintain that the two cannot be woven together to form a single united argument. I will go into the background of many of these cases, which extend from Fred Waring and His Orchestra to Z.Z. Top, to show that there is a consistency—but only if Judge Graffeo was making an argument for something very different from that of the plain language of her decision.

II.

Printing was introduced to England about 1471 by William Caxton.¹⁹ In 1557, the Stationer's Company received a royal charter from Queen Mary. The Company essentially acted as a guild, performing two functions. First, it policed its members on behalf of the crown, blocking seditious or blasphemous material. Second, it upheld the interests of its members by limiting book publishing to its membership and rationalizing their output by preventing the inadvertent duplication of texts.²⁰ It did this through a process called *registration*. After receiving a license (usually from a chaplain to the Archbishop of Canterbury), a member-printer submitted one copy of the book's manuscript to be registered with the Company. In the event two similar works appeared on the market, the one with the earlier registration was presumed to be the true edition until proven otherwise. The procedure was intended to protect

¹⁴ *Capitol Records, Inc. v. Naxos of America, Inc. (Capitol v. Naxos IV)*, 830 N.E. 2d. 250 (N.Y. 2005).

¹⁵ “[W]e conclude that New York provides common-law copyright protection to sound recordings not covered by the federal Copyright Act.” *Id.* at 265.

¹⁶ “Naxos International” is a service mark; the actual name of the international holding company is hnh, Ltd. See SOAMES, *infra* note 17.

¹⁷ NICHOLAS SOAMES, *THE STORY OF NAXOS: THE EXTRAORDINARY STORY OF THE INDEPENDENT RECORD LABEL THAT CHANGED CLASSICAL RECORDING FOREVER*, 117-119 (Piatkus Press, 2012).

¹⁸ *Id.* at 266. This will be discussed in detail later.

¹⁹ WARREN CHAPPEL, *A SHORT HISTORY OF THE PRINTED WORD* 73-74 (Nonpareil Books, 1970).

²⁰ ADRIAN JOHNS, *PIRACY: THE INTELLECTUAL PROPERTY WARS FROM GUTENBERG TO GATES*, 23-29 (University of Chicago Press, 2009).

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printers, not authors who had few, if any rights. This system was formalized by Parliament in the Press Act of 1662.²¹

But the Press Act fell victim to the turmoil of the English civil war and subsequent restoration. William and Mary allowed it to lapse in 1695. It was replaced with the Statute of Anne of 1709,²² which established a government-granted copyright of 14 years to the publisher, with a reversion to the author for another fourteen years. Previously published works received a single 21-year term.²³ Unlike the registration system at the Stationer's Company, government copyright extended only to published works. To receive protection, the applicant had to submit a printed copy of the work along with the copyright application. Almost immediately, two questions arose. "What was the status of a book before it was published?" "What was its status after the government copyright lapsed?"

In a 1769 case, *Millar v. Taylor*, the Court of King's Bench unanimously determined that a book or other literary work belongs to the author through the common law, and thus for another to plagiarize it before publication was a wrongful act for which the author could seek redress. Three of the four judges held that the author continued to hold a literary property in his work even after the end of the term specified in the Statute of Anne, but each judge rested this part of his decision on such diverse grounds that it was hard to tell what law had been established.²⁴

The situation wasn't rectified until February 4, 1774, when twelve members of the House of Lords, sitting as an advisory chamber to the full House of Lords, itself acting as a final court of appeals, heard *Donaldson v. Beckett*.²⁵ Lord Chancellor Apsley posed the issues of law in the form of three questions. The first asked if an author had a sole and enforceable first right to publish and print his work under the common-law. Yes, 8–3.²⁶ The second asked if, assuming there was no statutory copyright, would publication by itself divest the author of this common-law copyright? No, 7–4. The third question was the decider: do the copyright protections provided under the Statute of Anne cut off these common-law copyrights, limiting the author's remedies to those contained in the statute? Yes, 6–5.²⁷

In essence, the Lords determined that statutory copyright was not something added atop common-law copyright, like frosting on a cupcake; instead, it cut off and replaced common-law copyright. When statutory copyright ended, either because of the expiration of term or because the applicant failed to follow proper registration or

²¹ *Id.* at 25.

²² 8 Anne. Ch. 19.

²³ *Capitol Records v. Naxos IV*, 830 N.E. 2d. at 254.

²⁴ *Millar v. Taylor*, 4 Burr. 2303 [KB 1769]. "[F]our judges, in giving their opinions, seriatim, exhausted the argument on both sides. Two of the judges, and Lord Mansfield, held that, by the common law, an author had a literary property in his works; and they sustained their opinion with very great ability." *Wheaton and Donaldson v. Peters and Grigg*, 33 U.S. 591, 654 (1834) (Justice M'Lean).

²⁵ *Donaldson v. Beckett*, 4 Burr. 2408 (1774).

²⁶ Some accounts say 10–1. *Wheaton and Donaldson*, 33 U.S. at 678 (Justice Thompson, dissenting).

²⁷ JOHNS, *supra* note 20, at 136–37. The clerk recorded the vote as 6–5 against, but from the context of the vote and subsequent dispensation to the full House of Lords, it is apparent that the vote was 6–5 in favor. Lord Mansfield abstained (and remained silent) on all three votes because he was the presiding judge at the lower court. Had Mansfield voted, Johns believes the vote on the third question would have been 7–5. *Id.* at 137.

renewal procedures, the literary work fell into the public domain, and in the words of one of the *Miller v. Taylor* judges, “is virtually and necessarily a gift to the public.”²⁸ Overlooked (because under the circumstances, it was superfluous) was the second question: where no statutory copyright existed, the act of publication was insufficient, in itself, to revoke common-law copyright and throw a work into the public domain.

After the failure of the Articles of Confederation, the United States commenced operations under its new Constitution in April, 1789. Article 1, §8, cl. 8 of the Constitution authorized congress “[t]o promote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries.” This did not specify a “copyright,” merely a “right,” but it is clear that the drafters were thinking in terms of an English-style copyright. In *Federalist No. 43*, James Madison, in explaining the clause, stated that

[t]he utility of it will scarcely be questioned. The copyright of authors has been solemnly adjudged, in Great Britain, to be a right of common law. The right to useful inventions seems with equal reason to belong to the inventors. The public good fully coincides in both cases with the claims of individuals.

In *Federalist No. 43*, Madison also gave the paragraph its name: The Progress Clause.²⁹

One of the first acts of the new Congress in 1790 was to enact a copyright law.³⁰ Printed works were eligible for a British-style, 14/14-year term. However, in keeping with the requirements of the Progress Clause, the rights in both the initial and renewal terms vested in the author, not the publisher. An applicant had to register the title of the work, issue a newspaper notice within two months of publication, and deposit a copy of the printed work within six months. An American rerun of *Donaldson v. Beckett* ensued in 1834 in *Wheaton v. Peters*.³¹ A publisher forgot to fulfill some of the formalities of the copyright act³² and had some of his books pirated. Acknowledging that he had forgotten to fulfill all the requirements, the publisher pled that he should nevertheless be entitled to some kind of common-law copyright. With no homegrown law yet to follow, a majority of the Supreme Court used *Donaldson*, interpreting it to mean that once a government copyright scheme has been put in place, it is the only copyright law that remains, and the common-law copyright is cut off.³³

²⁸ *Wheaton and Donaldson v. Peters and Grigg*, 33 U.S. 591, 676 (Justice Thompson, dissenting) (quoting *Millar v. Taylor*, 4 Burr 2303 [KB 1769] (J. Yeates, dissenting)).

²⁹ *The Federalist, A Commentary on the Constitution of the United States*, 278-279 (Modern Library, 1937).

³⁰ Act for the Encouragement of Learning, May 31, 1790, 1 Stat. 124.

³¹ *Wheaton v. Peters*, 33 U.S. 591 (1834).

³² These formalities were added by amendments legislated in 1802. *Id.* at 663.

³³ “That Congress, in passing the Act of 1790, did not legislate in reference to existing rights, appears clear from the provision that the author, etc., ‘shall have the sole right and liberty of printing,’ etc. Now if this exclusive right existed at common law, and Congress were about to adopt legislative provisions for its protection, would they have used this language? Could they have deemed it necessary to vest a right already vested?” *Id.* at 661.

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But Justice Thompson, in a dissent, argued that in their vote in *Donaldson v. Beckett*, the House of Lords had meant only that a specific statute, the 1709 Statute of Anne, cut off a specific common law, i.e. that in effect in England in 1709. The Statute of Anne never applied to either the colonial predecessor of Pennsylvania, which was governed by colonial rules, or the current Commonwealth, governed by state law, followed by the Constitution of 1787–89. Therefore, while there may not be perpetuity of common-law copyright under United States *federal* law after publication, this need not apply to Pennsylvania.³⁴

The “cupcake” idea was back, only in a new, federalized form. Justice Thompson outlined an alternative vision of copyright, one in which state-law powers formed the bedrock of an all-embracing, perpetual copyright regime, with federal statutory copyright a thin frosting slathered on top. After a few years, the federal copyright may melt away, but the state-law copyright always remains. Thompson’s argument didn’t carry the day in 1834, but a hundred and seventy years later it became one of the cornerstones of Judge Graffeo’s opinion in *Capitol Records v. Naxos IV*.

Starting with the Copyright Act of 1831, one could copyright a musical composition—but only as sheet music.³⁵ This created a gap between patent and copyright law. Patent law protected a new and unique mechanical device such as a gramophone, but didn’t address the songs it played. Copyright law, on the other hand, may have protected the composer’s rights to the written scores of the songs the gramophone played, but it didn’t cover its mechanical parts. Some argued that the cylinder the gramophone played was a mechanical part; others, that it was a copy of the sheet music; still others that it was a performance of the composition, just like a stage play was a performance of the written script.³⁶

The 1831 Act required that sheet music, like books and play scripts, be published as a precondition to copyright.³⁷ This requirement was called *investiture*. Until published, any work was the exclusive property of its author under the common law. “In that state,” a judge explained in 1872 in *Palmer v. DeWitt*, “the manuscript is, in every sense, his peculiar property, and no man can take it from him without

³⁴ See *Id.* at 690, 697, 698 (“Whatever effect and operation the statute of Anne may have been deemed to have had upon the common law in England, that statute never having been in force in Pennsylvania, the common law right remains unaffected by it. . . . The language of the statute of Anne, which is considered as vesting the right, is the same as in the act of Congress. . . . And there is no more reason for contending that the remedy given by the statute [i.e. by statutory law] supersedes the common law remedy under the act of Congress than under the Statute of Anne.”).

³⁵ *Act to Amend Several Acts Respecting Copyrights of February 3, 1831*, Ch. 16, 4 Stat. II, 436.

³⁶ “I cannot convince myself that these perforated strips of paper [piano rolls] are copies of sheet music within the meaning of the copyright law. They are not meant to be addressed to the eye as sheet music, but they form part of a machine. . . . They are a mechanical invention made for the sole purpose of performing tunes mechanically upon a musical instrument.” *White-Smith Music Publishing Co. v. Apollo Co.*, 209 U.S. 1, 28 Sup. Ct. 319, 321 (1908) (quoting *Kennedy v. McTammany*, 33 Fed. 584 (1888) (J. Colt)).

³⁷ “That no person shall be entitled to the benefit of this act, unless he shall, before publication, deposit a printed copy of the title of such book, or books, map, chart, musical composition, print, cut, or engraving in the clerk’s office of the district court . . . and the author or proprietor of [same] shall, within three months from the publication of [same] deliver or cause to be delivered a copy of the same to the clerk of said district.” *Act to Amend Several Acts Respecting Copyrights of February 3, 1831*, 4 Stat. II, Ch. 16, (21st Cong.) §4, at 437. Also, under § 5 of the 1831 Act, copyright notice had to appear on every copy “of each and every edition published” as a precondition of statutory federal copyright.

being guilty of a violation of his property.”³⁸ This was based on old English law. One could not, by definition, commit sedition, blasphemy or libel unless the offensive writing was published, so the power to refuse publication—to keep one’s written thoughts private—was a powerful civil right of self-protection. But “once published it is dedicated to the public, and the author has not, at common law, any exclusive right to multiply copies of it or to control the subsequent issues of copies by others. The right . . . is the creature of a statute.”³⁹

If a composer invested his or her score and followed all the necessary copyrighting formalities, it became federally protected with the specifics spelled out in the Copyright Act. But if the score was published without securing federal copyright, it was released into the public domain. This was known as *divestiture*.⁴⁰

Stage plays presented an early problem. In developing a new play, playwrights frequently started from rough notes, then drilled the actors on their lines. Depending on what met with audience approval, they re-wrote the play before settling on a final version, which was then printed and sold like sheet music between acts. Rival impresarios paid teams of actors to sit in the audience and memorize a single scene, then immediately leave and transcribe what they heard. The rival assembled their efforts, edited it, and either produced his own play or printed a pirated version. When sued, the rival claimed that the original production published the play, resulting in divestiture. The courts were of two minds. Some said performance amounted to a “limited publication,” and while rivals could use copies to stage their own performances, they could not sell printed editions. Other courts said performance was flatly not publication, and copying for either stage or sale was an infringement.

The idea of “limited publication” was first advocated by Massachusetts courts. Laura Keen was producing a play called *Our American Cousin*, which she purchased from Tom Taylor of London.⁴¹ Moses Kimball poached it and staged his own version at a place called the Boston Museum. Keen sought an injunction to shut down Kimball’s production. The Massachusetts Supreme Court held in 1860 in *Keene v. Kimball* that it was legal for Kimball to use a team of actors to memorize parts of Keen’s production, then transcribe, compile and stage his own version.⁴² The court declined to comment on whether Keen could or could not prohibit transcription within her premises.⁴³ In an incredibly prescient bit of dicta, the court also noted “we do not intend in this decision to intimate that there is any right to report, phonographically or otherwise, a lecture or other written discourse.”⁴⁴

In 1872, the New York Superior Court faced a somewhat different situation. In this case, the second-comer wasn’t interested in staging a rival performance, but in

³⁸ *Palmer v. DeWitt*, 47 N.Y. 532, 537 (1872).

³⁹ *Id.* at 536.

⁴⁰ *Jewelers’ Merchandise Agency v. Jewelers’ Publishing Co.*, 155 N.Y. 241, 247 (N.Y. 1898).

⁴¹ A comedy, most famous as the play Abraham Lincoln was watching at Ford’s Theatre the night he was assassinated.

⁴² *Keene v. Kimball*, 82 Mass. 545 (1860).

⁴³ *See Id.* at 551 (“The counsel for the plaintiff, in their argument, have laid much stress upon the allegation that the defendant has availed himself of a surreptitious copy in the bill, and no such fact is admitted by the demurrer.”) The implication was that this matter should be decided by the legislature.

⁴⁴ *Id.* at 551-52.

publishing a printed copy of the play. It determined that “the right publicly to represent a dramatic composition for profit, and the right to print and publish the same composition to the exclusion of others, are entirely distinct.”⁴⁵ Here, the presentation of a stage play was not publication, or to be precise, was a publication so limited in scope as to not result in the divestiture of the author’s pre-publication, common-law copyrights.⁴⁶ After *Keene*, the cases slowly evolved away from this “limited publication” theory. In 1882 Massachusetts reversed itself, overturning *Keene v. Kimball* and holding that a stage performance was neither a limited nor a general publication.⁴⁷ Finally, in a 1912 case, *Ferris v. Frohman*, the Supreme Court finally put the matter to rest by deciding that the presentation of a stage play did not amount to publication, general or limited.⁴⁸

But as the *Keene v. Kimball* court may have foreseen, technology changed everything. In 1888, the copyright holders to a musical composition, previously registered as sheet music, sued in federal court in Massachusetts to stop the makers of perforated paper rolls for a player piano-like device called an organette from copying their song. Judge Colt in *Kennedy v. McTammany* ruled that no infringement occurred, because the rolls were not copies of the sheet music, as “they are not made to be addressed to the eye as sheet music, but [rather] they form part of a machine.”⁴⁹

In 1901 George Rosey was similarly sued by the Joseph W. Stern Music Co. when he churned out 5,000 phonograph cylinders of two of their most popular tin pan alley songs, “Take Back Your Gold” and “Whisper Your Mother’s Name.” The court said Rosey had not violated Stern’s copyrights because his wax cylinders were, like the metal cylinder of a music box, merely part of a machine. “We cannot regard the reproduction, through the agency of the phonograph, of the sounds of musical instruments playing the music composed and published by [the Stern Music Co.] as copying or publication,” it concluded.⁵⁰

Starting in 1901, the Register of Copyrights had pleaded with Congress to update the Copyright Act, and in 1905 the President added his voice, stating that:

Our copyright laws urgently need revision. They are imperfect in definition, confused and inconsistent in expression; they omit provision for many articles which, under modern reproductive processes, are entitled to protection; they impose hardships upon the copyright proprietor which are not essential to the fair protection of the public; they are difficult for the courts to interpret; and impossible for the Copyright Office to administer with satisfaction to the public.⁵¹

⁴⁵ *Palmer v. De Witt*, 47 N.Y. 532, 542 (N. Y. 1872).

⁴⁶ *Id.* at 543.

⁴⁷ *Tompkins v. Halleck*, 133 Mass. 32 (1882).

⁴⁸ *Ferris v. Frohman* 223 U. S. 424, 435-436 (1912) (quoting 2 Story’s Eq. Jur. § 950).

⁴⁹ *Kennedy*, 33 F. at 584 (1888).

⁵⁰ *Stern v. Rosy*, 17 App. D.C. 562, 564-565 (1901).

⁵¹ “The History of U.S.A. Copyright Law Revision from 1901 to 1954” (Report No. 1) *Copyright Law Revision: Studies Prepared Pursuant to S. Res. 53*, 86th Cong., 1-2 (1960) (quoting a letter from Theodore Roosevelt to Congress, December 1905).

Work started in early 1906 and promptly bogged down for the better part of three years. One of the main sticking points was mechanically reproduced music. In spite of the *Kennedy v. McTammany* and *Stern Music v. Rosey* decisions, the Register of Copyright had been accepting piano rolls for registration, and by 1906 the Aeolian Co. had registered over 2,000 of them.⁵²

As the copyright revisions ground through 1908 and into 1909, composers, music publishers and record makers started working at cross-purposes in a confusing maze of interests. Some composers and music publishers didn't want records and cylinders considered "copies," because they wanted the same type of performance royalties from record companies that playwrights got from stage productions. Other composers and publishers did want piano rolls and cylinders considered copies so they could fully control them like sheet music. Some record companies argued that phonorecords and piano rolls weren't even "writings," and thus fell completely outside the scope of the Progress Clause of the Constitution. Others thought this was chasing after a fool's pot of gold, and that their fellow record executives were taking more of a risk of having their own products pirated than they stood to gain from dodging payments to composers and publishers.⁵³ Frankly, everyone began biding their time until the Supreme Court decided a case called *White-Smith Music Publishing v. Apollo Co.*, due out in early 1908.

Player pianos were big business. One Chopin score, for instance, is known to the world only because the composer himself was paid to perform it on the keyboard for a piano roll, and a copy survived, although all the sheet music has been lost.⁵⁴ The makers of piano rolls transcribed new songs in one of two ways. First, an arranger, score in hand, transferred the melody onto a paper roll by pencil using a metal grid guide. Marking across the width of the paper indicated which piano key to strike, and extending the mark lengthwise held the key down longer. When the arranger finished, a craftsman with special punches put holes wherever the roll was marked. This master was then used to prepare metal rolls used to punch out the consumer copies. The second way was the method Chopin used: playing a modified player piano. However, instead of playing the piano, the clockwork worked in reverse: it fed the paper roll as the pianist played and marked the keystrokes in pencil or ink. From there, the marked roll would go to the punching craftsman the same as a master prepared by an arranger using a marking grid.⁵⁵

The Apollo Company made life easier by simply copying the rolls produced by White-Smith Music. The Court based its reasoning on the 1888 *Kennedy v. McTammany* case and an 1899 English case, *Boosey v. Whight*, also dealing with piano rolls.⁵⁶ In *Kennedy*, the attorney for the allegedly infringed maker had argued unsuccessfully that the rolls were just a different type of musical notation. The English court, on the other hand, held that piano rolls were not copies because its statutes defined copyright as "the sole and exclusive liberty of printing and otherwise

⁵² *Revision of Copyright Laws: Hearings Before the Committee on Patents to Amend and Consolidate the Acts Respecting Copyright, March 26-28, 1908*, 60th Cong. 343-346 (1908) (Statement of George W. Pound, DeKlist Musical Instrument Mfg. Co.).

⁵³ Barbara A. Ringer, "The Unauthorized Duplication of Sound Recordings" (Report No. 26) *Copyright Law Revision: Studies Prepared Pursuant to S. Res. 53*, 86th Cong. 4-6 (Feb. 1957).

⁵⁴ SOAMES, *supra* note 17.

⁵⁵ *White-Smith Music Pub. Co. v. Apollo Co.*, 209 U.S. 1, 28 Sup. Ct. 319, 320 (1908).

⁵⁶ *Boosey v. Whight*, 1 Ch. 836 (1899); *Kennedy*, 33 F. at 584 (1888).

multiplying copies.”⁵⁷ But note the logical fallacy here. Basing *White-Smith Music* on *Boosey v. Whight* amounted to arguing that “we have an American copyright code that doesn’t define whether piano rolls are copyrightable or not. Thus, we will look for interpretation to an English case decided on the grounds that British statutory law explicitly excludes piano rolls from copyright.”

Boosey v. Wright had defined a “copy” as “that which comes so near to the original as to give every person seeing it the idea created by the original.”⁵⁸ Justice Day, in his majority opinion, tweaked this to create his own definition: “a copy of a musical composition [is a] ‘written or printed record of it in intelligible notation.’” Therefore, while “it may be true that in a broad sense a mechanical instrument which reproduces a tune copies it,” the court concluded that “this is a strained and artificial meaning [as] these musical tones are not a copy which appeals to the eye.”⁵⁹

Justice Holmes delivered a special concurrence. He first began with an extraordinary piece of dicta. Property starts with tangible objects. It protects possession and confers a right of exclusion. But copyright is different, more abstract. The right to exclude is not directed at an object, but is projected outward, to the whole world:

It restrains the spontaneity of men where, but for it, there would be nothing of any kind to hinder their doing as they saw fit. It is a prohibition of conduct remote from the persons or tangibles of the party having the right. It may be infringed a thousand miles from the owner and without his ever becoming aware of the wrong. It is a right which could not be recognized or endured for more than a limited time and therefore, I may remark, in passing, it is one which hardly can be conceived except as a product of statute.⁶⁰

The basic premise is that copyright is a creature of statute. It therefore has no “natural” or “historical” dimension. There is thus nothing to impede its expansion or alteration in parallel with technological change. Technology at the turn of century had given rise to a new “extraordinary” right, a “rational collocation of sounds,” and that “on principle anything that mechanically reproduces that collation of sound ought to be held a copy,” although Holmes admitted that because all such rights were statutory, they almost certainly did not exist within the language of the copyright code as it then existed.⁶¹ Holmes’s “extraordinary right” to protect the “rational collocation of sounds” was not the same right as an author or music composer received under copyright. “The restriction is confined to the specific form, to the collocation devised.” In other words, Holmes was describing a specific expression protection, or, as it has since become known, the “sound recording” aspect.⁶²

⁵⁷ *Stern v. Rosey*, 17 App. D.C. 562 (1901), citing *Boosey v. Whight*, 1 Ch. 836 (1899).

⁵⁸ *White-Smith Music Publishing Co.*, 28 Sup. Ct. at 323. To be precise, in his opinion, Justice Day was citing *Boosey v. Whight*, which in turn was quoting Judge Bailey in *West v. Francis*, Barn & Ald. 743.

⁵⁹ *White-Smith Music Publishing Co.*, 28 Sup. Ct. at 323.

⁶⁰ *Id.* at 324 (J. Holmes, concurring).

⁶¹ *Id.*

⁶² *Id.*

It was the inability of the other justices (and, for that matter, most congressmen and industry executives) to grasp that a phonorecord was comprised of two separate elements that muddled the Court's decision in *White-Smith Music* and the deliberations of the Congressional copyright committees. First, there is the musical composition, an idealized musical concept, which can usually be published on paper. Second, there is the sound recording, a "rational collocation of sounds," the specific aural expression of a performance or a sequence of captured sound. This can be the playing of a composition, an improvised musical performance, or even non-music. Based on the language in Justice Holmes's concurrence, what allowed him to make this conceptual leap was his rejection of the idea of a timeless, platonic, common-law copyright; re-envisioning it as a flexible, purpose-specific statutory solution to an equally specific set of property-rights allocation problems wrought by expanding technology in an increasingly technological age.⁶³

On the other hand, in holding that a "copy" of a composition must be a "written or printed record" of the original identifiable to the eye, the majority in *White-Smith Music* came very close to, if not outright stating, that a record could never meet the eligibility criteria of the Progress Clause.⁶⁴ In its very first hearing in the long march to the 1909 copyright act revisions, Horace Pettit of the Victor Talking Machine Co., testified that an 1883 Supreme Court decision, *Burrow-Giles Lithographic Co. v. Sarony*,⁶⁵ had held that a photograph was a "writing," and thus within the span of the Progress Clause, because "writings" were "all the forms of writing, printing, engraving, etching &c., by which the ideas in the mind of the author are given visible expression." Significantly, Justice Miller, delivering the majority opinion in *Sarony*, added that "[t]he only reason why photographs were not included in the extended list [of things eligible for copyright] in the act of 1802 is probably that they did not exist."⁶⁶

Analogously, Pettit told the Joint Committee on Patents that just because phonorecords were not among the items specifically listed under the then-current copyright code did not automatically mean they were ineligible for protection under the Progress Clause should Congress choose to add them to the list in the future.⁶⁷ "The talking machine is a writing upon a record tablet," Pettit testified, "not to be

⁶³ The heart of the matter was accurately stated by Judge Leibell in *RCA Mfg. Co. v. Whiteman et.al.*, 28 F. Supp. 787, 791 (S.D.N.Y. 1939):

Prior to the advent of the phonograph, a musical selection once rendered by an artist was lost forever, as far as that particular rendition was concerned. It could not be captured and played back again by any mechanical contrivance then known. Thus the property right of the artist, pertaining as it did to an intangible musical interpretation, was in no danger of being violated. During all this time the right was always present, yet because of the impossibility of violating it, it was necessary to assert it.

⁶⁴ For a summary of the history of this argument see: Barbara A. Ringer, "The Unauthorized Duplication of Sound Recordings" (Report No. 26) *Copyright Law Revision: Studies Prepared Pursuant to S. Res. 53*, 86th Cong. (Feb. 1957), at 12-13, 47-48; *Hearings on S. 597: Copyright Law Revision, April 28, 1968*, "Letter of Barbara A. Ringer, Register of Copyrights, September 12, 1967": 1175-1178.

⁶⁵ *Burrow-Giles Lithographic Co. v. Sarony*, 111 U.S. 53, 58 (1884).

⁶⁶ *Id.*

⁶⁷ *Arguments Before the Committees on Patents on the Bills S. 6330 and H.R. 19853 To Amend and Consolidate the Acts Respecting Copyright, June 6, 7 and 8, 1906*, 59th Cong. 26-30 (1906) (statement of Horace Pettit, Victor Talking Machine Co.).

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read visually, but audibly to be read through the medium of a vibrating pencil engaging in the record groove.”⁶⁸

Less than two years later, after *White-Smith Music*, Pettit again appeared before the joint committee. While his personal opinion was basically unchanged,

[t]he decision of the Supreme Court of the United States in the case of *White-Smith v. The Apollo Company*, recently decided, to my mind strongly indicates that the court does not consider the subjection of musical instruments to a copyright act to be constitutional . . . I want to say that I am doubtful as to the constitutionality of a clause in a copyright bill subjecting talking machines to the copyright act.⁶⁹

Albert Walker, the Victor Company’s lawyer, subsequently told the copyright committee that

the Supreme Court says these perforated rolls are not copies. If not, they are not writings. . . . The Supreme Court has no jurisdiction to give protection to anything except a writing. So that when the Supreme Court decided as a matter of fact that these perforated rolls cannot be read, it decided that they were not writings.⁷⁰

In the end, the committee on patents noted that “the reproduction of music by mechanical means has been the subject of more discussion and has taken more of the time of the committee than any other provision of the bill.”⁷¹ The final compromise version was not appended until the last markup of the bill, introduced on February 15, 1909, only two weeks before the final vote of both houses of Congress on March 3.⁷² Phonorecordings were not considered “copies” of a composition, and couldn’t be copyrighted. However, provided the composition was registered and the composer had allowed at least one person to record it, then all others could too, if they paid a mandatory license fee of two cents a copy. This was somewhat analogous to the licensing system used for stage plays.⁷³

Congress made one other change, and in doing so, created a century-long conundrum, and not just for phonorecords. They changed Section 4, which defined the universe of things protected under the act. The prior act had read “[t]hat the works for which copyright may be secured under this Act shall be *all the works of an author*”; it was changed to “[t]hat the works for which copyright may be secured under this Act shall be *all the writings of an author*.”⁷⁴ “Writings,” of course, is the language used in the Constitution, so it defines the maximum power that Congress

⁶⁸ *Id.* at 27.

⁶⁹ *Hearings Before the Committee on Patents on Pending Bills to Amend and Consolidate the Acts Respecting Copyright, March 26, 27 and 28, 1908*, 60th Cong. 274 (1908) (statement of Horace Pettit, Victor Talking Machine Co.).

⁷⁰ *Hearings Before the Committee on Patents on Pending Bills to Amend and Consolidate the Acts Respecting Copyright, March 26, 27 and 28, 1908*, 60th Cong. 278-278 (1908) (statement of Albert H. Walker, Victor Talking Machine Co.).

⁷¹ H.R. REP. NO. 60-2222, at 4 (1909), as reprinted in E. Fulton Brylawski and Abe Goldman, *Legislative History of the 1909 Copyright Act* (Fred Rothman & Co., 1976): VI, Pt. S, 4.

⁷² E. Fulton Brylawski and Abe Goldman, *Legislative History of the 1909 Copyright Act* (Fred Rothman & Co., 1976): I, xx-xxii.

⁷³ Copyright Act of 1909, Pub. L. No. 60-349, 35 Stat. 1075, § 1(e).

⁷⁴ Copyright Act of 1909, Pub. L. No. 60-349, 35 Stat. 1075, § 4.

can exercise. But in making the change, did Congress mean that all writings fell under the umbrella of the act, but that some of them (i.e., records) did not receive statutory protection? Or did it mean that some products of artistic creation (i.e., records) had not been protected under the act because they did not qualify as “writings” and thus Congress believed they were Constitutionally outside of its jurisdiction pursuant to the Progress Clause?

III.

Almost nobody involved in the three-year-long struggle over the Copyright Act of 1909 was satisfied with the outcome, but most believed its most glaring errors and omissions—the failure to adequately address mechanical sound reproduction, the lack of coordination with the 1896 Berne Convention, and so on—would soon be ironed out. Nobody would have believed you if you had told them that the process would require another seven decades.⁷⁵

Two of the continuing uncertainties were whether sound recordings were “writings” for the purposes of the Progress Clause, and thus eligible for federal copyright protection. If they weren’t writings, could they be protected by state-law (either statutory or common-law) copyright? If they *were* writings, but Congress had simply elected not to extend them protection, what degree of control did federal law exercise over the boundaries of state-law copyright?

Second, did selling a record with a song, be it copyrighted or not, release either its composition or sound recording into the public domain? After all, if phonorecords weren’t copies of the compositions of the songs they contained, how could their sale amount to a publication of their contents? Were they some special kind of performance?

Within months of the 1909 Copyright Act, the issue arose in the courts in *Fonotipia Ltd. v. Bradley*.⁷⁶ Columbia and its associate, the Victor Company, licensed matrices from a British label, Fonotipia, and printed and distributed them in North America under Victor’s famous “Red Seal” series. The Continental Record Co. dubbed them without permission and sold them under their own Continental label.⁷⁷ Fonotipia sued Continental in New York state court under state law to enjoin further production.⁷⁸ While Continental used labels that vaguely resembled the Red Seals, Fonotipia did not assert that Continental was actually trying to sell them as genuine Victors. The court faced a dilemma. This was not a patent, copyright or trademark

⁷⁵ See generally The History of U.S.A. Copyright Law Revision from 1901 to 1954 (Report No. 1) *Copyright Law Revision: Studies Prepared Pursuant to S. Res. 53*, 86th Cong. 1-14 (1960); Barbara A. Ringer, *The Unauthorized Duplication of Sound Recordings* (Report No. 26) *Copyright Law Revision: Studies Prepared Pursuant to S. Res. 53*, 86th Cong., at 23-25 (Feb. 1957).

⁷⁶ *Fonotipia Ltd. et. al. v. Bradley*, 171 F. 951 (E.D.N.Y. 1909).

⁷⁷ To “dub” is to make a second-generation master disc from a shellac record produced from an original first generation master.

⁷⁸ It is not clear if Fonotipia sought relief on the grounds of unfair competition, or on an otherwise undefined common-law copyright, which Judge Chatfield then identified *sua sponte* as meeting the elements of unfair competition in New York. Also, it appears from the decision that unfair competition was common-law in New York, as no statutory authority was cited. *Fonotipia*, 171 F. at 958, 963.

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case. Traditionally, unfair competition involved harm to the public from palming off inferior goods packaged under a well-known brand name. But Continental sold the records as their own, claiming they were just as good. Judge Chatfield outlined the problem:

No case cited and decided strictly upon the question of unfair competition, so far as called to the attention of the court, has ever been granted relief in instances outside of imitation or deception The basis of recovery [here] is the damage to the property rights of the complainant, rather than the deception of the public. It is from this contended: the better the imitation the greater reason there is for issuing an injunction . . . it would seem that where a product is placed upon the market, under advertisement and statement that the substitute or imitating product is a duplicate of the original, and where the commercial value of the imitation lies in the fact that it takes advantage of and appropriates to itself the commercial qualities, reputation, and salable properties of the original, equity should grant relief.⁷⁹

This, for the first time, was a clear, well-defined explanation of how the long-standing, but ill-defined thing called “common-law copyright” could be updated and rationalized for an industrialized world where “ideas” and “writings” no longer shared much commonality any more.

However insightful his solution, it was still not Judge Chatfield’s preferred solution:

It would seem therefore that the questions raised in the present case may be avoided as to future *compositions* by copyrighting the *original* rendition of the song . . . [but] serious discussion may arise over the right obtained, for instance, by a grand opera singer who files a copyright for resinging of a song already recorded by him or her, and sold to the public upon a disc record.⁸⁰ (emphasis added)

Note how Judge Chatfield, unlike Justice Holmes, hadn’t yet grasped the distinction between composition and sound recording. He apparently believed that the sound recording was a component of the composition, so if a record was deposited with the copyright office, the composition and all possible performances by that singer were copyrighted together.⁸¹ Any subsequent recording by that same singer would infringe on his or her own copyright!

Presumably, if the composition was filed with the Register of Copyrights as sheet music, any singer willing to pay a license fee for using it could make a recording and file for copyright. But in Judge Chatfield’s view, it was the combination of composition and performance that were protected to the exclusion of

⁷⁹ *Fonotipia*, 171 F. at 961, 963, 964.

⁸⁰ *Id.* at 963.

⁸¹ *Id.*

all subsequent performances by the same singer.⁸² Judge Chatfield could not conceive of a sound recording as a thing unto itself, something that didn't need a composition (or its copyright) behind it.

The earliest case to be tried wholly under the new 1909 Act was *Aeolian Co. v. Royal Music Roll Co.*⁸³ Aeolian had licensed a song from a music publisher to make piano rolls. Royal then entered into a license with the same publisher for the same song, also to make piano rolls, but instead of independently preparing their own version, they simply copied Aeolian's. Royal claimed that by securing a composition license from the music publisher, it had done everything the law required. The court held that Aeolian's rolls were protected because a license to use a composition does not, in itself, convey a right to its "production," the means to manufacture or reproduce it. Royal could not avail itself "of the skill and labor of the original manufacturer of the perforated roll or record by copying or duplicating the same, but must resort to the copyrighted composition or sheet music, and not pirate the work of a competitor."⁸⁴

Aeolian v. Royal was sort of a legal half-way house. A specific sound recording was protected, but only because the Copyright Act gave composers the control over the use of their compositions. There was no questioning the role of the artist, engineer, or other participant in the sound recording element.⁸⁵ Aeolian could sue Royal only on behalf of the unnamed music publisher who owned the composition that had been submitted to the copyright office in the form of sheet music. In fact, Royal had maintained that the suit could not be continued because the publisher was not an "aggrieved" party, that is, had not been harmed. In a threshold issue, the court determined that Aeolian's license agreement gave it standing to sue.⁸⁶

More complex and far-reaching were the NAPA cases. The National Association of Performing Artists (NAPA), which existed between 1935 and World War II, was largely the brainchild of bandleader Fred Waring. The leader of a popular big band, the Pennsylvanians, Waring was also a masterful businessman and entrepreneur. In 1936, he was approached by the inventor of an appliance for making health fruit juices called a "blender." It had been patented, but all the prototypes failed. Waring bought it, made some technical changes, tested a couple dozen in the hotel lounges his band played at, and contracted with a firm in Toledo to make the "Waring Mixer," which he marketed as the ultimate home bar accessory. It made him a fortune.⁸⁷ He was also getting paid \$13,500 a week by Ford to play a two-hour-per-week radio show—in the middle of the Great Depression.⁸⁸

⁸² Judge Chatfield also apparently labored under the misapprehension that the 1909 Copyright Act required composition rights-owners seeking the two-cent mechanical royalty for a phonorecord to file a copy of that phonorecord. *Id.* at 963. It did not. Only a "notice of use" was required to be filed, and of course the composition was required to be copyrighted as sheet music. Copyright Act of 1909, Pub. L. No. 60-349, 35 Stat. 1075, *cf.* § 1(e) and § 11.

⁸³ *Aeolian Co. v. Royal Music Roll Co.*, 196 F. 926 (W.D.N.Y. 1912).

⁸⁴ *Id.* at 927.

⁸⁵ Specifically, § 36 of the Copyright Act of 1909.

⁸⁶ *Aeolian Co.*, 196 F. 926, 927.

⁸⁷ VIRGINIA WARING, FRED WARING AND THE PENNSYLVANIANS 144-148 (University of Illinois Press, 1997).

⁸⁸ *Waring v. WDAS Broadcasting Station*, 194 A. 631, 633 (Penn., 1937).

The American Society of Composers, Authors and Publishers (ASCAP) collected fees for stage (and later, radio) performances for a select group of composers starting in 1914, and was joined by the more inclusive SESAC (Society of European Stage Authors and Composers) in 1930 and BMI (Broadcast Music, Inc.) in 1932. The Harry Fox Office was established by the Music Publishers' Protective Association soon after the 1909 Copyright Act to collect the two-cent mechanical fees owed to composers for records.⁸⁹ However, these were fees paid to *composers*, not to the *performers*, who had no statutory rights in their sound recordings. It was the purpose of NAPA to press for *performers'* rights in recorded music.

In 1935, Waring had sent a copy of a recording of "Lullaby of Broadway" to the Register of Copyright, seeking to apply for the rights to the "personal interpretation" of the song. The copyright office rejected the application, writing Waring that "[t]here is not and never has been any provision in the Act for the protection of an artist's personal interpretation or rendition of a musical work not expressible by musical notation in the form of 'legible' copies."⁹⁰ The next battle was to go after the radio stations that Waring, Paul Whiteman, Guy Lombardo, and the other NAPA members believed were forcing them, in Waring's words, "to have our records playing in competition to us."⁹¹

Waring's contract with Victor stated that the label of each of his records was to carry the notation "not licensed for radio broadcast." Radio station WDAS in Philadelphia purchased a Waring record and broadcast it, paying the required ASCAP fee.⁹² Waring sought an injunction under Pennsylvania state law to block the further broadcast of his records, asserting that he had "property rights in their [the band's] artistic interpretation" that was independent of the composition, and thus not covered by the ASCAP system. The Court asked, "Does the performer's interpretation of a musical composition constitute a product of such novel and artistic creation as to invest him with a property right therein?"⁹³

The answer was "yes." A musical composition is, by itself, an incomplete work, and that the performer "contributes by his interpretation something of novel intellectual or artistic value," thereby creating something to which he or she is entitled to as a property right, although it does not emanate from the federal copyright code.⁹⁴ Waring had successfully climbed the first two steps. He had proved (1) creative contribution constitutes a valid intellectual property; and (2) that his ownership of the band, a Pennsylvania corporation, gave him legitimate title to that property.⁹⁵

But was this property right lost through publication? Recall the distinction between "limited" and "general" publication. Prior to 1912, some courts had said that producing an as-yet unpublished play constituted a "limited" publication, and that rivals could stage competing productions, but could not produce printed versions. In 1912, the Supreme Court quashed this, stating that live performances did not

⁸⁹ Stanley Sadie, "Copyright," *New Grove Dictionary of Music and Musicians* IV, 751-754 (Macmillan, 1980).

⁹⁰ *Waring*, 194 A. at 633 n. 2.

⁹¹ WARING, *supra* note 87, at 138.

⁹² *Waring*, 194 A. at 633 n. 2.

⁹³ *Id.* at 634.

⁹⁴ *Id.* at 635.

⁹⁵ *Id.*

constitute any form of publication.⁹⁶ But there is also another sense in which “limited” publication occurs.

Because they were marked on the label “Not licensed for radio broadcast,” it was clear that Waring’s intent was to restrict their distribution to a defined audience.⁹⁷ Thus, the publication was not sufficiently general to divest Waring of his rights in its sound recording.⁹⁸ Waring was granted his injunction, based on the same grounds of unfair competition that had played an important role in the *Fonotipia* case in New York.⁹⁹

Two years later, Waring repeated his success, this time in a North Carolina court. This case was even stronger, as it involved a transcription disc of one of Waring’s Ford radio shows, marked “to be used only on the Ford Motor Program.”¹⁰⁰ Bolstered by these successes, NAPA decided to go for the big prize: New York state.

NAPA member Paul Whiteman was picked to go up against station WNEW in *RCA Mfg. Co. v. Whiteman*.¹⁰¹ The facts were virtually identical to the Waring Pennsylvania case. The district court held for Whiteman, explaining that:

Prior to the advent of the phonograph, a musical selection once rendered by an artist was lost forever, as far as that particular rendition was concerned. It could not be captured and played back again by any mechanical contrivance then known. Thus the property right of the artist, pertaining as it did to an intangible musical interpretation, was in no danger of being violated. *During all this time the right was always present, yet because of the impossibility of violating it, it was not necessary to assert it.*¹⁰² (emphasis added)

This is diametrically opposite the position Justice Holmes took in his concurrence in *White-Smith Music*.¹⁰³ According to Judge Leibell, it didn’t really matter all that much if the sound recordings were in the federal Copyright Act; that was just frosting on the cupcake. The bedrock of such rights had always existed in the common law, with the states.¹⁰⁴

The court also went on to agree with the *Waring* decisions that the restriction label “for home use only” resulted in a limited distribution of the record, and that the appropriate tort was unfair competition.¹⁰⁵ The radio station appealed, and the case ended up in the Second Circuit Court of Appeals, in the courtroom of Judge Learned Hand.

⁹⁶ *Ferris v. Frohman*, 223 U.S. 424 (1912).

⁹⁷ Although the court stated that the (unnamed) composers had issued only restricted-use licenses, left unexplained was why the compositions contained on the record were in the ASCAP repertory, which are typically offered on blanket terms. *Waring*, 194 A. at 634.

⁹⁸ *Id.*

⁹⁹ *Id.* at 641-42, *Fonotipia Ltd.*, 171 F. at 951.

¹⁰⁰ *Waring v. Dunlea*, 26 F. Supp 338 (E.D.N.C. 1939). The radio station was WMFD, Charlotte.

¹⁰¹ *RCA Mfg. Co., Inc. v. Whiteman et. al.*, 28 F. Supp. 787 (S.D.N.Y. 1939).

¹⁰² *Id.* at 791.

¹⁰³ *White-Smith Music v. Apollo*, 209 U.S. 1, 18-20 (J. Holmes, concurring).

¹⁰⁴ *Whiteman*, 28 F. Supp. at 791.

¹⁰⁵ *Id.* at 794.

Just days before the *Whiteman* appeal, Judge Hand had heard oral arguments in a seemingly unrelated case, *Fashion Originators Guild v. Federal Trade Commission*.¹⁰⁶ The Guild was set up to protect dressmaker's patterns, to stop what they called "style piracy." The Federal Trade Commission charged them with antitrust collusion. At the FTC's administrative hearing, the Commission, having established that the dressmakers were acting in concert to keep non-members from poaching their designs, refused to hear what amounted to an affirmative defense proffered by the Guild that they were protecting a legitimate and defensible property right.¹⁰⁷ Once collusion was established, asserted the FTC, the case was over.

Judge Hand rejected this, and performed the second half of the FTC hearing himself.¹⁰⁸ He quickly determined that the Guild members did have an intellectual property right in their dress designs. "The author of a design for a dress should be deemed to be on the same footing as the author of a drawing picture; and the author of a drawing or a picture has a common property in its reproduction."¹⁰⁹ In doing this, he determined that the "property" the Fashion Originators was protecting was a "writing." He easily could have reached the opposite conclusion: that dress designs were not writings, so could not be analogized to other copyrightable material at all.

Dress designs were not covered by federal copyright, so they fell within state, common-law protection. Most of the subsequent analysis revolved around whether the dress designs were "published" and thus divested to the public. "We have been unable to discover any case which squarely presented this situation," lamented Hand, "that is, in which intellectual property, not covered by the copyright act then in existence, was challenged because of its 'publication.'"¹¹⁰

Hand went all the way back to the 1774 *Donaldson v. Beckett* case. The House of Lords, in the second of their three votes, had decided that, hypothetically, in the absence of the Statute of Anne, the publication of a work would not cut off an author's common-law copyright. The implication was that common-law copyright was either 1) perpetual until permanently cut off by statutory copyright, followed by entry into the public domain at the end of term (the majority's view); or 2) perpetual, but temporarily replaced by statutory copyright until end of term, at which point common-law copyright was revived (i.e., the "cupcake theory").

Hand reviewed, then rejected, both alternatives, at least as they applied to American law.¹¹¹ In the absence of statutory protection, he held that publication terminated common-law copyright. He objected that any perpetual state common-law copyright that did not mandate divestment upon publication defeated the purposes of the "limited times" restriction of the Progress Clause. This, in turn, implied that anything that was a "writing," but that was not protected under federal

¹⁰⁶ *Fashion Originators Guild of America, Inc. v. Federal Trade Commission*, 114 F.2d 80 (2d Cir. 1940), aff'd. *Fashion Originators Guild of America, Inc. v. Federal Trade Commission*, 312 U.S. 457, (1941).

¹⁰⁷ *Fashion Originators*, 114 F.2d at 82.

¹⁰⁸ *Id.* at 82-83.

¹⁰⁹ *Id.* at 83. The analogy wasn't perfect; "works of art" were copyrightable under § 5(g) of the 1909 Copyright Act. On the other hand, only "Drawings or plastic works of a scientific or technical character" were included in § 5(i), so it is debatable whether all drawings could be protected under the copyright code as it read in 1940.

¹¹⁰ *Id.* at 83.

¹¹¹ *Id.*

copyright, was still governed by the copyright code. In particular, the definition of “publication” in the copyright code applied equally to those things protected by federal copyright and those things not protected and left to state-law copyright.¹¹²

Why should dress designs be accorded perpetual protection, even after publication, simply because they were not protected by the copyright code, while books and magazines lost all protection after a few decades? Hand asked. “It would certainly be a strangely perverse anomaly that turned the grant of statutory copyright into a detriment to the ‘author,’” he complained; “yet it would be hard to prove that the statutory remedies conferred made up for the limitation of the monopoly. Omission of property from the act would be a bonanza to those who possessed property of that kind.”¹¹³

However, the “statutory remedies conferred” that Hand believed were insufficient to “make up” for an unlimited duration of protection under common-law copyright included the author’s ability to take advantage of a writing for anything beyond *de minimus* uses without suffering the penalty of divestment into the public domain. Letting the owners of common-law copyright property have perpetual protection may have been a “bonanza,” a windfall, but terminating their rights at first publication, without the opportunity to achieve any of the benefits of statutory protection amounted to a wipeout.

The Guild of Fashion Originators appealed to the Supreme Court. The Court affirmed Judge Hand’s decision, but Justice Black made it clear they didn’t think much of his opinion.¹¹⁴ The Court reverted back to the trial court’s original logic: the Guild did not contest the FTC’s finding of collusion, so any legal analysis ended there. The Commission was under no obligation to hear the Guild’s supposed affirmative defense. Black declined to even comment on the issue of whether “fashion piracy” was illegal or tortious. He waived it away with a quick dismissal: “nor can the unlawful combination be justified upon the argument that systematic copying of dress designs is itself tortious, or should be . . . *whether or not given conduct is tortious is a question of state law, under our decision in Erie Railroad Co. v. Tompkins.*”¹¹⁵ (emphasis added)

Incredibly, this would prove to be one of the single most important sentences in the history of American sound recording law. This is why Judge Graffeo’s opinion in *Capitol Records v. Naxos IV* reads so strangely. For Graffeo, it never was a copyright case; it was an *Erie v. Tompkins* case.

For the moment, let’s return to New York City in 1940. Judge Hand has heard the arguments in the Paul Whiteman case four days after *Fashion Originators*, and then issued his opinion in July, four months after handing down his decision in the earlier matter. Recall that Whiteman and the NAPA had won in the district court with a decision that strongly recognized a musician’s rights in his or her sound recording, a right independent of the musical composition.¹¹⁶

¹¹² *Id.* at 84. “We conclude therefore that, regardless of whether the Guild’s designs could be registered or not, ‘publication’ of them was a surrender of its “common-law property in them.”

¹¹³ *Fashion Originators*, 114 F.2d at 83.

¹¹⁴ *Fashion Originators Guild of America, Inc. v. Federal Trade Commission*, 312 U.S. 457 (1941).

¹¹⁵ *Id.* at 468.

¹¹⁶ *Whiteman, et. al.* 28 F. Supp. at 791.

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Hand overturned that decision.¹¹⁷ He accepted the lower court's argument that Whiteman held a common-law property right arising out of the "skill and art necessary to obtain [a] good recording", but only as a hypothetical.¹¹⁸ Even if it did exist, he announced, it ended with the sale of the record, because sale amounted to publication.

The "not for commercial use" label that had been such an important feature of the Waring cases was irrelevant, because it was merely an attempt to control the use of a good after its point of sale, which was illegal.¹¹⁹ Hand drew an analogy: assume the issue was the composer's rights to sheet music, with Whiteman distributing copies to the public that had "cannot be used for public performance" printed at the top. Could he reasonably expect to limit its use to home parlors? No. What, then, made his performer's rights so different from his composer's rights? If the act of publishing sheet music would have thrown open its use to the public, absent the rights accorded him in the 1909 copyright code, why were Whiteman's "common-law" rights any different?¹²⁰

But Hand's ruling contained the same contradictions as in *Fashion Originators*. First, using his own example, when Whiteman published his hypothetical sheet music, he did it to gain the protection of the Copyright Act. By publishing a phonograph record, he received nothing. Because it wasn't eligible for copyright, there was no exchange of investiture for statutory copyright. There was only one path—straight to divestiture. Hand saw this, and, as was the case in *Fashion Originators*, chose it as the lesser of two evils:

We see no reason why the same acts that unconditionally dedicate the common-law copyright in works copyrightable under the Act, should not do the same in the case of works not copyrightable. Otherwise it would be possible, at least *pro tanto*, to have the advantage of dissemination of the work at large, and to retain a perpetual, though partial, monopoly in it.¹²¹

And in fact, he cited back to *Fashion Originators*:

the fact that they [Whiteman's records] are not within the act should make no difference. Indeed, it is argued that . . . there is a perpetual common-law copyright in works not copyrightable under the act; we have answered that argument in *Fashion Originators Guild* and need not repeat what we said.¹²²

Now the second contradiction: the Progress Clause says that only "writings" can be protected under copyright. Who has the power to define a "writing"? Congress. Once something is deemed a writing, who determines if it will be accorded any

¹¹⁷ RCA Mfg. Co., Inc. v. Whiteman, et. al., 114 F.2d 86 (2d Cir. 1940).

¹¹⁸ *Id.* at 88.

¹¹⁹ *Id.* at 89.

¹²⁰ *Id.*

¹²¹ *Id.*

¹²² *Id.*

copyright protection? Congress. If it's not protected, whose laws prevail? State law. And for the purposes of state-law copyright, who gets to decide if something is "published"? According to Judge Hand, this was a function of federal law.

Hand admitted that his decision contradicted the law established in Pennsylvania in the *Waring* case, but also dismissed it:

It is true that the law is otherwise in Pennsylvania However, since that is the law of Pennsylvania and since the broadcasting will reach receiving sets in that state, it will constitute a tort committed there; and if an injunction could be confined to those sets alone, it would be proper. . . . We must therefore choose between denying any injunction whatever—since in our judgment the act is unlawful only in Pennsylvania—or enjoining W.B.O Broadcasting throughout the Union and in Canada in order to prevent a tort in Pennsylvania.¹²³

And this was the *Erie v. Tompkins* dilemma.

IV.

The facts in 1938's *Erie Railroad Co. v. Tompkins* are almost absurdly simple.¹²⁴ Tompkins was a citizen of Pennsylvania. The Erie Railroad was a corporate citizen of New York. Tompkins was hurt in a railroad accident that occurred in Pennsylvania. State law in Pennsylvania favored railroads. State law in New York favored victims. Tompkins sued in federal court in New York, which he was permitted to do in diversity.¹²⁵

The court, following then-standard practice, applied federal "general" (i.e., non-statutory) law. In practice, this nationwide common law of negligence was moderately pro-victim. A jury awarded Tompkins \$30,000. The railroad appealed and the Supreme Court reversed, determining that the federal court should have applied the applicable state law, because there is no such thing as federal common law.¹²⁶ But which state law? All throughout the case, the Supreme Court justices assumed that Pennsylvania law would be applied by the New York court if the railroad prevailed because of a federal law called the "rules of decision statute," in place since 1789.¹²⁷ On its face, the rules of decision statute says that a federal court, in the absence of a federal question, must use applicable state law. It was the reason the Supreme Court reached the decision it did. However, the rules of decision statute said (and says) nothing about choice of law: "The laws of the several states except where the Constitution, treaties, or statutes of the United States otherwise require or

¹²³ *RCA Mfg. Co., Inc. v. Whiteman*, 114 F.2d at 89-90.

¹²⁴ *Erie Railroad Co. v. Tompkins*, 304 U.S. 64 (1938).

¹²⁵ Diversity jurisdiction is defined in the current 28 U.S.C. § 1332 (2012). Where the parties are from different states, the applicable federal district court has jurisdiction. Generally, the default venue is the defendant's place of residence, but there are many exceptions. See 28 U.S.C. § 1391 (2012).

¹²⁶ *Erie v. Tompkins*, 304 U.S. at 70, 80.

¹²⁷ Judiciary Act of 1789, § 34.

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provide shall be regarded as the rules of decision in trials at common law, in cases where they apply.”¹²⁸

The justices simply assumed the choice of law would be Pennsylvania, because federal courts had long interpreted the rules of decision statute to incorporate an inherent element of *lex loci delicti*, the rule that says the law of the state where the alleged tortious act took place shall be used, not the law of the state in which the federal court was located.¹²⁹ How is this relevant to Judge Hand and his opinions in *Fashion Originators* and *RCA v. Whiteman*? In *Erie v. Tompkins*, the Supreme Court directed the lower court to apply state law. Both the law directing the application of state law for lack of federal question (the rules of decision statute), and the law directing which state’s law to use (Supreme Court precedent; *Hawkins and Day v. Barney’s Lessee*), were federal law. State law, and the law of Pennsylvania, was used because federal law directed it. Neither state’s law played a role.

In *Fashion Originators* and *RCA v. Whiteman*, Judge Hand held that the definition of publication, and role it played in divestiture, was identical regardless of whether a work was protected under federal statutory copyright or state-law copyright. If a thing was a writing; if the Constitution permitted it to be swept within the Copyright Act—whether it actually was or not—then it was subject to the same basic rules of decision as a federally copyrighted work. The definition of “publication” would not be left to the states, even for state common-law copyrighted material.¹³⁰

Justice Black in *Fashion Originators* may have said “whether or not given conduct is tortious is a question of state law, under our decision in *Erie Railroad Co. v. Tompkins*,” but if the federal law controls all the vital definitions, such as “publication,” “divestiture,” or even “writing,” it largely obviates the substantive issues.¹³¹

According to Fred Waring, the NAPA largely collapsed after the *RCA v. Whiteman* case, but he believed it had as much to do with the exigencies of the war as with its loss.¹³²

Soon after the war, a California state court heard *Blanc v. Lantz*. It was unique in two respects: 1) it was the first case to directly address state *statutory* copyright, and 2) it was handled in a singularly inept manner.¹³³

Mel Blanc was the famous “Ha-ha-ha-ha-ha” voice of the cartoon character Woody Woodpecker. Lantz Productions lifted Blanc’s laugh from one of Woody’s cartoons (apparently for a TV commercial), and Blanc sued for infringement under Sections 980 and 983 of the California State Code. Section 980 read:

¹²⁸ Judiciary Act of 1789, § 34, 28 U.S.C. § 725 (text amended 1948, now 28 U.S.C. § 1652 (2012)).

¹²⁹ *Hawkins and Day v. Barney’s Lessee*, 30 U.S. 457, 464 (1831) (“We have an analogous case in the thirty-fourth section of the Judiciary Act of the United States; and which has been uniformly held to be no more than a declaration of what the law would have been without it; to wit, that the *lex loci* must be the governing rule of private right, under whatever jurisdiction private right comes to be examined.”).

¹³⁰ Judge Hand’s arguments in both these cases would be summarized in his dissent in a third, later case: *Capitol Records, Inc. v. Mercury Records Corp.*, 221 F.2d 657, 666-667 (2d Cir. 1955) (J. Hand, dissent).

¹³¹ *Fashion Originators*, 312 U.S. 457 (1941).

¹³² Waring, *Fred Waring and the Pennsylvanians*, 142.

¹³³ *Blanc v. Lantz*, 83 USPQ 137 (Cal. Sup. Ct. 1949).

The author of any product of the mind, whether it is an invention, or a composition in letters or art, or a design . . . has an exclusive ownership therein, and the expression or representation thereof, which continues so long as the product and the representations or expressions thereof made by him remain in his possession.¹³⁴

Similarly, Section 983 stated that “[i]f the owner of a product of the mind intentionally makes it public, a copy or reproduction may be made public by any person, without responsibility to the owner.”¹³⁵ Admittedly, the specific language of the statutes made for hard interpretation. How can one have the exclusive right “of expression or representation,” but only so long as the work remains in one’s possession and isn’t made public? The court accomplished this rather artlessly, by turning the phrases “remain in his possession” and “make public” into “not yet published” and “publish,” respectively, despite case law on the subject that had drawn a clear distinction between “making public” and “publishing.”¹³⁶

Reviewing precedent, the court determined that there were two possible definitions for “publication”: 1) to intentionally make public by performance or other means; or 2) to reproduce in tangible form capable of distribution to the public generally or in part.¹³⁷ The court leaned towards number two, but selected neither, because it held that Blanc’s laugh had been published under either definition. But right at the end, the opinion simply fell apart:

We are confronted with a situation where, for the purposes of this [lawsuit], the plaintiff had created a musical composition which he could have copyrighted under federal law and thereby secured a limited monopoly to his exclusive performance of his intellectual product. By failing to so protect his work, yet by electing to exploit it commercially not only by personal performance but also by reproducing his work in a tangible form permitting general circulation of that composition by way of copies, I conclude that plaintiff has lost his right to the exclusive property in the laugh.¹³⁸

The court concluded that Blanc’s Woody Woodpecker laugh was a musical song that could be transcribed on paper and copyrighted. That’s a stretch, but possible.

¹³⁴ Cal. Civil Code § 980 (1947). Section 980 had been modified by the time of the appellate opinion in 1949: *Blanc*, 83 U.S.P.Q. 137, 138 (1949).

¹³⁵ Cal. Civil Code § 983 (1947). Similarly, section 983 had also been modified by 1949. *Blanc*, 83 U.S.P.Q. at 138. It appears that the intention of the California legislature in § 983 was to create a “mockingbird” exception whereby an imitator could intentionally, but completely independently, duplicate the performance of a song on a record and sell it, provided that he did not try to “palm off” the imitation as the original. The statute was substantially re-written more legibly in 1982 as §980(a)(2). See *Flo & Eddie, Inc. et. al. v. Sirius XM Radio, Inc. et. al.*, No. CV 13-5693 PSG (RZx) (S.D. Cal., Sept. 22, 2014).

¹³⁶ *Ferris v. Frohman*, 223 U.S. 424, 435 (1911) (“The public representation of a dramatic composition, not printed and published, does not deprive the owner of his common-law right, except by operation of statute.”) Even in *RCA Mfg. Co. v. Whiteman*, Judge Hand implied fairly strongly that absent the sale of an object to the consumer, be it sheet music or a phonorecord, it is not possible to destroy one’s common law copyright through dissemination; that is, mere distribution is not, in itself, a sufficient condition to create divestiture. *Whiteman* 114 F.2dat 88-89.

¹³⁷ *Blanc*, 83 U.S.P.Q. at 139.

¹³⁸ *Id.* at 142.

But even assuming a five-note song could be copyrighted, the whole discussion up to this point had been about Blanc's rights in the *sound recording*, not the *composition*, including discussions of the Waring and Whiteman cases. Why the court veered off on to composition rights, and how it came to the conclusion that having a federal copyright in a given composition somehow alters one's state-law rights in a sound recording of that composition, is a mystery that will be lost forever. It wouldn't be the last time that a court would mash together the two. *Blanc v. Lantz* was a lost opportunity.

It was not without value, however. For the first time, a state court had staked out territory outside the boundaries that Judge Hand implied was permissible. Judge Stevens had identified a song as a writing, as defined in the Progress Clause.¹³⁹ He determined that it was not protected by federal copyright, so was covered by applicable state statute.¹⁴⁰ Most importantly, he held that because it was state law that was controlling, California law would be used to determine if Blanc's song was published.¹⁴¹ It may not have been a very good determination, but under Judge Hand's formulation, once Judge Stevens recognized Blanc's Woody Woodpecker laugh as a writing, he should have applied the same definition of "publish" as that used in federal copyright law. Moreover, unlike the 1909 *Fonotipia* case in New York,¹⁴² California was not relying on a generalized, non-statutory unfair competition law; Sections 980 and 983 were specific intellectual property provisions written into the California Civil Code. It would be inaccurate to call the law that Mel Blanc was relying on "common law copyright." For the first time, the dispute was over "state law copyright." The two were not the same.¹⁴³

Following *Fashion Originators* and *RCA v. Whiteman*, the next case in the line of precedent occurred in 1955 in *Capitol Records v. Mercury Records*. But before it were some suggestive lead-up cases. The first was an Illinois federal court case, *Shapiro, Bernstein v. Miracle Record Co.*¹⁴⁴ The case was poorly explained by Judge Igoe, but apparently the Shapiro firm had issued a record containing a song written by one Lewis that had never been copyrighted as sheet music. Miracle Records then produced a record containing their own version of the song. Miracle argued that their record, in keeping with the 1947 Copyright Act (which was unchanged from the 1909 Act for phonorecords and sound recordings) was not a copy of the composition. Shapiro, Bernstein, on the other hand, argued that because the sheet music had not yet been submitted for copyright the composition was in pre-publication status, and thus Miracle's record violated their common-law copyrights. The dispute was over the composition, not the sound recording, which was never an issue, because the song had never been recorded prior to Miracle's version.¹⁴⁵

¹³⁹ *Id.* at 139.

¹⁴⁰ *Id.* at 138-139.

¹⁴¹ *Id.* at 140.

¹⁴² *Fonotipia v. Bradley*, 171 F. 951.

¹⁴³ Traditionally, state law copyright protections have been called "common law copyright." However, most state-law protections for pre-1972 sound recordings are statutory, not common-law. See e.g., *Goldstein v. California*, 412 U.S. 546 (1973).

¹⁴⁴ *Shapiro, Bernstein & Co., Inc. v. Miracle Record Co., Inc.*, 91 F. Supp. 473 (N.D. Ill. 1950).

¹⁴⁵ *Id.* at 194. Judge Igoe was not clear about this, but never discussed any record made by either Lewis or Shapiro, Bernstein. The latter was a well-known sheet-music publisher, not a record company.

Judge Igoe argued that “publication is a practical question and does not rest on any technical definition of the word ‘copy.’”¹⁴⁶ Citing Learned Hand’s opinion in *RCA v. Whiteman* as “very close to our case,” he concluded that when Lewis permitted his composition to be issued on a phonorecord, it was published, and thus amounted to a dedication to the public.¹⁴⁷ He implied, but did not explicitly state, that if Lewis had secured copyright of his sheet music first, then the publication of the phonorecord would not have affected those rights. If so, this meant that issuing phonorecords amounted to publication, leading to divestment, for state common-law copyright in the composition. However, Judge Igoe’s use of terminology was so haphazard that it is impossible to be certain if he meant that issuing phonorecords divested rights to the composition or the sound recording element.¹⁴⁸

A second, far more significant case was *Metropolitan Opera v. Wagner-Nichols Recorder Co.*, also decided in 1950.¹⁴⁹ It was a fairly straightforward case. The Met had an exclusive contract with Columbia Records to record its opera performances. Wagner-Nichols lifted the Met’s famous Saturday afternoon radio programs and used them to make albums competing with Columbia’s. The Met sought an injunction to block Wagner-Nichols. There were several ancillary matters dealing with issues such as intentional misrepresentation of goods. But the major contention between the Met and Wagner-Nichols was the latter’s assertion that the Met had “no property right in the broadcast performances and that [Wagner-Nichols] are therefore free to record these performances and sell their recordings.”¹⁵⁰

Although it never cited the earlier New York case, *Metropolitan Opera* was a throwback to the 1909 *Fonotipia* case.¹⁵¹ Its distinctive feature was the idea that “unfair competition” could be broadened beyond the idea of “palming off” mislabeled goods to include their actual misappropriation: “in recent years its scope has been extended. It has been held to apply to misappropriation as well as misrepresentation . . . to misappropriation of what equitably belongs to a competitor.”¹⁵² It is axiomatic that for misappropriation to occur, there must be property to misappropriate, so it was no surprise that the court held that

the production of an opera by an opera company of great skill, involving as it does, the engaging and development of singers, orchestra, the training of a large chorus and the blending of the whole by expert direction into a finished interpretive production would

¹⁴⁶ *Id.*

¹⁴⁷ *Id.*

¹⁴⁸ *Id.* It is very likely that Judge Igoe used the phrase “common law property in the composition” as a synonym for “sound recording.” His reference to *RCA Mfg. Co. v. Whiteman* suggests that this was his intent. On the other hand, Judge Igoe said that “when phonograph records of a musical composition are available for purchase in every city, town and hamlet, certainly the dissemination of the composition to the public is complete, and is as complete as by the sale of a sheet music reproduction of the composition.” *Id.* at 194. We all have our bad days.

¹⁴⁹ *Metropolitan Opera Assn., Inc. v. Wagner-Nichols Recorder Corp.*, 101 N.Y.S.2d 483 (N.Y. Sup. Ct., 1950).

¹⁵⁰ *Metropolitan Opera*, 101 N.Y.S.2d at 488.

¹⁵¹ *Fonotipia v. Bradley*, 171 F. at 951.

¹⁵² *Metropolitan Opera*, 101 N.Y.S.2d at 491.

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appear to involve such a creative element as the law will recognize and protect against appropriation by others.”¹⁵³

The court also found that the broadcasts did not amount to publication. Here, the court pulled a bit of legal bait-and-switch. After quickly running down the old *Ferris v. Frohman* line of precedent, the court turned to a recent Supreme Court case, *International News Service v. Associated Press*.¹⁵⁴ But the issue in *International News* wasn't whether the press items in dispute had been published or not, but whether they had been *abandoned*, a rather different thing. Abandonment turns on the question of *intent*; publication depends on the extent of actual distribution *regardless of intent*.¹⁵⁵ The court then proceeded to ignore the question of whether the Met had *published* its sound recordings, holding instead that it had not *abandoned* its property through the broadcasts, because it had not demonstrated the requisite intent.¹⁵⁶

But the most cited case proved to be 1955's *Capitol Records v. Mercury Records*.¹⁵⁷ It is justifiably famous, not for the decision itself, but for Judge Hand's dissent. Judge Dimock read the majority opinion. Capitol was the American agent for Telefunken records, a German firm. Mercury distributed the same records under license to a Czech alien properties administrator, who claimed ownership to them as war reparations rightfully seized from Germany. The records did not contain compositions copyrighted in the USA.

The first question was whose law applies? Judge Dimock ruled that under *Erie v. Tompkins*, New York state law applied:

Since the Copyright Act does not deal with the protection of [the sound recording element],¹⁵⁸ we have no basis for applying federal law. We must apply the law which would have been applied in the courts of the state embracing the district below. . . . We must determine what law the New York State courts would apply to ascertain the respective rights of a plaintiff and defendant. We find a complete dearth of authority on the question in New York and consequently must make the decision upon principle. We believe that where the extent of literary property within a given jurisdiction is in question and that extent depends upon acts which have taken place outside of that jurisdiction, the determination should be made according to the laws of that jurisdiction as though the acts had taken place within its borders. . . . Until we have a uniform international law of literary property, it will be much more convenient to determine

¹⁵³ *Id.* at 494.

¹⁵⁴ *International News Service v. Associated Press*, 248 U.S. 215 (1950).

¹⁵⁵ *International News Service*, 248 U.S. 215 at 246. Admittedly, the Supreme Court came very close to making the two synonymous in *International News*, by concluding that an “abandoned” writing was divested into the public domain.

¹⁵⁶ *Metropolitan Opera v. Wagner-Nichols*, 101 N.Y.S.2d at 495.

¹⁵⁷ *Capitol Records v. Mercury Records*, 221 F.2d 657 (2d Cir. N.Y. 1955).

¹⁵⁸ The actual language reads: “. . . does not deal with the protection of phonograph records of the performances of public-domain compositions by virtuosos . . .” *Id.* at 662. It is clear from the text of the opinion that the court means the sound recording element.

the effect of each act by the law of the where the right of property is expected to be exercised.¹⁵⁹

A lot of things happen here very fast. First, Judge Dimock determines that there is no federal question involved. These are classical compositions, in the public domain worldwide. Under the 1909 and 1947 copyright acts, the sound recording element of the recordings is not covered by American copyright.¹⁶⁰ Second, based on this, Judge Dimock immediately declares that the rules of decision to be applied are those of the state in which the district court is located. As we have seen, this is contrary to the historical interpretation of the rules of decision statute,¹⁶¹ which incorporates both a rule selecting state over federal law, and a choice of law selecting the law of the state where the harm took place. Third, based on New York rules of decision, Judge Dimock determined that because all the applicable laws in this case were foreign laws, New York law would apply because it is “the place where the right of property is sought to be exercised.” In other words, because that is where the court with jurisdiction in the matter was physically situated.

What would have happened if Judge Dimock had followed both prongs of the rules of decision, including the implied *lex loci* mandate of *Hawkins and Day v. Barney’s Lessee*?¹⁶² He would have selected state law over federal law and tried to apply *lex loci* to select the state law to be used. But that would have been impossible, because both parties were foreign nationals disputing events that occurred in Europe. Therefore, the court would have ended up in the same place it did: the law of the court with jurisdiction.

The next issue Judge Dimock had to resolve was under New York law, whose rights prevail? Through a relatively complex chain of legal reasoning based on contract law, not copyright, Telefunken had the superior claim.¹⁶³

Now for the crucial issue: did Telefunken lose their common law copyright in the sound recordings through publication? Up to *RCA v. Whiteman* (1940), the answer would have been yes. But, according to Judge Dimock, *RCA v. Whiteman* had been replaced in 1950 by *Metropolitan Opera v. Wagner-Nichols*. Therefore, Telefunken had not lost their monopoly to make or sell records.¹⁶⁴

Judge Hand’s dissent was longer than Dimock’s opinion. It was a refinement and extension of the arguments he had been working out for a decade starting with *Fashion Originators* and *RCA v. Whiteman*. He opened with a flat-out statement of two principles: 1) the performance or rendition of a composition is a writing for the purposes of the Progress Clause; and 2) it is a thing separate and apart from the composition.¹⁶⁵ By extension from these two principles, Congress could, if it wanted to, grant the power of statutory copyright to the performer of a sound recording if it were affixed in a tangible medium.

¹⁵⁹ *Capitol Records v. Mercury Records*, 221 F.2d at 662.

¹⁶⁰ Sound Recordings, limited copyright, Pub. L. No. 92-140, 85 Stat. 391 (1971) (adding to section 5, title 17 of the United States Code a subsection (n) entitled “sound recordings”).

¹⁶¹ 28 U.S.C. §1652.

¹⁶² *Hawkins and Day v. Barney’s Lessee*, 30 U.S. 457, 464 (1831).

¹⁶³ *Capitol Records*, 221 F.2d at 662-663.

¹⁶⁴ *Id.* at 663.

¹⁶⁵ *Id.* at 664 (J. Hand, dissenting).

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However, Congress had not extended such protection.¹⁶⁶ Section 4 of the Copyright Act of 1947 said that “the works for which copyright may be secured under this title shall include all the writings of an author.”¹⁶⁷ Therefore, all things eligible under the Constitution for inclusion in federal copyright legislation were included in the copyright code. That is, there was no such thing as a “writing not included within by the Copyright Act.”¹⁶⁸

Congress could choose to exclude a given category of writing from the protections accorded by the copyright code. Sound recordings were an example of this. Because sound recordings were not included, they were eligible for protection under state law. However, because sound recordings (or any other similarly situated work) were still “writings,” they still fell within the reach of the copyright code, and once “it is settled that a work is within that class” of writings then “it is a federal question whether he has published the ‘work’”¹⁶⁹ There is no Erie-type rule of decision involved. If a work is a writing, the question of publication is a matter of federal law because the issue is a federal question, irrespective of the fact that the Copyright Act extends no protection to that class of writing, leaving the task up to the states.

Why such a seemingly draconian solution, at least from the standpoint of musical performers? Hand cited Madison’s *Federalist No. 43*. By the time of the 1787 constitutional convention, every state but Vermont had passed its own copyright law. The result, in Madison’s opinion, was imminent disaster, and that was the motivation behind the Progress Clause.¹⁷⁰ “If, for example in the case at bar,” Hand noted:

the defendant is forbidden to make and sell these records in New York, that will not prevent it from making or selling them in any other state which may regard the plaintiff’s sales as a ‘publication’; and it will be practically impossible to prevent their importation into New York. That is exactly the kind of evil at which the clause [§ 4 of the Copyright Act] is directed.¹⁷¹

Hand again acknowledged that “I recognize that under the view I take the plaintiff can have only a very limited use of its records,” but “I am not satisfied that the result is unjust, when the alternative is a monopoly unlimited both in time and in user.”¹⁷²

Now, move forward to 2005. Substitute “Capitol” and “Naxos” for “Mercury” and “Telefunken.” The case is exactly the same. The only difference is that in 1950, as Judge Dimock briefly noted, there were no applicable international treaties or federal law. In 2005 there was. Judge Graffeo’s opinion in *Capitol v. Naxos* was, in essence, a rebuttal to Judge Hand. Dimock argued that because there was no federal law, state law controlled. Judge Hand argued that there *was* applicable federal law, so it

¹⁶⁶ *Id.*

¹⁶⁷ Copyright Act of 1947, Pub. L. No. 391, § 4, 61 Stat. 652, 80th Cong. (1947).

¹⁶⁸ *Id.* Hand did admit that “on occasions” the Copyright Act could “disclose an opposite intent,” but these were minor. News is one example: one does not have a copyright over the substance of a news item, only the literal word-for-word transcription of a news broadcast. *International News Service v. Associated Press*, 248 U.S. at 234.

¹⁶⁹ *Capitol Records*, 221 F.2d at 667 (J. Hand, dissenting).

¹⁷⁰ *Id.*

¹⁷¹ *Id.*

¹⁷² *Id.*

did apply. Judge Graffeo's argument was that although there *was* federal law, New York law *still* prevailed.¹⁷³

Capitol v. Mercury was the last major copyright case concerning sound recordings for eighteen years. However, two tangentially related cases, both in the Supreme Court in 1964, proved to be tremendously important. *Sears, Roebuck & Co. v. Stiffel Co.* and *Compco Corp. v. Day-Bright Lighting* were virtually identical cases.¹⁷⁴ Stiffel made floor lamps; Day-Bright made overhead florescent factory lights. Both thought they had valid patents. They were wrong. Competitors copied their well-regarded products and undersold them. Lacking valid patents, the makers of the originals successfully sought relief under state laws designed to prevent unfair competition. The Supreme Court overturned both lower courts. "When an article is unprotected by a patent or a copyright, state law may not forbid others to copy that article," wrote Justice Black.¹⁷⁵

Doubtless a State may, in appropriate circumstances, require that goods, whether patented or unpatented, be labeled or that other precautionary steps be taken to prevent customers from being misled as to the source . . . [but] a State may not when the article is unpatented and uncopyrighted, prohibit the copying of the article itself or award damages for such copying.¹⁷⁶

In 1967, Barbara Ringer, Assistant Register of Copyrights, explained to a congressional committee that:

The Supreme Court decisions in the *Sears* and *Compco* cases raise serious doubts as to whether any rights in sound recordings survive their publication (i.e., the first sale or distribution of records). . . . Even though three and a half years have passed since the *Sears* and *Compco* decisions, their full impact remains unclear and controversial. . . . In my opinion the crucial question in deciding whether published sound recordings are still entitled to common-law protection is whether the pre-emption of State common law rights applies only to works that come within the subject matter of the present Federal copyright statute, or whether it extends to works (like sound recordings) that are not now protected by federal copyright, but that are Constitutionally capable of it . . . it is my view that sound recordings are "writings of an author" and that Congress can grant them any degree of copyright protection it sees fit. However, they are not subject to statutory protection under the present law, and under the *Sears*, *Compco*, and subsequent decisions,

¹⁷³ *Capitol v. Naxos IV*, 830 N.E.2d 250, 265 (N.Y. 2005) ("Copyright protection extended by state common law to sound recordings not covered by the federal Copyright Act is similar to the scope of common-law ownership rights in other forms of property, which can exist indefinitely. . . . Applying the copyright law of the situs where the infringement occurs, there is no justification under New York law for substituting the British copyright term in place of New York's common-law protection . . .").

¹⁷⁴ *Sears, Roebuck and Co. v. Stiffel Co.*, 376 U.S. 225 (1964); *Compco Corp. v. Day-Bright Lighting, Inc.*, 376 U.S. 234 (1964).

¹⁷⁵ *Compco Corp.*, 376 U.S. at 237.

¹⁷⁶ *Sears, Roebuck and Co.*, 376 U.S. at 232-233.

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they cannot be given common-law protection equivalent to copyright.¹⁷⁷

Admittedly, Ringer's was a rather pessimistic assessment. In both opinions the Court had made two points: 1) while a state could not prohibit copying, their power to regulate false labeling, deceptive advertising, fraud, or other "palming off" violations remained untouched; and 2) the court would likely hold that the act of copying another's goods, when done with the deliberate intent to create deception or to confuse customers fell within the general category of "palming off."¹⁷⁸

It was under this rationale that New York state courts continued to successfully prosecute music piracy, most notably in a 1964 case, *Capitol Records v. Greatest Records*,¹⁷⁹ where Capitol was able to convince the court to force Greatest Records to destroy thousands of copies of a bootleg compilation album culled from The Beatles early singles and their first two LPs. "In the unfair competition cases *Sears* and *Compco*, the Supreme Court held that when an article is unprotected by a patent or copyright, state laws may not forbid others to copy that article," but it was pointed out that

actually what was done here was not the copying of article or good made and sold by another, but rather *the appropriation* of the very product itself . . . there is a distinction between such an act, i.e. the copying of an idea, and the actions complained of herein, to wit, the *use of the identical product for the profit of another*.¹⁸⁰

Largely based on New York's experience, California added its own anti-piracy provision, Section 653h, to its penal code in 1968.¹⁸¹ It became the basis of the next major legal action.

V.

In 1971, the State of California indicted several LP bootleggers on 140 counts of music piracy under Section 653h.¹⁸² They eventually pled guilty to ten counts, then

¹⁷⁷ *Hearings Before the Subcommittee on Patents, Trademarks and Copyrights on S. 597, Copyright Law Revision*, 90th Cong., 1st Sess. 1175-79 (Letter of Barbara Ringer, Asst. Register of Copyrights, Sept. 12, 1967).

¹⁷⁸ *Sears, Roebuck v. Stiffel Co.*, 376 U.S. at 232-33. "Doubtless a State may, in appropriate circumstances, require that goods, whether patented or unpatented, be labeled or that other precautionary steps be taken to prevent customers from being misled as to the source . . . [b]ut because of the federal patent laws, a State may not, when the article is unpatented and uncopyrighted, prohibit the copying of the article itself." *Id.*

¹⁷⁹ *Capitol Records, Inc. v. Greatest Records, Inc.*, 252 N.Y.S. 2d 553 (Sup.Ct. N.Y. 1964).

¹⁸⁰ *Id.* at 556. (emphasis in original)

¹⁸¹ See *Goldstein v. California*, 412 U.S. 546, 547 n. 1 (1973) quoting Cal. Penal Code §653h (1971) ("(a) Every person is guilty of a misdemeanor who: (1) Knowingly and willfully transfers or causes to be transferred any sounds recorded on a phonograph record . . . tape . . . or other such article on which sounds are recorded, with intent to sell or cause to be sold, . . . such article on which such sounds are transferred, without the consent of the owner."). That the sound recording is protected is implicit in the reference to ownership, because a public domain recording has no owner. *Id.* at 548.

¹⁸² *Goldstein*, 412 U.S. at 548.

appealed. The law prohibited the duplication of a commercial recording for sale; the compositions they contained were, of course, protected by federal copyright. The Supreme Court consolidated their appeals under the name *Goldstein v. California*. The defendants advanced four arguments: 1) the state law encroached on powers reserved for the federal government; 2) the law permitted a state copyright of unlimited duration in derogation of the “limited times” provision of the federal Progress Clause;¹⁸³ 3) the law violated the Supremacy Clause provisions of the Constitution, as established in the *Sears* and *Compro* holdings; and 4) states could only protect unpublished writings, and under the definition of “published” in federal law, the recordings had been divested.¹⁸⁴

The first issue proved to be surprisingly difficult to deal with. The Progress Clause contained no wording making patents or copyrights the exclusive domain of the federal government, nor did it have any prohibitory language blocking the sharing of such powers with the states. James Madison, in *Federalist No. 43*, did warn against the ineffectuality of separate state copyrights, but the Chief Justice noted that the Progress Clause “does not indicate that all writings are of national interest or that state legislation is, in all cases unnecessary or precluded.”¹⁸⁵

Lacking an explicit prohibition, the important question was whether the exercise of such power by one state prejudiced the interests of other states. The answer, according to Berger, was no, not if the “copyright granted by a particular State has effect only within its boundaries . . . individuals who wish to purchase a copy of a work protected in their own State will be able to buy unauthorized copies in other States where no protection exists.”¹⁸⁶ This point was repeated several times, in different formulations. For example, the Chief Justice explained that while a state copyright law may give a monopoly to the original producer of a record, the situation:

is no different from that which arises in regard to other state monopolies such as a state lottery, or a food concession in a limited enclosure like a state park; in each case citizens may escape the effect of one State’s monopoly by making purchases in another area or another State.¹⁸⁷

This is an important point: Section 653h prohibited the unauthorized transfer of a protected sound recording with the intent to sell the copy.¹⁸⁸ It did not prohibit the ownership of a bootleg record or tape, so it did not prohibit the importation into the state for personal use. Was the importation for distribution and sale prohibited? Such importation, after all, did not meet one of the elements of the law: that there

¹⁸³ In his opinion, the Chief Justice asserted that the first two of these points were a single issue; that of impermissible unlimited duration. The implication was that the encroachment issue was simply a predicate necessary to reach this argument. *Id.* at 551. However, the two were advanced as discrete lines of argument, encroachment in Section IIa, a lengthy discussion, the latter as Section IIb, a single paragraph. In fact, encroachment, not duration, was the real issue at hand.

¹⁸⁴ *Id.* at 552-554.

¹⁸⁵ *Id.* at 556-557.

¹⁸⁶ *Id.* at 558.

¹⁸⁷ *Id.*

¹⁸⁸ See Cal Pen Code § 653h (“(a) Every person is guilty of misdemeanor who: (1) Knowingly and willfully transfers or causes to be transferred any sounds recorded on a [phonorecord] or other article on which sounds are recorded, with intent to sell or cause to be sold . . . such article on which such sounds are so transferred, without consent of the owner . . .”).

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must be a transfer or duplication of a protected sound recording. If the Chief Justice's argument was that state copyright laws were not an impermissible incursion into federal powers only if they had no effect outside their own states' boundaries, then the implied answer is that a state anti-piracy law would be limited only to a prohibition on copying done within that state. Importation of an unauthorized copy with intent to sell becomes a very gray area.¹⁸⁹ Again, this would become an ambiguity in Judge Graffeo's opinion in *Capitol v. Naxos IV*. The fact that Capitol Records, a corporate resident of New York, was able to use the *Capitol v. Naxos* decision, ostensibly effective only within that state, to force Naxos, whose American subsidiary is a corporate resident of Nashville, to curtail much of its activities across the United States, leads one to wonder if it did result in just this kind of state-vs-state trade barrier creation.¹⁹⁰

The petitioners also argued that the California statute contained no sunset provision, thereby giving the rights-owners to the original records an unlimited state copyright. This was dismissed with a single paragraph. It is true that the Progress Clause only permits Congress to grant copyrights for limited times, the Chief Justice admitted, but California is not Congress; no such limitation applies.¹⁹¹

But much of the opinion dealt with the *Sears-Compco* issue, a Supremacy Clause argument: Congress had so covered the regulation of musical recordings that there was no legitimate room for simultaneous state law involvement.¹⁹² It turned into a disquisition on the thorny question of whether sound recordings are "writings," and what their status was under the 1909 and 1947 copyright acts. Phonorecords (as opposed to sound recordings) were writings, the Chief Justice argued, and Congress had included them within the Copyright Act. It had made *some* provision for them: if the phonorecord was of a copyrighted song, the composer (not the performer) received a mechanical royalty of two cents.¹⁹³ Otherwise, there was no financial consideration provided for. This neatly answered the question of whether *phonorecords* were writings while ducking the thorny question of whether *sound recordings* were writings, which was the real issue at hand. Unlike the patented items in *Sears and Compco*, the entire field of protection was therefore not usurped; Congress had

¹⁸⁹ Section 1(a) of both the 1909 and 1947 Copyright Acts did state that copyright consisted of the exclusive right "To print, reprint, publish, copy, *and vend* the copyrighted work." Pub. L. Copyright Act of 1909, 35 Stat. 1075 (1909); Pub.L. 391, 61 Stat. 652, 80th Cong (1947). (emphasis added) However, sound recordings were not federally copyrighted. On October 15, 1971, Congress had passed Public Law 92-140, amending the 1947 Copyright Act to add sound recordings. Pub.L. 92-140, 85 Stat. 391, 92nd Cong. (1971). The new section 1(f) read: "To reproduce *and distribute* to the public by sale or other transfer of ownership, or by rental, lease, or lending, reproductions of the copyrighted work if it be a sound recording." (emphasis added) However, as Chief Justice Berger noted, the *Goldstein* case was adjudicated using the 1909/1947 law because the allegedly infringing recordings were affixed prior to February 15, 1972, the effective date of Public Law. 92-140. *Goldstein*, 412 U.S. 546, 562 n.17.

¹⁹⁰ According to Klaus Heymann, owner of Naxos International, his firm ultimately negotiated a consent agreement with Capitol whereby Naxos would not import any EMI historical recordings anywhere into the United States. NICHOLAS SOAMES, *THE STORY OF NAXOS: THE EXTRAORDINARY STORY OF THE INDEPENDENT RECORD LABEL THAT CHANGED CLASSICAL RECORDING FOREVER*, 118 (Piatkus Press, 2012).

¹⁹¹ *Goldstein v. California*, 412 U.S. at 560.

¹⁹² *Id.* at 561.

¹⁹³ *Id.* at 566.

clearly left an area of regulation up to the states.¹⁹⁴ Chief Justice Berger never did make a definite statement about what was or wasn't a "writing." "[A]lthough the word 'writings' might be limited to script or printed material, it may be interpreted to include any physical rendering of the fruits of creative or aesthetic labor," he wrote.¹⁹⁵

The next question was: did "writings," as defined in Section 4 of the 1909 and 1947 copyright acts, include everything that was eligible for copyright under the Progress Clause? If the answer was "yes," that meant that sound recordings were already subject to the full protection of federal authority, even if that "protection" was equivalent to "no copyright coverage." If the answer was "no," that meant that there were things that were "writings" that Congress had excluded from the copyright code. They were writings, but they weren't covered by the code. The Chief Justice determined that the answer was "no."¹⁹⁶ It was possible for a work to be a "writing," but outside the copyright code. Sound recordings were one of these works. Actually, it would be more accurate to say they *had been* outside the copyright act, and the fact that Congress had already acted to change their status was evidence that helped prove his point.¹⁹⁷ Public Law 92-140, passed by Congress in October 1971, added sound recordings to the class of works eligible for copyright protection, effective February 15, 1972. As a necessary precondition to this, both houses of Congress had to explicitly recognize that sound recordings were "writings," which they did in committee findings in 1971.¹⁹⁸

The Chief Justice dealt with one last argument which he believed was so minor that it warranted only a footnote, but that became one of the most frequently cited paragraphs of the majority opinion. The petitioners had argued that the original record companies had published the LPs through sale to the general public, thereby divesting them into the public domain. Burger declined to make a decision on this issue, relegating it to Footnote 28:

We have no need to determine whether, under state law these recordings had been published or what legal consequences such publication might have. For purposes of federal law, "publication" serves only as a term of art which defines the legal relationships which Congress has adopted under the federal copyright statutes. As to categories of writings which Congress has not brought within the scope of the federal statute, the term has no application.¹⁹⁹

The Chief Justice may have believed that it was insignificant, but this dicta was actually of tremendous importance. In effect, it disavowed Judge Hand's dissent in

¹⁹⁴ *Id.* at 562.

¹⁹⁵ *Id.* at 561

¹⁹⁶ *Id.* at 568.

¹⁹⁷ *Goldstein v. California*, 412 U.S. at 568-569. The Chief Justice relied very heavily on Congress's determination "that recordings qualified as 'writings' within the meaning of the Constitution, but had not previously been protected under the federal copyright statute." *Id.*

¹⁹⁸ *Id.* at 568, citing H.R. 92-487 2, 5 (1971) and S.REP. NO. 92-74, 4 (1971). Berger's implication that Congress's decision to permit the copyrighting of sound recordings was made after a finding that they were writings suggests that he believed the determination of what is or is not a writing was a discretionary decision for Congress to make.

¹⁹⁹ *Id.* at 570, n. 28.

*Capitol Records v. Mercury Records*²⁰⁰ and the line of reasoning he had developed from *Fashion Originators* and *RCA v. Whiteman*. In the earlier cases, Hand had argued that the federal definition of “publication” controlled, even in state copyright cases, because the *Erie*-rule choice of law didn’t apply. In *Capitol Records v. Mercury Records* he went further and declared that any copyright case, whether it dealt with federal or state law, was actually a federal question, because the subject of the dispute was a “writing” as defined in the Progress Clause. In Footnote 28, Chief Justice Berger flatly stated that unless it was a matter dealing with federal copyright, the definition of publication was a matter of state law.²⁰¹

It was a close decision, 5–4. There were two dissents. One was grounded in *Sears, Compco*, and Judge Hand’s dissent in *Capitol Records v. Mercury Records*;²⁰² the other in a text of the Copyright Act itself.²⁰³ Both said nearly the same thing. Justice Douglas, writing for himself and Justices Brennan and Blackmun, argued that the Copyright Act incorporated everything that was a “writing,” that is, everything Constitutionally capable of copyright. Section 5 of the Act then listed those things that were intended for protection through registration. Sound recordings weren’t there. Thus, sound recordings were covered by copyright law, but their “coverage” amounted to “zero,” to nothing. Because they were covered by federal law, albeit without protection, state law was preempted. The most important priority was, as Judge Hand noted, that there must be consistency between state-law and federal-law protections.²⁰⁴

Justice Marshall, on the other hand, came to the same conclusion through a slightly different path of reasoning: the protections given to sound recording in the federal copyright code were so absent that it indicated that Congress had affirmatively chosen a policy of imposing no restrictions on infringement, and therefore states were blocked from enacting their own anti-piracy laws.²⁰⁵

Both sides noted that their opinions were somewhat transitional because, as Chief Justice Berger noted, the law had changed.

VI.

The process of researching, drafting, debating, then finally replacing the 1909/1947 Copyright Act stretched all the way from 1955 to 1976. In 1967, Barbara Ringer, Register of Copyrights, wrote the Senate copyright subcommittee that “there is no doubt in my mind that recorded performances represent the ‘writings of an

²⁰⁰ *Capitol Records v. Mercury Records*, 221 F.2d at 662.

²⁰¹ *Goldstein*, 412 U.S. at 570, n. 28.

²⁰² *Goldstein*, 412 U.S. at 572 (J. Douglas, J. Brennan and J. Blackmun, dissenting).

²⁰³ *Goldstein*, 412 U.S. at 576 (J. Marshall, dissenting).

²⁰⁴ *Id.* at 575 (J. Douglas, dissenting). In 2012, Justice Ginsburg, writing for the majority in *Golan v. Holder*, appeared to categorically reject the idea of a “zero length copyright term,” that is, the inclusion of a subcategory of writings into federal copyright coverage only for the purpose of moving them immediately upon inclusion into the public domain without any period of protection. *Golan v. Holder* 132 S.Ct. 873, 885 (2012).

²⁰⁵ *Goldstein*, 412 U.S. at 579 (J. Marshall, dissenting).

author' in the Constitutional sense, and are as fully creative and worthy of copyright protection as translations, arrangements or any other class of derivative works."²⁰⁶

Between October, 1971, when the 1909 version of the Copyright Act's section on sound recordings was modified (effective February 15, 1972),²⁰⁷ and October 19, 1976, when it was entirely replaced,²⁰⁸ sound recordings lived in sort of a legal shadowland. Before 1972, music legally existed, as far as the federal government was concerned, only in the form of musical compositions written on paper. Even after February 15, 1972 the old mechanical rights fee system was retained, and a cassette tape could not be submitted to the Copyright Office in lieu of a paper score to register a composition.²⁰⁹ However, a new "Class N" copyright (Sound Recording) was added to the traditional "Class E" (Musical Composition) copyright. Class N material included "works that result from the fixation of a series of musical, spoken or other sounds," including music, drama, or narration. Only works first affixed onto a tangible medium and published after February 15, 1972 were eligible for submittal.²¹⁰ Under Class N only the sound content itself was protected. Unlike books and other works, which were required to bear the circle-C symbol, copyrighted sound recordings had to carry a circle-P symbol.²¹¹

By the time the second draft of the new legislation was issued in early 1975, it was a dead letter whether a performance fee system for the sound recording would be added to the existing composer-based mechanical rights fee system. Overwhelmed by the radio and jukebox industries, the existing mechanical rights fee for compositions would be adjusted, but that was it. Congress eventually kicked the can down the road on performance rights to 1978, authorizing a Copyright Office study on the matter.²¹²

On the other hand, the situation as to whether sound recordings would be made copyright-eligible was much different. Phonorecords would now comport to the international standards for all copyrightable works—they would be a unified creative product, no longer split between a "composition" and a "sound recording." Moreover, because formalities such as renewal, filing and marking were now seen as merely "traps for the unwary," all creative works, not just music, would be automatically copyrighted at the moment they were affixed to a tangible medium.²¹³ While registering a work made it much easier for an author to prove originality, and often entitled her to seek enhanced damages in court, it was no longer a mandatory precondition to copyright. Finally, the copyright term was changed from a fixed number of years to one based on the author's life (at the time, life plus 50 years).²¹⁴

²⁰⁶ *Hearings on S. 597: Copyright Law Revision, April 28, 1968*, "Letter of Barbara A. Ringer, Register of Copyrights, September 12, 1967", 1175-1178.

²⁰⁷ Sound Recordings, limited copyright, Pub. L. No. 92-140, 85 Stat. 391 (1971).

²⁰⁸ The Copyright Act of 1976, Pub. L. No. 94-553, 90 Stat. 2591 (1976).

²⁰⁹ Sound Recordings, limited copyright, Pub. L. No. 92-140, § 1(a), 85 Stat. 391 (1971); 17 U.S.C. § 1(f).

²¹⁰ Amendments to 37 C.F.R. § 202, "Registration of Claims to Copyright", 37 Fed. Reg. 3055 (Feb. 11, 1972).

²¹¹ *Id.*

²¹² *Performance Rights in Sound Recordings*, H.R. REP. NO. 22-046 (1978).

²¹³ 17 U.S.C. § 102 (2012) (Historical and Revision Notes).

²¹⁴ The Copyright Act of 1976, Pub. L. No. 94-553, title I, § 101, 90 Stat. 2591 (1976); 17 U.S.C. § 302.

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To some degree, the “unity” concept allowed Congress to circumvent the problem of performers’ rights. Even after the 1972 interim revisions, the Copyright Office required a composer to submit sheet music for a Class E registration. That meant an artist could not improvise an unscored tune, record it, and send it in with a Form E application. It was only eligible for a Class N (sound recording) registration.²¹⁵ But after the 1976 Act, a musician had the choice of sending it in as sheet music with a Form E to register a printed composition, or as cassette tape with a Form PA/PAU (Performing Arts Unitary Work) to register it as a basic non-dramatic musical work, which protected the unitary musical song. That allowed a musician to copyright an improvised tune with herself as both composer and performer, then register it with one of the rights societies such as BMI and ASCAP for mechanical royalties. (ASCAP held out for a few years after BMI and SESAC in requiring sheet music with their registration.)²¹⁶ If the artist was performing someone else’s composition, he would send a cassette tape and a Form SR to receive a copyright just for the sound recording. It wasn’t a great system, and it was widely abused by producers and managers, who often added themselves as co-writer to new songs without the artist’s knowledge, but it was better than the pre-1972 setup.²¹⁷

While the 1971 copyright revisions solved many of the problems plaguing the owners of sound recordings made after February 15, 1972, it did little to rectify the pre-existing problems of those who had recorded before then. And in some ways the new 1976 Act put these artists in an even more awkward legal position than before. Section 303 of the 1976 Copyright Act contained a “sweeping” provision intended to assign copyright terms to everything that had been not been copyright-eligible under the old law, but was now copyrightable under the 1976 legislation.²¹⁸ It did not specifically mention phonorecords, indicating that they were probably originally intended for inclusion along with everything else similarly situated.

A new Section 301 was also added. It specified the breadth and intent of federal preemption.²¹⁹ It was an attempt to codify what the majority had determined in

²¹⁵ Amendments to 37 C.F.R. § 202, “Registration of Claims to Copyright”, 37 Fed. Reg. 3055 (Feb. 11, 1972).

²¹⁶ 37 C.F.R. § 202 (2009); STANLEY SADIE, THE NEW GROVE DICTIONARY OF MUSIC AND MUSICIANS (Macmillian, 1980): IV, 752.

²¹⁷ For more information, see Copyright Office circulars 56 and 56a, *supra* note 10.

²¹⁸ See The Copyright Act of 1976, Pub. L. No. 94-553, § 303, 90 Stat. 2591 (1976) (“303. Works created but not published or copyrighted before January 1, 1978. Copyright in a work created before January 1, 1978, but not theretofore in the public domain or copyrighted, subsists from January 1, 1978 and endures for the terms provided by section 302. In no case, however, shall the term of copyright expire before December 31, 2002, and if the work is published on or before December 31, 2002, the term of copyright shall not expire before December 31, 2047.”). Note: The terms referred to as “provided by section 302” were life plus 50 years for an individual; 75 years from publication or 100 years from creation for a group product or a work for hire. These terms were extended in 1998 in the Copyright Term Extension Act, Pub. L. 105-298, 112 Stat. 2827 (1998) (amending 17 U.S.C. §§ 302, 304). The text of section 303 cited above was amended unchanged to become § 303(a) by Pub. L. 105-298, title I, § 102 (c), 112 Stat. 2827 (1998).

²¹⁹ See The Copyright Act of 1976, Pub. L. No. 94-553, § 301, 90 Stat. 2591 (1976) (“301. Preemption with respect to other laws. (a) On and after January 1, 1978, all legal or equitable rights that are equivalent to any of the exclusive rights within the general scope of copyright as specified by section 106 in works of authorship that are fixed in a tangible medium of expression and come within the subject of copyright as specified by sections 102 and 103, whether created before or after that date and whether created before or after that date and whether published or unpublished,

Goldstein: if a work was a writing and was protected by federal copyright, it could not simultaneously be protected by state law, but if a work was a writing and was not protected by federal law then it was eligible for coverage under state law.

The problem was that some things had been determined by the courts to be both a writing and inherently ineligible for copyright. One example was pure factual material. While Telephone Company A could not simply photocopy Telephone Company B's phone book, the factual material in A's book was not protected: if B wanted to transcribe out every name and number, re-type the information and publish their own book, that was okay, because pure facts in themselves are insufficiently original to qualify for protection.²²⁰ Section 301 was written so as not to permit a state to pass legislation, subsequent to such a ruling, to start protecting telephone books in its jurisdiction.²²¹

But fairly late in the process of marking up the bill, in mid-1975, the Attorney General's office voiced an objection that Section 301 "could be read as abrogating the antipiracy laws now existing in 29 States relating to pre-February 15, 1972 sound recordings," and recommended that a new provision be added to specifically exclude pre-1972 sound recordings from federal preemption.²²² In the *Goldstein* case, the Supreme Court had declined to comment on whether it believed that California's anti-music piracy statute fell within the "palming off" exception, so the Attorney General's concern was a legitimate one. If state statutes such as California's Section 653h were considered "palming off" laws, directed at unfair business practices, they would not be preempted by Section 301, but if they only extended rights to authors equivalent to those within the ambit of federal copyright, they would be preempted.

In the final Senate deliberations a short new subpart (iv) was added to subsection 301(b) that specifically blocked the preemptive powers of the draft Copyright Act in regards to state anti-music piracy laws for pre-1972 records.²²³ This is how the Senate-approved version of the bill read when it was sent to the House in December of 1975. In early 1976, the House's version of Section 301(b) was altered. Subpart (iv) was dropped and replaced with a subsection dealing with architectural

are governed exclusively by this title. Thereafter, no person is entitled to any such work under the common law or statutes of any State. (b) Nothing in this title annuls or limits any rights or remedies under common or statutes of any State with respect to: (i) [any material not listed in sections 102 and 103 as subject to copyright]; (ii) [any lawsuit already commenced before January 1, 1978]; (iii) [any state law that is not equivalent to a federal copyright protection]”).

²²⁰ *Feist Publications v. Rural Telephone Service Co.*, 499 U.S. 340, 111 S. Ct. 1282 (1991). See also MELVILLE B. NIMMER & DAVID NIMMER, *NIMMER ON COPYRIGHT* § 1.01[B][2] (2012). Compare this to a firm that publishes a used-car price guide, or a guide to estimating the probability that the computer hard disc of a specific make, model, age and extent of use will fail. These are facts, but are arrived at through the skill and originality of the author. They are therefore protected. See Bruce Epperson, *Uncertain and Unverifiable: Jazz Metadiscography and the Paradox of Originality*, ARSC JOURNAL 39, 2 (Fall 2008): 215-239.

²²¹ The distinction is subtle; recall the dissent of Justice Marshall in *Goldstein*, who argued that given the language of § 1(e) of the 1909-1947 copyright codes, Congress had placed sound recordings in the same category as the factual content of telephone books—things it did not want to protect by copyright, and that it did not want the states to protect under copyright, either.

²²² *Copyright Law Revision: Report to Accompany S.22*, Report 94-473, at 116, 94th Cong. (Nov. 1975).

²²³ *Sound recordings fixed before February 15, 1972: Hearings Before the House Subcommittee of the Committee on the Judiciary on H.R. 2223, Copyright Law Revision, May-December 1975*, 137-139 (Testimony of Irwin Goldbloom, Department of Justice).

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landmarks, and a new subsection (c) was added just for pre-1972 sound recordings.²²⁴ In commenting on this change, the House legislative report says only that:

In its testimony during the 1975 hearings, the Department of Justice pointed that under section 301 as then written, “This language could be read as abrogating the anti-piracy laws now existing in 29 states. . . . The Department recommended that section 301(b) be amended to exclude sound recordings affixed prior to February 15, 1972 from the effect of preemption. The committee adopted this suggestion. The result of the Senate amendment would be to leave pre-1972 sound recordings as entitled to perpetual protection under State law, while post-1972 recordings would eventually fall into the public domain as provided in the bill. The Committee recognizes that, under recent court decisions, pre-1972 recordings are protected by State statute or common law, and that they should not all be thrown into the public domain instantly upon the coming into effect of the new law. However, it cannot agree that they should in effect be accorded perpetual protection, as under the Senate amendment, and it has therefore revised clause (4) to establish a future date for the pre-emption to take effect.”²²⁵

It is true that the Attorney General’s proposed solution of simply adding a new line item to the list of exceptions in subsection 301(b) would probably have thrown state-law copyright protection over them in perpetuity, but that could have been fixed relatively simply. Instead, the solution actually implemented was far broader.

Take the new subsection 301(c) one sentence at a time. “With respect to sound recordings fixed before February 15, 1972, any rights or remedies under the common law or statutes of any State shall not be annulled or limited by this title until February 15, 2047.”²²⁶

Section 301(a) preempts the application of state law if it duplicates federal copyright law and if the state law attempts to protect material that is copyrightable.²²⁷ The above paragraph overrides this federal preemption (since extended until 2067), thereby preserving state statutory and common-law remedies for pre-1972 sound recordings. This sentence could have been written to simply disable subsection 301(a) for pre-1972 sound recordings, but it does not do this. The block against preemption here is, in fact, broader in scope. Subsection (a) preempts only those state laws that are “within the general scope of copyright as specified by

²²⁴ 17 U.S.C. § 301(c) (“With respect to sound recordings fixed before February 15, 1972, any rights or remedies under the common law or statutes of any State shall not be annulled or limited by this title until February 15, 2047. The preemptive provisions of subsection (a) shall apply to any such rights and remedies pertaining to any cause of action arising from undertakings commenced on or after February 15, 2047. Notwithstanding the provisions of section 303, no sound recording fixed before February 15, 1972 shall be subject to copyright under this title before, on or after February 15, 2047.”).

²²⁵ 17 U.S.C. § 301(b) (2012) (Historical and Revision Notes).

²²⁶ Extended to 2067 in the Copyright Term Extension Act, Pub. L. 105-298, 112 Stat. 2827 (1998) (amending 17 U.S.C. §§ 302, 304).

²²⁷ 17 U.S.C. § 301 (2010) (Historical and Revision Notes).

section 106.”²²⁸ That is, the rights conferred by being federally copyrighted. But this sentence blocks all preemptions against state rights or remedies that are equivalent to any protection anywhere in the copyright code, not just in Section 106, because it refers to “rights or remedies” that may be “annulled or limited” by anything “under this *title*” not to “rights that are equivalent to any . . . in *section 106*,” the language used in subsection (a).

This is not a mere semantic distinction. Three important sections of the Copyright Act that define rights in sound recordings are *not* located in Section 106: Section 104 (“subject matter of copyright: national origin”); Section 114 (“scope of exclusive rights in sound recordings”) and Section 115 (“compulsory license for making and distributing phonorecords”).²²⁹ Section 104 establishes the basic criteria whereby foreign-origin works are protected by U.S. copyright law. Subsection 104(a) gives domestic protection to a sound recording first fixed in a foreign country, provided that nation is a treaty party with the United States, but regardless of whether the sound recording is considered published or unpublished under United States law.²³⁰ Section 114 nullifies the right of performance in sound recordings given to other works in subsection 106(4) substituting the mechanical royalty fees for composers administered by ASCAP, BMI and SESAC. Section 115 does the same thing, only for the pressing of records and tapes, again substituting the mechanical fee formula.²³¹

The breadth of this block to preemption does have a significant affect on how states treat pre-1972 phonorecords under their state law. In September, 2014, the Federal District Court for the Southern District of California held that Section 980(a) of the California Civil Code accorded the owners of the sound recording aspect of pre-1972 sound recordings a right to seek performance royalties from all broadcasters, both traditional broadcast radio stations and digital new media transmitters.²³² This right is actually broader than what exists for post-1972 under the federal copyright code. Subsection 106(6) of the copyright code, added in 1995, created a new performance right, but only for works disseminated by digital audio transmission and only for copyrighted works (i.e., those recorded after February 15, 1972).²³³ Otherwise, Section 114(a) expressly prohibits any right of performance outside the existing mechanical rights fee system. But the California federal court ruled that state law encompassed both digital and traditional transmitters, including broadcast radio stations.

A New York federal district court subsequently issued a series of rulings that effectively granted summary judgment to the same plaintiffs as in the California

²²⁸ See 17 U.S.C. § 301 (2010) (Historical and Revision Notes) *supra*, note 218.

²²⁹ 17 U.S.C. §§ 104, 104(a), 114, 115 (2012).

²³⁰ 17 U.S.C. §§ 104(a), (2012).

²³¹ 17 U.S.C. §§ 114, 115 (2010) (Historical and Revision Notes). In 2002, a performers’ right (i.e. a right in the sound recording element) was added at § 106(6): “the owner of copyright under this title has the exclusive right . . . (6) in the case of sound recordings, to perform the copyrighted work publicly by means of a digital audio transmission.” Pub. L. 107-273, div. C, title III, §13210(4)(A), 116 Stat. 1909 (2002). It does not extend to traditional broadcast radio stations or phonorecords, which continue as before.

²³² *Flo and Eddie, Inc. et. al. v. Sirius XM Radio, Inc. et. al*, CV13-5693 PSG(RZx) (S.D. Cal., Sept. 22, 2014).

²³³ Digital Performance Rights in Sound Records Act, Pub. L. 104-39, § 2 (1995), 17 U.S.C. § 106(6) (2012).

case, pending a decision by the plaintiffs as to whether they wished to proceed with the litigation as a class action suit or as individual plaintiffs. The primary difference from the California case was that the performance right for pre-1972 records was based on New York state common law, not a specific statute.²³⁴

If the block to preemption in subsection 301(c) was limited only to nullifying the preemptive effects of subsection 301(a), these state-based actions would not be possible. Sections 114 and 115 act as substitutes for subsection 106(4); that is, the exclusive right of an owner to perform his or her work.²³⁵ Thus, it is an open question whether they are “within the general scope of copyright as specified in Section 106.”²³⁶ But there is no ambiguity as to whether Sections 114 and 115 are within Title 17. Thus, subsection 303(a) blocks any assertion that the nature of the protection they extend to post-1972 copyrightable records precludes the parallel application of state law to pre-1972 records. While *some* of the provisions of the copyright code preclude the application of *some* equivalent state laws to post-1972 phonorecords, it is clear that the block to preemption afforded to pre-1972 phonorecords incorporates *all* possible preemptions that may be thrown up by *any* provision of the copyright code.

Another example of how this broad block works against the preclusive effect of federal copyright law can be found in the *Capitol Records v. Naxos IV* decision. There, Judge Graffeo was faced with two conflicting laws in determining whether the English-origin classical recordings were in the public domain in the United States. The Berne Convention and the Universal Copyright Convention (UCC) both specified something called the “Rule of the Shorter Term,” which says that the copyright duration in the nation of first publication (England) determines the copyright in all other nations, thus making the public domain date everywhere 1986 or earlier.²³⁷ New York state law, on the other hand lasts until 2067, when the block against federal preemption lifts.²³⁸ Judge Graffeo ruled that New York law was superior to the Berne Convention and the Universal Copyright Convention (UCC) because New York rights and remedies are preserved under Section 301(c) of the Copyright Act.²³⁹ The Berne and UCC documents, as international treaties, are empowered through the Copyright Act, but they are not “exclusive rights within the general scope of copyright as specified by Section 106,” because they are not *American* copyrights.²⁴⁰

²³⁴ Flo and Eddie, Inc. et. al. v. Sirius XM Radio, Inc. et. al., 13-CV-5784(CM) (S.D.N.Y.) (def’s. motion for summary judgment denied Nov. 14, 2014; def’s. motion to reconsider denied, Dec. 12, 2014; decision and order on def’s. reply to court’s show-cause order why plaintiffs should not be granted summary judgment, Jan. 15, 2015).

²³⁵ See 17 U.S.C. § 106 (2012) (“Subject to sections 107 through 122, the owner of copyright under this title has the exclusive right to do and authorize any of the following . . . (4) in the case of literary, musical, dramatic, and choreographic works, pantomimes, and motion pictures and other audiovisual works.”).

²³⁶ 17 U.S.C. § 301(a)

²³⁷ Not all of the recordings in *Capitol v. Naxos* fell into the U.K. public domain at the same time. The date of 1986 is used by commentators because that was the date the last one did so. *Capitol Records v. Naxos (Capitol v. Naxos I)*, 262 F. Supp.2d 204, 208 (S.D.N.Y. 2003).

²³⁸ 17 U.S.C § 303(a) (2004); 17 U.S.C § 303(a) (2012).

²³⁹ *Capitol Records v. Naxos (Capitol v. Naxos IV)*, 830 N.E. 2d 250, 265 (N.Y. 2005).

²⁴⁰ They are rights empowered through § 104A of the current copyright code. *Golan v. Holder*, 132 S. Ct. at 881-82.

The second sentence reads: “The preemptive provisions of subsection (a) shall apply to any such rights and remedies pertaining to any cause of action arising from undertakings commenced on or after February 15, 2047.”²⁴¹

At first, this sentence appears contradictory. The first sentence has its own sunset provision: it will “turn itself off” and end the block to preemption on the designated date, now February 15, 2067. This sentence appears to do the opposite: it will “turn on” that same block on the same day. But it is not contradictory, because what is being “turned on” is much less than is what is being “switched off” in the preceding sentence. The block being deactivated is a block to any preemption arising anywhere within Title 17. What replaces it is a block to federal preemption only for powers originating in Section 106 of the Copyright Code. This is, of course, the basic level of federal preemption accorded to anything that is covered by federal copyright. As I explained in my discussion of the preceding sentence, it is problematic whether a state will still have to power to invoke its own equivalents of Sections 114 or 115, or what its powers will be in circumstances where there is a conflict of laws between its state law and the laws and treaty powers of a foreign nation. However these may be interpreted, one thing is for certain: the result will be a long way from the public domain.

Finally, the third sentence reads: “[n]otwithstanding the provisions of Section 303, no sound recording fixed before February 15, 1972 shall be subject to copyright under this title before, on or after February 15, 2047.”²⁴²

This sentence has also been extended to 2067 since it was adopted. It does one, and maybe two, things. The first is obvious: had it not been inserted, pre-1972 phonorecords would have been swept up into federal copyright by Section 303 along with all older, pre-1978 writings. Now, they will remain in the same limbo they have been in since the 1909 Copyright Act.

But is there a second effect? For the preemption in subsection 301(a) to be effective, two conditions must be met: 1) the state action to be preempted must fall within the general scope of federal copyrights as defined in Section 106; and 2) the work affected “must come within the subject matter of copyright as specified by Sections 102 and 103.”²⁴³ But while “musical works” are listed in subsection 102(2), pre-1972 sound recordings are, in subsection 301(c), not “subject to copyright.” So are they still included within the “subject matter of copyright” under Section 102 or 103? In other words, when this sentence says that “no sound recording . . . shall be subject to copyright . . . *on before or after* February 15, 2047 [2067],” is it possible that it removes pre-1972 phonorecords from “the subject matter of copyright” and therefore makes the (a) paragraph inapplicable? If so, the net effect would be that on February 15, 2067, *absolutely nothing changes*. Pre-1972 phonorecords would remain in state-law copyright *in perpetuity*.

David Nimmer, the copyright authority, believes, based on the final House Report of September 3, 1976, that Congress did not plan to leave pre-1972 sound recordings in common-law protection in perpetuity; that there was a clear intent to

²⁴¹ Since 1998, the date is now 2067. Pub. L. No. 105-298, 112 Stat. 2827 (1998) (amending 17 U.S.C. §§ 302, 304).

²⁴² *Id.*

²⁴³ 17 U.S.C. § 301(a) (2012).

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send them into the public domain on a specific date based on what the copyright term would be for a comparable post-1972 recording.²⁴⁴

In addition, the Historical and Revision Notes (House Report 94-1476) attached to Section 301, in discussing subsection 301(c), states that “the Committee recognizes pre-1972 recordings are protected by state statute or common law, and that not all should be thrown into the public domain instantly upon the coming into effect of the new law. However, it cannot agree that they should in effect be accorded perpetual protection under the Senate Amendment [by simply listing them as exempt under proposed Section 301(b)(iv)] and has therefore revised clause (4) to establish a future date for the preemption to take effect. The date chosen is February 15, 2047”²⁴⁵ But note the careful language: the Committee was concerned about the date when pre-1972 recordings would enter the *public domain*, so they set a date for *preemption* to take effect. The imposition of preemption [i.e. the removal of state-based protection] is not the same thing as entry into the public domain.

This was made clear in a recent case, *Golan v. Holder*, dealing with the issue of whether the United States had the power to move material in the public domain back into copyright-protected status to meet its obligations under the Berne Convention, the Court was presented with an argument that the “limited times” provision of the Progress Clause could include a term of zero length. In other words, that the United States had the power to pull a category of writings into copyright-protected status expressly for the purpose of immediately moving them to the end of term and into the public domain:

The text of the Copyright Clause does not exclude application of copyright protection to works in the public domain. Petitioners’ contrary argument relies primarily on the Constitution’s confinement to a limited [term] Our decision in *Eldred*²⁴⁶ is largely dispositive of petitioners’ limited-time argument. There we addressed the question whether Congress violated the Copyright Clause when it extended, by 20 years the terms of existing copyrights²⁴⁷ . . . we declined to infer from the text of the Copyright Clause “the command that a time prescription, once set, becomes forever ‘fixed’ or ‘inalterable’ The difference, petitioners say, is that the limited time had already passed for works in the public domain. What was that limited term for foreign works once excluded from U.S. copyright protection? Exactly “zero, petitioners respond” [B]y refusing to provide any protection for a work, “Congress set[s] the term at zero,” and thereby “tell[s] us when the end has come.” *We find scant sense in this argument, for surely a “limited time” of exclusivity must begin before it may end.*²⁴⁸

²⁴⁴ See MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT § 1.01[B][2][d][ii], n521 (2012); *Copyright Law Revision: Report Together with Additional Views to Accompany S.22*, at 133, Report 94-1476, 94th Cong. (1976).

²⁴⁵ 17 U.S.C. § 301 (2012) (Historical and Revision Notes).

²⁴⁶ *Eldred v. Ashcroft*, 537 U.S. 186 (2003).

²⁴⁷ Copyright Term Extension Act, Pub. L. 105-298, 112 Stat. 2827 (1998).

²⁴⁸ *Golan v. Holder*, 132 S. Ct. at 881 (citations omitted, emphasis added); See also MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT § 9A.02[A][2] (2012).

Based on this, I believe it is premature to assume that pre-1972 phonorecords will move into the public domain on February 15, 2067. The most that can be assumed is that they will pass out of state-law copyright control on that date. However, what is central to this narrative is what Judge Graffeo thought, and her opinion clearly stated that she interpreted Section 303 to mean that pre-1972 phonorecords will move out of the protective control of New York state law on February 15, 2067.²⁴⁹ Whether this meant entry into the public domain or something else is a matter she chose not to comment on.

VII.

In a coincidence, the timing of the new 1971 sound recording amendments along with a brilliant new theory advanced by a New York federal court judge, almost revolutionized copyright law in regard to phonorecords, both in their composition and sound recording aspects. Alas, Judge Gurfein was a prophet before his time.

Rosette v. Rainbow Records was a 1973 dispute over composition rights. With the exception of Mel Blanc's "Woody Woodpecker" case in 1949, almost every case up to this point had been a dispute about whether issuing phonorecords publishes the *sound recording*, not the *composition* of the songs on the disc.²⁵⁰ Marion Rosette was a composer and performer of children's songs, most based on classic fairy and folk tales. She had been issuing records since about 1964; all in dispute came from the pre-1972 period. Rainbow issued dubbings of at least 33 of her songs. Rosette had not registered federal copyright in any of her compositions, so she sued under New York state law. Rainbow asserted that by issuing records, Rosette had published her compositions, divesting them to the public.²⁵¹

Reviewing precedent, Judge Gurfein found little guidance. *Shapiro, Bernstein v. Miracle Records*²⁵² (1950), implied, but didn't directly state, that publication divested composition rights. *Mills Music v. Cromwell Music*²⁵³ (1954), stated so outright, but the point was tangential to the case. The same was true for *McIntire v. Double A Music*²⁵⁴ (1958). The one exception was *Nom Music v. Kaslin*²⁵⁵ (1964), in which the court held that issuing records did not publish the composition because records were not copies under the copyright code. (Only *Shapiro, Bernstein* has been discussed in this article so far.)

The problem was that Section 2 of the 1909 and 1947 copyright acts gave almost unlimited protection to "unpublished" works.²⁵⁶ The two-cents per copy "mechanical

²⁴⁹ See *Capitol Records v. Naxos (Capitol v. Naxos IV)*, 830 N.E. 2d at 265 ("Until 2067, no federal or state statutory impediment constricts this common-law durational component for pre-1972 sound recordings").

²⁵⁰ *Blanc*, 83 U.S.P.Q. 137 (Cal. Sup. Ct. 1949).

²⁵¹ *Rosette v. Rainbow Record Mfg. Corp.* 354 F. Supp. 1183 (S.D.N.Y. 1973).

²⁵² *Shapiro, Bernstein & Co. v. Miracle Record Co.*, 91 F. Supp. 473 (D. Ill. 1950).

²⁵³ *Mills Music, Inc. v. Cromwell Music, Inc.*, 126 F. Supp. 54 (S.D.N.Y. 1954).

²⁵⁴ *McIntyre v. Double-A Music Corp.*, 166 F. Supp. 681 (S.D. Cal. 1958).

²⁵⁵ *Nom Music, Inc. v. Kaslin*, 227 F. Supp. 922 (S.D.N.Y. 1964).

²⁵⁶ Pub. L. No. 391, 61 Stat. 652, 80th Cong. (1947), (1947 Copyright Act), 17 U.S.C. § 2 (1960) ("Nothing in this title shall be constituted to annul or limit the right of an author or proprietor of an unpublished work, at common law, or in equity, to prevent the copying, publication, or use of such unpublished work without his consent, and to obtain damages therefore.").

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reproduction” fee provision in Section 1(e) obviously required a registration system (called a “notice of use”), but Section 5 of the Act didn’t include phonorecords as works eligible for copyright, and of course *White-Smith Music* had deemed that records were not copies.²⁵⁷ Lacking any help from precedent, and forced to admit that the Copyright Act was the problem, not the cure, he devised his own solution—one as simple as it was clever:

[T]he use of phonograph records without compliance with the Copyright Act bars claims for infringement not because the record is a “copy” or a “publication,” but because any other interpretation leads to a conflict with the Federal statutory scheme. Section 2 would still be read as applying to unpublished works protectable at common law including unpublished musical compositions where no mechanical recordings have been made.

On the other hand the failure to file notice of use does not bar the copyright owner forever. By analogy then, I hold that the sale of phonograph records is not a divestment of common law rights by publication but that it does inhibit suit against infringers until the statutory copyright is obtained and the notice of use is filed.²⁵⁸

Gurfein proposed that a composer who had neither published her composition as sheet music nor issued it on a record would be treated the same as any other author of undistributed manuscript material. She would be covered by state common law copyright, regardless of whether her “manuscript” was a book, sheet music or an uncirculated record. Once the composer had circulated her song on a record, without securing a Class E sheet music copyright or filing the notice of use for her two-cent-per-copy mechanical royalty, others would be free to use it without cost.²⁵⁹ In addition, they would be immune from suit by her for state common-law copyright infringement. However, the author’s compositions would not be permanently divested into the public domain, because phonorecords aren’t copies. Thus, once the author had secured her Class E copyright, other parties would be obligated to file notice and start paying mechanical fee royalties. The author could also start to use state common law to enjoin any further illegal record sales under unfair business practices statutes or anti-music piracy laws.

The real beauty of this system is that it could be made to work just as well for sound recordings. Because sound recordings made after February 1972 were separately copyrightable under Class N,²⁶⁰ Gurfein’s solution pointed a way towards a workable method for pulling pre- and post-1972 recordings into a single system. A pre-1972 recording could be dubbed by others, because it wasn’t a “copy,” but once it was registered under the new system, such duplication had to cease because it then met the definition of “pirated” music under state laws. The appeals court upheld both Gurfein’s decision and his award of \$14,300, but offered no commentary on his

²⁵⁷ *White-Smith Music Publishing Co.*, 209 U.S. 1 (1908).

²⁵⁸ *Rosette*, 354 F. Supp.at 1193 (citations omitted).

²⁵⁹ The mechanics are further explained in *Norbay Music, Inc. v. King Records, Inc.*, 290 F.2d 617 (2d Cir. 1961).

²⁶⁰ 37 Fed. Reg. 3055 (Feb. 11, 1972) (amendments to 37 C.F.R. § 202).

novel approach.²⁶¹ In any event, it was now late 1976, and Congress had finally seen fit to replace the interim copyright revision with a complete overhaul, one that, at least for new records, obviated the need for his system.²⁶²

One of the first court cases interpreting the 1976 Copyright Act occurred in 1986 in *Jones v. Virgin Records*,²⁶³ which involved a dispute over the well-known song “Handyman,” a three-time Billboard top 25 single. Composers Jimmy Jones and Otis Blackwell, under the name Shalimar Music Corporation, registered “Handyman” as sheet music in 1959. It was published on paper in 1964. Jones recorded it in 1960, Del Shannon in 1964, James Taylor in 1977, and George O’Dowd (Boy George) in 1983. Jones and Blackwell registered a unitary Performing Arts work in August 1984 using a PA/PAU registration and by submitting a cassette tape.²⁶⁴

Jones and Blackwell alleged that O’Dowd copied elements of “Handyman” that were unique to the 1960 phonorecord version (but were not contained in the 1959 sheet music version). O’Dowd countered that the 1960 version was in the public domain through publication. Judge Lowe dusted off the *Rosette v. Rainbow Records* decision and updated it to make it work in the post-1976 Copyright Act environment, the only known example where this was done.²⁶⁵

Judge Lowe rejected O’Dowd’s argument that the 1960 record of “Handyman” published the composition on the grounds that a phonorecord could not be a copy of the composition it contained. Instead, he folded the 1976 Copyright Act into the *Rosette* decision, using the 1984 date in which Jones and Blackwell registered it as a PA/PAU basic musical work as the earliest date in which damages could be sought.²⁶⁶

The modernized interpretation of the formula led to the result that issuing the 1960 version of “Handyman” as a record didn’t publish it, but until Jones and Blackwell filed their PA/PAU registration on the unitary musical work in 1984, they were not entitled to seek royalties and enforce penalties for infringement. Had they filed a Form E and submitted sheet music, the same thing would have happened. But after the 1976 Act there was no reason to prefer sheet music over the submittal of a cassette tape and a PA/PAU form, as the latter protected both the composition and the specific sound recording as a unity.

The earthquake came after 1995 in four major cases: *La Cienegna Music v. ZZ Top* (California, 1995); *Mayhew v. Gusto Records* (Tennessee, 1997); *Mayhew v. Allsup* (Tennessee, 1999); and *ABKCO Music v. LaVerne* (California, 2000). All dealt with a single question: Does issuing a phonorecord “publish” its composition?

In *La Cienegna Music v. ZZ Top*, John Lee Hooker and Bernard Besman wrote and recorded “Boogie Chillen” in 1948.²⁶⁷ Hooker assigned his half of the composition

²⁶¹ *Rosette v. Rainbow Record Mfg. Co.*, 546 F.2d 461 (2d Cir. 1976).

²⁶² The Copyright Act of 1976, Pub. L. No. 94-553, 90 Stat. 2544 94th Cong (1976), 17 U.S.C. § 101 *et. seq.*

²⁶³ *Jones v. Virgin Records, Ltd. et. al.*, 643 F. Supp. 1153 (S.D.N.Y. 1986).

²⁶⁴ *Id.* at 1155 n. 3. The 1984 application was made in the name of CBS Catalog Partnership. The 1984 basic musical work (PA/PAU) was copyrighted as a derivative of the 1960 composition pursuant to 17 U.S.C § 409 (9) (1976); 37 C.F.R. §§ 201.5(a)(1)(i), 202.3(b)(1)(ii), 202(b)(2); *Jones v. Virgin Records*, 643 F. Supp. at 1159, nn. 16-17. The Boy George version was entitled “Karma Chameleon,” and used different lyrics.

²⁶⁵ *Jones v. Virgin Records*, 643 F. Supp. at 1159 n. 13.

²⁶⁶ *Id.* at 1161.

²⁶⁷ *La Cienega Music Co. v. ZZ Top, et. al.*, 53 F.3d 950 (9th Cir. 1995).

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to Besman, who registered it as sheet music in 1967 on behalf of his publishing firm, La Cienega Music. They wrote a second version of “Boogie Chillen” in 1950. Hooker also assigned this version to Besman, who registered it as sheet music in 1970. A third version of the song was recorded by Hooker on an album, *Canned Heat*, in 1970. It was used with the permission of La Cienega, and was registered in 1992 by Besman and Hooker.²⁶⁸ In 1973, Z.Z. Top²⁶⁹ released a best-selling song called “La Grange.” Besman and Hooker alleged that “La Grange” was virtually the same as “Boogie Chillen.” In subsequent litigation, a lower court determined that “Boogie Chillen” was in the public domain.²⁷⁰

Z.Z. Top claimed the three versions of the song were published in 1948, 1950 and 1970, the dates they were issued to the public. La Cienega claimed they were published in 1967, 1970 and 1992, the dates when registration was secured. The court considered, but declined to follow the *Rosette v. Rainbow* approach, which would have adopted the La Cienega dates.²⁷¹ The fear of the court was that the *Rosette* approach would have given the owner of a pre-1972 sound recording an incentive to delay registering a work until it was discovered that someone was profitably infringing it.²⁷² Because copyright duration was then 28 years, a forthright owner who registered a work got 28 years of coverage, but a disingenuous owner got unlimited coverage, at least until a successful infringer was discovered. The owner then registered, starting the 28-year clock. A song like “Boogie Chillen” would sit in the deep freeze after its initial success, only to have the licensing clock start after 25 years when Z.Z. Top made it a chart-buster in 1973. Had the song been copyrighted in 1948, the year it was written and first recorded, its copyright would have expired in 1976, so La Cienega could have received as few as three year’s royalties from Z.Z. Top.²⁷³

Judge Fernandez’s dissent tried to salvage the *Rosette* system, which he called “quite logical, indeed correct.”²⁷⁴ He acknowledged that there was a potential problem of deliberate delay: “*Rosette* did not directly speak to the length of protection under the 1909 Act once an author actually did register. That is a problem which confronts us and which causes the majority to eschew the *Rosette* analysis.”²⁷⁵ But he believed the problem required only a slight tweaking of the system: Use *Rosette*, but impose an absolute cap of 28 years after either the date of creation or issuance. “Thus,” he concluded, “the author who does not register in a timely fashion cannot artfully extend the time during which he can exploit his work.”²⁷⁶

Having decided that issuing phonorecords publishes the underlying composition, the court was unable to go any further. If La Cienega had issued the “Boogie

²⁶⁸ The opinion does not specify if Besman and Hooker registered in 1992 for a Form E musical composition or a Form PA/PAU basic musical work.

²⁶⁹ The name of the band and its corporate entity is “Z.Z. Top,” but inexplicably, the style of the case reads “ZZ Top,” probably to simplify alphabetization.

²⁷⁰ The lower court decision was unpublished. *La Cienega*, 53 F.3dat 952.

²⁷¹ *Id.* at 953.

²⁷² *Id.*

²⁷³ *Id.*

²⁷⁴ *Id.* at 955 (Judge Fernandez, dissenting).

²⁷⁵ *Id.* Cases during this time period frequently ignored the 1947 Copyright Act, which was a minor overhaul with no changes to sound recordings, although technically, it did repeal the 1909 Act in its entirety and replace it.

²⁷⁶ *La Cienega*, 53 F. 3d at 953.

Chillen” records in 1948 and 1950 without the required circle-C or circle-P symbols, they would have fallen into the public domain immediately, according to the majority. If the required notice had appeared, they would have gone to public domain status in 1976 and 1978, 28 years after they were issued. The court did not have this information. Nor did it have any information as to whether the 1970 version (registered only as sheet music and apparently never issued on a record) complied with copyright formalities. Therefore, it remanded the case back to the trial court for clarification.²⁷⁷

As Judge Fernandez noted in his dissent, this was a dubious line of argument: “if a record is not a copy, then placing a copyright notice upon the record itself would do no good at all because the notice is to be affixed to ‘each copy,’” he explained. “Thus, under the majority’s view the result is that a record is a publication for the purpose of divesting the author’s copyright protection in the underlying musical work, but it would not be a publication for the purpose of investing that musical work for protection.”²⁷⁸

Section 9 of the old Copyright Act stated that any person entitled to copyright under the act “may secure copyright for his work by publication thereof with the notice of copyright required by this Act.” Publishing a book with the circle-C on the title page invested the book with copyright status. But the *White-Smith* decision had said that phonorecords weren’t copies, so Section 9 didn’t apply. But now, the majority was saying that by issuing a phonorecord, the composition’s copyright was lost through divestiture. A song’s author was caught in a Catch-22: issuing the song on a record with the circle-C or circle-P gained nothing, because the notice wasn’t affixed to “each copy,” but issuing it without the notice lost copyright, because it was now a divested publication.²⁷⁹

No subsequent decision was ever issued from the district court, so presumably a settlement was reached. The immediate impact of this case was shock because it was the first case, after *Rosette*, to come down squarely for the idea that the compositions within phonorecords were published when the records were issued to the public, possibly even to the extent that a later registration of the music as sheet music did not rehabilitate its rights.

La Cienega was decided by the Ninth Circuit Court of Appeals, in California. The next case in the line of succession came out of Tennessee in 1977, but never went beyond the federal district court. It was an opinion almost too odd and convoluted to take seriously.²⁸⁰ Aubrey Mayhew alleged infringement of 42 of his country-and-western songs, all from the pre-1972 period. The case was being decided on a motion for summary judgment. There was only one issue: six records, chosen to

²⁷⁷ *Id.* at 954.

²⁷⁸ *Id.* at 955.

²⁷⁹ See for example 56 Fed. Reg. 6021 (Aug. 21, 1991) (revisions to 37 C.F.R. § 202, notice requirements for copyright registration) and 37 Fed. Reg. 3055 (Feb 11, 1972) (revisions to 37 C.F.R. § 202, notice requirements for copyright registration). Following the February 15, 1972 revisions to the copyright code, sound recordings were required to be marked with a circle-P symbol, not a circle-C symbol. The proper notice procedure did not even exist until adopted by the Register of Copyright in 1972.

²⁸⁰ *Mayhew v. Gusto Records, Inc.*, 960 F. Supp. 1302 (M.D. Tenn., 1997).

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represent the entire group, had been issued without the circle-P symbol. Did that divest them into the public domain?²⁸¹

The court briefly considered *Rosette*, which it mildly denigrated, and *ZZ Top*, which it mildly complemented. But to reach its decision, it turned to a case decided eighteen years earlier by the Sixth Circuit and never published, *Leeds Music Corp. v. Gusto Records*.²⁸²

Leeds v. Gusto involved a spoken-word comedy routine by Ray Pinkston entitled “Phone Call from Heaven.” It was apparently a recorded improvisation; Pinkston never prepared a written transcription of the routine, nor submitted one for copyright. This presented a problem under the 1909 and 1947 copyright acts. Performances of dramatic works on phonorecords were covered in Section 1(d); musical works in the following Section 1(e). The language in Section 1(d) made it plain that dramatic performance records, just like musical records, were not copies of the texts from which they were taken.²⁸³ Unlike music, dramatic performance records didn’t have a mechanical royalty system to compensate authors for the use of their writings.²⁸⁴ On the other hand, Section 1(d) did permit a copyrighted dramatic work, “not reproduced in copies for sale,” to be sold as “a manuscript or any record.” Thus, if the text of the dramatic work was copyrighted, selling a sound recording of a written dramatic work was protected as a “reproduction.”²⁸⁵ But if one were in the position of Ray Pinkston, who never copyrighted his text, the fact that a phonorecord was not a copy of the text, but did publish the text, meant that releasing one’s own record threw one’s work into public domain status.

The *Leeds v. Gusto* court first tried to deal with the problem by determining that phonorecords were copies. It did this by suggesting that the contrary holding was a creature of Judge Gurfein’s opinion.²⁸⁶ This was wrong. Judge Gurfein had merely reiterated the holding from the Supreme Court’s old *White-Smith v. Apollo* decision.

²⁸¹ There was a second issue concerning whether Mayhew’s application for copyright term extension was valid, but it was mooted by the decision on the first issue.

²⁸² *Leeds Music Corp. v. Gusto Records, Inc.*, No 75-284 (M.D. Tenn., Jan. 19, 1977); *Leeds Music Corp. v. Gusto Records, Inc.*, 77-1177, 1979 LEXIS 13834 (6th Cir. 1979). Many references cite to *Leeds Music Corp. v. Gusto Records, Inc.*, 601 F.2d 589 (6th Cir. 1979), but this is merely a table entry. The LEXIS citation returns a two-paragraph sixth circuit slip opinion (77-1177) containing mainly excerpts from the middle district court of Tennessee (75-284) opinion. For all intents and purposes, the district court opinion, 75-284, is not available. Sometimes Judge Campbell in the *Mayhew v. Gusto Records* published opinion quotes from the *Leeds* district court case (75-284), sometimes from the *Leeds* circuit court slip opinion (77-1177), and sometimes from the circuit court opinion quoting the district court slip opinion. Given the extensive reliance on the use of these unpublished cases, it is hard to understand why Judge Campbell did not choose to reproduce at least the district court opinion (75-284) as an appendix, unless he did not want it available for the reader to compare to his decision.

²⁸³ See Copyright Act of 1947, Pub. L. No. 391, 61 Stat 652, 80th Cong. (1947) (“Any person entitled thereto, upon complying with the provisions of this title, shall have the exclusive right: (d) To perform or represent the copyrighted work publicly if it be a drama or, if it be a dramatic work and not reproduced in copies for sale, to vend any manuscript or record whatsoever thereof; to make or to procure the making of any transcription or record thereof . . .”).

²⁸⁴ Copyright Act of 1947, § 1(e), Pub. L. No. 391, 61 Stat 652, 80th Cong. (1947).

²⁸⁵ Copyright Act of 1947, § 1(d), Pub. L. No. 391, 61 Stat 652, 80th Cong. (1947).

²⁸⁶ See *Mayhew*, 960 F. Supp. at 1307 (“[The district court judge in *Mayhew v. Gusto*] specifically disagreed with Judge Gurfein’s holding that that a sound recording could not under then-existing law be a “copy” of the existing law.”)

Knowing it was shaky ground, the Sixth Circuit dropped this line of reasoning and came up with a more imaginative approach that apparently originated with the district court; because Pinkston had never written down “Phone Call from Heaven” in any form, even manuscript, his studio tape was not a copy, it was an original.²⁸⁷ What was then distributed, presumably, were thousands of copies of the original. Ergo, it was in the public domain. The new rule, as the *Leeds v. Gusto* court stated it, was: “Where, as here, the original work is itself a sound recording, the sound reproduced from it, being in the same medium as the original are, in every sense of the word, ‘copies’ of the original.”²⁸⁸

What this meant was that if a record contained a song that was performed off a written composition, issuing records to the public did not publish the composition because the records were not copies. It did not matter if the composition was copyrighted, only if it was written. On the other hand, if the song was a pure improvisation, issuing copies of the records did publish it. (Keep in mind that we are only talking about recordings made before February 15, 1972.) Returning to *Mayhew v. Gusto Records*, the court said little more than “*Leeds v. Gusto* established precedent in the Sixth Circuit, so we have to go with it.”²⁸⁹

At this point, Congress finally had enough of the whole issue and stepped in. Marybeth Peters, Assistant Register of Copyrights, told the House Subcommittee on Intellectual Properties in late 1995 that “what this case [*La Cienega*] does is, say, if a recording was released before 1978²⁹⁰ and if that recording did not contain the proper copyright notice, and I can tell you that probably 99.9% did not, that musical composition went into the public domain.”²⁹¹ Senator Orrin Hatch noted on the floor of the Senate that “since the Supreme Court has denied cert. in *La Cienega*, whether one has copyright in thousands of musical compositions depends on whether the case is brought in the Second or Ninth Circuits. This is intolerable.”²⁹²

A new subpart (b) was added to Section 303 of the Copyright Act that said that “the distribution before January 1, 1978 of a phonorecord shall not for any purpose constitute a publication of the musical work embodied within.”²⁹³ So much for *La Cienega v. ZZ Top* and *Mayhew v. Gusto*. But, not so fast.

²⁸⁷ *Id.* Apparently originated with the district court: *Leeds v. Gusto Records*, No 77-1177, 1977 LEXIS 13834.

²⁸⁸ *Id.* (citing *Leeds v. Gusto*, No 75-284 (M.D. Tenn., Jan. 19, 1977)).

²⁸⁹ *Id.* *Mayhew v. Gusto Records* is eight pages long and has one headnote. It apparently stumped the annotators as well.

²⁹⁰ Ms. Peters was in error: the vital legislative change was made with the 1972 amendments, not the 1978 comprehensive re-write. See Sound Recordings, limited copyright, Pub. L. No. 92-140, 85 Stat. 391, § 1(a) (adding a new § 1(f) to the then-current copyright code). Nevertheless, the subsequent change was written using the 1978 date. Paradoxically, records made between 1972 and 1978 can be copyrighted as to both their composition and their sound recording element; and rules for affixing their circle-P copyright notice on published copies were issued in the Code of Federal Regulations for six years, but they can't legally be published.

²⁹¹ *Hearing Before the House Subcommittee on Courts and Intellectual Property on H.R. 1861: Technical Corrections to the Satellite Home Viewer Act of 1994*, 104th Cong. (1995) (testimony of Marybeth Peters).

²⁹² 104 Cong. Rec. S11301 (Oct. 28, 1997) (Passage of H. R. 672).

²⁹³ Pub. L. No. 105-80, § 11, 111 Stat. 1534, 105th Cong. (1997).

Aubrey Mayhew had initiated another suit, this time against Tommy Allsup, before the new law became effective and it made it all the way to the Sixth Circuit.²⁹⁴ Mayhew asserted that “A Big Ball in Cow Town” was written in the mid-1940’s by Hoyle Nix, copyrighted as sheet music in 1968, and sold to him, Mayhew. The Allsups, to the contrary, claimed that the song entered the public domain in either 1949 or 1958 when Nix released it on records issued on those dates, both lacking the circle-C or circle-P. On September 25, 1997 the district court granted summary judgment to the Allsups. On November 13, the new Section 303(b) took effect. Three weeks earlier, on October 9, Mayhew had filed a motion to alter or amend the September 25 order. It did not bring up the issue of the new legislation. It was denied on November 21.²⁹⁵

Normally, new laws can’t be applied retroactively, but when Congress writes one with the specific intent of making it retrospective, that’s another story. The issue was thus whether the change in law was intended to be applicable retroactively. The rule is that the language in the legislation itself is dispositive unless it fails to indicate any intent one way or the other. But the new Section 303(b) was clearly retroactive in intent. In fact, it couldn’t be anything but retroactive: the only things impacted by it had to exist prior to January 1, 1978, and be subject to an activity (distribution) that occurred before that date.²⁹⁶ The court naturally determined that the new law was retroactive in effect.

Of the three judges, only Judge Wellford had any comment about the ongoing legal controversy. He believed the facts of *Leeds v. Gusto*, upon which *Mayhew v. Gusto* was based, contained fundamentally different facts (probably because it was a dramatic, and not a musical work), so had the legislative change not mooted the question, he said he would have come down in favor of *Rosette* and against *ZZ Top*.²⁹⁷

But this proved to be an issue that simply refused to die. In 2000, more than two years after the Section 303(b) amendment, the Ninth Circuit (home of the *ZZ Top* opinion) heard *ABKCO Music v. Laverne*.²⁹⁸ The dispute this time was over some older Rolling Stones tunes, “Love in Vain” and “Stop Breakin’ Down.” They had originally been composed and recorded by bluesman Robert Johnson in 1937. Originally issued by Vocalion, they were re-released in the early 1960s by a successor firm, Columbia, on LP and in 1990 on CD.²⁹⁹

The Stones versions were issued on records in 1969 and 1972 and were copyrighted in 1970 and 1972 as sheet music as derivatives of public domain songs. Columbia had paid royalties to the Johnson estate based on state-law copyright. ABKCO (owners of the Stones versions) declined to recognize the Johnson common-law copyrights. The Johnson estate registered copyright on the Columbia releases in 1991 with Columbia’s consent and demanded a license for use of the songs from ABKCO. ABKCO filed suit for declaratory relief on November 9, 1995, at a time the House of Representatives was considering adding the Section 303(b) change to

²⁹⁴ *Mayhew v. Allsup*, 166 F.3d 821 (6th Cir 1999).

²⁹⁵ *Id.* at 822.

²⁹⁶ *Id.* at 824.

²⁹⁷ *Id.* (J. Wellford, concurring)

²⁹⁸ *ABKCO Music, Inc. v. Laverne*, 217 F.3d 684 (9th Cir. 2000).

²⁹⁹ *Id.* at 686.

the Technical Corrections to the Satellite Home Viewer Act.³⁰⁰ (The change was not implemented until early 1997.) ABKCO asserted that the compositions were published in 1938-39 when the Johnson records were issued and their copyright lapsed for failure to file for renewal (Johnson died in 1939).³⁰¹

ABKCO argued that Section 303(b) could not be applied retroactively. In this case, the lawsuit had begun, but had not yet concluded, when the change in legislation was approved. The general rule is that a legislature cannot reverse a law in order to change the outcome of pending litigation.³⁰² On the other hand, a law that merely clarifies an existing policy is acceptable. There was little or no precedent in dealing with a law whose very nature was to implement a retroactive policy so as to intentionally create two chronologically distinct categories of rights-holders in property.

The court noted that “there is good argument that the 1997 amendment simply clarifies what the meaning of the 1909 Act was all along; namely that the distribution of phonorecords did not constitute publication.”³⁰³ In addition, “the policy of the Copyright Office has always been that distribution of a phonorecord before 1978 does not publish the underlying musical composition, and *Rosette* was the only procedural interpretation until ours in 1995 [*La Cienega*].”³⁰⁴ Moreover, “section 303(b) would make no sense if it were to be applied solely prospectively, because it explicitly applies to conduct occurring before January 1, 1978.”³⁰⁵ (This was the *Mayhew v. Allsup* argument, and was cited thusly.)³⁰⁶

The Circuit Court remanded the case back to the district court because the copyright status of the Johnson songs was still unclear and additional facts were needed. But at last, the question of whether the release of a pre-1972 phonorecord “published” the underlying composition under federal copyright had been put to rest.

VIII.

On March 1, 1989, the United States joined the Berne Convention for the Protection of Literary and Artistic Works.³⁰⁷ Although the legislative report issued with Berne Convention Implementation Act stated that “the provisions of the Berne Convention . . . do not expand or reduce any right of an author of a work, whether claimed under Federal, State or common law,”³⁰⁸ it was unclear what happened if the right came from outside the Copyright Act.

³⁰⁰ *Hearing Before the House Subcommittee on Courts and Intellectual Property on H.R. 1861: Technical Corrections to the Satellite Home Viewer Act of 1994*. The amendments were part of the satellite home viewer act, but it was not passed until 1997: Pub. L. No. 105-80, § 11, 111 Stat. 1534, 105th Cong. (1997).

³⁰¹ *ABKCO Music, Inc.*, 217 F.3d at 686.

³⁰² *Id.* at 687.

³⁰³ *Id.* at 690-691.

³⁰⁴ *Id.* at 691.

³⁰⁵ *Id.* at 692.

³⁰⁶ *Mayhew*, 166 F.3d at 824.

³⁰⁷ Berne Convention for the Protection of Literary and Artistic Works, Sept. 9, 1886 (completed Mar. 20, 1914; revised July 14, 1967), S. Treaty Doc. 99-27, 99th Cong (1986), 828 U.N.T.S. 221. Berne Convention Implementation Act of 1988, Pub. L. 100-568, 102 Stat 2854, 100th Cong. (1988).

³⁰⁸ 17 U.S.C. § 101 (2008) (Historical and Revision Notes).

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ITAR-TASS News Agency v. Russian Kurier, was litigated in 1998.³⁰⁹ The details are not terribly important: the Russian news bureau TASS accused *Kurier*, a small, Brooklyn-based Russian-language weekly newspaper of copying its material.³¹⁰ The relevant facts were: 1) the TASS material originated in Russia; and 2) the infringement, if any, took place in Brooklyn. Almost every aspect of the case turned on whether Russian or American copyright law should apply. A lower court had determined that Russian copyright law should apply. There was a factual dispute over whether Russian copyright law gave rights in published newspaper articles to authors or newspapers. The lower court determined that Russian law was ambiguous, and that the rights to the articles should belong to the newspapers on general equitable grounds. Thus, the newspapers were entitled to damages.³¹¹

The appellate court rejected the district court's decision because it failed to start with what it saw as the basic threshold determination: whose law should apply? The lower court had assumed Russian law from the beginning. The circuit court rejected this as an *a priori* assumption. Under the Berne Convention, an author of a member nation is entitled to the same copyright protection in all other nations as in his home state. Despite this, Melville and David Nimmer had argued that "the applicable law is the copyright law of the state in which the infringement occurred," not the author's home or the place where the work was first published.³¹² Judge Newman, who wrote the appellate opinion, was unhappy with both the trial court and the Nimmers' formulation because it didn't break "applicable law" down into its (supposedly) two components: ownership and scope of rights.

Normally, one would think that Russian law should be applied, because, as the Berne Convention states, a work should be treated in the U.S. as in Russia. Not so, according to Judge Newman. He ruled that "the treaty does not supply a choice of law rule for determining ownership [of an intellectual property]." Thus, the choice of law rule defaults to that of the jurisdiction where the court sits, i.e. the United States. The general rule under U.S. law is that the jurisdiction with "the most significant relationship to the persons and parties" determines the law that is to be used. Again, Russian law. Again, not so fast. Judge Newman declared an exception: if one has "an exclusive right under a copyright" pursuant to section 501(b) of the 1976 Copyright Act, "including one determined according to foreign law," then American law shall be used.³¹³

But wait. Section 501(b) is the basic "standing" requirement under the Copyright Act.³¹⁴ Unless one can meet that condition, either directly (holding an

³⁰⁹ *ITAR-TASS Russian News Agency v. Russian Kurier, Inc.*, 153 F.3d 82 (2d Cir. 1998).

³¹⁰ *Id.* at 84.

³¹¹ *Id.* at 88.

³¹² *Id.* at 89; MELVILLE B. NIMMER & DAVID NIMMER, *NIMMER ON COPYRIGHT* § 17.05 (since amended). Patry, the author of the other leading treatise, had submitted an amicus brief arguing that the Berne Convention contained no choice of law element at all: it did not direct the use of any national law, only equal treatment between domestic and foreign authors. *ITAR-TASS v. Russian Kurier*, 153 F. 3d at 89, n. 8.

³¹³ *ITAR-TASS v. Russian Kurier*, 153 F. 3d at 92.

³¹⁴ See 17 U.S.C § 501 (2000) ("(a) Anyone who violates any of the exclusive rights of the copyright owner as provided by sections 106 through 121 . . . or who imports copies of phonorecords into the United States in violation of section 602 is an infringer of the copyright . . . (b) The legal or beneficial owner of an exclusive right under copyright is entitled . . . to institute an action for any infringement . . .").

American copyright) or indirectly (holding a foreign copyright of a fellow Berne Convention member), the minimum threshold for bringing suit in federal court is not satisfied and that case will be dismissed at the start. Judge Newman had created a clever Catch-22: if you can't meet section 501(b), you can't get in the door of the courthouse for lack of standing, and if you can, your ownership rights will be determined by American law, because anything that meets 501(b) is an exception to the general choice of law rule. Judge Newman went through an elaborate ritual of applying Russian law, but the criteria under Section 501(b) states that one must be a legal or beneficial owner of an exclusive right under a copyright, and Newman determined that nothing under Russian law gave anything comparable to an exclusive copyright under United States law. In other words, the issue wasn't whether the newspaper articles were protected under Russian law, but whether the Russian newspapers had standing to be in an American court.³¹⁵

Frankly, the entire line of argument was nothing but an elaborate way of justifying Nimmers' rule: "The applicable law is the copyright law of the state [nation] in which the infringement occurred, not that of the state [nation] of which the author resides, or in which the work is first published." One might also add: "the Berne Convention be damned."

ITAR-TASS was a tortured-logic case twisted around to achieve a specific outcome: if the author of a foreign work claims protection in the United States under her home nation's copyright laws via the Berne Convention, and alleges infringement in the United States, her case will be considered under United States law. In other words, although the Berne language claims that she is "entitled to the same copyright protection in other member states as in her home nation," in the United States that means she will be "entitled to the same copyright protection as any other American author under similar circumstances." The critical difference between *Capitol v. Naxos* and *ITAR-TASS* was that the doctrine was shifted from a conflict between foreign and American copyright law (*ITAR-TASS*) to a conflict between foreign and New York state law (*Capitol v. Naxos*).

Commenting later on the *Capitol Records v. Naxos* case, Naxos International CEO Klaus Heymann said that the most important factor in the case was that his lawyers had given him bad advice.³¹⁶ He may be right.

In 2000, three years before the case, Naxos was similarly sued by the Metropolitan Opera of New York.³¹⁷ Naxos of America, a New Jersey corporation doing business in Nashville, was a wholly owned subsidiary of hnh, Ltd., the actual corporate name for the Hong Kong based firm known as "Naxos International." Naxos of America distributed CDs, DVDs and other products made in Asia, Europe and America by hnh, Ltd. Naxos of America also acted as a distributor for CDs produced by third parties.³¹⁸ The CDs in dispute were Metropolitan Opera performances from 1935 to 1945 that were sold worldwide by hnh, Ltd., but not in the

³¹⁵ For a more in-depth (and somewhat indignant) review of Judge Newman's analysis, which is somewhat at odds with my own, see MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT § 17.05 (2012).

³¹⁶ NICHOLAS SOAMES, THE STORY OF NAXOS: THE EXTRAORDINARY STORY OF THE INDEPENDENT RECORD LABEL THAT CHANGED CLASSICAL RECORDING FOREVER, 118 (Piatkus Press, 2012).

³¹⁷ Metropolitan Opera Assn. v. Naxos of America, et. al., 98-CIV-7858 (DAB), 2000 LEXIS 9834 (July 18, 2000).

³¹⁸ SOAMES, *supra* note 316, at 369-375.

United States. They were not advertised in the Naxos of America catalog, but were listed in the hnh.com website. However, the hnh.com website, while containing information about the various Naxos brand products, lacked the capacity to accept orders. Naxos of America at this time sold its goods primarily in others' retail stores and by mail order.³¹⁹

The Metropolitan Opera served process only on Naxos of America. Naxos of America argued that the District Court for the Southern District of New York was an improper venue pursuant to 28 U.S.C. § 1404 because "it has never intentionally or mistakenly sold, offered for sale, or distributed any of the disputed CDs to a New York customer, whether at the wholesale, retail or direct consumer levels. Nor have they offered the disputed CDs to a New York market via print advertisement or through an Internet Website."³²⁰

All of the substantive issues are missing, because they are irrelevant to the matter at hand. Upon what law was the alleged infringement based? Where was it alleged to have occurred? Because the motion to dismiss was based on improper venue, and because neither party sought a transfer to a more suitable venue under 28 U.S.C. § 1404(a), resulting in dismissal, it is impossible to know if the reference to New York was based on a claim by the Metropolitan Opera to state law copyright, or if the claim to a lack of New York contacts was asserted because it was the minimum argument needed to advance a motion to dismiss for improper venue.³²¹ In any event, the court held that "plaintiff simply has not carried its burden of establishing that venue is proper under 28 U.S.C. § 1404(a)."³²²

Naxos's New York City lawyers learned a lesson; but it was the wrong lesson: don't worry about substantive law, get it dismissed quickly, and don't be overly bothered about jurisdiction or choice of law. In fact, venue proved to be the dispositive question in the subsequent *Capitol v. Naxos* litigation: had the case been moved to the Middle District of Tennessee, it probably would have been over in six months.

In the subsequent *Capitol v. Naxos* litigation, Capitol Records filed in diversity in the Federal District Court for the Southern District of New York.³²³ Four specific recordings by violinist Yehudi Menuhin, cellist Pablo Casals and pianist Edwin Fischler, recorded between 1931 and 1939 were cited by the plaintiff. The Gramophone Company later became part of EMI, an affiliate of Capitol. Although the British copyrights for the last of these recordings expired in 1986, EMI asserted that its 1930's contracts with the artists gave it "absolute, world-wide and perpetual" ownership of the recordings. Capitol licensed all the common-law copyrights in the

³¹⁹ *Id.* at 118, 336. However, one could hear brief excerpts of each recording, but according to Heymann, this technology was still crude in 2000. *Id.*

³²⁰ *Metropolitan Opera v. Naxos*, 98-CIV-7858, 2000 LEXIS 9834. In fact, hnh, Ltd. asserted that the only copies transferred to America were seven copies mistakenly shipped from Hong Kong to a retailer in New Jersey. *Id.*

³²¹ SOAMES, *supra* note 316, at 116. Klaus Heymann, who is not a lawyer, implies the latter: that the Met sought to litigate over distribution anywhere in the U.S. and simply filed in the wrong state — one where no colorable activity took place. *Id.*

³²² *Metropolitan Opera v. Naxos*, 98-CIV-7858, 2000 LEXIS 9834.

³²³ *Capitol v. Naxos I*, 262 F. Supp.2d at 207.

recordings in America through an agreement executed with EMI in 1996, ten years after the last British copyright expired.³²⁴

Unlike the *Metropolitan Opera* case in 2000, Capitol claimed that the allegedly infringing records were distributed by Naxos of America across the United States, beginning in 1999. They had been produced by an hnh, Ltd. affiliate in England³²⁵ by dubbing the best available shellac copies. These turned out to be discs made in the U.S. in the 1930s by Victor under license to the Gramophone Company.³²⁶ They were then converted into digital format using studio playback hardware and noise reduction software.

There are several puzzling aspects to the case. Federal jurisdiction was asserted by Capitol through diversity. But normally, in diversity, the appropriate venue is either the district of the defendant's place of business or the venue most proximate to the place where the events giving rise to the cause of action occurred.³²⁷ As the Second Circuit Court later put it, "the District Court and the parties have assumed, correctly in our view, that the relevant state law is that of New York, the jurisdiction where the alleged infringement occurred," but the actual language of the complaint alleged that Capitol's rights were being violated "under the laws of New York and the several states,"³²⁸ indicating that Naxos was infringing the common-law copyright in every state where such rights existed. Under such circumstances, a motion for transfer under 28 U.S.C. § 1404(a) would likely have succeeded.³²⁹ Instead, Naxos's attorneys moved to dismiss.³³⁰

Judge Sweet chose to convert Naxos's motion to dismiss into a motion for summary judgment. The court held that the English copyrights had all expired by 1936, and that Capitol could not establish a contractual chain of ownership to any newer derivative or restoration work emanating from the original.³³¹ Naxos never advertised its re-issues as a duplicate of the original Gramophone Company product. Its packaging noted only the composer, performers, and date of recording. Thus, there was no element of unfair competition.³³² The motion for summary judgment was granted in favor of Naxos, but the decision gave Capitol twenty days to submit additional factual material.³³³

Capitol did so. After receiving this material, Judge Sweet issued a second opinion (*Capitol v. Naxos II*) affirming and supporting his first.³³⁴ The *Capitol v. Naxos II* decision expanded on the court's earlier grounds for finding that Capitol did

³²⁴ *Id.* at 206-207.

³²⁵ SOAMES, *supra* note 316, at 309-316. The affiliate was named K&A productions, in Potters Bar, London.

³²⁶ *Capitol v. Naxos I*, 262 F. Supp. 2d at 208. The U.S. Victor origin of the dubbed records was not an issue in the litigation.

³²⁷ 28 U.S.C. § 1391 (b) (2013); 28 U.S.C. § 1332(a) (2013).

³²⁸ *Capitol v. Naxos I*, 262 F. Supp. 2d at 207.

³²⁹ See 28 U.S.C. § 1406(a) (2013) ("The district court of a district in which is filed a case laying venue in the wrong division or district shall dismiss, or if it be in the interest of justice, transfer such case to any district or division in which it could have been brought."). Why didn't they? Probably because the lawyers were all in New York City.

³³⁰ *Capitol v. Naxos I*, 262 F. Supp. 2d at 207.

³³¹ *Id.* at 212.

³³² *Id.* at 213-214.

³³³ *Id.* at 216.

³³⁴ *Capitol v. Naxos II*, 274 F. Supp. 2d at 472.

not have ownership to any derivatives or restorations of the Gramophone Company originals and that Naxos did not attempt any actions that met the definition of unfair competition. It did little to expand or clarify the issue of what state-based copyrights Capitol owned in the recordings.³³⁵ As the Second Circuit Court of Appeals later stated, neither opinion addressed the issue of whether Capitol had a common-law copyright in the original recordings, stating only that “the facts are inadequate to support Capitol’s claim of intellectual property rights in the original recordings.”³³⁶

The Second Circuit was more systematic, but also more problematic. It went into great length to identify a specific, pre-publication state common law copyright in sound recordings that it claimed was a creature of the Supreme Court’s *Goldstein* ruling and Section 301(c) of the copyright code. In fact, it was really a reversion to 1955’s *Capitol Records v. Mercury Records*.³³⁷

In *Capitol Records v. Mercury Records*, Judge Dimock had to struggle under the rules of decision act to justify the application of New York state law. However, this time, *ITAR-TASS* handed the court the choice of law on a platter: since there was no applicable United States law, New York state, as the site of the court of jurisdiction, would provide it.³³⁸

But was there in fact no United States law? Section 301(c) of the copyright code blocked the preemptive effects of Section 301(a); until February 15, 2067, a state is free to implement any of the protections normally reserved for Section 106 of the copyright code. But nowhere is it stated that a state *must* fill the void left by the lack of federal protection. The State of New York did have its own version of an anti-piracy statute, Chapter 275 of the Penal Code, but it was strictly a criminal statute (as was true in *Goldstein*); it didn’t make any provision for a private right of action or the recovery of damages.³³⁹ Thus, the Second Circuit dismissed it as the source of the state-law copyright in *Naxos*. The New York law that protected the Capitol recordings was a non-statutory common-law copyright. It filled the entire

³³⁵ See *Capitol v. Naxos II*, 274 F. Supp. 2d at 480-481 (“As previously held, the facts are inadequate to support Capitol’s claim of intellectual property rights in the original recordings. The English copyrights in the agreements have long since expired, there is ambiguity Capitol’s chain of title, and Capitol appears to have waived or abandoned any interest it had in the recordings. Furthermore, Naxos did not compete unfairly under New York law. Naxos did not attempt to sell identical copies . . .”).

³³⁶ *Capitol Records, Inc. v. Naxos of America, Inc.* (*Capitol v. Naxos III*), 372 F. 3d 471, 476 (2nd Cir. 2004).

³³⁷ *Id.* at 478-479; *Capitol Records, Inc. v. Mercury Records Corp.*, 221 F.2d 657 (2nd Cir.).

³³⁸ *Capitol v. Naxos III*, 372 F. 3d at 477. Note how a foreign treaty, the Berne Convention, is being used to provide a choice of law rule in a purely domestic matter, appropriate venue in diversity.

³³⁹ N.Y. Penal Code § 275.05 (1996) (“Manufacturing of unauthorized recording in the second degree. A person is guilty of the manufacture of unauthorized recordings in the second degree when such person: (1) knowingly, and without consent of the owner, transfers or causes to be transferred any sound recording, with the intent to rent or sell, or cause to be rented or sold for a profit, or used to promote the sale of any product, such article to which such recording was transferred, or (2) transports within this state, for commercial advantage or private gain, a recording, knowing that the sounds have been reproduced or transferred without the consent of the owner; provided, however, that this section shall only apply to sound recordings fixed prior to February 15, 1972.”).

void left by the lack of federal copyright,³⁴⁰ and because of footnote 28 of the *Goldstein* case, it even survived publication:

In looking to New York's common law, we need to make clear that the phrase "common law copyright" has a broader meaning as applied to sound recordings than it has applied to most other forms of intellectual property. For most forms of intellectual property, a common law copyright was generally said to refer to an author's property right in his creation before publication. However, when the Supreme Court considered the scope of state law authority over copying sound recordings, which were not protected by federal statute in 1972, the court made clear that state authority was not limited to pre-publication protection. As the court explained [in *Goldstein*] federal law makes the concept of publication relevant only to federal copyright law, and states can determine for themselves whether publication has any such relevance to copyright protection for works, such as pre-1972 sound recordings, to which Congress has not extended the federal copyright statute. . . . Thus, as a result of *Goldstein* and Section 301(c), it is entirely up to New York to determine the scope of its common law copyright with respect to pre-1972 sound recordings.³⁴¹

It is true that in footnote 28 of *Goldstein*, Chief Justice Burger wrote that "publication" serves only as a term of the art which defines the legal relationships which Congress has adopted under the federal copyright statutes. As to categories of writings which Congress has not brought within the scope of the federal statute, the term has no application."³⁴² It is also true that within the context it was stated, the Chief Justice believed that pre-1972 sound recordings were things that "Congress has not brought within the scope of the federal statute." But was that still applicable?

In 1997, after *La Cienega* and the two *Mayhew* cases, where the ninth and sixth circuits held that issuing a pre-1972 phonorecord published the composition it contained,³⁴³ Congress had added the new Section 303(b) that directed that "The distribution before January 1, 1978 of a phonorecord shall not for any purpose constitute a publication of the musical work embodied thereon."³⁴⁴ Note that the subsection does not say "composition," it says "musical work," which is the term used in Section 102(2), but is not otherwise defined in the 1976 Copyright Act. However, it appears to be the post-Berne Convention conception of the unity of a sound recording

³⁴⁰ To be precise, the Second Circuit said that New York could fill as much of the void as it wanted to fill. See *Capitol v. Naxos III*, 372 F. 3d at 478 ("[I]t is entirely up to New York to determine the scope of its common law copyright with respect to pre-1972 sound recordings.").

³⁴¹ *Capitol v. Naxos III*, 372 F.3d at 478.

³⁴² *Goldstein*, 412 U.S. at 570 n. 28.

³⁴³ *La Cienega Music Co. v. ZZ Top*, et. al., 53 F.3d 950 (9th Cir. 1995); *Mayhew v. Gusto Records, Inc.*, 960 F. Supp. 1302 (M.D. Tenn, 1997); *Mayhew v. Allsup*, 166 F.3d 821 (6th Cir. Tenn. 1999).

³⁴⁴ 17 U.S.C. § 303(b), as amended by Pub. L. No. 105-80, § 11, 111 Stat. 1534 105th Cong. (1997).

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and composition.³⁴⁵ Thus, after 1997, the determination of what was or was not “published” was *not* a matter left to state law. A state could not determine that distribution of a phonorecord before 1978 published the composition, and probably could not hold that it published the sound recording either. It could only hold that these elements *were not* published. This was the result of a mandate that came from federal law.

However, Judge Newman was not free to rule on the most significant point of law, whether the expiration of the copyright of the four recordings in the U.K. precluded any claim to copyright under New York state law. He noted that neither the Berne Convention nor the Universal Copyright Convention applied to sound recordings, and the treaty that did apply (the Convention for the Protection of Producers of Phonograms Against Unauthorized Duplication) did not apply to phonorecords made before March 10, 1974.³⁴⁶ If any of these three had been applicable, the “rule of the shorter term” would have been used, meaning that the common law copyright would have expired when the home nation copyright expired. But he could not determine this because the relevant law was New York state law, which had no direct precedent to guide him. He therefore certified the question to the New York Court of Appeals to decide if the expiration of the copyright term under U.K. law terminated the common-law copyright in New York.³⁴⁷

Judge Victoria Graffeo was assigned the Second Circuit’s certification. Her opinion was an extended treatise on the 400-year history of common-law copyright.³⁴⁸ However, in making a few theoretical points, she overlooked or neglected some basic judicial mechanics. She stated that Capitol’s complaint was based on New York law because that was the situs of the alleged infringement.³⁴⁹ However, Capitol never asserted a location-specific jurisdiction. They always claimed jurisdiction based on federal diversity, and never, in any brief submitted to the federal district or circuit courts, did they claim that the alleged copying or distribution ever took place in New York.³⁵⁰

Judge Graffeo started her analysis with the Statute of Anne. It was a fairly straightforward historical rendition until she got to the 1909 *White-Smith* piano roll case. At that point she backtracked and stated that “Despite the fact that sound

³⁴⁵ The primary difference is in section 106 of the Copyright Act. 17 U.S.C. § 106 (1)-(6) (2010). Owners of sound recordings have the right of reproduction, the creation of derivative works, and the right of distribution by sale or other means. Additionally, after 1995, owners of sound recordings have the right of digital audio transmission, if the sound recording is copyrighted. Digital Performance Right in Sound Recordings 995, Pub. L. No. 104-39, § 2, 109 Stat. 336 (1995). The owners of musical works have these rights plus the right of performance and display (but not the digital audio transmission right.) See also Copyright Office circulars 56 and 56A, *supra* note 10.

³⁴⁶ Berne Convention for the Protection of Literary and Artistic Works, Sept. 9, 1886 (completed Mar. 20, 1914; revised July 14, 1967), S. Treaty Doc. 99-27, 99th Cong. (1986), 828 U.N.T.S. 221. Universal Copyright Convention, July 24, 1971, 25 U.S.T. 1341; Convention for the Protection of Producers of Phonograms Against Unauthorized Duplication of their Phonograms, 25 U.S.T. 309 (1974). See also MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT § 17.08[A], Appendix 29 (2012).

³⁴⁷ *Capitol v. Naxos III*, 372 F.3d at 484.

³⁴⁸ *Capitol Records, Inc. v. Naxos of America (Capitol v. Naxos IV)*, 830 N.E. 250 (N.Y. 2005).

³⁴⁹ *Id.* at 253.

³⁵⁰ *Capitol v. Naxos III*, 372 F.3d at 471, “Brief and Special Appendix for Plaintiff-Appellant,” 2003 WL 24174551; “Reply Brief for Plaintiff-Appellant,” 2004 WL 3559566. They did imply it, but never stated it outright as an asserted fact.

recordings could not be ‘published’ under federal law they were eligible for state common-law protection.” In support of this, she did not cite *White-Smith* itself, but Justice Thompson’s dissent in *Wheaton v. Peters*. In fact, the majority in *White-Smith* had said only that piano rolls were not copies because they were not “a written or printed record of it in intelligible notation.” They were, instead, replaceable parts of a machine; change the part, a different tune comes out.³⁵¹

Wheaton v. Peters is cited only once in *White-Smith* itself, for the unremarkable proposition that there is no common-law federal copyright.³⁵² Understandable, given that *Wheaton v. Peters* was decided three-quarters of a century before the first phonograph was sold. However, Thompson’s dissent in *Wheaton v. Peters*, which is far longer than the main opinion, is the principal basis for the “cupcake theory”: that federal copyrights are merely a set of rights that are slathered on top the more important state common-law copyrights, and that when federal copyrights expire, the perpetual state common-law copyrights remain.³⁵³

Judge Graffeo used *Wheaton v. Peters* as a springboard for a lengthy analysis that has been heavily criticized because it bounced indiscriminately back and forth between cases dealing with two different issues: does the issuance (“publication”) of phonorecords prior to 1972 divest the owner’s right to the sound recording; and does it divest the owner’s right to the composition contained on the recording? As we have seen, these are very different issues, each with their own history and law, but Graffeo seemingly mixed them together indiscriminantly.³⁵⁴

The *Waring* cases and *RCA v. Whiteman* from the 1930s; *Metropolitan Opera v. Wagner-Nichols* (1950); *Capitol Records v. Mercury Records* (1955); *Goldstein* (1973); *Rosette v. Rainbow Records* (1976); even the *La Ciagnena* and *Rolling Stones* cases from the 1990s—Graffeo threw them all into the rhetorical pot. It seemed at first reading to create a nonsensical mishmash. But if you dig deeper, you can discern in Judge Graffeo’s legal ping-pong a common theme: The effect of *Goldstein* was more than an affirmation of a given states’ right to enact criminal laws prohibiting music piracy. It was an overarching philosophy of federalized copyright law clearly derived from a rejection from the *Wheaton* opinion.³⁵⁵

In other words, Judge Graffeo held that *Goldstein* overturned *Wheaton v. Peters* and adopted the dissent of Justice Thompson. The 1769 vote of the House of Lords in *Donaldson v. Beckett* never applied to the United States. The Constitution was not, and is not, the fundamental source of copyright. It is a power that rightfully belongs to the states. The federal government, through the Progress Clause, has the power to add or even replace state copyright for a “limited time.” But whenever and wherever the federal government does not expand to fill the entire range of powers available to the states, they have the freedom to fill that void:

state common-law copyright protection can continue beyond the technical definition of publication in the absence of contrary statutory authority . . . because the federal Copyright Act did not protect musical recordings, state common-law could supply perpetual

³⁵¹ *Capitol v. Naxos IV*, 830 N.E. at 258; *White-Smith*, 28 Sup. Ct. at 321.

³⁵² *White-Smith*, 28 Sup. Ct. at 322.

³⁵³ *Capitol v. Naxos IV*, 830 N.E. at 258, n. 5.

³⁵⁴ *Id.* at 258-259.

³⁵⁵ *Id.* at 261.

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copyright protection to recordings without regard to the limitations of “publication” under the federal act . . . given that the copyright protection extended by state common law to sound recordings not covered by the federal Copyright Act is similar to the scope of common-law ownership rights in other forms of property, which can exist indefinitely.³⁵⁶

And this meant that in a decision resting on a choice of law, the State of New York should be treated as sovereign, equivalent to other foreign powers that exercise the power of copyright. Applying essentially the same logic as the Second Circuit, Judge Graffeo determined that no “rule of the shorter term” applied. The Berne Convention³⁵⁷ and Universal Copyright Convention³⁵⁸ had a “rule of the shorter term,” but they didn’t apply to sound recordings. The Phonograms Convention only applied to recordings fixed after March 10, 1974. The Uruguay Round Agreement Act³⁵⁹ didn’t apply to United Kingdom sound recordings in the U.K. public domain prior to 1996.³⁶⁰

When does copyright end? Thus far in the analysis, there were two possible answers. The first was that it never existed: the federal government left the records unprotected, so there was nothing to compare to United Kingdom copyright. This was assumed in *Capitol v. Naxos I* and *II*, but never seriously entertained in *Capitol v. Naxos III* or *IV*. The second answer was that under New York law, forever.³⁶¹ State common-law was perpetual. However, Judge Graffeo acknowledged a third answer: February 15, 2067. On that date, the block against federal preemption in §301(c) of the copyright code will expire. While there is much uncertainty about what exactly will happen on that date, Judge Graffeo was unambiguous in her belief that under the law as it now exists, the recordings will pass out of the copyright domain of the State of New York.³⁶²

Because she was considering specific questions of law certified to her by the Second Circuit, Judge Graffeo was not required to reach ultimate conclusions on many of the issues of the case. For example, she never actually stated that Naxos infringed on Capitol’s copyrights. Agreeing with Judge Newman of the Second Circuit that Chapter 275 of the New York Penal Code could not be used to sustain a

³⁵⁶ *Id.* at 261, 265. Almost, but not completely. One question Judge Graffeo did not comment on is the issue of perpetuity: when federal copyright expires, as it must under the “limited times” restriction of the Progress Clause, does state law copyright “spring back,” or has it been cut off by the imposition of federal copyright? She stated that “Until 2067 no federal or state statutory impediment constricts this common-law durational component for pre-1972 sound recordings. *Id.* at 265. However, as discussed above, 17 U.S.C. § 301(c) does not impose an end of term of copyright; it merely ends a statutory block against the imposition of federal preemption against state powers equivalent to federal copyrights. While sound recordings may pass out of state law control in their present form in 2067, where they will go is very uncertain.

³⁵⁷ Berne Convention for the Protection of Literary and Artistic Works, Sept. 9, 1886 (completed Mar. 20, 1914; revised July 14, 1967), S. Treaty Doc. 99-27, 99th Cong (1986), 828 U.N.T.S. 221.

³⁵⁸ Universal Copyright Convention, 25 U.S.T. 1341 (July 24, 1971); Convention for the Protection of Producers of Phonograms Against Unauthorized Duplication of their Phonograms, 25 U.S.T. 309 (1974).

³⁵⁹ Uruguay Round Agreements Act, Pub. L. 103-465, 108 Stat. 4809 103rd Cong. (1994).

³⁶⁰ *Capitol v. Naxos IV*, 830 N.E. at 265.

³⁶¹ See *supra* note 356.

³⁶² *Capitol v. Naxos IV*, 830 N.E. at 265.

private right of action for copyright infringement, she cited an uncodified session law from 1786 to establish the elements of tortious copyright infringement in New York. A copyright infringement cause of action in New York consists of two elements: (1) the existence of a valid copyright; and (2) unauthorized reproduction of the work protected by the copyright.³⁶³

She also added that “New York provides common-law copyright protection to sound recordings not covered by the federal Copyright Act, regardless of the public domain status in the country of origin, *if the alleged act of infringement occurred in New York.*”³⁶⁴ She never followed up this statement with a conclusion as to whether the condition was met. Either she lacked the necessary facts or chose not to exceed the charge she had been given by the Second Circuit. It is clear that hnh, Ltd. did not reproduce any of the CDs that were the subject of the controversy in the United States³⁶⁵ so, in accordance with either New York law or the 1973 *Goldstein* decision, it is very unlikely that Naxos could have infringed on Capitol’s New York State non-statutory, common-law copyright.

According to Klaus Heymann, Naxos and EMI reached a settlement after the case was returned from Judge Graffeo’s court to the circuit court. No damages were sought, but Naxos agreed to withdraw all the Gramophone Company-based historical recordings from the United States.³⁶⁶ Looking back several years later, Heymann told an interviewer:

There are about one million classical collectors in the world who buy ten CDs a year. That is how I define a serious collector. There are about 100,000 titles available, physically or digitally, so it means that every title sells on average 100 times: 100 copies per title per year. So what happens if 200,000 titles become available: will the collectors buy twenty CDs? No, they will buy ten. This means that average sales will drop to fifty—and that doesn’t work commercially. That is the conundrum for the whole industry. An enormous number of recordings are sitting in archives and could be accessed now (and increasingly, they are). The BBC, the Norddeutsche Radfunke, the Süddeutsche Rundfunk, Swedish Radio, and all the other national broadcasters in Europe—they all have huge archives and keep producing hundreds of new recordings every year. Then there are the major record companies with their archives of more than 200,000 album-length masters. If that stuff ever becomes available, who will buy it? . . . The recording industry was trying to shut the stable door after the horse had bolted.³⁶⁷

³⁶³ *Id.* at 266. I must rely on Judge Graffeo’s opinion; I cannot locate anything in New York law older than its first codification in 1813.

³⁶⁴ *Id.* (*emphasis added*)

³⁶⁵ NICHOLAS SOAMES, *THE STORY OF NAXOS: THE EXTRAORDINARY STORY OF THE INDEPENDENT RECORD LABEL THAT CHANGED CLASSICAL RECORDING FOREVER*, 362 (Piatkus Press, 2012).

³⁶⁶ *Id.* at 118.

³⁶⁷ *Id.* at 115, 118-119.