

# **COPYRIGHT IN A GLOBAL INFORMATION ECONOMY**

## **2023 Case Supplement**

### **JULIE E. COHEN**

Mark Claster Mamolen Professor of Law and Technology  
Georgetown University Law Center

### **LYDIA PALLAS LOREN**

Henry J. Casey Professor of Law  
Lewis & Clark Law School

### **RUTH L. OKEDIJI**

Jeremiah Smith Jr. Professor of Law  
Harvard Law School

### **MAUREEN A. O'ROURKE**

Associate Provost for Faculty Affairs  
Dean Emerita & Professor of Law  
Boston University School of Law

# Contents

Contents.....	i
Chapter 3. Authorship .....	1
A. Sole Authorship .....	1
E. Government Works.....	2
Chapter 5. The Reproduction Right and the Right to Prepare Derivative Works .....	7
A. Reproduction .....	7
1. The Exact Copy .....	7
c. Diving Deeper: Non-Fungible Tokens .....	7
2. The “De Minimis” Copy.....	8
3. The Substantially Similar Copy.....	9
C. Fictional Characters and the Reproduction and Derivative Work Rights .....	10
Chapter 6. The Rights of Distribution, Public Performance, and Public Display .....	12
B. Communication to the Public by Performance or Display .....	12
Chapter 8. Moral Rights and Performers’ Rights .....	15
A. Moral Rights in the United States .....	15
Chapter 9. Fair Use.....	17
A. Cultural Interchange.....	17
<i>Andy Warhol Foundation for the Visual Arts, Inc. v. Goldsmith</i> .....	17
Practice Exercise .....	29
B. Transformative Use Revisited .....	31
1. Technical Interchange .....	31
<i>Google LLC v. Oracle America, Inc.</i> .....	32
C. Other Productive Uses .....	42
Chapter 10. The Different Faces of Infringement .....	44
D. Online Service Provider Liability .....	44
5. Diving Deeper: New Enforcement Procedures .....	44
a. Automated Enforcement .....	44
Chapter 12. Copyright and Contract.....	46
A. Modes of Transfer.....	46
Chapter 13. Copyright Litigation.....	47

C. Proper Timing .....	47
2. Filing Too Late .....	47
F. Civil Remedies.....	47
4. Statutory Damages .....	47
5. Attorneys Fees .....	48
G. Copyright Alternative in Small-Claims Enforcement Act of 2020 (“CASE Act”)48	
1. Permissible Claims & Remedies .....	49
2. Prerequisites for Filing a CASE Act Claim.....	49
3. Respondent’s Options .....	50
4. The CCB Proceeding.....	50
5. Enforcement of rulings .....	50
H. Criminal Infringement .....	52
Chapter 14. Technological Protections.....	53
B. The Digital Millennium Copyright Act and Circumvention of.....	53
Technological Protections.....	53
2. Access Protection Versus Copy Protection .....	53
D. Protection for Copyright Management Information.....	53
<i>Kelly v. Arriba Soft Corp.</i> .....	54
<i>GC2 v. Int’l Game Tech.</i> .....	57
Chapter 15. State Law Theories of Protection and Their Limits .....	64
C. More Difficult Preemption Problems .....	64

---

---

## Chapter 3. Authorship

---

---

### A. Sole Authorship

**Page 134. In the Notes and Questions, replace Note 5 with:**

5. What does the limitation to human authors portend for works created by artificial intelligence (AI)? In 2021, the Copyright Office updated its Compendium as follows:

[T]he Office will not register works produced by a machine or mere mechanical process that operates randomly or automatically without any creative input or intervention from a human author. The crucial question is “whether the ‘work’ is basically one of human authorship, with the computer [or other device] merely being an assisting instrument, or whether the traditional elements of authorship in the work (literary, artistic, or musical expression or elements of selection, arrangement, etc.) were actually conceived and executed not by man but by a machine.” U.S. Copyright Office, Report to the Librarian of Congress by the Register of Copyrights 5 (1966).

*Compendium of the U.S. Copyright Office Practices*, § 313.2 (3d ed. 2021). Do you think this addition will appropriately clarify authorship in works produced by AI? Why, or why not?

In February 2022, following this update, the U.S. Copyright Office Review Board refused an attempt to register a series of images created by Dr. Stephen Thaler’s “Creativity Machine”. The Review Board concluded that “a century of copyright jurisprudence” required copyright-protected works to be “the product of human authorship,” a standard it considered AI-authored works unable to satisfy. Copyright Review Board, Re: Second Request for Reconsideration for Refusal to Register A Recent Entrance to Paradise (Correspondence ID 1-3ZPC6C3; SR # 1-7100387071) (Feb. 14, 2022), *available at* <https://www.copyright.gov/rulings-filings/review-board/docs/a-recent-entrance-to-paradise.pdf> (last visited July 1, 2022).

The U.S. Copyright Office’s approach contrasts sharply with the approach taken by the United Kingdom, India, New Zealand, and Hong Kong. These countries afford copyright protection to computer-generated works and vest copyright in the person who caused the machine to create the work. *See, e.g.*, § 9(3), Copyright, Designs and Patents Act 1988 (U.K.). In August 2021, the Indian Copyright Office registered its first work listing an AI application as the work’s co-author. Sukanya Sarkar, *India Recognises AI as Co-Author of Copyrighted Artwork*, ManagingIP, *available at* <https://www.managingip.com/article/2a5czmpwixyj23wyqct1c/exclusive-india-recognises-ai-as-co-author-of-copyrighted-artwork> (Aug. 5, 2021) (last visited July 1, 2022).

Which approach do you think is most consistent with the justifications for copyright law? Neither the Berne Convention nor the TRIPS Agreement explicitly addresses the question of non-human authorship. Consequently, each country may adopt the authorship regime of its choice. How are divergent national approaches to non-human

authorship likely to affect the market for AI-generated works? Would you support global harmonization of the rules that govern non-human authorship? Why, or why not?

***Pages 172-76. Replace Section E with the following:***

## **E. Government Works**

On its face, subsection (1) of the “works made for hire” definition makes governments the authors of works created by their employees within the scope of their employment. However, §105 (a) of the Act contains an express exclusion:

§105. Subject matter of copyright: United States Government works

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.

Section 101 defines a “work of the United States Government” as “work[s] prepared by an officer or employee of the United States government as part of that person’s official duties.” The legislative history makes clear that Congress intended courts to use a work made for hire type of analysis in this context. *See* H.R. Rep. No. 94-1476, 94th Cong., 2d Sess. 59 (1976), *reprinted in* 1976 U.S.C.C.A.N. 5659, 5672.

The rule codified in §105 has a long history and is based on several justifications. The legislative history indicates Congress was concerned that the public should not be required to pay twice - first to create the work and second to obtain it at a higher price than otherwise, given its copyright. *Id.* Congress also expressed a concern that copyright could be used as a tool for censorship if U.S. government works were subject to copyright protection. *Id.* (explaining that with U.S. government works in the public domain “as far as the copyright law is concerned, the Government [can]not restrain the employee or official from disseminating the work if he or she chooses to do so.”)

There are, however, several types of government documents that §105(a) does not address. First, the Act does not directly address the copyright status of works prepared by non-governmental entities pursuant to a contract with the federal government. The legislative history explains that omission:

The bill deliberately avoids making any sort of outright, unqualified prohibition against copyright in works prepared under Government contract or grant. There may well be cases where it would be in the public interest to deny copyright in the writings generated by Government research contracts and the like; it can be assumed that, where a Government agency commissions a work for its own use merely as an alternative to having one of its own employees prepare the work, the right to secure a private copyright would be withheld. However, there are almost certainly many other cases where the denial of copyright protection would be unfair or would hamper the production and publication of important works. Where, under the particular circumstances, Congress or the agency involved finds that the need to have a work freely available outweighs the need of the private author to secure copyright, the problem can be dealt with by specific legislation, agency regulations, or contractual restrictions.

*Id.*

Second, §105(a) does not apply to works created by employees or officials of state, local, or foreign governments. However, a longstanding judicial doctrine holds that laws, including both statutory laws and judicial decisions, are not eligible for copyright protection. Recall from Chapter 1.B that in 1834, in litigation between two Supreme Court reporters over the reproduction of annotated volumes of the Court’s opinion, the Court observed, “[N]o reporter has or can have any copyright in the written opinions delivered by this Court.” *Wheaton v. Peters*, 33 U.S. (8 Pet.) 591, 668 (1834). This judicial exclusion applies to all laws created by any government body. In fact, the U.S. Copyright Office will not register any “government edict that has been issued by any state, local, or territorial government, including legislative enactments, judicial decisions, administrative rulings, public ordinances, or similar types of official legal materials.” Compendium (Third) §313.6(C)(2).

The exclusion of government edicts from copyright eligibility has recently been the subject of litigation. *Code Revision Comm’n v. Public.Resource.Org, Inc.*, 906 F.3d 1229 (11th Cir. 2018), *aff’d*, 140 S. Ct. 1498 (2020), concerned the copyrightability of annotations to Georgia’s statutory code drafted by Lexis pursuant to an express agreement with the state of Georgia. Georgia’s Code Revision Committee oversaw and reviewed the drafting of the annotations and their final form. Also, each year the Commission presented the completed annotated code for adoption by the legislature.

In addressing the copyrightability of the annotations, the Eleventh Circuit had focused on the question of authorship:

To navigate the ambiguities surrounding how to characterize this work, we resort to first principles. Because our ultimate inquiry is whether a work is authored by the People, meaning whether it represents an articulation of the sovereign will, our analysis is guided by a consideration of those characteristics that are the hallmarks of law. In particular, we rely on the identity of the public officials who created the work, the authoritativeness of the work, and the process by which the work was created. These are critical markers. Where all three point in the direction that a work was made in the exercise of sovereign power -- which is to say where the official who created the work is entrusted with delegated sovereign authority, where the work carries authoritative weight, and where the work was created through the procedural channels in which sovereign power ordinarily flows -- it follows that the work would be attributable to the constructive authorship of the People, and therefore uncopyrightable. . . .

[W]e conclude that the People are the ultimate authors of the annotations. As a work of the People the annotations are inherently public domain material and therefore uncopyrightable.

*Id.* at 1232–33.

The Supreme Court agreed with the Eleventh Circuit’s conclusion that the annotations were uncopyrightable, but adopted a different reasoning. *See Georgia v. Public.Resource.Org, Inc.*, 140 S. Ct. 1498 (2020). Invoking the government edicts doctrine, the majority opined that the Court’s 19th century precedents established a “straightforward” rule that judges cannot be considered authors of works they produce in the course of their official duties. *Id.* at 1507. Applying the doctrine to Georgia’s annotations, it reasoned:

[J]ust as the [government edicts] doctrine applies to “whatever work [judges] perform in their capacity as judges,” it applies to whatever work legislators perform in their capacity as legislators. That of course includes final legislation, but it also includes explanatory and procedural materials legislators create in the discharge of their legislative duties. In the same way that judges cannot be the authors of their headnotes and syllabi, legislators cannot be the authors of (for example) their floor statements, committee reports, and proposed bills. These materials are part of the “whole work done by [legislators],” so they must be “free for publication to all.” Under our precedents, therefore, copyright does not vest in works that are (1) created by judges and legislators (2) in the course of their judicial and legislative duties.”

*Id.* at 1508.

In holding that the government edicts doctrine extends to legislators, the Supreme Court reoriented the doctrine to include *all* materials that could be viewed as expressions of the legislative function whether or not the materials constitute authoritative statements of law. The majority reasoned that:

Although the annotations are not enacted into law through bicameralism and presentment, the Commission’s preparation of the annotations is under Georgia law an act of “legislative authority,” *Harrison Co.*, 244 Ga. at 330, 260 S.E.2d at 34, and the annotations provide commentary and resources that the legislature has deemed relevant to understanding its laws. Georgia and Justice Ginsburg emphasize that the annotations do not purport to provide authoritative explanations of the law and largely summarize other materials, such as judicial decisions and law review articles. But that does not take them outside the exercise of legislative duty by the Commission and legislature. Just as we have held that the “statement of the case and the syllabus or head note” prepared by judges fall within the “work they perform in their capacity as judges,” *Banks*, 128 U.S. at 253, 9 S. Ct. 36, so too annotations published by legislators alongside the statutory text fall within the work legislators perform in their capacity as legislators.

*Id.* at 1509.

Laws sometimes are drafted by private organizations; examples include model statutes created by the Uniform Law Commission (ULC) and the American Law Institute (ALI). Additionally, other organizations work to create a wide variety of standards for industry use. Such written standards may resolve technical problems, ensure compatibility across products, or be designed to promote public safety. Sometimes those standards are expressly referenced by legislative enactment or government regulations. Do those privately drafted documents have copyright protection even after they have been adopted as a component of a law?

In *Veeck v. Southern Building Code Congress Int’l* (SBCCI), 293 F.3d 791 (5th Cir. 2002) (en banc), *cert. denied*, 539 U.S. 969 (2003), the Fifth Circuit held that when a state adopts a privately drafted code as law, such law is not copyrightable. Citing *Wheaton v. Peters*, 33 U.S. (Pet.) 591 (1834), *Banks v. Manchester*, 128 U.S. 244 (1888), and their progeny, the *Veeck* court held those cases represent “a continuous understanding that ‘the law,’ whether articulated in judicial opinions or legislative acts or ordinances, is in the public domain and thus not amenable to copyright.” *Veeck*, 293 F.3d at 796. The court also held that the enacted codes were facts, ineligible for copyright protection: “The codes are ... the unique, unalterable expression of the ‘idea’ that constitutes local law.... It should

be obvious that for copyright purposes, laws are ‘facts’: the U.S. Constitution is a fact; the Federal Tax Code and its regulations are facts; the Texas Uniform Commercial Code is a fact....” *Id.* at 801-02.

## NOTES AND QUESTIONS

1. Do you agree with the majority’s reasoning extending the government edicts doctrine to legislatures? What about the extension to *all* works created by judges and legislatures in their official capacities *regardless* of whether they have legal force? In defence of its decision, the majority emphasized the importance of equal access to the same quality of legal information:

If everything short of statutes and opinions were copyrightable, then States would be free to offer a whole range of premium legal works for those who can afford the extra benefit. A State could monetize its entire suite of legislative history. With today’s digital tools, States might even launch a subscription or pay-per-law service. . . . [C]itizens, attorneys, nonprofits, and private research companies would have to cease all copying, distribution, and display of those works or risk severe and potentially criminal penalties. §§ 501–506. Some affected parties might be willing to roll the dice with a potential fair use defense. But that defense, designed to accommodate First Amendment concerns, is notoriously fact sensitive and often cannot be resolved without a trial. Cf. *Harper & Row, Publishers, Inc. v. Nation Enterprises*, 471 U.S. 539, 552, 560–561, 105 S. Ct. 2218, 85 L.Ed.2d 588 (1985). The less bold among us would have to think twice before using official legal works that illuminate the law we are all presumed to know and understand.” *Id.* at 1512-1513.

What do you make of these concerns?

2. When should the government employ contractual provisions, regulations, or other means to require that the author of a commissioned work either dedicate it to the public domain or waive some rights under copyright? *See, e.g.*, 2 CFR § 2900.13 (Department of Labor regulation requiring intellectual property developed under a competitive federal award process be licensed under a Creative Commons Attribution license; *see page 757, infra*, for a description of Creative Commons licenses).

3. *Georgia v. Public.Resource.Org, Inc.*, 140 S. Ct. 1498 (2020) involved a website, PublicResources.org, that seeks to make the law more accessible by posting freely available copies of statutes and regulations. Such a free database affects the value of commercial databases like Lexis and Westlaw. Should the interests of commercial providers be factored into a court’s analysis in determining whether certain works of the legislative branch are “laws”? Note that the agreement between Georgia and Lexis expressly permitted Lexis to assert a copyright in the annotation, but this fact did not sway the Eleventh Circuit or the Supreme Court.

If you represented a company that develops commercial databases, what advice would you give the next time a state wants to retain your client to create a database consisting of annotated statutes, regulations and ordinances? Revisit this question after you have covered Chapters 12 and 15.

4. What are the implications of *Veeck* and *Public Resource.Org* for proposed uniform laws and accompanying reporters’ notes drafted by the ULC and ALI? For example, ULC



and ALI jointly promulgate the Uniform Commercial Code (UCC), which includes both proposed legislative text and comments by the relevant drafting committee. Some states adopt only the text as law; some also adopt the comments as law. Do the ULC and the ALI have a copyright in anything? If not, would that result undermine the incentive to create model uniform laws?

5. In 2019, Congress amended § 105 of the Copyright Act to allow civilian faculty members of “covered” federal institutions to assert copyright in their literary works “produced . . . in the course of employment . . . for publication by a scholarly press or journal.” The new subsection (c) lists the covered institutions: (A) National Defense University; (B) United States Military Academy; (C) Army War College; (D) United States Army Command and General Staff College; (E) United States Naval Academy; (F) Naval War College; (G) Naval Post Graduate School; (H) Marine Corps University; (I) United States Air Force Academy; (J) Air University; (K) Defense Language Institute; (L) United States Coast Guard Academy. In 2022, Congress added the United States Merchant Marine Academy and the National Intelligence University to the list of covered institutions. All the covered institutions are military educational establishments. What might justify this amendment to §105? Had you been a member of Congress when this amendment was introduced, would you have voted in favor? Why or why not?

---

---

## Chapter 5. The Reproduction Right and the Right to Prepare Derivative Works

---

---

### A. Reproduction

#### 1. The Exact Copy

**Page 253.** *Add the following immediately after the Notes and Questions:*

#### c. Diving Deeper: Non-Fungible Tokens

As more copyrighted works have been distributed online, questions have arisen about how to identify and control distribution of authorized copies. Sellers of works marketed digitally – art, autographed photos, videos, music, baseball cards, tattoo designs, to name a few – have begun using non-fungible tokens (NFTs) ostensibly to signify to the buyer that what they are purchasing is the original version of the work. The token itself is a unique digital asset whose authenticity is certified on a blockchain (i.e. non-hackable, digital) ledger. Sellers argue that buyers of a work to which an NFT is “linked” can be confident that what they purchase is the original article. But can they?

The NFT itself contains, *inter alia*, a code that identifies the work. That code is generated by an encryption algorithm. Anyone using the same algorithm with the same data will generate the same code. Thus,

[w]hatever the ‘original’ copy of a digital work . . . might be, the NFT doesn’t help identify it, because the NFT does not identify a particular copy at all. All it does is tell you whether *any* particular copy of [the work] contains the same data as the file from which the [identifying code] was originally generated. In other words, the NFT tells you whether you have *a* copy. It does not tell you whether you have *the* copy.

Kal Rastiala & Christopher Jon Sprigman, *The One Redeeming Quality of NFTs Might Not Even Exist*, SLATE, Apr. 14, 2021, available at <https://bit.ly/3hkIHHQ>.

Why do you think NFTs are so trendy if they are incapable of actually performing the function of identifying the “original”? Note also that copyright owners are not the only actors who can attach NFTs to copies of their works; some instances have involved collectors who attached NFTs prior to resale. Under such circumstances, what interest does the NFT appear to protect?

Some argue, however, that future applications of NFT technology will allow copyright owners very efficiently to track online distribution of content to identify infringement:

. . . The key is using blockchain to track digital copies. No one was ever legally allowed to reproduce digital copies of songs without a license, but when did that ever stop bustling online exchanges from disseminating pirated music? The digital versions of the songs were identical and virtually untraceable. But now, if someone buys a song attached to an

NFT, there is a digital marker identifying that audio file. NFTs may actually mark the new era in online content; an era where we eventually see every digital copy tagged with a serial number to trace and prosecute counterfeiting.

Ryan W. McBride & Silas K. Alexander, *Non-Fungible Tokens Force a Copyright Reckoning*, IP WATCHDOG, Apr. 22, 2021, available at <https://www.ipwatchdog.com/2021/04/22/non-fungible-tokens-force-a-copyright-reckoning/id=132435/>. What do you think of this possibility? Remember that purchasers of content distributed using an NFT generally do not obtain the exclusive rights of the copyright owner. So, while they may be allowed to display and resell the NFT, they generally can't copy the underlying work without a license or another defense. Would you support use of NFTs as copyright tracking mechanisms? Why, or why not?

## 2. The “De Minimis” Copy

**Page 257. In the Notes and Questions, insert new Note 5:**

5. The Ninth Circuit recently held that the de minimis doctrine applies only to the substantial similarity inquiry and is not a more general defense to infringement. *See Bell v Wilmott Storage Services, LLC*, 12 F.4th 1065 (9th Cir. 2021). In *Bell*, a photographer asserted that a website had infringed the copyright in one of his photographs by including it in a database of images. There was no publicly accessible link that led to the photograph; it was only accessible if someone knew the exact file-path address or via a reverse-image search (which was how the plaintiff discovered it). Citing the *Ringgold* case discussed in the *Gottlieb* decision (pp. 253-56 of the casebook), the website asserted an “affirmative defense” of de minimis use. The district court granted the website’s motion for summary judgment, finding its use of the photograph was “so insubstantial as to constitute a mere ‘technical’ or de minimis violation that was not actionable as a matter of law.” *Id.* at 1071. Ninth Circuit reversed, holding that:

The de minimis concept is properly used to analyze whether so little of a copyrighted work has been copied that the allegedly infringing work is not substantially similar to the copyrighted work and is thus non-infringing. However, once infringement is established, that is, ownership and violation of one of the exclusive rights in copyright under 17 U.S.C. § 106, de minimis use of the infringing work is not a defense to an infringement action.

*Id.* at 1068. Because defendant’s copying was total—the website stored an identical copy of the copyrighted photo—the de minimis doctrine was inapplicable.

Courts have also recently considered the de minimis use doctrine in disputes involving copyrighted tattoos inked on popular athletes and displayed on their likenesses in league-authorized video games. Compare *Solid Oak Sketches, LLC v. 2K Games, Inc.* 449 F. Supp. 3d 333 (S.D.N.Y. 2020) (finding no substantial similarity because the copying was de minimis: the tattoos depicted on NBA players were “significantly reduced in size” they were

### LOOKING FORWARD

Professor Nimmer suggests that the de minimis doctrine “should be limited to . . . determining either substantial similarity or fair use.” 2 M. Nimmer & D. Nimmer, Copyright § 8.01[G] (2019). When you learn about fair use, be sure to consider the role that a concept of de minimis use might play in assessing whether a particular use is fair.

“a mere 4.4% to 10.96% of the size that they appear in real life” and appeared “out of focus and are observable only as undefined dark shading on the Players’ arm”), with *Catherine Alexander v. Take Two Interactive*, 489 F. Supp. 3d 812, 823 (S.D. Ill. 2020) (holding creator of video games could not rely on the de minimis doctrine because of “wholesale copying” of plaintiff’s copyrighted tattoos “in their entirety” on the image of a well-known WWE wrestler depicted in defendant’s video games).

Should there be a place for a defense of de minimis use even when the entire work has been copied? Or should the doctrine apply only when evaluating substantial similarity?

### **3. The Substantially Similar Copy**

**Page 264. In the Notes and Questions, add a new Note 3 and re-number existing Notes 3-6 as 4-7:**

3. In establishing copying in fact, should courts consider access and similarity to be in an inverse relationship – i.e., the more access, the less similarity required and vice versa? In *Skidmore v. Led Zeppelin*, 952 F.3d 1051 (9th Cir. 2020) (en banc), the Ninth Circuit reversed prior precedent (including a part of *Three Boys Music Corp.* not reproduced in the casebook) that had adopted the so-called “inverse ratio rule.” *Id.* at 1066. The *Led Zeppelin* court described the rule as one that “is not part of the copyright statute, defies logic, and creates uncertainty for the courts and the parties . . .” *Id.* What considerations do you think led the court to this conclusion? Do you agree with the court? Why, or why not?

**Page 305-06. In the Notes and Questions, replace Note 5 with the following:**

5. Are jury trials desirable (or even appropriate) in music copyright infringement cases? The history of *Skidmore v. Led Zeppelin*, 952 F.3d 1051 (9th Cir. 2020) (en banc), illustrates just some of the challenges jury trials present. There, the jury concluded that the opening bars of Led Zeppelin’s “Stairway to Heaven” did not infringe the copyright in an earlier composition, “Taurus.” Among the issues on appeal were the appropriateness of a number of the district court’s jury instructions. The plaintiff challenged as unfairly prejudicial: (i) instruction number 16 on originality, providing that “common musical elements, such as descending chromatic scales, arpeggios or short sequences of three notes” are not protected by copyright; (ii) instruction number 20 on originality, noting that “any elements from prior works or the public domain are not considered original . . . and [are] not protectable by copyright”; and (iii) refusal to give a jury instruction concerning the copyrightability of selection and arrangement of uncopyrightable elements. *Id.* at 1070-76. After a 3-judge panel agreed with the plaintiff, the en banc court reversed:

Jury Instruction No. 16 correctly listed non-protectable musical building blocks that no individual may own, and did not, as Skidmore claims, exclude the particular use of musical elements in an original expression. . . .

Reading [Jury Instruction No. 20 in its entirety, including the following -] an ‘original work may include or incorporate elements taken from prior works or works from the public domain’ – we conclude that Jury Instruction No. 20 correctly instructed the jury

that original expression can be the result of borrowing from previous works or the public domain. . . .

[Regarding the lack of instruction on a selection and arrangement theory, b]ecause Skidmore did not preserve his objection to the omission, we review for plain error. . . .

. . . Under plain error review . . . we consider whether ‘(1) there was an error; (2) the error was obvious; and (3) the error affected substantial rights.’ Even where these demanding requirements are met, ‘the decision whether to correct a plain error under Federal Rule of Civil Procedure 51(d)(2) is discretionary,’ typically invoked only . . . ‘to prevent a miscarriage of justice.’

Even [assuming plain error,] we cannot conclude that it produced a miscarriage of justice. . . . A selection and arrangement instruction would not have convinced the jury that *Stairway to Heaven* was substantially similar to . . . *Taurus*. . . . We may also take ‘into consideration ‘the costs of correcting [the] error,’ and that factor clearly supports letting the jury verdict stand. This case involved a lengthy trial, and there is little reason to have another trial that Skidmore cannot win. . . .

[W]e [also] conclude that the district court did not commit any error [because Skidmore] did not present [copyright in the selection and arrangement] as a separate theory at trial.

At trial, Skidmore’s copyright infringement claim was based on the combination of five elements: minor chromatic line and associated chords; duration of pitches . . . ; melody . . . ; rhythm . . . ; and pitch collection.

. . . Skidmore never argued how these musical components related to each other to create the overall design, pattern, or synthesis. Skidmore simply presented a garden variety substantial similarity argument. . . .

*Id.* at 1070-74. Do you agree with the en banc court that the instructions correctly stated the law and did not prejudice the plaintiff? Should the cost of correcting an error be relevant to the analysis?

## **C. Fictional Characters and the Reproduction and Derivative Work Rights**

***Page 343. In the Notes and Questions, insert the following at the end of Note 1:***

The three-part test the Ninth Circuit employs in *Towle* is not the only test that courts use to determine the copyrightability of characters contained in works like books and movies. In the past, courts have extended protection to characters that constitute “the story being told,” as opposed to a character that is “only the chessman in the game of telling the story.” *Warner Bros. Pictures v. Columbia Broad. Sys.*, 216 F.2d 945, 950 (9th Cir. 1954). The Ninth Circuit has made clear that a plaintiff can demonstrate a character’s copyrightability by satisfying *either* the test articulated in *Towle* or “the story being told” test. *Daniels v. Walt Disney Co.*, 958 F.3d 767 (9th Cir. 2020) (rejecting claim against Disney’s movie *Inside Out* by author of children’s books that explore different emotions with colorful characters). The *Daniels* court described the story being told test as setting “a high bar, since few characters so dominate the story such that it becomes essentially a

character study.” *Id.* at 774. Does the “story being told” test set the bar too high? Does the three-part test articulated in *Towle* set the bar high enough?

---

---

## Chapter 6. The Rights of Distribution, Public Performance, and Public Display

---

---

### B. Communication to the Public by Performance or Display

***Replace the Notes and Questions, pages 405-06, with the following:***

#### NOTES AND QUESTIONS

1. Do you agree that the plain language of the Act mandated rejection of Perfect 10's claims for direct infringement with respect to the full-size images? Two federal district judges have disagreed with the Ninth Circuit's reading of the public display right. *Nicklen v. Sinclair Broadcast Group, Inc.*, 551 F. Supp 3d 188 (2021), involved a nature photographer who posted a video of a starving polar bear to his Instagram and Facebook accounts. After the video went viral, many online publishers, including the lead defendant Sinclair Broadcast Group, Inc., and its affiliates, published articles that linked to the video using an "embed tool" made available by Instagram and Facebook. An embed tool (or embed code) makes linked content appear seamlessly integrated into a web page as though it originated on that page. Nicklen sued the media entities for infringing his right of public display, and the media entities moved to dismiss. The court denied the motion:

... [U]nder the plain meaning of the Copyright Act, a defendant violates an author's exclusive right to display an audiovisual work publicly when the defendant without authorization causes a copy of the work, or individual images of the work, to be seen—whether directly or by means of any device or process known in 1976 or developed thereafter. . . .

Further, the exclusive display right set forth in the Copyright Act is technology-neutral, covering displays made directly or by means of any device or process "now known or later developed." The concept of "display" thus includes "the projection of an image on a screen or other surface by any method, the transmission of an image by electronic or other means, and the showing of an image on a cathode ray tube, or similar viewing apparatus connected with any sort of information storage and retrieval system." H.R. Rep. No. 94-1476, at 64 (1976). The right is concerned not with how a work is shown, but *that* a work is shown.

The Copyright Act's text and history establish that embedding a video on a website "displays" that video, because to embed a video is to show the video or individual images of the video nonsequentially by means of a device or process.... The embed code on the Sinclair Defendants' webpages is simply an information "retrieval system" that permits the Video or an individual image of the Video to be seen. The Sinclair Defendants' act of embedding therefore falls squarely within the display right.

*Id.* at 194; *see also* *Goldman v. Breitbart News Network*, 302 F. Supp. 3d 585 (S.D.N.Y. 2018). Which court's reading of the Act do you find more convincing? If you prefer the *Nicklen* reading, does that mean *Perfect 10* was wrongly decided?

2. As you have learned, the Act does not always speak clearly to contemporary copyright questions. Might it be more appropriate to conclude that there is no plain language answer to the question whether hyperlinking infringes the public display right? Should courts instead scrutinize the context in which hyperlinking occurs? Is that what the *Perfect 10* district court did when it applied a "server test"? The district court rejected an alternative approach, which it called the "incorporation test," that would define "'display' as the mere act of incorporating content into a webpage that is then pulled up by the browser." *Perfect 10 v. Google, Inc.*, 416 F. Supp. 2d 828, 839 (C.D. Cal. 2006). The court thought the server test preferable because it "is based on what happens at the technological level ... [and] neither invites copyright infringing activity by a search engine ... nor flatly precludes liability for such activity." *Id.* at 843-44.

The *Nicklen* court rejected defendants' request that it adopt the *Perfect 10* "server test," giving several reasons:

The server rule is contrary to the text and legislative history of the Copyright Act. The Act defines to display as "to show a copy of" a work, 17 U.S.C. § 101, not "to make and then show a copy of the copyrighted work." The Ninth Circuit's approach, under which no display is possible unless the alleged infringer has also stored a copy of the work on the infringer's computer, makes the display right merely a subset of the reproduction right. *See* Jane C. Ginsburg & Luke Ali Budiardjo, *Embedding Content or Interring Copyright: Does the Internet Need the "Server Rule"?*, 32 Colum. J. L. & Arts 417, 430 (2019). Further, the server rule distinguishes between showing a copy possessed by the infringer and showing a copy possessed by someone else. *See Perfect 10*, 508 F.3d at 1161. As discussed above, when a copy of a work is shown, the Copyright Act makes no such distinction. *See, e.g., Am. Broad. Companies, Inc. v. Aereo, Inc.*, 573 U.S. 431, 441-48 (2014) (holding that, despite technological complexity concerning the "behind-the-scenes" delivery of images, the defendant violated the exclusive right to "show [an audiovisual work's] images in any sequence," because "whether Aereo transmits from the same or separate copies, it ... shows the same images and makes audible the same sound").

Further, the Ninth Circuit's reasoning in *Perfect 10* should be cabined by two facts specific to that case: (1) the defendant operated a search engine and (2) the copyrighted images were displayed only if a user clicked on a link. *See Goldman v. Breitbart News Network, LLC*, 302 F. Supp. 3d 585, 595 (S.D.N.Y. 2018) (distinguishing *Perfect 10* on these grounds).... This case does not involve a search engine, and *Nicklen* alleges that no user intervention was required to display the Video's individual images nonsequentially. An individual still image from the Video awaits Sinclair readers whether they click the image to play the video or not. Thus, *Perfect 10*'s test is a poor fit for this case, and the Court declines to adopt it.

*Nicklen*, 551 F. Supp. 3d at 195.

So—which is it? Is the server test inconsistent with the language and history of the Act, or is it appropriate for infringement cases involving search engines? Are you persuaded by the *Nicklen* court's invocation of *Aereo*? If so, is the result in *Perfect 10* wrong, after all?



3. Review the Comparative Perspective Box on page 404 of the casebook. The European Court of Justice has reaffirmed that hyperlinking to a work already made available to the public does not infringe the copyright, regardless of the linking technique used, as long as the copyright owner has not taken steps to restrict a particular technique. See *VG Bild-Kunst v Stiftung Preußischer Kulturbesitz*, Case C-392/19 (9 March 2021), ¶¶ 35-40. Do you prefer this approach to the issue of hyperlinking? Why, or why not?

4. Review *Capitol Records v. Thomas*, Chapter 6.A.1 of the casebook. Perfect 10 also asserted a claim against Google for direct infringement of its distribution right. It argued that, like users of peer-to-peer file-sharing services, Google made the infringing full-size images “available” to its users. The court rejected that argument, reasoning that “Google does not own a collection of Perfect 10’s full-size images and does not communicate these images to the computers of people using Google’s search engine.” Do you agree with that reasoning with respect to the distribution right? Review the language of §106(3) before you answer.

---

---

## Chapter 8. Moral Rights and Performers' Rights

---

---

### A. Moral Rights in the United States

**Page 474. Replace Notes 3 and 4 with the following:**

3. Should the plaintiffs' acknowledgement that even the works on the long-term walls were likely to be removed at some point in the future change the analysis under §113(d)? The answer to this question appears to be "no." On appeal, the Second Circuit observed: "[w]e see nothing in VARA that excludes temporary artwork from attaining recognized stature. . . . The statute does not adopt categories of 'permanent' and 'temporary' artwork, much less include a definition of these terms." *Castillo v. G&M Realty L.P.*, 950 F.3d 155, 167 (2d Cir. 2020).

4. Finding that the defendant's behavior in destroying the plaintiffs' artwork was "the epitome of willfulness," *Cohen v. G&M Realty L.P.*, 125 U.S.P.Q.2d 1708, \*17 (E.D.N.Y. 2018), *aff'd sub nom. Castillo v. G&M Realty L.P.*, 950 F.3d 155 (2d Cir. 2020), the court applied §§504(a)-(c) and awarded each artist the statutory maximum of \$150,000 in damages per work destroyed, totaling \$6,750,000 in statutory damages for the artists. In your opinion, do the facts of this case merit such a high award? Why or why not? You will learn more about damages for copyright violations in Chapter 13 of the casebook.

**Page 477. Insert the following as an alternative Practice Exercise: Statutory Interpretation:**

This problem asks you to consider the role of moral rights in affecting the display of artwork commissioned for a public space. Public art shapes perceptions and cultural norms. What responsibilities for those perceptions do owners of such artworks have? The problem is based on a real case that raises questions about who wields cultural power and how historical depictions of slavery in artistic works should be assessed.

In 1993, Vermont Law School commissioned a mural to be located in its newly constructed building. The artist assigned the copyright in the mural to the law school, but the contract did not address any moral rights. The commission stated that the mural was to "depict the evils of slavery and celebrate the role that the citizens of our state played in supporting the underground railroad." The artist commissioned to paint the mural was given wide latitude in painting it. Scenes in the mural depict the capture of people in Africa, their sale in the United States, slave labor, and a slave insurrection. Several years after the mural was completed, members of the law school's student body began complaining to the administration that the depictions of black Americans in the mural were based on stereotypes and were offensive. For many years the law school did not

respond to these complaints. Finally, in 2020, the law school determined that continued display of the mural was inappropriate.

The law school contacted the artist and offered to allow him to remove the mural and recover full ownership. Alternatively, the law school proposes to cover the mural permanently by building a frame which would support acoustic panels, permanently concealing the mural from view. Neither the frame nor the panels would actually touch the mural.

The artist has sued for a violation of §106A and seeks a preliminary injunction preventing the installation of the panels. He argues that the panels will modify the artwork, thereby harming his honor or reputation. The artist also asserts that permanently hiding the mural amounts to destruction of a work of recognized stature.

You represent the law school. Prepare a memorandum opposing the preliminary injunction motion. Assume, for the purposes of argument, that the work is of recognized stature and focus on the remaining statutory interpretation issues. Consider the potential to frame the law school's position to include discussion of the importance of owners of artwork having the ability to decide when to *stop* displaying the artwork, even artwork commissioned for a public space. Be sure to review the exceptions from VARA liability found in §106A(a)(3).

---

---

## Chapter 9. Fair Use

---

---

### A. Cultural Interchange

**Page 507. Replace Note 6 with the following:**

6. The Supreme Court has held fair use a mixed question of law and fact, characterizing the Federal Circuit as correctly reasoning “that reviewing courts should appropriately defer to the jury’s findings of underlying facts; but . . . the ultimate question whether those facts show[] a ‘fair use’ is a legal question for judges to decide *de novo*.” *Google, LLC v. Oracle Am. Inc.*, 141 S. Ct. 1183, 1199 (2021). The Court has also held both that the Seventh Amendment right to a jury trial applies in copyright infringement cases, *Feltner v. Columbia Pictures Television*, 523 U.S. 340 (1998), and that treating fair use as a mixed question of law and fact does not violate that right:

The [Seventh] Amendment both requires that ‘the right of trial by jury . . . be preserved’ and forbids courts to ‘re-examin[e]’ any ‘fact tried by a jury.’ U. S. Const., Amdt. 7; . . . It does not violate the Reexamination Clause for a court to determine the controlling law in resolving a challenge to a jury verdict, as happens any time a court resolves a motion for judgment as a matter of law.

*Google*, 114 S. Ct. at 1200. Note that *Campbell* was decided on defendants’ motion for summary judgment. When is summary judgment on the issue of fair use appropriate?

**Pages 508-524. Delete the *Castle Rock Ent., Inc. v. Carol Publ. Group, Inc.* case and Question 1 on page 516. Insert the following at the end of page 524.**

**Andy Warhol Foundation for the Visual Arts, Inc. v. Goldsmith**

143 S.Ct. 1258 (2023)

SOTOMAYOR, J: . . . .

I

Lynn Goldsmith is a professional photographer. Her specialty is concert and portrait photography of musicians. . . .

In 1981, Goldsmith convinced *Newsweek* magazine to hire her to photograph Prince Rogers Nelson, then an “up and coming” and “hot young musician.” *Newsweek* agreed, and Goldsmith took photos of Prince in concert at the Palladium in New York City and in her studio on West 36th Street. *Newsweek* ran one of the concert photos, together with an article titled “ ‘The Naughty Prince of Rock.’ ” Goldsmith retained the other photos. She holds copyright in all of them.

One of Goldsmith's studio photographs, a black and white portrait of Prince, is the original copyrighted work at issue in this case. See fig. 1, *infra*.



Figure 1. A black and white portrait photograph of Prince taken in 1981 by Lynn Goldsmith.

In 1984, Goldsmith, through her agency, licensed that photograph to *Vanity Fair* to serve as an “artist reference for an illustration” in the magazine. The terms of the license were that the illustration was “to be published in *Vanity Fair* November 1984 issue. It can appear one time full page and one time under one quarter page. No other usage right granted.” Goldsmith was to receive \$400 and a source credit.

To make the illustration, *Vanity Fair* hired pop artist Andy Warhol. Warhol was already a major figure in American art, known among other things for his silkscreen portraits of celebrities.<sup>1</sup> From Goldsmith's photograph, Warhol created a silkscreen portrait of Prince, which appeared alongside an article about Prince in the November 1984 issue of *Vanity Fair*. See fig. 2, *infra*. The article, titled “Purple Fame,” is primarily about the “sexual style” of the new celebrity and his music. *Vanity Fair*, Nov. 1984, p. 66. Goldsmith received her \$400 fee, and *Vanity Fair* credited her for the “source photograph.” Warhol received an unspecified amount.



Figure 2. A purple silkscreen portrait of Prince created in 1984 by Andy Warhol to illustrate an article in *Vanity Fair*

In addition to the single illustration authorized by the *Vanity Fair* license, Warhol created 15 other works based on Goldsmith's photograph: 13 silkscreen prints and two pencil drawings. The works are collectively referred to as the “Prince Series.” Goldsmith did not know about the Prince Series until 2016, when she saw the image of an orange silkscreen portrait of Prince (“Orange Prince”) on the cover of a magazine published by *Vanity Fair's* parent company, Condé Nast. See fig. 3, *infra*.

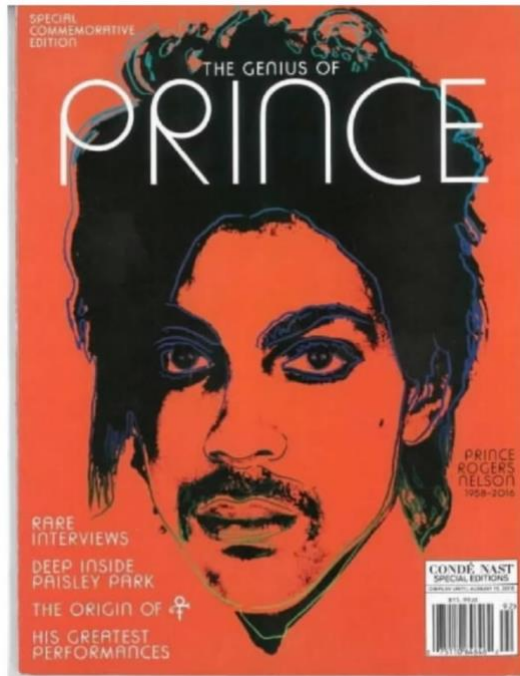


Figure 3. An orange silkscreen portrait of Prince on the cover of a special edition magazine published in 2016 by Condé Nast.

1958–2016,” just after Prince died. *People's* tribute, like Condé Nast's, honors the life and music of Prince. Other magazines, including *Rolling Stone* and *Time*, also released special editions. See fig. 5, *infra*. All of them depicted Prince on the cover. All of them used a copyrighted photograph in service of that object. And all of them (except Condé Nast) credited the photographer.



Figure 6. Warhol's orange silkscreen portrait of Prince superimposed on Goldsmith's portrait photograph.

By that time, Warhol had died, and the Prince Series had passed to the Andy Warhol Foundation for the Visual Arts, Inc. [(AWF)]. AWF no longer possesses the works, but it asserts copyright in them. It has licensed images of the works for commercial and editorial uses. In particular, after Prince died in 2016, Condé Nast . . . obtained a license to publish *Orange Prince*. . . . Condé Nast paid AWF \$10,000 for the license. Goldsmith received neither a fee nor a source credit.

Remember that Goldsmith, too, had licensed her Prince images to magazines such as *Newsweek*, to accompany a story about the musician, and *Vanity Fair*, to serve as an artist reference. But that was not all. Between 1981 and 2016, Goldsmith's photos of Prince appeared on or between the covers of *People*, *Readers Digest*, *Guitar World*, and *Musician* magazines.

*People* magazine, in fact, paid Goldsmith \$1,000 to use one of her copyrighted photographs in a special collector's edition, “Celebrating Prince:

When Goldsmith saw *Orange Prince* on the cover of Condé Nast's special edition magazine, she recognized her work. . . . *Orange Prince* crops, flattens, traces, and colors the photo but otherwise does not alter it. See fig. 6, *infra*.

Goldsmith notified AWF of her belief that it had infringed her copyright. AWF then sued Goldsmith and her agency for a declaratory judgment of noninfringement or, in the alternative, fair use. Goldsmith counterclaimed for infringement.

The District Court granted summary judgment for AWF. 382 F.Supp.3d 312, 316 (S.D.N.Y. 2019). The court considered the four fair use factors . . . and held that the Prince Series works made fair use of Goldsmith's photograph. . . .

The Court of Appeals for the Second Circuit reversed and remanded. It held that all four fair use factors favored Goldsmith. . . .

[In an earlier part of the opinion, the Court stated that, on certiorari, “the sole question presented is whether the first fair use factor . . . weighs in favor of AWF's recent commercial licensing to Condé Nast. On that narrow issue, and limited to the challenged use, the Court agrees with the Second Circuit: The first factor favors Goldsmith, not AWF.” . . .]

## II . . .

Although the Court of Appeals analyzed each fair use factor, the only question before this Court is whether the court below correctly held that the first factor, “the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes,” § 107(1), weighs in Goldsmith's favor. AWF contends that the Prince Series works are “transformative,” and that the first factor therefore weighs in its favor, because the works convey a different meaning or message than the photograph. The Court of Appeals erred, according to AWF, by not considering that new expression.

But the first fair use factor instead focuses on whether an allegedly infringing use has a further purpose or different character, which is a matter of degree, and the degree of difference must be weighed against other considerations, like commercialism. *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 579 (1994). Although new expression may be relevant to whether a copying use has a sufficiently distinct purpose or character, it is not, without more, dispositive of the first factor.

Here, the specific use of Goldsmith's photograph alleged to infringe her copyright is AWF's licensing of Orange Prince to Condé Nast. As portraits of Prince used to depict Prince in magazine stories about Prince, the original photograph and AWF's copying use of it share substantially the same purpose. Moreover, the copying use is of a commercial nature. Even though Orange Prince adds new expression to Goldsmith's photograph, as the District Court found, this Court agrees with the Court of Appeals that, in the context of the challenged use, the first fair use factor still favors Goldsmith. . . .

## A. . .

### 1

The first fair use factor is “the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes.” § 107(1). This factor considers the reasons for, and nature of, the copier's use of an original work. The “central” question it asks is “whether the new work merely ‘supersede[s] the objects’ of the original creation . . . (‘supplanting’ the original), or instead adds something new, with a further purpose or different character.” *Campbell*, 510 U.S. at 579. In that way, the first factor relates to the problem of substitution—copyright’s *bête noire*. The use of an original work to achieve a purpose that is the same as, or highly similar to, that of the original work is more likely to substitute for, or “‘supplan[t],” the work, *ibid.* . . .

Not every instance will be clear cut, however. Whether a use shares the purpose or character of an original work, or instead has a further purpose or different character, is a matter of degree. Most copying has some further purpose, in the sense that copying is socially useful *ex post*. Many secondary works add something new. That alone does not render such uses fair. Rather, the first factor (which is just one factor in a larger analysis) asks “whether *and to what extent*” the use at issue has a purpose or character different from the original. *Campbell*, 510 U.S. at 579 (emphasis added). The larger the difference, the more likely the first factor weighs in favor of fair use. The smaller the difference, the less likely.

A use that has a further purpose or different character is said to be “‘transformative.’” *Ibid.* (quoting P. Leval, *Toward a Fair Use Standard*, 103 Harv. L. Rev. 1105, 1111 (1990) (hereinafter Leval)). As before, “transformativeness” is a matter of degree. See *Campbell*, 510 U.S. at 579. That is important because the word “transform,” though not included in § 107, appears elsewhere in the Copyright Act. The statute defines derivative works, which the copyright owner has “the exclusive righ[t]” to prepare, § 106(2), to include “any other form in which a work may be recast, transformed, or adapted,” § 101. In other words, the owner has a right to derivative transformations of her work. Such transformations may be substantial, like the adaptation of a book into a movie. To be sure, this right is “[s]ubject to” fair use. § 106; see also § 107. The two are not mutually exclusive. But an overbroad concept of transformative use, one that includes any further purpose, or any different character, would narrow the copyright owner’s exclusive right to create derivative works. To preserve that right, the degree of transformation required to make “transformative” use of an original must go beyond that required to qualify as a derivative. . . .

In sum, the first fair use factor considers whether the use of a copyrighted work has a further purpose or different character, which is a matter of degree, and the degree of difference must be balanced against the commercial nature of the use. If an original work and a secondary use share the same or highly similar purposes, and the secondary use is of a commercial nature, the first factor is likely to weigh against fair use, absent some other justification for copying.

## 2

The fair use provision, and the first factor in particular, requires an analysis of the specific “use” of a copyrighted work that is alleged to be “an infringement.” § 107. The same copying may be fair when used for one purpose but not another.

Here, Goldsmith’s copyrighted photograph has been used in multiple ways: After Goldsmith licensed the photograph to *Vanity Fair* to serve as an artist reference, Warhol used the photograph to create the *Vanity Fair* illustration and the other Prince Series works. *Vanity Fair* then used the photograph, pursuant to the license, when it published Warhol’s illustration in 1984. Finally, AWF used the photograph when it licensed an image of Warhol’s Orange Prince to Condé Nast in 2016. Only that last use, however, AWF’s commercial licensing of Orange Prince to Condé Nast, is alleged to be infringing. Only that last use, however, AWF’s commercial licensing of Orange Prince to Condé Nast, is alleged to be infringing. We limit our analysis accordingly. In particular, the Court



expresses no opinion as to the creation, display, or sale of any of the original Prince Series works.<sup>10</sup>

A typical use of a celebrity photograph is to accompany stories about the celebrity, often in magazines. For example, Goldsmith licensed her photographs of Prince to illustrate stories about Prince in magazines such as *Newsweek*, *Vanity Fair*, and *People*. She even licensed her photographs for that purpose after Prince died in 2016. A photographer may also license her creative work to serve as a reference for an artist, like Goldsmith did in 1984 when *Vanity Fair* wanted an image of Prince created by Warhol to illustrate an article about Prince. As noted by the Court of Appeals, Goldsmith introduced “uncontroverted” evidence “that photographers generally license others to create stylized derivatives of their work in the vein of the Prince Series.” 11 F.4th at 50. In fact, Warhol himself paid to license photographs for some of his artistic renditions. Such licenses, for photographs or derivatives of them, are how photographers like Goldsmith make a living. They provide an economic incentive to create original works, which is the goal of copyright. . . .



Figure 7. A print based on the Campbell's soup can, one of Warhol's works that replicates a copyrighted advertising logo.

Taken together, these two elements—that Goldsmith's photograph and AWF's 2016 licensing of Orange Prince share substantially the same purpose, and that AWF's use of Goldsmith's photo was of a commercial nature—counsel against fair use, absent some other justification for copying. That is, although a use's transformativeness may outweigh its commercial character, here, both elements point in the same direction.

The foregoing does not mean, however, that derivative works borrowing heavily from an original cannot be fair uses. In *Google [LLC v. Oracle America, Inc.]*, 593 U. S. \_\_\_, 141 S.Ct. 1183, 1197 (2021), the Court suggested that “[a]n ‘artistic painting’ might, for example, fall within the scope of fair use even though it precisely replicates a copyrighted ‘advertising logo to make a comment about consumerism.’ ” 141 S. Ct. at 1203. That suggestion refers to Warhol's works that incorporate advertising logos, such as the Campbell's Soup Cans series. See fig. 7, *infra*.

Yet not all of Warhol's works, nor all uses of them, give rise to the same fair use analysis. In fact, Soup Cans well illustrates the distinction drawn here. The purpose of Campbell's logo is to advertise soup. Warhol's canvases do not share that purpose. Rather, the Soup Cans series uses Campbell's copyrighted work for an artistic commentary on

<sup>10</sup> . . . Congress has directed courts to examine the purpose and character of the challenged “use.” 17 U.S.C. § 107(1). Yet the dissent assumes that any and all uses of an original work entail the same first-factor analysis based solely on the content of a secondary work. This assumption contradicts the fair use statute and this Court's precedents.

consumerism, a purpose that is orthogonal to advertising soup. The use therefore does not supersede the objects of the advertising logo.

Moreover, a further justification for Warhol's use of Campbell's logo is apparent. His Soup Cans series targets the logo. That is, the original copyrighted work is, at least in part, the object of Warhol's commentary. It is the very nature of Campbell's copyrighted logo—well known to the public, designed to be reproduced, and a symbol of an everyday item for mass consumption—that enables the commentary. Hence, the use of the copyrighted work not only serves a completely different purpose, to comment on consumerism rather than to advertise soup, it also “conjures up” the original work to “she[d] light” on the work itself, not just the subject of the work. *Campbell*, 510 U.S. at 579, 588. Here, by contrast, AWF's use of Goldsmith's photograph does not target the photograph, nor has AWF offered another compelling justification for the use. . . .

## B

AWF contends, however, that the purpose and character of its use of Goldsmith's photograph weighs in favor of fair use because Warhol's silkscreen image of the photograph, like the Campbell's Soup Cans series, has a new meaning or message. The District Court, for example, understood the Prince Series works to portray Prince as “an iconic, larger-than-life figure.” 382 F.Supp.3d at 326. AWF also asserts that the works are a comment on celebrity. In particular, “Warhol's Prince Series conveys the dehumanizing nature of celebrity.” According to AWF, that new meaning or message, which the Court of Appeals ignored, makes the use “transformative” in the fair use sense. We disagree.

## 1

*Campbell* did describe a transformative use as one that “alter[s] the first [work] with new expression, meaning, or message.” 510 U.S. at 579; see also *Google*, 141 S.Ct. at 1202-1203. That description paraphrased Judge Leval's law review article, which referred to “new information, new aesthetics, new insights and understandings.” Leval 1111. (Judge Leval contrasted such additions with secondary uses that “merely repackag[e]” the original. *Ibid.*) But *Campbell* cannot be read to mean that § 107(1) weighs in favor of any use that adds some new expression, meaning, or message.

Otherwise, “transformative use” would swallow the copyright owner's exclusive right to prepare derivative works. Many derivative works, including musical arrangements, film and stage adaptations, sequels, spinoffs, and others that “recast, transfor[m] or adap[t]” the original, § 101, add new expression, meaning or message, or provide new information, new aesthetics, new insights and understandings. That is an intractable problem for AWF's interpretation of transformative use. The first fair use factor would not weigh in favor of a commercial remix of Prince's “Purple Rain” just because the remix added new expression or had a different aesthetic. A film or musical adaptation, like that of Alice Walker's *The Color Purple*, might win awards for its “significant creative contribution”; alter the meaning of a classic novel; and add “important new expression,” such as images, performances, original music, and lyrics. But that does not in itself dispense with the need for licensing. . . .

What role meaning or message played in the Court of Appeals' analysis here is not entirely clear. The court correctly rejected the idea “that any secondary work that adds a new aesthetic or new expression to its source material is necessarily transformative.” 11

F.4th at 38–39. It also appeared correctly to accept that meaning or message is relevant to, but not dispositive of, purpose. See *id.*, at 41 (“[T]he secondary work itself must reasonably be perceived as embodying a distinct artistic purpose, one that conveys a new meaning or message separate from its source material”).

Elsewhere, however, the Court of Appeals stated that “the district judge should not assume the role of art critic and seek to ascertain the intent behind or meaning of the works at issue.” *Id.*, at 41. That statement is correct in part. A court should not attempt to evaluate the artistic significance of a particular work. See *Bleistein v. Donaldson Lithographing Co.*, 188 U.S. 239, 251 (1903). Nor does the subjective intent of the user (or the subjective interpretation of a court) determine the purpose of the use. But the meaning of a secondary work, as reasonably can be perceived, should be considered to the extent necessary to determine whether the purpose of the use is distinct from the original, for instance, because the use comments on, criticizes, or provides otherwise unavailable information about the original.

## 2 . . .

The Court of Appeals noted, correctly, that “whether a work is transformative cannot turn merely on the stated or perceived intent of the artist or the meaning or impression that a critic—or for that matter, a judge—draws from the work.” 11 F.4th at 41. “[O]therwise, the law may well ‘recogniz[e] any alteration as transformative.’ ” *Ibid.* (quoting 4 Nimmer, Copyright § 13.05[B][6]). Whether the purpose and character of a use weighs in favor of fair use is, instead, an objective inquiry into what use was made, *i.e.*, what the user does with the original work.

Granting the District Court's conclusion that Orange Prince reasonably can be perceived to portray Prince as iconic, whereas Goldsmith's portrayal is photorealistic, that difference must be evaluated in the context of the specific use at issue. The use is AWF's commercial licensing of Orange Prince to appear on the cover of Condé Nast's special commemorative edition. The purpose of that use is, still, to illustrate a magazine about Prince with a portrait of Prince. Although the purpose could be more specifically described as illustrating a magazine about Prince with a portrait of Prince, one that portrays Prince somewhat differently from Goldsmith's photograph (yet has no critical bearing on her photograph), that degree of difference is not enough for the first factor to favor AWF, given the specific context of the use.

To hold otherwise would potentially authorize a range of commercial copying of photographs, to be used for purposes that are substantially the same as those of the originals. As long as the user somehow portrays the subject of the photograph differently, he could make modest alterations to the original, sell it to an outlet to accompany a story about the subject, and claim transformative use. . . .

## III ...

The Court has cautioned that the four statutory fair use factors may not “be treated in isolation, one from another. All are to be explored, and the results weighed together, in light of the purposes of copyright.” *Campbell*, 510 U.S. at 578. AWF does not challenge the Court of Appeals' determinations that the second factor, “the nature of the copyrighted work,” § 107(2); third factor, “the amount and substantiality of the portion used in relation to the copyrighted work as a whole,” § 107(3); and fourth factor, “the

effect of the use upon the potential market for or value of the copyrighted work,” all favor Goldsmith. See 11 F.4th at 45–51. Because this Court agrees with the Court of Appeals that the first factor likewise favors her, the judgment of the Court of Appeals is

*Affirmed.*

Justice KAGAN, with whom the CHIEF JUSTICE joins, dissenting. . . .

Today, the Court declares that Andy Warhol's eye-popping silkscreen of Prince—a work based on but dramatically altering an existing photograph—is (in copyright lingo) not “transformative.” Still more, the Court decides that even if Warhol's portrait were transformative—even if its expression and meaning were worlds away from the photo—that fact would not matter. For in the majority's view, copyright law's first fair-use factor—addressing “the purpose and character” of “the use made of a work”—is uninterested in the distinctiveness and newness of Warhol's portrait. 17 U.S.C. § 107. What matters under that factor, the majority says, is instead a marketing decision: In the majority's view, Warhol's licensing of the silkscreen to a magazine precludes fair use. . . .

. . . Before today, we assessed “the purpose and character” of a copier's use by asking the following question: Does the work “add[ ] something new, with a further purpose or different character, altering the [original] with new expression, meaning, or message”? *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 579, (1994); see *Google*, 141 S.Ct. at 1202-1203. When it did so to a significant degree, we called the work “transformative” and held that the fair-use test's first factor favored the copier (though other factors could outweigh that one). But today's decision—all the majority's protestations notwithstanding—leaves our first-factor inquiry in shambles. The majority holds that because Warhol licensed his work to a magazine—as Goldsmith sometimes also did—the first factor goes against him. It does not matter how different the Warhol is from the original photo—how much “new expression, meaning, or message” he added. It does not matter that the silkscreen and the photo do not have the same aesthetic characteristics and do not convey the same meaning. It does not matter that because of those dissimilarities, the magazine publisher did not view the one as a substitute for the other. All that matters is that Warhol and the publisher entered into a licensing transaction, similar to one Goldsmith might have done. Because the artist had such a commercial purpose, all the creativity in the world could not save him.

## I

That doctrinal shift ill serves copyright's core purpose. The law does not grant artists (and authors and composers and so on) exclusive rights—that is, monopolies—for their own sake. It does so to foster creativity—“[t]o promote the [p]rogress” of both arts and science. U. S. Const., Art. I, § 8, cl. 8. And for that same reason, the law also protects the fair use of copyrighted material. Both Congress and the courts have long recognized that an overly stringent copyright regime actually “stifle[s]” creativity by preventing artists from building on the work of others. *Stewart v. Abend*, 495 U.S. 207, 236 (1990) (internal quotation marks omitted). For, let's be honest, artists don't create all on their own; they cannot do what they do without borrowing from or otherwise making use of the work of others. That is the way artistry of all kinds—visual, musical, literary—happens (as it is the way knowledge and invention generally develop). The fair-use test's first factor

responds to that truth: As understood in our precedent, it provides “breathing space” for artists to use existing materials to make fundamentally new works, for the public’s enjoyment and benefit. *Id.*, at 579, 114 S.Ct. 1164. In now remaking that factor, and thus constricting fair use’s boundaries, the majority hampers creative progress and undermines creative freedom. I respectfully dissent.

I

A

Andy Warhol is the avatar of transformative copying. In his early career, Warhol worked as a commercial illustrator and became experienced in varied techniques of reproduction. By night, he used those techniques—in particular, the silkscreen—to create his own art. His own—even though in one sense not. The silkscreen enabled him to make brilliantly novel art out of existing “images carefully selected from popular culture.” D. De Salvo, *God Is in the Details*, in *Andy Warhol Prints* 22 (4th rev. ed. 2003). The works he produced, connecting traditions of fine art with mass culture, depended on “appropriation[s]”: The use of “elements of an extant image[ ] is Warhol’s entire *modus operandi*.” B. Gopnik, *Artistic Appropriation vs. Copyright Law*, *N. Y. Times*, Apr. 6, 2021, p. C4 (internal quotation marks omitted). And with that m.o., he changed modern art; his appropriations and his originality were flipsides of each other. To a public accustomed to thinking of art as formal works “belong[ing] in gold frames”—disconnected from the everyday world of products and personalities—Warhol’s paintings landed like a thunderclap. A. Danto, *Andy Warhol* 36 (2009). Think Soup Cans or, in another vein, think Elvis. Warhol had created “something very new”—“shockingly important, transformative art.” B. Gopnik, *Warhol* 138 (2020); Gopnik, *Artistic Appropriation*. . . .

B . . .

. . . Why do we have “fair use” anyway? The majority responds that while copyrights encourage the making of creative works, fair use promotes their “public availability.” But that description sells fair use far short. Beyond promoting “availability,” fair use itself advances creativity and artistic progress. See *Campbell*, 510 U.S. at 575, 579 (fair use is “necessary to fulfill copyright’s very purpose”—to “promote science and the arts”). That is because creative work does not happen in a vacuum. “Nothing comes from nothing, nothing ever could,” said songwriter Richard Rodgers, maybe thinking not only about love and marriage but also about how the Great American Songbook arose from vaudeville, ragtime, the blues, and jazz. This Court has long understood the point—has gotten how new art, new invention, and new knowledge arise from existing works. . . .

[The first factor] is the only one that focuses on what the copier’s use of the original work accomplishes. The first factor asks about the “character” of that use—its “main or essential nature[,] esp[ecially] as strongly marked and serving to distinguish.” Webster’s Third New International Dictionary 376 (1976). And the first factor asks about the “purpose” of the use—the “object, effect, or result aimed at, intended, or attained.” *Id.*, at 1847. In that way, the first factor gives the copier a chance to make his case. See P. Leval, *Toward a Fair Use Standard*, 103 Harv. L. Rev. 1105, 1116 (1990) (describing factor 1 as “the soul of” the “fair use defense”). Look, the copier can say, at how I altered the original, and what I achieved in so doing. Look at how (as Judge Leval’s seminal article put the point) the original was “used as raw material” and was “transformed in the creation of

new information, new aesthetics, new insights.” *Id.*, at 1111. That is hardly the end of the fair-use inquiry (commercialism, too, may bear on the first factor, and anyway there are three factors to go), but it matters profoundly. Because when a transformation of the original work has occurred, the user of the work has made the kind of creative contribution that copyright law has as its object. . . .

## II . . .

. . . [T]he majority transplants factor 4 into factor 1. Recall that the majority conducts a kind of market analysis: Warhol, the majority says, licensed his portrait of Prince to a magazine that Goldsmith could have licensed her photo to—and so may have caused her economic harm. That issue is no doubt important in the fair-use inquiry. But it is the stuff of factor 4: how Warhol’s use affected the “value of” or “market for” Goldsmith’s photo. Factor 1 focuses on the other side of the equation: the new expression, meaning, or message that may come from someone else using the original. Under the statute, courts are supposed to strike a balance between the two—and thus between rewarding original creators and enabling others to build on their works. That cannot happen when a court, à la the majority, double-counts the first goal and ignores the second. . . .

. . . As Congress knew, and as this Court once saw, new creations come from building on—and, in the process, transforming—those coming before. Today’s decision stymies and suppresses that process, in art and every other kind of creative endeavor. The decision enhances a copyright holder’s power to inhibit artistic development, by enabling her to block even the use of a work to fashion something quite different. Or viewed the other way round, the decision impedes non-copyright holders’ artistic pursuits, by preventing them from making even the most novel uses of existing materials. On either account, the public loses: The decision operates to constrain creative expression. . . .

. . . The majority’s decision is no “continuation” of “existing copyright law.” *Ante*, at 1287. In declining to acknowledge the importance of transformative copying, the Court today, and for the first time, turns its back on how creativity works.

## III

And the workings of creativity bring us back to Andy Warhol. For Warhol, as this Court noted in *Google*, is the very embodiment of transformative copying. He is proof of concept—that an artist working from a model can create important new expression. Or said more strongly, that appropriations can help bring great art into being. Warhol is a towering figure in modern art not despite but because of his use of source materials. His work—whether Soup Cans and Brillo Boxes or Marilyn and Prince—turned something not his into something all his own. Except that it also became all of ours, because his work today occupies a significant place not only in our museums but in our wider artistic culture. And if the majority somehow cannot see it—well, that’s what evidentiary records are for. The one in this case contained undisputed testimony, and lots of it, that Warhol’s Prince series conveyed a fundamentally different idea, in a fundamentally different artistic style, than the photo he started from. That is not the end of the fair-use inquiry. The test, recall, has four parts, with one focusing squarely on Goldsmith’s interests. But factor 1 is supposed to measure what Warhol has done. . . .

Still more troubling are the consequences of today's ruling for other artists. If Warhol does not get credit for transformative copying, who will? And when artists less famous than Warhol cannot benefit from fair use, it will matter even more. Goldsmith would probably have granted Warhol a license with few conditions, and for a price well within his budget. But as our precedents show, licensors sometimes place stringent limits on follow-on uses, especially to prevent kinds of expression they disapprove. And licensors may charge fees that prevent many or most artists from gaining access to original works. Of course, that is all well and good if an artist wants merely to copy the original and market it as his own. Preventing those uses—and thus incentivizing the creation of original works—is what copyrights are for. But when the artist wants to make a transformative use, a different issue is presented. By now, the reason why should be obvious. “Inhibit[ing] subsequent writers” and artists from “improv[ing] upon prior works”—as the majority does today—will “frustrate the very ends sought to be attained” by copyright law. *Harper & Row*, 471 U.S. at 549. It will stifle creativity of every sort. It will impede new art and music and literature. It will thwart the expression of new ideas and the attainment of new knowledge. It will make our world poorer.

## NOTES AND QUESTIONS

1. Whose analysis of *Campbell* is more persuasive, the majority's or the dissent's? The majority acknowledges that *Campbell* speaks of altering the “work” with a new message or meaning, but then states that that the “use” of the work must be transformative. Is a focus on “uses” better than a focus on “works”? Could, for example, 2 Live Crew license its version of *Pretty Woman* for a TV commercial without going through another fair use analysis?

2. After *Warhol*, what evidence should a court consider when analyzing the first factor? Does focusing on the two “uses” rather than the “works” clarify the inquiry? How would you advise an appropriation artist about whether the first factor weighs in favor of her use of an existing copyrighted work? Does focusing on the “use” help or hurt an artist who is seeking to create appropriation art?

3. Would the first fair use factor have weighed in favor of AWF if Lynn Goldsmith had never previously licensed her photographs or was not a professional photographer? Review the *Cariou v. Prince* decision in the casebook at pp. 517-24. Does the reasoning in *Warhol* change the fair use determination in that case? Why, or why not?

4. Do you agree with Justice Kagan and Chief Justice Roberts that the majority's approach amounts to double-counting the market effect? What is the difference between the first and fourth fair use factors after *Warhol*?

5. Is “transform,” as used in the statutory definition of “derivative work,” equivalent to “transformative” in the fair use inquiry, as the majority suggests? What are the consequences of this approach? What is the dissent's view of the appropriate relationship between the reproduction right and the right to make derivative works?

In their concurring opinion, Justices Gorsuch and Jackson maintain that the statutory text offers clear guidance to courts applying the fair use factors, and especially on the relationship between the reproduction right and the right to make derivative works:

[T]he copyright statute expressly protects a copyright holder's exclusive right to create "derivative works" that "transfor[m]" or "adap[t]" his original work. So saying that a later user of a copyrighted work "transformed" its message and endowed it with a "new aesthetic" cannot automatically mean he has made fair use of it. . . . To hold otherwise would risk making a nonsense of the statutory scheme—suggesting that transformative uses of originals belong to the copyright holder (under § 106) but that others may simultaneously claim those transformative uses for themselves (under § 107). We aren't normally in the business of putting a statute "at war with itself" in this way. *United States v. American Tobacco Co.*, 221 U.S. 106, 180 (1911).

*Id.* at 1289-90. Do you find this reading of the statute persuasive?

6. AWF did not appeal the infringement determination. Review (in the casebook) *Mannion v. Coors Brewing Co.*, 377 F. Supp 2d 444 (S.D.N.Y. 2006) on pp. 69-74 and 288-92 and *Schrock v. Learning Curve Int'l, Inc.*, 596 F.3d 513 (7th Cir. 2009) on pp. 105-09. Review also the Practice Exercise on p. 306 of the casebook. Was Goldsmith's photo copyrightable? If so, did Warhol take any of its copyrightable elements?

### Practice Exercise

Ruvén Afanador is an internationally acclaimed photographer renowned for his original portraits that feature distinctive, bold styles in dramatic black and white. A major art gallery in London described Afanador's work as follows:

*In his portraits, he unfailingly pierces the carefully wrought persona[e] of the beautiful and powerful symbols of our age to expose their essence with eloquent certainty. In a recurring theme, he juxtaposes startling masculine force and surprising feminine strength to challenge conventional definitions of gender and beauty with confident audacity. Joining such legendary artists captivated and inspired by the beguiling traditions of Spanish culture as the composer Manuel de Falla, the poet Federico Garcia Lorca and the filmmaker Carlos Saura, Afanador pays homage to the great painters, who, like Goya, have portrayed its unique splendor.*

In 2019, the United States Supreme Court's Administrative Office (AO) invited Afanador to photograph Justice Ruth Bader Ginsburg. Over the course of three days, Afanador staged the backdrop for the Justice's portrait, paying attention to key details, such as the way her hands rested outside her judicial robe, the angle of her face, the slight frown on her forehead, the arch of one eye, and the slight bend of her upper back. He took several "draft" photographs of the Justice in several poses before settling on the essence of what he wanted to capture. Afanador titled the final portrait of the Justice "Ruth Bader Ginsburg." His photograph quickly became the iconic face of the revered Justice to whom many in the legal profession referred as "a titan" and who was widely beloved as "the notorious RBG." Afanador's portrait is Figure 1 below.

In January 2022, Julie Torres, a Georgia-based fine artist (and former law student), decided to produce a series of paintings of Justice Ginsburg. She created screen prints, mixed-media works, and limited-edition prints of Afanador's photograph of Justice Ginsburg, using bright colors and producing final versions in a style quite different from Afanador's. By 2023, the RBG series had become one of Torres' best-known works.



Each painting in the RBG series shows Justice Ginsburg with the same facial expression and with quotes from various speeches and lectures embedded in the background. There are more than 15 works in the series, with titles such as “Even in the Face of Majority Action”, “All I Ask of Our Brethren”, “When Daughters Are Cherished”, “A Judge Grows in Brooklyn”, “In the Service of Society”, and “When There Are Nine.”



*Ruvén Afanador, Figure 1, 2009*

Assume Afanador has demanded that Torres immediately destroy all paintings in the RBG series and take down the website where she sells the RBG artwork. Torres has retained your law firm to provide expert counsel on how best to characterize her work following the *Warhol* decision. The senior litigation partner has asked you to write a memo addressing the fair use question. She also wants you to address the wisdom of filing a declaratory judgment action against Afanador.

Write a memo offering your best advice to the partner.



*Julia Torres, In the Service of Society, 2020*



*Julia Torres Even, in the Face of Majority Action, 2021*

## B. Transformative Use Revisited

***Pages 528-35. Replace Subsection 1 on Technical Interchange with the following:***

### 1. Technical Interchange

As you know from Chapter 4.C in the casebook, computer programs exhibit a high degree of interdependence. To accomplish the tasks for which they were designed, computer programs typically must interoperate with (or “talk to”) one another according to precise technical specifications. As a practical matter, achieving interoperability with a preexisting computer program often requires copying elements of that program.

For example, if the program is distributed in object code only, with no source code otherwise accessible, programmers may engage in a process called decompilation—converting the program from the zeros and ones representing machine-readable object code into human-readable commands—so they can understand and reverse engineer the program’s technical requirements. The eventual new program that results may be one that works with the copyrighted work or one that substitutes for it. The process of decompilation necessarily involves making copies of large portions of the copyrighted work.

The leading case addressing decompilation is *Sega Enterprises Ltd. v. Accolade, Inc.*, 977 F.2d 1510 (1992). Accolade decompiled the object code of some of Sega’s video game cartridges to develop a manual containing descriptions of the interface requirements a programmer would need to know to create video games running on Sega’s Genesis console. Accolade then developed its own games to run on that console. Accolade’s games competed with those manufactured by Sega and its licensees but did not compete with the Genesis console itself. The Ninth Circuit held Accolade’s copying fair. The court emphasized the utilitarian nature of computer programs and characterized Accolade’s copying as a necessary intermediate step to understand the console’s unprotected “functional requirements for compatibility” so that it could create new copyrightable expression (new games running on the Genesis console). *Id.* at 1522.

The Ninth Circuit relied on *Sega*’s reasoning in *Sony Computer Entertainment, Inc. v. Connectix Corp.*, 203 F.3d 596 (9th Cir.), *cert. denied*, 531 U.S. 871 (2000). There, Sony sued Connectix for decompiling Sony software to create a new Connectix computer program called a “Virtual Game Station” that allowed consumers to play Sony PlayStation games on personal computers, thus potentially decreasing demand for the PlayStation console. The court reasoned:

... because the Virtual Game Station is transformative, and does not merely supplant the PlayStation console, the Virtual Game Station is a legitimate competitor in the market for platforms on which Sony and Sony-licensed games can be played. For this reason, some economic loss by Sony as a result of this competition does not compel a

#### LOOKING FORWARD

Some software companies employ license agreements, including mass-market standard form agreements, that prohibit reverse engineering. We address the enforceability of such provisions in Chapter 15 of the casebook.

finding of no fair use. Sony understandably seeks control over the market for devices that play games Sony produces or licenses. The copyright law, however, does not confer such a monopoly. . . .

*Id.* at 608.

Over time, newer programming languages structured to enable compatibility have evolved. As the introductory material in Chapter 4.C.3 (p. 227) of the casebook describes, more recently developed programming languages use virtual machines (sets of programming routines and subroutines) to enable compatibility with a broad range of software and hardware. This enhances efficiency by eliminating the need for programmers to write new versions of applications to run on different software and hardware systems. To take advantage of the capabilities of virtual machines, programmers need to use the application programming interfaces (APIs) that allow access to the virtual machine's pre-existing functions. Sometimes the new program will copy parts of the actual code from the original for one reason or another.

How should the law address this type of copying? Consider the following case.

### **Google LLC v. Oracle America, Inc.**

141 S. Ct. 1183 (2021)

[Review the introductory material regarding computer software (pp. 208-10 in the casebook) and the Federal Circuit's earlier decision on the copyrightability issues in this case (Chapter 4.C.3, pp. 228-37 in the casebook). On remand, the jury unanimously found Google's copying of some of the Java API's declaring code and its organizational structure to be fair use. The Federal Circuit reversed. *Oracle Am., Inc. v. Google LLC*, 886 F.3d 1179 (Fed. Cir. 2018). The Supreme Court granted certiorari, and its decision on fair use follows. (The Court assumed for argument's sake that the material copied by Google was protected by copyright.)]

BREYER, J.: . . .

## **VI**

. . . Was Google's copying of the Sun Java API [now owned by Oracle], specifically its use of the declaring code and organizational structure for 37 packages of that API, a "fair use[?]" In answering this question, we shall consider the four factors set forth in the fair use statute as we find them applicable to the kind of computer programs before us. . . For expository purposes, we begin with the second.

### **A. "The Nature of the Copyrighted Work"**

The Sun Java API is a "user interface." It provides a way through which users (here the programmers) can "manipulate and control" task-performing computer programs "via a series of menu commands." *Lotus Development Corp. [v. Borland Int'l, Inc.]*, 49 F.3d 807, 809, *aff'd by an equally divided court*, 516 U.S. 233 (1996)]. The API reflects Sun's division of possible tasks that a computer might perform into a set of actual tasks that certain kinds of computers actually will perform. . . . No one claims that the decisions

about what counts as a task are themselves copyrightable—although one might argue about decisions as to how to label and organize such tasks (*e.g.*, the decision to name a certain task “max” or to place it in a class called “Math.” Cf. *Baker v. Selden*, 101 U.S.[] 99 (1880)). . . .

As [set forth] . . . in Appendix B, *infra*, we can think of the technology as having three essential parts. First, the API includes “implementing code,” which actually instructs the computer on the steps to follow to carry out each task. Google wrote its own programs (implementing programs) that would perform each one of the tasks that its API calls up.

Second, the Sun Java API associates a particular command, called a “method call,” with the calling up of each task. The symbols **java.lang.**, for example, are part of the command that will call up the program (whether written by Sun or, as here, by Google) that instructs the computer to carry out the “larger number” operation. Oracle does not here argue that the use of these commands by programmers itself violates its copyrights.

Third, the Sun Java API contains computer code that will associate the writing of a method call with particular “places” in the computer that contain the needed implementing code. This is the declaring code. The declaring code both labels the particular tasks in the API and organizes those tasks, or “methods,” into “packages” and “classes.” We have referred to this organization, by way of rough analogy, as file cabinets, drawers, and files. Oracle does claim that Google’s use of the Sun Java API’s declaring code violates its copyrights.

The declaring code at issue here resembles other copyrighted works in that it is part of a computer program. . . . It differs, however, from many other kinds of copyrightable computer code. It is inextricably bound together with[: (i)] a general system, the division of computing tasks, that no one claims is a proper subject of copyright[: (ii)] . . . the idea of organizing tasks into what we have called cabinets, drawers, and files, an idea that is also not copyrightable[: (iii)] . . . the use of specific commands known to programmers, known here as method calls (such as **java.lang.Math.max**, etc.), that Oracle does not here contest[: and (iv)] . . . implementing code, which is copyrightable but was not copied.

Moreover, the copied declaring code and the uncopied implementing programs call for, and reflect, different kinds of capabilities. A single implementation may walk a computer through dozens of different steps. To write implementing programs, witnesses told the jury, requires balancing such considerations as how quickly a computer can execute a task or the likely size of the computer’s memory. . . .

The declaring code (inseparable from the programmer’s method calls) embodies a different kind of creativity. Sun Java’s creators, for example, tried to find declaring code names that would prove intuitively easy to remember. They wanted to attract programmers who would learn the system, help to develop it further, and prove reluctant to use another. Sun’s business strategy originally emphasized the importance of using the API to attract programmers. It sought to make the API “open” and “then . . . compete on implementations.” The testimony at trial was replete with examples of witnesses drawing this critical line between the user-centered declaratory code and the innovative implementing code.

These features mean that, as part of a user interface, the declaring code differs to some degree from the mine run of computer programs. Like other computer programs, it is functional in nature. But unlike many other programs, its use is inherently bound together with uncopyrightable ideas (general task division and organization) and new creative expression (Android's implementing code). Unlike many other programs, its value in significant part derives from the value that those who do not hold copyrights, namely, computer programmers, invest of their own time and effort to learn the API's system. And unlike many other programs, its value lies in its efforts to encourage programmers to learn and to use that system so that they will use (and continue to use) Sun-related implementing programs that Google did not copy.

... In our view, for the reasons just described, the declaring code is, if copyrightable at all, further than are most computer programs (such as the implementing code) from the core of copyright. That fact diminishes the fear, expressed by both the dissent and the Federal Circuit, that application of "fair use" here would seriously undermine the general copyright protection that Congress provided for computer programs. And it means that this factor, "the nature of the copyrighted work," points in the direction of fair use.

### **B. "The Purpose and Character of the Use"**

In the context of fair use, we have considered whether the copier's use "adds something new, with a further purpose or different character, altering" the copyrighted work "with new expression, meaning or message." [*Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 579 (1994)]. ... [W]e have used the word "transformative" to describe a copying use that adds something new and important. [*Id.*] ...

Google copied portions of the Sun Java API precisely, and it did so in part for the same reason that Sun created those portions, namely, to enable programmers to call up implementing programs that would accomplish particular tasks. But since virtually any unauthorized use of a copyrighted computer program (say, for teaching or research) would do the same, to stop here would severely limit the scope of fair use in the functional context of computer programs. Rather, in determining whether a use is "transformative," we must go further and examine the copying's more specifically described "purpose[s]" and "character." 17 U.S.C. §107(1).

Here Google's use of the Sun Java API seeks to create new products. It seeks to expand the use and usefulness of Android-based smartphones. Its new product offers programmers a highly creative and innovative tool for a smartphone environment. To the extent that Google used parts of the Sun Java API to create a new platform that could be readily used by programmers, its use was consistent with that creative "progress" that is the basic constitutional objective of copyright itself.

The jury heard that Google limited its use of the Sun Java API to tasks and specific programming demands related to Android. It copied the API (which Sun created for use in desktop and laptop computers) only insofar as needed to include tasks that would be useful in smartphone programs. And it did so only insofar as needed to allow programmers to call upon those tasks without discarding a portion of a familiar programming language and learning a new one. ... Some of the *amici* refer to what Google did as "reimplementation," defined as the "building of a system ... that repurposes the

same words and syntaxes” of an existing system—in this case so that programmers who had learned an existing system could put their basic skills to use in a new one.

The record here demonstrates the numerous ways in which reimplementing an interface can further the development of computer programs. . . .

These and related facts convince us that the “purpose and character” of Google’s copying was transformative—to the point where this factor too weighs in favor of fair use. . . .

### **C. “The Amount and Substantiality of the Portion Used”**

If one considers the declaring code in isolation, the quantitative amount of what Google copied was large. Google copied the declaring code for 37 packages of the Sun Java API, totaling approximately 11,500 lines of code[,] . . . virtually all the declaring code needed to call up hundreds of different tasks. On the other hand, if one considers the entire set of software material in the Sun Java API, the quantitative amount copied was small. The total set of Sun Java API computer code . . . amounted to 2.86 million lines, of which the copied 11,500 lines were only 0.4 percent. . . .

Several features of Google’s copying suggest that the better way to look at the numbers is to take into account the several million lines that Google did not copy. For one thing, the Sun Java API is inseparably bound to those task-implementing lines. Its purpose is to call them up. For another, Google copied those lines not because of their creativity, their beauty, or even (in a sense) because of their purpose. It copied them because programmers had already learned to work with the Sun Java API’s system, and it would have been difficult, perhaps prohibitively so, to attract programmers to build its Android smartphone system without them. Further, Google’s basic purpose was to create a different task-related system for a different computing environment (smartphones) and to create a platform—the Android platform—that would help achieve and popularize that objective. The “substantiality” factor will generally weigh in favor of fair use where, as here, the amount of copying was tethered to a valid, and transformative, purpose. . . .

We consequently believe that this “substantiality” factor weighs in favor of fair use.

### **D. Market Effects**

The fourth statutory factor focuses upon the “effect” of the copying in the “market for or value of the copyrighted work.” 17 U.S.C. §107(4). Consideration of this factor, at least where computer programs are at issue, can prove more complex than at first it may seem. . . .

. . . [A] potential loss of revenue is not the whole story. We here must consider not just the amount but also the source of the loss. . . .

Further, we must take into account the public benefits the copying will likely produce. Are those benefits, for example, related to copyright’s concern for the creative production of new expression? Are they comparatively important, or unimportant, when compared with dollar amounts likely lost (taking into account as well the nature of the source of the loss)? . . .

As to the likely amount of loss, the jury could have found that Android did not harm the actual or potential markets for Java SE. And it could have found that Sun itself (now Oracle) would not have been able to enter those markets successfully whether Google did,

or did not, copy a part of its API. First, evidence at trial demonstrated that, regardless of Android's smartphone technology, Sun was poorly positioned to succeed in the mobile phone market. The jury heard ample evidence that Java SE's primary market was laptops and desktops. It also heard that Sun's many efforts to move into the mobile phone market had proved unsuccessful. As far back as 2006, prior to Android's release, Sun's executives projected declining revenue for mobile phones because of emerging smartphone technology. When Sun's former CEO was asked directly whether Sun's failure to build a smartphone was attributable to Google's development of Android, he answered that it was not. Given the evidence showing that Sun was beset by business challenges in developing a mobile phone product, the jury was entitled to agree with that assessment.

Second, the jury was repeatedly told that devices using Google's Android platform were different in kind from those that licensed Sun's technology. For instance, witnesses explained that the broader industry distinguished between smartphones and simpler "feature phones." As to the specific devices that used Sun-created software, the jury heard that one of these phones lacked a touchscreen, while another did not have a QWERTY keyboard. For other mobile devices, the evidence showed that simpler products, like the Kindle, used Java software, while more advanced technology, like the Kindle Fire, were built on the Android operating system. This record evidence demonstrates that, rather than just "repurposing [Sun's] code from larger computers to smaller computers," Google's Android platform was part of a distinct (and more advanced) market than Java software.

Looking to these important differences, Google's economic expert told the jury that Android was not a market substitute for Java's software. As he explained, "the two products are on very different devices," and the Android platform, which offers "an entire mobile operating stack," is a "very different typ[e] of produc[t]" than Java SE, which is "just an applications programming framework." Taken together, the evidence showed that Sun's mobile phone business was declining, while the market increasingly demanded a new form of smartphone technology that Sun was never able to offer.

Finally, the jury also heard evidence that Sun foresaw a benefit from the broader use of the Java programming language in a new platform like Android, as it would further expand the network of Java-trained programmers. In other words, the jury could have understood Android and Java SE as operating in two distinct markets. And because there are two markets at issue, programmers learning the Java language to work in one market (smartphones) are then able to bring those talents to the other market (laptops).

Oracle presented evidence to the contrary. Indeed, the Federal Circuit held that the "market effects" factor militated against fair use in part because Sun had tried to enter the Android market. But those licensing negotiations concerned much more than 37 packages of declaring code, covering topics like "the implementation of [Java's] code" and "branding and cooperation" between the firms. . . . In any event, the jury's fair use determination means that neither Sun's effort to obtain a license nor Oracle's conflicting evidence can overcome evidence indicating that, at a minimum, it would have been difficult for Sun to enter the smartphone market, even had Google not used portions of the Sun Java API.

On the other hand, Google's copying helped Google make a vast amount of money from its Android platform. And enforcement of the Sun Java API copyright might give Oracle a significant share of these funds. It is important, however, to consider why and how Oracle might have become entitled to this money. When a new interface, like an API or a spreadsheet program, first comes on the market, it may attract new users because of its expressive qualities, such as a better visual screen or because of its superior functionality. As time passes, however, it may be valuable for a different reason, namely, because users, including programmers, are just used to it. They have already learned how to work with it. See *Lotus Development Corp.*, 49 F.3d at 821 (Boudin, J., concurring).

The record here is filled with evidence that this factor accounts for Google's desire to use the Sun Java API. This source of Android's profitability has much to do with third parties' (say, programmers') investment in Sun Java programs. It has correspondingly less to do with Sun's investment in creating the Sun Java API. We have no reason to believe that the Copyright Act seeks to protect third parties' investment in learning how to operate a created work.

Finally, given programmers' investment in learning the Sun Java API, to allow enforcement of Oracle's copyright here would risk harm to the public. Given the costs and difficulties of producing alternative APIs with similar appeal to programmers, allowing enforcement here would make of the Sun Java API's declaring code a lock limiting the future creativity of new programs. Oracle alone would hold the key. The result could well prove highly profitable to Oracle (or other firms holding a copyright in computer interfaces). But those profits could well flow from creative improvements, new applications, and new uses developed by users who have learned to work with that interface. To that extent, the lock would interfere with, not further, copyright's basic creativity objectives. . . .

The uncertain nature of Sun's ability to compete in Android's market place, the sources of its lost revenue, and the risk of creativity-related harms to the public, when taken together, convince that this fourth factor—market effects—also weighs in favor of fair use.

\* \* \*

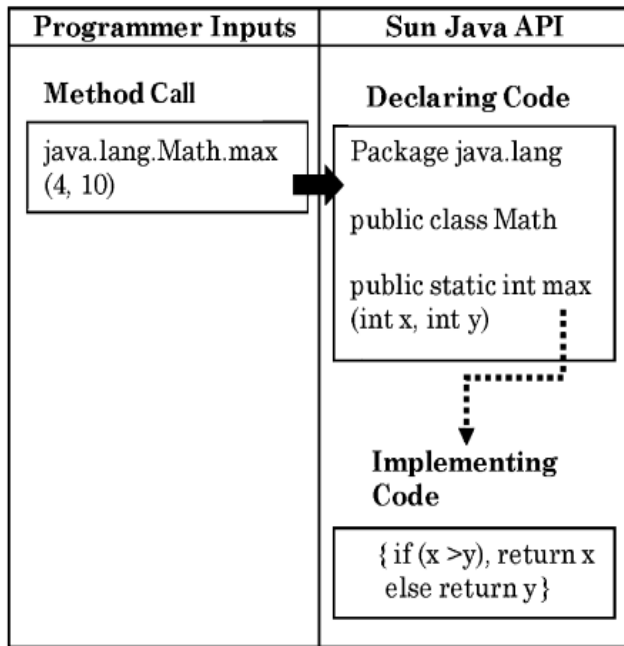
The fact that computer programs are primarily functional makes it difficult to apply traditional copyright concepts in that technological world. In doing so here, we have not changed the nature of those concepts. We do not overturn or modify our earlier cases involving fair use—cases, for example, that involve “knockoff” products, journalistic writings, and parodies. Rather, we here recognize that application of a copyright doctrine such as fair use has long proved a cooperative effort of Legislatures and courts . . . .

We reach the conclusion that in this case, where Google reimplemented a user interface, taking only what was needed to allow users to put their accrued talents to work in a new and transformative program, Google's copying of the Sun Java API was a fair use of that material as a matter of law. . . .



## APPENDIX B

Sun Java API Diagram



This image depicts the connection between the three parts of the Sun Java API technology at issue, using the District Court’s example. The programmer enters a method call to invoke a task from within the API (the solid arrow). The precise symbols in the method call correspond to a single task, which is located within a particular class. That class is located within a particular package. All of the lines of code that provide that organization and name the methods, classes, and packages are “declaring code.” For each method, the declaring code is associated with particular lines of implementing code (the dotted arrow). It is that implementing code (which Google wrote for its Android API) that actually instructs the computer in the programmer’s application.

THOMAS, J., dissenting. . . .

### III . . .

The majority . . . conclude[es] that *every* [fair use] factor favors Google—by relying, in large part, on a distinction it draws between declaring and implementing code, a distinction that the statute rejects. Tellingly, the majority evaluates the factors neither in sequential order nor in order of importance (at least two factors are more important under our precedent). Instead, it starts with the second factor: the nature of the copyrighted work. It proceeds in this manner in order to create a distinction between declaring and implementing code that renders the former less worthy of protection than the latter. Because the majority’s mistaken analysis rests so heavily on this factor, I begin with it as well.

#### A. The Nature of the Copyrighted Work . . .

The majority . . . concludes that, unlike implementing code, declaring code is far “from the core of copyright” because it becomes valuable only when third parties (computer programmers) value it and because it is “inherently bound together with uncopyrightable ideas.”

Congress, however, rejected this sort of categorical distinction that would make declaring code less worthy of protection. The Copyright Act protects code that operates “in a computer in order to bring about a certain result” both “directly” (implementing code) and “indirectly” (declaring code). [17 U.S.C.] § 101. And if anything, declaring code

is *closer* to the “core of copyright.” Developers cannot even see implementing code. Implementing code thus conveys *no* expression to developers. Declaring code, in contrast, is user facing. It must be designed and organized in a way that is intuitive and understandable to developers so that they can invoke it.

Even setting those concerns aside, the majority’s distinction is untenable. True, declaring code is “inherently bound together with uncopyrightable ideas.” Is anything not? Books are inherently bound with uncopyrightable ideas—the use of chapters, having a plot, or including dialogue or footnotes. This does not place books far “from the core of copyright.” . . .

Similarly, it makes no difference that the value of declaring code depends on how much time third parties invest in learning it. Many other copyrighted works depend on the same. A Broadway musical script needs actors and singers to invest time learning and rehearsing it. But a theater cannot copy a script—the rights to which are held by a smaller theater—simply because it wants to entice actors to switch theaters and because copying the script is more efficient than requiring the actors to learn a new one. . . .

### **B. Market Effects**

. . . By copying Oracle’s code to develop and release Android, Google ruined Oracle’s potential market in at least two ways.

First, Google eliminated the reason manufacturers were willing to pay to install the Java platform. . . .

For example, before Google released Android, Amazon paid for a license to embed the Java platform in Kindle devices. But after Google released Android, Amazon used the cost-free availability of Android to negotiate a 97.5% discount on its license fee with Oracle. Evidence at trial similarly showed that right after Google released Android, Samsung’s contract with Oracle dropped from \$40 million to about \$1 million. . . . The majority does not dispute—or even mention—this enormous harm.

Second, Google interfered with opportunities for Oracle to license the Java platform to developers of smartphone operating systems. Before Google copied Oracle’s code, nearly every mobile phone on the market contained the Java platform. Oracle’s code was extraordinarily valuable to anybody who wanted to develop smartphones, which explains why Google tried no fewer than four times to license it. The majority’s remark that Google also sought other licenses from Oracle, does not change this central fact. Both parties agreed that Oracle could enter Google’s current market by licensing its declaring code. But by copying the code and releasing Android, Google eliminated Oracle’s opportunity to license its code for that use.

The majority writes off this harm by saying that the jury could have found that Oracle might not have been able to enter the modern smartphone market successfully. But whether Oracle could itself enter that market is only half the picture. We look at not only the potential market “that creators of original works would in general develop” but also those potential markets the copyright holder might “license others to develop.” *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 592 (1994). A book author need not be able to personally convert a book into a film so long as he can license someone else to do so. . . .

The majority's concern about a lock-in effect . . . is speculation belied by history. First, Oracle never had lock-in power. The majority (again) overlooks that Apple and Microsoft created mobile operating systems without using Oracle's declaring code. Second, Oracle always made its declaring code freely available to programmers. . . .

By copying Oracle's work, Google decimated Oracle's market and created a mobile operating system now in over 2.5 billion actively used devices, earning tens of billions of dollars every year. If these effects on Oracle's potential market *favor* Google, something is very wrong with our fair-use analysis.

### **C. The Purpose and Character of the Use . . .**

Begin with the overwhelming commercial nature of Google's copying. In 2015 alone, the year before the fair-use trial, Google earned \$18 billion from Android. That number has no doubt dramatically increased as Android has grown to dominate the global market share. On this scale, Google's use of Oracle's declaring code weighs heavily—if not decisively—against fair use.

The majority attempts to dismiss this overwhelming commercial use by noting that commercial use does “not necessarily” weigh against fair use. True enough. . . . But “we cannot ignore [Google's] *intended purpose* of supplanting [Oracle's] commercially valuable” platform with its own. Even if we could, we have never found fair use for copying that reaches into the tens of billions of dollars and wrecks the copyright holder's market.

Regardless, Google fares no better on transformative use. . . .

. . . [W]e are told [by the majority], “transformative” simply means—at least for computer code—a use that will help others “create new products.”

That new definition eviscerates copyright. A movie studio that converts a book into a film without permission not only creates a new product (the film) but enables others to “create products”—film reviews, merchandise, YouTube highlight reels, late night television interviews, and the like. Nearly every computer program, once copied, can be used to create new products. Surely the majority would not say that an author can pirate the next version of Microsoft Word simply because he can use it to create new manuscripts.

Ultimately, the majority wrongly conflates transformative use with derivative use. To be transformative, a work must do something fundamentally different from the original. A work that simply serves the same purpose in a new context—which the majority concedes is true here—is derivative, not transformative. . . .

### **D. The Amount and Substantiality of the Portion Used . . .**

Even if Google's use were transformative, the majority is wrong to conclude that Google copied only a small portion of the original work. . . . [T]he proper denominator is *declaring code*, not all code. A copied work is quantitatively substantial if it could “serve as a market substitute for the original” work or “potentially licensed derivatives” of that work. *Campbell*, 510 U.S., at 587. The declaring code is what attracted programmers. And it is what made Android a “market substitute” for “potentially licensed derivatives” of Oracle's Java platform. Google's copying was both qualitatively and quantitatively substantial. . . .

## NOTES AND QUESTIONS

1. As you learned in Section A of this chapter in the casebook, the second fair use factor doesn't seem to drive the results in cases that reflect a concern for cultural interchange. In *Oracle*, in contrast, the second fair use factor was enormously important, and a source of considerable disagreement between the majority and dissent. Should courts give special consideration to the nature of computer software, including distinguishing between declaring and implementing code, as the majority did? Why, or why not?

2. Does the Oracle Court provide a workable test for distinguishing fair transformative uses from infringing derivative works? How would you respond to the dissent's argument that "the majority wrongly conflates transformative use with derivative use"? *Oracle*, 141 S. Ct. at 1219.

3. Do you find the majority or dissent more persuasive when defining the denominator to use in assessing "the amount and substantiality of the portion used"? Why?

4. In approaching the fourth fair use factor, why does the majority find it relevant that Sun's efforts to enter the smartphone market were unsuccessful and that Java was usually deployed in systems simpler than Android? The Court also notes that Google wanted to attract Java programmers who had invested in learning the Java API. Why shouldn't that value accrue to Oracle?

5. Why shouldn't Google be required to enter into a license agreement with Oracle if it wishes to use the Java APIs in the Android smartphone system? Why might other companies have agreed to a license rather than just copying what they needed? Further, the Java APIs were by no means the only ones suitable for use in a smartphone system, as the dissent points out. If Sun (Oracle's predecessor) had known the APIs could be copied without compensation, would it have had sufficient incentive to develop them? What strategies are available to a company to recoup its investment in developing a programming language? Did Sun and later Oracle simply fail in deploying such strategies?

6. Would the *Oracle* Court agree with the Ninth Circuit's holdings in *Sega*? Why, or why not? Would it matter to the analysis whether customers would be likely to buy both, say, Joe Montana Football (developed by Sega) and Mike Ditka Power Football (developed by Accolade)? Would it matter to the analysis if Accolade copied "unlocking" code Sega placed in each of its video games to enable them to run on the Genesis console?

Is *Connectix* a necessary extension of the *Sega* holding? Should anything about the *Connectix* facts change the analysis of the second factor? How would the *Oracle* Court approach the *Connectix* case?

Should it have mattered in either *Sega* or *Connectix* that gaming companies often adopt a "razor and blades" pricing strategy, selling consoles at a low price to generate an installed base of users and reaping their profits on the sale of games? Why, or why not?

7. Does a rule allowing de-compilation and reverse engineering of computer software represent good policy? Professors Pamela Samuelson and Suzanne Scotchmer argue that licensing can be beneficial because it enables innovators to recoup their research and development costs, and that reducing a second comer's costs of entry too far may harm innovation. They note, however that reverse engineering also costs money, and that the expense of reverse engineering can be a factor influencing a company's decision whether to take a license instead. Pamela Samuelson & Suzanne Scotchmer, *The Law and Economics of Reverse Engineering*, 111 Yale L.J. 1575 (2002).

#### COMPARATIVE PERSPECTIVE

Article 6 of the EU Council Directive of 14 May 1991 on the legal protection of computer programs, 1991 O.J. (L 122) 42, permits reproduction of portions of computer programs “where reproduction of the code and translation of its form . . . are indispensable to obtain the information necessary to achieve the interoperability of an independently created computer program with other programs.” The directive provides that “[a]ny contractual provisions contrary to Article 6 shall be null and void.” *Id.* art. 9(1).

### C. Other Productive Uses

**Page 571. In the Notes and Questions, insert new Note 6:**

6. In 2006, the Internet Archive began its Open Library program, which aspires to create a comprehensive online catalog listing every book ever published and to make as many full text books as possible available to the public. The Open Library acquires hard copies of the books to be digitalized from participating libraries and from individuals, who may donate either books or money to purchase specific titles. It scans the books, prepares the digital files, and makes them available online. So far, the program has digitalized over 1.5 million books. It makes public domain titles available without restrictions. For titles under copyright, it uses Controlled Digital Lending (CDL) technology to ensure that each digitalized book can be checked out to only one person at a time. Members of the public who sign up for Open Library accounts can check out a limited number of CDL books at a time and may keep each book for up to two weeks. If an account holder requests a book that is already checked out to someone else, they are placed on a waiting list to receive that title.

In March 2020, after many states and cities had imposed stay-at-home orders in response to the COVID-19 pandemic, the Internet Archive announced that it would create a National Emergency Library by temporarily removing the CDL controls to permit unlimited access to the digitalized books in its collection. Subsequently, four book publishers—Hachette Book Group, HarperCollins Publishers, John Wiley & Sons and Penguin Random House—sued the Internet Archive for “conducting and promoting copyright infringement on a massive scale.” The Internet Archive announced an immediate end to the National Emergency Library program. As of this writing, however, the publishers have not dropped their lawsuit, and the complaint also includes infringement allegations pertaining to the Open Library/CDL system. Was the National

Emergency Library program a fair use of the books involved? Is the Open Library/CDL system a fair use?

---

---

## Chapter 10. The Different Faces of Infringement

---

---

### D. Online Service Provider Liability

***Pages 620-21. In the Notes and Questions, add a new Question 4 and renumber Questions 4-5 as 5-6.***

4. Consider next the threshold eligibility requirement of noninterference with “standard technical measures” (STMs) applied by copyright owners. When §512 was enacted, technical protection measures were a relatively new phenomenon for which standards did not yet exist. How might such measures emerge? For example, could an industry-wide coalition of motion picture producers or textbook publishers develop their own standards and require OSPs to adopt them, even if the measures are very expensive to implement? In the statute, Congress appeared to reject that possibility, instead enumerating broadly inclusive requirements. To count as STMs, the technologies must “have been developed pursuant to a broad consensus of copyright owners and service providers in an open, fair, voluntary, multi-industry standards process”; must be made available on “reasonable and nondiscriminatory terms”; and must not “impose substantial costs on service providers or substantial burdens on their systems or networks.” 17 U.S.C. §512(i)(2). Questions remain, however, about how to interpret those requirements. We will return to those questions after you have read the rest of Section D in the casebook.

### 5. Diving Deeper: New Enforcement Procedures

#### a. Automated Enforcement

***Page 656. In the Notes and Questions, replace Question 2 with the following and renumber Questions 3-4 as 4-5:***

2. U.S. copyright industry associations have long argued in favor of a stricter “notice and stay down” threshold requirement for safe harbor eligibility. As a practical matter, such a requirement would need to involve automated filtering. In 2021, the Copyright Office began investigating the extent of development and use of technical protection measures more generally—or what it termed “voluntary technical measures” (VTMs). *Technical Measures: Public Consultations*, 86 Fed. Reg. 72638 (Dec. 22, 2021). The Copyright Office identified widespread development and use of VTMs but considerable disagreement on a broad variety of issues that such experiments have raised. These included the extent of desirable inclusivity or exclusivity surrounding development of VTMs, the degree of transparency or secrecy surrounding their operation and use, and the kinds of functionality that well-designed VTMs ought to provide. *See Shira*

Perlmutter, Register of Copyrights, Letter on Technical Measures Consultations (Dec. 20, 2022), <https://www.copyright.gov/policy/technical-measures/usco-letter-on-technical-measures-consultations-to-senate.pdf>.

If you were a member of Congress, would you favor amending §512 to include some type of automated filtering requirement? If so, how much should the details of privately developed VTMs matter? For example, should it matter whether those developing such technologies include other stakeholders in the process and accommodate their perspectives and recommendations? (Would you favor mandated cooperation between rightholders and OSPs, as in the new European regime?) Should it matter how much transparency is provided about the existence and operation of VTMs to industry stakeholders or to the public generally? Should it matter whether VTMs routinely block videos like Stephanie Lenz's? How much should the costs of developing and deploying VTMs matter? Large OSPs like YouTube can more easily afford to develop and operate such systems. What effects might an automated filtering obligation have on smaller OSPs?

3. Review Question 4, *supra* p. 44, which describes §512's threshold eligibility requirement of noninterference with standard technical measures (STMs) applied by copyright owners. In the ensuing years, copyright holder coalitions have urged that the statute should not be interpreted to bar adoption of proposed STMs emerging from industry-specific processes if they later secure widespread endorsement, and that reading §512(i)(2) to require either unanimous endorsement or costless implementation would set the bar too high. In 2022, the Copyright Office issued a Notice of Inquiry seeking input on these and other questions. *Standard Technical Measures and Section 512*, 87 Fed. Reg. 25049 (Apr. 27, 2022). After considering detailed submissions from a large number of affected parties, the Copyright Office concluded that, so far, no STMs meeting the statutory requirements had been developed. Shira Perlmutter, Register of Copyrights, *Letter on Standard Technical Measures* (Dec. 20, 2022), available at <https://www.copyright.gov/policy/stm/usco-letter-on-standard-technical-measures.pdf>. It recommended, however, that the statute be amended in a way broadly consistent with the approach advocated by rightholders. The recommended changes would permit a measure to qualify as an STM if "designated as such by a broad consensus of copyright owners and services providers" following its development, *id.* at 2, would require "only substantial agreement rather than unanimity and only of the industries directly affected by an STM," *id.*, and would specify factors to use in evaluating costs or burdens. If you were a member of Congress, would you support these changes? Why, or why not? Would you prefer to see different changes?



---

---

## Chapter 12. Copyright and Contract

---

---

### A. Modes of Transfer

**Page 724: In the Notes and Questions, insert new Note 5:**

5. How should courts approach the question whether a license agreement extends to uses by third parties? For example, does signing up for an Instagram or SnapChat account, designating it as public, and uploading pictures constitute agreement for these platforms to sublicense copyrighted works to third parties? If so, would such a sublicense include all the §106 rights?

In *McGucken v. Newsweek LLC*, 464 F. Supp. 3d 594 (S.D.N.Y. 2020), plaintiff Elliot McGucken had posted on his Instagram account a photograph of an ephemeral lake. Newsweek published an on-line article about the ephemeral lake and embedded McGucken’s Instagram post of the lake as part of the article. When McGucken sued for infringement, Newsweek claimed that it had a valid sublicense to use the photograph via Instagram’s embedding feature. The court held that there was no evidence of a sublicense between Instagram and Newsweek, reasoning that “[a]lthough Instagram’s various terms and policies clearly foresee the possibility of entities such as Defendant using web embeds to share other users’ content, none of them expressly grants a sublicense to those who embed publicly posted content. Nor can the Court find, on the pleadings, evidence of a possible implied sublicense.” *Id.* at 603. Similarly, in *Sinclair v. Ziff Davis LLC*, 2020 WL 3450136, the court reasoned:

As evidence of its purported sublicense, Mashable presented Instagram’s Platform Policy, which states that Instagram “provide[s] the Instagram APIs to help broadcasters and publishers discover content, get digital rights to media, and share media using web embeds.” (Platform Policy, Preamble.) . . .

. . . [A] license must convey the licensor’s “explicit consent” to use a copyrighted work. *Ward v. Nat’l Geographic Soc.*, 208 F. Supp. 2d 429, 442–43 (S.D.N.Y. 2002) (Kaplan, J.) (quoting *Gardner v. Nike, Inc.*, 279 F.3d 774, 781 (9th Cir. 2002)). . . .

The Platform Policy’s statement . . . could be interpreted to grant API users the right to use the API to embed the public content of other Instagram users. But, that is not the only interpretation to which that term is susceptible. Therefore, “[a]lthough courts may find a license on a motion to dismiss where the terms of the governing contracts are clear,” the Platform Policy’s terms are insufficiently clear to warrant dismissal of Plaintiff’s claims at this stage of litigation.

*Id.* at \*1. Do you agree with these conclusions about what can be implied from a social media platform’s Terms of Use? What other evidence of a sublicense could defendants in such cases offer? How would you revise Instagram’s Terms of Use to establish a sublicense for follow-on users?

---

---

## Chapter 13. Copyright Litigation

---

---

### C. Proper Timing

#### 2. Filing Too Late

**Page 794. In the Notes and Questions, replace Note 4 with the following:**

4. The Court describes an infringement claim as accruing when “when an infringing act occurs.” This rule is often referred to as the “incident of injury rule.” In a footnote, the Court noted that nine circuit courts also apply a “discovery rule”, which provides that “a claim alternatively accrues when the copyright holder knows or reasonably should know that an infringement occurred.” *Starz Ent., LLC v. MGM Domestic Television Distrib., LLC*, 39 F.4th 1236, 1237 (9th Cir. 2022). The Second Circuit has concluded that while the discovery rule applies to determine when a claim accrues, *Petrella* and the statutory language require “a three-year lookback period from the time a suit is filed to determine the extent of relief available.” *Sohm v Scholastic Inc.*, 959 F. 3d 39 (2d Cir. 2020). Other circuits, however, have rejected the Second Circuit’s reading of *Petralla*, concluding that limiting damages to a three-year lookback period would be equivalent to rejecting the discovery rule. *See, e.g., Starz Ent.*, 29 F.4th at 1244; *Nealy v. Warner Chappell Music, Inc.*, 60 F.4th 1325, 1330 (11th Cir. 2023), *petition for cert. filed* (May 5, 2023). Given the separate accrual rule, does the discovery rule make sense? Is a three-year lookback period limiting damages a good idea? Re-read §507(b). Does the statutory language permit the discovery rule? Does the statutory language require a three-year lookback limit on damages?

### F. Civil Remedies

#### 4. Statutory Damages

**Page 836. In the Notes and Questions, insert new Note 4:**

4. As you learned in Chapter 11 of the casebook, in most infringement actions, §412 of the Copyright Act bars any award of statutory damages or attorney’s fees unless the copyright in the work is timely registered. For purposes of §412, a copyright is timely registered only if (1) the registration application is filed prior to the infringement commencing, or (2) infringement commences after first publication of the work and the copyright registration application is filed within three months after the first publication. A new small-claims proceeding that can be brought in the Copyright Office, described in subsection G below, omits a timely registration requirement; as a tradeoff, it caps the statutory damages that can be recovered at \$7,500 per work infringed.

5. In *Cohen v. G&M Realty L.P.*, 125 U.S.P.Q.2d 1708, \*17 (E.D.N.Y. 2018), *aff'd sub nom. Castillo v. G&M Realty L.P.*, 950 F.3d 155 (2d Cir. 2020), which you read in Chapter 8.A.3, the Second Circuit upheld the district court's award of the maximum amount of statutory damages available—\$6,750,000. Noting that district courts enjoy wide discretion in setting statutory damages, the court of appeals determined that the district court had not abused its discretion but rather had “carefully considered the six factors relevant to a determination of statutory damages . . . ‘(1) the infringer’s state of mind; (2) the expenses saved, and profits earned, by the infringer; (3) the revenue lost by the copyright holder; (4) the deterrent effect on the infringer and third parties; (5) the infringer’s cooperation in providing evidence concerning the value of the infringing material; and (6) the conduct and attitude of the parties.’ *Bryant [v. Media Right Prods., Inc.,]* 603 F.3d 135, 144, (2d Cir. 2010)].” *Id.* at 171.

## 5. Attorneys Fees

**Page 846: In the Notes and Questions, insert new Note 5 and renumber current Note 5 as Note 6.**

5. In *Tresóna Multimedia, LLC v. Burbank High School Vocal Music Association*, 953 F.3d 638 (9th Cir. 2020), the Ninth Circuit reversed the district court's denial of attorneys' fees for abuse of discretion in light of the defendants' successful fair use defense, which the court described as “a substantive defense at the heart of copyright law.” The court observed that the “touchstone” of whether to award attorneys' fees is whether “the successful defense and the circumstances surrounding it” furthered the essential goals of the Copyright Act. *Id.* at 653; *see also SOFA Entm't, Inc. v. Dodger Prods.*, 709 F.3d 1273, 1280 (9th Cir. 2013) (a fee award that encourages meritorious fair use defense against an unreasonable claim of infringement serves the policies of the Copyright Act). Would you support a rule awarding attorneys' fees to every defendant who successfully asserts fair use on the rationale that fair use is critical to furthering the essential goals of the Copyright Act? Would such a rule be consistent with *Kirtsaeng*?

**Page 847. Insert new subsection G below and re-letter current subsection G as subsection H.**

## G. Copyright Alternative in Small-Claims Enforcement Act of 2020 (“CASE Act”)

Litigation in federal court is expensive. The 2019 American Intellectual Property Law Association annual economic survey puts the median costs of copyright litigation where less than \$1 million is at risk at \$550,000, including trial and appeal if applicable. The expense of litigation likely deters individual artists from seeking redress for infringement of their copyrights. In an effort to address this dynamic, Congress adopted the Copyright Alternative in Small-Claims Enforcement Act of 2020 (“CASE Act”), creating a small claims tribunal inside the Copyright Office.

Pursuant to the CASE Act, a “small” claim is one in which a copyright owner seeks to recover no more than \$30,000. Such claims may be heard by a newly created Copyright Claims Board (CCB) consisting of three “claims officers”—experienced copyright lawyers

employed by the Copyright Office. The statute authorizes the Copyright Office to adopt regulations that would permit very small claims under \$5,000 to be heard by a single claims officer. The Copyright Office has stated that it will be ready to accept filings beginning December 27, 2021.

The CASE Act itself contains many details, codified in a new Chapter 15 of the Act. Additionally, the Copyright Office is in the process of promulgating implementing regulations. See <https://www.copyright.gov/about/small-claims/> This section provides a short overview of the major points.

## **1. Permissible Claims & Remedies**

The CASE Act permits claims concerning infringement (or for a declaration of non-infringement) and claims concerning misrepresentations relating to takedown notices and counter notices in violation of §512(f). Additionally, a respondent in a CCB action can assert counterclaims for infringement, §512(f) misrepresentations, and certain types of breach of contract, so long as those counterclaims do not add new parties to the dispute and arise out of the same transaction or occurrence as the initial claim(s). 17 U.S.C. §1504(c)(4).

The CCB may award either (1) actual damages and defendant's profits, or (2) statutory damages. The maximum award permitted for any type of action is \$30,000. When making an award of statutory damages, the CCB "may not make any finding that, or consider whether, the infringement was committed willfully." *Id.* §1504(e)(1)(A)(ii)(III). If the copyrighted work was not timely registered under §412 (e.g., before the infringement commenced) then the CCB may only award statutory damages of up to \$7,500 for each work infringed, up to a maximum total statutory damages award of \$15,000 in any one proceeding..

Because the CCB is not a court, it lacks authority to enjoin infringing or otherwise unlawful behavior. However, the Act provides that the CCB "*shall* include a requirement to cease conduct if . . . a party agrees . . . to cease activity that is found to be infringing, including removing or disabling access to, or destroying, infringing materials . . ." *Id.* §1504(e)(2) (emphasis added). The CCB may consider whether a party has agreed to cease infringing when considering an award of statutory damages. *Id.* §1504(e)(1)(A)(ii)(IV).

## **2. Prerequisites for Filing a CASE Act Claim.**

Unlike an infringement claim in federal court, a small claims filing does not require the copyright owner to have received a response from the Copyright Office on their application for registration. A copyright owner can file a CASE Act claim on the same day that they apply to register copyright. However, the CCB cannot issue a decision until the Copyright Office issues a certificate of registration. If the Copyright Office rejects the registration, the CCB must dismiss the proceeding without prejudice. *Id.* §1505(b)(3). Recall that one is still permitted to sue for infringement in federal court if the Copyright Office has refused registration. See *id.* §411(a).

If the claim asserted is one for misrepresentation against an online service provider under §512(f), the copyright owner must certify that it sent a takedown notice to the OSP, and that the OSP did not remove or disable access to the allegedly infringing content.

### 3. Respondent's Options

A respondent can opt out of proceeding before the CCB by filing a written notice with the CCB within 60 days of being served. If the respondent opts out, then the proceeding will be dismissed without prejudice and the claimant may file suit in federal court. While the CCB action is pending, the three-year civil statute of limitations is tolled. *Id.* §1504(b)(2). As you learned in subsection D of this Chapter, there is a right to a jury trial in copyright infringement cases. Allowing respondents to opt out may help insulate the CASE Act from constitutional challenge on Seventh Amendment grounds. See Pamela Samuelson & Kathryn Hashimoto, *Scholarly Concerns About a Proposed Copyright Small Claims Tribunal*, 33 BERK. TECH. LAW J. 689, 694-697 (2018).

If a respondent does not opt out and does not respond (or ceases participating after initially responding), the CCB can enter a default determination. To enter a default determination the CCB must find that the evidence provided by the claimant is sufficient to support a ruling in favor of the claimant. *Id.* §1506(u).

### 4. The CCB Proceeding

CCB proceedings are “to be conducted . . . without the requirement of in-person appearances by parties or others” and to “take place by means of written submissions, hearings, and conference carried out through internet-based applications and other telecommunications facilities . . . .” *Id.* §1506(c). Discovery is limited to (1) document production requests, (2) written interrogatories, and (3) written requests for admissions, with some limited ability for the CCB to permit additional relevant discovery. The CCB “may apply an adverse inference with respect to disputed facts against a party who has failed to timely provide discovery materials in response to a proper request for materials that could be relevant to such facts.” *Id.* §1506(n)(3).

The CCB must issue a written determination explaining the factual and legal basis for its decision. One can seek reconsideration by the CCB and review of that reconsideration decision by the Register of Copyright before the decision of the CCB becomes final. While the CCB decisions must “be made available on a publicly accessible website,” *id.* §1506(t)(3), they may not be cited or relied upon as legal precedent, including in other CCB proceedings. *Id.* §1507(a)(3).

### 5. Enforcement of rulings

If a party is unhappy with a final CCB decision, it has 90 days to seek “an order from a district court of the United States vacating, modifying, or correcting” the decision. *Id.* §1508(c). Such an order may issue only:

- (A) If the determination was issued as a result of fraud, corruption, misrepresentation, or other misconduct.
- (B) If the Copyright Claims Board exceeded its authority or failed to render a final determination concerning the subject matter at issue.
- (C) In the case of a default determination or determination based on a failure to prosecute, if it is established that the default or failure was due to excusable neglect.

*Id.* §1508(c)(1).

The winning party has up to one year to seek a federal court order “confirming the relief awarded in the final determination and reducing such award to judgment.” *Id.* §1508(a). If the award is confirmed it will also include the reasonable expenses of the court proceeding, including attorney’s fees.

## NOTES AND QUESTIONS

1. Is the CASE Act likely to improve the enforcement challenges creators face? Who is likely to use the small claims tribunal? What type of respondent is likely to proceed with a CCB action? When does it make sense for a respondent to opt out of CCB proceedings?

One of the objections to the establishment of a small claims tribunal is the potential for “trolling,” i.e., filing opportunistic copyright infringement claims in an effort to extract settlements from alleged infringers who would rather pay a few thousand dollars than face the expense of litigating. Trolling has been a problem in copyright infringement litigation. See Matthew Sag, *Copyright Trolling, An Empirical Study*, 100 IOWA L. REV. 1105 (2015). Does the new small claims proceeding facilitate trolling? Is the potential for trolling worse in CCB proceedings than it is in ordinary infringement litigation?

2. In ordinary infringement litigation, a copyright owner of a work that was not timely registered may not obtain any statutory damages. As highlighted above, the §412 timely registration requirement does not apply in CCB proceedings—statutory damages of up to \$7,500 are available for infringement of an untimely registered copyright. What policy goals does the §412 timely registration requirement serve? Does the possibility of statutory damages through the small claims proceedings undermine those goals?

3. As noted above, the statute expressly permits the CCB to consider whether the respondent has voluntarily agreed to stop infringing when making an award of statutory damages. 17 U.S.C. §1504(e)(1)(A) (ii)(IV). Does this place undue pressure on a respondent to enter into such an agreement notwithstanding the strength of her defense, or is it a necessary incentive to encourage resolutions that are economically expedient?

4. What justifications exist for allowing default judgments as high as \$30,000 in “small claims”? There is no small claims alternative for other types of federal court civil litigation. In most state court systems that provide for a small claims alternative to ordinary civil litigation, the limits on judgments fall between \$3,000 and \$15,000.

5. Limited discovery and lack of in-person hearings helps lower the costs of a CCB proceeding. However, copyright disputes remain complicated, the statutory details of the small-claims proceedings are complex, the forthcoming regulations likely will create additional complexities, and a party may always choose to be represented by, and thus incur the costs of, counsel. It will be interesting to see whether the CASE Act materially decreases costs as compared to traditional litigation.

Under the Act, a party may be represented by “a law student who is qualified under applicable law governing representation by law students of parties in legal proceedings and who provides such representation on a pro bono basis.” 17 U.S.C. §1506(d). Presumably the “applicable law” to which the statute refers will be clarified in the regulations. As you near the completion of your course in copyright law, do you feel qualified to represent someone in a CCB proceeding?

## H. Criminal Infringement

**Page 856. In the Notes and Questions, insert new Note 4 and renumber current Note 4 as Note 5:**

4. In December 2020, Congress codified a new category of felony copyright infringement targeted at those who operate specific types of streaming services. The new felony has three requirements, two of which are the traditional criminal infringement requirements of willful infringement and “commercial advantage or private financial gain.” The third requirement is that the digital transmission service --

- (1) is primarily designed or provided for the purpose of publicly performing works protected under title 17 by means of a digital transmission without the authority of the copyright owner or the law;
- (2) has no commercially significant purpose or use other than to publicly perform works protected under title 17 by means of a digital transmission without the authority of the copyright owner or the law; or
- (3) is intentionally marketed by or at the direction of that person to promote its use in publicly performing works protected under title 17 by means of a digital transmission without the authority of the copyright owner or the law.

18 U.S.C. §2319C(b). If convicted, the defendant faces 3 to 10 years of imprisonment, “in addition to any penalties provided for under title 17.” *Id.* §2319C(d).

One of the Act’s sponsors, Senator Tillis, stated this “law will not sweep in normal practices by online service providers, good faith business disputes, noncommercial activities, or in any way impact individuals who access pirated streams or unwittingly stream unauthorized copies of copyrighted works. Individuals who might use pirate streaming services will not be affected.” <https://www.tillis.senate.gov/2020/12/bipartisan-legislation-led-by-tillis-and-leahy-to-fight-illegal-streaming-by-criminal-organizations-to-be-signed-into-law>

Consider why Congress felt this provision necessary. Which §106 right does the new felony provision protect? Note that streaming involving reproduction or distributions of copies, was already encompassed in the felony provisions added by the NET Act and codified at 17 U.S.C. §506(a)(1)(B). Those supporting the new amendment claim it does not criminalize video game live streaming on platforms like Twitch – are they right?

---

---

## Chapter 14. Technological Protections

---

---

### B. The Digital Millennium Copyright Act and Circumvention of Technological Protections

#### 2. Access Protection Versus Copy Protection

**Page 877. In the Notes and Questions, add a new Question 3.**

3. Keep in mind that regulation of new technologies can both stifle and stimulate innovation. Thus, the most important questions may concern not *whether* to regulate but rather what specific *effects* new regulatory requirements are likely to produce. Review Question 4 in Section 10.D, *supra* p. 44, which discusses §512's requirement that OSPs seeking to avail themselves of a statutory safe harbor respect "standard technical measures" applied by copyright owners to protect their works, and pages 655-56 in the casebook, which discuss automated enforcement by OSPs. Arguably, the statutory provisions added by the DMCA represent attempts to incentivize such private enforcement efforts. Is this an appropriate objective of copyright policy? Why, or why not?

**Pages 896-904. Replace Section D with the following:**

### D. Protection for Copyright Management Information

The DMCA also established legal protection for "copyright management information" (CMI) that is attached to a copy of a work, such as information about the copyright owner and the terms of use. The copyright industries argued that such protection would reduce online infringement by ensuring that those who accessed and used copyrighted works online would have accurate information about the works' copyright status.

Both in Congress and in international negotiations over the WCT, the initial U.S. proposals for protecting CMI would have prohibited, among other things, knowingly removing or altering CMI attached to a work and knowingly providing false CMI. The provision ultimately adopted as Article 12 of the WCT, however, contemplates a closer connection to infringement before a penalty may be imposed. Section 1202 of the Copyright Act, which implements Article 12, was influenced significantly by the international debates about the appropriate scope of protection and tracks the WCT's language. Read WCT art. 12 and §1202 now, and then consider the following cases.



### **Kelly v. Arriba Soft Corp.**

77 F. Supp. 2d 1116 (C.D. Cal. 1999) *aff'd in part and rev'd in part*  
on other grounds, 336 F.3d 811 (9th Cir. 2003)

[Arriba Soft, an image search engine, linked to a website containing Kelly's copyrighted photographs and created "thumbnail" images of the photographs to display as search results. Users who clicked on a thumbnail would see the full-size image via a direct link to Kelly's site, but Arriba framed the full-size images with its own content. Applying a test later identified as the "display" test (see Question 1, Chapter 6.B.1.d, page 405 in the casebook), the Ninth Circuit initially held that Arriba Soft had infringed Kelly's exclusive right of public display. *Kelly v. Arriba Soft Corp.*, 280 F.3d 934, 947 (9th Cir. 2002). On a motion for rehearing, however, the court withdrew that portion of its opinion, stating that it should "not be cited as precedent." The court ruled that Arriba Soft's creation of the thumbnail images was fair use. *Kelly v. Arriba Soft Corp.*, 336 F.3d 811, 815 (9th Cir. 2003). Kelly also asserted a claim for violation of §1202. That portion of the court's opinion follows.]

TAYLOR, J.:... Defendant Ditto (formerly known as Arriba) operates a "visual search engine" on the Internet....

During the period when most of the relevant events in this case occurred, Defendant's visual search engine was known as the Arriba Vista Image Searcher. By "clicking" on the desired thumbnail, an Arriba Vista user could view the "image attributes" window displaying the full-size version of the image, a description of its dimensions, and an address for the Web site where it originated.<sup>1</sup> By clicking on the address, the user could link to the originating Web site for the image.<sup>2</sup>

Ditto's search engine...works by maintaining an indexed database of approximately two million thumbnail images. These thumbnails are obtained through the operation of Ditto's "crawler,"—a computer program that travels the Web in search of images to be converted into thumbnails and added to the index. Ditto's employees conduct a final screening to rank the most relevant thumbnails and eliminate inappropriate images.

Plaintiff Kelly is a photographer specializing in photographs of California gold rush country and related to the works of Laura Ingalls Wilder.... Plaintiff...maintains two Web sites, one of which...provides a "virtual tour" of California's gold rush country and promotes Plaintiff's book on the subject, and the other...markets corporate retreats in California's gold rush country.

---

<sup>1</sup> This full-size image was not technically located on Defendant's Web site. It was displayed by opening a link to its originating Web page. But only the image itself, and not any other part of the originating Web page, was displayed on the image attributes page. From the user's perspective, the source of the image matters less than the context in which it is displayed.

<sup>2</sup> Defendant's current search engine, ditto.com, operates in a slightly different manner. When a ditto.com user clicks on a thumbnail, two windows open simultaneously. One window contains the full-size image; the other contains the originating Web page in full.

In January 1999, around thirty five of Plaintiff's images were indexed by the Ditto crawler and put in Defendant's image database. As a result, these images were made available in thumbnail form to users of Defendant's visual search engine.

After being notified of Plaintiff's objections, Ditto removed the images from its database.... Meanwhile Plaintiff, having sent Defendant a notice of copyright infringement in January, filed this action in April. Plaintiff argues its copyrights in the images were infringed by Defendant's actions and also alleges Defendant violated the Digital Millennium Copyright Act (DMCA) by removing or altering the copyright management information associated with Plaintiff's images....

Plaintiff argues Defendant violated §1202(b) by displaying thumbnails of Plaintiff's images without displaying the corresponding copyright management information consisting of standard copyright notices in the surrounding text. Because these notices do not appear in the images themselves, the Ditto crawler did not include them when it indexed the images. As a result, the images appeared in Defendant's index without the copyright management information, and any users retrieving Plaintiff's images while using Defendant's Web site would not see the copyright management information.

Section 1202(b)(1) does not apply to this case. Based on the language and structure of the statute, the Court holds this provision applies only to the removal of copyright management information on a Plaintiff's product or original work. Moreover, even if §1202(b)(1) applied, Plaintiff has not offered any evidence showing Defendant's actions were intentional, rather than merely an unintended side effect of the Ditto crawler's operation.

Here, where the issue is the absence of copyright management information from *copies* of Plaintiff's works, the applicable provision is §1202(b)(3). To show a violation of that section, Plaintiff must show Defendant makes available to its users the thumbnails and full-size images, which were copies of Plaintiff's work separated from their copyright management information, even though it knows or should know this will lead to infringement of Plaintiff's copyrights. There is no dispute the Ditto crawler removed Plaintiff's images from the context of Plaintiff's Web sites where their copyright management information was located, and converted them to thumbnails in Defendant's index. There is also no dispute the Arriba Vista search engine allowed full-size images to be viewed without their copyright management information.

Defendant's users could obtain a full-sized version of a thumbnail image by clicking on the thumbnail. A user who did this was given the name of the Web site from which Defendant obtained the image, where any associated copyright management information would be available, and an opportunity to link there.<sup>12</sup> ...

Based on all of this, the Court finds Defendant did not have "reasonable grounds to know" it would cause its users to infringe Plaintiff's copyrights. Defendant warns its users about the possibility of use restrictions on the images in its index, and instructs

---

<sup>12</sup> Through Defendant's current search engine, ditto.com, the user can no longer open a full-sized image without also opening the site where its copyright management information is located.

them to check with the originating Web sites before copying and using those images, even in reduced thumbnail form.

Plaintiff's images are vulnerable to copyright infringement because they are displayed on Web sites. Plaintiff has not shown users of Defendant's site were any more likely to infringe his copyrights, any of these users did infringe, or Defendant should reasonably have expected infringement....

## NOTES AND QUESTIONS

1. Do you agree with the *Kelly* court that Arriba Soft did all that it needed to do to protect the Plaintiff's copyright management information? How do you think the plaintiff wanted §1202(b)(3) interpreted? What kind of obligation to protect CMI should be imposed on defendants like Arriba Soft?

2. Under the *Kelly* court's interpretation of §1202(b)(3), what kind of evidence would you need to establish the requisite *mens rea*? What constitutes "reasonable grounds to know" about infringement? What kinds of allegations would be needed to overcome a motion to dismiss a §1202(b) claim on Rule 12(b)(6) grounds? *See, e.g., Leveyfilm, Inc. v. Fox Sports Interactive Media, LLC*, 999 F. Supp. 2d 1098, 1103 (N.D. Ill. 2014) (discussing this question).

3. Must the infringement in question be the act of a third party? In *Mango v. BuzzFeed, Inc.*, 970 F.3d 167 (2d Cir. 2020), defendant BuzzFeed republished a copyrighted photo taken by plaintiff that had appeared in the *New York Post*, but without the plaintiff's original gutter credit. The court rejected BuzzFeed's argument that it did not satisfy §1202(b)(3)'s double scienter requirement because it had no reason to believe republishing the photo would lead to future infringement. *See id.* at 172 ("The plain meaning of the statutory language also encompasses an infringement committed by the defendant himself. . . . In other words, a defendant's awareness that distributing copyrighted material without proper attribution of CMI will conceal *his own* infringing conduct satisfies the DMCA's second scienter requirement.").

4. In order for CMI to be protected under §1202, it must be "conveyed in connection with copies or phonorecords of a work or performances or displays of a work." 17 U.S.C. §1202(c). Would this language supply an alternative basis for the holding in *Kelly* that §1201(b)(1) was not violated? How close a connection does the statute require? *See Agence France Presse v. Morel*, 769 F. Supp. 2d 295, 305-06 (S.D.N.Y. 2011) (holding that information need not appear on the work itself to count as CMI and that designations of authorship appearing next to images shared via Twitter were CMI).

5. In 1996, Professor Julie Cohen observed that "some copyright owners may use the transaction records generated by their copyright management systems to learn more about their customers' reading preferences." Julie E. Cohen, *A Right to Read Anonymously: A Closer Look at "Copyright Management" in Cyberspace*, 28 Conn. L. Rev. 981, 985, 990 (1996). To what extent does the DMCA protect such efforts? Read §1201(i), which permits users to circumvent a technical measure that effectively controls access to a copyrighted work to disable the collection of personal information under certain circumstances. Identify all of the requirements that users wishing to invoke §1201(i) would need to satisfy. Does it matter whether collection and storage are disclosed to the user? Next, consider §1202 again. The definition of CMI includes "[t]erms and

conditions for use of the work.” 17 U.S.C. §1202(c)(6). If a copyright management system were designed to collect and store information about users of a work and their specific uses, would that information constitute CMI? Just how much information should copyright owners be entitled to collect regarding users’ reading, listening, and viewing activities?

**GC2 v. Int’l Game Tech.**

391 F.Supp.3d 828 (N.D. Ill. 2019)

KENNELLY, J.: . . .

**Background**

There are four defendants in this case: IGT Holding, IGT NV, Doubledown, and Masque. IGT Holding owns IGT NV, a Nevada corporation. IGT NV produces and sells land-based games played in physical casinos. Until June 2018, IGT Holding also owned Doubledown. Doubledown develops and distributes digital slot machine games. Masque sells digital casino games and licensed art from IGT Holding.

**A. Infringing games and artwork**

GC2 . . . has created artwork and videos for a series of wagering games, including those at issue in this suit: Coyote Moon, Pharaoh’s Fortune, Lucky Lion Fish, Festival Fantastico, Kingpin Bowling, and Wild Goose Chase. GC2 licensed some of its artwork to IGT NV beginning in 2003 for use in the development of these physical slot machine games. Although these games were successfully developed and deployed to casinos, several disputes arose between the companies, leading to a 2007 contract . . . intended to wind up their relationship. In this agreement, IGT NV retained a perpetual license to the GC2 artwork used for the physical land-based machines the companies jointly developed. But the agreement did not give up all the rights to the art used in the disputed games; it expressly reserved GC2’s rights to its artwork for use in, among other things, development of internet gaming programs.

IGT Holding eventually entered the online gaming industry, developing and selling digital games through its then-subsiary Doubledown. Specifically, Doubledown operated Doubledown Casino, which offered online games to consumers on its website and through third-party websites like Facebook. Among these, GC2 alleged in this suit, were online digital versions of the six disputed games. IGT Holding also licensed digital games containing GC2’s artwork to Masque, a third-party publisher. Masque’s customers were able to purchase the disputed games for digital download or in CD/DVD format.

GC2 alleged that the defendants collectively infringed its copyrights by developing and distributing the disputed games. It also alleged that IGT Holding, IGT NV, and Doubledown violated the DMCA, which, among other things, makes it unlawful to manipulate copyright management information—i.e., the material typically displayed on or near copyrighted materials identifying their authors or owners. Specifically, GC2 alleges that the defendants removed or altered GC2’s copyright management information from the artwork in question during the process of developing the disputed games and then distributed the artwork knowing that the information had been so removed or altered. . . .

## **C. Jury verdict**

. . . [T]he jury unanimously found for GC2. Specifically, it found each of the defendants had both directly and vicariously violated GC2's copyrights in relation to all six of the disputed games; that IGT Holding, IGT NV, and Doubledown had also contributorily infringed with respect to all six games; and that IGT Holding, IGT NV, and Doubledown had committed 696 separate violations of the DMCA in relation to the Coyote Moon and Pharaoh's Fortune games.

The DMCA violations require a bit more explanation. Among other things, the DMCA makes it unlawful to (1) knowingly provide false copyright management information in connection with copies, displays, or the public performance of copyrighted material; (2) intentionally remove or alter copyright management information without the copyright holder's authority; (3) distribute copyright management information knowing that it has been removed or altered without the copyright holder's authority; or (4) distribute or publicly perform copyrighted material knowing the corresponding copyright management information has been removed or altered without the copyright holder's authority. *See* 17 U.S.C. §1202(a)-(b). GC2 advanced a theory of liability at trial whereby the defendants involved in distributing the online versions of the disputed games would be liable for each instance the games were updated—and, as a result, reuploaded—to a server accessible to players. GC2 contended that the evidence showed that there were 414 such updates for Coyote Moon and 282 for Pharaoh's Fortune—or 696 in total. The jury accepted that contention and found 696 separate instances of each of the four types of DMCA violations outlined above. The Court accepted the jury's verdict but determined that these four types of violations overlapped and therefore merged them into a cumulative total of 696 DMCA violations. . . .

. . . [The jury award on the infringement counts, including both actual damages and disgorged profits, totaled \$16,275,053.01.] GC2 opted for statutory damages for the 696 DMCA violations that the jury found IGT Holding, IGT NV, and Doubledown had committed. 17 U.S.C. §1203(c)(3). The Court concluded that a valuation on the low end of the statutory scale was appropriate and awarded \$2,500 per violation, for a total of \$1,740,000 in DMCA damages.

## **Discussion**

The defendants have moved for partial judgment as a matter of law on GC2's DMCA claims; for a new trial, remittitur, and/or to alter the verdict. . . .

### **A. Defendants' motion for judgment as a matter of law**

Under Federal Rule of Civil Procedure 50, a party who does not bear the burden of proof may move for judgment as a matter of law on an issue at the close of the opposing party's case. *See* Fed. R. Civ. P. 50(a). If the Court determines that the party who bears the burden of proof on a particular issue has not presented a "legally sufficient evidentiary basis to" support a jury verdict in its favor, the Court may resolve the issue against that party. *Id.* . . .

#### **2. DMCA removal claims**

. . . [T]he defendants ask the Court to grant IGT Holding and IGT NV judgment as

a matter of law on the substantive DMCA removal claim because, according to the defendants, the conduct proven at trial is not actionable under the statute. . . .

#### **a. Application to collaborative derivative works**

The defendants contend, in effect, that the statute simply cannot apply to collaborative or derivative works. They cherry pick language from district court opinions that held, for instance, that “[s]ection 1202(b)(1) applies only to the removal of copyright management information on (or from) a plaintiff’s product or *original work*.” *Monotype Imaging, Inc. v. Bitstream Inc. (Monotype II)*, 376 F. Supp. 2d 877, 893 (N.D. Ill. 2005) (emphasis added). The defendants go on to note that, in this case, GC2 willingly sent them the disputed artwork to be incorporated into the land-based Coyote Moon and Pharaoh’s Fortune game systems that the companies were jointly developing. Because the artwork used in the online versions of the game was the result of a collaborative process, the defendants contend, it was *not* the “plaintiff’s product or original work” and removal of copyright management information was therefore not a violation.

... [T]he defendants cite *Faulkner Press, LLC v. Class Notes, LLC*, 756 F. Supp. 2d 1352, 1359 (N.D. Fla. 2010), for the proposition that removal liability is inappropriate where a defendant creates a “different product” using “materials from” a plaintiff’s copyrighted materials without attribution. But *Faulkner Press* ... involved circumstances vastly different from those presented here. The materials in question were notes taken in a class taught from a copyrighted textbook. The court concluded that when “student note takers simply took notes from [a] course and those notes were” aggregated for resale, they did not “remove” copyright management information from the textbook within the meaning of the statute.

. . . Neither . . . *Faulkner Press* nor any of the other cases cited by the defendants stands for the broad proposition that derivative or collaborative works are categorically excluded from protection under the DMCA’s provision for removal of copyright management information. Indeed, the “original work” language on which the defendants precariously rest their entire argument does not even appear in the statute. . . .

. . . GC2 presented undisputed evidence that it provided the defendants with artwork for Coyote Moon and Pharaoh’s Fortune for use in the development of land-based games, which was then used, in its entirety, in the online versions of the games later developed by the defendants. The defendants do not contest that much. They do not even contest that the artwork appeared without attribution. The defendants simply argue that because they modified the artwork provided by GC2, creating a derivative work, there was no longer an “original work” from which to remove the copyright management information. That argument is wholly without merit and provides no basis to upset the jury’s verdict on this claim.

#### **b. “Pre-existing” copyright management information**

The defendants’ final argument for judgment as a matter of law on the DMCA claim is closely related to the previous one. They contend that . . . the relevant DMCA provision only applies where copyright management information was placed on the disputed material by the plaintiff itself. . . .

The defendants argue that because GC2 willingly provided them the disputed artwork on a CD in a form not already bearing copyright management information for use on the land-based game machines the companies were collaboratively developing, and because it was *the defendants* who actually placed GC2’s logo on the artwork used on the land-based machines, the information was not “pre-existing” on the artwork. As a result, the defendants contend, GC2 cannot now claim that the defendants removed that information within the meaning of the statute. GC2 counters that the CD on which the artwork was transmitted also included a copy of GC2’s logo, which undisputedly qualifies as “identifying information” subject to protection under the statute. *See* 17 U.S.C. §1202(c) (defining copyright management information to include “information conveyed in connection with” protected material, including “[t]he name of, and other identifying information about, the copyright owner of the work”); *Agence France Presse v. Morel*, 769 F. Supp. 2d 295, 305 (S.D.N.Y. 2011) (concluding that information identifying a copyright owner communicated near, but not actually on, a copyrighted image qualified as copyright management information). GC2 further contends that it presented evidence at trial that the defendants were contractually obliged under the parties’ licensing agreement to affix the copyright management information in question to the GC2 artwork transmitted to them before it could be used on land-based games.

The Court again concludes defendants’ argument lacks merit. . . . Nowhere does the text of section 1202 suggest that removal of copyright management information is only a violation if that information was placed on the copyrighted materials by the plaintiff itself. Such a reading would lead to the absurd result where a copyright owner who contracts with another entity to manufacture their products—and in the process to affix copyright management information—could not avail itself of the DMCA’s removal provisions. The Court declines to adopt the defendants’ requested approach. . . .

## **B. Defendants’ motion for a new trial, remittitur, and/or alteration of the verdict**

The defendants next move under Federal Rule of Civil Procedure 59 for a new trial . . . and/or to alter the verdict on the DMCA claims. . . .

### **2. DMCA verdict . . .**

#### **b. DMCA violations**

. . . [T]he defendants contend that the verdict should be amended because the evidence does not support the jury’s finding of 696 DMCA violations. They take issue with the jury’s choice to credit testimony that the defendants reuploaded the disputed assets associated with Coyote Moon and Pharaoh’s Fortune 138 and 94 times, respectively (for a total of 232 reuploads), and that each upload actually constituted three separate distributions of the assets because each game came in three separate sizes—phone, tablet, and desktop—leading to the total of 696 violations. The defendants contend that the correct number is actually at most two or four DMCA violations—(1) two violations flowing from the original game uploads and (2) zero or two violations under section 1202(b)(1) for removing the copyright management information in the first instance. According to the defendants, because the reuploads of the games were substantively

unchanged from the previous versions, only the original uploads qualify as distributions under DMCA. . . .

. . . Contrary to the defendants' protests, the statute makes it a violation to, among other things, "distribute . . . works[ ] or copies of works . . . knowing that copyright management information has been removed or altered without authority of the copyright owner or the law...." 17 U.S.C. §1202(b)(3). The statute does not only prohibit, as the defendants would have it, the *first* such distribution; it forbids *all* of them. The Court is satisfied, applying the language of the statute, that that the jury followed the Court's instructions and permissibly determined that the defendants committed 696 violations of the DMCA when they uploaded or reuploaded copyrighted assets associated with Coyote Moon and Pharaoh's Fortune to servers accessible by Doubledown Casino users. Drawing reasonable inferences in favor of the verdict, the evidence also supported the jury's conclusion that each reupload constituted three separate violations because three separate versions of the copyright works found to have had removed or altered copyright management information were uploaded. . . .

Because, as discussed above, the Court collapsed the four separate types of DMCA violations found by the jury into a single set of 696 violations, the Court need not address the defendants' arguments about removal. In other words, the preceding analysis is sufficient to uphold the 696 violations found by the jury.

### **c. Duplicative damages**

Finally, the defendants argue that the DMCA damages awarded to GC2 were improperly duplicative of the copyright damages awarded by the jury. . . .

. . . Here, however, GC2 has not been doubly compensated for any single harm. Rather, "because the Copyright Act and the DMCA protect different interests"—that is, they create separate tort causes of action designed to remedy different harms—the awards here compensate distinct injuries. . . .

## **NOTES AND QUESTIONS**

1. Should every instance of preparation of a derivative work that fails to include all of the CMI attached to the underlying original work trigger §1202 liability? Is that what the GC2 opinion holds? Is §1202 liability being used to rescue the plaintiff from its poor contract drafting? If so, is that result appropriate? (Consider whether a breach of contract claim would have netted the plaintiff such a large recovery.) Note also that, while the GC2 parties had a prior contractual relationship, and the defendants clearly violated the terms of the contract, many defendants in arms-length copyright infringement cases copy aspects of the disputed works without reproducing accompanying CMI. Does the language of §1202 open the door to liability in all those cases? If so, do you think Congress intended that result?

2. Courts have characterized §1202(b)(3) as establishing a double scienter requirement: the defendant who distributes improperly attributed copyrighted material must have (1) actual knowledge that CMI "has been removed or altered without authority of the copyright owner or the law," as well as (2) actual or constructive knowledge that



such distribution “will induce, enable, facilitate, or conceal an infringement.” See *Mango v. BuzzFeed, Inc.*, 970 F.3d 167, 171 (2d Cir. 2020). What kinds of allegations regarding each of these requirements would be needed to overcome a motion to dismiss a §1202(b)(3) claim on Rule 12(b)(6) grounds?

Consider the first scienter requirement. Is it enough to allege that the defendant removed a watermark from an image? See *APL Microscopic, LLC v. Steenblock*, No. 21-55745, 2022 WL 4830687, at \*2 (9th Cir. Oct. 3, 2022) (allegations that screenshots of plaintiff’s works without their watermarks were posted on defendant’s social media pages raised a “reasonable inference” that defendant knowingly removed CMI).

In *Kelly* the court was focused on the second scienter requirement. Under the *Kelly* court’s interpretation of §1202(b)(3), what kind of evidence would you need to establish the requisite *mens rea*? What constitutes “reasonable grounds to know” that removal of CMI will lead to or conceal infringement? Copyright owners routinely use watermarks and other metadata associated with their works to search out infringing content on the Internet using commonly available search tools. Thus, removing CMI can make it harder for copyright owners to detect infringement on the Internet. Should an allegation that defendant knowingly removed CMI be sufficient to satisfy the second scienter requirement? See *Victor Elias Photography, LLC v. Ice Portal, Inc.*, 43 F.4th 1313, 1325 (11th Cir. 2022) (no, because such a reading of the statute would “effectively collapse the first and second scienter requirements”).

3. Review Question 6, page 876 in the casebook, regarding the interaction between §1201 and the fair use doctrine. Should a claim lie under §1202 when the defendant has made a fair use of the copyrighted work? In *Mills v. Netflix*, 2020 WL 548558 (C.D. Cal. Feb. 3, 2020), defendant Netflix used clips from plaintiff’s video about the 2017 Fyre Festival disaster to make its own documentary about the events. It reproduced a footer that included plaintiff’s name and acknowledged the plaintiff in the credits, but it omitted the video title that appeared on the website where plaintiff’s video was posted. Characterizing the §1202 claim as implausible, the court dismissed the complaint. Does that decision reflect correct statutory interpretation? How do you think the *GC2* court would have ruled?

4. Section 1203 authorizes courts to award either actual damages or statutory damages for violations of §1202. Review §1203 now. How would you compute “the actual damages suffered by the party as a result” of a violation pertaining to CMI? Perhaps unsurprisingly, winning plaintiffs in reported cases have tended to rely more heavily on statutory damages. Note that the award ranges for violations of §1201 and §1202 differ at the low end. Does that make sense to you? Why, or why not?

Statutory damages under §1203 are for “each violation of section 1202.” Was the *GC2* court right to count each reupload of the games to each platform as a separate violation of §1202? Recall that in §504(c)(1), Congress specified that awards of statutory damages are to be made “for all infringements involved in the action, with respect to any one work.” Should Congress have included similar language in §1203(c)(3)?

## PRACTICE EXERCISES

Which of the following constitutes a violation of §1202?

1. An author decides to make her work available under a Creative Commons license. She “attaches” the license to the work by embedding code that will generate the license symbol, a short description of the license, and a hyperlink to the full license. Samantha downloads the work, removes the information, and posts the work on her website. Does it matter which Creative Commons license the author selected? (Review the descriptions of the various Creative Commons licenses in Chapter 12.C.2 of the casebook.)
2. To discourage online news aggregators from linking to its articles and framing the articles with their own advertisements, Bulletin Co. attaches metadata to each article that specify ownership information and usage rights. According to the metadata, in-line linking and framing are prohibited without a license from Bulletin Co. The *Daily Times*, an online news aggregator, continues its preexisting practice of linking to and framing occasional Bulletin Co. articles. The *Daily Times* leaves the metadata undisturbed.
3. The publisher of a newspaper removes the copyright notice affixed on the articles it accepts for publication from freelance journalists (see Question 2, Chapter 12.A.3, page 730 of the casebook).

---

---

## Chapter 15. State Law Theories of Protection and Their Limits

---

---

### C. More Difficult Preemption Problems

**Page 941. In the Practice Exercises: Counsel a Client, add the following at the end:**

3. In the hip-hop industry, artists market free mixtapes that commonly include both new vocals and samples from other artists. Hip-hop recording artist Rick Ross released a mixtape, *Renzel Remixes*, for free on the Internet in advance of the commercial release of his new album, *Black Market*. One of the tracks on *Renzel Remixes* included a 30-second unaltered sample from recording artist 50 Cent's hit "*In Da Club*." Ross identified 50 Cent as *In Da Club*'s artist in the track list. 50 Cent sued Ross, claiming that Ross's sampling and use of 50 Cent's name in the track list violated 50 Cent's right of publicity. What advice would you give Ross in defending against this claim? *See In re Jackson*, 972 F. 3d 25 (2d Cir. 2020).