

# **U.S. Response to Questionnaire on Copyright and Freedom of Expression**

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## **Questionnaire**

### **1.- Explain (and comment on) the place of copyright in your Constitution and how does it relate to freedom of expression.**

- *Are there any provisions in your Constitution (or in any especial laws dealing with fundamental rights) which deal with copyright? Under what terms? Is copyright a fundamental right? Is it granted to all authors, both national citizens and foreigners? Please provide a translation of the relevant constitutional text in English or French.*

Art. I Sec. 8 Cl. 8 of the U.S. Constitution states: “The Congress shall have Power...To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries.”

Copyright is not a fundamental right in that the constitutional language regarding copyright empowers Congress to protect writings, but does not require that such protection be provided. Nevertheless, the United States has had a copyright law since 1790.

The Constitution does not require equal treatment of U.S. and foreign authors, and not until 1891 did the United States grant rights to foreign authors under U.S. copyright laws. Currently, §104 of the Copyright Act<sup>3</sup> provides the framework for copyright protection dependent on national origin. It specifies that all unpublished works, by authors both national and foreign, are protected. Published works are protected for all U.S. nationals and domiciliaries, and for all works first published in the U.S. An author who is a national or domiciliary of a foreign

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<sup>3</sup> The Copyright Act is codified in Title 17 of the United States Code, and all statutory references herein are to Title 17, unless otherwise noted. The text of the Copyright Act is available at <http://www.copyright.gov/title17/>.

nation may claim copyright protection if that foreign nation is a party to a copyright treaty with the United States.

- *Indicate any other provisions in your Constitution that may be related, directly or indirectly, to copyright. For instance, dealing with freedom of expression (and freedom of creation) or any other fundamental right such as freedom of information, access to culture, or private property, privacy rights, etc...*

The First Amendment to the U.S. Constitution provides: “Congress shall make no law... abridging the freedom of speech, or of the press...” Freedom of expression is constitutionally protected for U.S. citizens against abridgement by both the federal government, and the state governments (through incorporation by the Fourteenth Amendment).

- *What importance does your system give to the integration of copyright into the Constitution, and especially with the freedom of expression? Does one prevail upon the other? Do they complement each other? Is one a pre-condition for the other? May a work that results from an act which contravenes (i.e., goes beyond) the freedom of expression, be protected and entitled to all rights?*

The copyright clause is the only provision in the body of the Constitution to articulate the power granted to the federal government to achieve a public objective by securing the rights of individuals. (Other individual “rights,” including those of free speech set out in the First Amendment, are found in the Bill of Rights enacted shortly following the ratification of the Constitution.) As a result, copyright is sometimes called “the engine of free expression,” because the limited monopoly serves as an incentive to create works of authorship. Harper & Row, Publishers, Inc. v. Nation Enterprises, 471 U.S. 539, 558 (1985). Exclusive rights in expression can sometimes be in tension with freedom of expression, but copyright’s built-in limitations have so far been deemed sufficient to reconcile the two guarantees.

One of the copyright limitations that accommodates freedom of expression is the idea/expression dichotomy, codified in §102(b) of the Copyright Act. This doctrine provides that while an author’s particular expression of an idea is protected against appropriation, the facts and ideas underlying the work may be freely used. By encouraging the creation of new works, copyright promotes the flow of new ideas into society, which ideas can then be used freely to create new speech.

Copyright also accommodates freedom of expression through its fair use exception, which allows the public to copy and/or communicate protected expression under certain circumstances in order to promote the advancement of knowledge and culture.

Copyright protects all works of authorship regardless of their artistic or social merit.

- *Is there any case law addressing this matter? How has case law participated in defining the relationship between copyright and fundamental rights, in general, and freedom of expression, in particular? What are the most innovative contributions? Explain and cite specific cases, if applicable.*

Harper & Row, Publishers, Inc. v. Nation Enterprises, 471 U.S. 539 (1985): The Supreme Court here found that copyright is complementary, not contradictory, to the freedom of expression. This was a case of claimed fair use for quotations. The plaintiffs owned the copyright on a former president's memoirs, and had sold the exclusive right to print prepublication excerpts to a national magazine. Another magazine acquired a copy of the manuscript and published an article consisting of quotes, paraphrases, and facts drawn from the manuscript, leading the first magazine to cancel its contract. As explained in Question 6 below, the Court found that this was not fair use. The Court noted that copyright promotes free expression by establishing a marketable right to the use of that expression, thereby supplying the economic incentive to create and disseminate works. The Court also noted that freedom of expression protects not only the right to speak, but the right to remain silent. Copyright protection reinforces that right by preventing an author's expression from being taken and published against his or her will.

Eldred v. Ashcroft, 537 U.S. 186, 219 (2003): In rejecting a constitutional challenge to the Copyright Term Extension Act, the Supreme Court found freedom of expression and copyright complementary in several ways. First, the Court explained that the idea/expression dichotomy balances the tension between the two rights by permitting free communication of facts while still protecting an author's expression. The Court also noted that the fair use doctrine, along with other statutory exceptions to copyright – for preservation, libraries and the like – work as safeguards to prevent conflicts with the First Amendment. Finally, the Court found that the First Amendment protects the right to make or refrain from making one's own speech, but that it bears less heavily when speakers assert the right to make other people's speeches. In this way, one author's monopoly over his own particular expression does not strongly interfere with others' freedom of expression.

- *What positions do commentators adopt on this topic?*

Commentators on this topic take a wide range of positions. On one end of the spectrum, commentators like Paul Goldstein believe that copyright is the ideal partner to free speech. Goldstein argues that the idea/expression dichotomy creates a commons of ideas overflowing with content free for the taking, and that this commons is what drives the continuing progress of our rich and varied culture. See Paul Goldstein, "Copyright's Commons," 29 Colum J.L. & Arts 1, 2-3 (2005). Other commentators, like Lawrence Lessig, take a different stance. Lessig argues that the great expansion of copyright protection over the centuries has unbalanced the accommodation of free speech that copyright was meant to embody. Continual additions to the copyright monopoly, Lessig argues, do nothing to promote creation, only handing more power to a few corporations in control of our culture. Lessig sees this as changing copyright from an engine of free speech to a restraint upon it. See Lawrence Lessig, "Copyright's First Amendment," 48 UCLA L. Rev. 1057 (2001).

Despite the views of commentators like Lessig, no court to date has found a copyright–First Amendment conflict.

**2.- Indicate which are the general copyright statutes in your country, or any other statutes in other fields of law (contract law, liability law, press and media regulation, etc.) that may affect copyright.**

Federal copyright law may be found in Title 17 of the United States Code; 18 U.S.C. §2319 imposes federal criminal sanctions on copyright infringement.

§301 preempts most state copyright law. Some specific areas remain open for states to extend copyright-like protection. For instance, states may protect works not fixed in a tangible medium, and may continue to extend rights and remedies for sound recordings fixed before February 15, 1972, until the end of 2067.

Other types of federal intellectual property law may overlap with copyright or affect copyrighted works. These include trademark law (found in Title 15, Chapter 22 of the United States Code), and patent law (found in Title 35 of the United States Code). (There are also state trademark and unfair competition laws.) See also our response to Question 11, below.

Contract law may also affect copyright rights. Some aspects of contracts concerning copyrighted works are addressed in the copyright law, but much of contract law as it affects copyrighted works is not statutory, but is found in the common law created by the courts. Recently, courts have confronted, but declined to rule, whether a mass-market license that forbids the “licensee” to publish statements “critical of the entertainment industry or of [Disney] . . . or of any motion picture produced or distributed by [Disney] . . .” should be denied enforcement on grounds of “copyright misuse.” See Video Pipeline, Inc. v. Buena Vista Home Entertainment, Inc., 342 F.3d 191, 203 (3d Cir 2003).

**3.- How is the subject matter of copyright defined, and to what extent is such definition aimed at protecting (or related to) freedom of expression?**

- *Is the definition statutory? What role does case law play in the development of the definition?*

The subject matter of copyright is defined in the statute at §§102-105. In general, 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.” §102(a). Categories of works of authorship include: literary works; musical works, including any accompanying words; dramatic works, including any accompanying music; pantomimes and choreographic works; pictorial, graphic, and sculptural works; motion pictures and other audiovisual works; sound recordings; and architectural works.

Case law plays an active role in helping to refine the details of the statutory definition of subject matter. For example, the phrase “original works of authorship” is left undefined in the statute, but the definition has been developed through case law (discussed in the next section).

- *How and to what extent are ideas, facts and etc. excluded from the subject matter of copyright? May freedom of expression (or other fundamental rights) affect the interpretation of the very concept of “protected work”? For instance, is the concept of originality linked to the exercise of the freedom of expression, in the sense that artistic works are deemed original more easily than other kind of works? Cite and explain any statutory provisions and case law that may be relevant.*

Ideas and facts are expressly excluded from the subject matter of copyright in the statute. §102(b) states that “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....”

The threshold for originality is low. Original 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... even a slight amount will suffice.” Feist Publications, Inc. v. Rural Telephone Service, 499 U.S. 340, 345 (1991).

The concept of what constitutes a protected work is generally not influenced by freedom of expression, although the scope of protection is limited by §102(b), as discussed above. In rare cases courts have determined that because the idea underlying a work can be expressed in only one or a very few ways, the idea and expression have “merged” and the expression will not be protected. See, e.g. Ets-Hokin v. Skyway Spirits, 225 F.3d 1068, 1082 (9th Cir. 2000).

Both the threshold for originality and protection under the First Amendment are largely inclusive. Neither, for example, favors works of “art” over other forms of expression. The Supreme Court has held that the low threshold of originality serves the Copyright Act’s purpose by removing from judges the decision of what constitutes “art.” Bleistein v. Donaldson Lithographing Co., 188 U.S. 239 (1903).

- *In your system what kind of protection is granted to compilations of factual works and data<sup>4</sup>? For instance, the “sui generis” right on databases: has your country –be it a EU member or not– implemented it? Is there any case law on the matter? How is such protection affecting the exercise of the freedom of expression, in terms of creating new works and/or accessing and using the information contained in them. Cite and explain any relevant provision or case law.*

Copyright law does not protect the contents of compilations of facts or data (as opposed to their selection or arrangement). Section 103(b) states that the copyright “in a compilation or derivative work extends only to the material contributed by the author of such work, as distinguished from the preexisting material employed in the work, and does not imply any exclusive right in the preexisting material.”

Case law affirms that only the creative work of a compiler is protected; the underlying facts are not. In Feist Publications, Inc. v. Rural Telephone Service, 499 U.S. 340 (1991), the Supreme Court ruled that originality is a constitutional requirement of copyright protection. Since no person may claim originality as to facts, the facts in a compilation are free to be taken and used by others.

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<sup>4</sup> Notice we are not referring to the protection of the creative elements of such compilations (i.e., structure, indexation, etc that may deserve copyright protection), but rather to the protection (be it “sui generis” or of another nature) conveyed upon the contents (which may be facts and data) of the compilation.

Several attempts have been made to pass a database protection law at the federal level, in order to provide additional protection outside of copyright, but none has yet succeeded. However, it is possible that de facto database protection may be achieved at least in part through extra-copyright claims, such as under the Computer Fraud and Abuse Act, 18 U.S.C. §1030.

**4.- What exclusive rights are the authors granted under your copyright system?**

- *List them. Provide the statutory language in English or French.*

The exclusive rights of the copyright owner are listed in §106. They are:

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

- *What is the scope of the exploitation rights under your law? How is exploitation defined? Is copyright seen as an all-encompassing right which covers any exploitation of a work, or is the copyright holder entitled to a bundle of rights which, although probably extensive, do not necessarily cover all kinds of exploitation of a work? Is there any distinction between exploitation and mere (some may say “consumptive”) use? If so, on what grounds is such distinction made? Cite and explain any statutory provisions and case law that may be relevant.*

Copyright law does not grant copyright holders an all-encompassing “exploitation right” that covers any exploitation of a work; rather, copyright holders are given a bundle of rights (listed above) that cover many kinds of exploitations. When new forms of exploitation arise, it is up to the courts, and to Congress, to determine whether they are or should be within the scope of the copyright holder’s rights.

- *In most copyright laws, the right of adaptation is envisioned to allow for subsequent creation (to adapt or transform the work). What is the scope of the adaptation right, if applicable, under your law? Is it granted as an exclusive right (in the sense that each derivative work requires prior authorization)? Which rationales (amount of use? substantiality? etc) are used to determine that a new work has been created? Cite and explain any statutory provisions and case law that may be relevant.*

The copyright statute grants the exclusive right to the owner to prepare derivative works based upon the copyrighted work. §106(2). “Derivative work” is defined as “a work based upon one or more preexisting works, such as a translation, musical arrangement, dramatization, fictionalization, motion picture version, sound recording, art reproduction, abridgement, condensation, or any other form in which a work may be recast, transformed, or adapted. A work consisting of

editorial revisions, annotation, elaboration, or other modification, which, as a whole, represent an original work of authorship, is a ‘derivative work’.” §101.

One limitation on the exclusive right to create derivative works is provided by §115, which impose a compulsory license (often referred to as a “mechanical license”) for the creation and distribution of phonorecords of nondramatic musical works. Under this section, nondramatic musical works which have been distributed to the public by the copyright owner are subject to compulsory licenses—any other person may obtain a license, without the need for the agreement of the owner, to make and distribute phonorecords of the work, provided the statutory conditions (including payment of a set royalty) are met. The licensee may make “a musical arrangement of the work to the extent necessary to conform it to the style or manner of interpretation of the performance involved, but the arrangement shall not change the basic melody or fundamental character of the work.” However, the statute goes on to provide that the new work created pursuant to the compulsory license is not entitled to copyright protection as a derivative work unless the copyright owner and the musical arranger reach a negotiated agreement.

- *What is the term of protection of works, under your law? Once the work is in the public domain, is there any other protection (be it under copyright or elsewhere) that may still be enforceable, thus limiting ability of the public to freely use it? For instance, how can the moral right of integrity, if applicable, affect the public domain? Cite and explain any statutory provisions and case law that may be relevant.*

The term of protection for copyrighted works is found in §§301-305. Works of authorship created on or after January 1, 1978 are protected from creation for a term of the life of the author and 70 years after the author’s death. Works made for hire, anonymous and pseudonymous works have a term of 95 years from publication or 120 years from creation (whichever expires first).

Works created prior to 1978 have different copyright terms, as follows:

U.S. works which were published between 1964 and 1977 with notice of copyright have a first term of 28 years, which began on the date of publication with notice of copyright, and a renewal term of 67 years, which commenced automatically, for a total term of 95 years from publication.

U.S. works which were published between 1923 and 1963 with notice of copyright have a first term of 28 years, which began on the date of publication with notice of copyright, and a renewal term of 67 years, provided a renewal application was filed in the Copyright Office by the copyright owner. If the renewal application was not filed in the 28<sup>th</sup> year, the work is now in the public domain.

Copyright in all works published before 1923 has expired and these works are now in the public domain.

Works which were created, but not published, before 1978 have terms of protection which began on January 1, 1978, and which last for at least the life of the author plus 70 years, with the earliest expiration date being December 31,

2002 (if the work remained unpublished) or December 31, 2047 (if the work was published by the end of 2002).

Section 104A of the statute restores copyright protection to foreign copyright holders whose works were still protected in their own country when they became eligible for U.S. restoration (e.g., because the source country became a member of the WTO), but had entered the public domain in the U.S. There are a number of reasons these works had fallen into the public domain, including failure to comply with the U.S. copyright formalities, absence of prior subject-matter protection (such as sound recordings fixed before 1972), or prior failure of the U.S. to recognize copyrights from that country. Section 104A functions automatically, and the term of protection in these works is the remainder of the U.S. copyright term that would have been granted if the works had not gone into the public domain.

After a work enters the public domain, it retains no copyright protection, allowing anyone to copy or use it without the original owner's permission. However, there are other types of legal protection that may affect the work, or certain uses of it. For example, the work may be protected by trademark or unfair competition, the rights of privacy and publicity, or trade secret and contract law. See our response to Question 11, below.

#### **5.- The system of exceptions and limitations under your law. General framework.**

- *Does your law provide for a list of specific statutory exceptions/limitations to copyright or for an open system of exceptions/limitations? Or both? If open, how (under which criteria) are they defined and limited? If listed, is it an open list? Is there still room for exceptions/limitations outside the statutory list or not? And how is case law "adjusting" the open system or the listed exceptions/limitations to the new challenges opened by digital technologies?*

The statute contains a specific list of exceptions in §§108-122. Fair use, codified in §107 and discussed in our response to Question 6 below, is an open-ended exception that allows a court to excuse a use that is deemed fair based on factors and criteria set out in the statute (as well as additional factors a court may consider relevant) applied to the facts of a particular case. There is a substantial body of case law concerning "fair use."

- *Identify and try to classify the exceptions/limitations according to the purposes or principles deemed to justify them (i.e., teaching or research; free speech; information; private use; some specific social action etc.) To what extent are such principles (justifications) defined in the statutes or are they "interpreted" by courts and/or commentary?*

Many limitations under the U.S. system are multi-faceted and don't fit neatly into a single category. For example, fair use, discussed in our response to Question 6 below, can theoretically be justified by principles of teaching and research, free speech, information, private use, and so on (it will be discussed below mostly in the context of free speech). This is true of many other exceptions as well.

Limitations for teaching, scholarship, research:

§108 allows qualified libraries and archives to make and distribute non-commercial copies for preservation or research purposes, under specific conditions.

§§110(1) & (2) allow performance and display of copyrighted works, through transmissions or otherwise, in connection with nonprofit teaching activities, under specific conditions.

Fair use

Limitations to support freedom of information:

The exceptions listed above under teaching, scholarship, research can also be thought of as promoting the freedom of information.

The idea/expression dichotomy, as discussed in our response to Question 1 above, removes ideas and facts from the scope of copyright protection, thereby supporting the free availability of information in society.

§105 provides that works of the United States Government are not protected by copyright.

Limitations for specific social action or purpose:

§110(3) allows places of worship to perform or display certain works during the course of services.

§110(4) allows performance of nondramatic literary or musical works if the performance is noncommercial or the proceeds are used exclusively for educational, religious, or charitable purposes.

§§110(8), (9) & §121 allow exceptions to performance, reproduction, and distribution rights for the benefit of blind and handicapped persons.

§118 provides limitations for use of certain works in connection with non-commercial broadcasting.

§120(a) permits the two-dimensional representation (whether or not for commercial purposes) of an architectural work if the building in which the work is embodied is located in or visible from a public place.

Limitations for private use:

§§109(a) & (c) give the owner of a legal copy of a work the right to sell, dispose of, or display (at the place the copy is located) that copy without permission of the copyright owner.

§1008 provides immunity from suit for analog audio private copying and certain narrowly-defined kinds of digital audio private copying.

Limitations concerning activities that are necessary accessories to other permitted actions and economically reasonable:

§110(7) allows business that sell nondramatic musical works to perform those works for the purpose of promoting the sale of copies of the works or of the consumer electronic equipment on which the works are played.

§112 allows broadcasters that have obtained the legal right to perform or display a work the limited right to copy the work in order to facilitate the transmission.

§§113(c) allows the making, distribution, and display of pictures of copyrighted works reproduced in useful articles for purposes of advertisement or commentary related to distribution or display of such articles.

§113(d) and §120(b) provide limitations where a work of visual art has been incorporated into a building or a building embodies an architectural work.

§117 allows the owner of a copy of a computer program to make a copy or adaptation of that program when it is created as an essential step in the use of the program, or for archival purposes. It also allows in some circumstances for copying in the course of maintenance or repair of a computer.

§512 provides an exception for internet service providers (ISPs) by protecting them from liability for copyright infringements committed by their subscribers so long as they comply with the terms of the law and follow certain procedures (e.g., “notice and takedown”).

Compulsory licenses:

Compulsory licenses may be justified by transaction costs of negotiating licenses, the force of certain industry sectors, or other factors.

§111 governs compulsory licenses with respect to certain cable system transmissions.

§114(d)(2) governs compulsory licenses for broadcasters.

§115 governs compulsory licenses for making and distributing phonorecords of nondramatic musical works.

§116 governs licenses for operators of coin-operated phonorecord players.

§§ 119 & 122 govern satellite carrier statutory licenses.

Miscellaneous (not justified by any generally relevant social purpose):

§110(5) allows certain businesses to use devices like televisions and radios to perform or display certain works.

§110(6) gives government bodies and nonprofit agricultural or horticultural organizations the right to perform nondramatic musical works at an annual agricultural or horticultural fair or exhibition.

§110(10) gives limitations for nonprofit veterans organizations or fraternal organizations.

§111(a)(1) allows hotels to play works in the private lodgings of guests if no direct charge is made to the guests.

- *Have there been any significant developments in the approach towards exceptions/limitations over the last few decades, and more particularly in recent years as a result of the WCT and WPPT 1996 Treaties and, where applicable, the EU Directive 2001/29/EC on Copyright in the Information Society?*

There have been some recent expansions in copyright limitations prompted by concerns over new technologies. The TEACH (Technology, Education, and Copyright Harmonization) Act in 2002 expanded the allowable use of copyrighted material in distance education, particularly over the internet. The Act allows teachers and students at accredited, nonprofit educational institutions to transmit performances and displays of copyrighted works as part of a course if certain conditions are met. (The TEACH Act is discussed further in our response to Question 7, below.)

The DMCA (Digital Millennium Copyright Act) of 1998 updated the limitations for libraries. Prior to enactment of the DMCA, the Copyright Act permitted qualified libraries and archives, under certain conditions, to make a single facsimile copy of a work for purposes of preservation or replacement or to furnish to users for scholarship or research. The DMCA changed the statute to permit up to three copies for preservation and replacement purposes. Those copies may be made in digital form, in recognition of the changing practices of libraries and archives, provided they are not made available to the public outside the library premises. In addition, libraries are permitted to copy a work into a new format if

the original format becomes obsolete—that is, if the machine or device used to render the work perceptible is no longer manufactured or is no longer reasonably available in the commercial marketplace. Many in the library community, however, would argue that Congress did not go far enough to meet their needs.

The Sonny Bono Copyright Term Extension Act of 1998 also expanded library exceptions. It gave libraries a limited right to use works in the last 20 years of their copyright term for purposes of preservation, scholarship or research, if the works are not subject to normal commercial exploitation or are not available at a reasonable price. (Limitations regarding libraries and archives are discussed further in our response to Question 7, below.)

The doctrine of fair use, which is constantly developing under the case law, has also in recent times responded to changing technologies. Many ordinary consumers now possess the technology to quickly and easily reproduce a copyrighted work in its entirety. Fair use has thus had to confront the question of whether copying of complete works for personal use can be fair use. The courts have decided that in some instances it can. For example, in Sony Corp. of America v. Universal City Studios, Inc., 464 U.S. 417 (1984), the Supreme Court held that private, non-commercial home videotaping of free broadcast television programs was non-infringing fair use. Similarly, in Kelly v. Arriba Soft Corp., 336 F.3d 811 (9<sup>th</sup> Cir. 2003), the Ninth Circuit held that copying entire photographs to create thumbnail images for use on an internet search page was fair use, because the thumbnails could not substitute for the original photographs. However, a recent case with similar facts reached a different holding, where a marketable use for thumbnails was demonstrated. In Perfect 10 v. Google, Inc., 2006 U.S. Dist. LEXIS 6664 (C.D. Cal. 2006), the court noted that the copyright holder had shown a potential market for reduced-size copies of his images (nude photographs)—the images were being purchased by consumers to use as backgrounds on their mobile phones. Since the search engine’s thumbnails could substitute for this purpose, the case for fair use was weakened.

The expanding effect of new technologies on fair use is not unlimited. Especially in the field of music, courts have been less willing to find a fair use exception for private, unauthorized copying of entire works. In BMG Music v. Gonzalez, 430 F.3d 888 (7<sup>th</sup> Cir. 2005), the Seventh Circuit found that consumer downloading of full songs from the internet without payment is a violation of the Copyright Act, whether or not the consumer owns a legitimately purchased copy of the work. In A&M Records v. Napster, Inc., 239 F.3d 1004 (9<sup>th</sup> Cir. 2001), the Ninth Circuit found no error in the lower court's conclusion that plaintiffs would likely succeed in establishing that neither uploaders nor downloaders on peer-to-peer file-sharing networks were entitled to the fair use defense.

The WCT and the WPPT indirectly led to a new exception in the Copyright Act to limit the liability of internet service providers (ISPs). The treaties left open the question of the liability of ISPs, but while legislation to implement the treaties in

the U.S. was under consideration, internet service providers in the U.S. heavily lobbied Congress to add an exception for their activities. When passed, the DMCA included the addition of a new §512 to the copyright statute. Section 512 protects ISPs from liability should one of their subscribers put infringing material online, as long as the ISPs follow certain procedures and takes down infringing material when notified of its presence. Section 512 is discussed in detail in the U.S. response to the Questionnaire concerning liability of Internet intermediaries, prepared for the 2004 ALAI Study Days in Oaxaca, Mexico.

- *Are there any projects currently under consideration involving possible amendments or developments in the field of copyright exceptions/limitations or that, in general, may affect the relationship between copyright and fundamental rights? Indicate the fields and the way in which the amendment is expected.*

Legislation dealing with orphan works is likely to be introduced soon (discussed in the following section).

There is legislation pending which, if passed, would affect the understanding of the Constitutional limits of copyright. The Public Domain Enhancement Act, H.R. 2408, was introduced in the House on May 17, 2005, and referred to the House Committee on the Judiciary. The bill declares that current protection terms exceed Constitutional limits by allowing abandoned works to remain protected and ineligible for use by third parties for excessive lengths of time. If passed, the bill would allow published works to enter the public domain 50 years after the date of first publication unless the owner pays a \$1 fee to the Register of Copyrights in order to show that the work is not abandoned.

Also pending is the Benefit Authors without Limiting Advancement or Net Consumer Expectations (BALANCE) Act, H.R. 4536, introduced in the House on December 14, 2005, and referred to the House Committee on the Judiciary. If passed, this bill would allow consumers to circumvent technological access restrictions to make fair use of a copyrighted work or to use it on a different digital media device, something the law currently prohibits. The bill would also make non-enforceable any nonnegotiable license in connection with a digital work to the extent that the license restricts or limits any of the exceptions to exclusive rights (see our response to Question 10 below for a discussion of the current legal status of this type of license). Neither the Public Domain Enhancement Act nor the BALANCE Act appears likely to be enacted in the near future.

A group called the Section 108 Study Group, sponsored by the Library of Congress, is currently working to update the limitations for libraries and archives in light of new technologies. This group was formed because the current library and archives exceptions in the Copyright Act were thought to be inadequate to address many of the issues unique to digital media, either from the perspective of rights owners or libraries and archives. The group will make recommendations to the Librarian of Congress by late 2006 on how best to strike the appropriate balance between copyright holders and libraries and archives while serving the public interest. See <http://www.loc.gov/section108/>.

- *Is there any provision or regulation dealing with the so-called “orphan works” (whose copyright owner is difficult to locate)? Is the conflict between copyright and public interest, concerning these works, somehow being addressed, if not by law, by courts and/or commentary?*

During 2005, the Copyright Office studied issues raised by orphan works. Concerns had been raised that the uncertainty surrounding such works might discourage subsequent creators and users from incorporating the works in new creative efforts. After considering public commentary on the issue, the Copyright Office submitted its report to Senate Judiciary Committee on January 31, 2006. See <http://www.copyright.gov/orphan/>.

The Copyright Office has concluded that legislation is necessary to provide a meaningful solution to the orphan works problem. The report contains a recommended solution: if the potential user has performed a reasonably diligent search for the copyright owner but is unable to locate that owner, that user should enjoy limitations on the remedies that a copyright owner could obtain against him if the owner showed up at a later date and sued for infringement. The statutory text proposed by the Copyright Office can be found in Appendix 1.

The report recommends that the reasonably diligent search must be completed before use is made of the work, and that the user have the burden of proving that the search was performed and that it was reasonable. Whether a search was reasonable would be determined on a case-by-case basis, with certain factors being taken into account. If the potential user cannot locate the copyright owner after a reasonable search, and decides to make use of the work, he would also be required provide attribution to the author and copyright owner in a manner reasonable under the circumstances. If the owner should be found, the work would no longer be considered an orphan work, and the usual copyright restrictions would apply.

The report’s recommendations on limitations on remedies in a future lawsuit are as follows: first, monetary relief would be limited to only reasonable compensation for the use, with no monetary relief available where the use was noncommercial and the user ceases the infringement upon notice. Second, the proposal would limit the ability of the copyright owner to obtain full injunctive relief in cases where the user has transformed the orphan work into a derivative work like a motion picture or book. In all other cases, the court would be instructed to minimize the harm to the user that an injunction might impose, to protect the user’s interests in relying on the orphan works provision in making use of the work.

Hearings on the report were held in the House of Representatives before the Subcommittee on Courts, the Internet, and Intellectual Property, Committee on the Judiciary on March 8, 2006, and in the Senate Judiciary Committee on April 6, 2006. No bill on the subject had yet been introduced in either house of

Congress as of April 13, 2006, but it is expected that one or more will be introduced soon.

**6.- Which exceptions/limitations can be identified in your law, or have been designed by case law, to allow for subsequent creation?**

- *For instance, identify the exceptions/limitations for purposes of quotation, parody, etc. Provide the statutory language in English or French.*

The limitations for subsequent creation, including quotation and parody, are found in the fair use doctrine. Fair use is codified at §107, which reads:

Notwithstanding the provisions of sections 106 and 106A, the fair use of a copyrighted work, including such use by reproduction in copies or phonorecords or by any other means specified by that section, for purposes such as criticism, comment, news reporting, teaching (including multiple copies for classroom use), scholarship, or research, is not an infringement of copyright. In determining whether the use made of a work in any particular case is a fair use the factors to be considered shall include--

- (1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;
- (2) the nature of the copyrighted work;
- (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and
- (4) the effect of the use upon the potential market for or value of the copyrighted work.

The fact that a work is unpublished shall not itself bar a finding of fair use if such finding is made upon consideration of all the above factors.

In determining whether a use is fair, a court weighs all the factors listed in the statute in a balancing test; none is dispositive. The first factor, the purpose and character of the use, often looks to whether the use is commercial—if it is, this weighs against a finding of fair use. However, the commercial nature of the work is not dispositive; the courts also look to whether the work is “transformative.” A work is transformative if it adds something new, with a further purpose or different character that gives a new meaning or message to the original work. To the extent that the second work is transformative, this factor will weigh in favor of finding fair use.

The second factor, the nature of the copyrighted work, recognizes that artistic works and works of fiction are closer to the core of intended copyright protection than other works. If a work copies from one of these ‘core’ works, it normally weighs against a finding of fair use. The second factor also looks to whether the first work is published or not. The scope of fair use is narrower with respect to unpublished works.

The third factor, the amount and substantiality of the portion used, involves not only the quantity of the materials used, but also their quality and importance in the original work. Courts look to whether the extent of copying is consistent with or more than necessary to further the purpose and character of the use.

The fourth factor is the effect of the use on the potential market for or value of the original work. In weighing this factor, courts consider the extent of the harm to current and potential markets for the original. The courts also take account of harm to the market for derivative works, understood as those markets that creators of original works would in general develop or license others to develop.

The Supreme Court in Harper & Row Publishers, Inc. v. Nation Enterprises, 471 U.S. 539 (1985) (facts discussed in our response to Question 1 above) applied the four factors of §107 to determine that the prepublication “scooping” of excerpts from a former president’s memoirs was not fair use. As to the first factor, the court found that the fact that the use was for “news” of public interest weighed in favor of fair use, but the commercial nature weighed against a finding of fair use. As to the second factor, the Court noted that the fact that the original was unpublished weighed against fair use because the use infringed the owner’s right to first publication. As to the third factor, the Court found that although the amount taken was an insubstantial percentage, it was the heart of the book, copied verbatim. This weighed against fair use. As to the final factor, the Court found that the effect on market was apparent, since the magazine cancelled its contract and the copyright owner lost the associated payment. The Court therefore concluded that the use was infringement, not fair use. The Court also addressed and rejected the argument that fair use should be broader for works of great importance, such as the former president’s memoirs—if such were the case, the Court noted, the copyright incentive to write would be lost, and the public soon would have nothing worth reading.

The Supreme Court in Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569 (1994) considered fair use in the context of parody. The plaintiff was the copyright owner of a rock ballad entitled “Oh, Pretty Woman”; the defendant was a rap group whose rap song was entitled “Pretty Woman.” The defendant had notified the plaintiff of its intent to “satirize” the original, and although plaintiff refused to agree to the use, the defendant commercially released the rap. The Court determined that the rap was a parody of the original, and clarified the four factors of §107. Parodies, the Court explained, are works that have critical bearing on the substance or style of the original work. As to the first fair use factor, the Court held that parody’s commercial nature weighs against a finding of fair use, but is only one element to be considered in the balancing test. The Court also noted that parody has an obvious claim to transformative value, since its purpose is to add a different character and message to the original work. As to the second factor, the Court held that the nature of the copyrighted work would rarely be a deciding factor in parody cases, since parodies almost always copy publicly-known expressive works. As to the third factor, the Court found that parodies must be allowed to take

enough of the original work to “conjure up” the original and make the object of its wit recognizable. How much more the parodist may take depends on the balance of the other factors. As to the fourth factor, the Court held that it must distinguish between biting criticism that merely suppresses demand, and copyright infringement, which usurps it. Parody may legitimately aim at destroying the original commercially as well as artistically. The Court reversed and remanded to the court below, which had improperly given presumptive weight to the commercial nature of the parody.

- *For each of them, consider: What is its scope? How (to what extent) are the exclusive rights limited by the exception? Are all rights affected equally? What is the justification or rationale for it? Is it limited to specific purposes or uses? Which ones? Does it refer to all kind of works or specific works? Is it subject to specific conditions or rather open? Is it technologically neutral? How well does it apply to digital technologies? Cite and explain any case law that may be relevant*

When a subsequent work has been found to be a fair use, it is deemed not to be an infringement of copyright. In that case, the copyright owner is due no compensation for the use of her original.

The fair use doctrine is based on the belief that the public benefits from the free use of copyrighted works for purposes of commentary, criticism and other socially beneficial purposes, provided those uses do not have a substantial adverse effect on the market for or value of the work. It has been argued that no copyrightable work stands on its own—that everything builds on what has come before it. Without some allowance for the public to use previous works, the copyright owner’s monopoly will stifle the very progress that it is designed to promote. Fair use is also believed to be an important accommodation of the First Amendment (as discussed in our response to Question 1 above). The ability to criticise is considered central to the public’s constitutionally-protected freedom of expression.

- *Which other provisions can be identified in your law, or have been designed by case law, on this issue? Cite and explain any statutory provisions and case law that may be relevant.*

Besides fair use, there are several other limitations for subsequent creation. Section 115 (discussed in our response to Question 4 above) provides for compulsory licenses for certain nondramatic musical works so that these works may be used in creating subsequent musical interpretations. The idea/expression dichotomy (discussed in our response to Question 1 above) encourages subsequent creation by freeing all underlying ideas and facts for use in others’ creative endeavors.

**7.- Which exceptions/limitations can be identified in your law, or have been designed by case law, to ensure access and use of works?**

- *For instance, identify the exceptions/limitations for purposes of information and news, teaching and research, libraries, private (non-commercial) use; and especially how they apply in digital*

*contexts (i.e. digital libraries, press-clippings, blogs, etc.). Provide the statutory language in English or French.*

For access and use by libraries and archives:

Section 108 contains a number of privileges. To qualify for these privileges, the library or archives must be open to the public, or at least to researchers in a specialized field; the reproduction and distribution may not be for commercial advantage; and the library or archives must include a copyright notice on any copies provided.

Section 108(b) allows libraries and archives to make up to three copies of an unpublished copyrighted work “solely for purposes of preservation and security or for deposit for research use in another library or archives.” The work must be currently in the collections of the library or archives, and any copy made in digital format may not be made available to the public in that format outside the library premises.

Section 108(c) allows libraries and archives to make up to three copies of a published work to replace a work in their collections that is damaged, deteriorating, lost or stolen or whose format has become obsolete, if the library determines after reasonable effort that an unused replacement cannot be obtained at a fair price. As with copies of unpublished works, copies in digital format may not be made available to the public outside the library premises.

Section 108 also allows libraries and archives, under certain conditions, to reproduce and distribute to patrons all or part of a copyrighted work. Certain works – including musical works, pictorial, graphic and sculptural works (other than illustrations or similar adjuncts to literary works), and audiovisual works (including motion pictures) are not subject to these reproduction and distribution privileges. Specifically, a library or archive may reproduce and distribute, in response to a user’s request, “no more than one article or other contribution to a copyrighted collection or periodical issue,” or “a small part” of any other copyrighted work from its collection or that of another library or archives. It may also copy all or a substantial portion of a user-requested work if it determines, after reasonable investigation, that a copy cannot be obtained at a fair price. However, these reproduction and distribution privileges have conditions: they apply only if “the library or archives has had no notice that the copy would be used for purposes other than private study, scholarship, or research”; the copy becomes the property of the requesting user (so the exemption does not become a means of collection-building); and the library or archives displays a warning of copyright where it accepts orders.

These exemptions encompass “isolated and unrelated reproduction or distribution of a single copy. . . of the same material on separate occasions” only. Libraries and archives may participate in interlibrary arrangements as long as the practice is

not intended to – and does not – substitute for a subscription to or purchase of the work.

§108(h) is a special provision for use of works whose copyright owners cannot be located, passed when the copyright term was extended by twenty years (from life of the author plus 50 years to life plus 70 years). A library or archive may reproduce, distribute, perform or display in facsimile or digital form a copy of a published work during the last 20 years of its term, for purposes of preservation, scholarship or research. This privilege applies only if the work is not subject to normal exploitation and cannot be obtained at a reasonable price. To take advantage of this privilege, a qualified institution must first make a reasonable investigation to determine that the work meets these criteria and that the copyright owner has not filed a notice to the contrary in the Copyright Office.

See our response to Question 5 above for a discussion of the DMCA amendments to §108.

For teaching and academic use:

Under certain circumstances, §§110(1) & (2) allow performance and display of copyrighted works, both in face-to-face settings in the classroom, and digitally for distance learning. This exception may be invoked only by “a government body or an accredited nonprofit educational institution.” The performance or display must be made “by, at the direction of, or under the actual supervision of an instructor as an integral part of a class session,” offered as part of “systematic mediated instructional activities,” and must be relevant and material to the content of the course. The transmission must be directed to students officially enrolled in the course for which it was made, or officers or employees of governmental bodies as part of their duties. There are additional conditions as well, including provisions related to the security of the copyrighted materials.

See our response to Question 5 above for a discussion of the TEACH Act amendments to this section.

For public access to the workings of the government, §105 provides “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.” The statute in §101 defines a “work of the United States Government” as “a work prepared by an officer or employee of the United States Government as part of that person’s official duties.”

- *For each of them, consider: What is its scope? How (to what extent) are the exclusive rights limited by the exceptions/limitations? Are all rights affected equally? What is its justification or rationale (i.e., fundamental rights, public interest, economic measures, social action, etc)? Is it envisioned for specific purposes and uses? Which ones? Does it refer to all kind of works or specific works? Is it subject to specific conditions or rather open? Is it technologically neutral?*

*How well does it apply to digital technologies? Cite and explain any case law that may be relevant.*

Section 108 is very specific in its scope—as discussed in the previous section, the limitation for libraries and archives is narrowly drawn by the statutory language. The justification for the §108 limitation is to allow libraries and archives to serve the public and ensure the availability of works over long periods of time. The public good is served by ready access to information in public libraries.

Section 110 (1) & (2) for teaching activities are also specific in their scope and narrowly drawn by the statutory language, as discussed in the previous section. The §110 (1) & (2) limitations, similarly to the §108 limitations, are justified by the need to promote science and the useful arts, this time through academic pursuits in educational institutions. The limitation allows teachers to give their students access to works for study and research in a teaching context.

- *Which other provisions can be identified in your law, or have been designed by case law, on this issue? Cite and explain any statutory provisions and case law that may be relevant.*

The relevant provisions are discussed above.

**8.- How are these exceptions/limitations (under questions 8 and 9) being interpreted and applied by courts?** *(Please limit your answer to the extent that has not been dealt with under previous questions)*

- *What is the principle that guides the interpretation of these exceptions/limitations by case law? For instance, are they being interpreted according to their rationales or justifications (that is, according to the general interest or fundamental right that underlies them) or are they being interpreted solely according to other principles (such as, for instance, the principle of restrictive interpretation)?*

Some limitations allow a great deal of room for judicial interpretation. The fair use exception, for example, was originally a judge-made doctrine of reason, designed to limit the copyright monopoly in instances where strict application would “stifle the very creativity which that law is designed to foster.” Stewart v. Abend, 495 U.S. 207, 236 (1990). When it was codified in §107 of the Copyright Act in 1976, the statutory language was intended not to change the doctrine, but to codify it as it had developed. Therefore, when interpreting fair use, judges look to the case law to guide their decisions. The U.S. Supreme Court has addressed the proper approach to the contours of the doctrine in three landmark cases—Sony Corp. v. Universal City Studios, Inc., 464 U.S. 417 (1984); Harper & Row, Publishers, Inc. v. Nation Enters., 471 U.S. 539 (1985); and Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569 (1994). The case law interpretations of fair use are continuously evolving—for a discussion of the evolution of the doctrine in response to new technologies, see our response to Question 5 above.

None of the other statutory limitations leave as much room for judicial discretion in their interpretation as does the fair use doctrine. However, the amount of discretion a court may exercise depends on the clarity of the statutory language of the limitation.

Section 105 is an example of a limitation with little room for judicial interpretation. The principles underlying the denial of protection for works of the government—free access to the law—are relatively clear. Cases interpreting this section usually involve questions of whether a work was created by a government official in the course of his or her employment. See, e.g., Public Affairs Associates, Inc. v. Rickover, 268 F. Supp. 444 (D.D.C. 1967).

Some statutory limitations have portions that are straightforward and allow for little judicial discretion, as well as portions that are less clear, and allow for more judicial discretion. A good example is §117, dealing with limitations for the owner of a copy of a computer program.

Section 117(c) allows the owner of a copy of a computer program to make another copy if it is made “solely by virtue of the activation of a machine that lawfully contains an authorized copy of the computer program, for purposes only of maintenance or repair of that machine...” The courts have found that this provision is straightforward, and interpret it simply by consulting the text. For example, in PracticeWorks, Inc. v. Prof1 Software Solutions of Ill., Inc., 2004 U.S. Dist. LEXIS 11645, (D. Md. 2004), the court, referring to the statutory language, found that making a copy of software is permissible only for the purposes of repairing the *machine* into which it is loaded, not the software itself. It also found that §117 applies to the repair and maintenance of the machine *into which the program is loaded*, not the repair and maintenance of a third party's machine.

At the other end of the spectrum, one of the main terms in §117, “owner,” is not defined by the statute, and so the courts have discretion in determining when someone may be considered to “own” a copy of a computer program. In Logicom Inclusive, Inc. v. W.P. Stewart & Co., 72 U.S.P.Q.2d (BNA) 1632, 2004 U.S. Dist. LEXIS 15668 (S.D.N.Y. 2004), the court noted that there are simple cases in which the defendant purchased a CD-ROM of a program, or downloaded it after payment. In those cases, the defendant has clearly established that he is the owner of that copy.

However, there are more complicated cases, in which it is unclear whether there is ownership of a copy. In such cases, the court must look to all circumstances and make a judgment about whether the case fits the statute. In Krause v. Titleserv, Inc., 289 F. Supp.2d 316 (E.D.N.Y. 2003), plaintiff was a consultant who created a number of computer programs for the defendant company. There was no indication that the plaintiff intended to sell copies of his programs to the defendant. However, the plaintiff received over \$350,000 from the defendant for performing numerous services, including creating and developing the computer software systems. The court decided that this was enough to establish that the defendant owned the copies of the programs that remained on its computers and could adapt them under §117. The court noted language from the Second Circuit

indicating that business realities should be taken into account when making such decisions:

Copyright laws should reflect the fact that transactions involving computer programs are entered into with full awareness that users will modify their copies to suit their own needs ... This right of adaptation includes the right to add features to the program that were not present at the time of rightful acquisition, and was intended to apply to modifications for internal use, as long as the adapted program is not distributed in an unauthorized manner.

Aymes v. Bonelli, 47 F.3d 23, 26 (2d Cir. 1995).

Courts may also have outside guidelines to consider when interpreting statutory limitations. For example, in interpreting the interlibrary loan provisions of §108, with regard to what qualifies as “such aggregate quantities as to substitute for a subscription to or purchase of such work,” courts may consider the guidelines formulated by the National Commission on New Technological Uses of Copyrighted Works (CONTU) in consultation with representatives of library associations, publishers and authors. The guidelines indicate that six or more copies of an article or articles from a given periodical within five years of a particular request constitutes “such aggregate quantities.” The CONTU guidelines are incorporated in the Conference Committee Report accompanying the 1976 Copyright Act. The Committee cautioned, however, that the guidelines were not “explicit rules” governing all cases, but merely guidance in the “most commonly encountered interlibrary photocopying situations.” H.R. Rep. No. 94-1733 at 72-73 (1976).

Some limitations, such as those found in §110(2), have not yet been interpreted by the courts.

- *Is the result the same for all exceptions/limitations? For instance, do courts interpret the copyright law provisions differently in the context of the creation of a new work or in the context of a mere consumptive use? Does the interpretation of the copyright law depend upon the fundamental right (or rationale) that justifies each specific exception?*

In applying the fair use doctrine, courts explicitly look to the difference between the creation of a new work and the mere “consumptive” use of a protected work. The first factor of the fair use analysis (discussed in our response to Question 6 above), asks whether a use is “transformative”—that is, whether a new work with new meaning has been created. If a use is found to be transformative, this finding weighs in favor of fair use. Of course, this determination is only part of one factor of the fair use analysis, so new creations may be found to constitute infringement, and consumptive uses may be found to be fair use.

- *How is the three-step-test (stated in the WCT and WPPT Treaties, as well as in the EU Directive 2001/29/EC on Copyright in the Information Society) used to interpret the scope of the statutory exceptions/limitations? Has it been adopted into statutory law? Is it a test aimed at the legislator (when introducing new exceptions/limitations –if that is possible- or when defining the scope of the existing ones) or at the courts (when applying the law to the specific case)? How is it being used (and interpreted) by courts?*

Generally, while the U.S. acknowledges its international obligations to ensure that all limitations under the Copyright Act conform to the three-step test stated in the WCT and WPPT treaties, the three-step test is not explicitly used in interpreting the scope of limitations. The three-step test has not been adopted into statutory law (though the fair use exception partly echoes it; for example, the inquiry into the “effect on the actual or potential market for the work” is akin to “conflict with a normal exploitation of the work”), but lawmakers may explicitly look to its contours when considering new law. For example, in the report on orphan works (discussed in our response to Question 5 above) prepared by the Copyright Office and submitted to the Senate Judiciary Committee for possible legislation, there is a discussion of the international obligations of the U.S. in creating new copyright laws, and in particular, the three-step test is discussed as a consideration for the legislators. The Copyright Office explains in the report why it believes that its recommendation for legislation would meet the requirements of the three-step test.

However, one section of the U.S. copyright law has been found by a WTO dispute settlement panel to be noncompliant with the three-step test. In 1998, the U.S. passed an amendment to the Copyright Act, codified at §110(5). This amendment allows many restaurants, bars and shops to play radio and TV broadcasts without paying licensing fees. A proceeding was brought by the European Union to challenge these limitations. The dispute settlement panel found in 2000 that the limitations were incompatible with all three aspects of the three-step-test as follows:

Section 110(5) is not limited to certain special cases. In a 1999 study, it was estimated that 70 percent of eating establishments, 73 percent of drinking establishments, and 45 percent of retail establishments would qualify for the exemption.

Section 110(5) conflicts with a normal exploitation of the work. By allowing business owners to play music or other works without payment to the owners, the limitations interfered with economic exploitation of the works and thereby deprived the owners of significant or tangible commercial gains.

Section 110(5) unreasonably prejudices the legitimate interests of the rights holders. The limitations at issue might cause an unreasonable loss of income to copyright holders at large.

The U.S. has not, however, repealed this section, but instead, an arbitrated settlement sum was fixed for the U.S. to pay to the E.U. for the breach.

**9.- Is your copyright regime an “encapsulated” system (only “built-in” limitations apply) or may it be directly affected by external provisions, such as Constitutional fundamental rights, Treaties, common law (judge made) concepts? Cite and explain relevant case law. (Please limit your answer to the extent that has not been dealt with under previous questions)**

- *May freedom of expression or any other fundamental right or public interest restrict (moral concerns, etc) or expand the statutory copyright system or is it immune to external*

*“interferences”?*

Statutory copyright is not immune from external influences—the most important is freedom of expression. Copyright and freedom of expression, both constitutional concepts, are in a balancing tension (as discussed in our response to Question 1 above) that is worked out by Congress and the courts. As illustrated by Eldred v. Ashcroft, 537 U.S. 186, 219 (2003), Congress in creating the copyright statutes must stay within permissible limits of duration and scope bounded by the First Amendment freedom of expression. Courts then may have the opportunity to review the statutes and decide whether the copyright statute is still in balance with freedom of expression, or whether the balance has been thrown off.

International intellectual property treaties are generally considered not self-executing in the United States. Therefore a treaty must be implemented by an Act of Congress that amends the relevant law consistent with the treaty. Otherwise, treaties do not have the force of law. For example, in the Berne Convention Implementation Act of 1988, Congress brought U.S. copyright law into conformity with the standards of the Berne Convention, but made clear that the Berne Convention is not self-executing. Section 104(c) states that “no right or interest in a work eligible for protection under this title may be claimed by virtue of, or in reliance upon, the provisions of the Berne Convention, or the adherence of the United States thereto. Any rights in a work eligible for protection under this title that derive from this title, other Federal or State statutes, or the common law, shall not be expanded or reduced by virtue of, or in reliance upon, the provisions of the Berne Convention, or the adherence of the United States thereto.”

- *If immune to external interferences, is there any example of courts over-stretching the interpretation of statutory concepts to “fit” any fundamental rights or public interests not expressly envisioned in the copyright law? If not immune, cite and explain cases where such external interferences occurred.*

One example may be found in the issue of public access to government works. The statute in §105 provides only that federal government works cannot be copyrighted; it does not mention state government works. In Banks v. Manchester, 128 U.S. 244 (1888), the Supreme Court held that one particular kind of state government work – state judicial opinions – are publicly owned and cannot be copyrighted, in part because as a matter of public policy, the public is served by free access to the law. It is now established that state laws, whether statutes or judicial opinions, are not eligible for copyright because citizens who are expected to comply with the law and be subject to its penalties must have free access to it.

- *Is there any statutory provision or relevant case law not examined above, where freedom of expression –or any other fundamental right- has been “directly” applied to (reduce or expand) the scope of copyright?*

In Cohen v. Cowles Media Co., 501 U.S. 663 (1991), the Supreme Court noted that the freedom of the press, guaranteed by the First Amendment, does not go so far as to allow newspapers to publish copyrighted material without obeying copyright law. Thus, the fundamental right of freedom of the press does not generally act as an influencing force upon the copyright statute. However, the

basic idea/expression dichotomy does promote the functioning of the free press. As explained in Wainwright Securities v. Wall Street Transcript Corp., 558 F.2d 91 (2d Cir. 1977), *cert. denied*, 434 U.S. 1014 (1978), news events, being facts, cannot be copyrighted, but it is important to differentiate between the substance of the information and the particular form in which the writer has communicated it—the form can be copyrighted. This dichotomy allows the press to reap the economic benefits from their own particular analysis or interpretation, while accommodating the free flow of information.

- *Comment on whether the exceptions/limitations provided for by law, and as interpreted by courts, allow sufficient room to comply with the principle, fundamental right or public interest that justifies them?*

Whether the limitations allow sufficient room to comply with their justifications is a matter of continuing debate. For example, whether the contours of the fair use doctrine successfully promote its goals of accommodating free speech, encouraging creation of new works, and allowing for public access is a much-discussed subject.

Section 108 is an attempt to balance the rights of copyright owners with the privileges of users, but there is differing opinion as to whether the result allows libraries sufficient latitude to fulfill the mission of providing public access to information and promoting knowledge. Similarly, §110(2) reflects a balance between the rights of copyright owners and the needs of the education system, but it is too early to tell whether it will succeed in facilitating distance education.

**10.- To what extent may the regime of exclusive rights and exceptions/limitations be modified (or in some way be affected) by means of licensing terms and Technological Protection Measures (TPM) set by the copyright owner?**

- *Are the exceptions/limitations mandatory? Can they be contracted out of? Does your law in some way address the issue that the parties to a license may agree to prohibit specific uses allowed for under the relevant copyright act? Does your law provide for any other contractual safeguards vis-à-vis users?*

Generally, the courts have held that a user of a copyrighted work may legally contract away rights that he would otherwise retain under the copyright scheme. A contract that is negotiated face-to-face between the copyright owner and the user is on more stable legal ground than a mass-market contract packaged with the work and formed when the user takes some action designated to signify agreement, such as opening a wrapper or downloading the work. For example, in Specht v. Netscape Communs. Corp., 306 F.3d 17, 32 (2d Cir. 2002), the Second Circuit noted that, “When products are ‘free’ and users are invited to download them in the absence of reasonably conspicuous notice that they are about to bind themselves to contract terms, the transactional circumstances cannot be fully analogized to those in the paper world of arm's-length bargaining.” The court concluded that the license agreement, located on a submerged screen that required the user to scroll through in order to read the full agreement, was not binding on the user.

However, if the court finds that the user did agree to the license, the contract can legitimately limit use rights. For example, in ProCD, Inc. v. Zeidenberg, 86 F.3d 1447 (7<sup>th</sup> Cir. 1996), the Seventh Circuit found that an end user license agreement preventing commercial use of a database was enforceable. Although the facts contained in the database would not be protected by copyright under the idea/expression dichotomy (and therefore be free for anyone to take), the end user license agreement prevented the defendant from exercising that right. The court held that this type of license is generally enforceable unless the terms are objectionable on general contract grounds such as unconscionability.

Similarly, in Wrench LLC v. Taco Bell Corp., 256 F.3d 446 (6<sup>th</sup> Cir. 2001), the Sixth Circuit determined that an implied contract for payment for the use of the plaintiff's ideas could be enforced under state law even though ideas are free for the taking under the idea/expression dichotomy of copyright law.

In Davidson & Assocs. v. Jung, 422 F.3d 630, 639 (8<sup>th</sup> Cir. 2005), the Eighth Circuit considered whether an end user license agreement could restrict a user from "reverse engineering" plaintiff's software, a privilege generally thought to be included in the fair use exception (at least to the extent necessary to facilitate creation of interoperable computer programs). The court held that parties can contract away a fair use defense or agree not to engage in uses of copyrighted material that are permitted by the copyright law if the contract is freely negotiated.

Some contracts, however, may be deemed so unreasonable and contrary to public policy as to be deemed "copyright misuse." This is discussed further below.

- *Does your law somehow address the issue of "unjustified" denials to license and, in general, any "anomalies" in the exercise of copyright (if this is predicable of any exercise of an exclusive right of the author)? Are there specific provisions addressing any "unjustified" denials to license by collective management societies? Is there any provision (copyright or elsewhere: abuse of right, abuse of dominant position) that might be used to force a copyright owner to license when there is no other "substitute" for the work (for instance, imagine that the work has become a cultural or historical "icon")?*

Certain compulsory licenses in the law make it impossible to deny use of a copyrighted work for certain purposes, provided that the statutory conditions are met. For example, §115 (discussed in our response to Question 4 above) gives any person the right to obtain a license to make and distribute phonorecords of a nondramatic musical work, without the need for the agreement of the owner.

Copyright holders may contract away their right to deny a license. For example, performing rights organizations such as ASCAP and BMI operate under an agreement with their member musicians whereby any licensee may play the musical works owned by the musician. Once the licensee has paid the fee, he no longer needs to seek specific permission from the musician to play the work. Further, these organizations operate under consent decrees entered into when the U.S. government brought antitrust charges against them. Under these consent decrees, *any* user may obtain a license to perform the works in the organization's repertoire merely by request, and the organization can never deny that request as

long as the user is willing to pay a reasonable license fee. If ASCAP and the user cannot agree on a license fee, the user may apply to the court for a determination of a reasonable license fee.

In the area of cultural or historical “icons,” some commentators, such as Melville Nimmer, have suggested that if an expressive work is of such a high value to the public that there is no substitute for it, the First Amendment need for democratic dialogue may override the normal copyright protection. Using the exclusive photographs of the My Lai massacre as an example, Nimmer suggested that where only the expression of a work is meaningful, and the idea behind it cannot adequately be conveyed by different expression, the owner of the work should not be given the means to control the public’s access. See Nimmer on Copyright §1.10 (2004). Although some courts have considered this theory, none have adopted it. See, e.g., Los Angeles News Service v. Tullo, 973 F.2d 791, 795-796 (9th Cir. 1992).

- *Are Technological Protection Measures protected under your law? How are they related to copyright exceptions/limitations? May they be implemented in a way that could prevent a user to benefit from an exception? If a EU member, please indicate the specific choice made by the legislator when implementing of art.6(4) of the Directive 2001/29/EC on Copyright in the Information Society.*

Technological protection measures are protected by Chapter 12 of the Copyright Act, enacted by the Digital Millennium Copyright Act of 1998. Section 1201(a) prohibits the circumvention of any technological measure that effectively controls access to a work protected under copyright. (Such a measure is defined as one that in the ordinary course of its operation, requires the application of information, or a process or treatment, with the authority of the copyright owner, to gain access to the work.) That provision also prohibits trafficking in any technology, product, service, or device that is designed to circumvent a technological protection measure that prevents access to a copyrighted work, or that protects the rights of the copyright owner.

Section 1201(c) provides that the anti-circumvention provisions do not affect the rights, remedies, limitations, or defenses to copyright infringement, including fair use. Nor do they enlarge or diminish any rights of free speech or the press for activities using consumer electronics, telecommunications, or computing products. There are a number of exceptions; for example, §1201(d) provides that under limited circumstances, nonprofit libraries, archives, or educational institutions do not violate §1201(a) by gaining access to a work in order to make a good faith determination of whether to acquire a copy of that work for a permitted purpose. Section 1201(f) provides a safe harbor for fair use reverse engineering.

- *Has any of these issues been addressed or solved by case law? For instance, is there any example (case law, etc) of instances where a use guaranteed by these exceptions and limitations is reduced by means such as licensing terms and Technological Protection Measures imposed by the copyright owner?*

Although §1201(c) provides that the DMCA does not affect the *fair use* privilege under §107, it does not provide a fair use exception to liability under §1201. For example, in Universal City Studios, Inc. v. Corley, 273 F.3d 429, 443 (2d Cir.

2001), the Second Circuit decided that the effect of §1201(c) is to ensure that the DMCA is not read to prohibit fair use altogether just because access to the underlying work was obtained in a manner made illegal by the DMCA. The manner of access is still illegal, regardless of whether the use the work is put to is a fair use. Similarly, 321 Studios v. MGM Studios, Inc., 307 F. Supp. 2d 1085 (N.D. Cal. 2004) held that legal downstream use of the copyrighted material by customers is not a defense to the manufacturer's violation of the provisions prohibiting manufacturing and trafficking in technologies used to circumvent the technological protections.

However, not all courts have interpreted the interplay between the DMCA and copyright exceptions in the same way. For example, in Chamberlain Group, Inc. v. Skylink Techs., Inc., 381 F.3d 1178 (Fed. Cir. 2004), the court concluded that §1201 prohibits only access that bears a reasonable relationship to the protections that the Copyright Act otherwise affords copyright owners. The DMCA did not, the court decided, grant copyright owners carte blanche authority to preclude all use of their copyrighted work. To prevail on a DMCA action, a copyright owner must show that the use made after the circumvention was an infringement. Accord, Storage Technology Corp. v. Custom Hardware Engineering & Consulting, Inc., 421 F.3d 1207 (Fed. Cir. 2005).

The Benefit Authors without Limiting Advancement or Net Consumer Expectations (BALANCE) Act currently pending in Congress would substantially weaken the protection provided by §1201 by allowing circumvention of a technological protection measure if it is necessary to make a non-infringing use of a work and the copyright owner has not made available the means to make non-infringing uses. That bill is not considered likely to pass in the near future.

- *Examine and comment on any measures, existing under your law, to counterbalance it: competition rules, consumer rights, and perhaps –where applicable- the doctrine of abuse of right?*

The doctrine of “copyright misuse” is sometimes applied by the courts to prevent copyright owners from reaching beyond the scope of the limited monopoly granted to them by the Copyright Act. For example, in Lasercomb America, Inc. v. Reynolds, 911 F.2d 970 (4th Cir. 1990), the plaintiff attempted, as part of its standard licensing agreement on its software, to forbid its licensees for 99 years from developing any kind of software that would compete with the plaintiff’s software. The court decided that the license of the copyrighted expression in such a way as to control competition for all applications of the idea was copyright misuse. The court also found that the defendant could use this misuse as a defense against the infringement claim. However, once the plaintiff ended the misuse, it would be free to bring a legitimate copyright claim.

The pressures of the market may also counterbalance the copyright owner’s instincts to limit use through licensing terms and technological protections. For example, some record companies allow users, through proprietary technology, to make a certain limited number of copies from legally purchased CDs for personal use. This decision is not motivated by the law, but rather by the desires of consumers who want the ability to transfer their music from one format to

another.

## **11.- Freedom of Expression beyond Copyright.**

*The purpose of this section is to address the same issues examined above, now dealing with other kind of property rights (or private interests), such as trademark law (to the extent not examined under the previous sections), image rights and personality rights; and compare the solutions to the copyright ones.*

*You are asked to identify any other private interest or “property-like” right in your Constitution or legal system that may be somehow related to copyright (either because it may directly affect protected works or because its principles could be applied “mutatis mutandi” to copyright) and explain how its relationship with other fundamental rights is being designed.*

*The questions listed below follow the structure used for the copyright analysis in the previous questions, but please feel free to develop your answers according to any other structure that fits your system better. Notice that the purpose of this section is to provide material for a comparative analysis with the copyright solutions. There is no need to do a complete study of each topic: please limit your answers to what may be relevant (directly or indirectly) from a copyright perspective.*

*For instance, you could consider the following issues dealing with:*

- a.- trademarks (to the extent not examined under the previous sections),*
- b.- image rights,*
- c.- privacy rights (publicity rights), honour, name,*
- d.- or any other*

*that you may find relevant under your law:*

*11.1.- How is such right provided for in your Constitution? Is it a fundamental right? How does it relate to (other) fundamental rights, such as –if applicable- freedom of expression and of information? Is there any case law on this issue?*

*11.2.- Indicate the relevant statutes on the matter and explain how they may affect and interact with copyright. Would one prevail upon the other?*

*11.3.- What role has case law and commentary played in defining the relationship between this right and (other) fundamental rights?*

*11.4.- How is this right balanced with (other) fundamental rights? Is such balance “built-in” the relevant law (in terms of definition of the subject matter, the scope of the exclusive rights granted, any specific exceptions/limitations envisioned, etc) or is directly subject to external limitations (such as the fundamental rights of freedom of expression and information)? Is there any specific provision in the statute expressly referring to freedom of expression or of information (or any other relevant fundamental right)? Cite and explain any statutory provisions and case law that may be relevant. Please provide the statutory language in English or French.*

*11.5.- If it is done by means of exceptions/limitations, what purposes or principles are considered to justify them? Which exceptions/limitations can be identified in the relevant law, or have been designed by case law, for purposes of (or similar to) parody or quotation, and for purposes of information and news, teaching and research, libraries, private (non-commercial) use? Provide the statutory language in English or French. Cite and explain any case law that may be relevant.*

*11.6.- Are these exceptions/limitations interpreted in a way which essentially reflects the rationale or purpose thereof, or are they interpreted otherwise? What is the weight of the fundamental right that justifies it, when interpreting the exception?*

11.7.- Are these exceptions or limitations mandatory? Could the owner of the right prohibit the enjoyment of such exceptions or limitations by means of licensing terms or any technological measures?

11.8.- Are there any projects currently under consideration involving possible amendments or developments in this field or that, in general, may affect the relationship between the specific right and (other) fundamental rights?

Trademark:

Trademark is not provided for directly under the U.S. Constitution. Rather, congressional authority to enact trademark legislation is derived from the Commerce Clause. This makes it difficult to construct a fundamental right to trademark protection; rather, it is an intellectual property-type right—a protection of commercial and consumer interests. Trademark protection is codified at 15 U.S.C. §§1051– 1141.

Trademark law protects registered words, phrases, designs or pictures used in connection with goods or services in commerce. If the word or picture comes to distinctively identify the source of the goods or services, it may be trademarked and protected against commercial use by others. Some courts have held that copyrighted works are not precluded from protection under the trademark laws, so long as the work is shown to have acquired independent trademark significance. This is the case for the characters Peter Rabbit (Frederick Warne & Co. v. Book Sales, Inc., 481 F. Supp. 1191 (S.D.N.Y. 1979)) and Mickey Mouse (Walt Disney Co. v. Powell, 698 F. Supp. 10 (D.D.C. 1988), *affirmed in part and vacated in part on other grounds*, Walt Disney Co. v. Powell, 283 U.S. App. D.C. 111 (D.C. Cir. 1990)).

Section 1125(a) in particular may create some level of protection for authors by recognizing a right of association. However, the Supreme Court has indicated that simply miscrediting authorship when using a public domain work is not a trademark violation. In Dastar Corp. v. Twentieth Century Fox Film Corp., 539 U.S. 23 (2003), the plaintiff sought trademark protection for its World War II television series that had passed into the public domain. The defendant released a video series largely copied from the original television series without reference to the television series or the original creator. The Court denied the trademark claim, in part because, according to the Court, a trademark is used to indicate the source of the physical goods, not the source of the intellectual creation. The Court also noted that allowing trademark protection in this case would conflict with copyright law, creating a sort of perpetual copyright, beyond the power of Congress.

To the extent that trademark comes into conflict with constitutional rights, trademark is likely to give way. Trademark law has the potential to conflict with the freedom of expression. As the court noted in Lamparello v. Falwell, 420 F.3d 309, 313 (4th Cir. 2005), if trademark reaches too broadly, it could limit the

public's

ability to discuss the products or criticize the conduct of companies that may be of widespread public concern and importance. Much useful social and commercial discourse would be all but impossible if speakers were under threat of an infringement lawsuit every time they made reference to a person, company or product by using its trademark.

Therefore, trademark law has been constructed to accommodate freedom of expression through restrictions on its scope. An infringement of trademark arises only when the protected trademark is used by another in commerce. Courts have held that this prohibition on commercial use does not violate the First Amendment freedom of expression. For example, in Taubman Co. v. Webfeats, 319 F.3d 770 (6th Cir. 2003), the Sixth Circuit noted that commercial speech is afforded diminished protections under the First Amendment, and that misleading commercial speech (i.e., trademark infringement) is not protected by the First Amendment at all. Noncommercial use of a protected trademark, on the other hand, is not actionable under trademark law. This preserves the right of the public to use trademarked words in criticism and commentary, as required by the First Amendment.

As in copyright law, there is a parody defense. L.L. Bean, Inc. v. Drake Publishers, Inc., 811 F.2d 26, 29 (1st Cir. 1987) noted that denying parodists the opportunity to comment on trademarks that have become woven into the fabric of daily life constitutes a serious curtailment of a protected form of expression.

Courts may also indirectly resolve conflicts between free speech and trademark interests by simply finding that a particular use is not confusing and therefore not an infringement. Because trademark dilution (an alternative cause of action to trademark infringement, defined as injurious lessening of the capacity of a famous mark to identify and distinguish goods or services) does not depend on confusion, this sort of ploy is not as easily relied upon in dilution cases, but there the court can avoid free speech problems by finding the term in question is not "famous." Also, the requirement of objective proof of actual injury to the economic value of the mark may create enough of an obstacle to protect free speech interests. Moseley v. V. Secret Catalogue, Inc., 537 U.S. 418 (2003).

In addition, in several places, the Lanham Act protects free speech interests:

Section 1115(b)(4) provides a defense to trademark infringement when the use is "otherwise than as a mark, of the party's individual name in his own business, or of the individual name of anyone in privity with such party, or of a term or device which is descriptive of and used fairly and in good faith only to describe the goods or services of such party, or their geographic origin."

Section 1125(c), which creates a right against dilution for famous marks, specifically provides the following is nonactionable: “(A) Fair use of a famous mark by another person in comparative commercial advertising or promotion to identify the competing goods or services of the owner of the famous mark. (B) Noncommercial use of a mark. (C) All forms of news reporting and news commentary.” §1125(c)(4).

Congress is considering a change in the standard for dilution. “Likelihood of dilution” would substitute for “actual” dilution. That change would make it more difficult for courts to avoid clashes with free speech interests as discussed above.

### Right to Publicity:

The right to publicity is not provided for in the U.S. Constitution, nor by federal laws, although Congress is considering enacting a federal right of privacy. Instead, it is provided by state laws, either statutory or judge-made. Some states style the right to publicity as part of the right to privacy. (However, it should be noted that the right to privacy refers to a much broader right, a general “right to be left alone,” which is believed to be protected as a liberty in the Fourteenth Amendment and elsewhere. The privacy right focuses on family rights such as reproduction and intimacy, and is not in the nature of a property right as are the publicity and copy rights.) The right to publicity is an individual's right to control and profit from commercial use of his name, likeness and identity.

In some ways, the right of publicity is similar to copyright law. The Supreme Court has noted that the states’ interest in protecting this right “is closely analogous to the goals of patent and copyright law, focusing on the right of the individual to reap the reward of his endeavors and having little to do with protecting feelings or reputation.” Zacchini v. Scripps-Howard Broadcasting Co., 433 U.S. 562, 573 (1977). However, this right can also conflict with the rights of copyright holders. For example, in Wendt v. Host Int'l, 125 F.3d 806 (9th Cir. 1997), the issue was whether the copyright holder could use the likenesses of two characters from its copyrighted television show. The two actors who had portrayed the characters brought suit for violation of their right of publicity through use of the likenesses. The court held that an actor does not lose his right to control the commercial exploitation of his likeness just because he portrayed a fictional, copyrightable character. Thus, a tension exists between the author’s copyright rights and the actor’s right of publicity.

Since there is no federal publicity right, courts operating either under common law or through statute take varying positions on the implications of recognizing the right to publicity. Compare, for example, Comedy III Productions, Inc. v. Gary Saderup, Inc., 25 Cal. 4th 387, 21 P.3d 797 (2001), with ETW Corp. v. Jireh Publ. Inc., 332 F.3d 915 (6th Cir. 2003). In the first case, an artist’s rendition of a celebrity image was enjoined; in the other, the artist’s interest was recognized. Of

course, the “art” in the two cases was different (the first was a mass-produced t-shirt of the Three Stooges; the second was a limited-edition painting of Tiger Woods). Still, this comparison shows that much is left to the discretion of particular courts.

The right to publicity presents potential problems for freedom of expression. It has been noted that the grant to celebrities of an exclusive right to control the commercial value of their names and to prevent others from exploiting them, without the limitations of the trademark statute, is potentially more troubling for First Amendment analysis than trademark law. The courts have therefore been cautious in interpreting right to publicity claims that might interfere with freedom of expression. In Rogers v. Grimaldi, 875 F.2d 994 (2d Cir. 1989), the Second Circuit considered a publicity right claim for use of a celebrity’s name in a movie title. The court noted First Amendment concerns arising from broad publicity rights, and looked to three cases in which freedom of expression was held to limit the scope of this right. The court then decided that the movie title was not a violation of the celebrity’s right to publicity because it clearly related to the content of the movie and was not a disguised advertisement for the sale of goods or services or a collateral commercial product.

Similarly, the California Supreme Court in Winter v. DC Comics, 30 Cal. 4th 881 (Cal. 2003) found that the transformation of two albino country singers, the Winter Brothers, into comic book characters—a pair of pale mutant villains called the Autumn Brothers—was protected by the First Amendment against claims of publicity right infringement. The court noted that once a celebrity has entered the public eye, the First Amendment gives a broad right to comment on and make expressive uses of the celebrity’s image. Depictions amounting to little more than the appropriation of the celebrities’ economic value are not protected by free speech concerns. However, when a work contains significant transformative elements, it is especially worthy of First Amendment protection, and at the same time it is less likely to interfere with the economic interest protected by the right of publicity. The court found that the comic book was significantly transformative—that it consisted mainly of the artist’s expression and not merely the celebrities’ likeness—and so was protected by free speech rights.

A tension also exists between the right of publicity and freedom of the press. Professional entertainers can be very newsworthy, but may not be happy with the way in which their names and likenesses are used. In Zacchini v. Scripps-Howard Broadcasting Co., 433 U.S. 562 (1977), the Supreme Court considered a case in which a television station broadcast an entertainer’s entire performance in its newscast. The court held that the entertainer’s state right to publicity allowed him to recover against the television station, but noted that the case before it, where the entire performance was broadcast, was categorically different from a case in which a television station might simply report on the performance. The First Amendment would protect the latter, but did not extend to the former. Some states attempt to resolve the tension between publicity rights and free press rights

by creating statutory exceptions that protect uses such as news reporting and commentary.

If Congress were to enact a publicity statute, it will most likely contain a list of exceptions to accommodate free speech. However, federal recognition of this right may make it appear more weighty to courts, leading to greater intrusions into expressive interests.

\* \* \*

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## Appendix 1

### **“Orphan Works” Legislation Proposed by the U.S. Copyright Office**

#### SECTION 514: LIMITATIONS ON REMEDIES: ORPHAN WORKS

- (a) Notwithstanding sections 502 through 505, where the infringer:
- (1) prior to the commencement of the infringement, performed a good faith, reasonably diligent search to locate the owner of the infringed copyright and the infringer did not locate that owner, and
  - (2) throughout the course of the infringement, provided attribution to the author and copyright owner of the work, if possible and as appropriate under the circumstances, the remedies for the infringement shall be limited as set forth in subsection (b).
- (b) LIMITATIONS ON REMEDIES
- (1) MONETARY RELIEF
    - (A) no award for monetary damages (including actual damages, statutory damages, costs or attorney’s fees) shall be made other than an order requiring the infringer to pay reasonable compensation for the use of the infringed work; provided, however, that where the infringement is performed without any purpose of direct or indirect commercial advantage, such as through the sale of copies or phonorecords of the infringed work, and the infringer ceases the infringement expeditiously after receiving notice of the claim for infringement, no award of monetary relief shall be made.
  - (2) INJUNCTIVE RELIEF
    - (A) in the case where the infringer has prepared or commenced preparation of a derivative work that recasts, transforms or adapts the infringed work with a significant amount of the infringer’s expression, any injunctive or equitable relief granted by the court shall not restrain the infringer’s continued preparation and use of the derivative work, provided that the infringer makes payment of reasonable compensation to the copyright owner for such preparation and ongoing use and provides attribution to the author and copyright owner in a manner determined by the court as reasonable under the circumstances; and
    - (B) in all other cases, the court may impose injunctive relief to prevent or restrain the infringement in its entirety, but the relief shall to the extent practicable account for any harm that the relief would cause the infringer due to the infringer’s reliance on this section in making the infringing use.
- (c) Nothing in this section shall affect rights, limitations or defenses to copyright infringement, including fair use, under this title.
- (d) This section shall not apply to any infringement occurring after the date that is ten years from date of enactment of this Act.