COHEN LOREN OKTEDIJII O'ROURKE

COPYRIGHT IN A GLOBAL INFORMATION ECONOMY

Secondl Edition



Copyright in a Global Information Economy

Second Edition

Julie E. Cohen

Professor of Law Georgetown University Law Center

Lydia Pallas Loren

Professor of Law Lewis and Clark Law School

Ruth L. Okediji

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

Maureen A. O'Rourke

Dean *ad interim* and Professor of Law Boston University School of Law



76 Ninth Avenue, New York, NY 10011 http://lawschool.aspenpublishers.com Copyright © 2006 Aspen Publishers, Inc. a Wolters Kluwer business http://lawschool.aspenpublishers.com

All rights reserved. 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 any information storage and retrieval system, without permission in writing from the publisher. Requests for permission to make copies of any part of this publication should be mailed to:

Aspen Publishers Attn: Permissions Department 76 Ninth Avenue, 7th Floor New York, NY 10011-5201

Printed in the United States of America.

2 3 4 5 6 7 8 9 0

ISBN 0-7355-5612-1

Library of Congress Cataloging-in-Publication Data

Copyright in a global information economy / Julie E. Cohen . . . [et al.].—2nd ed. p. cm.

Includes index.

ISBN 0-7355-5612-1 (hardcover : alk. paper) 1. Copyright — United States. 2. Copyright, International. 3. International and municipal law — United States. I. Cohen, Julie E.

KF2996.C67 2006 346.7304'82—dc22

2006004156

About Aspen Publishers

Aspen Publishers, headquartered in New York City, is a leading information provider for attorneys, business professionals, and law students. Written by preeminent authorities, our products consist of analytical and practical information covering both U.S. and international topics. We publish in the full range of formats, including updated manuals, books, periodicals, CDs, and online products.

Our proprietary content is complemented by 2,500 legal databases, containing over 11 million documents, available through our Loislaw division. Aspen Publishers also offers a wide range of topical legal and business databases linked to Loislaw's primary material. Our mission is to provide accurate, timely, and authoritative content in easily accessible formats, supported by unmatched customer care.

To order any Aspen Publishers title, go to http://lawschool.aspenpublishers.com or call 1-800-638-8437.

To reinstate your manual update service, call 1-800-638-8437.

For more information on Loislaw products, go to www.loislaw.com or call 1-800-364-2512.

For Customer Care issues, e-mail CustomerCare@aspenpublishers.com; call 1-800-234-1660; or fax 1-800-901-9075.

Aspen Publishers a Wolters Kluwer business

For Andrew and Eli.

-J.E.C.

For Cassie, Alex, and Cameron.

—L.P.L.

For Tade, and in honor of Mom and Dad.

-R.L.O.

For Mom.

-M.A.O.

Preface

In the four years since the first edition of this text was published there have been important developments in copyright law. 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. We begin each chapter with an overview of the classical principles of the particular topic or subject matter, followed with 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 second edition, we have updated all the materials to reflect new legislation and case law, including legislation and cases reflecting international trends. We also have redesigned our website at www.coolcopyright.com, which contains background materials (including pictures) for the cases in the book, as well as some alternative cases. 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 second edition maintains much of the structure, style, and approach of the first edition, and therefore still differs in important ways from the traditional copyright text.

First, we continue to hold strong to the belief that understanding the role of copyright law in the emerging 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;

xxii Preface

the structure and political influence of the major copyright industries; 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.

Second, we have retained the use of secondary source materials by legal academics and other commentators seeking to understand and shape the evolution of copyright and information policy. To better aid students in comprehending the wealth of academic opinion and the importance of economic analysis which has become prevalent in judicial opinions, we have streamlined the use of secondary materials and asked questions designed to facilitate a firmer understanding of how theory and practice converge in assessing copyright claims and defenses.

Finally, we continue to emphasize the importance of international developments and show how international events constitute a significant source of U.S. copyright law and policy. We integrate both international and comparative materials throughout the text, rather than leaving these materials until the end of the book as is usual in many introductory copyright texts. For each chapter and topic, we consider relevant specific treaty provisions and, in many instances, we 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 P. Loren Ruth L. Okediji Maureen A. O'Rourke

February 2006

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, Tiowa Collier, Daphne Edwards, 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, http://www.coolcopyright.com/.

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

- Ginsburg, Jane C., No "Sweat"? Copyright and Other Protection of Works of Information After Feist v. Rural Telephone, 92 Columbia Law Review 338 (1992). Reprinted courtesy of Jane Ginsburg and the Columbia Law Review.
- Goldstein, Paul, Copyright's Highway: From Gutenberg to the Celestial Jukebox (rev. ed. 2003). Reprinted courtesy of Paul Goldstein.
- 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.
- Lemley, Mark A. & Eugene Volokh, Freedom of Speech and Injunctions in Intellectual Property Cases, 48 Duke Law Journal 147 (1998). Reprinted courtesy of Mark Lemley.
- 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.
- Reichman, J.H., Legal Hybrids Between the Patent and Copyright Paradigms, 95 Columbia Law Review 2432 (1995). Reprinted courtesy of J.H. Reichman and the Columbia Law Review.
- Reichman, J.H. & Pamela Samuelson, *Intellectual Property Rights in Data?*, 50 Vanderbilt Law Review 51 (1997). Reprinted courtesy of J.H. Reichman and Pamela Samuelson.
- Samuelson, Pamela, et al., A Manifesto Concerning the Legal Protection of Computer Programs, 94 Columbia Law Review 2308 (1994). Reprinted courtesy of Pamela Samuelson and the Columbia Law Review.
- Yen, Alfred C., Copyright Opinions and Aesthetic Theory, 71 Southern California Law Review 247 (1998). Reprinted courtesy of Alfred C. Yen.

Illustrations

- Air Pirates cover illustration. Mickey Mouse © Disney Enterprises, Inc. Reprinted courtesy of Disney Enterprises, Inc.
- Bolling, Ruben, editorial cartoon, "Library System Terrorizes Publishing Industry". © 2000 Ruben Bolling. Reprinted courtesy of Ruben Bolling.
- Borgman, Jim, editorial cartoon, "No More Packing in the Middle of the Night!". © 1984 King Features. Reprinted with special permission of King Features Syndicate.

- Dam, Thomas, "Good Luck" troll dolls. Original Photograph © The Troll Company ApS. Reprinted courtesy of The Troll Company ApS.
- Gere, Joanne, photograph of "RIBBON Rack in Shadow." Reprinted courtesy of Brandir International, Inc.
- Kelly, Leslie A., screenshot of website, http://www.showmethegold.com/. Original artwork and design © Leslie A. Kelly. Reprinted courtesy of Leslie A. Kelly.
- Kieselstein-Cord, Barry, "Winchester" and "Vaquero" belt buckles. © 1976 (Winchester) and 1978 (Vaquero) Kieselstein-Cord. Reprinted courtesy of Barry Kieselstein-Cord.
- Lotus Development Corporation, screen shot of Lotus 1-2-3 release 2.01. Screen capture © 1987 IBM Corporation. Reprinted courtesy of IBM Corporation.
- 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.

Copyright
in a
Global Information
Economy

Summary of Contents

Contents	xi
Preface	xxi
Acknowledgments	xxiii
PART I INTRODUCTION TO COPYRIGHT L	AW
Chapter 1 Copyright in Context	3
PART II THE SUBJECT MATTER OF COPYRI	IGHT LAW
Chapter 2 Authors, Writings, and Progress	45
Chapter 3 Acquiring, Keeping, and Transferring C	opyright 139
Chapter 4 Protected Works and Boundary Problem	
PART III COPYRIGHT SCOPE AND ENFORCE	CEMENT
Chapter 5 The Statutory Rights of Copyright Own	ners 313
Chapter 6 The Different Faces of Infringement	473
Chapter 7 Another Limitation on Copyright: Fair	Use 525
Chapter 8 Technological Protections	603
Chapter 9 State Law Theories of Protection, and T	Their Limits 649
Chapter 10 The Copyright Infringement Lawsuit	735
Table of Cases	801
Tables of Statutes and Other Laws	
Table of Authorities	
Index	811 817

Contents

Preface Acknowledgments

	PART I Introduction to Copyright Law	
1	Copyright in Context	3
Α.	The Theoretical Underpinnings of Copyright Law	5
	1. Incentives for Authors and Publishers	6
	Trotter Hardy, Property (and Copyright) in Cyberspace	7
	2. Authors' Rights	11
	John Locke, Two Treatises on Government	11
	3. A Robust Public Domain	13
	Jessica Litman, The Public Domain	14
	4. An Uncensored Marketplace of Ideas	15
	5. What Progress, and Whose Welfare?	17
	William P. Alford, To Steal a Book Is an Elegant Offense	17
В.	The History of U.S. Copyright Law	19
	1. From Censorship to Markets	19
	2. "Progress," Incentives, and Access	21
	3. Copyright Law and Technological Change	24
	a. New Methods of Creating New Works	24
	b. New Technologies for Distributing and Copying Works	25
	c. Legal Responses to New Technologies	26

xxi xxiii

	4.	The Copyright Legislative Process	21
	5.	The Copyright Industries	30
	6.	New Challenges	32
C.	The	e Growing Role of International Treaties and Institutions	33
	1.	From Pirate to Holdout to Enforcer: International Copyright and	
		the United States	34
	2.	The Berne Convention	35
	3.	The TRIPs Agreement	37
	4.	Copyright Lawmaking and Enforcement Under the Berne	
		Convention and the TRIPs Agreement	39
		a. The World Trade Organization	39
		b. The World Intellectual Property Organization (WIPO) and the	
		1996 WIPO Treaties	40
		Ruth Gana Okediji, Copyright and Public Welfare in	
		Global Perspective	41
		*	
		Part II	
		The Subject Matter of Copyright Law	
_			
1	=	Authors, Writings, and Progress	45
Α.	Th	e Elements of Copyrightable Subject Matter	45
	1.	Fixation	47
		a. A Functional Approach	47
		Williams Electronics, Inc. v. Artic International, Inc.	48
		MAI Systems Corp. v. Peak Computer, Inc.	51
		b. A Technology-Specific Approach: Transmission and	
		Contemporaneous Fixation, and the Problem of Bootleg	
		Recordings	54
	2.	Originality	57
		a. "Original" to Whom?	59
		Burrow-Giles Lithographic Co. v. Sarony	59
		Bleistein v. Donaldson Lithographing Co.	62
		Note on Nonobviousness and Originality	65
		b. "More than Merely Trivial"	67
		Alfred Bell & Co. v. Catalda Fine Arts, Inc.	67
		The Bridgeman Art Library, Ltd. v. Corel Corp.	70
	3.	, ,	72
		a. Form Versus Function Versus Fair Game	73
		Baker v. Selden	73
		Note on Patentable Subject Matter	78
		Note on Facts and the Public Domain	79
		b. Complications	80
		A.A. Hoehling v. Universal City Studios, Inc.	80
		American Dental Association v. Delta Dental Plans	
		Association	86

Contents	xiii
----------	------

	4.	Derivative Works and Compilations	90
		a. Derivative Works	91
		L. Batlin & Son, Inc. v. Snyder	91
		Entertainment Research Group, Inc. v. Genesis Creative	-
		Group, Inc.	94
		Pickett v. Prince	98
		Note on Blocking Patents	100
		b. Compilations	101
		Feist Publications, Inc. v. Rural Telephone Service Co.	101
		Roth Greeting Cards v. United Card Co.	106
-	****	Mason v. Montgomery Data, Inc.	108
В.		io Is an Author?	110
	1.	I and the second	111
	2	Lindsay v. The Wrecked and Abandoned Vessel R.M.S. Titanic	111
	2.	Joint Authorship	113 113
		Erickson v. Trinity Theatre, Inc. Aalmuhammed v. Lee	113
	3.	Works Made for Hire	114
	Э.	TITL T (/T) 1 225	119
		a. Who Is an "Employee"? Community for Creative Non-Violence v. Reid	119
		Aymes v. Bonelli	124
		Note on Works Prepared Outside the United States	125
		b. What Is the "Scope of Employment"?	127
		Avtec Systems, Inc. v. Peiffer	127
		Note on Employer Ownership of Trade Secrets	129
		Note on the "Teacher Exception"	131
		c. Section 101(2) and "Specially Ordered or Commissioned"	
		Works	132
		Note on the Mechanics of \$101(2) Agreements	133
	4.	U.S. Government Works	134
		Note on Model Codes	135
		Note on the Freedom of Information Act (FOIA) and	
		Copyright	137
	_		
3			720
		Acquiring, Keeping, and Transferring Copyright	139
Α.	Eo	rmalities	139
Λ.	1.	An Overview	140
	2.	What Is Publication?	144
	2.	Estate of Martin Luther King, Jr., Inc. v. CBS, Inc.	144
	3.	Notice of Copyright	147
	4.	Deposit Requirements	148
	5.	Registration	148
	6.	Restoration of Copyright Protection for Certain Works of Foreign	110
		Authors	151
В.	Dı	iration	153
	1.		153
		a. Works Created on or After January 1, 1978	153

xiv

	2.	, 1, 0	154 155 158
		Eldred v. Ashcroft	159
C.		newals and Terminations of Transfers	169
	1.	Renewals	169
	2	Stewart v. Abend	170
	2.	Termination of Transfers Mada Afran January 1, 1978	177
		a. Terminations of Transfers Made After January 1, 1978 — Section 203	178
		b. Terminations of Transfers Made Before January 1, 1978 — Sections 304(c) & (d)	179
D.	Me	echanics of Transfers	182
		Express Versus Implied Transfers	183
		Effects Associates, Inc. v. Cohen	183
	2.	Old Language and "New Uses"	189
		Boosey & Hawkes Music Publishers, Ltd. v. The Walt Disney	
		Company	189
		Random House v. Rosetta Books, LLC	192
		Note on Open Source Software and Creative Commons	198
		New York Times Company v. Tasini	200
A			
7		Protected Works and Boundary Problems	209
A.	Us	eful Articles with Pictorial, Graphic, or Sculptural Aspects	211
	1.	"Kitsch" or "Progress"?	212
		Mazer v. Stein	212
	2.	Defining Useful Articles and Determining Separability	214
		Kieselstein-Cord v. Accessories by Pearl, Inc.	215
		Carol Barnhart Inc. v. Economy Cover Corp.	218
		Brandir International, Inc. v. Cascade Pacific Lumber Co.	221
	3.		226
		Note on Design Patents	227
		Note on Trade Dress Protection	228
		Note on Industrial Design Protection in the EU	230
		Note on Industrial Design Protection Efforts in the U.S. J.H. Reichman, Legal Hybrids Between the Patent	231
		and Copyright Paradigms	233
В.	Co	omputer Software	235
		Text or Machine?	235
		Apple Computer, Inc. v. Franklin Computer Corp.	238
		Copyrightability of a Computer Program Expressed in	
		Object Code	239
		Copyrightability of Computer Operating System	
		Programs	240
	2.	Distinguishing Idea from Expression in Software	242
		Computer Associates International, Inc. v. Altai, Inc.	243
		Softel, Inc. v. Dragon Medical and Scientific Communications,	
		Tana	251

Contents

		Lotus Development Corporation v. Borland International, Inc.	255
	_	Notes on Protecting Interfaces	262
	3.	New Paradigms?	264
		Note on Patent Protection for Software	265
		Note on Trade Secret Protection for Software	266
0	Α	Note on the EU Software Directive	266
C.		Chitectural Works	269
	1.	What Is a "Building"?	270
	2	The Yankee Candle Co. v. New England Candle Co.	270
	2.	Are Buildings "Compilations"? Nelson-Salabes, Inc. v. Morningside Holdings	273 273
		Note on Limitations on the Protection Granted to	2/3
		Architectural Works	277
	3	New Paradigms?	279
D.		aracters	280
D.		Expression or Idea?	280
	1.	Metro-Goldwyn-Mayer, Inc. v. American Honda Motor Co.	280
		Titan Sports, Inc. v. Turner Broadcasting Systems, Inc.	284
		Note on Fan Fiction on the Internet	287
	2.	New Paradigms?	288
		Note on Trademark and Unfair Competition Law	288
		Note on Rights of Publicity	288
E.	Da	tabases	290
	1.	Selection, Arrangement, and Utility	291
		Bellsouth Advertising & Publishing Corp. v. Donnelley	
		Information Publishing, Inc.	292
		CCC Information Services, Inc. v. Maclean Hunter Market	
		Reports, Inc.	296
	2.	What Is a "Fact"?	300
		CDN Inc. v. Kapes	300
		Matthew Bender & Co. v. West Publishing Co.	301
	3.	New Paradigms?	305
		Note on the EU Database Directive	305
		Note on Database Protection in the United States	306
		Jane C. Ginsburg, No "Sweat"? Copyright and Other Protection	
		of Works of Information after Feist v. Rural Telephone J.H. Reichman & Pamela Samuelson, Intellectual Property	307
		Rights in Data?	308
		Part III	
		Copyright Scope and Enforcement	
5	E	The Statutory Rights of Copyright Owners	313
		Zive Servered y Zieginos of Sopyi vylav Swiners	010
Α.	-	ne Elements of Infringement	314
	1.	The Prima Facie Case of Infringement	314
	2.	Copying in Fact	315
		Three Boys Music Corp. v. Michael Bolton	315
		Selle v. Gibb	318