COHEN LOREN OKEDIJI O'ROURKE

COPYRIGHT IN A GLOBAL INFORMATION ECONOMY

Fourth Edition



Wolters Kluwer

Copyright in a Global Information Economy

Fourth Edition

Julie E. Cohen

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

Lydia Pallas Loren

Robert E. Jones Professor of Advocacy and Ethics Lewis and Clark Law School

Ruth L. Okediji

William L. Prosser Professor of Law University of Minnesota Law School

Maureen A. O'Rourke

Dean & Professor of Law Michaels Faculty Research Scholar Boston University School of Law Copyright © 2015 CCH Incorporated.

Published by Wolters Kluwer in New York.

Wolters Kluwer serves customers worldwide with CCH, Aspen Publishers, and Kluwer Law International products. (www.wolterskluwerlb.com)

Except as authorized by the fair use doctrine and other limitations on copyright, no part of this publication may be reproduced or transmitted in any form or by any means, electronic or mechanical, including photocopy, recording, or utilized by any information storage or retrieval system, without written permission from the publisher. For information about permissions or to request permissions online, visit us at www.wolterskluwerlb.com, or a written request may be faxed to our permissions department at 212-771-0803.

To contact Customer Service, e-mail customer.service@wolterskluwer.com, call 1-800-234-1660, fax 1-800-901-9075, or mail correspondence to:

Wolters Kluwer Attn: Order Department PO Box 990 Frederick, MD 21705

Printed in the United States of America.

1234567890

ISBN 978-1-4548-5201-8

Library of Congress Cataloging-in-Publication Data

Copyright in a global information economy / Julie E. Cohen, Mark Claster Mamolen Professor of Law and Technology Georgetown University Law Center; Lydia Pallas Loren, Robert E. Jones Professor of Advocacy and Ethics Lewis and Clark Law School; Ruth L. Okediji, William L. Prosser Professor of Law, University of Minnesota Law School; Maureen A. O'Rourke, Dean & Professor of Law, Michaels Faculty Research Scholar, Boston University School of Law. —Fourth Edition.

p. cm

Includes bibliographical references and index.

ISBN 978-1-4548-5201-8 (alk. paper)

- 1. Copyright—United States. 2. Copyright, International. 3. International and municipal law—United States.
- I. Cohen, Julie E. II. Loren, Lydia. III. Okediji, Ruth L. IV. O'Rourke, Maureen A.

KF2996.C67 2015 346.7304'82—dc23

2015006678

About Wolters Kluwer Law & Business

Wolters Kluwer Law & Business is a leading global provider of intelligent information and digital solutions for legal and business professionals in key specialty areas, and respected educational resources for professors and law students. Wolters Kluwer Law & Business connects legal and business professionals as well as those in the education market with timely, specialized authoritative content and information-enabled solutions to support success through productivity, accuracy and mobility.

Serving customers worldwide, Wolters Kluwer Law & Business products include those under the Aspen Publishers, CCH, Kluwer Law International, Loislaw, ftwilliam.com and MediRegs family of products.

CCH products have been a trusted resource since 1913, and are highly regarded resources for legal, securities, antitrust and trade regulation, government contracting, banking, pension, payroll, employment and labor, and healthcare reimbursement and compliance professionals.

Aspen Publishers products provide essential information to attorneys, business professionals and law students. Written by preeminent authorities, the product line offers analytical and practical information in a range of specialty practice areas from securities law and intellectual property to mergers and acquisitions and pension/benefits. Aspen's trusted legal education resources provide professors and students with high-quality, up-to-date and effective resources for successful instruction and study in all areas of the law.

Kluwer Law International products provide the global business community with reliable international legal information in English. Legal practitioners, corporate counsel and business executives around the world rely on Kluwer Law journals, looseleafs, books, and electronic products for comprehensive information in many areas of international legal practice.

Loislaw is a comprehensive online legal research product providing legal content to law firm practitioners of various specializations. Loislaw provides attorneys with the ability to quickly and efficiently find the necessary legal information they need, when and where they need it, by facilitating access to primary law as well as state-specific law, records, forms and treatises.

ftwilliam.com offers employee benefits professionals the highest quality plan documents (retirement, welfare and non-qualified) and government forms (5500/PBGC, 1099 and IRS) software at highly competitive prices.

MediRegs products provide integrated health care compliance content and software solutions for professionals in healthcare, higher education and life sciences, including professionals in accounting, law and consulting.

Wolters Kluwer Law & Business, a division of Wolters Kluwer, is headquartered in New York. Wolters Kluwer is a market-leading global information services company focused on professionals.

For Andrew and Eli.

-J.E.C.

For Mom and Dad, thanks for keeping me sane . . . and a little crazy.

-L.P.L.

For Tade, Francis, Aaron and Anna ... my "good and perfect" gifts from the Lord.

-R.L.O.

For James, always and forever.

-M.A.O.

Preface

As this casebook moves into its fourth edition, the relentless pace of technological innovation, particularly with respect to digital communication technologies, continues to challenge well-settled copyright doctrines, creating new opportunities to contest the nature and scope of the various interests implicated by copyright. This edition therefore continues to emphasize the evolving nature of copyright law, and the copyright system more generally, in response to technological change and the pressures of globalization. We provide students with not only a firm foundation in the traditional precepts of copyright law, but also a strong theoretical background with which to evaluate the public policy implications of the ongoing changes. Each chapter includes material carefully selected and arranged to help students appreciate how the law has evolved over time and the complexities introduced by new technologies and/or new theoretical approaches.

As is expected of a new edition, we have updated all the chapters to reflect new legislation and case law, including materials reflecting international trends. Our website at www.coolcopyright.com contains background materials (including additional pictures) for the cases in the book, as well as some alternative cases, including some that appeared in the third edition but have now been replaced. We trust that students and teachers will find these materials useful to augment the text or to provide resources for deeper study of a particular topic.

The fourth edition differs from the third in several important respects. Most notably, we have reorganized the material into six parts: (1) Introduction to Copyright Law, (2) The Subject Matter of Copyright, (3) The Statutory Rights of Copyright Owners, (4) Indirect Infringement and Lawful Use, (5) Practical

Considerations in Licensing and Enforcing Copyrights, and (6) New Enforcement Strategies and Public Policy Limits. This structure introduces students to the exclusive rights of copyright owners earlier in the course, and enables them to study the materials on formalities and duration in the context of an integrated unit on copyright due diligence, licensing, and enforcement.

The fourth edition also has some new features to help both teachers and students navigate the material. Recognizing the ever-increasing complexity of copyright law, we have used the terminology "Diving Deeper" to flag sections addressing detailed provisions of the law that not all teachers may wish to cover. We have included text boxes for greater ease of reading and to help students link various themes that may appear across different chapters. The boxes highlight practice tips; remind students of what they have read in past chapters or sections and highlight what is to come; provide comparative perspectives; explain technological concepts; and give information on the later history of some of the excerpted cases. Perhaps most important, we have added "Problems" and "Practice Exercises" to give students a sense of the types of issues they may face in practice. "Problems" generally ask the students to apply statutory sections directly, while "Practice Exercises" ask them to think about how to advise a client, develop and argue a case, or draft a legal document.

We continue to believe that understanding the role of copyright law in the information economy requires more than a study of the Copyright Act and copyright case law. To understand why copyright law is the way it is, and to develop an appreciation for what it might become, one must consider the history and evolution of technologies for creating and distributing copyrighted works; the structure and political influence of the major copyright industries and user groups; and the availability of other legal regimes (such as contract law) to supplement or even supplant copyright protection. We include introductory materials on these topics and then give substantial consideration throughout the book to the historical, technological, political, and legal contexts within which copyright law operates.

We have retained the use of secondary source materials that offer insights about the evolution of copyright and contemporary information policy. However, in response to feedback from students and teachers, we have streamlined the use of secondary materials and asked questions designed to facilitate a firmer understanding of the ways that theory and practice converge. We have condensed the Notes and Questions in service of those goals. Suggestions for additional reading on various topics can be found on our website, www.coolcopyright.com.

In addition, we continue to emphasize the importance of international developments for U.S. copyright law and policy. We integrate both international and comparative materials throughout the text, rather than leaving those materials until the end of the book or treating them as advanced topics. Throughout the book, we discuss relevant treaty provisions and, in many instances, ask students to compare specific domestic copyright rules with the corresponding rules of other countries.

Our hope is that students who use this book and our supporting website will come to understand and appreciate the copyright system as a work-in-progress, and recognize that copyright is not simply a regime of private law, but rather one that implicates both private and public interests. We believe that we offer students a unique text that will help them develop the skills necessary to identify and think critically about both contested issues in particular cases and larger patterns of change within the copyright system as a whole. Our expectation is that students will emerge from this process of exploration well-informed and better equipped to practice copyright law in a world in which continual change is the norm.

Julie E. Cohen Lydia Pallas Loren Ruth L. Okediji Maureen A. O'Rourke

February 2015

Acknowledgments

We gratefully acknowledge the assistance of many people who have helped us since we began work on this book. The first edition benefited greatly from the many helpful and generous suggestions offered by Richard Chused, Shubha Ghosh, Paul Goldstein, Dennis Karjala, David Lange, Mark Lemley, Jessica Litman, Michael Meurer, Harvey Perlman, Pamela Samuelson, and a number of anonymous colleagues. In addition, we acknowledge the research assistance of Teeshna Bahadur, Stacy Blasberg, Casey Caldwell, Mitzi Chang, Cyrus Christenson, Olivia Farrar-Wellman, Sally Garrison, Stephen Goldberg, Michael Green, Scott Katz, Anne Koch, Charles McLawhorn, Ilana Safer, Julie Short, Stephanie Smith, and Victor Wandres, and the secretarial and administrative assistance of Melissa Adamson, Suzan Benet, Sue Morrison, and Irene Welch. We would also like to thank John Showalter for his expert assistance in obtaining permission to reproduce excerpts from the various books, law review articles, and other secondary sources quoted in the text of the first edition; Andy Marion for word processing wizardry; and Lisa Bowles, Tracey Bridgman, Stephanie Burke, Raquel Ortiz, Russ Sweet, and Joel Wegemer for library services.

For their assistance with our preparation of the second edition, we would like to thank Robert Brauneis, Richard Chused, Wendy Gordon, Jessica Litman, Peter Maggs, James Speta, Rebecca Tushnet, Philip Weiser, and a number of anonymous colleagues who generously provided Aspen with detailed reviews based on their experiences teaching from the first edition. We also gratefully acknowledge the research assistance of Andrew Crouse, Robert Dowers, Tomas Felcman, Laura Hayes, David Hesford, Jon Putman, Duke Tufty, Kathryn Ward, Marci Windsheimer, and Matthew Windsor; the secretarial and administrative assistance of Melissa Adamson, Suzan Benet, Liz Cerrato, and Michael Mercurio; and the

library assistance of Steve Donweber, Terri Gallego O'Rourke, Mary Rumsey, and David Zopfi-Jordan. In addition, we would like to extend special thanks to Matthew Windsor for the comprehensive redesign of the book's companion website, www.coolcopyright.com.

The third edition benefited considerably from the detailed, insightful feedback offered by Margreth Barrett, Mark Bartholomew, Annemarie Bridy, Wendy Gordon, James Grimmelmann, Rita Heimes, Jessica Litman, Michael Madison, Kenneth L. Port, Pam Samuelson, and John G. Sprankling. In addition, we acknowledge the research assistance of Emily Adams, Theresa Coughlin, Ryan Houck, Robert Insley, Andrew Jacobs, Christopher Klimmek, Jack Mellyn, John Rankin, and Dan Roberts; the secretarial and administrative assistance of Margaret Flynn, Julie F. Hunt, and Pamela Malone; and the library assistance of David Bachman, Raquel Ortiz, Mary Rumsey, and Stefanie Weigmann.

For their feedback on matters pertaining to the fourth edition, we thank James Burger, Wendy Gordon, James Grimmelmann, Melissa Levine, Jessica Litman, David Olson, Pamela Samuelson, and a number of anonymous colleagues who generously provided Aspen with feedback based on their experiences teaching from the third edition. We also gratefully acknowledge the research assistance of Sarvesh Desai, Allegra Funsten, Amanda Gomm, Tricia Juettemeyer, Jonathan Upchurch, Carla Virlee, Chris Visentin, and Cong Yao; the secretarial and administrative assistance of Sharon Capuano-George, Jenny Carron, Liz Cerrato, Bria Goldman, Anna Selden, and Kathryn Ticknor; and the library assistance of David Bachman, Barbara Monroe, Suzanne Thorpe, Stefanie Weigmann, and David Zopfi-Jordan.

In keeping with Aspen style guidelines, omissions of citations and footnotes are not noted with ellipses, while omission of text is appropriately indicated. Omission of entire paragraphs is indicated with ellipses at the end of the preceding paragraph or text. Finally, we acknowledge the authors and/or copyright owners of the following excerpts and images, used in this book with their permission.

Books and Articles

- Cohen, Julie E., The Place of the User in Copyright Law, 74 Fordham Law Review 347 (2005). Reprinted courtesy of Julie Cohen.
- Goldstein, Paul, *Derivative Rights and Derivative Works in Copyright*, 30 Journal of the Copyright Society 209 (1983). Reprinted courtesy of Paul Goldstein.
- Gordon, Wendy J., Fair Use as Market Failure: A Structural and Economic Analysis of the Betamax Case and Its Predecessors, 82 Columbia Law Review 1600 (1982). Reprinted courtesy of Wendy Gordon.
- Hardy, Trotter, *Property (and Copyright) in Cyberspace*, 1996 University of Chicago Legal Forum 217 (1996). Reprinted courtesy of the University of Chicago Legal Forum.
- Lee, Edward, Warming Up to User-Generated Content, 2008 University of Illinois Law Review 1459. Reproduced by permission of the publisher from 2008 University of Illinois Law Review 1459. Copyright 2008 by The Board of Trustees of the University of Illinois.

- Litman, Jessica, *The Public Domain*, 39 Emory Law Journal 965 (1990). Reprinted courtesy of Jessica Litman.
- Netanel, Neil Weinstock, Copyright and a Democratic Civil Society, 106 Yale Law Journal 283 (1996). Reprinted courtesy of Neil Netanel and by permission of The Yale Law Journal Company and William S. Hein Company.
- Samuelson, Pamela. The Quest for a Sound Conception of Copyright's Derivative Work Right, 101 Georgetown Law Journal 1505 (2013). Reprinted courtesy of Pamela Samuelson.

Illustrations

- Borgman, Jim, editorial cartoon, "No More Packing in the Middle of the Night!" © 1984 King Features. Reprinted with special permission of King Features Syndicate.
- Gere, Joanne, photograph of "RIBBON Rack in Shadow." Reprinted courtesy of Brandir International, Inc.
- Graylock, Jennifer, photograph of Batmobile. Photo © Jennifer Graylock. Reprinted with permission.
- Kieselstein-Cord, Barry, "Winchester" and "Vaquero" belt buckles. © 1976 (Winchester) and 1978 (Vaquero) Kieselstein-Cord. Reprinted courtesy of Barry Kieselstein-Cord.
- IBM Corporation, screen shot of Lotus 1-2-3 release 2.01. Reprint Courtesy of International Business Machines Corporation, © International Business Machines Corporation.
- Mannion, Jonathan, photographs of Kevin Garnett, "Iced Out Comp Board" and infringing detail from Coors Billboard. Original photograph of Kevin Garnett © Jonathan Mannion. Photographs reprinted courtesy of Jonathan Mannion.
- Martin, Jan, "Symphony #1." 1987 Jan Martin. Photograph reprinted courtesy of Jan Martin.
- Nelson-Salabes, Inc. Architects/Planners, photographs of Satyr Hill assisted living facility as proposed by Nelson-Salabes, Inc. and as built by Morningside Holdings. Photographs reprinted courtesy of Nelson-Salabes, Inc. Architects/Planners.
- Reid, James Earl, "Third World America: A Contemporary Nativity." © 1985 James Earl Reid. Photograph reprinted courtesy of James Earl Reid, Sculptor.
- Steinberg, Saul, "View of the World from 9th Avenue," cover image from the March 29, 1976 issue of *The New Yorker*. Original Artwork by Saul Steinberg. © 1976 The Saul Steinberg Foundation/Artists Rights Society (ARS), New York. Cover reprinted with permission of *The New Yorker* magazine. All rights reserved.
- Ty, Inc., "Squealer" beanbag toy. © 1993 Ty, Inc. Reprinted courtesy of Ty, Inc. Photograph of "Squealer" and "Preston" beanbag toys reprinted courtesy of Banner & Witcoff, Ltd.

Summary of Contents

Contents		202
Preface		xxiii
Acknowledge	ments	xxv
PART I IN	TRODUCTION TO COPYRIGHT LAW	1
Chapter 1	Copyright in Context	3
PART II T	THE SUBJECT MATTER OF COPYRIGHT	47
Chapter 2	Requirements for Copyright Protection	49
Chapter 3	Authorship	137
Chapter 4	Form Versus Function: Useful Articles, Architectural	
	Works, and Software	177
PART III	THE STATUTORY RIGHTS OF COPYRIGHT	
	OWNERS	245
Chapter 5	The Reproduction Right and the Right to Prepare	
1	Derivative Works	247
Chapter 6	The Rights of Distribution, Public Performance, and	
	Public Display	345
Chapter 7	Copyright in Musical Works and Sound Recordings	409
Chapter 8	Moral Rights and Performers' Rights	449
PART IV	INDIRECT INFRINGEMENT AND LAWFUL USE	481
Chapter 9	The Different Faces of Infringement	483
Chapter 10	Fair Use	563
		- 00

Summary of Contents

 \mathbf{X}

DADELY DE	A CHICAT CONTOUR A HITCHIC DATA TOTAL CONTOURS	
PART V PR	RACTICAL CONSIDERATIONS IN LICENSING	
Al	ND ENFORCING COPYRIGHTS	649
Chapter 11	Copyright Due Diligence	651
Chapter 12	Copyright and Contract	705
Chapter 13	Copyright Litigation	761
PART VI N	IEW ENFORCEMENT STRATEGIES AND PUBLIC	
	OLICY LIMITS	859
Chapter 14	Technological Protections	861
Chapter 15	State Law Theories of Protection and Their Limits	911
Table of Cases	ş	959
Table of Statutes and Other Laws Table of Authorities		967
		973
Index		979

Contents

Preface Acknowledgments

		PART I Introduction to Copyright Law	
1		Copyright in Context	3
A.	Th	e Theoretical Underpinnings of Copyright Law	6
	1.	Incentives for Authors and Publishers	6
		Trotter Hardy, Property (and Copyright) in Cyberspace	8
	2.	Authors' Rights	11
		John Locke, Two Treatises on Government	12
	3.	A Robust Public Domain	14
		Jessica Litman, The Public Domain	14
	4.	An Uncensored Marketplace of Ideas	16
		A Theory of Users' Rights?	18
		What Progress, and Whose Welfare?	21
		William P. Alford, To Steal a Book Is an Elegant Offense	21
В.	Th	ne History of U.S. Copyright Law	23
		From Censorship to Markets	23
		"Progress," Incentives, and Access	25
		Copyright Law and Technological Change	27

xxiii xxv

C. '	The 1. 2. 3.	a. New Methods of Creating New Works b. New Technologies for Distributing and Copying Works c. Legal Responses to New Technologies The Political Economy of Copyright Law a. The Copyright Legislative Process b. The Traditional Copyright Industries c. The Rise and Importance of New Intermediaries e Role of International Treaties and Institutions From Pirate to Holdout to Enforcer: International Copyright and the United States The Berne Convention The TRIPS Agreement International Copyright Lawmaking and Enforcement Under the Berne Convention and the TRIPS Agreement a. The World Trade Organization b. The World Intellectual Property Organization (WIPO) c. The WTO, WIPO, and Developing Countries	28 29 30 31 31 32 33 35 35 37 38 41 41 42 43
	5.	New Approaches to International Copyright Lawmaking	45
		PART II The Subject Matter of Copyright	
2		Requirements for Copyright Protection	49
A.		e Elements of Copyrightable Subject Matter	49
	1.	Fixation Williams Electronics, Inc. v. Artic International, Inc.	52 54
		Cartoon Network LP v. CSC Holdings, Inc.	57
	2.	Originality	61
		a. Classic Cases	61
		Burrow-Giles Lithographic Co. v. Sarony	61
		Bleistein v. Donaldson Lithographing Co.	64
		Alfred Bell & Co. v. Catalda Fine Arts, Inc.	67 70
		Note on Nonobviousness and Originality b. Establishing the Modern Originality Standard	72
		Feist Publications, Inc. v. Rural Telephone Service Co.	73
		c. Some Contemporary Originality Problems	79
		Mannion v. Coors Brewing Company	79
		Meshwerks, Inc. v. Toyota Motor Sales U.S.A., Inc.	83
	3.	The "Idea/Expression Distinction"	90
		a. The Classic Case	90
		Baker v. Selden	91
		Note on the Merger Doctrine and Thin Copyright	96

	Con	tents
	b. Complications	98
	A.A. Hoehling v. Universal City Studios, Inc.	98
	ATC Distribution Group, Inc. v. Whatever It Takes	
	Transmissions & Parts, Inc.	105
В.	Two Special Cases: Derivative Works and Compilations	109
	1. Derivative Works	110
	L. Batlin & Son, Inc. v. Snyder	111
	Schrock v. Learning Curve International, Inc.	114
	Note on Blocking Patents	120
	2. Compilations	121
	a. Selection, Arrangement, and Coordination of Data	121
	CCC Information Services, Inc. v. Maclean Hunter Market	
	Reports, Inc.	122
	Matthew Bender & Co. v. West Publishing Co.	126
	Note on Alternative Modes of Protection for Databases	130
	b. Selection, Arrangement, and Coordination of Elements	
	Other Than Data	131
	Roth Greeting Cards v. United Card Co.	131
	Satava v. Lowry	133
3	Authorship	137
A.	Sole Authorship	138
	Lindsay v. The Wrecked and Abandoned Vessel R.M.S. Titanic	138
В.	Joint Authorship	140
	Erickson v. Trinity Theatre, Inc.	140
	Aalmuhammed v. Lee	141
	Note on the Intent to Merge Requirement and	
	Implications for Collaborative Works	145
C.	Works Made for Hire	146
	1. Works Created by Employees Within the Scope of Their	
	Employment	147
	a. Who Is an "Employee"?	147
	Community for Creative Non-Violence v. Reid	147
	JustMed, Inc. v. Byce	153
	b. Determining "Scope of Employment"	160
	Rouse v. Walter & Associates, L.L.C.	160
	Note on Employer Ownership of Trade Secrets	168
	2. Section 101(2) and "Specially Ordered or Commissioned" Works	169
	a. The Requirement of a Signed Written Instrument	170
	b. The Categories of Eligible Works	170
D	Government Works	172

xiii

4	Form Versus Function: Useful Articles, Architectural Works, and Software	177
A.	Useful Articles with Pictorial, Graphic, and Sculptural Dimensions	177
	1. The Classic Case	178
	Mazer v. Stein	178
	2. Defining Useful Articles and Determining Separability	180
	Pivot Point International, Inc. v. Charlene Products, Inc.	181
	Note on Alternative Modes of Protection	193
В.	Architectural Works	196
	1. What Is a "Building"?	197
	2. Are Buildings "Compilations"?	198
	Nelson-Salabes, Inc. v. Morningside Holdings	198
	Intervest Construction, Inc. v. Canterbury Estate Homes, Inc.	201
C.	Computer Software	206
	1. Source Code Versus Object Code Apple Computer, Inc. v. Franklin Computer Corp.	208 208
	2. Program Structure	211
	Computer Associates International, Inc. v. Altai, Inc.	212
	3. User Interfaces	221
	Lotus Development Corp. v. Borland International, Inc.	221
	4. Application Programming Interfaces	229
	Oracle America, Inc. v. Google, Inc.	229
	Note on Alternative Modes of Protection for Computer Software	240
	PART III The Statutory Rights of Copyright Owners	
_	The Reproduction Right and the Right to Prepare	
5	Derivative Works	247
Α	Reproduction	248
2.2.	1. The Exact Copy	248
	a. The Basics	248
	b. "Innocent" Infringement	251
	c. Diving Deeper: Ephemeral Copies Under Sections	
	112 and 118	251
	2. The "De Minimis" Copy	253
	Gottlieb Development LLC v. Paramount Pictures Corp.	253
	3. The Substantially Similar Copy	257
	a. Copying in Fact	258
	Three Boys Music Corp. v. Michael Bolton	259
	Selle v. Gibb	262