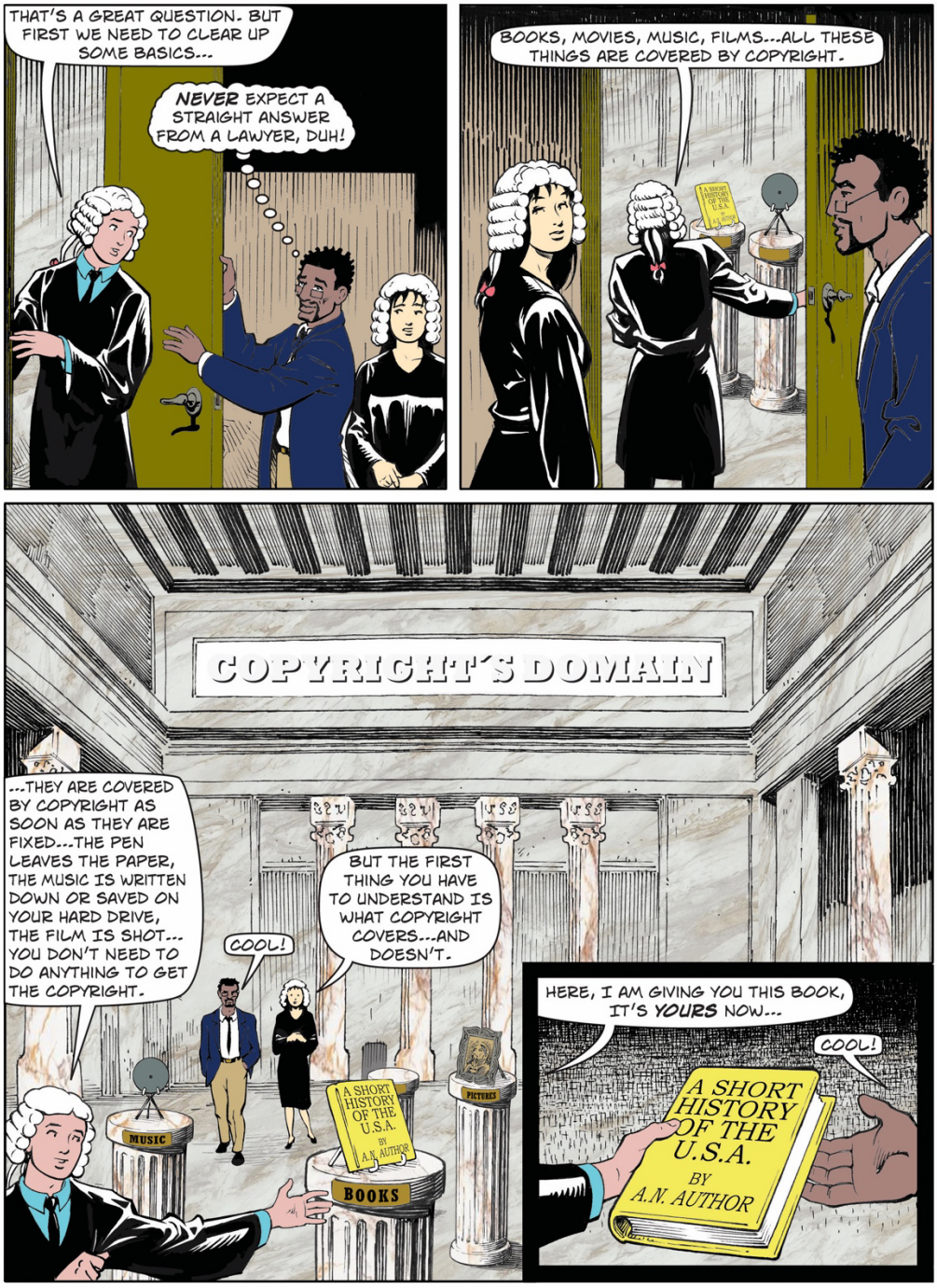
CHAPTER ELEVEN

Copyrightable Subject Matter

What does copyright cover?



YOU OWN THE PHYSICAL OBJECT... THESE PIECES OF PAPER...THIS BINDING. YOU COULD BURN IT, OR SELL IT, OR GIVE IT AWAY...
AND THE AUTHOR HAS NO RIGHT TO STOP YOU...
THAT DIDN'T LAST LONG.
...AND EVEN INSIDE THE BOOK THERE ARE LOTS OF THINGS THE AUTHOR DOESN'T OWN...
HISTORY OF THE U.S.A. BY A.N. AUTHOR
AAAAHHHHHH
IDEAS
FACTS
CHRISTOPHER COLUMBUS 1492
ALL MEN ARE CREATED EQUAL
DE TOCQUEVILLE'S 1831 PROPHECY
DECLARATION OF INDEPENDENCE, NOT U.S. CONSTITUTION, EXPRESSES IDEALS OF AMERICA
LOUISIANA PURCHASE 1803

Images from Aoki, Boyle, and Jenkins, *Theft! A History of Music* (available for free online at https://law.duke.edu/musiccomic/).

Copyrightable Subject Matter

As with trademark, the first question to ask with copyright is "what subject matter does it cover?" By that we do not merely mean "what media forms does copyright cover?" Before we even get to the question of when copyright came to cover music, recordings, or photographs, there is a deeper premise we have to understand. As the last chapter made clear, copyright starts with a remarkable and dramatic choice, the choice that Krause was unable to understand, but that Hugo and Fichte stressed. It does not cover ideas or unoriginal compilations of fact. When I publish my book, the ideas and facts within it go immediately into the public domain—no need to wait for my lifetime plus another seventy years to get them. Copyright covers only the *original expression*. This point comes with a corollary. There is no original expression in the design of a water filter or a mousetrap. There may be *genius*, in the sense of making a technological leap that is way beyond the current state of the art, but we do not look at the lightbulb and say "Ah, the filament—that's just so Edison! That's just the way that he, and only he, would express the idea '*glow, sucker, glow*!'" Focusing only on expression, copyright never covers purely functional or useful articles, never covers discoveries or inventions. If they are to be covered by rights at all, those are in the domain of patent.

This chapter will go through the criteria for copyrightable subject matter, many of which, as we saw in Chapter 3, have a constitutional dimension. As you consider them, compare them to the limitations on trademark subject matter. Notice how the subject matter limitations trace both the functional goals that the right is to fulfill and the need to limit the ambit of the right in order to allow for the requirements of speech, debate and competition. But notice also how those reasons do not explain *all* of the subject matter delineations—and in some cases may be flatly contradictory to them.

We will look at:

- the requirement of originality, meeting the *Feist* case again,
- the idea/expression (and idea/fact) distinction,
- the linked idea of "merger" where the expression merges with the idea and therefore cannot be owned,
- the "useful articles" doctrine—which limits the reach of copyright on designs that are both functional and expressive,
- the exclusion of "methods of operation" from copyright, and
- the requirement of fixation in material form.

But it is easy to get lost in the picky details of each subsection. As you will see, many of these cases could be classified as dealing with multiple subject matter limitations. When I refuse to extend copyright to the way an accounting method is implemented, is that the idea/expression distinction, a method of operation or something else altogether? The important question is the basic one, "Why do we have this limitation on copyright's subject matter? How does including or excluding this material further the constitutional and statutory scheme?"

In addition, this section leads into another of the central and recurrent themes of the book: the interaction between intellectual property and technology. This entire chapter, but in particular the last two sections—on methods of operation and on fixation—begin a unit dealing with copyright and software. The software unit is layered on top of the doctrinal material of the course. We will be learning the rules about copyrightable subject matter, infringement and substantial similarity, fair use, the interaction between copyright and licenses—all subjects that transcend the technology. But at the same time many of those subjects have a particular twist or valence when they are inside the world of computing.

Thus we will simultaneously be studying the way the courts took the ancient niches of copyright and trimmed and stretched them to fit the new threats and opportunities of software. (As you read the later sections of this chapter, compare what you see to the way courts adapted trademark law to fit the world of domain names and search engines.)

§ 102 Subject matter of copyright: In general
(a) Copyright protection subsists, in accordance with this title, in original works of authorship fixed in any tangible medium of expression, now known or later developed, from which they can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device. Works of authorship include the following categories:
(1) literary works;
(2) musical works, including any accompanying words;
(3) dramatic works, including any accompanying music;
(4) pantomimes and choreographic works;
(5) pictorial, graphic, and sculptural works;
(6) motion pictures and other audiovisual works;
(7) sound recordings; and
(8) architectural works.
(b) In no case does copyright protection for an original work of authorship extend to any idea, procedure, process, system, method of operation, concept, principle, or discovery, regardless of the form in which it is described, explained, illustrated, or embodied in such work.

1.) Originality: Independent Creation and a Modicum of Creativity

Feist v. Rural Telephone Service
499 U.S. 340 (1991)

Justice O'CONNOR delivered the opinion of the Court.

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

I

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

Feist Publications, Inc., is a publishing company that specializes in area-wide telephone directories. Unlike a typical directory, which covers only a particular calling area, Feist's area-wide directories cover a much larger geographical range, reducing the need to call directory assistance or consult multiple directories. The Feist directory that is the

subject of this litigation covers 11 different telephone service areas in 15 counties and contains 46,878 white pages listings—compared to Rural's approximately 7,700 listings. Like Rural's directory, Feist's is distributed free of charge and includes both white pages and yellow pages. Feist and Rural compete vigorously for yellow pages advertising.

Feist area-wide telephone directory

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

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

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

II
A

This case concerns the interaction of two well-established propositions. The first is that facts are not copyrightable; the other, that compilations of facts generally are. Each of these propositions possesses an impeccable pedigree. That there can be no valid copyright in facts is universally understood. The most fundamental axiom of copyright law is that "[n]o author may copyright his ideas or the facts he narrates." *Harper & Row* (1985). Rural wisely concedes this point, noting in its brief that "[f]acts and discoveries, of course, are not themselves subject to copyright protection." At the same time, however, it is beyond dispute that compilations of facts are within the subject matter of copyright. . . .

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

compilations that consist exclusively of facts are potentially within its scope.

The key to resolving the tension lies in understanding why facts are not copyrightable. The *sine qua non* of copyright is originality. To qualify for copyright protection, a work must be original to the author. See *Harper & Row*. Original, as the term is used in copyright, means only that the work was independently created by the author (as opposed to copied from other works), and that it possesses at least some minimal degree of creativity. To be sure, the requisite level of creativity is extremely low; even a slight amount will suffice. The vast majority of works make the grade quite easily, as they possess some creative spark, "no matter how crude, humble or obvious" it might be. Originality does not signify novelty; a work may be original even though it closely resembles other works so long as the similarity is fortuitous, not the result of copying. To illustrate, assume that two poets, each ignorant of the other, compose identical poems. Neither work is novel, yet both are original and, hence, copyrightable.

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

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

In *Burrow-Giles*, the Court distilled the same requirement from the Constitution's use of the word "authors." The Court defined "author," in a constitutional sense, to mean "he to whom anything owes its origin; originator; maker." As in *The Trade-Mark Cases*, the Court emphasized the creative component of originality. It described copyright as being limited to "original intellectual conceptions of the author," and stressed the importance of requiring an author who accuses another of infringement to prove "the existence of those facts of originality, of intellectual production, of thought, and conception."

The originality requirement articulated in *The Trade-Mark Cases* and *Burrow-Giles* remains the touchstone of copyright protection today. See *Goldstein v. California* (1973). It is the very "premise of copyright law." *Miller v. Universal City Studios, Inc.* (1981). Leading scholars agree on this point. As one pair of commentators succinctly puts it: "The originality requirement is *constitutionally mandated* for all works." Patterson & Joyce 763 (1989).

It is this bedrock principle of copyright that mandates the law's seemingly disparate treatment of facts and factual compilations. "No one may claim originality as to facts." Nimmer § 2.11[A]. This is because facts do not owe their origin to an act of authorship. The distinction is one between creation and discovery: The first person to find and report a particular fact has not created the fact; he or she has merely discovered its existence. To borrow from *Burrow-Giles*, one who discovers a fact is not its "maker" or "originator." "The discoverer merely finds and records." Nimmer § 2.03[E]. Census-takers, for example, do not "create" the population figures that emerge from their efforts; in a sense, they copy

these figures from the world around them. Census data therefore do not trigger copyright because these data are not "original" in the constitutional sense. The same is true of all facts—scientific, historical, biographical, and news of the day. "They may not be copyrighted and are part of the public domain available to every person." *Miller*.

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

This protection is subject to an important limitation. The mere fact that a work is copyrighted does not mean that every element of the work may be protected. Originality remains the *sine qua non* of copyright; accordingly, copyright protection may extend only to those components of a work that are original to the author. Thus, if the compilation author clothes facts with an original collocation of words, he or she may be able to claim a copyright in this written expression. Others may copy the underlying facts from the publication, but not the precise words used to present them. In *Harper & Row*, for example, we explained that President Ford could not prevent others from copying bare historical facts from his autobiography, but that he could prevent others from copying his "subjective descriptions and portraits of public figures." Where the compilation author adds no written expression but rather lets the facts speak for themselves, the expressive element is more elusive. The only conceivable expression is the manner in which the compiler has selected and arranged the facts. Thus, if the selection and arrangement are original, these elements of the work are eligible for copyright protection. No matter how original the format, however, the facts themselves do not become original through association.

This inevitably means that the copyright in a factual compilation is thin. Notwithstanding a valid copyright, a subsequent compiler remains free to use the facts contained in another's publication to aid in preparing a competing work, so long as the competing work does not feature the same selection and arrangement. As one commentator explains it: "[N]o matter how much original authorship the work displays, the facts and ideas it exposes are free for the taking. . . . [T]he very same facts and ideas may be divorced from the context imposed by the author, and restated or reshuffled by second comers, even if the author was the first to discover the facts or to propose the ideas." Ginsburg, Creation and Commercial Value: Copyright Protection of Works of Information (1990).

It may seem unfair that much of the fruit of the compiler's labor may be used by others without compensation. As Justice Brennan has correctly observed, however, this is not "some unforeseen byproduct of a statutory scheme." *Harper & Row*. It is, rather, "the essence of copyright" and a constitutional requirement. The primary objective of copyright is not to reward the labor of authors, but "[t]o promote the Progress of Science and useful Arts." Art. I, § 8, cl. 8. To this end, copyright assures authors the right to their original expression, but encourages others to build freely upon the ideas and information conveyed by a work. This principle, known as the idea-expression or fact-expression dichotomy, applies to all works of authorship. As applied to a factual compilation, assuming the absence of original written expression, only the compiler's selection and arrangement may be protected; the raw facts may be copied at will. This result is neither unfair nor

unfortunate. It is the means by which copyright advances the progress of science and art.

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

> "[N]o author may copyright facts or ideas. The copyright is limited to those aspects of the work—termed 'expression'—that display the stamp of the author's originality.
>
> "[C]opyright does not prevent subsequent users from copying from a prior author's work those constituent elements that are not original—for example . . . facts, or materials in the public domain—as long as such use does not unfairly appropriate the author's original contributions."

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

III

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

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

The question that remains is whether Rural selected, coordinated, or arranged these uncopyrightable facts in an original way. As mentioned, originality is not a stringent standard; it does not require that facts be presented in an innovative or surprising way. It is equally true, however, that the selection and arrangement of facts cannot be so mechanical or routine as to require no creativity whatsoever. The standard of originality is low, but it does exist. As this Court has explained, the Constitution mandates some minimal degree of creativity, see *The Trade-Mark Cases*, and an author who claims infringement must prove "the existence of . . . intellectual production, of thought, and conception." *Burrow-Giles*.

The selection, coordination, and arrangement of Rural's white pages do not satisfy

the minimum constitutional standards for copyright protection. As mentioned at the outset, Rural's white pages are entirely typical. Persons desiring telephone service in Rural's service area fill out an application and Rural issues them a telephone number. In preparing its white pages, Rural simply takes the data provided by its subscribers and lists it alphabetically by surname. The end product is a garden-variety white pages directory, devoid of even the slightest trace of creativity.

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

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

Nor can Rural claim originality in its coordination and arrangement of facts. The white pages do nothing more than list Rural's subscribers in alphabetical order. This arrangement may, technically speaking, owe its origin to Rural; no one disputes that Rural undertook the task of alphabetizing the names itself. But there is nothing remotely creative about arranging names alphabetically in a white pages directory. It is an age-old practice, firmly rooted in tradition and so commonplace that it has come to be expected as a matter of course. It is not only unoriginal, it is practically inevitable. This time-honored tradition does not possess the minimal creative spark required by the Copyright Act and the Constitution.

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

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

Questions:

1.) What balance does *Feist* strike between efficient information flow and property rights? Between property in *innovation* and property in *information*?

2.) Let us return to a question we asked in Chapter 2 about the constitutional limitations on intellectual property. In *The Trade-Mark Cases* the Court said: "If we should endeavor

to classify [a trademark] under the head of writings of authors, the objections are equally strong. In this, as in regard to inventions, originality is required." Where does this limitation appear in the Intellectual Property Clause? Is there a textual basis? A philosophical basis? Both? Revisiting this question in the light of the *Feist* case, what is your answer?

The next case, which provides additional fodder for Problem 11-1, take the statutory and constitutional originality limitation and add to it an additional statutory subject matter wrinkle. Under § 105 of the Copyright Act, "Copyright protection under this title is not available for any work of the United States Government, but the United States Government is not precluded from receiving and holding copyrights transferred to it by assignment, bequest, or otherwise." This is a hugely important and consequential component of U.S. information policy. Unoriginal compilations of fact are not covered by copyright and even expressive works are not covered by copyright if they are works of the Federal government. From the free availability of weather and navigational data, to the public domain status of government reports, NASA photographs and the *CIA World Factbook*, the combination of the originality requirement and § 105 operates to shape our information environment in profound ways. (For example, whatever other laws Edward Snowden or Chelsea Manning may or may not have broken, they did *not* violate copyright, and neither did those who reproduced the documents they leaked.) But this combination also shapes the availability of Federal legal materials, as the next case will show.

Matthew Bender & Co., Inc. v. West Publishing Co.

158 F.3d 674 (2d Cir. 1998)

JACOBS, Circuit Judge.

West Publishing Co. and West Publishing Corp. (collectively "West") publish compilations of reports of judicial opinions ("case reports"). Each case report consists of the text of the judicial opinion with enhancements that for the purposes of this case can be put in two categories: (i) independently composed features, such as a syllabus (which digests and heralds the opinion's general holdings), headnotes (which summarize the specific points of law recited in each opinion), and key numbers (which categorize points of law into different legal topics and subtopics), and (ii) additions of certain factual information to the text of the opinions, including parallel or alternative citations to cases, attorney information, and data on subsequent procedural history. HyperLaw, Inc. publishes compact disc-read only memory ("CD-ROM") compilations of Supreme Court and United States Court of Appeals decisions, and intervened as a plaintiff to seek a judgment declaring that the individual West case reports that are left after redaction of the first category of alterations (i.e., the independently composed features), do not contain copyrightable material. . . .

It is true that neither novelty nor invention is a requisite for copyright protection, but minimal creativity is required. Aside from its syllabi, headnotes and key numbers—none of which HyperLaw proposes to copy—West makes four different types of changes to judicial opinions that it claimed at trial are copyrightable: (i) rearrangement of information specifying the parties, court, and date of decision; (ii) addition of certain information concerning counsel; (iii) annotation to reflect subsequent procedural developments such as amendments and denials of rehearing; and (iv) editing of parallel and alternate citations to cases cited in the opinions in order to redact ephemeral and obscure citations and to add

standard permanent citations (including West reporters). All of West's alterations to judicial opinions involve the addition and arrangement of facts, or the rearrangement of data already included in the opinions, and therefore any creativity in these elements of West's case reports lies in West's selection and arrangement of this information. In light of accepted legal conventions and other external constraining factors, West's choices on selection and arrangement can reasonably be viewed as obvious, typical, and lacking even minimal creativity. Therefore, we cannot conclude that the district court clearly erred in finding that those elements that HyperLaw seeks to copy from West's case reports are not copyrightable, and affirm. . . .

DISCUSSION

II

Works of the federal government are not subject to copyright protection; the text of judicial decisions may therefore be copied at will. 17 U.S.C. § 105. Federal judicial opinions may, however, form part of a compilation. The Copyright Act defines "compilation" as "a work formed by the collection and assembling of preexisting materials or of data that are selected, coordinated, or arranged in such a way that the resulting work as a whole constitutes an original work of authorship." 17 U.S.C. § 101. West has filed a certificate of copyright registration for every paperbacked advance sheet and bound permanent volume of the Supreme Court Reporter and Federal Reporter, and each certificate characterizes the copyrighted work as a "compilation." Under *Feist Publications, Inc. v. Rural Telephone Serv. Co.* (1991), an infringement claim for a compilation has two elements: "(1) ownership of a valid copyright, and (2) copying of constituent elements of the work that are original."

But HyperLaw has not signaled its intent to copy the text of every case included in particular volumes of West case reporters or the case reporters' selection and arrangement of cases; HyperLaw's intent is to copy particular, though numerous, individual case reports. HyperLaw seeks a declaratory judgment that these case reports—after removal of the syllabus, headnotes, and key numbers—contain no copyrightable material.

A.

HyperLaw contends that each case report should be analyzed as a derivative work, which is defined under the Copyright Act as, inter alia, "[a] work consisting of editorial revisions, annotations, elaborations, or other modifications which, as a whole, represent an original work of authorship." 17 U.S.C. § 101. The district court adopted this view and analyzed the individual case report as a derivative work, but found it wanting in the requisite originality. West contends that each case report is a compilation, i.e., a collection of facts that have been distinctively selected and arranged. No one claims that a case report is anything other than a derivative work or a compilation.

The House Report on the 1976 Copyright Act distinguishes between a derivative work and a compilation:

> Between them the terms . . . comprehend every copyrightable work that employs preexisting material or data of any kind. There is necessarily some overlapping between the two, but they basically represent different concepts. A "compilation" results from a process of selecting, bringing together, organizing, and arranging previously existing material of all kinds, regardless of whether the individual items in the material have been or ever could have been subject to copyright. A "derivative work," on the other hand, requires a process of recasting, transforming, or adapting "one or more preexisting works"; the "preexisting work" must

> come within the general subject matter of copyright set forth in section 102, regardless of whether it is or was ever copyrighted. . . .

We need not categorize West's case reports as either derivative works or compilations in order to decide this case. Copyright protection is unavailable for both derivative works and compilations alike unless, when analyzed as a whole, they display sufficient originality so as to amount to an "original work of authorship." . . . As West and HyperLaw seemingly agree, the question presented is whether West's alterations to the case reports, when considered collectively, demonstrate sufficient originality and creativity to be copyrightable. . . .

Our decision in this case does not mean that an editor seeking to create the most accurate edition of another work never exercises creativity.[13] As West argues, our decisions establish a low threshold of creativity, even in works involving selection from among facts. But those cases involved the exercise of judgments more evaluative and creative than West exercises in the four elements of the case reports that HyperLaw intends to copy. For instance, in *Kregos* thousands of different permutations of pitching statistics were available for inclusion in the publisher's pitching chart. See *Kregos*; see also *Eckes v. Card Prices Update* (2d Cir. 1984) (baseball card guide which selected 5,000 "premium" baseball cards from among 18,000 eligible baseball cards was copyrightable). In *Key Publications*, we found sufficient creativity because the author of the yellow pages "excluded from the directory those businesses she did not think would remain open for very long." In *CCC Information Services*, we found sufficient creativity in the selection of optional car features and number of years' models to be included in a used-car price compilation. . . . In each of these cases, the compiler selected from among numerous choices, exercising subjective judgments relating to taste and value that were not obvious and that were not dictated by industry convention. . . .

CONCLUSION

The district court did not clearly err in concluding that the elements of West's case reports that HyperLaw seeks to copy are not copyrightable. The judgment of the district court is affirmed. [SWEET, District Judge, dissented. Omitted.]

Questions:

1.) In a companion case, *Matthew Bender & Co., Inc. v. West Publishing Co.* (2d Cir. 1998), West argued that Hyperlaw violated its copyrights by including "star pagination," which identifies the West page breaks in Hyperlaw's digital versions of the cases. (The West reports are frequently the version that courts require when citing precedent in briefs and pleadings.) The court also rejected that claim. Do you agree? Why?

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[13] It is true that some types of editing require little creativity. See, e.g., *Grove Press, Inc. v. Collectors Publication, Inc.* (C.D. Cal. 1967) ("Plaintiff made approximately forty thousand changes from the Verlag copy in producing its edition. These changes consisted almost entirely of elimination and addition of punctuation, changes of spelling of certain words, elimination and addition of quotation marks, and correction of typographical errors. These changes required no skill beyond that of a [1967] high school English student and displayed no originality. These changes are found to be trivial."). In addition, convention and external forces may, as here, limit the practical choices available so as to eliminate any creativity. On the other hand, preparing an edition from multiple prior editions, or creating an accurate version of the missing parts of an ancient document by using conjecture to determine the probable content of the document may take a high amount of creativity. See, e.g., Abraham Rabinovich, Scholar: Reconstruction of Dead Sea Scroll Pirated, Wash. Times: Nat'l Wkly. Edition, Apr. 12, 1998, at 26 (discussing scholar's copyright infringement claim in Israeli Supreme Court relating to his reconstruction of the missing parts of a "Dead Sea Scroll" through the use of "educated guesswork" based on knowledge of the sect that authored work).

Note

The *West* cases involved Federal legal materials, which are clearly in the public domain under § 105's exclusion for "any work of the United States Government." But what about the laws of states and municipalities—can they be copyrighted? In *Veeck v. Southern Building Code Congress International* (5th Cir. 2002), an *en banc* panel held that once a privately authored building code was enacted into local laws, it could no longer be copyrighted. Citing to two early Supreme Court cases "holding that 'the law' is not copyrightable," the court stated: "as *law*, the model codes enter the public domain and are not subject to the copyright holder's exclusive prerogatives" (emphasis in original). *See Wheaton v. Peters* (1834); *Banks v. Manchester* (1888). Alternatively, the court held that the building codes were either uncopyrightable "facts," or uncopyrightable under the merger doctrine as "the unique, unalterable expression of the 'idea' that constitutes local law."

More recently, in *Georgia v. Public.Resource.Org (PRO)* (2020), the Supreme Court held that the Official Code of Georgia Annotated ("OCGA") was not copyrightable. In doing so, it revisited *Wheaton* and *Banks*, which had developed what the Court dubbed the "government edicts doctrine." "Officials empowered to speak with the force of law cannot be the authors of—and therefore cannot copyright—the works they create in the course of their official duties." The Court explained: "The animating principle behind this rule is that no one can own the law. 'Every citizen is presumed to know the law,' and 'it needs no argument to show . . . that all should have free access' to its contents." Those earlier cases had dealt with works by judges, including opinions and non-binding materials such as syllabi and headnotes. In this case, the work was the annotations to the state code, actually written by an outside contractor, but *deemed* to be "authored" by the legislature by the Court in this case. Thus the annotations were not copyrightable, even though the annotations did not carry the force of law.

After *PRO*, it is clear that state and local laws *produced* by the government are in the public domain. But what about privately authored codes and standards, such as the model building code in *Veeck*, that are subsequently adopted into law? If you want to "bring your house up to code" in Durham and a private trade association has written a code, which the state enacts as the law of North Carolina, does this code enter the public domain when it gains the force of law as *Veeck* would imply? If the focus is merger (there is only one correct way of stating the ideas and facts of the law), or even due process (citizens are presumed to know the law) and the question of who initially *wrote* the code would be irrelevant. *PRO* on the other hand focused on the question of government "authorship," though it then proceeded to define that authorship very broadly, perhaps for the reasons *Veeck* put forward.

True, the *PRO* Court also stated more categorically that "no one can own the law," indicating that government authorship does not mark the outer bounds of its holding. At the time of writing this book, organizations such as the International Code Council continue to bring lawsuits asserting copyright over model codes that are both "*the law*," and were privately drafted. Are these codes in the public domain, so that anyone can make them available to those who need them? Under *Veeck*, of course, those codes are not copyrightable. Both its reading of Supreme Court precedent and of copyright's idea-fact/expression dichotomy and merger doctrine make this clear. We believe this answer is correct, but *PRO*'s curious mixture of formalism on the surface and constitutional and policy concerns beneath, makes it hard to know.

James Boyle, A Natural Experiment

Financial Times*, Nov. 22, 2004*

Imagine a process of reviewing prescription drugs which goes like this: representatives from the drug company come to the regulators and argue that their drug works well and should be approved. They have no evidence of this beyond a few anecdotes about people who want to take it and perhaps some very simple models of how the drug might affect the human body. The drug is approved. No trials, no empirical evidence of any kind, no follow-up. Or imagine a process of making environmental regulations in which there were no data, and no attempts to gather data, about the effects of the particular pollutants being studied. Even the harshest critics of drug regulation or environmental regulation would admit we generally do better than this. But this is often the way we make intellectual property policy.

So how do we decide the ground-rules of the information age? Representatives of interested industries come to regulators and ask for another heaping slice of monopoly rent in the form of an intellectual property right. They have doom-laden predictions, they have anecdotes, carefully selected to pluck the heartstrings of legislators, they have celebrities who testify—often incoherently, but with palpable charisma—and they have very, very simple economic models. The basic economic model here is "If you give me a larger right, I will have a larger incentive to innovate. Thus the bigger the rights, the more innovation we will get. Right?" Well, not exactly. Even without data, the models are obviously flawed—copyrighting the alphabet will not produce more books, patenting $E=mc^2$ will not yield more scientific innovation. Intellectual property creates barriers to, as well as incentives towards, innovation. Clearly the "more is better" argument has limits. Extensions of rights can help or hurt, but without economic evidence beforehand and review afterwards, we will never know. In the absence of evidence on either side, the presumption should obviously be against creating a *new* legalised monopoly, but still the empirical emptiness of the debates is frustrating.

This makes the occasion where there actually is some evidence a time for celebration. What we really need is a test case where one country adopts the proposed new intellectual property right and another does not, and we can assess how they are both doing after a number of years.

There is such a case. It is the "database right." Europe adopted a Database Directive in 1996 which both gave a high level of copyright protection to databases, and conferred a new "sui generis" database right even on unoriginal compilations of facts. In the United States, by contrast, in a 1991 case called *Feist*, the Supreme Court made it clear that unoriginal compilations of facts are not copyrightable. (The case is not as revolutionary as it is claimed to be. Most of the appeals courts in the United States had long held this to be the case. In fact, a tenet of the US intellectual property system is that neither facts nor ideas can be owned.) Since 1991 the U.S. Congress has managed to resist frenzied attempts by a few database companies to create a special database right over facts. Interestingly, apart from academics, scientists and civil libertarians, many database companies, and even those well-known communist property-haters, the U.S. Chamber of Commerce, oppose the creation of such a right. They believe that database providers can adequately protect themselves with contracts, technical means such as passwords, can rely on providing tied services and so on. Moreover, they argue that strong database protection may make it harder to generate databases in the first place; the facts you need may be locked up. The pressure to create a new right continues, however, aided by the cries that US must "harmonise" with Europe. So

here we have our natural experiment. Presumably the government economists are hard at work both in the US and the EU, seeing if the right actually worked? Umm. . . . No.

Intellectual property rights are a form of state-created monopoly and "the general tendency of monopolies," as Macaulay pointed out, is to "make things dear, to make them scarce, and to make them bad." Monopolies are an evil, but they must sometimes be accepted when they are necessary to the production of some good, some particular social goal. In this case, the "evil" is obviously going to be an increase in price of databases, and the legal ability to exclude competitors from their use—that, after all is the point of granting the new right. The "good" is that we are supposed to get lots of new databases, databases that we would not have had but for the existence of the database right.

If the database right were working, we would expect positive answers to three crucial questions. First, has the European database industry's rate of growth increased since 1996, while the US database industry has languished? (The drop off in the US database industry ought to be particularly severe after 1991 if the proponents of database protection are correct; they argued the *Feist* case was a change in current law and a great surprise to the industry.)

Second, are the principal beneficiaries of the database right in Europe producing databases they would not have produced otherwise? Obviously if a society is handing over a database right for a database that would have been created anyway, it is overpaying—needlessly increasing prices for consumers and burdens for competitors. This goes to the design of the right—has it been crafted too broadly, so that it is not being targeted to those areas where it is needed to encourage innovation?

Third, and this one is harder to judge, is the right promoting innovation and competition rather than stifling it? For example, if the existence of the right allowed a one-time surge of newcomers to the market who then used their rights to discourage new entrants, or if we promoted some increase in databases but made scientific aggregation of large amounts of data harder overall, then the database right might actually be stifling the innovation it is designed to foment.

Those are the three questions that any review of the Database Directive must answer. But we have preliminary answers to those three questions and they are either strongly negative or extremely doubtful.

Are database rights necessary for a thriving database industry? The answer is a clear "no." In the United States, the database industry has grown more than 25-fold since 1979 and—contrary to those who paint the *Feist* case as a revolution—for that entire period, in most of the United States, it was clear that unoriginal databases were not covered by copyright. The figures are even more interesting in the legal database market. The two major proponents of database protection in the United States are Reed Elsevier, the owner of Lexis, and Thomson Publishing, the owner of Westlaw. Fascinatingly, both companies made their key acquisitions in the US legal database market after the *Feist* decision, at which point no one could have thought unoriginal databases were copyrightable. This seems to be some evidence that they believe they could make money even without a database right. How? In the old-fashioned way: competing on features, accuracy, tied services, making users pay for entry to the database and so on.

What about Europe? There is some good news for the proponents of database protection. As Hugenholtz, Maurer, and Onsrud point out in a nice article in Science Magazine, there was a sharp, one-time spike in numbers of companies entering the European database market immediately following the implementation of the Directive in member states. Yet their work, and "Across Two Worlds," a fascinating study by Maurer, suggests that the rate of entry then falls back to levels similar to those before the Directive.

Maurer's analysis shows that the attrition rate is also very high in some European markets in the period following the passage of the Directive—even with the new right, many companies drop out.

At the end of the day, the British database industry—the strongest performer in Europe—adds about 200 databases in the three years immediately after the implementation of the Directive. In France there is little net change in the number of databases and the number of providers falls sharply. In Germany, the industry added nearly 300 databases immediately following the Directive—a remarkable surge—about 200 of which rapidly disappeared. During the same period the US industry adds about 900 databases. Bottom line? Europe's industry did get a one-time boost, and some of those firms have stayed in the market; that is a benefit, though a costly one. But database growth rates have gone back to pre-Directive levels, while the anti-competitive costs of database protection are now a permanent fixture of the European landscape. The US, by contrast, gets a nice steady growth rate in databases without paying the monopoly cost.

Now the second question. Is the Database Directive encouraging the production of databases we would not have got otherwise? Here the evidence is clear and disturbing. Again, Hugenholtz et al, point out that the majority of cases brought under the Directive have been about databases that would have been created anyway—telephone numbers, television schedules, concert times. A review of more recent cases reveals the same pattern. These databases are inevitably generated by the operation of the business in question and cannot be independently compiled by a competitor. The database right simply serves to limit competition in the provision of the information. Last week, the European Court of Justice implicitly underscored this point in a series of cases concerning football scores, horse-racing results and so on. Rejecting a stunningly protectionist and one-sided opinion from its Advocate General, the court ruled that the mere running of a business which generates data does not count as "substantial investment" enough to trigger the database right. It would be nice to think that this is the beginning of some scepticism about the reach of the Directive. Yet the Court provides little discussion for the economic reasons behind its interpretation; the analysis is merely semantic and definitional, a sharp contrast to its competition decisions.

So what kinds of databases are being generated by this bold new right? The answer is somewhere between bathos and pathos. Here are some of the wonderful "databases" that people found it worthwhile litigating over: A website, consisting of a collection of 259 hyper-links to "parenting resources," a collection of poems, an assortment of advertisements, headings referring to local news, charts of popular music. The sad list goes on and on. The European Commission might ask itself whether these are really the kind of "databases" which we need a legal monopoly to encourage, and that we want to tie up judicial resources protecting. The point that many more such factual resources can be found online in the United States without such protection, also seems worthy of note. At very least, the evidence indicates that the right is drawn much too broadly and triggered too easily in ways that are profoundly anti-competitive.

Finally, is the database right encouraging scientific innovation or hurting it? Here the evidence is merely suggestive. Scientists have claimed that the European database right, together with the perverse failure of European governments to take advantage of the limited scientific research exceptions allowed by the Directive, have made it much harder to aggregate data, to replicate studies, and to judge published articles. In fact, academic scientific bodies have been among the strongest critics of database protection. Certainly, both US science and commerce have benefited extraordinarily from the

openness of US data policy.

I was not always opposed to intellectual property rights over data. Indeed, in a book written before the enactment of the Database Directive, I said that there was a respectable economic argument that such protection might be warranted and that we needed research on the issue. Unfortunately, Europe got the right without the research. The facts are now in. If the European Database Directive were a drug, the government would be pulling it from the market until its efficacy and harmfulness could be reassessed. That is a scandal that is altogether typical of the way we make intellectual property policy.

PROBLEM 11-1

You represent the West Corporation which has asked for your advice after its two losses in the *HyperLaw* cases. West has asked you to advise them on the relative merits of two different solutions to the problem presented to the company by these cases.

1.) Amendment of the copyright act to specify that page numbers in a law report are copyrightable.

2.) The passage of a statute, justified under the Congress' Commerce Clause power, which prohibits (*inter alia*) the following: (*cf.* HR Bill 3261: Database and Collections of Information Misappropriation Act (Introduced in House)).

> Sec. 3. Prohibition Against Misappropriation Of Databases.
>
> (a) LIABILITY—Any person who makes available in commerce to others a quantitatively substantial part of the information in a database generated, gathered, or maintained by another person, knowing that such making available in commerce is without the authorization of that person (including a successor in interest) or that person's licensee, when acting within the scope of its license, shall be liable for the remedies set forth in section 7 if—
>
> (1) the database was generated, gathered, or maintained through a substantial expenditure of financial resources or time;
>
> (2) the unauthorized making available in commerce occurs in a time sensitive manner and inflicts injury on the database or a product or service offering access to multiple databases; and
>
> (3) the ability of other parties to free ride on the efforts of the plaintiff would so reduce the incentive to produce the product or service that its existence or quality would be substantially threatened.
>
> (b) INJURY—For purposes of subsection (a), the term 'inflicts an injury' means serving as a functional equivalent in the same market as the database in a manner that causes the displacement, or the disruption of the sources, of sales, licenses, advertising, or other revenue.
>
> (c) TIME SENSITIVE—In determining whether an unauthorized making available in commerce occurs in a time sensitive manner, the court shall consider the temporal value of the information in the database, within the context of the industry sector involved.

Which of these strategies do you think is best for your client to pursue? Why? What are the particular obstacles to the second alternative? Statutory drafting is a kind

of advocacy—aiming to reassure possible opponents, while still providing the protection desired. Why was this section drafted the way it was? In particular, how far would this new intellectual property right reach? Is this the same definition of time-sensitivity as is implied in the *INS v. AP* case? Is Section 3 constitutional? Does it outlaw the FANtasy football games discussed in Chapter 1?

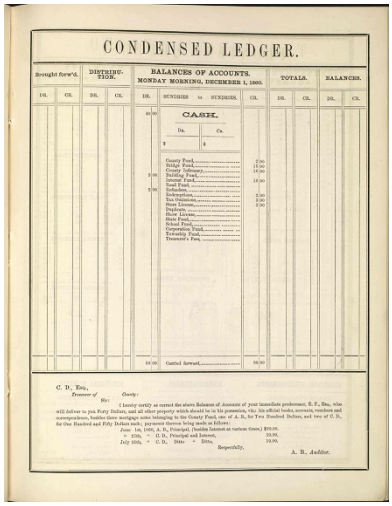
2.) The Idea-Expression Distinction

Baker v. Selden

101 U.S. 99 (1880)

Mr. Justice BRADLEY delivered the opinion of the court.

Charles Selden, the testator of the complainant in this case, in the year 1859 took the requisite steps for obtaining the copyright of a book, entitled "Selden's Condensed Ledger, or Book-keeping Simplified," the object of which was to exhibit and explain a peculiar system of book-keeping. In 1860 and 1861, he took the copyright of several other books, containing additions to and improvements upon the said system. The bill of complaint was filed against the defendant, Baker, for an alleged infringement of these copyrights. The latter, in his answer, denied that Selden was the author or designer of the books, and denied the infringement charged, and contends on the argument that the matter alleged to be infringed is not a lawful subject of copyright. . . .


CONDENSED LEDGER.

Brought forw'd. | DISTRIBUTION. | BALANCES OF ACCOUNTS. MONDAY MORNING, DECEMBER 1, 1860. | TOTALS. | BALANCES.

Dr. | Cr. | Dr. | Cr. | Dr. | SUNDRIES to SUNDRIES. | Cr. | Dr. | Cr. | Dr. | Cr.

CASH.

Dr. | Cr.

County Fund
Bridge Fund
County Infirmary
Insane Fund
Poor Fund
Road Fund
Schools
Contingents
Bridge Fund
State Licenses
Dogheads
Poor Fund
State Fund
School Fund
Contingent Fund
Township Fund
Treasurer's Fees

Carried forward

C. D., Esq.,
Treasurer of *County:*
Sir:
I hereby certify an correct the above Balances of Accounts of your immediate predecessor, S. F., Esq., who will deliver to you Forty Dollars, and all other property which should be in his possession, viz: his official books, accounts, vouchers and correspondence, besides three mortgage notes belonging to the County Fund, one of A. B., for Two Hundred Dollars, and two of C. D., for One Hundred and Fifty Dollars each; payments thereon being made as follows:
June 1st, 1860, A. B., Principal, (besides Interest at various times,) $70.00.
" 27th, " C. D., Principal and Interest, 19.00.
July 25th, " C. D., State " Bills, 19.00.
Respectfully,
A. B., *Auditor.*

Image from *Selden's Condensed Ledger and Condensed Memorandum Book* (1861).

The book or series of books of which the complainant claims the copyright consists of an introductory essay explaining the system of book-keeping referred to, to which are annexed certain forms or blanks, consisting of ruled lines, and headings, illustrating the system and showing how it is to be used and carried out in practice. This system effects the same results as book-keeping by double entry; but, by a peculiar arrangement of columns and headings, presents the entire operation, of a day, a week, or a month, on a single page, or on two pages facing each other, in an account-book. The defendant uses a similar plan so far as results are concerned; but makes a different arrangement of the columns, and uses different headings. If the complainant's testator had the exclusive right to the use of the system explained in his book, it would be difficult to contend that the defendant does not infringe it, notwithstanding the difference in his form of arrangement; but if it be assumed that the system is open to public use, it seems to be equally difficult to contend that the books made and sold by the defendant are a violation of the copyright of the complainant's book considered merely as a book explanatory of the system. Where the truths of a science or the methods of an art are the common property of the whole world, any author has the right to express the one, or explain and use the other, in his own way. As an author, Selden explained the

system in a particular way. It may be conceded that Baker makes and uses account-books arranged on substantially the same system; but the proof fails to show that he has violated the copyright of Selden's book, regarding the latter merely as an explanatory work; or that he has infringed Selden's right in any way, unless the latter became entitled to an exclusive right in the system.

The evidence of the complainant is principally directed to the object of showing that Baker uses the same system as that which is explained and illustrated in Selden's books. It becomes important, therefore, to determine whether, in obtaining the copyright of his books, he secured the exclusive right to the use of the system or method of book-keeping which the said books are intended to illustrate and explain. It is contended that he has secured such exclusive right, because no one can use the system without using substantially the same ruled lines and headings which he has appended to his books in illustration of it. Stated in another form, the question is, whether the exclusive property in a system of book-keeping can be claimed, under the law of copyright, by means of a book in which that system is explained? The complainant's bill, and the case made under it, are based on the hypothesis that it can be. . . .

There is no doubt that a work on the subject of book-keeping, though only explanatory of well-known systems, may be the subject of a copyright; but, then, it is claimed only as a book. Such a book may be explanatory either of old systems, or of an entirely new system; and, considered as a book, as the work of an author, conveying information on the subject of book-keeping, and containing detailed explanations of the art, it may be a very valuable acquisition to the practical knowledge of the community. But there is a clear distinction between the book, as such, and the art which it is intended to illustrate. The mere statement of the proposition is so evident, that it requires hardly any argument to support it. The same distinction may be predicated of every other art as well as that of book-keeping. A treatise on the composition and use of medicines, be they old or new; on the construction and use of ploughs, or watches, or churns; or on the mixture and application of colors for painting or dyeing; or on the mode of drawing lines to produce the effect of perspective,—would be the subject of copyright; but no one would contend that the copyright of the treatise would give the exclusive right to the art or manufacture described therein. The copyright of the book, if not pirated from other works, would be valid without regard to the novelty, or want of novelty, of its subject-matter. The novelty of the art or thing described or explained has nothing to do with the validity of the copyright. To give to the author of the book an exclusive property in the art described therein, when no examination of its novelty has ever been officially made, would be a surprise and a fraud upon the public. That is the province of letters-patent, not of copyright. The claim to an invention or discovery of an art or manufacture must be subjected to the examination of the Patent Office before an exclusive right therein can be obtained; and it can only be secured by a patent from the government.

The difference between the two things, letters-patent and copyright, may be illustrated by reference to the subjects just enumerated. Take the case of medicines. Certain mixtures are found to be of great value in the healing art. If the discoverer writes and publishes a book on the subject (as regular physicians generally do), he gains no exclusive right to the manufacture and sale of the medicine; he gives that to the public. If he desires to acquire such exclusive right, he must obtain a patent for the mixture as a new art, manufacture, or composition of matter. He may copyright his book, if he pleases; but that only secures to him the exclusive right of printing and publishing his book. So of all other inventions or discoveries.

The copyright of a book on perspective, no matter how many drawings and illustrations it may contain, gives no exclusive right to the modes of drawing described, though they may never have been known or used before. By publishing the book, without getting a patent for the art, the latter is given to the public. The fact that the art described in the book by illustrations of lines and figures which are reproduced in practice in the application of the art, makes no difference. Those illustrations are the mere language employed by the author to convey his ideas more clearly. Had he used words of description instead of diagrams (which merely stand in the place of words), there could not be the slightest doubt that others, applying the art to practical use, might lawfully draw the lines and diagrams which were in the author's mind, and which he thus described by words in his book.

The copyright of a work on mathematical science cannot give to the author an exclusive right to the methods of operation which he propounds, or to the diagrams which he employs to explain them, so as to prevent an engineer from using them whenever occasion requires. The very object of publishing a book on science or the useful arts is to communicate to the world the useful knowledge which it contains. But this object would be frustrated if the knowledge could not be used without incurring the guilt of piracy of the book. And where the art it teaches cannot be used without employing the methods and diagrams used to illustrate the book, or such as are similar to them, such methods and diagrams are to be considered as necessary incidents to the art, and given therewith to the public; not given for the purpose of publication in other works explanatory of the art, but for the purpose of practical application.

Recurring to the case before us, we observe that Charles Selden, by his books, explained and described a peculiar system of book-keeping, and illustrated his method by means of ruled lines and blank columns, with proper headings on a page, or on successive pages. Now, whilst no one has a right to print or publish his book, or any material part thereof, as a book intended to convey instruction in the art, any person may practise and use the art itself which he has described and illustrated therein. The use of the art is a totally different thing from a publication of the book explaining it. The copyright of a book on book-keeping cannot secure the exclusive right to make, sell, and use account-books prepared upon the plan set forth in such book. Whether the art might or might not have been patented, is a question which is not before us. It was not patented, and is open and free to the use of the public. And, of course, in using the art, the ruled lines and headings of accounts must necessarily be used as incident to it.

The plausibility of the claim put forward by the complainant in this case arises from a confusion of ideas produced by the peculiar nature of the art described in the books which have been made the subject of copyright. In describing the art, the illustrations and diagrams employed happen to correspond more closely than usual with the actual work performed by the operator who uses the art. Those illustrations and diagrams consist of ruled lines and headings of accounts; and it is similar ruled lines and headings of accounts which, in the application of the art, the book-keeper makes with his pen, or the stationer with his press; whilst in most other cases the diagrams and illustrations can only be represented in concrete forms of wood, metal, stone, or some other physical embodiment. But the principle is the same in all. The description of the art in a book, though entitled to the benefit of copyright, lays no foundation for an exclusive claim to the art itself. The object of the one is explanation; the object of the other is use. The former may be secured by copyright. The latter can only be secured, if it can be secured at all, by letters-patent. . . .

The decree of the Circuit Court must be reversed, and the cause remanded with

instructions to dismiss the complainant's bill; and it is
So ordered.

Questions:

1.) Some courts derived from *Baker v. Selden* what they called "the blank form doctrine": one could not get a copyright in a book that consisted merely of headings and ruled lines and blank space under those headings. Does this understate or overstate the importance of the actual rule enunciated in *Baker*?

2.) Is this a case about copyright not applying to ideas? To inventions? To functional articles? To schemes in which expressive choice is impossible? To schemes where expressive choice *is* possible (one could choose different schemes for classifying how to "book" expenses and income) but once those are chosen, and become "industry standard"—as in Generally Accepted Accounting Principles—it would hold up progress to have the standard subject to a copyright? All of the above?

3.) Merger of Idea and Expression

Herbert Rosenthal Jewelry Corp. v. Kalpakian

446 F.2d 738 (9th Cir. 1971)

BROWNING, Circuit Judge.

Plaintiff and defendants are engaged in the design, manufacture, and sale of fine jewelry.

Plaintiff charged defendants with infringing plaintiff's copyright registration of a pin in the shape of a bee formed of gold encrusted with jewels. A consent decree was entered, reciting that the parties had agreed to a settlement of the action and entry of the decree. It provided that plaintiff's copyright of the jeweled bee was "good and valid in law," that defendants had manufactured a jeweled bee "alleged to be similar," and that defendants were enjoined from infringing plaintiff's copyright and from manufacturing or selling copies of plaintiff's jeweled bee pin.

Later plaintiff filed a motion for an order holding defendants in contempt of the consent decree. The district court, after an evidentiary hearing, found that while defendants had manufactured and sold a line of jeweled bee pins, they designed their pins themselves after a study of bees in nature and in published works and did not copy plaintiff's copyrighted bee. The court further found that defendants' jeweled bees were "not substantially similar" to plaintiff's bees, except that both "do look like bees." The court concluded that defendants had neither infringed plaintiff's copyright nor violated the consent decree. . . . We affirm. . . .

II

Plaintiff's jeweled bee design alongside four of defendants' jeweled bees

Plaintiff contends that its copyright registration of a jeweled bee entitles it to protection from the manufacture and sale by others of any object that to the ordinary observer is substantially similar in appearance. The breadth of this claim is evident. For example, while a photograph of the copyrighted bee pin attached to the complaint depicts a bee with nineteen small white jewels on its back, plaintiff argues that its copyright is infringed by defendants' entire line of a score or more jeweled bees in three sizes decorated with from nine to thirty jewels of various sizes, kinds, and colors.

Although plaintiff's counsel asserted that the originality of plaintiff's bee pin lay in a particular arrangement of jewels on the top of the pin, the elements of this arrangement were never identified. Defendants' witnesses testified that the "arrangement" was simply a function of the size and form of the bee pin and the size of the jewels used. Plaintiff's counsel, repeatedly pressed by the district judge, was unable to suggest how jewels might be placed on the back of a pin in the shape of a bee without infringing plaintiff's copyright. He eventually conceded, "not being a jeweler, I can't conceive of how he might rearrange the design so it is dissimilar."

If plaintiff's understanding of its rights were correct, its copyright would effectively prevent others from engaging in the business of manufacturing and selling jeweled bees. We think plaintiff confuses the balance Congress struck between protection and competition under the Patent Act and the Copyright Act.

The owner of a patent is granted the exclusive right to exploit for a period of seventeen years (a maximum of fourteen years for design patents) the conception that is the subject matter of the patent. 35 U.S.C. §§ 154, 173. The grant of this monopoly, however, is carefully circumscribed by substantive and procedural protections. To be patentable the subject matter must be new and useful, and represent a nonobvious advance—one requiring "more ingenuity and skill than that possessed by an ordinary mechanic acquainted with the business"; an advance that would not be obvious to a hypothetical person skilled in the art and charged with knowledge of all relevant developments publicly known to that point in time. *Graham v. John Deere Co.* (1966). A patent is granted only after an independent administrative inquiry and determination that these substantive standards have been met. This determination is subject to both administrative and court review.

Copyright registration, on the other hand, confers no right at all to the conception reflected in the registered subject matter. "Unlike a patent, a copyright gives no exclusive right to the art disclosed; protection is given only to the expression of the idea—not the idea itself." *Mazer v. Stein* (1954). Accordingly, the prerequisites for copyright registration are minimal. The work offered for registration need only be the product of the registrant. So long as it is not a plagiarized copy of another's effort, there is no requirement that the work differ substantially from prior works or that it contribute anything of value. "The copyright protects originality rather than novelty or invention." . . . Because the registrant's protection is limited and the social cost therefore small, the life of the copyright is long and, under current proposals, potentially even longer—now twenty-eight years plus a renewal period of twenty-eight more, 17 U.S.C. § 24, and, under Copyright Revision Bill § 543, 91st Congress, 1st Session, the life of the author plus fifty years.

Obviously a copyright must not be treated as equivalent to a patent lest long continuing private monopolies be conferred over areas of gainful activity without first satisfying the substantive and procedural prerequisites to the grant of such privileges.

Because copyright bars only copying, perhaps this case could be disposed of on the district court's finding that defendants did not copy plaintiff's bee pin. . . . Any inference of copying based upon similar appearance lost much of its strength because both pins were lifelike representations of a natural creature. Moreover, there were differences between defendants' and plaintiff's bees—notably in the veining of the wings.

Although this evidence would support a finding that defendants' bees were their own work rather than copied from plaintiff's, this resolution of the problem is not entirely satisfactory, particularly in view of the principle that copying need not be conscious, but "may be the result of subconscious memory derived from hearing, seeing or reading the copyrighted work at some time in the past." Howell's Copyright Law 129 (4th ed. 1962). It seems unrealistic to suppose that defendants could have closed their minds to plaintiff's highly successful jeweled bee pin as they designed their own.

What is basically at stake is the extent of the copyright owner's monopoly—from how large an area of activity did Congress intend to allow the copyright owner to exclude others? We think the production of jeweled bee pins is a larger private preserve than Congress intended to be set aside in the public market without a patent. A jeweled bee pin is therefore an "idea" that defendants were free to copy. Plaintiff seems to agree, for it disavows any claim that defendants cannot manufacture and sell jeweled bee pins and concedes that only plaintiff's particular design or "expression" of the jeweled bee pin "idea" is protected under its copyright. The difficulty, as we have noted, is that on this record the "idea" and its "expression" appear to be indistinguishable. There is no greater similarity between the pins of plaintiff and defendants than is inevitable from the use of jewel-encrusted bee forms in both.

When the "idea" and its "expression" are thus inseparable, copying the "expression" will not be barred, since protecting the "expression" in such circumstances would confer a monopoly of the "idea" upon the copyright owner free of the conditions and limitations imposed by the patent law.

Affirmed.

Questions:

1.) "The court further found that defendants' jeweled bees were 'not substantially similar' to plaintiff's bees, except that both 'do look like bees.'" Is the court being funny, or is this the *point* of the merger doctrine? Both?

2.) To establish copyright infringement, a plaintiff must prove "(1) ownership of a valid copyright, and (2) copying of constituent elements of the work that are original." *Feist Publications, Inc. v. Rural Tel. Serv. Co.* (1991). As a procedural matter, when should merger be considered? As negating the cause of action in the first place since this is not copyrightable subject matter? Or as excusing infringement by denying that it was really "copying"? What difference does it make? Despite *Kalpakian,* the 9th Circuit now takes the latter approach. *See Ets-Hokin v. Skyy Spirits, Inc.* (9th Cir. 2000).

Morrissey v. Procter & Gamble Co.

379 F.2d 675 (1st Cir. 1967)

ALDRICH, Chief Judge.

This is an appeal from a summary judgment for the defendant. The plaintiff, Morrissey, is the copyright owner of a set of rules for a sales promotional contest of the "sweepstakes" type involving the social security numbers of the participants. Plaintiff alleges that the defendant, Procter & Gamble Company, infringed, by copying, almost precisely, Rule 1. In its motion for summary judgment, based upon affidavits and depositions, defendant denies that plaintiff's Rule I is copyrightable material, and denies access. The district court held for the defendant on both grounds.

Taking the second ground first, the defendant offered affidavits or depositions of all of its allegedly pertinent employees, all of whom denied having seen plaintiff's rules. Although the plaintiff, by deposition, flatly testified that prior to the time the defendant conducted its contest he had mailed to the defendant his copyrighted rules with an offer to sell, the court ruled that the defendant had "proved" nonaccess, and stated that it was "satisfied that no material issue as to access * * * lurks * * * [in the record.]"

The court did not explain whether it considered defendant's showing to have constituted proof overcoming the presumption of receipt arising from plaintiff's testimony of mailing, or whether it felt there was an unsatisfied burden on the plaintiff to show that the particularly responsible employees of the defendant had received his communication. Either view would have been error. A notice to the defendant at its principal office, as this one assertedly was, is proper notice. There is at least an inference that the letter reached its proper destination. . . . The presumption arising from mailing remained in the case. . . .

The second aspect of the case raises a more difficult question. Before discussing it we recite plaintiff's Rule 1, and defendant's Rule 1, the italicizing in the latter being ours to note the defendant's variations or changes.

> "1. Entrants should print name, address and social security number on a boxtop, or a plain paper. Entries must be accompanied by * * * boxtop or by plain paper on which the name * * * is copied from any source. Official rules are explained on * * * packages or leaflets obtained from dealer. If you do not have a social security number you may use the name and number of any member of your immediate family living with you. Only the person named on the entry will be deemed an entrant and may qualify for prize.
>
> "Use the correct social security number belonging to the person named on entry * * * wrong number will be disqualified."

(Plaintiff's Rule)

> "1. Entrants should print name, address and Social Security number on a Tide boxtop, or on [a] plain paper. Entries must be accompanied by Tide boxtop (any size) or by plain paper on which the name 'Tide' is copied from any source. Official rules are *available* on Tide Sweepstakes packages, or on leaflets at Tide dealers, *or you can send a stamped, self-addressed envelope to*: Tide 'Shopping Fling' Sweepstakes, P.O. Box 4459, Chicago 77, Illinois.
>
> "If you do not have a Social Security number, you may use the name and

> number of any member of your immediate family living with you. Only the person named on the entry will be deemed an entrant and may qualify for a prize.
>
> "Use the correct Social Security number, belonging to the person named on the entry wrong numbers will be disqualified."

(Defendant's Rule)

The district court, following an earlier decision, *Gaye v. Gillis* (D. Mass. 1958), took the position that since the substance of the contest was not copyrightable, which is unquestionably correct, *Baker v. Selden* (1879); and the substance was relatively simple, it must follow that plaintiff's rule sprung directly from the substance and "contains no original creative authorship." This does not follow. Copyright attaches to form of expression, and defendant's own proof, introduced to deluge the court on the issue of access, itself established that there was more than one way of expressing even this simple substance. Nor, in view of the almost precise similarity of the two rules, could defendant successfully invoke the principle of a stringent standard for showing infringement which some courts apply when the subject matter involved admits of little variation in form of expression.

Nonetheless, we must hold for the defendant. When the uncopyrightable subject matter is very narrow, so that "the topic necessarily requires," if not only one form of expression, at best only a limited number, to permit copyrighting would mean that a party or parties, by copyrighting a mere handful of forms, could exhaust all possibilities of future use of the substance. In such circumstances it does not seem accurate to say that any particular form of expression comes from the subject matter. However, it is necessary to say that the subject matter would be appropriated by permitting the copyrighting of its expression. We cannot recognize copyright as a game of chess in which the public can be checkmated. *Cf. Baker v. Selden*.

Upon examination the matters embraced in Rule 1 are so straightforward and simple that we find this limiting principle to be applicable. Furthermore, its operation need not await an attempt to copyright all possible forms. It cannot be only the last form of expression which is to be condemned, as completing defendant's exclusion from the substance. Rather, in these circumstances, we hold that copyright does not extend to the subject matter at all, and plaintiff cannot complain even if his particular expression was deliberately adopted.

Affirmed.

Questions:

1.) Is the court saying that the defendant did not copy the rule? That it might well have copied the rule but that it does not matter? Is copying in the case of merger a.) a *prima facie* wrong excusable because of a dearth of alternatives, b.) not a violation of a legally protected interest in the first place and thus neutral as a matter of law and policy or c.) a positive good?

2.) The court first says that there *are* other ways in which the rule could have been stated and then says "We cannot recognize copyright as a game of chess in which the public can be checkmated." What does this mean?

Kregos v. Associated Press

937 F.2d 700 (2d Cir. 1991); cert. denied, *510 U.S. 1112 (1994)*

NEWMAN, Circuit Judge.

The primary issue on this appeal is whether the creator of a baseball pitching form is entitled to a copyright. The appeal requires us to consider the extent to which the copyright law protects a compiler of information. George L. Kregos appeals from the April 30, 1990, judgment of the District Court for the Southern District of New York dismissing on motion for summary judgment his copyright and trademark claims against the Associated Press and Sports Features Syndicate, Inc. We affirm dismissal of the trademark claims, but conclude that Kregos is entitled to a trial on his copyright claim, though the available relief may be extremely limited.

Facts

Kregos distributes to newspapers a pitching form, discussed in detail below, that displays information concerning the past performances of the opposing pitchers scheduled to start each day's baseball games. The form at issue in this case, first distributed in 1983, is a redesign of an earlier form developed by Kregos in the 1970's. Kregos registered his form with the Copyright Office and obtained a copyright. Though the form, as distributed to subscribing newspapers, includes statistics, the controversy in this case concerns only Kregos' rights to the form without each day's data, in other words, his rights to the particular selection of categories of statistics appearing on his form.

In 1984, AP began publishing a pitching form provided by Sports Features. The AP's 1984 form was virtually identical to Kregos' 1983 form. AP and Sports Features changed their form in 1986 in certain respects, which are discussed in part I(D) below. Kregos' 1983 form lists four items of information about each day's games-the teams, the starting pitchers, the game time, and the betting odds, and then lists nine items of information about each pitcher's past performance, grouped into three categories. Since there can be no claim of a protectable interest in the categories of information concerning each day's game, we confine our attention to the categories of information concerning the pitchers' past performances. For convenience, we will identify each performance item by a number from 1 to 9 and use that number whenever referring to the same item in someone else's form.

The first category in Kregos' 1983 form, performance during the entire season, comprises two items—won/lost record (1) and earned run average (2). The second category, performance during the entire season against the opposing team at the site of the game, comprises three items—won/lost record (3), innings pitched (4), and earned run average (5). The third category, performance in the last three starts, comprises four items—won/lost record (6), innings pitched (7), earned run average (8), and men on base average (9). This last item is the average total of hits and walks given up by a pitcher per nine innings of pitching.

It is undisputed that prior to Kregos' 1983 form, no form had listed the same nine items collected in his form. Kregos pulled his categories of data from a "universe of available data." It is also undisputed that some but not all of the nine items of information had previously appeared in other forms. In the earlier forms, however, the few items common to Kregos' form were grouped with items different from those in Kregos' form.

The District Court granted summary judgment for the defendants on both Kregos' copyright and trademark claims. On the copyright side of the case, the Court ruled that Kregos lacked a copyrightable interest in his pitching form on three grounds. First, the

Court concluded that Kregos' pitching form was insufficiently original in its selection of statistics to warrant a copyright as a compilation. Second, the Court concluded that, in view of the limited space available for displaying pitching forms in newspapers, the possible variations in selections of pitching statistics were so limited that the idea of a pitching form had merged into its expression. Third, the Court ruled that Kregos' pitching form was not entitled to a copyright because of the so-called "blank form" doctrine. [Omitted]

Discussion

I. Copyright Claim

A. Copyright for a Compilation of Facts

The basic principles concerning copyright protection for compilations of facts are clear and have recently been authoritatively restated in the Supreme Court's decision rejecting copyright protection for telephone book white pages. *Feist Publications, Inc. v. Rural Telephone Service Co., Inc.* (1991) ("*Feist*"). Thus, as to compilations of facts, independent creation as to selection and arrangement will not assure copyright protection; the requirement of minimal creativity becomes an important ingredient of the test for copyright entitlement.

Prior to *Feist*, we had applied these principles to require some minimal level of creativity in two fairly recent cases that illustrate compilations of facts one of which is and one of which is not entitled to a copyright. In *Eckes* we upheld a District Court's finding, made after trial, that a selection of 5,000 out of 18,000 baseball cards to be considered "premium" was entitled to a copyright. *Eckes*. In *FFI* we upheld a District Court's finding, also made after trial, that the listing of five items of information concerning municipal bond calls lacked sufficient selection to warrant a copyright; in almost all instances, the five items for the various bond issues had all appeared in "tombstone" ads, and only "minor additional research" was needed to complete the listings. *FFI*.

Kregos' pitching form presents a compilation of facts that falls between the extremes illustrated by *Eckes* and *FFI*. Kregos has selected nine items of information concerning a pitcher's performance. "The universe of available data" available only from inspection of box scores of prior games is considerably greater than nine, though perhaps not as great as the quantity of 18,000 cards in *Eckes*. For example, Kregos could have selected past performances from any number of recent starts, instead of using the three most recent starts. And he could have chosen to include strikeouts, walks, balks, or hit batters. In short, there are at least scores of available statistics about pitching performance available to be calculated from the underlying data and therefore thousands of combinations of data that a selector can choose to include in a pitching form.[3]

It cannot be said as a matter of law that in selecting the nine items for his pitching form out of the universe of available data, Kregos has failed to display enough selectivity to satisfy the requirement of originality. Whether in selecting his combination of nine items he has displayed the requisite degree of creativity is a somewhat closer question. Plainly, he has done better than the compiler in *FFI* who "selected" only the five facts about bond calls already grouped together in nearly all tombstone ads. Judge Goettel was persuaded to rule against Kregos, at least in part, because "most of the statistics . . . had been established in previously existing forms." But that observation is largely irrelevant to the issue of whether Kregos' selection of statistics displays sufficient creativity to

[3] If the universe of available data included even 20 items and a selector was limited to 9 items, there would be 167,960 combinations of items available.

warrant a copyright. To hold a valid copyright, a compiler of facts need not be a discoverer of facts. Indeed, any discovered fact, or, in Kregos' case, any newly devised statistic, would not, in and of itself, be eligible for copyright protection. [T]he record discloses no prior pitching form with more than three of the pitching performance statistics that are included in Kregos' selection of nine statistics. Neither a prior identical form to his nor one which varies in only a trivial degree exists. The validity of his copyright in a compilation of facts cannot be rejected as a matter of law for lack of the requisite originality and creativity.

B. Idea/Expression Merger

The fundamental copyright principle that only the expression of an idea and not the idea itself is protectable, see *Mazer v. Stein* (1954), has produced a corollary maxim that even expression is not protected in those instances where there is only one or so few ways of expressing an idea that protection of the expression would effectively accord protection to the idea itself. Our Circuit has considered this so-called "merger" doctrine in determining whether actionable infringement has occurred, rather than whether a copyright is valid, see *Durham Industries, Inc. v. Tomy Corp.* (2d Cir. 1980), an approach the Nimmer treatise regards as the "better view." Assessing merger in the context of alleged infringement will normally provide a more detailed and realistic basis for evaluating the claim that protection of expression would inevitably accord protection to an idea.

In this case, Judge Goettel understood Kregos' idea to be "to publish an outcome predictive pitching form." In dissent, Judge Sweet contends that Kregos' idea is that the nine statistics he has selected are the most significant ones to consider when attempting to predict the outcome of a baseball game. Unquestionably, if that is the idea for purposes of merger analysis, then merger of that idea and its expression has occurred-by definition.

Though there is room for fair debate as to the identification of the pertinent idea whenever merger analysis is applied to a compilation of facts, we think the "idea" in this case is the one as formulated by Judge Goettel. Kregos has not devised a system that he seeks to withdraw from the public domain by virtue of copyright. He does not present his selection of nine statistics as a method of predicting the outcome of baseball games. His idea is that of "an outcome predictive pitching form" in the general sense that it selects the facts that he thinks newspaper readers should consider in making their own predictions of outcomes. He does not purport to weigh the nine statistics, much less provide a method for comparing the aggregate value of one pitcher's statistics against that of the opposing pitcher in order to predict an outcome or even its probability of occurring. He has not devised a system, as had the deviser of a bookkeeping system in *Baker v. Selden* (1879). He has compiled facts, or at least categories of facts, and selected those facts from a vast pool of information.

Though formulating the idea as "an outcome predictive pitching form," Judge Goettel applied the merger doctrine, concluding that the idea of selecting outcome predictive statistics to rate pitching performance was capable of expression in only a very limited number of ways.

As the various pitching forms in the record indicate, the past performances of baseball pitchers can be measured by a variety of statistics. Kregos' selection of categories includes three statistics for the pitcher's current season performance against the day's opponent at the site of the day's game; other charts select "at site" performance against the opponent during the prior season, and some select performance against the opponent over the pitcher's career, both home and away. Some charts include average men on base per nine innings; others do not. The data for most recent starts could include whatever number of games the compiler thought pertinent. These variations alone (and there are

others) abundantly indicate that there are a sufficient number of ways of expressing the idea of rating pitchers' performances; this variety of expression precludes a ruling that the idea has merged into its expression.

In reaching this conclusion, we confess to some unease because of the risk that protection of selections of data, or, as in this case, categories of data, have the potential for according protection to ideas. Our concern may be illustrated by an example of a doctor who publishes a list of symptoms that he believes provides a helpful diagnosis of a disease. There might be many combinations of symptoms that others could select for the same purpose, but a substantial question would nonetheless arise as to whether that doctor could obtain a copyright in his list, based on the originality of his selection. If the idea that the doctor is deemed to be expressing is the general idea that the disease in question can be identified by observable symptoms, then the idea might not merge into the doctor's particular expression of that idea by his selection of symptoms. That general idea might remain capable of many other expressions. But it is arguable that the doctor has conceived a more precise idea—namely, the idea that his selection of symptoms is a useful identifier of the disease. That more limited idea can be expressed only by his selection of symptoms, and therefore might be said to have merged into his expression.

As long as selections of facts involve matters of taste and personal opinion, there is no serious risk that withholding the merger doctrine will extend protection to an idea. That was surely the case with the selection of premium baseball cards in *Eckes* where the compiler selected 5,000 premium baseball cards from over 18,000 cards. However, where a selection of data is the first step in an analysis that yields a precise result or even a better-than-average probability of some result, protecting the "expression" of the selection would clearly risk protecting the idea of the analysis.

Kregos' pitching form is part way along the continuum spanning matters of pure taste to matters of predictive analysis. He is doing more than simply saying that he holds the opinion that his nine performance characteristics are the most pertinent. He implies that his selections have some utility in predicting outcomes. On the other hand, he has not gone so far as to provide a system for weighing the combined value of the nine characteristics for each of two opposing pitchers and determining a probability as to which is more likely to win. Like the compilers of horse racing statistics, Kregos has been content to select categories of data that he obviously believes have some predictive power, but has left its interpretation to all sports page readers as to the likely outcomes from the sets of data he has selected. His "idea," for purposes of the merger doctrine, remains the general idea that statistics can be used to assess pitching performance rather than the precise idea that his selection yields a determinable probability of outcome. Since there are various ways of expressing that general idea, the merger doctrine need not be applied to assure that the idea will remain in the public domain…

D. Extent of Protection

Our ruling that Kregos' copyright claim survives defendants' motion for summary judgment does not, of course, mean that he will necessarily obtain much of a victory. If Kregos prevails at trial on the factual issues of originality and creativity, he will be entitled to protection only against infringement of the protectable features of his form. Only the selection of statistics might be entitled to protection. We agree entirely with Judge Goettel that nothing in Kregos' arrangement of the selected statistics displays the requisite creativity. As to the arrangement, Kregos' form is surely a "garden-variety" pitching form. The statistics are organized into the "obvious" arrangement of columns, and the form follows the pattern of most other forms: the statistics are organized into three groups, first

the statistics about each pitcher's performance for the season, then the statistics about the pitcher's performance against the day's opponent, and finally the statistics concerning the pitcher's recent starts.

Even as to the selection of statistics, if Kregos establishes entitlement to protection, he will prevail only against other forms that can be said to copy his selection. That would appear to be true of the AP's 1984 form, which, as Judge Goettel noted, is "identical in virtually every sense to plaintiff's form." Whether it is also true of the AP's current form, revised in 1986, is far less certain.

The reason for doubting that the AP's 1986 form infringes Kregos' form arises from the same consideration that supports Kregos' claim to a copyright. Kregos can obtain a copyright by displaying the requisite creativity in his selection of statistics. But if someone else displays the requisite creativity by making a selection that differs in more than a trivial degree, Kregos cannot complain. Kregos contends that the AP's 1986 form makes insignificant changes from its 1984 form. But Kregos cannot have it both ways. If his decision to select, in the category of performance against the opposing team, statistics for the pitcher's current season at the site of today's game displays, in combination with his other selections, enough creativity to merit copyright protection, then a competitor's decision to select in that same category performance statistics for the pitcher's season performance both home and away may well insulate the competitor from a claim of infringement. Thus, though issues remain to be explored before any determination can be made, it may well be that Kregos will have a valid claim only as to the AP's 1984 form.

APPENDIX 1

(Kregos' 1983 Pitching Form)

THE HARTFORD COURANT: Sunday, May 6, 1984

SCOREBOARD

Today's Games

				AMERICAN LEAGUE								
				1984		vs.team at site			Last 3 starts			
Team	Probable Pitcher (H)	Time	Odds	W/L	ERA	W/L	IP	ERA	W/L	IP	ERA	MBA
DET	Wilcox (R)		Even–6	3–0	3.34	0–2	10	9.00	2–0	22	2.05	11.05
CLEV	Blyleven (R)	1:35	*	3–2	3.14	0–0	6	3.00	1–1	22	3.68	12.68
K.C.	Gura (L)		*	4–0	2.55	0–2	9⅔	9.31	2–0	21⅓	1.69	9.28
TORN	Alexander (R)	1:35	5½–6½	1–1	3.82	*	*	*	1–1	21⅔	2.91	9.97
CHIC	Bannister (L)		Even–6	2–2	5.12	0–1	8	2.25	1–1	19⅔	5.03	15.10
BOST	Hurst (L)	2:05	*	3–3	2.02	1–1	13⅓	4.73	2–1	18	1.50	15.00
OAK	Warren (R)		Even–6	3–3	3.82	*	*	*	2–1	18	5.00	15.50
MINN	Hodge (L)	2:15	*	0–0	7.20	*	*	*	0–0	5	7.20	23.40
N.Y.	Fontenot (L)		*	0–4	4.88	1–0	7	5.14	0–2	16⅓	2.76	13.22
MIL	Cocanower (R)	2:30	5½–6½	0–4	3.00	*	*	*	0–3	23⅔	1.90	12.55
BALT	Boddicker (R)		6–7	1–3	3.19	1–0	6	4.50	1–1	23	1.57	10.17
TEX	Darwin (R)	3:05	*	3–0	2.40	1–0	6⅔	0.00	2–0	25	1.08	7.54
CAL	John (L)		5½–6½	2–2	2.04	*	*	*	1–1	21⅓	2.11	11.39
SEAT	Young (L)	4:35	*	2–2	6.52	1–0	11⅓	0.77	0–1	11⅓	8.49	20.83
				NATIONAL LEAGUE								
ATL	McMurtry (R)		*	2–3	3.58	1–0	7	3.86	1–1	20⅓	3.10	13.28
MONT	Lea (R)	1:05	6–7	4–1	2.61	0–1	7	6.43	2–0	20	2.70	13.05
ATL	Camp (R)		*	2–0	2.31	0–1	4	4.50	2–0	11⅔	2.31	10.03
MONT	Palmer (R)		6–7	2–0	2.29	*	*	*	1–0	14⅔	2.45	5.52
L.A.	Pena (R)		*	4–1	1.41	0–0	7⅔	2.35	3–0	24⅔	1.11	7.40
PITT	McWilliams (L)	1:35	Pick 'em	0–3	3.24	0–0	8	2.25	0–2	17	3.18	12.18
L.A.	Valenzuela (L)		5½–6½	3–2	2.93	0–0	7⅔	3.68	3–0	27	0.67	6.33
PITT	Tudor (L)		*	1–1	2.91	*	*	*	0–1	19⅔	4.19	14.43
CINN	Russell (R)		*	1–3	3.14	*	*	*	0–2	22	1.23	11.45
PHIL	Carlton (L)	1:35	7½–8½	1–1	2.50	1–0	8	4.50	0–1	21	2.14	11.57
HOUS	Ryan (R)		*	1–2	3.65	2–0	15⅓	2.30	0–1	16	5.06	12.94
METS	Gooden (R)	1:35	Pick 'em	2–1	2.63	*	*	*	1–0	19	0.47	9.95
S.F.	Laskey (R)		*	0–3	2.20	*	*	*	0–2	19⅔	2.29	10.98
STL	Andujar (R)	2:15	6½–7½	4–2	3.09	0–1	15⅔	2.87	2–1	25	3.24	10.08
S.D.	Show (R)		*	4–1	1.89	2–0	14	1.93	2–1	17⅓	1.56	10.90
CUBS	Ruthven (R)	2:20	Even–6	2–2	5.35	*	*	*	0–2	17⅓	7.79	12.98

Bottom team is home team. Favored team is designated by odds beside pitcher's name. All pitching data reflects the pitcher's past performance as a "starter." 1984—Pitcher's 1984 record as "starter." Vs Team at site—Pitcher's past performance vs. today's opponent at the site of today's game. Last 3 Starts—Reflects how pitcher is currently going. Details his performance over his last three starts. W/L—Won/lost record as a "starter". IP—Innings pitched. ERA—Earned run average. MBA—Men on base average. (Average number of men allowed to reach base via hits and walks per nine innings pitched.) The odds are estimated lines. Time is Eastern Daylight Time

APPENDIX 2

(AP's 1984 Pitching Form)

FRIDAY'S PITCHERS

American

Away Home	Probable Pitcher	Time	Line	1983 W–L	1983 ERA	vs. opp. at site W–L	IP	ERA	last 3 starts W–L	IP	ERA	AHWG
DET	Matt Wilcox (R)		EV–6	11–10	.397	0–0	90	0.00	0–0	00.0	0.00	0.0
at CHI	Rich Dotson (R)	1:30		22–7	3.22	1–0	80	2.25	0–0	00.0	0.00	0.0
NY	John Montefusco (R)		5.5–6.5	14–4	3.31	0–0	00	00	000	00.0	0.00	0.0
at TEX	Frank Tanana (L)	7:35		7–9	3.05	0–1	71	6.14	0–0	00.0	0.00	0.0
CLE	Bert Blyleven (R)			7–10	3.91	0–0	00	00	00.0	0.00	0.00	0.0
at KC	Mark Gubicza (R)	7:35	PK	0–0	0–0	0.0	00	00.0	0.00	0.00	0.00	0.0
BALT	Mike Boddiker (R)		5.5–6.5	16–8	2.77	1–0	70	0.0	0–0	00.0	0.00	0.0
at MINN	Mike Smithson (R)	7:35		10–11	3.91	0–0	00	0–0	00.0	0.00	0.00	0.0
TOR	Doyle Alexander (R)		5.5–6.5	7–8	4.41	1–0	111	1.59	0–0	00	0.00	0.0
at CAL	Steve Brown (R)	9:30		3–4	4.50	1–1	32	7.36	0.0	00.0	0.00	0.0
BOST	Dennis Boyd (R)			4–8	3.34	0–0	00	0–0	00.0	00.0	0.00	0.0
at OAK	Larry Sorensen (R)	9:35	EV–6	12–11	4.24	0–0	00	0–0	0.00	00.0	0.00	0.0
MILW	Moose Haas (R)		7.5–8.5	13–3	3.27	0–0	70	129	0–0	00.0	0.00	0.0
at SEA	Matt Young (L)	9:35		11–15	3.27	0–0	00	0–0	00.0	0.00	0.00	0.0
National												
PHIL	Charles Hudson (R)		EV–6	8–8	3.35	0–0	52	9.53	0–0	00.0	0.00	0.0
at CINN	Joe Price (L)	6:35		10–6	3.38	1–0	81	1.08	0–0	0.00	00.0	0.0
MONT	Bryn Smith (R)			6–11	.349	0–0	12	5.40	0–0	00.0	0.00	0.0
at ATL	Ken Dayley (L)	6:40	6–7	5–8	4.30	0–1	61	2.84	0–0	00.0	0.00	0.0
NY	Walt Terrell (R)			8–8	3.50	1–0	60	1.50	0–0	00.0	0.00	0.0
at HOU	Tony Scott (R)	7:35	7.5–8.5	10–6	3.72	1–1	161	2.20	0–0	00.0	0.00	0.0
CHI	Scott Sanderson (R)			6–7	.445	0–0	10	27.00	0–0	00.0	0.00	0.0
at SD	Tim Lollar (L)	9:05	6.5–7.5	7–12	4.58	1–1	131	3.38	0–0	00.0	0.00	0.0
PITT	John Tudor (L)			13–12	4.05	0–3	00	0–0	00.0	0.00	0.00	0.0
at LA	Bob Welch (R)	9:35	6.5–7.5	15–12	2.65	0–0	70	2.57	0–0	00.0	0.00	0.0
ST L	Joaquin Andujar (R)			7–16	4.00	0–1	80	5.63	0–0	00.0	0.00	0.0
at SF	Bill Laskey (R)	10:05	EV–6	13–10	4.19	1–0	90	1.00	0–0	00.0	0.00	0.0

Legend W–L Won–Lost IP Innings pitched ERA Earned run average AHWG Average hits and walks per nine innings

APPENDIX 3

(AP's 1986 Pitching Form)

	PITCHERS	LINE	1987 W–L	1987 ERA	TEAM REC	1987 W–L	VS OPP IP	VS OPP ERA	LAST 3 STARTS W–L	IP	ERA	AHWG
Minnesota	Niekro (R)	2:35p	7–12	5.00	6–11	1–1	10.0	3.60	1–1	17.2	4.58	13.2
Kansas City	Gubicza (R)	6–7	12–18	4.10	14–20	0–1	6.0	7.50	1–2	23.0	2.35	12.1
Seattle	Langston (L)	3:05p	18–13	3.86	20–14	2–0	18.0	1.00	1–2	21.0	3.00	15.4
Texas	Hough (R)	5½–6½	18–12	3.78	22–17	1–0	12.0	4.50	1–1	25.0	2.88	9.7
Cleveland	Farrell (R)	3:10p	4–1	3.21	3–5	No Record			0–1	21.0	4.71	14.1
California	Witt (R)	6–7	16–13	3.85	18–17	No Record			1–1	23.0	3.91	11.3

KEY=
TEAM REC—Team's record in games started by today's pitcher.
AHWG—Average hits and walks allowed per 9 innings.
VS OPP—Pitcher's record versus this opponent, 1987 statistics.
Copyright 1987 Sports Features Syndicate, Inc. and Computer Sports World.
AP–NY–01–25–89 1635 EST <

SWEET, District Judge, concurring in part and dissenting in part.

While I concur in the majority's conclusion that Kregos has displayed sufficient creativity to satisfy the *Feist Publications* standard for copyrightability, I would affirm the district court's grant of summary judgment because I conclude that Kregos' idea here has merged into his expression.

1. Kregos' Idea

I respectfully disagree with the majority's statement that Kregos' idea was the abstract "general idea that statistics can be used to assess pitching performance," because I do not believe that the majority has set forth convincing grounds for its determination as to the idea at issue here.

In my opinion, Kregos' form constitutes an explanation of his preferred system of handicapping baseball games, and he seeks to use his copyright here to prevent others from practicing that system.

The majority characterizes Kregos' work as dealing with "matters of taste and opinion," and therefore compares it to the list of baseball card prices in *Eckes v. Card Prices Update* (2d Cir. 1984) or to a listing of socially prominent families rather than to

the hypothetical doctor's diagnostic chart. In my view, both the pitching form and the diagnostic chart are expressions intended to assist in predicting particular outcomes, with the data intended to be used as a basis for that prediction. In contrast, neither the card price list nor the social register is associated with any defined event or result, and the information reported-the card prices, the names of the families-is itself the primary feature or attraction.

Finally, in light of the majority's agreement with the district court that Kregos' arrangement of the statistics was not itself creative or original, and therefore that his particular ordering is not protected, it is difficult to grasp exactly what "expression" the majority intends to protect, if not the fundamental expression that these nine items are valuable in predicting games. This difficulty becomes apparent as the majority speculates about the extent of protection to be given to Kregos' form.

2. The Application of the Merger Doctrine

As a secondary matter, I disagree with the majority's characterization of how the merger doctrine is applied in this Circuit.

I believe the proper approach requires the court first to decide whether the copyrighted work satisfies the primary requirement of creativity, then to determine whether there is merger before extending copyright protection. This is based on the wording of § l02(b) of the Copyright Act, which provides

> In no case does copyright protection for an original work of authorship extend to any idea, procedure, process, system, method of operation, concept, principle, or discovery, regardless of the form in which it is described, explained, illustrated, or embodied in such work.

I interpret this language as indicating that protection cannot be given to a work which is inseparable from its underlying idea.

The Nimmer treatise supports the majority's approach, suggesting that merger must be considered in the context of determining whether infringement has occurred rather than in deciding the issue of copyrightability. Under this approach, a court which finds that merger exists should hold that the two works in question are not "substantially similar," even where they are in fact identical, a result which I view as a not useful variety of doublespeak.

Nimmer notwithstanding, the majority of cases have rejected this approach* and instead followed the method in which merger becomes an issue only when the two works in question—the copyrighted one and the alleged infringement—appear on the surface to be similar, and under which merger is used as a reason for denying all copyright protection to the plaintiff and thereby excusing the defendant's use of a similar or even identical expression.

The difference in applying these two approaches is not insignificant. Nimmer's method lends itself much more readily to the erroneous conclusion that merger is only available where the defendant has independently created an expression which happens coincidentally to be similar to the plaintiffs work. Merger is then viewed as a means of explaining the unintentional similarity between the two works-thus Nimmer's characterization of it as a means of negating substantial similarity. In other words, if a defendant has actually copied the plaintiffs work, it is unlikely to be allowed to rely on merger to

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* Editors' Note: This statement may no longer be true. Increasingly, courts are treating merger and scenes a faire as defenses, rather than issues of copyrightable subject matter. *See Ets-Hokin v. Skyy Spirits, Inc.* (9th Cir. 2000). Do you agree?

avoid liability. This approach owes little if anything to the strictures of § 102(b), and instead depends on the fundamental principle of copyright law that independent creation is never infringement.

The more common approach, in which merger is considered as part of the determination of copyrightability, absolves even a defendant who has directly copied the plaintiffs work if the idea of that work is merged into the expression. I believe this approach accords more fully with both the language and the purpose of § 102(b), and serves to focus consideration on the proper definition of the idea at the outset of the inquiry.

Questions:

1.) What idea does the court say the form is expressing? What idea does Judge Sweet say the form is expressing? Which convinces you? Is the holding of this case that the more accurate a prediction system, the less copyrightable? Why or why not?

PROBLEM 11-2

[With thanks to David Nimmer, Rochelle Dreyfuss and Roberta Kwall.*]

Indiana Jones finds the Dead Sea Scrolls in a cave, sealed inside amphorae. The scrolls have badly deteriorated so that what remains is a jumble of fragments, some legible and some not. Dr. Jones painstakingly tries to reconstruct the scrolls. He uses many types of evidence. For example, because he knows what size the scrolls were and roughly what their margins were, if there is a gap in the reconstructed scroll, he can deduce how big the word is, and come up with all the Hebrew words (or Aramaic or Greek if the scroll is in that language) that might fit. Jones is an expert in early Jewish sects, so he knows what type of wording is most likely. Then he can look at contemporary religious texts, at word frequency distributions, and predict which word fits the gap. If that makes sense linguistically and in the context of the religious text he is looking at, he can have greater certainty that the two fragments on either side are indeed from that particular scroll. Jones' unparalleled linguistic, religious and archeological knowledge give him many clues like this—his colleagues describe his ability to synthesize all of these sources of information as nothing short of genius. At the end of 2 years of work, he claims to have the definitive "historical reconstruction" of the scroll.

May Jones claim copyright in the reconstructed text? Argue both sides. In each case, explain the analogies you would make, the doctrines you would invoke and the particular precedents to which you would appeal.

4.) Useful Articles

As defined by the Copyright Act, a "useful article" is "an article having an intrinsic utilitarian function that is not merely to portray the appearance of the article or to convey information." Such useful articles, along with "any article that is normally a part of a useful article," cannot be copyrighted; they are protectable, if at all, only by patent law. However,

* David Nimmer, *Copyright in the Dead Sea Scrolls*, 38 HOUSTON L. REV. 1; Rochelle Dreyfuss and Roberta Kwall, *Intellectual Property* 224 (2d edition 2004).

the "*design* of a useful article" *can* be copyrighted as a "pictorial, graphic, or sculptural work" if "such design incorporates pictorial, graphic, or sculptural features that *can be identified separately from, and are capable of existing independently of, the utilitarian aspects of the article*," 17 U.S.C. § 101, a standard known as "separability." But how does one determine whether a useful article's design features are sufficiently separable from its utilitarian aspects, particularly when (unlike a hood ornament on a car, for example) they cannot physically be detached from the underlying article? This is the "metaphysical quandary"[1] of conceptual separability.

Sometimes form and function merge—as with a sculptural work that also serves as a bicycle rack, or a mannequin, or a belt buckle.[2] Are these copyrightable "works of applied art" or uncopyrightable "industrial designs"? Sometimes design elements serve functional purposes—as with the sequins and beads on the bodice of a prom dress that "cover the body in a particularly attractive way for that special occasion" or the chevrons, stripes, and color blocks on a cheerleader uniform that appear to identify the wearer as a cheerleader (and apparently make the wearer appear both "slimmer" and "curvier").[3] Can these aesthetic features "exist independently" of their utilitarian function? How do we know—do we look at the perception of an ordinary observer? The motivations of the designer? At whether they are primarily ornamental or functional? Or whether, taking away any functionality, they're still marketable as art? At stake is a dividing line between copyright and patent law. Draw it too far one way, and copyright confers 95 years (or life plus 70 years) of exclusivity over utilitarian subject matter without ensuring that patent eligibility thresholds are satisfied. Draw it too far the other way, and copyright excludes legitimate works of art from its purview.

Not surprisingly, courts have "struggled mightily to formulate a test" for conceptual separability.[4] In 2017, in the case involving cheerleader uniforms, the Supreme Court sought to "resolve widespread disagreement over the proper test for implementing § 101's separate identification and independent-existence requirements." The appellate decision in that case had listed *nine* different approaches to analyzing conceptual separability from courts, scholars, and the Copyright Office, and arguably added a tenth one. The Supreme Court's majority opinion largely ignored those prior formulations, and provided its own standard. In theory, therefore, we now have a definitive test.

This Supreme Court decision is below. But first, consider the analysis in an earlier case, *Brandir Int'l, Inc. v. Cascade Pacific Lumber Co*. (2d Cir. 1987). There, the Second Circuit addressed the question of whether a bicycle rack called the "RIBBON Rack" was copyrightable. The sculptor had originally come up with a minimalist sine wave sculpture made of metal. One of his friends, an avid cyclist, opined that it would make a great bike rack. Rather than beating the friend with his own bike in a fit of artistic pique, the sculptor saw a business opportunity and modified the ribbon rack to make it more suitable for such a task. But was it copyrightable as a sculpture?

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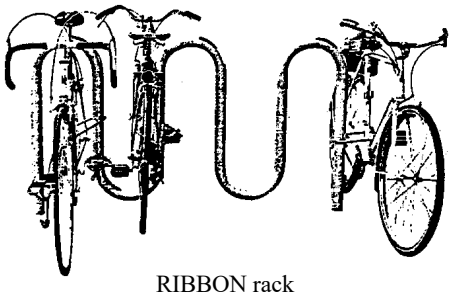
[1] Quoting *Universal Furniture Int'l, Inc. v. Collezione Europa USA, Inc.* (4th Cir. 2010).

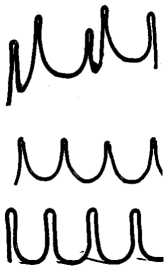
[2] *See Brandir Int'l, Inc. v. Cascade Pac. Lumber Co.* (2d Cir. 1987) (bicycle rack not copyrightable); *Carol Barnhart, Inc. v. Economy Cover Corp.* (2d Cir. 1985) (mannequin torso not copyrightable); *Kieselstein-Cord v. Accessories by Pearl, Inc.* (2d Cir. 1980) (belt buckle copyrightable).

[3] *Jovani Fashion, Inc. v. Cinderella Divine, Inc.* (S.D.N.Y. 2011) (prom dress design not copyrightable, affirmed by the Second Circuit); *Star Athletica v. Varsity Brands, Inc.* (2017) (cheerleader uniform designs copyrightable). Surprisingly, despite this argument, the Supreme Court in *Star Athletica* did not find that identifying the wearer as a cheerleader, or enhancing appearance, was the purpose of these design features.

[4] *Varsity Brands, Inc. v. Star Athletica* (6th Cir. 2015).



RIBBON rack



Previous sculptures that led to the RIBBON rack

The court in *Brandir* summarized several possible approaches to "conceptual separability . . . including whether the primary use is as a utilitarian article as opposed to an artistic work, whether the aesthetic aspects of the work can be said to be 'primary,' and whether the article is marketable as art, none of which is very satisfactory." But the court finally adopted an approach drawn from a law review article by Professor Robert Denicola (*Applied Art and Industrial Design: A Suggested Approach to Copyright in Useful Articles*, 1983). Professor Denicola had proposed a test that focused on the motivations of the artist, rather than the mind of the beholder, concluding that "copyrightability 'ultimately should depend on the extent to which the work reflects artistic expression uninhibited by functional considerations.'"

Applying this standard, the majority held that the RIBBON Rack was not copyrightable. While the rack originated as a series of wire sculptures (see above), the final form at issue in the case had "adapted the original aesthetic elements to accommodate and further a utilitarian purpose"—among other things, the regular undulations allowed multiple types of bicycles and mopeds to park both under and over the curves. The majority concluded:

> Using the test we have adopted, it is not enough that . . . the rack may stimulate in the mind of the reasonable observer a concept separate from the bicycle rack concept. While the RIBBON Rack may be worthy of admiration for its aesthetic qualities alone, it remains nonetheless the product of industrial design. Form and function are inextricably intertwined in the rack, its ultimate design being as much the result of utilitarian pressures as aesthetic choices. . . . Thus there remains no artistic element of the RIBBON Rack that can be identified as separate and "capable of existing independently, of, the utilitarian aspects of the article."

Judge Winter filed a dissenting opinion, explaining "The grounds of my disagreement are that: (1) my colleagues' adaptation of Professor Denicola's test diminishes the statutory concept of 'conceptual separability' to the vanishing point; and (2) their focus on the process or sequence followed by the particular designer makes copyright protection depend upon largely fortuitous circumstances concerning the creation of the design in issue." Judge Winter proposed a standard focusing on how the final work is perceived: "the relevant question is whether the design of a useful article, however intertwined with the article's utilitarian aspects, causes an ordinary reasonable observer to perceive an aesthetic concept not related to the article's use. The answer to this question is clear in the instant case because any reasonable observer would easily view the Ribbon Rack as an ornamental sculpture."

Take a look at the RIBBON rack above. How would you vote? Copyrightable or not?

Star Athletica v. Varsity Brands, Inc.

137 S. Ct. 1002 (2017)

Justice THOMAS delivered the opinion of the Court.

Congress has provided copyright protection for original works of art, but not for industrial designs. The line between art and industrial design, however, is often difficult to draw. This is particularly true when an industrial design incorporates artistic elements. Congress has afforded limited protection for these artistic elements by providing that "pictorial, graphic, or sculptural features" of the "design of a useful article" are eligible for copyright protection as artistic works if those features "can be identified separately from, and are capable of existing independently of, the utilitarian aspects of the article." 17 U.S.C. § 101. We granted certiorari to resolve widespread disagreement over the proper test for implementing § 101's separate-identification and independent-existence requirements. We hold that a feature incorporated into the design of a useful article is eligible for copyright protection only if the feature (1) can be perceived as a two- or three-dimensional work of art separate from the useful article and (2) would qualify as a protectable pictorial, graphic, or sculptural work—either on its own or fixed in some other tangible medium of expression—if it were imagined separately from the useful article into which it is incorporated. Because that test is satisfied in this case, we affirm.

I

Respondents Varsity Brands, Inc., Varsity Spirit Corporation, and Varsity Spirit Fashions & Supplies, Inc., design, make, and sell cheerleading uniforms. Respondents have obtained or acquired more than 200 U.S. copyright registrations for two-dimensional designs appearing on the surface of their uniforms and other garments. These designs are primarily "combinations, positionings, and arrangements of elements" that include "chevrons . . . ,

lines, curves, stripes, angles, diagonals, inverted [chevrons], coloring, and shapes." At issue in this case are Designs 299A, 299B, 074, 078, and 0815. [Above are images of these designs from Varsity's submissions to the Copyright Office, alongside images of two of the designs worn as uniforms.]

Petitioner Star Athletica, L.L.C., also markets and sells cheerleading uniforms. Respondents sued petitioner for infringing their copyrights in the five designs. . . .

II

B

We must now decide when a feature incorporated into a useful article "can be identified separately from" and is "capable of existing independently of" "the utilitarian aspects" of the article. This is not a free-ranging search for the best copyright policy, but rather "depends solely on statutory interpretation." "The controlling principle in this case is the basic and unexceptional rule that courts must give effect to the clear meaning of

statutes as written." . . .

1

The statute provides that a "pictorial, graphic, or sculptural featur[e]" incorporated into the "design of a useful article" is eligible for copyright protection if it (1) "can be identified separately from," and (2) is "capable of existing independently of, the utilitarian aspects of the article." § 101. The first requirement—separate identification—is not onerous. The decisionmaker need only be able to look at the useful article and spot some two- or three-dimensional element that appears to have pictorial, graphic, or sculptural qualities.

The independent-existence requirement is ordinarily more difficult to satisfy. The decisionmaker must determine that the separately identified feature has the capacity to exist apart from the utilitarian aspects of the article. . . . In other words, the feature must be able to exist as its own pictorial, graphic, or sculptural work as defined in § 101 once it is imagined apart from the useful article. If the feature is not capable of existing as a pictorial, graphic, or sculptural work once separated from the useful article, then it was not a pictorial, graphic, or sculptural feature of that article, but rather one of its utilitarian aspects.

Of course, to qualify as a pictorial, graphic, or sculptural work on its own, the feature cannot itself be a useful article or "[a]n article that is normally a part of a useful article" (which is itself considered a useful article). § 101. Nor could someone claim a copyright in a useful article merely by creating a replica of that article in some other medium—for example, a cardboard model of a car. Although the replica could itself be copyrightable, it would not give rise to any rights in the useful article that inspired it. . . .

3

This interpretation is . . . consistent with the history of the Copyright Act. In *Mazer v. Stein* (1954), a case decided under the 1909 Copyright Act, the respondents copyrighted a statuette depicting a dancer. The statuette was intended for use as a lamp base, "with electric wiring, sockets and lamp shades attached." Copies of the statuette were sold both as lamp bases and separately as statuettes. . . . [T]he Court held that the respondents owned a copyright in the statuette even though it was intended for use as a lamp base. . . . Congress essentially lifted the language governing protection for the design of a useful article directly from the post-*Mazer* regulations and placed it into § 101 of the 1976 Act. Consistent with *Mazer*, the approach we outline today interprets §§ 101 and 113 in a way that would afford copyright protection to the statuette in *Mazer* regardless of whether it was first created as a standalone sculptural work or as the base of the lamp.

Statuette/lamp base from *Mazer v. Stein*.

C

In sum, a feature of the design of a useful article is eligible for copyright if, when identified and imagined apart from the useful article, it would qualify as a pictorial, graphic, or sculptural work either on its own or when fixed in some other tangible medium.

Applying this test to the surface decorations on the cheerleading uniforms is straightforward. First, one can identify the decorations as features having pictorial, graphic, or sculptural qualities. Second, if the arrangement of colors, shapes, stripes, and chevrons on the surface of the cheerleading uniforms were separated from the uniform and applied in another medium—for example, on a painter's canvas—they would qualify as "two-

dimensional . . . works of . . . art," § 101. And imaginatively removing the surface decorations from the uniforms and applying them in another medium would not replicate the uniform itself. Indeed, respondents have applied the designs in this case to other media of expression—different types of clothing—without replicating the uniform. The decorations are therefore separable from the uniforms and eligible for copyright protection.[1] . . .

. . . To be clear, the only feature of the cheerleading uniform eligible for a copyright in this case is the two-dimensional work of art fixed in the tangible medium of the uniform fabric. Even if respondents ultimately succeed in establishing a valid copyright in the surface decorations at issue here, respondents have no right to prohibit any person from manufacturing a cheerleading uniform of identical shape, cut, and dimensions to the ones on which the decorations in this case appear. They may prohibit only the reproduction of the surface designs in any tangible medium of expression—a uniform or otherwise.[2]

D

Petitioner and the Government raise several objections to the approach we announce today. None is meritorious.

1

Petitioner first argues that our reading of the statute is missing an important step. It contends that a feature may exist independently only if it can stand alone as a copyrightable work *and* if the useful article from which it was extracted would remain equally useful. . . . The designs here are not protected, it argues, because they are necessary to two of the uniforms' "inherent, essential, or natural functions"—identifying the wearer as a cheerleader and enhancing the wearer's physical appearance. Because the uniforms would not be equally useful without the designs, petitioner contends that the designs are inseparable from the "utilitarian aspects" of the uniform. . . . The debate over the relative utility of a plain white cheerleading uniform is unnecessary. The focus of the separability inquiry is on the extracted feature and not on any aspects of the useful article that remain after the imaginary extraction. The statute does not require the decisionmaker to imagine a fully functioning useful article without the artistic feature. Instead, it requires that the separated feature qualify as a nonuseful pictorial, graphic, or sculptural work on its own. . . . Were we to accept petitioner's argument that the only protectable features are those that play absolutely no role in an article's function, we would effectively abrogate the rule of *Mazer* and read "applied art" out of the statute.

Because we reject the view that a useful article must remain after the artistic feature has been imaginatively separated from the article, we necessarily abandon the distinction between "physical" and "conceptual" separability, which some courts and commentators have adopted based on the Copyright Act's legislative history. According to this view, a feature is *physically* separable from the underlying useful article if it can "be physically separated from the article by ordinary means while leaving the utilitarian aspects of the

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[1] We do not today hold that the surface decorations are copyrightable. We express no opinion on whether these works are sufficiently original to qualify for copyright protection, or on whether any other prerequisite of a valid copyright has been satisfied.

[2] The dissent suggests that our test would lead to the copyrighting of shovels. But a shovel, like a cheerleading uniform, even if displayed in an art gallery, is "an article having an intrinsic utilitarian function that is not merely to portray the appearance of the article or to convey information." 17 U.S.C. § 101. It therefore cannot be copyrighted. A drawing of a shovel could, of course, be copyrighted. And, if the shovel included any artistic features that could be perceived as art apart from the shovel, and which would qualify as protectable pictorial, graphic, or sculptural works on their own or in another medium, they too could be copyrighted. But a shovel as a shovel cannot.

article completely intact." *Conceptual* separability applies if the feature physically could not be removed from the useful article by ordinary means.

The statutory text indicates that separability is a conceptual undertaking. Because separability does not require the underlying useful article to remain, the physical-conceptual distinction is unnecessary.

2

Petitioner next argues that we should incorporate two "objective" components into our test to provide guidance to the lower courts: (1) "whether the design elements can be identified as reflecting the designer's artistic judgment exercised independently of functional influence" and (2) whether "there is [a] substantial likelihood that the pictorial, graphic, or sculptural feature would still be marketable to some significant segment of the community without its utilitarian function."

We reject this argument because neither consideration is grounded in the text of the statute. The first would require the decisionmaker to consider evidence of the creator's design methods, purposes, and reasons. The statute's text makes clear, however, that our inquiry is limited to how the article and feature are perceived, not how or why they were designed. The same is true of marketability. Nothing in the statute suggests that copyrightability depends on market surveys. Moreover, asking whether some segment of the market would be interested in a given work threatens to prize popular art over other forms, or to substitute judicial aesthetic preferences for the policy choices embodied in the Copyright Act.

3

Finally, petitioner argues that allowing the surface decorations to qualify as a "work of authorship" is inconsistent with Congress' intent to entirely exclude industrial design from copyright. Petitioner notes that Congress refused to pass a provision that would have provided limited copyright protection for industrial designs, including clothing, when it enacted the 1976 Act, and that it has enacted laws protecting designs for specific useful articles—semiconductor chips and boat hulls—while declining to enact other industrial design statutes. . . . It therefore urges us to approach this question with a presumption against copyrightability.

We do not share petitioner's concern. As an initial matter, "[c]ongressional inaction lacks persuasive significance" in most circumstances. Moreover, we have long held that design patent and copyright are not mutually exclusive. Congress has provided for limited copyright protection for certain features of industrial design, and approaching the statute with presumptive hostility toward protection for industrial design would undermine Congress' choice. In any event, as explained above, our test does not render the shape, cut, and physical dimensions of the cheerleading uniforms eligible for copyright protection. . . .

Justice BREYER, with whom Justice KENNEDY joins, dissenting.

I agree with much in the Court's opinion. But I do not agree that the designs that Varsity Brands, Inc., submitted to the Copyright Office are eligible for copyright protection. Even applying the majority's test, the designs cannot "be perceived as . . . two- or three-dimensional work[s] of art separate from the useful article."

Look at the designs that Varsity submitted to the Copyright Office. You will see only pictures of cheerleader uniforms. And cheerleader uniforms are useful articles. A picture of the relevant design features, whether separately "perceived" on paper or in the imagination, is a picture of, and thereby "replicate[s]," the underlying useful article of which they are a part. Hence the design features that Varsity seeks to protect are not "capable of existing independently o[f] the utilitarian aspects of the article." 17 U.S.C. § 101.

I

The relevant statutory provision says that the "design of a useful article" is copyrightable "only if, and only to the extent that, such design incorporates pictorial, graphic, or sculptural features that can be identified separately from, and are capable of existing independently of, the utilitarian aspects of the article." But what, we must ask, do the words "identified separately" mean? Just when is a design separate from the "utilitarian aspect of the [useful] article?" The most direct, helpful aspect of the Court's opinion answers this question by stating:

> Nor could someone claim a copyright in a useful article merely by creating a replica of that article in some other medium—for example, a cardboard model of a car. Although the replica could itself be copyrightable, it would not give rise to any rights in the useful article that inspired it.

Exactly so. These words help explain the Court's statement that a copyrightable work of art must be "perceived as a two- or three-dimensional work of art separate from the useful article." . . .

Consider, for example, the explanation that the House Report for the Copyright Act of 1976 provides. It says:

> Unless the shape of an automobile, airplane, ladies' dress, food processor, television set, or any other industrial product contains some element that, physically or conceptually, can be identified as separable from the utilitarian aspects of that article, the design would not be copyrighted. . . .

These words suggest two exercises, one physical, one mental. Can the design features (the picture, the graphic, the sculpture) be physically removed from the article (and considered separately), all the while leaving the fully functioning utilitarian object in place? If not, can one nonetheless conceive of the design features separately without replicating a picture of the utilitarian object? If the answer to either of these questions is "yes," then the design is eligible for copyright protection. Otherwise, it is not. The abstract nature of these questions makes them sound difficult to apply. But with the Court's words in mind, the difficulty tends to disappear.

An example will help. Imagine a lamp with a circular marble base, a vertical 10-inch tall brass rod (containing wires) inserted off center on the base, a light bulb fixture emerging from the top of the brass rod, and a lampshade sitting on top. In front of the brass rod a porcelain Siamese cat sits on the base facing outward. Obviously, the Siamese cat is *physically separate* from the lamp, as it could be easily removed while leaving both cat and lamp intact. And, assuming it otherwise qualifies, the designed cat is eligible for copyright protection.

Now suppose there is no long brass rod; instead the cat sits in the middle of the base and the wires run up through the cat to the bulbs. The cat is not physically separate from the lamp, as the reality of the lamp's construction is such that an effort to physically separate the cat and lamp will destroy both cat and lamp. The two are integrated into a single functional object, like the similar configuration of the ballet dancer statuettes

that formed the lamp bases at issue in *Mazer v. Stein* (1954). But we can easily imagine the cat on its own. . . . In doing so, we do not create a mental picture of a lamp (or, in the Court's words, a "replica" of the lamp), which is a useful article. We simply perceive the cat separately, as a small cat figurine that could be a copyrightable design work standing alone that does not replicate the lamp. Hence the cat is *conceptually separate* from the utilitarian article that is the lamp.

Case law, particularly case law that Congress and the Copyright Office have considered, reflects the same approach. Congress cited examples of copyrightable design works, including "a carving on the back of a chair" and "a floral relief design on silver flatware." Copyright Office guidance on copyrightable designs in useful articles include "an engraving on a vase," "[a]rtwork printed on a t-shirt," "[a] colorful pattern decorating the surface of a shopping bag," "[a] drawing on the surface of wallpaper," and "[a] floral relief decorating the handle of a spoon." Courts have found copyrightable matter in a plaster ballet dancer statuette encasing the lamp's electric cords and forming its base, as well as carvings engraved onto furniture, and designs on laminated floor tiles.

By way of contrast, Van Gogh's painting of a pair of old shoes, though beautifully executed and copyrightable as a painting, would not qualify for a shoe design copyright. Courts have similarly denied copyright protection to objects that begin as three-dimensional designs, such as measuring spoons shaped like heart-tipped arrows, candleholders shaped like sailboats, and wire spokes on a wheel cover. None of these designs could qualify for copyright protection that would prevent others from selling spoons, candleholders, or wheel covers with the same design. Why not? Because in each case the design is not separable from the utilitarian aspects of the object to which it relates. The designs cannot be physically separated because they themselves make up the shape of the spoon, candleholders, or wheel covers of which they are a part. And spoons, candleholders, and wheel covers are useful objects, as are the old shoes depicted in Van Gogh's painting. More importantly, one cannot easily imagine or otherwise conceptualize the design of the spoons or the candleholders or the shoes without that picture, or image, or replica being a picture of spoons, or candleholders, or wheel covers, or shoes. The designs necessarily bring along the underlying utilitarian object. Hence each design is not conceptually separable from the physical useful object.

The upshot is that one could copyright the floral design on a soupspoon but one could not copyright the shape of the spoon itself, no matter how beautiful, artistic, or esthetically pleasing that shape might be: A picture of the shape of the spoon is also a picture of a spoon; the picture of a floral design is not.

To repeat: A separable design feature must be "capable of existing independently" of the useful article as a separate artistic work that is not itself the useful article. If the claimed feature could be extracted without replicating the useful article of which it is a part, and the result would be a copyrightable artistic work standing alone, then there is a separable design. But if extracting the claimed features would necessarily bring along the underlying useful article, the design is not separable from the useful article. . . . The law has long recognized that drawings or photographs of real world objects are copyrightable as drawings or photographs, but the copyright does not give protection against others making the underlying useful objects. That is why a copyright on Van Gogh's painting would prevent others from reproducing that painting, but it would not prevent others from reproducing and selling the comfortable old shoes that the painting depicts. Indeed, the purpose of § 113(b) was to ensure that "'copyright in a pictorial, graphic, or sculptural work, portraying a useful article as such, does not extend to the manufacture

of the useful article itself.'"

II

To ask this kind of simple question—does the design picture the useful article?—will not provide an answer in every case, for there will be cases where it is difficult to say whether a picture of the design is, or is not, also a picture of the useful article. But the question will avoid courts focusing primarily upon what I believe is an unhelpful feature of the inquiry, namely, whether the design can be imagined as a "two- or three-dimensional work of art." That is because virtually any industrial design can be thought of separately as a "work of art" . . . Indeed, great industrial design may well include design that is inseparable from the useful article—where, as Frank Lloyd Wright put it, "form and function are one." Where they are one, the designer may be able to obtain 15 years of protection through a design patent. But, if they are one, Congress did not intend a century or more of copyright protection.

III

The conceptual approach that I have described reflects Congress' answer to a problem that is primarily practical and economic. Years ago Lord Macaulay drew attention to the problem when he described copyright in books as a "tax on readers for the purpose of giving a bounty to writers." He called attention to the main benefit of copyright protection, which is to provide an incentive to produce copyrightable works and thereby "promote the Progress of Science and useful Arts." But Macaulay also made clear that copyright protection imposes costs. Those costs include the higher prices that can accompany the grant of a copyright monopoly. They also can include (for those wishing to display, sell, or perform a design, film, work of art, or piece of music, for example) the costs of discovering whether there are previous copyrights, of contacting copyright holders, and of securing permission to copy. Sometimes, as Thomas Jefferson wrote to James Madison, costs can outweigh "the benefit even of limited monopolies." And that is particularly true in light of the fact that Congress has extended the "limited Times" of protection, U.S. Const. Art. I, § 8, cl. 8, from the "14 years" of Jefferson's day to potentially more than a century today.

The Constitution grants Congress primary responsibility for assessing comparative costs and benefits and drawing copyright's statutory lines. Courts must respect those lines and not grant copyright protection where Congress has decided not to do so. And it is clear that Congress has not extended broad copyright protection to the fashion design industry. Congress has left "statutory . . . protection . . . largely unavailable for dress designs." 1 Nimmer § 2A.08[H][3][a].

Congress' decision not to grant full copyright protection to the fashion industry has not left the industry without protection. Patent design protection is available. A maker of clothing can obtain trademark protection under the Lanham Act for signature features of the clothing. And a designer who creates an original textile design can receive copyright protection for that pattern as placed, for example, on a bolt of cloth, or anything made with that cloth.

The fashion industry has thrived against this backdrop, and designers have contributed immeasurably to artistic and personal self-expression through clothing. But a decision by this Court to grant protection to the design of a garment would grant the designer protection that Congress refused to provide. It would risk increased prices and unforeseeable disruption in the clothing industry, which in the United States alone encompasses nearly $370 billion in annual spending and 1.8 million jobs. That is why I

believe it important to emphasize those parts of the Court's opinion that limit the scope of its interpretation. That language, as I have said, makes clear that one may not "claim a copyright in a useful article merely by creating a replica of that article in some other medium," which "would not give rise to any rights in the useful article that inspired it."

IV

If we ask the "separateness" question correctly, the answer here is not difficult to find. The majority's opinion, in its appendix, depicts the cheerleader dress designs that Varsity submitted to the Copyright Office. Can the design features in Varsity's pictures exist separately from the utilitarian aspects of a dress? Can we extract those features as copyrightable design works standing alone, without bringing along, via picture or design, the dresses of which they constitute a part?

Consider designs 074, 078, and 0815. They certainly look like cheerleader uniforms. That is to say, they look like pictures of cheerleader uniforms, just like Van Gogh's old shoes look like shoes. I do not see how one could see them otherwise. Designs 299A and 299B present slightly closer questions. They omit some of the dresslike context that the other designs possess. But the necklines, the sleeves, and the cut of the skirt suggest that they too are pictures of dresses. Looking at all five of Varsity's pictures, I do not see how one could conceptualize the design features in a way that does not picture, not just artistic designs, but dresses as well.

Were I to accept the majority's invitation to "imaginatively remov[e]" the chevrons and stripes as they are arranged on the neckline, waistline, sleeves, and skirt of each uniform, and apply them on a "painter's canvas," that painting would be of a cheerleader's dress. The esthetic elements on which Varsity seeks protection exist only as part of the uniform design—there is nothing to separate out but for dress-shaped lines that replicate the cut and style of the uniforms. Hence, each design is not physically separate, nor is it conceptually separate, from the useful article it depicts, namely, a cheerleader's dress. They cannot be copyrighted.

Varsity, of course, could have sought a design patent for its designs. Or, it could have sought a copyright on a textile design, even one with a similar theme of chevrons and lines.

But that is not the nature of Varsity's copyright claim. It has instead claimed ownership of the particular "'treatment and arrangement'" of the chevrons and lines of the design as they appear at the neckline, waist, skirt, sleeves, and overall cut of each uniform. The majority imagines that Varsity submitted something different—that is, only the surface decorations of chevrons and stripes, as in a textile design. As the majority sees it, Varsity's copyright claim would be the same had it submitted a plain rectangular space depicting chevrons and stripes, like swaths from a bolt of fabric. But considered on their own, the simple stripes are plainly unoriginal. Varsity, then, seeks to do indirectly what it cannot do directly: bring along the design and cut of the dresses by seeking to protect surface decorations whose "treatment and arrangement" are coextensive with that design and cut. As Varsity would have it, it would prevent its competitors from making useful three-dimensional cheerleader uniforms by submitting plainly unoriginal chevrons and stripes as cut and arranged on a useful article. But with that cut and arrangement, the resulting pictures on which Varsity seeks protection do not simply depict designs. They depict clothing. They depict the useful articles of which the designs are inextricable parts. And Varsity cannot obtain copyright protection that would give them the power to prevent others from making those useful uniforms, any more than Van Gogh can copyright comfortable old shoes by painting their likeness.

I fear that, in looking past the three-dimensional design inherent in Varsity's claim by treating it as if it were no more than a design for a bolt of cloth, the majority has lost sight of its own important limiting principle. One may not "claim a copyright in a useful

article merely by creating a replica of that article in some other medium," such as in a picture. That is to say, one cannot obtain a copyright that would give its holder "any rights in the useful article that inspired it."

With respect, I dissent.

Questions:

1.) *Star Athletica* holds that

> A feature incorporated into the design of a useful article is eligible for copyright protection only if the feature (1) can be perceived as a two- or three-dimensional work of art separate from the useful article and (2) would qualify as a protectable pictorial, graphic, or sculptural work—either on its own or fixed in some other tangible medium of expression—if it were *imagined* separately from the useful article into which it is incorporated. . . . [T]he statute does not require the imagined *remainder* to be a fully functioning useful article at all, much less an equally useful one.

Why would the statute insist on *separability* from useful articles as a precondition of copyrightability in the first place, if it didn't care whether those articles were still useful after separation? If one can copyright a feature of a useful article *that makes that article useful*, has the useful articles doctrine been silently abolished? Surely that is not what the majority intended, but is that the result? For the majority, is any design feature now potentially copyrightable[5], as long as it is not a complete replica of the useful article? What about other industrial designs—is Breyer correct that, if the majority opinion is broadly construed, one might copyright a shovel, *imagining* the curve of the blade and the ledge for one's foot floating free? The luminous stripes on a safety vest or straps on a life vest? A banana costume?

2.) The appellate decision in *Star Athletica* had listed *nine* different approaches to analyzing conceptual separability from courts, scholars, and the Copyright Office, and arguably added a tenth one to the list. The Supreme Court's majority opinion sought to resolve this intractable problem. The answer, Justice Thomas explained, was simple. The Court should read the statute. "This is not a free-ranging search for the best copyright policy, but rather "depends solely on statutory interpretation. . . . We thus begin and end our inquiry with the text." One can imagine the many, many judges and scholars who had wrestled with this issue over the years striking their collective foreheads. "*The text of the statute! Why didn't we think of that?!*"

Given this claim one would expect Justice Thomas's test to hew closely to the statutory language. The statute says something is separable if it (1) "can be ***identified* separately** from," and (2) is "**capable of *existing independently* of, the *utilitarian aspects* of the article**." § 101. Is that the same as 1.) "**capable of being perceived** as **a two- or three-dimensional work of art separate from** the useful article" and "**would qualify as a protectable pictorial, graphic, or sculptural work—either on its own or fixed in some other tangible medium of expression—if it were *imagined* separately from the *useful article* into which it is incorporated**"? (Remember that the opinion says the useful article *does not have to remain useful* after removal.) Does *Star Athletica* correctly state the

[5] Note that the court explicitly says it is not ruling on "originality," so this requirement would still need to be satisfied. However, in her concurrence Justice Ginsburg notes "In view of the dissent's assertion that Varsity's designs are 'plainly unoriginal,' however, I note this Court's recognition that 'the requisite level of creativity [for copyrightability] is extremely low; even a slight amount will suffice.'"

language used in the statute, or does it significantly alter it?

3.) Textualism is very much in vogue now in the Supreme Court—or at least it is often invoked, and, as in this case, sometimes used to justify tests that appear nowhere in the statutory language. From what you have learned so far, is textualism—without focus on the goals of the system—the best approach? Consistent with Art. 1 § 8 cl. 8?

4.) *Star Athletica* has been widely criticized as an incoherent decision laying down a test with no obvious limiting principles. What effect has the decision had in the lower courts? We are glad you asked. Do the two banana costumes on the right infringe a copyright in the costume on the left? In 2019, the Third Circuit had the occasion to address the age-old question of banana costume copyrightability in the case of *Silvertop Associates v. Kangaroo Manufacturing* (3d Cir. 2019). The result was a predictable prat-fall. Does this "design incorporate[] pictorial, graphic, or sculptural features that *can be identified separately from, and are capable of existing independently of, the utilitarian aspects of the article*" as § 101 requires? The answer of course, should be an easy "no." One cannot separate the graphic and sculptural features of a banana costume designed to look like a banana from its utilitarian function (looking like a banana) since those graphic and sculptural features consist in . . . looking like a banana. The utilitarian functions are the same as the pictorial and graphic ones. Not only can they not be separated, there is in fact *nothing to separate.* Map, meet terrain.

Or that would have been the conclusion before *Star Athletica.* After extensively quoting the case, the 3rd Circuit goes on to explain the application of its ruling thus:

> To begin with, Rasta's banana costume is a "useful article." The artistic features of the costume, in combination, prove both separable and capable of independent existence as a copyrightable work: a sculpture. Those sculptural features include the banana's combination of colors, lines, shape, and length. They do not include the cutout holes for the wearer's arms, legs, and face; the holes' dimensions; or the holes' locations on the costume, because those features are utilitarian. Although more difficult to imagine separately from the costume's "non-appearance related utility" (*i.e.,* wearability) than many works, one can still imagine the banana apart from the costume as an original sculpture. That sculpted banana, once split from the costume, is not intrinsically utilitarian and does not merely replicate the costume, so it may be copyrighted.

Notice the tortured logic by which the court narrows the utility of the costume by insisting that it be the "non-appearance related" attribute of "wearability," as if the purchaser were simply searching through the contents of his closet looking for the appropriate thing to wear. "I am thinking something warm and loose, so maybe a sweatshirt and jeans, or—I don't know—a banana?" But of course, it is precisely the utility of a costume that *it looks like the thing it portrays*. Otherwise, it is not a *costume*.

The court's discussion of the merger doctrine merely continues the judicial theatre of the absurd. Surely the idea of a banana merges with its expression, a costume portrayal of a banana, and thus threatens to allow someone to monopolize the very idea of a banana

costume? In the following remarkable passage, the court explains that it would not.

> Here too, copyrighting the banana costume's non-utilitarian features in combination would not threaten such monopolization. Kangaroo points to no specific feature that *necessarily* results from the costume's subject matter (a banana). *Although a banana costume is likely to be yellow, it could be any shade of yellow—or green or brown for that matter. Although a banana costume is likely to be curved, it need not be*—let alone in any particular manner. And although a banana costume is likely to have ends that resemble a natural banana's, those tips need not look like Rasta's black tips (in color, shape, or size). [Emphasis added]

So, while the court admits that a banana costume is *likely* to be yellow and curved, it says it could also be brown and straight. On Halloween, when your child goes out in her brown, straight, banana costume and her friends ask "why are you dressed up as a *stick*!?" she will be able to respond with a simple, terse explanation. "*Star Athletica,*" she will say.

5.) Is *Silvertop* consistent with *Kalpakian*, the bee pin case? Would the Ribbon Rack now be copyrightable?

6.) In the trademark context, in *Wal-Mart*, the Court held that product design (in that case, the design of children's seersucker outfits) can never be inherently distinctive, drawing a "bright line" that favored competition:

> Consumers should not be deprived of the benefits of competition with regard to the utilitarian and esthetic purposes that product design ordinarily serves by a rule of law that facilitates plausible threats of suit against new entrants based upon alleged inherent distinctiveness. How easy it is to mount a plausible suit depends, of course, upon the clarity of the test. . . . Competition is deterred, however, not merely by successful suit but by the plausible threat of successful suit, and given the unlikelihood of inherently source-identifying design, the game of allowing suit based upon alleged inherent distinctiveness seems to us not worth the candle.

Why is the same not true of *copyright* in product design? Where does *Star Athletica* draw the "bright line"? In *TrafFix*, the Court explained that "copying is not always discouraged or disfavored by the laws which preserve our competitive economy. Allowing competitors to copy will have salutary effects in many instances." Is that the approach the court adopts here?

7.) Congress has repeatedly declined to extend copyright to fashion designs, expressing concern that this "would create a new monopoly which has not been justified by a showing that its benefits will outweigh the disadvantage of removing such designs from free public use." Breyer echoes this with his concern that the majority's opinion, if interpreted broadly, could "risk increased prices and unforeseeable disruption in the clothing industry, which in the United States alone encompasses nearly $370 billion in annual spending and 1.8 million jobs." During oral argument in *Star Athletica*, Justice Sotomayor said: "You're killing knock-offs with copyright. You haven't been able to do it with trademark law. You haven't been able to do it with patent designs. We are now going to use copyright law to kill the knockoff industry. I don't know that that's bad. I'm just saying." After the decision came out, many news reports hailed it as a victory for the fashion industry. True?

8.) You encountered cheerleader uniforms in *Dallas Cowboys* and may have wondered, "what *is* the function of a cheerleader uniform"? In the Sixth Circuit decision in *Star Athletica*, much turned on this question. The majority held that the uniform's function

was to "cover the body, permit free movement, and wick moisture," and not to "identify the wearer as a cheerleader." The dissent disagreed: "That broad definition could be used to describe all athletic gear. But the particular athletic uniforms before us serve to identify the wearer as a cheerleader. Without stripes, braids, and chevrons, we are left with a blank white pleated skirt and crop top. As the district court recognized, the reasonable observer would not associate this blank outfit with cheerleading. This may be appropriate attire for a match at the All England Lawn Tennis Club, but not for a member of a cheerleading squad." Do you agree?

5.) Methods of Operation: Introduction to Computer Software

Lotus Development Corp. v. Borland Intern'l, Inc.

49 F.3d 807 (1st Cir. 1995)

STAHL, Circuit Judge.

This appeal requires us to decide whether a computer menu command hierarchy is copyrightable subject matter. In particular, we must decide whether, as the district court held, plaintiff-appellee Lotus Development Corporation's copyright in Lotus 1-2-3, a computer spreadsheet program, was infringed by defendant-appellant Borland International, Inc., when Borland copied the Lotus 1-2-3 menu command hierarchy into its Quattro and Quattro Pro computer spreadsheet programs.

I.
Background

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

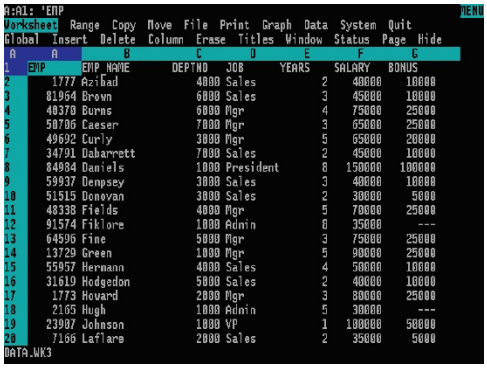
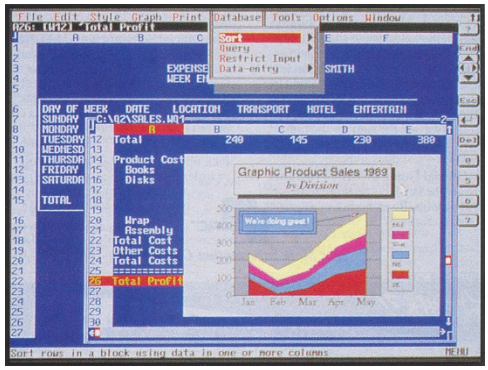


Image information available at http://en.wikipedia.org/wiki/File:Lotus-123-3.0-dos.png.



Screenshot of Quattro Pro reprinted from *Personal Computing*, issue 4/1990, at http://www.aresluna.org/attached/computerhistory/articles/spreadsheets/quattroprounifyandconquer/.

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

The district court found, and Borland does not now contest, that Borland included in its Quattro and Quattro Pro version 1.0 programs "a virtually identical copy of the entire 1-2-3 menu tree." *Borland III*. In so doing, Borland did not copy any of Lotus's underlying computer code; it copied only the words and structure of Lotus's menu command hierarchy. Borland included the Lotus menu command hierarchy in its programs to make them compatible with Lotus 1-2-3 so that spreadsheet users who were already familiar with Lotus 1-2-3 would be able to switch to the Borland programs without having to learn new commands or rewrite their Lotus macros.

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

Lotus filed this action against Borland in the District of Massachusetts on July 2, 1990, four days after a district court held that the Lotus 1-2-3 "menu structure, taken as a whole—including the choice of command terms [and] the structure and order of those terms," was protected expression covered by Lotus's copyrights… The district court ruled that the Lotus menu command hierarchy was copyrightable expression because

> [a] very satisfactory spreadsheet menu tree can be constructed using different commands and a different command structure from those of Lotus 1-2-3. In fact, Borland has constructed just such an alternate tree for use in Quattro Pro's native mode. Even if one holds the arrangement of menu commands constant, it is possible to generate literally millions of satisfactory menu trees by varying the menu commands employed.

Borland II. The district court demonstrated this by offering alternate command words for the ten commands that appear in Lotus's main menu. For example, the district court stated that "[t]he 'Quit' command could be named 'Exit' without any other modifications," and that "[t]he 'Copy' command could be called 'Clone,' 'Ditto,' 'Duplicate,' 'Imitate,' 'Mimic,' 'Replicate,' and 'Reproduce,' among others." Because so many variations were possible, the district court concluded that the Lotus developers' choice and arrangement of command terms, reflected in the Lotus menu command hierarchy, constituted copyrightable expression.

Immediately following the district court's summary judgment decision, Borland removed the Lotus Emulation Interface from its products. Thereafter, Borland's spreadsheet programs no longer displayed the Lotus 1-2-3 menus to Borland users, and as a result Borland users could no longer communicate with Borland's programs as if they were using a more sophisticated version of Lotus 1-2-3. Nonetheless, Borland's programs

continued to be partially compatible with Lotus 1-2-3, for Borland retained what it called the "Key Reader" in its Quattro Pro programs. Once turned on, the Key Reader allowed Borland's programs to understand and perform some Lotus 1-2-3 macros. With the Key Reader on, the Borland programs used Quattro Pro menus for display, interaction, and macro execution, except when they encountered a slash ("/") key in a macro (the starting key for any Lotus 1-2-3 macro), in which case they interpreted the macro as having been written for Lotus 1-2-3. Accordingly, people who wrote or purchased macros to shorten the time needed to perform an operation in Lotus 1-2-3 could still use those macros in Borland's programs. The district court permitted Lotus to file a supplemental complaint alleging that the Key Reader infringed its copyright.

In its Phase I-trial decision, the district court found that "each of the Borland emulation interfaces contains a virtually identical copy of the 1-2-3 menu tree and that the 1-2-3 menu tree is capable of a wide variety of expression."

This appeal concerns only Borland's copying of the Lotus menu command hierarchy into its Quattro programs and Borland's affirmative defenses to such copying.

II.
Discussion

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

A. Copyright Infringement Generally

To establish copyright infringement, a plaintiff must prove "(1) ownership of a valid copyright, and (2) copying of constituent elements of the work that are original." *Feist Publications, Inc. v. Rural Tel. Serv. Co.* (1991). To show ownership of a valid copyright and therefore satisfy *Feist*'s first prong, a plaintiff must prove that the work as a whole is original and that the plaintiff complied with applicable statutory formalities. See *Engineering Dynamics, Inc. v. Structural Software, Inc.* (5th Cir. 1994). "In judicial proceedings, a certificate of copyright registration constitutes prima facie evidence of copyrightability and shifts the burden to the defendant to demonstrate why the copyright is not valid."

To show actionable copying and therefore satisfy *Feist*'s second prong, a plaintiff must first prove that the alleged infringer copied plaintiff's copyrighted work as a factual matter; to do this, he or she may either present direct evidence of factual copying or, if that is unavailable, evidence that the alleged infringer had access to the copyrighted work and that the offending and copyrighted works are so similar that the court may infer that there was factual copying (i.e., probative similarity). The plaintiff must then prove that the copying of copyrighted material was so extensive that it rendered the offending and copyrighted works substantially similar.

In this appeal, we are faced only with whether the Lotus menu command hierarchy is copyrightable subject matter in the first instance, for Borland concedes that Lotus has a valid copyright in Lotus 1-2-3 as a whole[5] and admits to factually copying the Lotus

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

menu command hierarchy. As a result, this appeal is in a very different posture from most copyright-infringement cases, for copyright infringement generally turns on whether the defendant has copied protected expression as a factual matter. Because of this different posture, most copyright-infringement cases provide only limited help to us in deciding this appeal. This is true even with respect to those copyright-infringement cases that deal with computers and computer software.

B. Matter of First Impression

Whether a computer menu command hierarchy constitutes copyrightable subject matter is a matter of first impression in this court. While some other courts appear to have touched on it briefly in dicta, we know of no cases that deal with the copyrightability of a menu command hierarchy standing on its own (i.e., without other elements of the user interface, such as screen displays, in issue). Thus we are navigating in uncharted waters.

Borland vigorously argues, however, that the Supreme Court charted our course more than 100 years ago when it decided *Baker v. Selden* (1879). In *Baker v. Selden*, the Court held that Selden's copyright over the textbook in which he explained his new way to do accounting did not grant him a monopoly on the use of his accounting system.[6]

Borland argues:

> "The facts of *Baker v. Selden*, and even the arguments advanced by the parties in that case, are identical to those in this case. The only difference is that the "user interface" of Selden's system was implemented by pen and paper rather than by computer."

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

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

C. *Altai*

Before we analyze whether the Lotus menu command hierarchy is a system, method of operation, process, or procedure, we first consider the applicability of the test the Second Circuit set forth in *Computer Assoc. Int'l, Inc. v. Altai, Inc.* (2d Cir. 1992). The Second Circuit designed its *Altai* test to deal with the fact that computer programs, copyrighted as "literary works," can be infringed by what is known as "nonliteral" copying, which is copying that is paraphrased or loosely paraphrased rather than word for word. . . .

The *Altai* test involves three steps: abstraction, filtration, and comparison. The abstraction step requires courts to "dissect the allegedly copied program's structure and isolate each level of abstraction contained within it." *Altai*. This step enables courts to identify the appropriate framework within which to separate protectable expression from

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objects, such as books, periodicals, phonorecords, film, tapes, *disks*, or cards, in which they are embodied" (emphasis added)); see also H.R.Rep. No. 1476, 94th Cong., 2d Sess. 54 (1976), ("The term 'literary works' . . . includes computer data bases, and computer programs to the extent that they incorporate authorship in the programmer's expression of original ideas, as distinguished from the ideas themselves.").

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

unprotected ideas. Second, courts apply a "filtration" step in which they examine "the structural components at each level of abstraction to determine whether their particular inclusion at that level was 'idea' or was dictated by considerations of efficiency, so as to be necessarily incidental to that idea; required by factors external to the program itself; or taken from the public domain." Finally, courts compare the protected elements of the infringed work (i.e., those that survived the filtration screening) to the corresponding elements of the allegedly infringing work to determine whether there was sufficient copying of protected material to constitute infringement.

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

While the *Altai* test may provide a useful framework for assessing the alleged nonliteral copying of computer code, we find it to be of little help in assessing whether the literal copying of a menu command hierarchy constitutes copyright infringement. In fact, we think that the *Altai* test in this context may actually be misleading because, in instructing courts to abstract the various levels, it seems to encourage them to find a base level that includes copyrightable subject matter that, if literally copied, would make the copier liable for copyright infringement. While that base (or literal) level would not be at issue in a nonliteral-copying case like *Altai*, it is precisely what is at issue in this appeal. We think that abstracting menu command hierarchies down to their individual word and menu levels and then filtering idea from expression at that stage, as both the *Altai* and the district court tests require, obscures the more fundamental question of whether a menu command hierarchy can be copyrighted at all. The initial inquiry should not be whether individual components of a menu command hierarchy are expressive, but rather whether the menu command hierarchy as a whole can be copyrighted.

D. The Lotus Menu Command Hierarchy: A "Method of Operation"

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

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

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

1-2-3's functional capabilities.

The Lotus menu command hierarchy does not merely explain and present Lotus 1-2-3's functional capabilities to the user; it also serves as the method by which the program is operated and controlled. The Lotus menu command hierarchy is different from the Lotus long prompts, for the long prompts are not necessary to the operation of the program; users could operate Lotus 1-2-3 even if there were no long prompts.[9] The Lotus menu command hierarchy is also different from the Lotus screen displays, for users need not "use" any expressive aspects of the screen displays in order to operate Lotus 1-2-3; because the way the screens look has little bearing on how users control the program, the screen displays are not part of Lotus 1-2-3's "method of operation." The Lotus menu command hierarchy is also different from the underlying computer code, because while code is necessary for the program to work, its precise formulation is not. In other words, to offer the same capabilities as Lotus 1-2-3, Borland did not have to copy Lotus's underlying code (and indeed it did not); to allow users to operate its programs in substantially the same way, however, Borland had to copy the Lotus menu command hierarchy. Thus the Lotus 1-2-3 code is not a uncopyrightable "method of operation."

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

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

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

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

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

> the teachings of science and the rules and methods of useful art have their final end in application and use; and this application and use are what the public derive from the publication of a book which teaches them. . . . The description of the art in a book, though entitled to the benefit of copyright, lays no foundation for an exclusive claim to the art itself. The object of the one is explanation; the object of the other is use. The former may be secured by copyright. The latter can only be secured, if it can be secured at all, by letters-patent.

Lotus wrote its menu command hierarchy so that people could learn it and use it. Accordingly, it falls squarely within the prohibition on copyright protection established in *Baker v. Selden* and codified by Congress in § 102(b).

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

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

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

One might argue that the buttons for operating a VCR are not analogous to the commands for operating a computer program because VCRs are not copyrightable, whereas computer programs are. . . . Computer programs, unlike VCRs, are copyrightable as "literary works." 17 U.S.C. § 102(a). Accordingly, one might argue, the "buttons" used to operate a computer program are not like the buttons used to operate a VCR, for they are not subject to a useful-article exception. The response, of course, is that the arrangement of buttons on a VCR would not be copyrightable even without a useful-article exception, because the buttons are an uncopyrightable "method of operation." Similarly, the "buttons" of a computer program are also an uncopyrightable "method of operation."

That the Lotus menu command hierarchy is a "method of operation" becomes clearer when one considers program compatibility. Under Lotus's theory, if a user uses several different programs, he or she must learn how to perform the same operation in a different way for each program used. For example, if the user wanted the computer to print material, then the user would have to learn not just one method of operating the

computer such that it prints, but many different methods. We find this absurd. The fact that there may be many different ways to operate a computer program, or even many different ways to operate a computer program using a set of hierarchically arranged command terms, does not make the actual method of operation chosen copyrightable; it still functions as a method for operating the computer and as such is uncopyrightable.

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

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

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

Feist. We do not think that the Court's statement that "copyright assures authors the right to their original expression" indicates that all expression is necessarily copyrightable; while original expression is necessary for copyright protection, we do not think that it is alone sufficient. Courts must still inquire whether original expression falls within one of the categories foreclosed from copyright protection by § 102(b), such as being a "method of operation."

We also note that in most contexts, there is no need to "build" upon other people's expression, for the ideas conveyed by that expression can be conveyed by someone else without copying the first author's expression.[13] In the context of methods of operation, however, "building" requires the use of the precise method of operation already employed; otherwise, "building" would require dismantling, too. Original developers are not the only people entitled to build on the methods of operation they create; anyone can. Thus, Borland may build on the method of operation that Lotus designed and may use the Lotus menu command hierarchy in doing so. . . .

III.
Conclusion

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

Reversed.

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

BOUDIN, Circuit Judge, concurring.

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

I.

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

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

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

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

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

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

All of this would make no difference if Congress had squarely confronted the issue,

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

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

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

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

II.

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

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

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

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

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

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

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

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

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

The closest analogue in conventional copyright is the fair use doctrine. E.g., *Harper & Row, Publishers, Inc. v. Nation Enters.* (1985). Although invoked by Borland, it has largely been brushed aside in this case because the Supreme Court has said that it is "presumptively" unavailable where the use is a "commercial" one. [*Harper & Row*]. But see *Campbell v. Acuff-Rose Music, Inc.* (1994). In my view, this is something less than a definitive answer; "presumptively" does not mean "always" and, in any event, the doctrine of fair use was created by the courts and can be adapted to new purposes.

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

In sum, the majority's result persuades me and its formulation is as good, if not better, than any other that occurs to me now as within the reach of courts. Some solutions

(e.g., a very short copyright period for menus) are not options at all for courts but might be for Congress. In all events, the choices are important ones of policy, not linguistics, and they should be made with the underlying considerations in view.

Lotus Development Corp. v. Borland Intern'l, Inc.

516 U.S. 233 (1996)

On writ of *certiorari* from the United States Court of Appeals for the First Circuit.

PER CURIAM.

The judgment of the United States Court of Appeals for the First Circuit is affirmed by an equally divided Court.

(Justice STEVENS took no part in the consideration or decision of this case.)

Note

Lotus is included in the book not merely because it was a pathbreaking case on copyrightable subject matter, affirmed by an equally divided Supreme Court, but because of three additional factors.

- First, *Lotus* is a nice example of the courts taking a series of doctrines developed in other contexts and applying them to a new technology.
- Second, the majority and concurrence demonstrate two different judicial methodologies for that process of technological and statutory "translation." The majority looks at the existing limitations within the statutory structure, rejects a straightforward application of *Baker v. Selden* (do you agree?) and fits the menu prompts and command hierarchy into the language of "methods of operation"—explicitly declared to be non-copyrightable under § 102. Judge Boudin concurs but says "[t]he importance of this case, and a slightly different emphasis in my view of the underlying problem, prompt me to add a few words to the majority's tightly focused discussion." (What does "tightly focused" mean here in judicial language?) He rejects the idea that copyright doctrine should be applied literally to the new technology. "Of course, one could still read the statute as a congressional command that the familiar doctrines of copyright law be taken and applied to computer programs, in cookie cutter fashion, as if the programs were novels or play scripts. Some of the cases involving computer programs embody this approach. It seems to be mistaken on two different grounds: the tradition of copyright law, and the likely intent of Congress." He concludes "the choices are important ones of policy, not linguistics, and they should be made with the underlying considerations in view." This question of judicial method—how should judges apply intellectual property law?—is a central theme of the course.
- Finally, *Lotus* is an excellent introduction to the particular features of "network goods" or network effects, and the implication these have for intellectual property. If you read *Fifty Shades of Grey* it does not affect my decision on whether to read Thomas Pynchon. But if everyone uses Microsoft Word, I may need to use that program even if I believe Open Office to be better.

Questions:

1.) Compare Boudin's approach with the majority's. Which is more appropriate? More faithful to the judicial role? In your answer which of the following factors are relevant:

- A belief that Congress's copyright and patent powers contain an explicit purposive and utilitarian goal—promoting the progress?
- A belief that utilitarian reasoning in judicial decisions is inherently suspect—that belief being derived either from the separation of powers or the nature of the judicial role or both?
- The Jeffersonian tradition described in the earlier excerpt from *The Public Domain*?
- Absence of specific guidance from Congress about how courts should integrate new technologies into copyright and patent?
- The idea that a judge's role is merely that of an umpire who "calls strikes"?
- A belief that literal rather than purposive interpretation is somehow less political?
- A belief that both literal and purposive interpretation are laden with value judgments?

2.) Would your answers be different if the field of law was antitrust? Why? Why not?

3.) At the very beginning of his concurrence, Boudin makes a vitally important point about "error costs" in the context of protecting goods such as software, comparing that to the error costs of protecting more traditional copyrightable subject matter. What is it?

4.) How does the following quotation resonate with the arguments used by Pitney, Holmes or Brandeis in *INS v. AP*? With Jefferson? With Diderot or Condorcet? With the quote from Felix Cohen that begins Chapter 4 on trademark? Why does Boudin say this argument is *circular*?

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

Note: The *Oracle v. Google* Case

For 25 years, the decision in *Lotus v. Borland* was assumed to lay out the law of copyrightable subject matter as applied to computer software methods of operation—menu hierarchies, interfaces and so on. That premise was challenged in *Oracle v. Google,* a closely watched case that culminated in a Supreme Court decision in 2021.

Oracle concerned the copyrightability of "APIs"—Application Programming Interfaces. The last word there is the key. The API governs the way one program works with another. Without knowledge of the API, or the ability to reverse engineer it, the "interoperability" of programs will be limited. (Imagine trying to play a piano without knowing which key corresponded to which note.)

When writing the Android operating system, Google copied the declaring code and

structure, sequence, and organization ("SSO")[6] of 37 API packages from Oracle's Java software, in order to enable Java developers to write applications for Android. (The relevant technology is described in more detail in Chapter 13.) In 2012, the Northern District of California held that the declaring code and SSO were not subject to copyright protection: the declaring code was uncopyrightable because idea and expression had merged, and the SSO, like the menu command hierarchy in *Lotus*, was a "method of operation" under § 102(b). The district court's decision was animated in part by concerns about the consequences that Oracle's copyright claim might have on *interoperability*: "To accept Oracle's claim would be to allow anyone to copyright one version of code to carry out a system of commands and thereby bar all others from writing their own different versions to carry out all or part of the same commands. No holding has ever endorsed such a sweeping proposition."

In 2014, the Federal Circuit reversed. (The case was in the Federal Circuit because of earlier patent claims; for the copyright claims, the court declared itself to be bound by Ninth Circuit law.) For the Federal Circuit, the presence of expressive choices in the APIs precluded them from being uncopyrightable methods of operation. Otherwise, all computer programs (which are methods of operating computers) could become uncopyrightable as a result. Compare the court's reasoning to the *Lotus* opinion you have just read.

> The problem with the district court's approach is that computer programs are by definition functional—they are all designed to accomplish some task. . . . If we were to accept the district court's suggestion that a computer program is uncopyrightable simply because it "carr[ies] out pre-assigned functions," no computer program is protectable. That result contradicts Congress's express intent to provide copyright protection to computer programs, as well as binding Ninth Circuit case law finding computer programs copyrightable, despite their utilitarian or functional purpose. Though the trial court did add the caveat that it "does not hold that the structure, sequence and organization of all computer programs may be stolen," it is hard to see how its method of operation analysis could lead to any other conclusion. [W]e conclude that a set of commands to instruct a computer to carry out desired operations may contain expression that is eligible for copyright protection. We agree with Oracle that, under Ninth Circuit law, an original work—even one that serves a function—is entitled to copyright protection as long as the author had multiple ways to express the underlying idea.

After this decision, the case proceeded to trial where, in 2016, the jury found that Google's use of Oracle's APIs was "fair use." Then in 2018, the Federal Circuit reversed—taking the unusual step of overturning a jury verdict on fair use. Finally in 2021 the Supreme Court decided the case, but not on subject matter grounds.

> Given the rapidly changing technological, economic, and business-related circumstances, we believe we should not answer more than is

[6] "Structure, sequence and organization" is a term introduced in *Whelan Associates v. Jaslow Dental Laboratory* (3d Cir. 1986) for the purpose of separating the copyrightable and uncopyrightable portions of software. That decision was widely criticized by scholars for extending copyright to merely functional components of the program—in that case, the task of managing a dentist's office. The term had largely fallen out of use in the Ninth Circuit since the late 1980's but it was used by both the District Court (which believed it to be uncopyrightable) and the Federal Circuit (which believed it was copyrightable). Regardless of the terminology, the central question here is whether interfaces are uncopyrightable methods of operation, or copyrightable expressive choices—the term used should not obscure that fact.

> necessary to resolve the parties' dispute. We shall assume, but purely for argument's sake, that the entire Sun Java API falls within the definition of that which can be copyrighted. We shall ask instead whether Google's use of part of that API was a "fair use." Unlike the Federal Circuit, we conclude that it was.

You will read that decision in Chapter 13. Strikingly, the majority opinion, written by Justice Breyer, returns again and again to the arguments made in *Lotus* and in particular to the concerns raised by Judge Boudin in his concurrence. Yet it enunciates those concerns through the lens of fair use, not the "in or out" bright line question of copyrightable subject matter.

Notice how all of these decisions have to navigate not one, but two slippery slopes in dealing with software's mixture of expressive and functional aspects. Make the decision too broad one way and no software is protected by copyright. Make it too broad the other way and copyright monopolies of enormous length are added to a technology rich in network effects and lock-in. What is the best policy argument in favor of the *Lotus* approach? The Federal Circuit's approach? Which is more consistent with the language of § 102(b) of the Copyright Act? "In *no case* does copyright protection for an original work of authorship extend to any . . . method of operation, *regardless of the form in which it is . . . embodied*"?

This leaves us with an unresolved question. Is *Lotus* still good law? The authors believe it is the correct decision, both textually and on policy grounds. As you will see in Chapter 13, its *logic* was enthusiastically embraced in the Supreme Court's decision, even if the legal ground was different—fair use not subject matter. Or, in assuming for the sake of argument that APIs *can* be copyrightable, is the Court implicitly endorsing the Federal Circuit's view? Will *Oracle* make it easier to raise copyright suits over software, because the issue can rarely be resolved at the summary judgment level? Or is the Supreme Court, in signaling emphatic approval of Judge Boudin's logic, actually directing the lower courts to focus intently on interoperability and network effects, regardless of the legal pigeon-hole in which they are raised?

PROBLEM 11-3

Lotus v. Borland uses copyright's subject matter limitations—in this case, over "methods of operation"—to exclude menu commands and interfaces from copyrightable subject matter. Judge Boudin's concurrence muses on the desirability of a more dynamic and flexible privilege-based approach—a kind of super fair use—focusing on a pragmatic inquiry into whether the particular case featured the negative consequences of network effects or lock in. In the end though, he joins the majority's "tightly focused" decision on methods of operation. When the Federal Circuit decided *Oracle v. Google*, it rejected *Lotus*, finding that Application Programming Interfaces—which as their name suggests, seem to be methods of operation—*were* copyrightable subject matter under § 102. To hold otherwise, the CAFC declared, would be to cast into doubt the copyrightability of all computer programs which, at base, are obviously methods of operating a computer. When SCOTUS decided the *Oracle* case it declined to reach the question of whether APIs were copyrightable subject matter, instead deciding the case on fair use grounds. It overturned the CAFC's decision on that front and found fair use on Google's part. You will read that opinion in Chapter 13. You thus have three approaches: 1.) Interfaces and

APIs are methods of operation and thus not copyrightable subject matter under § 102. (*Lotus*). 2.) Interfaces and APIs can be copyrightable subject matter. (The CAFC approach in *Oracle*.) 3.) We will not decide on subject matter grounds but will rule in particular cases on whether the use of the particular code or interface is fair use. (SCOTUS *Oracle.*) Which is the best approach? Why?

6.) Fixation (Copyright Meets Software, continued)

We saw in the *Moghadam* and *Martignon* cases featured in Chapter 2 that fixation was not merely a statutory requirement but a constitutional one where copyright was concerned. At the same time, we were left uncertain about whether that constitutional requirement could easily be circumvented using Congress' commerce clause power. In the case that follows, we consider a very different fixation-related question, the attempt to define the statutory meaning of fixation. More specifically, the Ninth Circuit has to define "fixation" in the context of computer memory, and in particular the volatile "Random Access Memory" that holds a temporary copy of the program being executed. Should the constitutional and statutory inquiries into fixation have anything to do with each other? Do they? (It should be noted that while this chapter discusses subject matter requirements for copyright, *MAI* deals with fixation in terms of finding copyright *infringement.* We include the case here because of its importance to our discussion of software and because, in each instance, we are defining the limits and extent of the copyright monopoly.)

MAI Systems Corp. v. Peak Computer, Inc.

991 F.2d 511 (9th Cir. 1993)

BRUNETTI, Circuit Judge.

Peak Computer, Inc. and two of its employees appeal the district court's order issuing a preliminary injunction pending trial as well as the district court's order issuing a permanent injunction following the grant of partial summary judgment.

I. FACTS

MAI Systems Corp., until recently, manufactured computers and designed software to run those computers. The company continues to service its computers and the software necessary to operate the computers. MAI software includes operating system software, which is necessary to run any other program on the computer.

Peak Computer, Inc. is a company organized in 1990 that maintains computer systems for its clients. Peak maintains MAI computers for more than one hundred clients in Southern California. This accounts for between fifty and seventy percent of Peak's business.

Peak's service of MAI computers includes routine maintenance and emergency repairs. Malfunctions often are related to the failure of circuit boards inside the computers, and it may be necessary for a Peak technician to operate the computer and its operating system software in order to service the machine.

In August, 1991, Eric Francis left his job as customer service manager at MAI and joined Peak. Three other MAI employees joined Peak a short time later. Some businesses that had been using MAI to service their computers switched to Peak after learning of

Francis's move…

IV. COPYRIGHT INFRINGEMENT

The district court granted summary judgment in favor of MAI on its claims of copyright infringement and issued a permanent injunction against Peak on these claims. The alleged copyright violations include: (1) Peak's running of MAI software licenced to Peak customers; (2) Peak's use of unlicensed software at its headquarters; and, (3) Peak's loaning of MAI computers and software to its customers. Each of these alleged violations must be considered separately.

A. Peak's running of MAI software licensed to Peak customers

To prevail on a claim of copyright infringement, a plaintiff must prove ownership of a copyright and a "'copying' of protectable expression" beyond the scope of a license. *S.O.S., Inc. v. Payday, Inc.* (9th Cir. 1989).

MAI software licenses allow MAI customers to use the software for their own internal information processing. This allowed use necessarily includes the loading of the software into the computer's random access memory ("RAM") by a MAI customer. However, MAI software licenses do not allow for the use or copying of MAI software by third parties such as Peak. Therefore, any "copying" done by Peak is "beyond the scope" of the license.

It is not disputed that MAI owns the copyright to the software at issue here, however, Peak vigorously disputes the district court's conclusion that a "copying" occurred under the Copyright Act.

The Copyright Act defines "copies" as:

> material objects, other than phonorecords, in which a work is fixed by any method now known or later developed, and from which the work can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device. 17 U.S.C. § 101.

The Copyright Act then explains:

> A work is "fixed" in a tangible medium of expression when its embodiment in a copy or phonorecord, by or under the authority of the author, is sufficiently permanent or stable to permit it to be perceived, reproduced, or otherwise communicated for a period of more than transitory duration. 17 U.S.C. § 101.

The district court's grant of summary judgment on MAI's claims of copyright infringement reflects its conclusion that a "copying" for purposes of copyright law occurs when a computer program is transferred from a permanent storage device to a computer's RAM. This conclusion is consistent with its finding, in granting the preliminary injunction, that: "the loading of copyrighted computer software from a storage medium (hard disk, floppy disk, or read only memory) into the memory of a central processing unit ("CPU") causes a copy to be made. In the absence of ownership of the copyright or express permission by license, such acts constitute copyright infringement." We find that this conclusion is supported by the record and by the law.

Peak concedes that in maintaining its customer's computers, it uses MAI operating software "to the extent that the repair and maintenance process necessarily involves turning on the computer to make sure it is functional and thereby running the operating system." It is also uncontroverted that when the computer is turned on the operating system is loaded into the computer's RAM. As part of diagnosing a computer problem at

the customer site, the Peak technician runs the computer's operating system software, allowing the technician to view the systems error log, which is part of the operating system, thereby enabling the technician to diagnose the problem.

Peak argues that this loading of copyrighted software does not constitute a copyright violation because the "copy" created in RAM is not "fixed." However, by showing that Peak loads the software into the RAM and is then able to view the system error log and diagnose the problem with the computer, MAI has adequately shown that the representation created in the RAM is "sufficiently permanent or stable to permit it to be perceived, reproduced, or otherwise communicated for a period of more than transitory duration."

After reviewing the record, we find no specific facts (and Peak points to none) which indicate that the copy created in the RAM is not fixed. While Peak argues this issue in its pleadings, mere argument does not establish a genuine issue of material fact to defeat summary judgment. A party opposing a properly supported motion for summary judgment may not rest upon the mere allegations or denials in pleadings, but "must set forth specific facts showing that there is a genuine issue for trial." Fed.R.Civ.Proc. 56(e).

The law also supports the conclusion that Peak's loading of copyrighted software into RAM creates a "copy" of that software in violation of the Copyright Act. In *Apple Computer, Inc. v. Formula Int'l, Inc.* (C.D. Cal. 1984), the district court held that the copying of copyrighted software onto silicon chips and subsequent sale of those chips is not protected by § 117 of the Copyright Act. Section 117 allows "the 'owner'[5] of a copy of a computer program to make or authorize the making of another copy" without infringing copyright law, if it "is an essential step in the utilization of the computer program" or if the new copy is "for archival purposes only." 17 U.S.C. § 117 (Supp. 1988).[6] One of the grounds for finding that § 117 did not apply was the court's conclusion that the permanent copying of the software onto the silicon chips was not an "essential step" in the utilization of the software because the software could be used through RAM without making a permanent copy. The court stated:

> RAM can be simply defined as a computer component in which data and computer programs can be temporarily recorded. Thus, the purchaser of [software] desiring to utilize all of the programs on the diskette could arrange to copy [the software] into RAM. This would only be a temporary fixation. It is a property of RAM that when the computer is turned off, the copy of the program recorded in RAM is lost.

Apple Computer at 622.

While we recognize that this language is not dispositive, it supports the view that the copy made in RAM is "fixed" and qualifies as a copy under the Copyright Act.

We have found no case which specifically holds that the copying of software into RAM creates a "copy" under the Copyright Act. However, it is generally accepted that the loading of software into a computer constitutes the creation of a copy under the Copyright Act. See e.g. *Vault Corp. v. Quaid Software Ltd.* (5th Cir. 1988) ("the act of loading a program from a medium of storage into a computer's memory creates a copy of the

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[5] Since MAI licensed its software, the Peak customers do not qualify as "owners" of the software and are not eligible for protection under § 117.

[6] The current § 117 was enacted by Congress in 1980, as part of the Computer Software Copyright Act. This Act adopted the recommendations contained in the Final Report of the National Commission on New Technological Uses of Copyrighted Works ("CONTU") (1978). The CONTU was established by Congress in 1974 to perform research and make recommendations concerning copyright protection for computer programs. The new § 117 reflects the CONTU's conclusion that: "Because the placement of a work into a computer is the preparation of a copy, the law should provide that persons in rightful possession of copies of programs be able to use them freely without fear of exposure to copyright liability." Final Report at 13.

program"); 2 NIMMER ON COPYRIGHT, § 8.08 at 8-105 (1983) ("Inputting a computer program entails the preparation of a copy."); Final Report of the National Commission on the New Technological Uses of Copyrighted Works, at 13 (1978) ("the placement of a work into a computer is the preparation of a copy"). We recognize that these authorities are somewhat troubling since they do not specify that a copy is created regardless of whether the software is loaded into the RAM, the hard disk or the read only memory ("ROM"). However, since we find that the copy created in the RAM can be "perceived, reproduced, or otherwise communicated," we hold that the loading of software into the RAM creates a copy under the Copyright Act. 17 U.S.C. § 101. We affirm the district court's grant of summary judgment as well as the permanent injunction as it relates to this issue. . . .

Questions:

1.) Should the question of whether a RAM copy of a computer program is sufficiently "fixed" to constitute infringement depend on some linguistic analysis? A technical analysis? One that considers the effect of the decision on the degree of control that the owner of the software copyright could exercise in the aftermarket—for example, by controlling maintenance and repair? What would Judge Boudin say about the approach that the *MAI* court adopts?

2.) We have talked about implicit moral framing in intellectual property questions. What facts does the court give early in its decision suggesting which way it was going to rule?

3.) You are the lawyer responsible for the appeal of this case. The judges are not technically savvy. Your job is to come up with analogies to the world of copyright that *they* are familiar with that either confirm or deny the court's conclusion. In particular, you should focus on their implicit definition of what it means to be fixed. ("To say that this is fixed is like saying ___ is fixed. To say that this is not fixed is like saying ___ does not count as fixation.") You should also focus in your analogical quest on the *consequences* of their ruling. ("This is like saying that ____ [traditional copyright holder] can forbid ____. To say they cannot prohibit this activity would be like saying a ____ [traditional copyright holder] is unable to prevent someone from ____.")

4.) How does this decision relate to the goals of the fixation requirement in the Constitution?

5.) Read § 117 of the Copyright Act. This section was amended after the *MAI* decision specifically to address the legality of computer repair. Does this solve the potential problem created by *MAI*?

6.) How much software do you own? Search the web for the licenses covering software on your computer. What does the license say? Why is *MAI* relevant to this question?

Religious Technology Center v. Netcom

907 F. Supp. 1361 (N.D. Cal. 1995)

WHYTE, District Judge.

This case concerns an issue of first impression regarding intellectual property

rights in cyberspace. Specifically, this order addresses whether the operator of a computer bulletin board service ("BBS"), and the large Internet access provider that allows that BBS to reach the Internet, should be liable for copyright infringement committed by a subscriber of the BBS.

Plaintiffs Religious Technology Center ("RTC") and Bridge Publications, Inc. ("BPI") hold copyrights in the unpublished and published works of L. Ron Hubbard, the late founder of the Church of Scientology ("the Church"). Defendant Dennis Erlich ("Erlich") is a former minister of Scientology turned vocal critic of the Church, whose pulpit is now the Usenet newsgroup[4] alt.religion.scientology ("a.r.s."), an on-line forum for discussion and criticism of Scientology. Plaintiffs maintain that Erlich infringed their copyrights when he posted portions of their works on a.r.s. Erlich gained his access to the Internet through defendant Thomas Klemesrud's ("Klemesrud's") BBS "support.com." [The court had earlier held that Erlich's "near-verbatim copying" was not likely a fair use.] Klemesrud is the operator of the BBS, which is run out of his home and has approximately 500 paying users. Klemesrud's BBS is not directly linked to the Internet, but gains its connection through the facilities of defendant Netcom On-Line Communications, Inc. ("Netcom"), one of the largest providers of Internet access in the United States.

After failing to convince Erlich to stop his postings, plaintiffs contacted defendants Klemesrud and Netcom. Klemesrud responded to plaintiffs' demands that Erlich be kept off his system by asking plaintiffs to prove that they owned the copyrights to the works posted by Erlich. However, plaintiffs refused Klemesrud's request as unreasonable. Netcom similarly refused plaintiffs' request that Erlich not be allowed to gain access to the Internet through its system. Netcom contended that it would be impossible to prescreen Erlich's postings and that to kick Erlich off the Internet meant kicking off the hundreds of users of Klemesrud's BBS. Consequently, plaintiffs named Klemesrud and Netcom in their suit against Erlich, although only on the copyright infringement claims. . . . For the reasons set forth below, the court grants in part and denies in part Netcom's motion for summary judgment and Klemesrud's motion for judgment on the pleadings and denies plaintiffs' motion for a preliminary injunction. . . .

B. Copyright Infringement

To establish a claim of copyright infringement, a plaintiff must demonstrate (1) ownership of a valid copyright and (2) "copying"[7] of protectable expression by the defendant. Infringement occurs when a defendant violates one of the exclusive rights of the copyright holder. 17 U.S.C. § 501(a). These rights include the right to reproduce the copyrighted work, the right to prepare derivative works, the right to distribute copies to the public, and the right to publicly display the work. 17 U.S.C. §§ 106(1)–(3) & (5). The court has already determined that plaintiffs have established that they own the copyrights to all of

[4] The Usenet has been described as a worldwide community of electronic BBSs that is closely associated with the Internet and with the Internet community. The messages in Usenet are organized into thousands of topical groups, or "Newsgroups". . . . As a Usenet user, you read and contribute ("post") to your local Usenet site. Each Usenet site distributes its users' postings to other Usenet sites based on various implicit and explicit configuration settings, and in turn receives postings from other sites. Usenet traffic typically consists of as much as 30 to 50 Mbytes of messages per day. Usenet is read and contributed to on a daily basis by a total population of millions of people. . . . There is no specific network that is the Usenet. Usenet traffic flows over a wide range of networks, including the Internet and dial-up phone links.

[7] In this context, "copying" is "shorthand for the infringing of any of the copyright owner's five exclusive rights." *S.O.S., Inc. v. Payday, Inc.* (9th Cir. 1989).

the Exhibit A and B works, except item 4 of Exhibit A. The court also found plaintiffs likely to succeed on their claim that defendant Erlich copied the Exhibit A and B works and was not entitled to a fair use defense. Plaintiffs argue that, although Netcom was not itself the source of any of the infringing materials on its system, it nonetheless should be liable for infringement, either directly, contributorily, or vicariously. Netcom disputes these theories of infringement and further argues that it is entitled to its own fair use defense.

1. Direct Infringement

Infringement consists of the unauthorized exercise of one of the exclusive rights of the copyright holder delineated in section 106. 17 U.S.C. § 501. Direct infringement does not require intent or any particular state of mind,[10] although willfulness is relevant to the award of statutory damages. 17 U.S.C. § 504(c).

Many of the facts pertaining to this motion are undisputed. The court will address the relevant facts to determine whether a theory of direct infringement can be supported based on Netcom's alleged reproduction of plaintiffs' works. . . . The court will additionally examine whether Netcom is liable for infringing plaintiffs' exclusive rights to publicly distribute and display their works.

a. Undisputed Facts

The parties do not dispute the basic processes that occur when Erlich posts his allegedly infringing messages to a.r.s. Erlich connects to Klemesrud's BBS using a telephone and a modem. Erlich then transmits his messages to Klemesrud's computer, where they are automatically briefly stored. According to a prearranged pattern established by Netcom's software, Erlich's initial act of posting a message to the Usenet results in the automatic copying of Erlich's message from Klemesrud's computer onto Netcom's computer and onto other computers on the Usenet. In order to ease transmission and for the convenience of Usenet users, Usenet servers maintain postings from newsgroups for a short period of time—eleven days for Netcom's system and three days for Klemesrud's system. Once on Netcom's computers, messages are available to Netcom's customers and Usenet neighbors, who may then download the messages to their own computers. Netcom's local server makes available its postings to a group of Usenet servers, which do the same for other servers until all Usenet sites worldwide have obtained access to the postings, which takes a matter of hours.

Unlike some other large on-line service providers, such as CompuServe, America Online, and Prodigy, Netcom does not create or control the content of the information available to its subscribers. It also does not monitor messages as they are posted. It has, however, suspended the accounts of subscribers who violated its terms and conditions, such as where they had commercial software in their posted files. Netcom admits that, although not currently configured to do this, it may be possible to reprogram its system to screen postings containing particular words or coming from particular individuals. Netcom, however, took no action after it was told by plaintiffs that Erlich had posted messages through Netcom's system that violated plaintiffs' copyrights, instead claiming that it could not shut out Erlich without shutting out all of the users of Klemesrud's BBS.

[10] The strict liability for copyright infringement is in contrast to another area of liability affecting online service providers: defamation. Recent decisions have held that where a BBS exercised little control over the content of the material on its service, it was more like a "distributor" than a "republisher" and was thus only liable for defamation on its system where it knew or should have known of the defamatory statements. *Cubby, Inc. v. CompuServe, Inc.* (S.D.N.Y. 1991). By contrast, a New York state court judge found that Prodigy was a publisher because it held itself out to be controlling the content of its services and because it used software to automatically prescreen messages that were offensive or in bad taste. *Stratton Oakmont, Inc. v. Prodigy Services Co.* [The latter case was one prompt for § 230 of the CDA. Eds.]

b. Creation of Fixed Copies

The Ninth Circuit addressed the question of what constitutes infringement in the context of storage of digital information in a computer's random access memory ("RAM"). *MAI Systems Corp. v. Peak Computer, Inc.* (9th Cir. 1993). In *MAI*, the Ninth Circuit upheld a finding of copyright infringement where a repair person, who was not authorized to use the computer owner's licensed operating system software, turned on the computer, thus loading the operating system into RAM for long enough to check an "error log." Copyright protection subsists in original works of authorship "*fixed* in any tangible medium of expression, now known or later developed, from which they can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device." 17 U.S.C. § 102 (emphasis added). A work is "fixed" when its "embodiment in a copy . . . is sufficiently permanent or stable to permit it to be perceived, reproduced, or otherwise communicated for a period of more than transitory duration." [17 U.S.C.] § 101. *MAI* established that the loading of data from a storage device into RAM constitutes copying because that data stays in RAM long enough for it to be perceived.

In the present case, there is no question after *MAI* that "copies" were created, as Erlich's act of sending a message to a.r.s. caused reproductions of portions of plaintiffs' works on both Klemesrud's and Netcom's storage devices. Even though the messages remained on their systems for at most eleven days, they were sufficiently "fixed" to constitute recognizable copies under the Copyright Act.

c. Is Netcom Directly Liable for Making the Copies?

Accepting that copies were made, Netcom argues that Erlich, and not Netcom, is directly liable for the copying. *MAI* did not address the question raised in this case: whether possessors of computers are liable for incidental copies automatically made on their computers using their software as part of a process initiated by a third party. Netcom correctly distinguishes *MAI* on the ground that Netcom did not take any affirmative action that directly resulted in copying plaintiffs' works other than by installing and maintaining a system whereby software automatically forwards messages received from subscribers onto the Usenet, and temporarily stores copies on its system. Netcom's actions, to the extent that they created a copy of plaintiffs' works, were necessary to having a working system for transmitting Usenet postings to and from the Internet. Unlike the defendants in *MAI*, neither Netcom nor Klemesrud initiated the copying. The defendants in *MAI* turned on their customers' computers thereby creating temporary copies of the operating system, whereas Netcom's and Klemesrud's systems can operate without any human intervention. Thus, unlike *MAI*, the mere fact that Netcom's system incidentally makes temporary copies of plaintiffs' works does not mean Netcom has caused the copying. The court believes that Netcom's act of designing or implementing a system that automatically and uniformly creates temporary copies of all data sent through it is not unlike that of the owner of a copying machine who lets the public make copies with it.[12] Although some of the people using the machine may directly infringe

[12] Netcom compares itself to a common carrier that merely acts as a passive conduit for information. In a sense, a Usenet server that forwards all messages acts like a common carrier, passively retransmitting every message that gets sent through it. Netcom would seem no more liable than the phone company for carrying an infringing facsimile transmission or storing an infringing audio recording on its voice mail. As Netcom's counsel argued, holding such a server liable would be like holding the owner of the highway, or at least the operator of a toll booth, liable for the criminal activities that occur on its roads. Since other similar carriers of information are not liable for infringement, there is some basis for exempting Internet access providers from liability for infringement by their users. The IITF Report concluded that "[i]f an entity provided only the wires and conduits—such as the telephone company, it would have a good argument for an exemption if it was truly in the same position as a

copyrights, courts analyze the machine owner's liability under the rubric of contributory infringement, not direct infringement… Plaintiffs' theory would create many separate acts of infringement and, carried to its natural extreme, would lead to unreasonable liability.

It is not difficult to conclude that Erlich infringes by copying a protected work onto his computer and by posting a message to a newsgroup. However, plaintiffs' theory further implicates a Usenet server that carries Erlich's message to other servers regardless of whether that server acts without any human intervention beyond the initial setting up of the system. It would also result in liability for every single Usenet server in the worldwide link of computers transmitting Erlich's message to every other computer. These parties, who are liable under plaintiffs' theory, do no more than operate or implement a system that is essential if Usenet messages are to be widely distributed. There is no need to construe the Act to make all of these parties infringers. Although copyright is a strict liability statute, there should still be some element of volition or causation which is lacking where a defendant's system is merely used to create a copy by a third party.

Plaintiffs point out that the infringing copies resided for eleven days on Netcom's computer and were sent out from it onto the "Information Superhighway." However, under plaintiffs' theory, any storage of a copy that occurs in the process of sending a message to the Usenet is an infringement. While it is possible that less "damage" would have been done if Netcom had heeded plaintiffs' warnings and acted to prevent Erlich's message from being forwarded,[13] this is not relevant to its direct liability for copying. The same argument is true of Klemesrud and any Usenet server. Whether a defendant makes a direct copy that constitutes infringement cannot depend on whether it received a warning to delete the message. This distinction may be relevant to contributory infringement, however, where knowledge is an element. [Contributory infringement will be dealt with in later chapters, Eds.]

The court will now consider two district court opinions that have addressed the liability of BBS operators for infringing files uploaded by subscribers. . . .

. . . g. Conclusion

The court is not persuaded by plaintiffs' argument that Netcom is directly liable for the copies that are made and stored on its computer. Where the infringing subscriber is clearly directly liable for the same act, it does not make sense to adopt a rule that could lead to the liability of countless parties whose role in the infringement is nothing more than setting up and operating a system that is necessary for the functioning of the Internet. Such a result is unnecessary as there is already a party directly liable for causing the copies to be made. Plaintiffs occasionally claim that they only seek to hold liable a party that refuses to delete infringing files after they have been warned. However, such liability cannot be based

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common carrier and could not control who or what was on its system." IITF Report at 122. Here, perhaps, the analogy is not completely appropriate as Netcom does more than just "provide the wire and conduits." Further, Internet providers are not natural monopolies that are bound to carry all the traffic that one wishes to pass through them, as with the usual common carrier. Section 111 of the Copyright Act codifies the exemption for passive carriers who are otherwise liable for a secondary transmission. However, the carrier must not have any direct or indirect control over the content or selection of the primary transmission In any event, common carriers are granted statutory exemptions for liability that might otherwise exist. Here, Netcom does not fall under this statutory exemption, and thus faces the usual strict liability scheme that exists for copyright. Whether a new exemption should be carved out for online service providers is to be resolved by Congress, not the courts.

[13] The court notes, however, that stopping the distribution of information once it is on the Internet is not easy. The decentralized network was designed so that if one link in the chain be closed off, the information will be dynamically rerouted through another link. This was meant to allow the system to be used for communication after a catastrophic event that shuts down part of it.

on a theory of direct infringement, where knowledge is irrelevant. The court does not find workable a theory of infringement that would hold the entire Internet liable for activities that cannot reasonably be deterred. Billions of bits of data flow through the Internet and are necessarily stored on servers throughout the network and it is thus practically impossible to screen out infringing bits from noninfringing bits. Because the court cannot see any meaningful distinction (without regard to knowledge) between what Netcom did and what every other Usenet server does, the court finds that Netcom cannot be held liable for direct infringement. Cf. IITF Report at 69 (noting uncertainty regarding whether BBS operator should be directly liable for reproduction or distribution of files uploaded by a subscriber).[19]

2. Contributory Infringement

Netcom is not free from liability just because it did not directly infringe plaintiffs' works; it may still be liable as a contributory infringer. [Issues of contributory and vicarious infringement will be taken up in later chapters. Eds.]…

4. First Amendment Argument

Netcom argues that plaintiffs' theory of liability contravenes the First Amendment, as it would chill the use of the Internet because every access provider or user would be subject to liability when a user posts an infringing work to a Usenet newsgroup. While the court agrees that an overbroad *injunction* might implicate the First Amendment, imposing *liability* for infringement where it is otherwise appropriate does not necessarily raise a First Amendment issue. The copyright concepts of the idea/expression dichotomy and the fair use defense balance the important First Amendment rights with the constitutional authority for "promot[ing] the progress of science and useful arts," U.S. Const. art. I, § 8, cl. 8. Netcom argues that liability here would force Usenet servers to perform the impossible—screening all the information that comes through their systems. However, the court is not convinced that Usenet servers are directly liable for causing a copy to be made, and absent evidence of knowledge and participation or control and direct profit, they will not be contributorily or vicariously liable. If Usenet servers were responsible for screening all messages coming through their systems, this could have a serious chilling effect on what some say may turn out to be the best public forum for free speech yet devised.

C. Conclusion

The court finds that plaintiffs have raised a genuine issue of fact regarding whether Netcom should have known that Erlich was infringing their copyrights after receiving a letter from plaintiffs, whether Netcom substantially participated in the infringement, and whether Netcom has a valid fair use defense. Accordingly, Netcom is not entitled to summary judgment on plaintiffs' claim of contributory copyright infringement. However, plaintiffs' claims of direct and vicarious infringement fail. . . .

[19] Despite that uncertainty, the IITF Report recommends a strict liability paradigm for BBS operators. See IITF Report at 122–24. It recommends that Congress not exempt on-line service providers from strict liability because this would prematurely deprive the system of an incentive to get providers to reduce the damage to copyright holders by reducing the chances that users will infringe by educating them, requiring indemnification, purchasing insurance, and, where efficient, developing technological solutions to screening out infringement. Denying strict liability in many cases would leave copyright owners without an adequate remedy since direct infringers may act anonymously or pseudonymously or may not have the resources to pay a judgment.

IV. ORDER

The court denies Netcom's motion for summary judgment and Klemesrud's motion for judgment on the pleadings, as a triable issue of fact exists on the claim of contributory infringement. Plaintiffs' application for a preliminary injunction against defendants Netcom and Klemesrud is denied.

Questions:

1.) "Netcom correctly distinguishes *MAI* on the ground that Netcom did not take any affirmative action that directly resulted in copying plaintiffs' works other than by installing and maintaining a system whereby software automatically forwards messages received from subscribers onto the Usenet, and temporarily stores copies on its system." This is a distinction. Did the technician who turned on a computer in order to service it take such an affirmative action? What vision of strict liability does *Netcom* espouse?

2.) Is *Netcom* a.) ingenious, b.) a mangling of precedent, c.) correct, or all three?

3.) What would Judge Boudin think? Should those thoughts be left to Congress? Or is that what the common law does, and has always done?

4.) Why does the court mention the reach of defamation law in the context of the First Amendment?

5.) *Netcom*—though a District Court case ingeniously distinguishing binding precedent in its own Circuit—anticipates some of the broad outlines of the compact that now governs the Internet. We will see in later chapters that limitations of liability are fundamental to that compact. Judge Whyte's decision, with its focus on "actual knowledge" and merely "installing and maintaining a system," suggests the lines that were ultimately drawn. Is there any suggestion in the opinion that he was focused on those ultimate issues and aware of the stakes? Where precisely?

James Boyle, The Internet Threat

Please read The Public Domain *pp 54–63*

The conventional wisdom is that governments respond slowly to technological change. In the case of the Internet, nothing could be further from the truth. In 1994 and 1995, "dot-com" was still a mystical term for many. Most stories about the Internet dealt with sexual predation rather than possibilities of extreme wealth. Internet commerce itself was barely an idea, and some of the most exciting sites on the Web had pictures of coffeepots in university departments far away. ("See," one would proudly say to a technological neophyte friend when introducing him to the wonders of the Net, "the pot is empty and we can see that live from here! This changes everything!") It was an innocent time. Yet the U.S. government was already turning the wheels of intellectual property policy to respond to the threat (and promise) of the Internet. More precisely, they were trying to shape the future of the cumbersomely named "National Information Infrastructure," the official name for the "information superhighway" that it was presumed would replace the "immature" technology of the Net. The government was wrong about that, and about a lot else.

The blueprint for new intellectual property policy online came from the Patent and Trademark Office. That office promulgated first a Green Paper and then, after further

hearings, a White Paper, on "Intellectual Property and the National Information Infrastructure." As policy and legal documents these are in one sense long out of date. Some of their legal arguments were successfully challenged. Some of their most important proposals were rejected, while many others have become law. But as a starting point from which to trace the frame of mind that has come to dominate intellectual property policy online, they are hard to equal. These documents contained proposals that nowadays would be seen as fairly controversial. Internet service providers were said to be "strictly liable" for copyright violations committed by their subscribers; that is to say, they were legally responsible whether or not they knew about the violation or were at fault in any way. Loading a document into your browser's transient cache memory while reading it was said to be making a "copy." There was more: the beginnings of what later became the Digital Millennium Copyright Act, making it illegal to cut through the digital fences which content providers put around their products. The attitude toward fair use was particularly revealing. At one point in the White Paper it was hinted that fair use might be a relic of the inconveniences of the analog age, to be discarded now that we could have automated fractional payments for even the most insignificant use. (It was noted, however, that some disagreed with this conclusion.) At another point, fair use was described as a "tax" on rights holders and a "subsidy" to those who benefited from it, such as educational institutions. The White Paper also suggested that while any potential loss to rights holders caused by the new technology needed to be countered with new rights and new protections, any potential gain to them through the new technology was simply theirs. Potential gain did not offset the need to compensate for potential loss.

So what views of intellectual property were we carrying forward into the Internet age? Intellectual property is just like other property. Rights are presumptively absolute. Any limitations on them, such as fair use, are taxes on property owners, subsidies to the society at large. It sounds like a perfect time to administer the Jefferson Warning I sketched out in Chapter 2. After all, Jefferson was specifically warning against each of these errors two hundred years ago. To find them in a student paper would be disappointing—irritating, even. But this document was the blueprint for the intellectual property regime of cyberspace.

But do these mistakes matter? How important is it that we get the rules of intellectual property right? To me, a number of my colleagues, some librarians, a few software gurus, the White Paper was more than just a bit of bad policy in a technical field—like a poorly drafted statute about the witnessing of wills, say. When you set up the property rules in some new space, you determine much about the history that follows. Property rules have a huge effect on power relationships and bargaining positions. Think of rules setting out water rights or the right to drive cattle over homesteaders' land in the American West. But they also are part of a larger way of seeing the world; think of the early-twentieth-century rules treating unions as "conspiracies in restraint of trade" or the Supreme Court decisions that dispossessed the American Indians on the theory that they did not comprehend the concept of property and thus did not "own" the land being taken from them. We were at a comparable point in the history of cyberspace. What was being set up here was a vision of economy and culture, a frame of mind about how the world of cultural exchange operates, and eventually a blueprint for our systems of communication. At this stage, the range of possibilities is extremely wide. A lot of different choices could be made, but subsequent changes would be harder and harder as people and companies built their activities around the rules that had been laid down. This was, in short, a tipping point where it was particularly important that we make the right decisions. . . . *Read the rest*

Question:

1.) Boyle argues that the proposals that would have imposed strict liability on all internet intermediaries—in part based on the logic of *MAI*, that even transient copies count as copies, and copyright is a strict liability system—would have destroyed the internet as we know it. ISPs, search engines, social media sites, cyberlockers—all would be liable for any unauthorized copy on their systems, regardless of knowledge or volition. But would this not have been the appropriate solution? After all, we impose strict liability on manufacturers and sellers of products and hold them liable even where the defect that causes harm could not have been detected or prevented. The theory is that they should internalize the loss and that this will cause them to take appropriate safety precautions for those harms that can be prevented and to pay for those harms that cannot. Why not here? Would this not have saved the copyright industries from all the harm they have suffered from rampant downloading?

Notes

In the 2008 case *Cartoon Network v. CSC Holdings* (often referred to as the "*Cablevision*" case—Cablevision was one of the defendants), the Second Circuit limited one aspect of *MAI*'s holding regarding fixation. As a reminder, the Copyright Act defines fixation as follows:

> A work is "fixed" in a tangible medium of expression when its embodiment in a copy or phonorecord, by or under the authority of the author, is sufficiently permanent or stable to permit it to be perceived, reproduced, or otherwise communicated for a period of more than transitory duration.

The *Cartoon Network* court read this definition as follows: "We believe that this language plainly imposes two distinct but related requirements: the work must be embodied in a medium, i.e., placed in a medium such that it can be perceived, reproduced, etc., from that medium (the 'embodiment requirement') and it must remain thus embodied 'for a period of more than transitory duration' (the 'duration requirement')." It distinguished *MAI* by finding that it only applied the first requirement: "We do not read *MAI Systems* as holding that, as a matter of law, loading a program into a form of RAM *always* results in copying. Such a holding would read the 'transitory duration' language out of the definition, and we do not believe our sister circuit would dismiss this statutory language without even discussing it." Accordingly, it held that "buffering" the data that comprised a movie or TV show for no more than 1.2 seconds did not create a fixed "copy" and was therefore not a "reproduction" and not infringing. ("Buffering" temporarily stores data while it is being transferred—you have seen it in action when the progress bar at the bottom of your video inches ahead of what you're watching.) In addition to amending *MAI*, *Cartoon Network* also adopted *Netcom*'s volitional copying requirement, finding that "volitional conduct is an important element of direct liability." This allowed it to hold that a DVR system was not subject to direct liability even when it made "fixed" copies in the course of streaming video, because it was the *customer* ordering the video, and not the system, that engaged in volitional conduct.