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Abstract

This issue of Pace Intellectual Property, Sports & Entertainment Law Forum includes articles on the modern legal issues & developments affecting fashion, the Internet, music, film, international sports, constitutional law & the lives of celebrities.

Keywords

intellectual property, PIPSELF, copyright, patent

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MODERN LEGAL ISSUES & DEVELOPMENTS AFFECTING FASHION, THE INTERNET, MUSIC, FILM, INTERNATIONAL SPORTS, CONSTITUTIONAL LAW & THE LIVES OF CELEBRITIES

ARTICLES

Cleaning Out the Closet: A Proposal to Eliminate the Aesthetic Functionality
Doctrine in the Fashion Industry *Jessie A. Maihos*

The Patent Reform Debate: Has Patent Overprotection Resulted in
Not-So-Smartphones? *Ryan A. Kraski*

Pinning Your Way to Copyright Infringement: The Legal Implications
Pinterest Could Face *Brittany Fink*

Banksy Got Back? Problems With Chains of Unauthorized Derivative Works and
Arrangements in Cover Songs Under a Compulsory License *Matthew A. Eller*

Cash From Chaos: Sound Recording Authorship, Section 203 Recapture Rights and a
New Wave of Termination *Hector Martinez*

CASE NOTES

Let's Talk About Sex: How Societal Value Evolution Has Redefined Obscenity
Kamilah Mitchell

The Copyright Infringement Test: A New Approach to Literary
Misappropriation in Film *Rikki Bahar*

Protecting a Celebrity's Child From Harassment: Is California's Amendment to
Penal Code § 11414 Too Vague to Be Constitutional? *Michelle N. Robinson*

ESSAY

Is Cricket Taxing? The Taxation of Cricket Players in India
Rishi Shroff

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PACE INTELLECTUAL PROPERTY, SPORTS & ENTERTAINMENT LAW FORUM

Volume 4

Spring 2014

Issue 2

Table of Contents

ARTICLES

Cleaning Out the Closet: A Proposal to Eliminate the Aesthetic
Functionality Doctrine in the Fashion Industry.....299
Jessie A. Maihos

The Patent Reform Debate: Has Patent Overprotection Resulted in Not-
So-Smartphones?.....327
Ryan A. Kraski

Pinning Your Way to Copyright Infringement: The Legal Implications
Pinterest Could Face.....363
Brittany Fink

Banksy Got Back? Problems With Chains of Unauthorized Derivative Works
and Arrangements in Cover Songs Under a Compulsory License403
Matthew A. Eller

Cash From Chaos: Sound Recording Authorship, Section 203 Recapture
Rights and a New Wave of Termination445
Hector Martinez

CASE NOTES

Let's Talk About Sex: How Societal Value Evolution Has Redefined
Obscenity493
Kamilah Mitchell

The Copyright Infringement Test: A New Approach to Literary
Misappropriation in Film.....529
Rikki Bahar

Protecting a Celebrity's Child From Harassment: Is California's
Amendment to Penal Code § 11414 Too Vague to Be Constitutional? ...559
Michelle N. Robinson

ESSAY

Is Cricket Taxing? The Taxation of Cricket Players in India599
Rishi Shroff

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Article

**Cleaning Out The Closet: A
Proposal to Eliminate the Aesthetic
Functionality Doctrine in the
Fashion Industry**

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Abstract

The aesthetic functionality doctrine seeks to promote competition, but is ineffective in the fashion industry because there is not one design that will be the most aesthetically appealing to everyone, as there is in other industries. This Article examines the various problems with the aesthetic functionality doctrine, and will argue that this doctrine, while relevant in other industries, should be eliminated from fashion.

Table of Contents

INTRODUCTION.....	301
I. BACKGROUND OF TRADEMARK LAW.....	302
A. <i>Basic Principles</i>	302
B. <i>The Functionality Doctrine</i>	303
1. A Brief History of the Functionality Doctrine	304
2. Utilitarian Functionality.....	305
3. Aesthetic Functionality	306
II. AESTHETIC FUNCTIONALITY IN THE FASHION INDUSTRY.....	309
A. <i>Significant Non-Reputation-Related Disadvantage</i>	309
B. <i>Applying a Utilitarian Functionality Test</i>	314
C. <i>Well-Known Source Identifiers Cannot Be Functional</i>	316
III. AN INAPPROPRIATE RESPONSE TO A VALID CONCERN	318
IV. AESTHETIC FUNCTIONALITY IS RELEVANT IN OTHER INDUSTRIES	320
V. THE GAME IS NOT WORTH THE CANDLE.....	324
CONCLUSION.....	325

INTRODUCTION

The aesthetic functionality doctrine seeks to promote competition by barring trademark protection when the mark in question would *significantly* undermine competitors' ability to compete in the relevant market.¹ How does this doctrine relate to the fashion industry? Fashion is not only about choosing clothes that fit based on size and physical needs; consumers use fashion and their available options to express their individual style while also following current trends.² This style has important social significance and communicates messages about that person before others have even had the chance to meet them. Fashion has a symbolic function that provides visual cues and is a signifier of identity, personality, values, and other social meanings.³

This Article will argue that because of its inherent characteristics, the aesthetic functionality doctrine, while relevant in other industries, should be eliminated from fashion. Fashion is not just about choosing the prettiest shirt or the most eye appealing dress: "[i]nnovation in fashion creates vocabularies for self-expression that relate individuals to social worlds."⁴ People use fashion to communicate every day, an element that is not present in other industries. For example, when a consumer buys a thermostat, he is looking for something that works and something that will look the best on his wall; there is no self-expression in that, and therefore the aesthetic functionality doctrine will be useful there. However,

¹ *Louboutin v. Yves Saint Laurent Am. Holding, Inc.*, 696 F.3d 206, 222 (2d Cir. 2012).

² C. Scott Hemphill & Jeannie Suk, *The Law, Culture, and Economics of Fashion*, 61 STAN. L. REV. 1147, 1158 (2009).

³ *Id.* at 1158.

⁴ *Id.* at 1151.

this doctrine is irrelevant in fashion because everyone is not attracted to the same thing; there will never be a single design that is the most aesthetically appealing in fashion, like there will be in other industries. Fashion is a social movement and although there are collective tastes,⁵ fashion also serves to distinguish people from others.⁶

I. BACKGROUND OF TRADEMARK LAW

A. Basic Principles

A trademark includes “any word, name, symbol, or device, or any combination thereof” used to identify and distinguish goods, “including a unique product, from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown.”⁷ United States trademark law is codified in the Lanham Act of 1946 and its amendments.⁸ The United States Patent and Trademark Office processes and grants trademark applications based on requirements set out in the Lanham Act.⁹ In determining what qualifies as a trademark, “it is crucial that the symbol in question be so distinctive that it is capable of performing the function of identifying and distinguishing the goods that bear the symbol.”¹⁰ Furthermore, a trademark by which the goods of the applicant may be distinguished from the goods of others shall not be refused registration on the principal register on account of its nature unless it is comprised of any matter that, as a

⁵ *Id.* at 1158.

⁶ *Id.* at 1163.

⁷ 15 U.S.C. § 1127 (2012).

⁸ 15 U.S.C. § 1051 (2012).

⁹ *Id.*

¹⁰ J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 3:1 (4th ed. 2014).

whole, is functional.¹¹

The owner of a federally registered trademark may bring a trademark infringement claim under Section 32 of the Lanham Act,¹² or if the trademark at issue is unregistered, under Section 43(a) of the Lanham Act.¹³ In order to prevail, the plaintiff must show that there is a likelihood of confusion between the marks in question.¹⁴ The use of a trademark in connection with the sale of goods constitutes infringement if it is likely to cause consumer confusion as to the source of the goods.¹⁵ In determining if there is a likelihood of confusion, courts will consider a number of factors, including: (1) the strength of the mark, (2) the degree of similarity between the two marks, (3) the proximity of the products, (4) the likelihood that the prior owner will bridge the gap, (5) actual confusion, (6) defendant's good faith, (7) the quality of defendant's product, and (8) the sophistication of the consumers.¹⁶ The defendant may raise a number of defenses in a trademark infringement claim, including the functionality doctrine.¹⁷

B. The Functionality Doctrine

The Supreme Court has recognized that a product feature that is functional cannot serve as a trademark, noting that "[t]he functionality doctrine

¹¹ 15 U.S.C. § 1052(e)(5) (2012).

¹² 15 U.S.C. § 1114(1)(a) (2012).

¹³ 15 U.S.C. § 1125(a)(1)(A) (2012).

¹⁴ *Goto.com, Inc. v. Walt Disney Co.*, 202 F.3d 1199, 1205 (9th Cir. 2000).

¹⁵ 15 U.S.C. § 1114(1)(a).

¹⁶ *Polaroid Corp. v. Polarad Elecs. Corp.*, 287 F.2d 492, 495 (2d Cir. 1961).

¹⁷ *Louboutin v. Yves Saint Laurent Am. Holding, Inc.*, 696 F.3d 206, 219 (2d Cir. 2012).

prevents trademark law, which seeks to promote competition by protecting a firm's reputation, from instead inhibiting legitimate competition by allowing a producer to control a useful product feature."¹⁸ Furthermore, it is the goal of patent law, not trademark law, to encourage invention by granting limited monopolies over new product designs or functions.¹⁹ There are two forms of the functionality doctrine: traditional or utilitarian functionality, and aesthetic functionality.²⁰ "Both forms of the [functionality doctrine] serve as affirmative defenses to a trademark infringement claim."²¹

1. A Brief History of the Functionality Doctrine

In *In re Morton-Norwich Products, Inc.*, the court famously explained that functionality refers to the utility of an object's design and the issue is whether there is a need to copy certain articles, also termed as the right to compete effectively.²² The court also reasoned that in determining functionality, it was relevant that utilitarian advantages of claimed features were disclosed in an expired utility patent.²³ However, this factor was not dispositive and other factors included: whether the originator of the design touts the design's utilitarian advantages through advertising, whether alternative designs are available, and whether the design results from a

¹⁸ *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 164 (1995).

¹⁹ *Id.*

²⁰ *Louboutin*, 696 F.3d at 219.

²¹ *Id.*

²² See Mark P. McKenna, *(Dys)Functionality*, 48 HOUS. L. REV. 823, 848 (2011).

²³ *In re Morton-Norwich Products, Inc.*, 671 F.2d 1332, 1340-41 (C.C.P.A. 1982).

comparatively simple or cheap method of manufacturing the article.²⁴

TrafFix Devices, Inc. v. Marketing Devices, Inc. was a response to *In re Morton-Norwich Products, Inc.*,²⁵ and before that case, courts relied on different definitions of functionality.²⁶ Some courts focused on the product feature's purpose and effect on the product, while others looked at competitive necessity to see if others could use alternative designs.²⁷ The Supreme Court separated these two views, dictating utilitarian functionality and aesthetic functionality.²⁸ The test of aesthetic functionality that was endorsed in *TrafFix* is overwhelmingly relied on today in courts that attempt to apply the doctrine correctly.²⁹ The court asked whether exclusive use of claimed features would put competitors at a significant non-reputation-related disadvantage.³⁰

2. Utilitarian Functionality

A product feature is functional under the utilitarian functionality doctrine if "it is essential to the use or purpose of the article or if it affects the cost or

²⁴ *Id.* at 1341.

²⁵ McKenna, *supra* note 22, at 825.

²⁶ Anne Gilson LaLonde, *Like What You See? A Half-Century of the Controversial, Confusing Doctrine of Aesthetic Functionality*, A.B.A. SEC. INTELL. PROP. L. 2 (2011), available at

<http://apps.americanbar.org/intelprop/spring2012/coursematerials/docs/TheRiseandFallandRiseofAestheticFunctionality/LikeWhatYouSee.pdf>.

²⁷ *Id.*

²⁸ *Id.*

²⁹ McKenna, *supra* note 22, at 851.

³⁰ *Id.*

quality of the article.”³¹ A design feature is essential to the use or purpose of the article “only if the feature is dictated by the functions to be performed; a feature that merely accommodates a useful function is not enough.”³² A design feature affecting the cost is one which allows the article to be manufactured at a lower cost.³³ If a product feature is found to be functional under this test, the feature will ordinarily be ineligible for trademark protection.³⁴ When the design is functional under *Inwood*, there is no need to proceed further to consider competitive necessity.³⁵ However, if the design feature is not functional, it still must pass the *Qualitex* test and “be shown not to have a significant effect on competition in order to receive trademark protection.”³⁶

3. Aesthetic Functionality

Qualitex adopted the Restatement (Third) of Unfair Competition’s definition of aesthetic functionality, which states:

a design is functional because of its aesthetic value only if it confers a significant benefit that cannot practically be duplicated by the use of alternative designs. Because of the difficulties inherent in evaluating the aesthetic superiority of a particular design,

³¹ *Inwood Labs., Inc. v. Ives Labs., Inc.*, 456 U.S. 844, 851 n.10 (1982).

³² *Warner Bros., Inc. v. Gay Toys, Inc.*, 724 F.2d 327, 331 (2d Cir. 1983).

³³ *Id.*

³⁴ *Louboutin v. Yves Saint Laurent Am. Holding, Inc.*, 696 F.3d 206, 219 (2d Cir. 2012).

³⁵ *TrafFix Devices, Inc. v. Mktg. Displays, Inc.*, 532 U.S. 23, 24 (2001).

³⁶ *Louboutin*, 696 F.3d at 220.

a finding of aesthetic functionality ordinarily will be made only when objective evidence indicates a lack of adequate alternative designs.³⁷

Furthermore, the ultimate test of aesthetic functionality is whether the recognition of trademark rights would significantly hinder competition.³⁸ The Court of Appeals for the Second Circuit recently summarized this doctrine stating that “[i]n short, a mark is aesthetically functional, and therefore ineligible for protection under the Lanham Act, where protection of the mark *significantly* undermines competitors’ ability to compete in the relevant market.”³⁹ Furthermore, it indicated that in making that determination, “courts must carefully weigh ‘the competitive benefits of protecting source-identifying aspects’ of a mark against the ‘competitive costs of precluding competitors from using the feature.’”⁴⁰

The aesthetic functionality doctrine was most famously applied by the Ninth Circuit in *Pagliero v. Wallace China Co.*⁴¹ The court found that the designs on china were functional because their attractiveness was the primary selling feature.⁴² Therefore, the defendant was allowed to copy the designs and use them on its plates as well because they were not indicia of source, and “to imitate is to compete in

³⁷ RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 17(c) (1995); *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159, 170 (1995).

³⁸ *Id.*

³⁹ *Louboutin*, 696 F.3d at 222.

⁴⁰ *Id.* (quoting *Fabrication Enters., Inc. v. The Hygenic Corp.*, 64 F.3d 53, 59 (2d Cir. 1995)).

⁴¹ *See generally* *Pagliero v. Wallace China Co.*, 198 F.2d 339 (9th Cir. 1952).

⁴² *Pagliero*, 198 F.2d at 343-44.

this type of situation.”⁴³ However, the Ninth Circuit has had difficulty applying the doctrine since then, and seems to take a different position every time it comes up.⁴⁴ For example, it was recently decided that the name and image of the Betty Boop character were functional, aesthetic components of the product, and therefore not trademarks, and that the features could not receive protection.⁴⁵ However, six months later, the court received a petition for rehearing that was supported by several amicus briefs.⁴⁶ In response, it vacated and withdrew its opinion and then issued a new one that was silent on the aesthetic functionality doctrine altogether.⁴⁷ These actions demonstrate an obvious confusion on when and how to apply this doctrine that results in inefficiency in the courts.

The aesthetic functionality doctrine, when applied, if applied at all, is treated differently and inconsistently among the courts.⁴⁸ For example, some courts have little trouble with the doctrine and have been able to apply it appropriately, others accept that it exists but are reluctant to declare that any features are aesthetically functional, and then there are some courts that maintain that there is no such thing as aesthetic functionality altogether.⁴⁹ Although courts seem to have differing levels of difficulty with the aesthetic functionality doctrine in gen-

⁴³ *Id.* at 344.

⁴⁴ McKenna, *supra* note 22, at 848.

⁴⁵ *Fleischer Studios Inc. v. A.V.E.L.A., Inc.*, 636 F.3d 1115, 1124 (9th Cir. 2011), *aff'd*, 654 F.3d 958 (9th Cir. 2011).

⁴⁶ McKenna, *supra* note 22, at 848.

⁴⁷ *See Fleischer Studios Inc. v. A.V.E.L.A., Inc.*, 654 F.3d 958 (9th Cir. 2011).

⁴⁸ McKenna, *supra* note 22, at 848.

⁴⁹ *Id.*

eral, it is especially irrelevant in the fashion industry.

II. AESTHETIC FUNCTIONALITY IN THE FASHION INDUSTRY

The aesthetic functionality doctrine is irrelevant in the fashion industry because courts either apply it correctly but do not find the features at issue to be competitively necessary, apply the test incorrectly, or apply an entirely different test instead.

A. *Significant Non-Reputation-Related Disadvantage*

There are many cases in the fashion industry that appear to be applying a somewhat accurate aesthetic functionality test, but just do not find the features at issue to be competitively necessary. These cases seem to be applying the test endorsed by the Supreme Court in the *TrafFix* case that asks whether the exclusive use of the claimed feature puts competitors at a significant non-reputation-relation disadvantage.⁵⁰ For example, Knitwaves, Inc., a manufacturer of children's clothing, brought claims of copyright infringement and trade dress infringement against its competitor Lollytogs, Inc. for similar fall sweaters.⁵¹ At issue were its "Leaf Sweater,' a multicolored striped sweater with puffy leaf appliques, and its 'Squirrel Cardigan,' which ha[d] a squirrel and leaves appliqued onto its multipaneled front."⁵² Lollytogs contended that the designs on Knitwaves' sweaters were functional because their primary pur-

⁵⁰ *TrafFix Devices, Inc. v. Mktg. Displays, Inc.*, 532 U.S. 23, 33 (2001).

⁵¹ *Knitwaves, Inc. v. Lollytogs, Inc.*, 71 F.3d 996, 999 (2d Cir. 1995).

⁵² *Id.*

pose was aesthetic to enhance the sweaters' ornamental appeal, rather than to identify the sweaters as Knitwaves products.⁵³

Further, Lollytogs alleged that by precluding it from making sweaters with the basic fall motifs of squirrels and leaves, Knitwaves would significantly restrict the number of designs available for apparel manufacturers wishing to compete in the back to school market, and therefore would foreclose Lollytogs from competing effectively in that market.⁵⁴ However, the court noted that Lollytogs did not provide any evidence that the number of designs available for fall motifs sweaters is limited, and that consequentially, protection to Knitwaves' sweaters would restrict Lollytags' ability to produce alternative competitive designs.⁵⁵ Additionally, the court recognized that according trademark protection to Knitwaves' designs would not preclude Lollytags from using fall colors or motifs, including squirrels and leaves, it would only preclude the use of designs so similar as to create a likelihood of confusion.⁵⁶ Therefore, Lollytags did not meet the market foreclosure requirement of functionality.⁵⁷

Similarly, Maharishi Hardy Blechman brought a claim against Abercrombie & Fitch for trade dress infringement.⁵⁸ Abercrombie moved for

⁵³ *Id.* at 1006.

⁵⁴ *Id.*

⁵⁵ *Id.*

⁵⁶ *Id.*

⁵⁷ *Id.* However, the court did find that Knitwaves' sweater designs did not meet the first requirement of an action under § 43(a) of the Lanham Act – that they be used as a mark to identify or distinguish the source – since the primary purpose of the designs was aesthetic rather than source identifying.

⁵⁸ *Maharishi Hardy Blechman v. Abercrombie & Fitch Co.*, 292 F.Supp.2d 535, 538 (S.D.N.Y. 2003).

summary judgment.⁵⁹ At issue was Maharishi's line of high-end, baggy, military style pants called Snopants, which had an elaborate system of drawstrings, buttons, and other hardware components.⁶⁰ The pants could also be shortened by means of interior epaulettes, and some contained a fiery dragon on the back of one leg.⁶¹ Abercrombie claimed that the Snopants were aesthetically functional, and therefore not entitled to protection.⁶²

The court looked to the *Knitwaves* case for guidance and applied the same analysis to conclude that were the court to grant trade dress protection to the Snopants trade dress, as narrowly formulated, Abercrombie would be free to design nearly all varieties of military style pants as long as they were not confusingly similar to Snopants.⁶³ Accordingly, the court found that under both utilitarian and aesthetic functionality, Maharishi had raised a sufficient question of fact as to whether its trade dress was non-functional.⁶⁴

Furthermore, Yurman Design, Inc., better known as David Yurman, a manufacturer of cable design bracelets, sued Golden Treasure Imports, Inc. for trade dress and copyright infringement.⁶⁵ The defendant moved for summary judgment.⁶⁶ One of Golden Treasure's arguments was that Yurman's

⁵⁹ *Id.*

⁶⁰ *Id.* at 539.

⁶¹ *Id.*

⁶² *Id.* at 546.

⁶³ *Id.*

⁶⁴ *Id.*

⁶⁵ *Yurman Design, Inc. v. Golden Treasure Imps., Inc.*, 275 F.Supp.2d 506, 507 (S.D.N.Y. 2003).

⁶⁶ *Id.*

jewelry designs were aesthetically functional.⁶⁷ The court stated that this argument lacked merit because the defendants failed to identify which elements of the specific designs are the kind that preclude effective market competition.⁶⁸ Furthermore, they also failed to come forward with any evidence that extending trade dress protection to the combination of the elements of Yurman's designs, including the use of the cable element, would prevent the creation of other jewelry designs that would be competitive.⁶⁹ In contrast, Yurman had produced evidence from individuals in the jewelry industry that there were multiple alternative designs that were available to Golden Treasures that did not require the combination of the elements in Yurman's design.⁷⁰ Therefore, Golden Treasures had failed to show aesthetic functionality and its motion for summary judgment on the basis of aesthetic functionality was denied.⁷¹

In yet another case, Louis Vuitton Malletier sued Dooney & Bourke, Inc. for trademark infringement and dilution for its Monogram Multicolore and Eye Love marks.⁷² Dooney & Bourke raised the doctrine of aesthetic functionality and submitted that it barred the enforcement of Louis Vuitton's trademark for any purpose.⁷³ The court stated that Dooney & Bourke's reliance on this doctrine was misplaced because "[g]ranting trademark protection to Louis Vuitton's Monogram Multicolore and Eye Love

⁶⁷ *Id.* at 512.

⁶⁸ *Id.*

⁶⁹ *Id.*

⁷⁰ *Id.*

⁷¹ *Id.*

⁷² *Louis Vuitton Malletier v. Dooney & Burke, Inc.*, 340 F.Supp.2d 415 (S.D.N.Y. 2004).

⁷³ *Id.*

marks [would] not prevent Dooney & Bourke from using its own monogram in a spectrum of colors on its leather goods.”⁷⁴ The court noted that it would only prohibit the use of patterns so similar as to create a likelihood of confusion.⁷⁵

This case was appealed and the Second Circuit affirmed in part and vacated in part.⁷⁶ However, with respect to the trademark infringement claim, it agreed with the district court that the Monogram Mutlicolore mark was both inherently distinctive and held secondary meaning.⁷⁷ It is important that the court recognized that Louis Vuitton could enjoy trademark protection in an aesthetically appealing source identifying mark without foreclosing Dooney & Bourke from the relevant market. As long as it came up with a design that was not so similar as to create a likelihood of confusion, the adequate alternative designs seem almost endless.

The courts were reluctant to find that the features were aesthetically functional in these cases because there were repeatedly adequate alternative designs available. Even when the doctrine is applied correctly, the courts still seem hesitant to decide that a product feature in fashion is functional. It seems likely that a court will be able to determine that there are other adequate alternative designs that a competitor could use without being foreclosed from the relevant market. Therefore, going through the analysis of this doctrine is useless and a waste of time if the outcome is always going to be the same. Since it is not helping promote stronger trademarks,

⁷⁴ *Id.* at 440.

⁷⁵ *Id.*

⁷⁶ *Id.* at 376.

⁷⁷ *Id.*

it should just be eliminated from the fashion industry altogether.

B. Applying a Utilitarian Functionality Test

Additionally, some courts seem to misapply the doctrine or transform the question of aesthetic functionality into one of utilitarian functionality, whether they realize they are doing so or not. This is what happened in *Abercrombie & Fitch Stores, Inc. v. American Eagle Outfitters, Inc.*⁷⁸ Abercrombie sued American Eagle Outfitters for trade dress infringement and American Eagle was granted summary judgment; the United States Court of Appeals for the Sixth Circuit heard the appeal.⁷⁹ The court explained the two most common “tests” of aesthetic functionality and noted that they were both useful in this case.⁸⁰

First, the test for “comparable alternatives” asks whether trade dress protection of certain features would nevertheless leave a variety of comparable alternative features that competitors may use to compete in the market, and if the alternatives do not exist, then the feature is functional, but if they do exist, then the feature is not functional.⁸¹ Second, the “effective competition” test asks whether trade dress protection for a product’s feature would hinder the ability of another manufacturer to compete effectively in the market for the product, and if hindrance is probable, the feature is functional, but if the feature is not a likely impediment, then the feature is

⁷⁸ *Abercrombie & Fitch Stores, Inc. v. Am. Eagle Outfitters, Inc.*, 280 F.3d 619 (6th Cir. 2002).

⁷⁹ *Id.* at 624.

⁸⁰ *Id.* at 642.

⁸¹ *Id.*

not functional.⁸²

Among other things, Abercrombie claimed protection for the use of (1) the words “performance,” “authentic,” “genuine brand,” “trademark,” and “since 1892,” (2) suggestive symbols such as lacrosse sticks and ski patrol crosses, (3) primary colors in connection with solid, plaid, and stripe designs, as well as those (4) solid, plaid, and stripe designs, and (5) clothing made from all natural cotton, wool, and twill fabrics.⁸³ Although the court noted that the lack of comparable alternatives to pleasing design features means that granting an injunction would deny consumers the benefits of a competitive market, it focused on the fact that Abercrombie’s design features of words, symbols, designs, and fabrics were generic, and that competitors would have to spend more money to design around them.⁸⁴ This conclusion more closely resembles a finding that the trade dress was functional in a utilitarian sense since the court found that the design features would affect the cost (making it cheaper to manufacture the clothes).⁸⁵

Courts can rely on the utilitarian functionality doctrine in fashion, and it seems that some of them already do whether they realize they are or not. The important question to ask is whether a competitor will have to spend more money to design around a plaintiff. If the answer is yes, then the product feature in question will be determined to be functional in a utilitarian sense, and will not be afforded trademark protection. This test will ensure that a

⁸² *Id.*

⁸³ *Id.* at 643.

⁸⁴ *Id.* at 643-44.

⁸⁵ *See Inwood Labs., Inc. v. Ives Labs., Inc.*, 456 U.S. 844, 851 n.10 (1982).

manufacturer does not have a trademark monopoly on a useful feature while avoiding the confusion of trying to apply the aesthetic functionality doctrine.

C. Well-Known Source Identifiers Cannot Be Functional

There are also courts that conclude that a well-known source identifier cannot be found to be functional. This conclusion therefore supports that idea that the functionality doctrine has effectively already been eliminated. Adidas-America, Inc. brought an action against Payless Shoesource, Inc. alleging trademark infringement and other related claims.⁸⁶ Payless raised the affirmative defense of aesthetic functionality stating that Adidas could not be allowed to deplete a common, generic design feature in its claim of the exclusive use of stripes on apparel.⁸⁷ Further, Payless argued that Adidas' attempt to control two and four parallel stripe designs on shoes would put competitors at a significant non-reputation-related disadvantage by limiting the range of adequate stripe designs available on footwear.⁸⁸

The court recognized that the doctrine of aesthetic functionality had been limited, if not rejected, in favor of the utilitarian functionality doctrine in the Ninth Circuit.⁸⁹ However, it did note that under this doctrine, visually attractive and aesthetically pleasing designs are categorized as functional, and therefore free for all to copy and imitate.⁹⁰ The court

⁸⁶ Adidas-Am., Inc. v. Payless Shoesource, Inc., 546 F.Supp.2d 1029 (D.Or. 2008).

⁸⁷ *Id.* at 1083.

⁸⁸ *Id.*

⁸⁹ *Id.*

⁹⁰ *Id.*

went on to explain that to the extent it still applies the aesthetic functionality doctrine, it has been limited to product features that serve an aesthetic purpose wholly independent of any source-identifying function.⁹¹ Therefore, it concluded that this defense was inapplicable because Adidas was seeking to prevent Payless from using a confusingly similar imitation of a trademark that is a distinctive indicator of source.⁹² Although the court noted the limited applicability of the doctrine, it still came to the conclusion that although Adidas' mark was aesthetically pleasing, it was nevertheless being used properly as a source identifier, and therefore was not barred by the aesthetic functionality doctrine.

Similarly, Gucci America, Inc. sued Guess?, Inc. for trademark infringement, among other claims, and Guess raised the defense of aesthetic functionality solely with respect to the Diamond Motif trade dress.⁹³ The court explained that if an ornamental feature is claimed as a trademark, and if that protection would significantly hinder competition by limiting the range of adequate alternative designs, then the aesthetic functionality doctrine would deny such protection.⁹⁴ Further, the court defined a feature as being ornamental if "it is added purely for aesthetic reasons and serves no source identifying purpose."⁹⁵

The court noted that Guess' assertion of this defense was misplaced because the "Diamond Motif Trade Dress [was] a well-known source identifier of

⁹¹ *Id.*

⁹² *Id.*

⁹³ *Gucci Am., Inc. v. Guess?, Inc.*, 868 F.Supp.2d 207, 257 (S.D.N.Y. 2012).

⁹⁴ *Id.* at 245-46.

⁹⁵ *Id.* at 246.

Gucci, which [led] to the conclusion that it [was] used for more than purely aesthetic reasons, and therefore [was] not ornamental.”⁹⁶ Furthermore, Gucci introduced evidence of fifty years of extensive advertising highlighting the Diamond Motif, media coverage, and high volume of sales of products with the Diamond Motif.⁹⁷ This evidence made it clear that it was nearly impossible for Guess to show that it had a competitive need to use a similar mark on its products.⁹⁸ Again, this case shows that it is entirely possible to compete with other companies who have claimed rights in aesthetically appealing trademarks. There are countless adequate alternative designs in the fashion industry that make the aesthetic functionality doctrine irrelevant.

III. AN INAPPROPRIATE RESPONSE TO A VALID CONCERN

While the cases certainly display how courts struggle with the aesthetic functionality doctrine, some judges have explicitly stated their confusion as well. One judge noted that “the critics who argue that in application the concept is mischievously vague certainly have a point.”⁹⁹ In addition to courts having trouble with this doctrine, scholars have also argued for its elimination.¹⁰⁰ Professor McCarthy

⁹⁶ *Id.*

⁹⁷ B. Brett Heavner, *Trademark Aesthetic Functionality: A Zombie Apocalypse?*, BNA’S PATENT, TRADEMARK, & COPYRIGHT J., Dec. 7, 2012,

<http://www.finnegan.com/resources/articles/articlesdetail.aspx?news=b1e7f45e-8896-4d51-ae4d-4afc4f9c878e>.

⁹⁸ *Id.*

⁹⁹ LaLonde, *supra* note 26, at 2 (quoting Publications Int’l, Inc. v. Landoll, 164 F.3d 337, 339 (7th Cir. 1998) (Posner, J.)).

¹⁰⁰ MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 7:81 (4th ed.).

argues that “aesthetic functionality is an oxymoron [because] [o]rnamental aesthetic designs are the antithesis of utilitarian designs.”¹⁰¹ Furthermore, he highlights Judge Posner’s observation that a design or image can be *both* aesthetically pleasing *and* source identifying.¹⁰² Finally, he states that “aesthetic functionality is an inappropriate response to a valid concern” because trademark law has long had a rule to deal with the concern over features that are merely ornamental and therefore not perceived as consumers as indicia of origin: the merely ornamental rule.¹⁰³ Although Professor McCarthy argues for the elimination of the aesthetic functionality doctrine in its entirety, this Article argues that there are still some situations in which this doctrine is helpful and valid. However, those situations will not be found in the fashion industry.

Professor McKenna recognizes that the functionality doctrine is “fractured” in his article entitled *(Dys)Functionality*.¹⁰⁴ He notes that although some courts probably do not understand or do not like the functionality doctrine, the greater problem is that they instead have fundamentally different views about the purpose of the doctrine.¹⁰⁵ He also realizes that courts seem persuaded that aesthetic features are generally not competitively necessary, which results in some courts rejecting the doctrine of aesthetic functionality altogether, and other courts being reluctant to apply in in relevant cases even when they recognize the doctrine.¹⁰⁶

¹⁰¹ *Id.*

¹⁰² *Id.*

¹⁰³ *Id.*

¹⁰⁴ McKenna, *supra* note 25, at 858.

¹⁰⁵ *Id.* at 824.

¹⁰⁶ *Id.* at 859.

IV. AESTHETIC FUNCTIONALITY IS RELEVANT IN OTHER INDUSTRIES

Although the doctrine of aesthetic functionality is essentially flawed in the fashion industry, it is still relevant in other industries. While one person wants the dress that she finds the prettiest, another consumer might want something for its bright color to in order to stand out. There is never going to be one fashion design that is the most aesthetically pleasing to everyone, but one design can be, and is, the best in other industries. The choices involved in picking out an outfit have social and cultural concerns and implications that are not seen or experienced with other products. For these reasons, aesthetic functionality is relevant in other industries although it is no longer an appropriate approach in fashion.

For example, rooftop air vents that were designed to look like rooftop tiles were held to be aesthetically functional, and thus not entitled to protection.¹⁰⁷ In a trademark opposition, the Trademark Trial and Appeal Board noted that “[b]ecause applicant’s vents match the contours of the roof vents with which they are used, alternatives will not have this advantage.”¹⁰⁸ Furthermore, applicant’s own testimony and promotional materials stated that the vents were “‘functional in design,’ camouflage[d] the existence of the vents and [were] aesthetically pleasing.”¹⁰⁹ In this case, the court made it clear that allowing trademark protection would significantly undermine the competitor’s ability to compete in the

¹⁰⁷ *M-5 Steel Mfg., Inc. v. O’Hagin’s Inc.*, 61 U.S.P.Q.2d 1086, 1097 (T.T.A.B. 2001).

¹⁰⁸ *Id.*

¹⁰⁹ *Id.*

relevant market. Apparently there is only one way that is the best way to hide rooftop air vents in an aesthetically pleasing manner. Therefore, the aesthetic functionality doctrine was relevant and appropriate in this case.

Similarly, Waddington North American Business Trust sought a preliminary injunction based on claims against EMI Plastics, Inc. for trade dress infringement, among other things.¹¹⁰ Waddington developed a line of disposable plastic serving trays with the name CaterLine that included designs of a spoked pattern on certain round trays and bowls, and an S-shape lip on all of its oval, square, and rectangular trays.¹¹¹ EMI started selling a Party Tray line that Waddington claimed incorporated CaterLine's spoked design and S-shape lip design on trays of identical shapes and dimensions, making the two lines indistinguishable.¹¹² The court noted that a functional feature is one the exclusive use of which would put competitors at a significant non-reputation related disadvantage, and it even applies to features of a product that are ornamental.¹¹³ The court recognized that where an ornamental feature is claimed as a trademark, and trade dress protection would significantly hinder competition by limiting the range of adequate alternative designs, the aesthetic functionality doctrine would deny such protection.¹¹⁴

Waddington claimed that the primary purpose

¹¹⁰ Waddington N. Am. Bus. Trust v. EMI Plastics, Inc., No. 02-CV-3781(FB), 2002 WL 2031372, at *1 (E.D.N.Y. Sept. 5, 2002).

¹¹¹ *Id.*

¹¹² *Id.*

¹¹³ *Id.* at *3.

¹¹⁴ *Id.*

of the spoke and S-shape lip designs was to identify the product as a CaterLine product.¹¹⁵ However, the court found that the design was functional both in the utilitarian sense and the aesthetic sense.¹¹⁶ The court observed that the simple, basic, and entirely unoriginal spoke and S-shape lip designs on its trays did not serve to identify or distinguish the trays as CaterLine trays.¹¹⁷ Rather, they served to enhance the aesthetic appeal of the trays and not to identify the source.¹¹⁸ Consumers would be likely purchase these trays because they found their combination of design features aesthetically pleasing, not because the designs served to identify or distinguish the goods as genuine CaterLine products.¹¹⁹ Based on this and other evidence, the court found that Waddington had failed to demonstrate a likelihood of success that its claimed trade dress designs were not functional.¹²⁰

Additionally, Honeywell International, Inc. moved for a preliminary injunction barring its competitor, Eco Manufacturing LLC from manufacturing and selling a round thermostat.¹²¹ Honeywell sought to protect its product configuration, the round shape of a thermostat, as a trademark.¹²² The court denied Honeywell's motion for a preliminary injunction because Honeywell was unlikely to succeed on the mer-

¹¹⁵ *Id.* at *4.

¹¹⁶ *Id.*

¹¹⁷ *Id.*

¹¹⁸ *Id.*

¹¹⁹ *Id.*

¹²⁰ *Id.* at *5.

¹²¹ *Eco Mfg. LLC v. Honeywell Int'l., Inc.*, 295 F.Supp.2d 854, 856 (S.D.Ind. 2003).

¹²² *Id.*

its of its claim.¹²³ The record taken as a whole supported the finding that giving Honeywell exclusive rights to the circular shape would put its competitors at a significant, non-reputation related disadvantage.¹²⁴

In its analysis, the court relied on the *Qualitex* case and reasoned that shape is similar to color, noting that “[t]hermostats work equally well to control temperature regardless of shape, but the evidence shows that the shape and overall appearance are important features in selling thermostats.”¹²⁵ A thermostat is a utilitarian device, but is also part of an interior décor.¹²⁶ Honeywell also had market research showing that overall appearance, including shape, plays a critical role in consumers’ initial response to products, and an advertisement emphasizing the aesthetic appeal of round design.¹²⁷ Accordingly, the court found that the shape met the standards for aesthetic functionality and could not be trademarked.¹²⁸

These cases show that the aesthetic functionality doctrine is still valuable in other industries. There are many products that have one design that is the most aesthetically appealing, and this doctrine should be used to ensure that those manufacturers that use it first do not get a trademark monopoly on those specific features. The aesthetic functionality doctrine seeks to promote competition, and in those situations, it still does. However, this doctrine does not have the same effect in the fashion industry be-

¹²³ *Id.* at 857.

¹²⁴ *Id.* at 857-58.

¹²⁵ *Id.* at 871.

¹²⁶ *Id.*

¹²⁷ *Id.*

¹²⁸ *Id.* at 872.

cause there is not one design that will be the most aesthetically appealing to everyone. The fashion industry is also much larger and more diverse because everyone is forced to participate in fashion, whether they want to or not, because of the fact that everyone needs to wear clothing.

V. THE GAME IS NOT WORTH THE CANDLE

There are many reasons why the aesthetic functionality doctrine is irrelevant in the fashion industry, including its inherent characteristics and the misapplication of the doctrine by various courts. Furthermore, this situation is similar to the one in *Wal-Mart Stores, Inc. v. Samara Brothers, Inc.*, where the court decided that design, like color, is not inherently distinctive, and therefore product designs must acquire secondary meaning before being capable of receiving trademark protection.¹²⁹ Justice Scalia reasoned that “[c]ompetition is deterred, however, not merely by successful suit but by the plausible threat of successful suit, and given the unlikelihood of inherently source-identifying design, the game of allowing suit based upon alleged inherent distinctiveness seems to us not worth the candle.”¹³⁰

Allowing the aesthetic functionality doctrine to be applied to cases in the fashion industry is also a situation where “the game is not worth the candle.” Putting aside the fact that courts have a lot of trouble applying the doctrine, even when they do so correctly, they are reluctant to find a product feature aesthetically functional.¹³¹ This supports the conclu-

¹²⁹ *Wal-Mart Stores, Inc. v. Samara Bros., Inc.*, 529 U.S. 205, 214 (2000).

¹³⁰ *Id.*

¹³¹ McKenna, *supra* note 22, at 848.

sion that this doctrine has already effectively been eliminated. If the outcome is always going to be the same, then claimants should not waste the courts' time and energy in trying to figure it out.

Furthermore, this doctrine does not belong in the fashion industry because of fashion's social significance. People participate in fashion to communicate their interests, their ideas, and their needs to be similar, or on the other hand, to be different. Because fashion is not a one-size-fits-all approach, the aesthetic functionality doctrine is not helpful in determining if trademark protection is warranted. This doctrine only gets in the way and detracts the focus of the courts by wasting the valuable time and energy of judges trying to interpret and apply it, when they should instead be immersed in other, more relevant, details in the case.

CONCLUSION

The aesthetic functionality doctrine should be eliminated from the fashion industry because it is inappropriate there, even though it remains appropriate in other industries. The fashion industry's products are some of the most immediate means whereby people can create and communicate meaning.¹³² Everyone participates in the fashion industry by buying and wearing clothing, and simultaneously achieves the contrasting goals of being distinct and belonging.¹³³

Furthermore, the courts struggle to apply this doctrine and the policy goal of promoting strong trademarks in the fashion industry gets lost in the shuffle. This ultimate goal of trademark law can be

¹³² Hemphill & Suk, *supra* note 2, at 1195.

¹³³ *Id.*

satisfied by instead focusing on: (1) the mark's strength as a trademark, including if it is being used as a source identifier, (2) the strength of its secondary meaning, (3) the likelihood of confusion, and (4) an analysis of utilitarian functionality. This will both eliminate the confusion in the courts and ensure that only marks that serve as valid trademarks will receive protection. The fashion industry is a social movement, and therefore there will never be one design that is the most aesthetically appealing to everyone.

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**The Patent Reform Debate:
Has Patent Overprotection Result-
ed in Not-So-Smartphones?**

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Abstract

This Article discusses the issue of excessive patent protection and possible remedies; the discussed remedies are the usage of antitrust laws or simply replacing certain patents with copyright protection. This Article first explores the relationship between patent protection and antitrust law. It then describes a number of tests that have been used in the past and one proposed new test, designed to confront this interrelationship. While considering these tests, this Article applies two controversial real-world patents to each in order to examine their benefits and problems. This Article then goes on to discuss the possible benefits of protecting inventors through copyright laws. Generally, the primary goal of regulating these areas of law is to reach an optimal level of “consumer welfare” consisting of innovative products at competitive prices. While this Article discusses numerous legal theories, they will be framed in the context of attempting to produce the greatest amount of consumer welfare.

Table of Contents

INTRODUCTION.....	329
I. PATENT AND ANTITRUST LAW	332
II. BALANCING PATENT AND ANTITRUST LAWS.....	335
III. COPYRIGHT LAW	338
IV. COMPETING TESTS	340
A. <i>The Scope Test</i>	342
B. <i>The Intent Test</i>	344
C. <i>Introduction to the Common Denominator Test</i>	346
V. THE COMMON DENOMINATOR TEST AND THE <i>APPLE V. SAMSUNG</i> LITIGATION	346
A. <i>Rebuttal, Ex Ante Factors, Ex Post Factors and Surrebuttal</i>	346

<i>B. Applying the Common Denominator Test to the D'677 Patent</i>	351
<i>C. Applying the Common Denominator Test to the '381 Patent</i>	354
<i>D. Applying the Common Denominator Test in General</i>	357
VI. COPYRIGHTS AND THE D'677 PATENT	359
CONCLUSION	361

INTRODUCTION

As of September 2012, Americans were using 234 million mobile devices, 119.3 million of which were smartphones.¹ This incredibly large demand for communication devices has encouraged high-stakes litigation between market competitors over many issues. On May 14, 2012, the United States Court of Appeals for the Federal Circuit heard a case brought by Apple Inc. (“Apple”) against Samsung Electronics Co. Ltd. (“Samsung”).² One of the issues before the court was whether it should issue a preliminary injunction preventing the sale of a number of Samsung products that allegedly violated Apple’s patents for a large rectangular smartphone display

¹ Stephanie Adamo, *comScore Reports September 2012 U.S. Mobile Subscriber Market Share*, COMSCORE (Nov. 2, 2012), http://www.comscore.com/Insights/Press_Releases/2012/11/comScore_Reports_September_2012_U.S._Mobile_Subscriber_Market_Share. As of September 2012, Samsung held 26 percent of the United States smartphone and non-smartphone original equipment manufacturer (OEM) market share. Apple possessed only 17.5 percent of the OEM market share. In terms of smartphone operating systems, Google led with 52.5 percent, then Apple followed with 34.3 percent. Other competitors such as RIM, Microsoft, and Symbian held 8.4 percent, 3.6 percent, and 0.6 percent, respectively. *Id.*

² *Apple, Inc. v. Samsung Elec. Co., Ltd.*, 678 F.3d 1314 (Fed. Cir. 2012).

(the D'677 patent)³ and a software feature known as the “bounce-back.”⁴ The issues were remanded back to a California District Court, where the jury granted Apple \$1,049,393,540 in damages for Samsung’s patent infringement⁵ and an injunction banning sales of Samsung’s Galaxy 10.1 tablet computer.⁶ Samsung appealed the court’s decision, resulting in the court sustaining the injunction,⁷ then removing the injunction⁸ on the Galaxy Tab 10.1. Immediately following that development, Samsung filed suit against Apple for its then newly released iPhone 5.⁹ The companies, as of April 2014, have at trial over a new

³ *Id.* at 1317.

⁴ *Id.* at 1318.

⁵ Apple, Inc. v. Samsung Elec. Co., Ltd., No. 11-CV-01846-LHK 2012 WL 4078433 (N.D. Cal. Aug. 24, 2012); *see Apple Demands More Than \$2 Billion from Samsung for Patent Infringement*, INFOWORLD (Apr. 1, 2014), <http://www.infoworld.com/d/the-industry-standard/apple-demands-more-2-billion-samsung-patent-infringement-239587> (lowering the final judgment to an amount of \$929 million).

⁶ Apple, Inc. v. Samsung Elec. Co., Ltd., No. 11-CV-01846-LHK, 2012 WL 2401680, at *5 (N.D. Cal. June 26, 2012).

⁷ Apple, Inc. v. Samsung Elec. Co., Ltd., No. 11-CV-01846-LHK, 2012 WL 4097751, at *2 (N.D. Cal. Sept. 17, 2012).

⁸ Apple, Inc. v. Samsung Elec. Co., Ltd. No. 11-CV-01846-LHK, 2012 WL 4490558, at *2 (N.D. Cal. Oct. 1, 2012).

⁹ Joanna Stern, *Apple v. Samsung Battle Goes On: Galaxy Tab Ban Lifted As Samsung Pushes for iPhone 5 Ban*, ABC NEWS (Oct. 2, 2012), <http://abcnews.go.com/Technology/apple-samsung-wages-galaxy-tab-ban-lifted-samsung/story?id=17376176>; *see also* Florian Mueller, *Samsung Asserts Eight More Patents Against Apple in California, Including Two FRAND Patents*, FOSS PATENTS (Apr. 18, 2012, 11:33 PM), <http://www.fosspatents.com/2012/04/samsung-asserts-eight-more-patents.html> (explaining that Apple and Samsung have filed patent litigation against each other in nine countries other than the United States).

body of utility patents.¹⁰ In the present case, Apple has requested that the jury grant damages in excess of \$2 billion.¹¹

Other technological firms are injecting themselves into high-stakes patent litigation as well. Google is claiming \$4 billion in damages against Microsoft for failure to pay licensing fees on patents related to Microsoft's Xbox gaming system.¹² VirnetX was awarded \$368.2 million against Apple for unlicensed use of their technologies in Apple's Facetime program.¹³ Additionally, Apple filed suit against Samsung, claiming that the version 4.1 of the Android operating system infringed some of Apple's software patents.¹⁴ All of these claims were brought just within the first two weeks of November 2012.

According to Judge Richard Posner, "patent protection is on the whole excessive and . . . major reforms are necessary."¹⁵ He made this comment while referring to the \$1,049,393,540 verdict, in 2012, against Samsung, which awarded Apple one of the largest verdicts in the history of patent litiga-

¹⁰ Martyn Williams, *Apple Demands More Than \$2 Billion from Samsung for Patent Infringement*, INFOWORLD (Apr. 1, 2014), <http://www.infoworld.com/d/the-industry-standard/apple-demands-more-2-billion-samsung-patent-infringement-239587>.

¹¹ *Id.*

¹² *Google v. Microsoft Patent License Trial Begins*, BBC NEWS (Nov. 13, 2012), <http://www.bbc.co.uk/news/technology-20314883>.

¹³ *Apple Loses Facetime Patent Lawsuit to VirnetX*, BBC NEWS (Nov. 7, 2012), <http://www.bbc.co.uk/news/technology-20236114>.

¹⁴ *Id.*

¹⁵ Richard Posner, *Do Patent and Copyright Law Restrict Competition and Creativity Excessively?*, BECKER-POSNER BLOG (Sept. 30, 2012, 10:30 PM), <http://www.becker-posner-blog.com/2012/09/do-patent-and-copyright-law-restrict-competition-and-creativity-excessively-posner.html>.

tion.¹⁶ Competitors in the technology industry are finding that, in order to effectively compete, they must not only excel in the market itself, but in the courts as well. This excessive amount of litigation has turned the judicial system into a secondary, but essential, arena for companies to challenge each other.

I. PATENT AND ANTITRUST LAW

Patent law protects inventors by granting them the right to exclude others from benefiting financially from their innovations.¹⁷ Article I, Section 8 of the Constitution gives Congress the power to grant patents.¹⁸ The purpose of that section is to promote innovation by securing inventors, for limited amounts of time, “the exclusive right to their respective writings and discoveries.”¹⁹ Patents are primarily governed by Title 35 of the United States Code.²⁰ Patents offer patentees the “right to exclude others from making, using, offering for sale, or selling the invention throughout the United States.”²¹ However, these protections expire after twenty years.²²

In some instances, patents are granted to protect inventors from competition that arises after the inventor has made major investments into research

¹⁶ *Id.*; Jessica Vascellaro, *Apple Wins Big in Patent Case*, WALL ST. J. (Aug. 25, 2012, 1:41 PM), <http://online.wsj.com/article/SB10000872396390444358404577609810658082898.html>.

¹⁷ U.S. CONST. art. I, § 8, cl. 8.

¹⁸ *Id.*

¹⁹ *Id.*

²⁰ 35 U.S.C. § 2; *see also* Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284 (2011) (changing patent system from first-to-invent to first-to-file).

²¹ 35 U.S.C. § 154 (2012).

²² *Id.*

and development.²³ In other situations, marketplace competitors become so powerful that other competitors are driven out.²⁴ Competition is conducive to innovation, and sometimes patent overprotection stifles innovation by eliminating competition.²⁵

Patent owners will not be denied relief or found guilty of patent misuse if they derive revenues from their patents, sell licenses to others, enforce patent rights against infringement, refuse to license certain rights, or “tie” patents to other patents in another market, unless the patent owner has market power in the market of the other patent that the first patent is being tied to.²⁶ Patents should be understood as negative rights. They provide the patentee the right to exclude; the ability to exclude in patent law is somewhat different than the concept of exclusion involved in antitrust law.²⁷

As indicated in the introduction to this Article, there are many types of patent lawsuits being brought. It is important to distinguish between design patents and, the most common type, utility patents.²⁸ Utility patents grant protection to “any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof.”²⁹ Utility patents are particularly useful because they allow inventors to exclude others from

²³ Christopher Leslie, *Antitrust and Patent Law as Component Innovation Policy*, 34 J. CORP. L. 1260, 1261 (2009).

²⁴ *Id.* at 1265.

²⁵ *Id.*

²⁶ 35 U.S.C. § 271 (2012).

²⁷ Robin Feldman, *Patent and Antitrust Differing Shades of Meaning*, 13 VA. J.L. & TECH. 1, 8 (2008).

²⁸ DON W. MARTENS & JOHN B. SGANGA, JR., PRE-LITIGATION PATENT ENFORCEMENT § 2:7 (2012) (noting that patent number 8,000,000 was granted in 2011).

²⁹ 35 U.S.C. § 101 (2012).

making, using, or selling their inventions.³⁰ Some inventions that are particularly likely to acquire utility patents are mechanical devices, electronic devices, chemical compounds, and production processes.³¹

Design patents, on the other hand, grant protection for the nonfunctional ornamental aspects of an invention.³² So, design patents protect the product's appearance, not its functionality.³³ In order to determine whether a design patent has been infringed, a fact finder must determine "whether an ordinary observer would find that the allegedly infringing design has a 'sameness of appearance' to the patented one, not whether the accused infringer used the same artistic idea in general."³⁴ This Article analyzes both design and utility patents.

American antitrust laws were created with the purpose of protecting and promoting competition.³⁵ Although one of the goals is to prohibit collusion, this Article will focus primarily on the goals aimed against exclusion.³⁶ Exclusion, in the context of antitrust law, refers to monopolists keeping their competitors from entering into markets and competing through some anticompetitive conduct. The legislative intent to counteract exclusion particularly applies where

³⁰ 35 U.S.C. § 271 (2012).

³¹ MARTENS & SGANGA, *supra* note 28, at § 2:7.

³² 35 U.S.C. § 171 (2012).

³³ MARTENS & SGANGA, *supra* note 28, at § 2:7.

³⁴ Daniel H. Brean, *Enough Is Enough: Time to Eliminate Design Patents and Rely on More Appropriate Copyright and Trademark Protection for Product Designs*, 16 TEX. INTELL. PROP. L.J. 325, 332 (2008) (citing *Gorham Mfg. Co. v. White*, 81 U.S. 511, 528 (1871)).

³⁵ JOHN MILES, 1 HEALTH CARE AND ANTITRUST LAW § 1:2 (2013).

³⁶ *Id.*

a firm takes an action that precludes others from competing against it and is particularly troublesome where the firm engaging in this type of conduct already has substantial market power or where the market in which it competes is highly concentrated, when its exclusionary action lacks any procompetitive justification, or when the exclusion results from collusion among several firms.³⁷

Antitrust laws are meant to protect competition; desired consequences consist of lower prices, higher output, and increased innovation. Anticompetitive conduct tends to deny these benefits to consumers.³⁸

II. BALANCING PATENT AND ANTITRUST LAWS

Both patent and antitrust laws share the goal of benefiting the consumer through increased innovation, but there is an inherent paradox within their particular methods of operation. Patents focus on promoting innovation; innovation is protected by allowing inventors to exclude others from using the claims of their patents. Antitrust laws focus on promoting competition, but sometimes increased competition is achieved by condemning the exclusion creat-

³⁷ *Id.*; see also 15 U.S.C. § 2 (2012) (partially governing antitrust law, section 2 of the Sherman Act provides that “[e]very person who shall monopolize, or attempt to monopolize . . . shall be deemed guilty of a felony, and, on conviction thereof, shall be punished by fine not exceeding \$100,000,000 . . .”); 1 LOUIS ALTMAN & MALLA POLLACK, CALLMAN ON UNFAIR COMPETITION, TRADEMARKS AND MONOPOLIES § 4:29 (4th ed. 2012) (noting that a company’s large size is not indicative of a monopoly, but if it were to be abused, courts should take size into consideration).

³⁸ Michael A. Carrier, *Unraveling the Patent-Antitrust Paradox*, 150 U. PA. L. REV. 761, 768 (2002).

ed by patents.³⁹ In *Atari Games Corp. v. Nintendo of America, Inc.*, the court stated that “[w]hen a patent owner uses his patent rights not only as a shield to protect his invention, but as a sword to eviscerate competition unfairly, that owner may be found to have abused the grant and may become liable for antitrust violations”⁴⁰ The Supreme Court explained in *Brunswick v. Pueblo Bowl-O-Mat* that, in order for complainants to establish a private antitrust action, they must be able to prove that they suffered an “injury of the type the antitrust laws were intended to prevent” and that the injury either “reflect[s] the anticompetitive effect either of the [antitrust] violation” or other unlawfully anticompetitive conduct made possible by or related to that violation.⁴¹ The ideal marketplace would consist of equilibrium between innovation and competition, but neither patent nor antitrust laws alone encourage movement towards equilibrium.

A number of tests have been used and proposed in order for courts to maximize consumer welfare by balancing the virtues of both patents and antitrust laws. The most common approach for courts to determine whether a company has exceeded patent or antitrust boundaries is to inquire into the “scope” of the patent.⁴² Generally, if the patentee’s actions fall within the scope of the patent, they would

³⁹ *Id.* at 762-63.

⁴⁰ *Atari Games Corp. v. Nintendo of Am., Inc.*, 897 F.2d 1572, 1576 (Fed. Cir. 1990).

⁴¹ *Brunswick v. Pueblo Bowl-O-Mat*, 429 U.S. 477, 489 (1977); 1 ALTMAN & POLLACK, *supra* note 37, at § 4:48; *see* 15 U.S.C. § 15 (2012) (granting standing to “any person who shall be injured in his business of property by reason of anything forbidden in antitrust laws”).

⁴² *Carrier*, *supra* note 38, at 788-89.

be considered immune from antitrust litigation.⁴³ Actions falling outside of the patent's scope are only subject to antitrust liability if there is a showing of anticompetitive behavior.⁴⁴

Another test focuses on the patentee's intent.⁴⁵ In a case decided by the Ninth Circuit,⁴⁶ the court determined that there is a presumption of legality when a patentee has patented products, but this presumption can be rebutted if the patentee's actions can be shown to have had a pretextual business justification to mask anticompetitive conduct.⁴⁷ This "intent test" requires the court to examine the defendant's subjective intent.⁴⁸

These tests have been the basis for courts' patent analyses in the past, but Michael Carrier, in *Unraveling the Patent-Antitrust Paradox*, proposes an alternative.⁴⁹ He suggests, in his Common Denominator Test, that there be an initial presumption that a monopolist's conduct is lawful so long as there is an objective justification for patent-based actions other than harming competitors.⁵⁰ The test then provides a chance for rebuttal, from the alleged patent infringer, to demonstrate that competition, not patents, is responsible for innovation in the industry.⁵¹ At this point, the court should consider the type of industry involved and determine whether it is

⁴³ *Id.* at 788-89.

⁴⁴ *Id.*

⁴⁵ *Id.* at 793-94.

⁴⁶ *Image Technical Servs., Inc. v. Eastman Kodak Co.*, 125 F.3d 1195, 1219 (9th Cir. 1997).

⁴⁷ Carrier, *supra* note 38, at 788-89 (citing *Kodak*, 125 F.3d at 1219).

⁴⁸ *Id.*

⁴⁹ *Id.*

⁵⁰ *Id.* at 765.

⁵¹ *Id.* at 765.

one where innovation is derived from massive investments into research and development, or if it is an industry where competitors continuously improve upon products with relatively little investment into research and development.⁵² The patentee may then counter with a surrebuttal demonstrating that the market in question is characterized by innovation; if he can successfully do so, he will not be liable for the antitrust action.⁵³

III. COPYRIGHT LAW

Copyrights protect original works of authorship that are “fixed in any tangible medium of expression, now or later developed, from which they can be perceived, reproduced, or otherwise communicated.”⁵⁴ Protection for copyrighted materials lasts for the creator’s life plus 70 years.⁵⁵ Among many other things, copyrights protect pictorial, graphic, and sculptural works.⁵⁶ The term “original” only requires that the work be created independently by the author and that “it possesses at least some minimal level of creativity.”⁵⁷ Only a slight amount of creativity is required; most works easily satisfy this minimal level because they possess some creativity, “no

⁵² *Id.* at 818; *see id.* at 831, 756 (noting that for the rebuttal to be effective, the alleged patent infringer must demonstrate that industry innovation is primarily dependent on a competitive market by showing that there are market-based incentives to innovate, the product is not difficult to create, the product is difficult to imitate, or that the industry is characterized by innovation built upon previously developed products).

⁵³ *Id.*

⁵⁴ 17 U.S.C. § 102 (2012).

⁵⁵ 17 U.S.C. § 302 (2012).

⁵⁶ 17 U.S.C. § 102.

⁵⁷ *Feist Publ’ns, Inc. v. Rural Tel. Serv.*, 499 U.S. 340, 345 (1991).

matter how crude, humble or obvious [they] might be.”⁵⁸ Designs must be original and nonfunctional, but, similar to design patents, the protection extends only to those particular features.⁵⁹ Copyright protection for artistic craftsmanship will be afforded to features that can be identified separately from and that are capable of existing independently of the article’s utilitarian aspects.⁶⁰

Copyrights, unlike design patents, protect only the expression of ideas, as opposed to ideas themselves; concepts similar to the already common ideas cannot be protected, or otherwise, “the first to come up with an idea will corner the market.”⁶¹ In order to prove a copyright breach, plaintiffs must show proof that the “defendant copied the plaintiff’s copyrighted material.”⁶² The plaintiff must also prove that the copying was “so extensive that it rendered the infringing and copyrighted works ‘substantially similar.’”⁶³

A typical defense against copyright claims is the fair use doctrine. It allows for parties, other than the copyrighting party, to make “transformative” uses of the copyrighted material.⁶⁴ The statute requires courts to analyze the defense by using four different factors: (1) the purpose and character of the use (i.e., whether it is used for commercial purposes),

⁵⁸ *Id.*

⁵⁹ 17 U.S.C. § 101 (2012).

⁶⁰ *Id.*

⁶¹ *Apple Computer, Inc. v. Microsoft Corp.*, 35 F.3d 1435, 1443 (9th Cir. 1994).

⁶² *Johnson v. Gordon*, 409 F.3d 12, 18 (1st Cir. 2005) (citing *Segrets, Inc. v. Gillman Knitwear Co.*, 207 F.3d 56, 60 (1st Cir. 2000)).

⁶³ *Id.*

⁶⁴ 17 U.S.C. § 107 (2012).

(2) the nature of the copyrighted work, (3) the substantiality of the portion used in relation to the copyrighted work, and (4) the effect of the use upon the potential market.⁶⁵ By serving a different purpose, adding a new meaning, or adding a new expression to a work, transformative works promote artistic progress.⁶⁶ As a new creation becomes increasingly more transformative, the other factors that would weigh against a fair use defense, such as commercialism and effects on the market, become less significant.⁶⁷

IV. COMPETING TESTS

Although there are numerous ongoing patent cases that may have even larger impacts on the technology industry than the aforementioned litigation between Apple and Samsung, this Article only considers Apple's D'677 (design patent) and '381 (utility patent) patents to analyze how the scope, intent and Common Denominator tests apply in terms of initiating antitrust liability. After exploring the option of counteracting patent protection with antitrust laws, this Article will explore the alternative of using copyright laws. The copyright laws will only be applied to the D'677 patent because copyright law is only practical for replacing design patents.

The D'677 patent was issued on June 29, 2010 claiming a simple smartphone design with a large rectangular display.⁶⁸ It also specifies that the phone's corners are rounded, the phone's face is a

⁶⁵ *Id.*

⁶⁶ Brean, *supra* note 34, at 350-51.

⁶⁷ Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569, 570 (1994).

⁶⁸ Apple, Inc. v. Samsung Elec. Co., Ltd., 678 F.3d 1314, 1317 (Fed. Cir. 2012).

highly-polished, reflective surface, and that the design contains no ornamentation other than a rectangular speaker slot above the display and a circular button below.⁶⁹

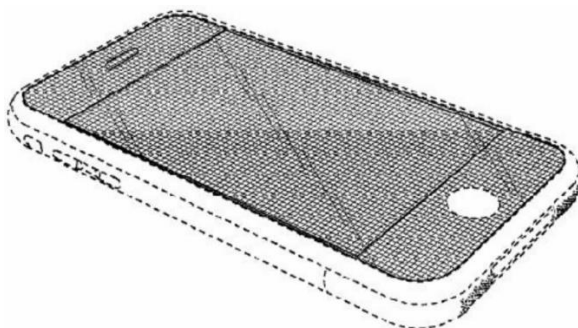


Figure 1. D'677 Patent Design⁷⁰

This minimalistic design drew sharp criticism from Samsung in the wake of the \$1,049,393,540 verdict; a Samsung statement argued that it was “unfortunate that patent law can be manipulated to give one company a monopoly over rectangles with rounded corners.”⁷¹

U.S. Patent No. 7,469,381 (the '381 patent), or the bounce-back feature, was designed for Apple's smartphones and tablets, the iPhone and iPad.⁷² This feature, protected by the '381 patent, is engaged while the user is scrolling through a document on the device.⁷³ When the user scrolls beyond the end of the document, sees an area indicating the document's

⁶⁹ *Id.*

⁷⁰ *Id.*

⁷¹ *Samsung to Appeal After \$1bn Apple Award in US Case*, BBC NEWS (Aug. 25, 2012), <http://www.bbc.co.uk/news/technology-19381096>.

⁷² *Apple*, 678 F.3d at 1318.

⁷³ *Id.*

end and releases his or her finger, the document “bounces-back” into view.⁷⁴

Seeking to find a favorable system for analyzing the D’677 and ’381 patent protections, this Part will apply the scope, intent and proposed Common Denominator tests to evaluate whether antitrust liability should be invoked to counteract anticompetitive behavior connected with patents.

A. The Scope Test

Courts commonly consider the scope of a patent’s grant when deciding if a patentee misused a patent. Patent owners cannot improperly extend their power into the marketplace by surpassing the scope of what Congress intended to grant through patent law.⁷⁵ Filing for a patent requires that the patentee give a detailed description of the invention describing the manner of its production that is clear enough for somebody “skilled in the art” to recreate the invention.⁷⁶ The courts use this rule of specificity to determine the scope of the patent; as long as the action falls reasonably within the patent grant, a patent misuse defense will never succeed.⁷⁷ Because of this, the scope test is highly favorable to patent protection and the legal monopolies granted to inventors. If a claim were to arise concerning a patentee’s actions that fall within the scope of the patent, the

⁷⁴ *Id.*

⁷⁵ *Atari Games Corp. v. Nintendo of Am., Inc.*, 897 F.2d 1572, 1576 (Fed. Cir. 1990).

⁷⁶ 35 U.S.C. § 112 (2012).

⁷⁷ *Princo Corp. v. Int’l Trade Comm’n*, 616 F.3d 1318, 1328 (Fed. Cir. 2010) *cert. denied*, 131 S.Ct. 2480 (U.S. 2011); *see Monsanto Co. v. McFarling*, 363 F.3d 1336, 1341 (Fed. Cir. 2004); *Virginia Panel Corp. v. MAC Panel Co.*, 133 F.3d 860, 869 (Fed. Cir. 1997).

actions would presumably be considered lawful.⁷⁸ If the patentee's actions are found to be outside of the scope of the patent, a defendant may allege "patent misuse" as a defense and possibly recover under section 2 of the Sherman Act.⁷⁹

The first step in the scope test is to determine whether the patent falls within the specific description as given by the patentee. Assume that the alleged infringer produced a smartphone that utilized the design of the D'677 patent and the bounce-back feature of the '381 patent. Under the scope test, the patentee would simply claim that the competitor took the product design of a rectangular display with rounded corners and bounce-back feature, and applied it to his own product. The defendant may either deny that he has copied the patented design or, in some instances, argue a defense of patent misuse.⁸⁰

Patent misuse, an affirmative defense to an allegation of patent infringement, allows a party to also invoke antitrust laws against a patentee if the defendant can prove that the patentee filed the patent application with a scheme to create an illegal monopoly or to restrain trade.⁸¹ In *United States v. Am. Tobacco Co.*, the United States Supreme Court explained that restraints of trade embrace acts, contracts, agreements, or combinations of these which "prejudice [the] public interest by unduly restricting

⁷⁸ Carrier, *supra* note 38, at 790.

⁷⁹ 1 ALTMAN & POLLACK, *supra* note 37, § 4:57 (explaining that if a patentee is able to lessen or destroy competition through the "exclusionary power of the illegal patent claim," the elements for a monopoly are present and the defendant may counter with an antitrust suit).

⁸⁰ *Id.*

⁸¹ *Id.*

competition or unduly obstructing the due course of trade.”⁸² The party that allegedly infringed on the patent essentially takes the place of the government by asserting a claim to annul a patent for fraud.⁸³ Furthermore, if the fraudulently procured patent violates section 2 of the Sherman Act, the party that allegedly infringed the patent may seek treble damages for the harm imposed by the patent.⁸⁴

B. The Intent Test

The intent test is used in some jurisdictions; it looks at the subjective intent of the patentee.⁸⁵ Juries are to presume that the patentee’s desire to profit from its patent rights is “legitimately procompetitive.”⁸⁶ There is opportunity for rebuttal if there is evidence that “the [patentee] acquired the protection of the intellectual property laws in an unlawful manner” or that there was a misleading pretext to the patentee’s act.⁸⁷ Patentees may not “rely upon a pretextual business justification to mask anticompetitive conduct.”⁸⁸

If the patentee, the owner of the D’677 and ’381 patents, were to file suit against a competitor, applying the intent test, the fact-finder would have to determine the patentee’s subjective intent for enforcing the patent. Here, the presumption stands

⁸² U.S. v. American Tobacco Co., 221 U.S. 106, 179 (1911).

⁸³ *Id.*

⁸⁴ Walker Process Equip., Inc. v. Food Mach. & Chem. Corp., 382 U.S. 172, 173 (1965)

⁸⁵ Carrier, *supra* note 38, at 793-94; *see* Image Technical Servs., Inc. v. Eastman Kodak Co., 125 F.3d 1195, 1219 (9th Cir. 1997).

⁸⁶ *Kodak*, 125 F.3d at 1219.

⁸⁷ *Id.*

⁸⁸ *Id.*

that the patentee's actions are legitimately procompetitive. But, if the alleged patent infringer can demonstrate that the patent was either illegally obtained or that the patentee used a business pretext to mask his anticompetitive conduct, the patentee could then face antitrust liability. Examples of such anticompetitive conduct include tying arrangements, grant-back provisions, purchaser resale restrictions, restrictions on licensee's sales elsewhere, mandatory package licensing, royalty provisions that are not reasonably related to the licensee's sales, and resale price restrictions.⁸⁹

Along with the intent test taking a substantial amount of power from patentees, it may also cause a drastic shift toward antitrust law.⁹⁰ Focusing on the patentee's intent may be especially problematic because every company is essentially in business to outsell its competitors.⁹¹ In order to prove the patentee's subjective intent, discovery could likely lead to documents or e-mails that appear provocative, but there is the possibility that they just have been made during the course of healthy competition.⁹² In the course of competition, it is natural that firms desire to outsell their market rivals; patent protection, in some instances, may be the only practical means of a firm prevailing. The benefit of exclusion, which is offered by patents, can wither away if patentees have to strike a delicate balance between excluding under the patent laws and not interfering with competition, which is protected by antitrust laws.⁹³

⁸⁹ MILES, *supra* note 35, at § 5:12, at *15 (2012).

⁹⁰ Carrier, *supra* note 38, at 794.

⁹¹ *Id.* at 794.

⁹² *Id.*

⁹³ *Id.*

C. Introduction to the Common Denominator Test

If the courts were to apply the proposed Common Denominator test, they would begin with the presumption that “a company’s patent-based actions are lawful as long as there is a plausible justification for the action other than injuring competitors.”⁹⁴ One such example of a plausible justification would be “efficiency.”⁹⁵ Instead of looking at the patentee’s subjective intent, the court should consider the objective circumstances surrounding the patentee’s justification.⁹⁶ Patents essentially allow for a legal monopoly over certain products, so “[s]uch a strong presumption makes sense not only because a company’s actions based on its valid patents are not the typical ‘bad acts’ punished under section 2, but also, relatedly, because they are the intended reward of the patent system.”⁹⁷

V. THE COMMON DENOMINATOR TEST AND THE *APPLE V. SAMSUNG* LITIGATION

A. Rebuttal, Ex Ante Factors, Ex Post Factors and Surrebuttal

Once the patentee demonstrates a plausible justification for its patent-based actions, the alleged patent infringer may then set out to prove the rebut-

⁹⁴ *Id.* at 816-17.

⁹⁵ *Aspen Skiing Co. v. Aspen Highlands Skiing Corp.*, 472 U.S. 585, 609-10 (1985) (ruling that a ski ticket distributor’s exclusion of a ski resort’s tickets was not based on a plausible justification, rather, the justification led to an inefficient and inconsistent logical outcome).

⁹⁶ *Carrier*, *supra* note 38, at 816-17.

⁹⁷ *Id.* at 817.

tal.⁹⁸ The rebuttal determines whether industry innovation is rooted in patents or competition.⁹⁹ If the innovation arises from an industry that is considered to be competition-based, such as a technological field, then the rebuttal surmounts the presumption of lawfulness.¹⁰⁰ The presumption of lawfulness can be surmounted even when patent-based acts do not appear to be predatory, because, as Carrier claims, “patents cannot be the ultimate trump card.”¹⁰¹ To determine the type of industry, the courts have to consider both *ex ante* and the *ex post* factors.

The first *ex ante* factor that must be proven by the alleged patent infringer is that the market in question has “market-based nonpatent incentives to innovate in the industry.”¹⁰² Examples of such incentives would include the ability for the innovator to be a market pioneer¹⁰³ or the competition taking place in a “network effects market.”¹⁰⁴ In terms of market pioneers, industries, including pharmaceuticals, cigarettes, oil-drilling rigs, investment banking, or even computer and semiconductor industries, allow for the early innovators to sustain substantial market shares even after their patents expire.¹⁰⁵ Possible explanations for this occurrence are customer familiarity, brand loyalty, and cost advantages.¹⁰⁶ The term “network effects market” refers to markets

⁹⁸ *Id.* at 818.

⁹⁹ *Id.*

¹⁰⁰ *Id.* at 819.

¹⁰¹ *Id.*

¹⁰² *Id.* at 831.

¹⁰³ *Id.* at 821.

¹⁰⁴ *Id.* at 822.

¹⁰⁵ *Id.* at 821-22.

¹⁰⁶ *Id.* at 821-22 (noting that in consumer goods businesses, pioneers have amassed twenty-nine percent of the market while late entrants gained only twelve percent).

that benefit each participant through the cumulative effect of adding other participants.¹⁰⁷ The social networking website Facebook is an example of a network effects market that envelopes a larger market share and higher value as it becomes more popular.

After proving that there are non-patent incentives to innovate in a market, the alleged patent infringer must prove at least one of the two remaining *ex ante* factors: “that the product is easy to create or that it is difficult to imitate.”¹⁰⁸ Patents are particularly important in instances where investments of time and capital are very high; on the other hand, they are less important when there is a relatively smaller time and capital investment.¹⁰⁹ The pharmaceutical industry is an example of an industry where products are exceedingly more difficult to create and requires spending “hundreds of millions of dollars and take[s] ten to fourteen years to bring new drugs to market.”¹¹⁰

Industries where patents do not spur innovation, including aircraft production, semiconductor production, vehicle designing, and primary metals, may actually enhance industry-wide innovation by moving away from patents and more toward anti-trust liability.¹¹¹ In terms of the degree of difficulty to imitate products, patents are more necessary when it is relatively easier for competitors to imitate the product.¹¹²

Referring back to the pharmaceutical indus-

¹⁰⁷ *Id.* at 822.

¹⁰⁸ *Id.* at 831.

¹⁰⁹ *Id.* at 823-24.

¹¹⁰ *Id.* at 824.

¹¹¹ *Id.* at 826-27.

¹¹² *Id.* at 827.

try, it may take years and millions of dollars to develop a new drug, but once it is marketed, the cost of imitation may be low because competitors could copy the product.¹¹³ Such a low cost to reverse-engineer and copy could be devastating to drug developers and other innovators of the sort, who have carried the research and development costs. Some industries, such as those that require complex mechanical engineering or intricate machinery, may not necessitate patents due to the difficulty to imitate.¹¹⁴ Carrier's test, attempting to optimize innovation, provides an industry-specific analysis that carefully considers the need for patent protection. The Common Denominator test has a number of factors that, if at least one of them is met, "ensures that the presence of market-based incentives alone does not trigger the conclusion that patents are not necessary in the industry."¹¹⁵ These safeguards are present because market-based incentives could be existent in industries, such as pharmaceuticals, that are dependent on patent protection.¹¹⁶

Carrier explains his belief that patent protection is not essential when a product is either easy to create or difficult to imitate on its innovations.¹¹⁷ His theory, that patent protection may not be essential, is based upon the industry-specific analysis, and, more particularly, whether companies need to recoup up-front research and development costs.¹¹⁸ So, by Carrier's approach, patents are not needed when a product is easy to create or difficult to imitate

¹¹³ *Id.* at 827.

¹¹⁴ *Id.* at 828.

¹¹⁵ *Id.* at 831.

¹¹⁶ *Id.*

¹¹⁷ *Id.*

¹¹⁸ *Id.*

because substantial expenditures were not put into its creation or it is naturally difficult to imitate.¹¹⁹ In such situations, he argues that competition, not patent protection, is essential for innovation.¹²⁰

The next stage of analysis focuses on the *ex post* factor. Here the courts should analyze the “cumulative nature of innovation in the industry.”¹²¹ The term “cumulative industry” refers to an industry producing products that are continuously improved and innovated upon.¹²² Products in cumulative industries usually consist of those that have a newly innovated feature combined with already existing inventions. Thus, a danger arises in this type of industry where a patent is issued and subsequent innovations are stifled.¹²³

Another inverse relationship exists here between patent and antitrust law: this particular type of industry may benefit from antitrust law which would possibly lead to an increase in innovation due to the cumulative effect of competitors “one-upping” each other.¹²⁴ Carrier argues that antitrust laws should play a greater role in industries that innovate off of predecessors’ inventions.¹²⁵ The Common Denominator test’s rebuttal applies only when “both *ex ante* and *ex post* factors favor competition.”¹²⁶

After analyzing the rebuttal, the court may find that innovation will best be supported through a competitive market that is enhanced by antitrust

¹¹⁹ *Id.*

¹²⁰ *Id.*

¹²¹ *Id.* at 839.

¹²² *Id.* at 829.

¹²³ *Id.*

¹²⁴ *Id.*

¹²⁵ *Id.* at 832.

¹²⁶ *Id.*

law; but, just because a patentee is involved in a certain industry does not suggest that he should be automatically liable for an infraction of section 2 of the Sherman Act.¹²⁷ After a successfully proven rebuttal, the Common Denominator Test allows for a surrebuttal.¹²⁸ The surrebuttal simply requires that the patentee provide actual evidence that the industry is distinguishable as one that is innovative, thus confining this test only to industries that are discernibly non-innovative.¹²⁹

After the Common Denominator Test's presumption, rebuttal, and surrebuttal have been applied, and there is any question as to whether they are applicable to the perceived antitrust activity, the default assumption is that the action is lawful.¹³⁰ Carrier explains that the Common Denominator Test should not apply to section 2 of the Sherman Act to industries that innovate through both patents and competition; the pharmaceutical industry fits this description.¹³¹

B. Applying the Common Denominator Test to the D'677 Patent

First, in the case of the D'677 patent, the courts would begin with their initial presumption: the patentee's actions are lawful as long as he can provide an objectively plausible justification for his

¹²⁷ *Id.* at 833.

¹²⁸ *Id.*

¹²⁹ *Id.* at 834 n.314 (noting that "some true (i.e., nonsham) innovation is enough" and that the lack of innovation should be apparent if a market is not benefiting from new and improved products).

¹³⁰ *Id.* at 832.

¹³¹ *Id.*

actions.¹³² Suppose that the patentee brings a patent infringement suit against a competitor because the competitor is producing and selling a smartphone with a rectangular-shaped screen and rounded corners, thus enforcing the D'677 design patent. Countering the claim, the alleged infringer may pinpoint one of the patentee's actions and argue that it constitutes anticompetitive behavior. If the court accepts the patentee's justification as plausible, then the competitor may offer a rebuttal.¹³³

The alleged infringer's rebuttal will take into account the type of industry that is involved by going through the Common Denominator test's *ex ante* and *ex post* factors.¹³⁴ First, the alleged infringer will need to establish that there are market-based non-patent incentives for the patentee to innovate.¹³⁵ In this scenario, the patentee was the market pioneer who designed the rectangular smartphone with rounded corners, so he had the early accessibility to the market in order to establish customer familiarity, brand loyalty, or cost advantages such as favorable contracts with distributors. These would certainly constitute market-based non-patent incentives to innovate.¹³⁶ The rebuttal also requires that the competitor prove at least one of the two remaining *ex ante* factors.¹³⁷

The two remaining *ex ante* factors are whether the product is easy to create and whether it is difficult to imitate. Considering the D'677 patent's description, the court would have to inquire into the

¹³² See *supra* note 49 and accompanying text.

¹³³ See *supra* notes 50, 96-98 and accompanying text.

¹³⁴ See *supra* note 51 and Part V.A.

¹³⁵ See *supra* note 100 and accompanying text.

¹³⁶ See *supra* notes 100-05 and accompanying text.

¹³⁷ See *supra* notes 101-05 and accompanying text.

level of difficulty in inventing a smartphone with a highly-polished rectangular screen and rounded corners. Certainly a sophisticated technology company will hire expert designers and engineers to devise an optimal product, but the D'677 patent reveals no greater skill than "that exercised by the ordinary designer who is chargeable with knowledge of the prior art."¹³⁸ The costs of developing the D'677 patent are presumably microscopic compared to the costs of researching and developing in a field such as pharmaceuticals. In terms of the difficulty to imitate the D'677 patent, as shown by the competitor's actions, there would be very little difficulty in copying the general smartphone design. Therefore, because the patent would be easy to copy, the only two successfully rebutted *ex ante* factors would be that there are market-based non-patent incentives to innovate and that the patented product was relatively easy to create. Fulfilling two of the three *ex ante* factors satisfies the *ex ante* requirement, but the *ex post* requirement still remains.¹³⁹

Courts must consider, for the *ex post* requirement, whether the industry innovation comes about in a cumulative manner.¹⁴⁰ The smartphone, and technology industry in general, is very innovative. New products are constantly being released. But, in terms of cumulative technology, design features like the D'677 patent are not the result of cumulative technology. The D'677 patent protects a unique design feature which was developed independently by Apple designers. Perhaps the D'677 patent is similar

¹³⁸ Gen. Time Instruments Corp. v. U.S. Time Corp., 165 F.2d 853, 854 (2d Cir. 1948).

¹³⁹ See *supra* note 106 and accompanying text.

¹⁴⁰ See *supra* notes 119-21 and accompanying text.

to the design of the original iPhone that was released in 2007, but in August 2012, a jury even confirmed that the D'677 design was not copied from a previously released Samsung tablet, as Samsung had argued.¹⁴¹ The design patents of the smartphone industry, including the D'677 patent, are not created through cumulative innovation. Because the D'677 patent is not brought about through cumulative innovation, the *ex post* factor is not met.

According to Carrier's framework, failure to meet the *ex post* factor is sufficient enough to end the analysis in favor of the patentee.¹⁴² In other words, in the case of the D'677 patent, the analysis would not even go as far as the surrebuttal stage. Furthermore, the *ex ante* requirements do not appear to be well-suited in the case of design patents. Relative to other patented inventions, design patents are nearly always easy to create and easy to copy. It appears that, in the case of the D'677 patent, the Common Denominator test fails to institute any substantive antitrust claim for the allegedly infringing parties.

C. Applying the Common Denominator Test to the '381 Patent

Suppose that the patentee brings a patent infringement suit against a competitor because the competitor is producing and selling a smartphone that has a bounce-back feature similar to that described in the '381 patent. Applying the Common Denominator test to the '381 patent begins with the same presumption that the patentee's actions are

¹⁴¹ Apple, Inc. v. Samsung Elec. Co., Ltd., No. 11-CV-01846-LHK 2012 WL 4078433 (N.D. Cal. Aug. 24, 2012).

¹⁴² Carrier, *supra* note 38, at 832.

lawful as long as he can provide an objectively plausible justification for his actions.¹⁴³ The patentee would be bringing his lawsuit to enforce the protections granted by the '381 utility patent. Countering the claim, the alleged infringer may pinpoint one of the patentee's acts and argue that it constitutes anti-competitive behavior. If the court accepts the patentee's justification as plausible, then the alleged infringer may offer a rebuttal.¹⁴⁴

In determining the *ex ante* factors, there are the same market-based non-patent incentives for the '381 patent to innovate as existed with the D'677 patent (e.g., customer familiarity, brand loyalty and cost advantages).¹⁴⁵ The next two factors to determine are whether the '381 patent was easy to create and difficult to imitate.¹⁴⁶ In terms of the degree of difficulty in creating the '381 patent, it is certainly more difficult to develop than the D'677 patent, but not too difficult to create by Carrier's standards.¹⁴⁷

By Carrier's standards, difficulty in creation is essentially measured by time and capital investments into research and development; the '381 patent would fall into Carrier's "simple ideas easily conceived" category.¹⁴⁸ He contrasts inventions in the technological realm, such as the '381 patent, with the pharmaceutical industry, which requires much

¹⁴³ See *supra* note 49 and accompanying text.

¹⁴⁴ See *supra* notes 50, 96-98 and accompanying text.

¹⁴⁵ See *supra* notes 100-05 and accompanying text.

¹⁴⁶ See *supra* note 106 and accompanying text.

¹⁴⁷ See *supra* notes 115-18 and accompanying text.

¹⁴⁸ Carrier, *supra* note 38, at 826 (arguing that patents are not necessary in industries such as internet business methods, civilian aircraft, semiconductors, office equipment, motor vehicles, rubber products, textiles, primary metals, instruments, food, steel, and electrical components).

more time and capital investment for research and development.¹⁴⁹ The '381 patent would not be difficult to create by the Common Denominator test's standards. In terms of difficulty to imitate, it is not clear what a court would determine in this category. Creating the bounce-back feature was relatively easy for the patentee, so it would presumably be not too difficult for a competitor to imitate.¹⁵⁰ Even though the '381 patent would be relatively easy to imitate, it would still be more difficult than imitating the D'677 patent or any other design patent. Therefore, the '381 patent would be, by Carrier's standard, easy to create and moderately difficult to imitate.

The '381 patent protects a smartphone feature, the bounce-back, which exhibits the industry's newest utility innovations. The historical chain of innovation leading to smartphones started with "land-line" telephones, then rudimentary mobile telephones were invented and the modern cellular telephone was based upon that technology. Less complex cellular phones were continuously innovated upon until all of the available technology was finally compiled into the first modern smartphone. Innovations for the more rudimentary cellular phones led to smartphone technology. With smartphone technology came the innovation of features such as document readers; the bounce-back utility was subsequently innovated to compliment these new features.¹⁵¹

The courts would likely recognize that the

¹⁴⁹ *Id.*

¹⁵⁰ Difficulty in creating the bounce-back feature is being compared to the difficulty of creation in other fields such as pharmaceuticals and complex engineering.

¹⁵¹ *The Evolution of the Mobile Phone*, ENG'R'S F. MAG. (Nov. 6, 2013), <http://www.ef.org.vt.edu/2013/11/the-evolution-of-the-mobile-phone.html>.

technology, communications, and smartphone industries, in their present states, are the result of continuous cumulative innovation. These products are quickly outdated by newer models and designs that have innovated from previous designs. The cumulative nature of the smartphone industry satisfies the Common Denominator's rebuttal, thus allowing for a surrebuttal from the patentee.¹⁵²

A surrebuttal may be successfully made if the patentee demonstrates that his industry is inherently innovative.¹⁵³ In this case, the '381 patentee would have to provide actual evidence of innovation. Utility features in the smartphone market are constantly being updated by new products that are exceedingly more innovative. Undoubtedly, the smartphone market is inherently innovative, at least in terms of smartphone functionality, due to the extensive research and development of new products by technology firms.¹⁵⁴ Because of the inherently innovative nature of the smartphone industry, the patentee's surrebuttal is satisfied and the '381 patent will likely not lead to any antitrust liability.

D. Applying the Common Denominator Test in General

Carrier's Common Denominator test would provide the industry-specific analysis that patents should receive, but have not in the past. He argues

¹⁵² See *supra* note 126 and accompanying text.

¹⁵³ See *supra* note 127 and accompanying text.

¹⁵⁴ Dividend Kings, *4 Tech Giants Ready To Surge On Smartphones*, SEEKING ALPHA (Nov. 6, 2012, 10:28 AM), <http://seekingalpha.com/article/982361-4-tech-giants-ready-to-surge-on-smartphones> (discussing the major role played by industry leaders such as Microsoft, Apple, Google and the new market entry of Amazon).

that this test would not have any more than a minor impact on patent-based incentives in markets where they should be present.¹⁵⁵ The Common Denominator test allows patents to remain valid even after a patentee has faced antitrust litigation because the test is just designed to provide an antitrust remedy when patents are used in anticompetitive ways.¹⁵⁶ Carrier also argues that this test is only applicable to monopolists, i.e., companies with at least a sixty to seventy percent market share; other patentees, with smaller market shares, lack the ability to exercise control over markets.¹⁵⁷

This test may be making an unfounded logical leap towards antitrust liability when there is a more simple solution. With the Common Denominator test there are two extremes: one where all patentee actions are lawful and the other, where patentee actions are subject to antitrust liability. This quick jump to enforce a patent or antitrust law ignores the middle ground where patents are still valid in industries in which patents stifle innovation.

Carrier's test already determines whether patent protection is essential in an industry; this is why it should be applied only to determine whether patent protection should be continued on any particular utility patent. Instead of protection being afforded to competitors only by means of antitrust litigation, if the Common Denominator test stripped patent protection after its analysis, a lack of patent protection would spur innovation in markets where patent protection was neither necessary nor beneficial to begin with. Finally, if patent protection

¹⁵⁵ Carrier, *supra* note 38, at 848.

¹⁵⁶ *Id.*

¹⁵⁷ *Id.* at 848-49.

is removed and patentees were to behave in an anticompetitive manner, then, the antitrust laws will apply regularly to remedy that problem.

The Common Denominator test certainly has much to offer in today's patent market. Recognizing that "innovation takes place through different paths in different industries" is a good first step in modernizing the patent system.¹⁵⁸ The Common Denominator test also takes into consideration essential elements of innovation such as market-based incentives, the ease of creating, the difficulty of imitating, and markets that are cumulative in their innovation.¹⁵⁹ Because of these *ex ante* factors, the Common Denominator test is much better suited for utility patents rather than design patents.

VI. COPYRIGHTS AND THE D'677 PATENT

Daniel H. Brean, in *Enough Is Enough: Time to Eliminate Design Patents and Rely on More Appropriate Copyright and Trademark Protection for Product Designs*, argues that design patents should be phased out by copyrights; copyrights will "protect designs through copyright law to the extent that they are artistic."¹⁶⁰ In analyzing the possibility of copyright protection, it is important to distinguish between functional and nonfunctional features on commercial products. This Part examines the possibility of taking the artistic design from the D'677 patent and protecting it with a copyright, rather than a design patent.

To begin with, would the D'677 design be copyrightable? It is a sculptural work that is capable of

¹⁵⁸ *Id.* at 854.

¹⁵⁹ *Id.*

¹⁶⁰ Brean, *supra* note 34, at 374.

being both perceived and reproduced, so the D'677 design is appropriate copyright subject matter.¹⁶¹ The design, albeit minimalistic, is creative, original, and nonfunctional. If the smartphone designer notices that a competitor has copied his design, and that design is substantially similar, he may then enforce his copyright.

In order to prove a fair use defense, the alleged copyright infringer would need to demonstrate that his smartphone design was transformative.¹⁶² The four factors that the court uses to determine the design's fair use (i.e., its purpose and character, its nature, the substantiality of the portion used and the effect of the use upon the potential market) would weigh against the alleged infringer.¹⁶³ But, the more that he can show that his product is transformative, the less weight that the four fair use factors will carry.¹⁶⁴ Assuming that the D'677 design was implemented in another smartphone, the determination as to how transformative the subsequent design is will determine whether the alleged infringer will be liable. If the design were to be taken with almost no changes, and the alleged infringer sold its product commercially, the courts would be likely to find liability for a copyright breach.¹⁶⁵ But, if the general square shape was taken and improved upon, to the extent that the court finds it transformative, the alleged infringer will only have exercised fair use of the copyrighted design.¹⁶⁶

Replacing design patents with copyright pro-

¹⁶¹ 17 U.S.C. § 102 (2012).

¹⁶² See *supra* notes 52-65 and accompanying text.

¹⁶³ See 17 U.S.C. § 107 (2012); see *supra* Part III.

¹⁶⁴ *Id.*

¹⁶⁵ *Id.*

¹⁶⁶ *Id.*

tection would provide a solution to many of today's issues regarding design patent litigation. Inventors of truly original and creative designs would receive even more stringent protection (70 years after the designer's death)¹⁶⁷ than they previously would have under design patents (20 years after patent is granted).¹⁶⁸ As mentioned earlier, Samsung's counsel complained that Apple was claiming its monopoly on rectangles with rounded corners: with this copyright analysis, Samsung would have been able to argue a fair use defense. Whether their product was transformative enough for the defense to be effective, would have been a factual determination for the court.

This analysis, inquiring into how transformative a design is, adds incentives for competitors to create new design features, therefore leading to more innovative products. Transitioning towards copyright law would be a fair approach to allow future innovators to take already existing ideas and innovate off of them, and if they were to copy, then copyright owners would have protection extending for a longer period than that granted by patents.

CONCLUSION

In order to optimize innovative consumer products, patent, antitrust, and copyright law must be reconciled to a certain extent. Patents encourage innovation, but at the expense of competition. Antitrust law encourages competition, but unbridled competition could lead to a market that takes away incentives from innovators.

¹⁶⁷ See *supra* note 54 and accompanying text.

¹⁶⁸ See *supra* note 21 and accompanying text.

The scope test¹⁶⁹ provides a stronger patent regimen, while the intent test¹⁷⁰ shifts the scale more towards antitrust law. The Common Denominator test,¹⁷¹ very wisely, takes into consideration the type of industry involved. The Common Denominator is a good test that should be considered in future patent litigation, but only to the extent of determining whether patent protection should be continued. Carrier's test overlooks the possibility that sometimes eliminating patents could spur innovation, without even entering into consideration of antitrust law.

Copyright protection, giving protection to true artistic designs with a reasonable fair use defense, provides a good alternative to design patents. In the future, if courts were to apply the Common Denominator test and remove utility patent protection in warranted situations, consumers would likely receive the same innovative products at more competitive prices. Finally, these benefits to the consumer would also exist if, like Brean argued, courts were to transition design patent protection more towards copyright protection.¹⁷²

In the future courts can increase consumer welfare by loosening some of the legal monopolies created by utility patents through an industry-specific analysis, and by simplifying the dilemma involved with design patents by phasing them out in favor of copyright protection.

¹⁶⁹ See *supra* Part IV.A.

¹⁷⁰ See *supra* Part IV.B.

¹⁷¹ See *supra* Part IV.C and Part V.A.

¹⁷² See *supra* Part VI.

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**Pinning Your Way to Copyright
Infringement: The Legal
Implications Pinterest Could Face**

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Abstract

With the simple click of a button, anyone can copy an image from one place and paste it to another. What some people do not realize is that these actions could have them one click away from copyright infringement. Advancements in technology have made it easier for Internet users to infringe on the rights of copyright owners. Many popular websites, such as YouTube and Facebook, have seen the dangers of allowing users to upload videos and images onto their websites. However, one popular website has not yet seen the wrath of copyright owners. This Article looks at the rights copyright owners have in the realm of Pinterest. Specifically, this Article analyzes how a court would rule on a case of copyright infringement involving Pinterest and the Digital Millennium Copyright Act (or the DMCA), with an emphasis on the safe harbor provision within the DMCA. This Article predicts what a court might do if it were presented with a copyright infringement claim against Pinterest. Finally, this Article concludes with a look into the future of Pinterest copyright law.

Table of Contents

INTRODUCTION.....	365
I. HISTORY OF PINTEREST & PINTEREST'S COPYRIGHT POLICIES & TERMS OF USE.....	367
II. CURRENT COPYRIGHT LAW.....	375
A. <i>Copyright Act</i>	375
B. <i>Digital Millennium Copyright Act</i>	377
1. Cases Involving the Safe Harbor Provision.....	383
a. <i>Specific Knowledge</i>	385
b. <i>Lawful & Unlawful Use</i>	389
III. PINTEREST SUED: IS IT LIABLE?	391

A. <i>Types of Claims That Could Be Made</i>	394
1. Direct Copyright Infringement	394
2. Willful Infringement	395
3. Contributory Liability	396
4. Vicarious Liability	398
B. <i>Protection from Digital Millennium</i> <i>Copyright Act's Safe Harbor</i> <i>Provision</i>	400
CONCLUSION.....	402

INTRODUCTION

After months and months of trial and error, a mother of three finally perfected a recipe for a healthy and low-calorie dessert. Excited about her accomplishment, she enthusiastically wrote about it on her “Guilt-Free Eating” blog, in which she often blogs about the ability to eat foods most women shy away from due to high caloric content. A month later, a reader of her blog posted the recipe on Pinterest. This Pinterest user “pinned” the recipe on her “Delectable Desserts” board. Within a week the post had 140 “re-pins” and 57 likes. Within a year, this same recipe had been branded as “Skinny Girl Desserts” and was being sold in grocery stores across the country. It was not until the mother was at a friend’s house and saw what resembled her dessert on the front of a “Skinny Girl Desserts” box that she realized someone had stolen her idea.

Years of sweat-drenching workouts and muscle-draining lifts finally paid off for a physical trainer as he developed a work-out program incorporating interval cardio, weight lifting, and circuit training that led to amazing results. After using the program on his clients for a year and seeing the anticipated changes and results, he finally felt confident that he could create a fitness video to sell on the market.

However, before he could take these steps, one commercial virtually stole this dream away from him. A workout video called Circuit Plus was nearly identical to the workout he created a year ago. A few weeks later he overheard a group of people at the gym discussing how Circuit Plus was just like something they had seen posted on Pinterest eight months ago.

Experiences and life lessons helped one musically inclined artist to compose lyrics that were worthy of song development. Along with other songs he had written, he posted these lyrics on his Music Shaped Me webpage. With the help of his father, also a lawyer, this artist took the steps to copyright his lyrics, but made no mention of this on his webpage. His webpage is available for anyone to see who navigates on the Internet. It wasn't long until portions of his lyrics ended up in cursive letters with a decorative background and graphic designs on the boards of many Pinterest users. Even though he had no idea his work had made its way to Pinterest, he was oddly aware his work had made its way to the radio in a new hit song crafted by a fresh artist in the business. Not to his surprise, his name was not mentioned before or after the song played.

Given the current structure of copyright law, only one of the three previously listed individuals might be protected and have a claim for copyright infringement. Because the music artist took the steps to own the legal rights to his lyrics, he is protected from copyright infringement. While he has a right to sue someone, who is liable for using his copyrighted lyrics as their own? Pinterest for allowing it to be posted on someone's board? The Pinterest member who reposted the lyrics? Or the person who took those lyrics and made a top hit with them?

This Article looks at the rights of copyright owners in the realm of Pinterest. Specifically, this Article analyzes how a court would rule on a case of copyright infringement involving Pinterest, as no such cases have reached the court system. Part I outlines the history of Pinterest and discusses Pinterest's copyright policies and terms of use. Part II summarizes the Copyright Act and the Digital Millennium Copyright Act ("DMCA"), with an emphasis on the safe harbor provision within the DMCA. Part III predicts what a court might do if it were presented with a copyright infringement claim against Pinterest. Finally, this Article will conclude with a look into the future of Pinterest copyright law.

I. HISTORY OF PINTEREST & PINTEREST'S COPYRIGHT POLICIES & TERMS OF USE

Pinterest was launched in March 2010 by Ben Silbermann, Paul Sciarra and Evan Sharp.¹ Ben Silbermann's love for collecting tangible objects led to the development of a website that would allow others to virtually collect ideas and more in one virtual place.² Pinterest had a slow start, but as of July 2013, it had reached almost 70 million users.³ Users have come to enjoy the virtual ability to scrapbook images that link to ideas and crafts.

¹ Adam Belz, *Pinterest Stands Out in Crowded Social Media Field*, USA TODAY (Oct. 28, 2011, 4:11 PM), <http://usatoday30.usatoday.com/tech/news/story/2011-10-28/pinterest-Ben-Silbermann/50979542/1>.

² *Id.*

³ Craig Smith, *(April 2014) By the Numbers: 65 Amazing Pinterest Statistics*, DIGITAL MARKETING RAMBLINGS (Mar 4, 2014), <http://expandedramblings.com/index.php/pinterest-stats/#.U34WYCijO3Q>.

Pinterest allows users to “pin” or “re-pin” images found on the web or on another user’s Pinterest boards. A pin can either be an image or a video from another website or uploaded by the user. Pinterest users can categorize their pins into different boards such as “food,” “crafts,” “wedding ideas,” and much more. Pinterest users can find recipes, workouts, craft ideas, quotes, and photographs of countless objects, people, and places. Comparable to other social networks, a Pinterest user can follow others, share their pins, like pins, and make comments on pins. The Pinterest homepage gives updates to users as to what their followed accounts are pinning. Finally, a Pinterest user can re-pin what others have on their boards, automatically adding the pin to one of the re-pinner’s boards. When something is re-pinned, credit is given to the person who first pinned the image or video. While a Pinterest user cannot edit the image or remove the source link,⁴ a user can edit or add to the description of the image or video.

When 80% of images or videos pinned on Pinterest are re-pins,⁵ it is no surprise that copyright infringements issues are just a pin away. However, before a user can start using Pinterest, he must agree to abide by the Terms and Services and the Privacy Policy. It is important to understand the Terms and Services before analyzing whether a plaintiff has a cause of action or if they have relin-

⁴ A source link is a link to the page from which the pin came from. For example, if a picture was taken from someone’s blog, then the link to that blog would remain with the image every time it was pinned.

⁵ Craig Smith, (*April 2013*) *By the Numbers: Some Amazing Pinterest Stats*, PINTEREST INSIDER (Apr. 6, 2013, 8:35 AM), <http://www.pinterestinsider.com/2013/04/april-2013-by-numbers-some-amazing.html>.

quished or waived any rights by using Pinterest. The Terms and Services reads as follows:

Pinterest's products and services are provided by Pinterest, Inc. These Terms of Service ("Terms") govern your access to and use of Pinterest's website, products, and services ("Products"). Please read these Terms carefully, and contact us if you have any questions. By accessing or using our Products, you agree to be bound by these Terms and by our Privacy Policy.

1. Using Pinterest

a. Who can use Pinterest

You may use our Products only if you can form a binding contract with Pinterest, and only in compliance with these Terms and all applicable laws. When you create your Pinterest account, you must provide us with accurate and complete information. Any use or access by anyone under the age of 13 is prohibited. If you open an account on behalf of a company, organization, or other entity, then (a) "you" includes you and that entity, and (b) you represent and warrant that you are authorized to grant all permissions and licenses provided in these Terms and bind the entity to these Terms, and that you agree to these Terms on the entity's behalf. Some of our Products may be software that is downloaded to your computer, phone, tablet, or other device. You agree that we may automatically upgrade those Products, and these Terms will apply to such upgrades.

...

c. Commercial use of Pinterest

If you want to use our Products for commercial purposes you must create a business account and agree to our Business Terms of Service.

2. Your Content

a. Posting content

Pinterest allows you to post content, including photos, comments, and other materials. Anything that you post or otherwise make available on our Products is referred to as “User Content.” You retain all rights in, and are solely responsible for, the User Content you post to Pinterest.

b. How Pinterest and other users can use your content

You grant Pinterest and its users a non-exclusive, royalty-free, transferable, sublicenseable, worldwide license to use, store, display, reproduce, re-pin, modify, create derivative works, perform, and distribute your User Content on Pinterest solely for the purposes of operating, developing, providing, and using the Pinterest Products. Nothing in these Terms shall restrict other legal rights Pinterest may have to User Content, for example under other licenses. We reserve the right to remove or modify User Content for any reason, including User Content that we believe violates these Terms or our policies.

c. How long we keep your content

Following termination or deactivation of your account, or if you remove any User Content from Pinterest, we may retain your User Content for a commercially reasonable period of time for backup, archival, or audit purposes. Furthermore, Pinterest and its users may retain and continue to use, store, display, reproduce, re-pin, modify, create derivative works, perform, and distribute any of your User Content that other users have stored or shared through Pinterest.⁶

The policy outlines who can use Pinterest, what rights one has as a user, and what can be done with one's content. The website also rewords the policy more simply on the right side of the page so users are not confused by the legal language used in the policy: "If you post your content on Pinterest, it still belongs to you but we can show it to people and others can re-pin it. . . .Copies of content shared with others may remain even after you delete the content from your account. . . . We respect copyrights. You should, too."⁷

Pinterest policies are aimed at protecting itself and informing its users on how to protect themselves as well. It emphasizes the importance of copyright issues. Pinterest's copyright policy is listed on its webpage and reads:

Pinterest ("Pinterest") respects the intellectual property rights of others and expects

⁶ *Terms of Service*, PINTEREST, <http://about.pinterest.com/en/terms-service> (last visited May 22, 2014).

⁷*Id.*

its users to do the same. It is Pinterest's policy, in appropriate circumstances and at its discretion, to disable and/or terminate the accounts of users who repeatedly infringe or are repeatedly charged with infringing the copyrights or other intellectual property rights of others.

In accordance with the Digital Millennium Copyright Act of 1998, the text of which may be found on the U.S. Copyright Office website at

<http://www.copyright.gov/legislation/dmca.pdf>, Pinterest will respond expeditiously to claims of copyright infringement committed using the Pinterest website (the "Site") that are reported to Pinterest's Designated Copyright Agent, identified in the sample notice below.⁸

After detailing the copyright policy, Pinterest also outlines what rights a copyright owner has and what steps he should take in order have the copyright infringement taken care of:

If you are a copyright owner, or are authorized to act on behalf of one, or authorized to act under any exclusive right under copyright, please report alleged copyright infringements taking place on or through the Site by completing the following DMCA Notice of Alleged Infringement and delivering it to Pinterest's Designated Copyright Agent. Up-

⁸ *Copyright*, PINTEREST, <http://about.pinterest.com/en/copyright> (last visited May 22, 2014).

on receipt of the Notice as described below, Pinterest will take whatever action, in its sole discretion, it deems appropriate, including removal of the challenged material from the Site. DMCA Notice of Alleged Infringement (“Notice”).⁹

⁹ The steps a copyright owner should take are listed below:

1. Identify the copyrighted work that you claim has been infringed, or - if multiple copyrighted works are covered by this Notice - you may provide a representative list of the copyrighted works that you claim have been infringed.
2. Identify (i) the material that you claim is infringing (or to be the subject of infringing activity) and that is to be removed or access to which is to be disabled, and information reasonably sufficient to permit us to locate the material, including at a minimum, if applicable, the URL of the link shown on the Site where such material may be found, and (ii) the reference or link, to the material or activity that you claim to be infringing, that is to be removed or access to which is to be disabled, and information reasonably sufficient to permit us to locate that reference or link, including at a minimum, if applicable, the URL of the link shown on the Site where such reference or link may be found.
3. Provide your mailing address, telephone number, and, if available, email address.
4. Include both of the following statements in the body of the Notice:
“I hereby state that I have a good faith belief that the disputed use of the copyrighted material or reference or link to such material is not authorized by the copyright owner, its agent, or the law (e.g., as a fair use).”

Pinterest takes more steps by outlining what a Pinterest user should do if they receive a copyright complaint and how to file a counter-notice.¹⁰ As one last preventive measure, Pinterest also has a page for rights of trademark owners.¹¹ Pinterest has created policies for its own protection, and to assist individuals in protecting themselves from claims of

“I hereby state that the information in this Notice is accurate and, under penalty of perjury, that I am the owner, or authorized to act on behalf of the owner, of the copyright or of an exclusive right under the copyright that is allegedly infringed.”

5. Provide your full legal name and your electronic or physical signature.

Deliver this Notice, with all items completed, to Pinterest’s Designated Copyright Agent

Id.

¹⁰ *Id.*

¹¹ *Trademark*, PINTEREST,

<http://about.pinterest.com/en/trademark> (last accessed May 22, 2014).

Pinterest respects the trademark rights of others. Accounts with usernames, Pin Board names, or any other content that misleads others or violates another’s trademark may be updated, transferred or permanently suspended. If you are concerned that someone may be using your trademark in an infringing way on our site you can let us know by completing the form below. Pinterest will review your submission and take whatever action, in its sole discretion, it deems appropriate, including temporary or permanent removal of the trademark from the Pinterest site.

Id.

copyright infringement. However, even with these precautionary guidelines, Pinterest and individual users may still find themselves in legal trouble. What happens if Pinterest fails to remove an image after being informed by the copyright owner that its image was being reproduced without his permission? What happens if a Pinterest user somehow benefits from a copyrighted image? Both the Copyright Act and the DMCA will guide the analysis of these potential legal issues.

II. CURRENT COPYRIGHT LAW

A. Copyright Act

The Copyright Act of 1976 was created to grant copyright holders a set of exclusive rights to their works.¹² Included in this set of rights is the right to “reproduce, perform publicly, display publicly, prepare derivative works of, and distribute copies of” the protected work.¹³ Without such a collective set of rights, people would be discouraged from creating new works. Affording for this, the “principle purpose of the [Copyright Act] is to encourage the origination of creative works by attaching enforceable property rights to them.”¹⁴ The Act not only outlines the rights of copyright owners, but also

provides the owner of a copyright with a potent arsenal of remedies against an infringer of his work, including an injunction to

¹² See 17 U.S.C. § 102 (2012).

¹³ *Arista Records LLC v. Doe 3*, 604 F.3d 110, 117 (2d Cir. 2010); see also 17 U.S.C. § 106 (2012).

¹⁴ *Matthew Bender & Co., Inc. v. West Publ’g Co.*, 240 F.3d 116, 122 (2d Cir. 2001) (quoting *Diamond v. Am-Law Publ’g Corp.*, 745 F.2d 142, 147 (2d Cir. 1984)) (alteration in original).

restrain the infringer from violating his rights, the impoundment and destruction of all reproductions of his work made in violation of his rights, and a recovery of his actual damages and any additional profits realized by the infringer or a recovery of statutory damages, and attorney fees.¹⁵

However, a copyright owner cannot successfully prevail on a copyright claim by just stating his work has been infringed. In order to prevail on a copyright infringement claim, “two elements must be proven: (1) ownership of a valid copyright, and (2) copying of constituent elements of the work that are original.”¹⁶ Ownership alone, however, is only prima facie evidence of both valid ownership and originality.¹⁷ While copyright owners are granted a set of rights and can sue infringers, “liability is excused where the defendant demonstrates that he made ‘fair use’ of the plaintiff’s copyrighted work.”¹⁸

Section 102 of the Copyright Act outlines the extent of copyright protection to “original works of authorship fixed in any tangible medium of expression, now known or later developed, from which they can be perceived, reproduced, or otherwise communi-

¹⁵ Sony Corp. of Am. v. Universal City Studios, Inc., 464 U.S. 417, 433-34 (1984).

¹⁶ Feist Publ’ns, Inc. v. Rural Tel. Serv. Co., 499 U.S. 340, 361 (1991).

¹⁷ Scholz Design, Inc. v. Sard Custom Homes, LLC, 691 F.3d 182, 186 (2d Cir. 2012).

¹⁸ Associated Press v. Meltwater U.S. Holdings, Inc., 931 F. Supp. 2d 537, 550 (S.D.N.Y. 2013) (“The availability of a fair use defense permits courts to avoid the ‘rigid application of the copyright statute’ when ‘it would stifle the very creativity which the law is designed to foster.’”) (quoting Campbell v. Acuff-Rose Music, 510 U.S. 569, 577 (1994)).

cated, either directly or with the aid of a machine or device.”¹⁹ The Act defines “works of authorship” as any of the following: “(1) literary works; (2) musical works, including accompanying words; (3) dramatic works, including accompanying music; (4) pantomimes and choreographic works; (5) pictorial, graphic, and sculptural works; (6) motion pictures and other audiovisual works; (7) sound recordings; and (8) architectural works.”²⁰ Section 302 of the Act allows for a lengthy protection for copyright owners as it gives them “a term consisting of the life of the author and seventy years after the author’s death.”²¹ Finally, the Act also outlines how to transfer a copyright and the process for registration of original works.²²

B. Digital Millennium Copyright Act

In order to provide protections to copyright owners even more so than what the Copyright Act of 1976 provides, additional copyright laws have been crafted to provide owners exclusive rights to their material.²³ Given the quick and expansive technological advances with regard to the Internet, copyright infringement has increased with just the click of a button. Internet users are now able to upload content to webpages very easily and infringers can copyright this material just as easily.

¹⁹ 17 U.S.C. § 102 (2012).

²⁰ *Id.*

²¹ 17 U.S.C. § 302 (2012).

²² 17 U.S.C. §§ 205, 411 (2012).

²³ It is important to note that “[t]he DMCA did not simply rewrite copyright law for the on-line world... [and that] [c]laims against service providers for direct, contributory, or vicarious copyright infringement, therefore, are generally evaluated just as they would be in the non-online world.” *Ellison v. Robertson*, 357 F.3d 1072, 1077 (9th Cir. 2004) (quoting *Ellison v. Robertson*, 189 F. Supp. 2d 1051, 1061 (C.D. Cal. 2002)).

In 1998, Congress passed the Digital Millennium Copyright Act (“DMCA”) to further outline the rights and protections copyright owners deserve. One of the main purposes of the DMCA is to “facilitate the robust development and world-wide expansion of electronic commerce, communications, research, development, and education in the digital age.”²⁴ Another purpose of the Act was to create protection from liability for Internet service providers (“ISPs”).²⁵ Congress has taken steps to keep up with the fast-paced changes in technology, and the legislative history of the DMCA explains why this statute is necessary to keep up with these changes: “With this constant evolution in technology, the law must adapt in order to make digital networks safe places to disseminate and exploit copyrighted materials.”²⁶

The DMCA is divided into five sections. Title II of the Act is designed to protect ISPs from liability of copyright infringement. However, the DMCA was also designed to protect copyright owners at the same time. Copyright owners can still sue users who upload copyrighted material, but under the safe harbor provision, ISPs are not liable for detecting the infringement on their websites.

Within the DMCA, Congress passed the Online Copyright Infringement Liability Limitation Act (“OCILLA”) to deal with the copyright issues found on the Internet.²⁷ More specifically, the Ninth

²⁴ S. REP. NO. 105-190, at 1-2 (1998).

²⁵ See Digital Millennium Copyright Act, Pub. L. No. 105-304, 112 Stat. 2860 (1998) (codified as amended in scattered sections of 17 U.S.C.).

²⁶ S. REP. NO. 105-190, at 2 (1998).

²⁷ See Online Copyright Infringement Liability Limitation Act, Pub. L. No. 105-304, 112 Stat. 2877 (1998) (codified as amended at 17 U.S.C. § 512).

Circuit stated that “[d]ifficult and controversial questions of copyright liability in the online world prompted Congress to enact Title II of the DMCA, the Online Copyright Infringement Liability Limitation Act (OCILLA) [(safe harbor provision)].”²⁸ The DMCA is crafted so that ISPs are not held liable for the actions of their users. The Act protects both primary and secondary providers as long as the ISP did not play a role in posting the infringing material.²⁹

Section 512(k)(1) helps courts understand what an ISP is by defining both a narrow definition connected to § 512(a) and a broader definition that applies to all of § 512.³⁰ Both types provide protec-

²⁸ See *UMG Recordings, Inc. v. Shelter Capital Partners LLC*, 718 F.3d 1006, 1014 (9th Cir. 2013) (second alteration in original). The Ninth Circuit looked to legislative intent for support and found that “Congress decided that ‘by limiting [service providers] liability,’ it would ‘ensure[] that the efficiency of the Internet will continue to improve and that the variety and quality of services on the Internet will continue to expand.’” *Id.* (alterations in original).

²⁹ Carl E. Brody, Jr., *Catch the Tiger by the Tail: Counseling the Burgeoning Government Use of Internet Media*, 83 FLA. B.J., Dec. 2009, at 52, available at <http://www.floridabar.org/divcom/jn/jnjournal01.nsf/Author/00741B654A2BF05F8525767E006FC561> (defining a primary provider as “an ISP that creates a Web site that interacts with the public and allows public comment or posting, whereas secondary providers use outside Web providers, such as Facebook, YouTube, or Twitter, in order to network”).

³⁰ 17 U.S.C. § 512(k)(1) (2012).

(1) Service provider.

(A) As used in subsection (a), the term “service provider” means an entity offering the transmission, routing, or providing of connections for digital online communications, between or among points specified by a user, of material of the user’s

tion when a user posts potentially infringing content without modification of the content by the ISP.³¹ “The intent is to allow providers protection from the misdeeds of others in order to foster the free and open and exchange of information on the Internet.”³² The DMCA is aimed at placing the blame on the person who is actually responsible for copyright infringement, not the ISP for providing the arena to do so. Some courts have recognized that Congress made a policy decision that the “DMCA notification procedures [would] place the burden of policing copyright infringement – identifying the potentially infringing material and adequately documenting infringement – squarely on the owners of the copyright.”³³ After parsing through the statute, the Ninth Circuit declined to shift this burden to the ISP from the copyright owner.³⁴

In order to receive the protections of the safe harbor provision, an ISP must meet specific requirements. The Supreme Court of New York believes:

[T]he thrust of the DMCA is to relieve Internet service providers of the initial need

choosing, without modification to the content of the material as sent or received.

(B) As used in this section, other than subsection (a), the term “service provider” means a provider of online services or network access, or the operator of facilities therefor, and includes an entity described in subparagraph (A).

Id.

³¹ Brody, *supra* note 29.

³² *Id.*

³³ Perfect 10, Inc. v. CCBill LLC, 488 F.3d 1102, 1113 (9th Cir. 2007).

³⁴ *Id.*

to ascertain the copyright status of the sound recordings that they make available, to place the burden of asserting copyright ownership on the owners of such copyrights, and to require the Internet service providers to “take down” infringing material, upon receipt of a valid notice of infringement.³⁵

Section 512(c) of the DMCA specifically outlines the requirements that a service provider must meet. It provides in relevant part:

(c) Information Residing on Systems or Networks At Direction of Users.—

(1) In general.—A service provider shall not be liable for monetary relief, or, except as provided in subsection (j), for injunctive or other equitable relief, for infringement of copyright by reason of the storage at the direction of a user of material that resides on a system or network controlled or operated by or for the service provider, if the service provider—

(A)

(i) does not have actual knowledge that the material or an activity using the material on the system or network is infringing;

(ii) in the absence of such actual knowledge, is not aware of facts or circumstances from which infringing ac-

³⁵ UMG Recordings, Inc. v. Escape Media Grp., Inc., 948 N.Y.S.2d 881, 886 (Sup. Ct. 2012).

tivity is apparent; or

(iii) upon obtaining such knowledge or awareness, acts expeditiously to remove, or disable access to, the material;

(B) does not receive a financial benefit directly attributable to the infringing activity, in a case in which the service provider has the right and ability to control such activity; and

(C) upon notification of claimed infringement as described in paragraph (3), responds expeditiously to remove, or disable access to, the material that is claimed to be infringing or to be the subject of infringing activity.³⁶

In *Io Group, Inc. v. Veoh Networks, Inc.*, the District Court for the Northern District of California outlined the requirements in their own words:

[I]t must be a “service provider” and it must adopt, reasonably implement and inform subscribers of a policy providing that it may, in appropriate circumstances, terminate the accounts of repeat infringers. Further, the service provider is obliged to accommodate, and must not interfere with, “standard technical measures” used by copyright owners to identify or protect copyrighted works.³⁷

³⁶ 17 U.S.C. § 512(c) (2012).

³⁷ *Io Group, Inc. v. Veoh Networks, Inc.*, 586 F. Supp. 2d 1132, 1142-43 (N.D. Cal. 2008) (citations omitted).

The DMCA speaks on many requirements necessary for the safe harbor provision, but fails to mention what happens when an ISP encourages users to share illegal material. In *MGM Studios, Inc. v. Grokster, Ltd.*, the Supreme Court held Grokster liable for doing just this.³⁸ Even though Grokster may not have had specific knowledge of when a user did actually upload and share illegal material, it encouraged its users to share illegal material and the company could be found liable by a jury.³⁹ The court explained, “one who distributes a device with the object of promoting its use to infringe copyright, as shown by clear expression or other affirmative steps taken to foster infringement, is liable for the resulting acts of infringement by third parties.”⁴⁰

Given the increasing use of the Internet over the past decade or two, copyright infringement claims have been finding their way to the courts more and more. The courts have analyzed various issues within these copyright infringement claims, taking a careful look at the safe harbor provision found within the DMCA. Some of these issues include the specific knowledge prong within the DMCA and the idea of lawful versus unlawful uses of Internet websites. The following subsections look at the case law that has developed over the past couple decades and the rules that have been created as innovation creates new copyright infringement opportunities.

1. Cases Involving the Safe Harbor Provision

Once a defendant proves that he has met all of

³⁸ *MGM Studios, Inc. v. Grokster, Ltd.*, 545 U.S. 913 (2005).

³⁹ *Id.* at 924.

⁴⁰ *Id.*

the requirements of the safe harbor provision, he is protected from liability because the safe harbor provision is an affirmative defense.⁴¹ The Ninth Circuit has an abundance of cases dealing with copyright infringement in our technologically growing world. In *UMG Recordings, Inc. v. Shelter Capital Partners LLC*, the Ninth Circuit granted Veoh Networks partial summary judgment “in a careful and comprehensive decision holding that Veoh met all the § 512(c) requirements and thus was entitled to DMCA safe harbor protections.”⁴² The plaintiff, UMG Recordings Inc., did not dispute that Veoh removed the copyrighted material from its webpage, but “filed suit against Veoh for direct, vicarious and contributory copyright infringement, and for inducement of infringement.”⁴³ UMG further alleged that “Veoh’s efforts to prevent copyright infringement on its system were ‘too little too late’ because Veoh did not adopt filtering technology until ‘after Veoh harbored infringing material for its own benefit[.]’”⁴⁴ Finally, UMG argued that Veoh only removed copyrighted material that was identified in the notice of infringement.⁴⁵ Nothing in the safe harbor provision requires that ISPs implement a system that detects and prevents copyright infringement or that it has to remove material that is not listed within a notice of copyright infringement. Even though Veoh had copyrighted material on its website, it was not found liable because it satisfied all four of the requirements

⁴¹ See *UMG Recordings, Inc. v. Shelter Capital Partners LLC*, 718 F.3d 1006, 1013 (9th Cir. 2013).

⁴² *Id.* at 1013.

⁴³ *Id.*

⁴⁴ *Id.*

⁴⁵ *Id.*

under § 512(c).⁴⁶

In *Viacom International Inc. v. YouTube, Inc.*⁴⁷ the Court found that

Section 512(m) is explicit: DMCA safe harbor protection cannot be conditioned on affirmative monitoring by a service provider. For that reason, § 512(m) is incompatible with a broad common law duty to monitor or otherwise seek out infringing activity based on general awareness that infringement may be occurring.⁴⁸

Instead, an ISP is only required to remove copyrighted information once it receives notice that its website contains copyrighted information. As long as an ISP follows the requirements found in the safe harbor provision, it will be protected from liability.⁴⁹

a. Specific Knowledge

The first requirement of the safe harbor provision is that the ISP: “(A)(i) does not have actual knowledge that the material or an activity using the material on the system or network is infringing.”⁵⁰ Courts have been reluctant to stray from a strict application of this provision. In *Sony Corporation of America v. Universal City Studios, Inc.*, the Supreme Court found that there was “no precedent in the law of copyright for the imposition of vicarious liability” based on the fact that a defendant had “sold equipment with constructive knowledge of the fact that

⁴⁶ *Id.*

⁴⁷ *Viacom Int’l, Inc. v. YouTube, Inc.*, 676 F.3d 19, 27 (2d Cir. 2012).

⁴⁸ *Id.* at 35.

⁴⁹ 17 U.S.C. § 512 (2012).

⁵⁰ 17 U.S.C. § 512(A)(i).

their customers may use that equipment to make unauthorized copies of copyrighted material.”⁵¹ The Ninth Circuit adapted the holding of *Sony* to the internet, and held that “if a computer system operator learns of specific infringing material available on his system and fails to purge such material from the system, the operator knows of and contributes to direct infringement,” however, “absent any specific information which identifies infringing activity, a computer system cannot be liable for contributory infringement merely because the structure of the system allows for the exchange of copyrighted material.”⁵²

The Ninth Circuit has had the opportunity to adjudicate several cases pertaining to copyright infringement and the Internet. In so doing, it has had the opportunity to establish its opinion on the purpose of specific knowledge found in the safe harbor provision, and why it believes allowing a general knowledge of copyright infringement should not be a basis for liability.

[I]f merely hosting material that falls within a category of content capable of copyright protection, with the general knowledge that one’s services could be used to share unauthorized copies of copyrighted material, was sufficient to impute knowledge to service providers, the § 512(c) safe harbor would be rendered a dead letter: § 512(c) applies only to claims of copyright infringement, yet the fact that a service provider’s website could

⁵¹ *Sony Corp. of America v. Universal City Studios, Inc.*, 464 U.S. 417, 439 (1984).

⁵² *A & M Records, Inc. v. Napster, Inc.* 239 F.3d 1004, 1021 (9th Cir. 2001).

contain copyrightable material would remove the service provider from § 512(c) eligibility.⁵³

The court emphasizes the idea that if it were to hold an ISP to a general knowledge standard, the safe harbor provision of the DMCA would be useless. While the Ninth Circuit holds that specific knowledge should be the standard by which it will determine whether an ISP has engaged in copyright infringement, the Second Circuit held in *Viacom International v. YouTube, Inc.*, that “a service provider cannot willfully bury its head in the sand to avoid obtaining such specific knowledge.”⁵⁴

In *Viacom*, the plaintiff, owner of several television networks, sued the defendant, YouTube, for copyright infringement of videos uploaded by users to its website.⁵⁵ In order to find YouTube liable for its users’ illegal actions of uploading copyrighted videos, Viacom claimed that YouTube had specific knowledge of copyright infringement and failed to remove the illegally uploaded videos.⁵⁶ After a thorough analysis of the DMCA safe harbor requirements, the Court found that YouTube deserved protection under the safe harbor provision.⁵⁷ Looking to the fact that YouTube removed all copyrighted videos once notified, the court was able to uphold the safe

⁵³ *UMG Recordings, Inc. v. Shelter Capital Partners LLC*, 718 F.3d 1006, 1021 (9th Cir. 2013).

⁵⁴ *UMG Recordings, Inc. v. Shelter Capital Partners LLC*, 718 F.3d 1006, 1023 (9th Cir. 2013) (quoting *Viacom Int’l v. YouTube, Inc.*, 676 F.3d 19, 31 (2d Cir. 2012)).

⁵⁵ *Viacom Int’l, Inc. v. YouTube, Inc.*, 718 F. Supp. 2d 514, 529 (S.D.N.Y. 2010)

⁵⁶ *Id.* at 518-519.

⁵⁷ *Id.* at 523.

harbor provision.⁵⁸ Viacom then tried to argue that even though YouTube may not have had specific knowledge of copyrighted material, it had general knowledge of copyrighted material on its website.⁵⁹ YouTube was granted summary judgment because the judge found that YouTube did not know which users had permission to upload and therefore could not be held liable for general knowledge of copyrighted material on their website.⁶⁰

While many ISPs such as Facebook or Twitter have difficulty monitoring all of their users' activities, making it harder to prove specific knowledge of copyright infringement, the company Napster set up its operations in a way that specific knowledge was obvious. The case *A&M Records v. Napster, Inc.* is a great example of how effective the DMCA can be in stopping ISPs from allowing their users to infringe copyrighted materials. Napster allowed users to search its directory for files and then provided the user with the address of the computer that contained the wanted file.⁶¹ Because Napster controlled and owned the centralized system where the directory was located, the plaintiffs were able to show that

⁵⁸ *Id.*

⁵⁹ *Id.*

⁶⁰ *Id.* It should be noted that this case was appealed in 2012. The United States Court of Appeals for the Second Circuit remanded the case to the District Court to determine whether YouTube had knowledge or awareness of any specific instances of infringement corresponding to the clips-in-suit. *Viacom Int'l, Inc. v. YouTube, Inc.*, 676 F.3d 19, 41 (2d Cir. N.Y. 2012). However, on April 18, 2013, District Judge Stanton again granted summary judgment in favor of defendant YouTube. *Viacom Int'l, Inc. v. Youtube, Inc.*, 940 F. Supp. 2d 110 (S.D.N.Y. 2013).

⁶¹ *A&M Records v. Napster, Inc.*, 239 F.3d 1004, 1011 (9th Cir. 2001).

Napster had actual knowledge of illegal copyrighting activity.⁶² Whereas Facebook and Twitter have a strong argument that they are not aware if a user reposts or tweets copyrighted material, Napster could not use this same argument. Napster owned and operated the system; therefore actual knowledge of copyright infringement was obvious.

b. Lawful & Unlawful Use

In *Metro-Goldwyn-Mayer Studios, Inc. v. Grokster, Ltd.*, the question the court answered was “under what circumstances the distributor of a product capable of both lawful and unlawful use is liable for acts of copyright infringement by third parties using the product.”⁶³ After a lengthy analysis, the court held “that one who distributes a device with the object of promoting its use to infringe copyright, as shown by clear expression or other affirmative steps taken to foster infringement, is liable for the resulting acts of infringement by third parties.”⁶⁴ The court took a lot of its analysis from the Supreme Court case of *Sony Corporation of America v. Universal City Studios*,⁶⁵ in which the Court held that “distribution of a commercial product capable of substantial noninfringing uses could not give rise to contributory liability for infringement unless the distributor had actual knowledge of specific instances of in-

⁶² *Id.* at 1023.

⁶³ *Metro-Goldwyn-Mayer Studios, Inc. v. Grokster, Ltd.*, 545 U.S. 913, 918-19 (2005).

⁶⁴ *Id.*

⁶⁵ *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417 (1984) (establishing that secondary infringement can arise from the very distribution of a commercial product, but there must be evidence of stated or indicated intent to promote infringing uses in order to impose liability on Sony).

fringement and failed to act on that knowledge.”⁶⁶

This analysis is a good reflection of a doctrine that is now codified in the United States Code that distribution of a component of a patented device will not violate the patent if it is suitable for use in other ways.⁶⁷ Several cases have cited this proposition by stating that “[o]ne who makes and sells articles which are only adapted to be used in a patented combination will be presumed to intend the natural consequences of his acts; he will be presumed to intend that they shall be used in the combination of the patent.”⁶⁸ While the courts strongly uphold the doctrine that parties will be held liable if they distribute a product intended for copyright infringement, the doctrine also “absolves the equivocal conduct of selling an item with substantial lawful as well as unlawful uses, and limits liability to instances of more acute fault than the mere understanding that some of one’s product will be misused. It leaves breathing room for innovation and a vigorous commerce.”⁶⁹

⁶⁶ *Metro-Goldwyn-Mayer*, 545 U.S. at 927 (summarizing the Court of Appeals’ interpretation of *Sony*, 464 U.S. 417).

⁶⁷ See 35 U.S.C. §271(c) (2012); see also *Metro-Goldwyn-Mayer*, 545 U.S. at 932; *Aro Mfg. Co. v. Convertible Top Replacement Co.*, 377 U.S. 476 (1964) (noting codification of cases) (“The doctrine was devised to identify instances in which it may be presumed from distribution of an article in commerce that the distributor intended the article to be used in commerce that the distributor intended the article to be used to infringe another’s patent, and so may justly be held liable for infringement.”).

⁶⁸ *New York Scaffolding Co. v. Whitney*, 224 F. 452, 459 (8th Cir. 1915); see also *James Heekin Co. v. Baker*, 138 F. 63, 66 (8th Cir. 1905); *Canada v. Michigan Malleable Iron Co.*, 124 F. 486, 489 (6th Cir. 1903).

⁶⁹ *Metro-Goldwyn-Mayer*, 545 U.S. at 932 (citing *Sony*, 464 U.S. at 442); *Dawson Chemical Co. v. Rohm & Haas Co.*, 448 U.S. 176 (1980)).

This doctrine holds true to the concept that because a product can be used in an unlawful way does not necessarily mean that the item itself is unlawful. For example, a hammer is not unlawful by its nature. Instead a hammer is designed to hammer and remove nails or staples, and to bend metal. However, the hammer is not designed to be used as a weapon for murder. Yet in 2011, more murders were committed by hammers and clubs than murders committed by rifles.⁷⁰ Even though hammers have been used in an illegal manner, it does not mean that those who distributed the hammers should be found liable for accessory to murder. Hammer producers Kobalt, Bostitch, and VAUGHN should not be found partially responsible for any murders or any other type of crime committed with a hammer (e.g., breaking and entering, battery, or assault).

III. PINTEREST SUED: IS IT LIABLE?

Most top social network and video sharing ISPs (e.g., Facebook,⁷¹ Twitter, YouTube, and Mega-video) have been challenged in court for some type of claim for copyright infringement. However, Pinterest, the third largest social network that continues to grow in popularity by the day, has yet to be chal-

⁷⁰ Awr Hawkins, *FBI: More People Killed with Hammers, Clubs Each Year Than Rifles*, BREITBART (Jan. 3, 2013), <http://www.breitbart.com/Big-Government/2013/01/03/FBI-More-People-Killed-With-Hammers-and-Clubs-Each-Year-Than-With-Rifles>.

⁷¹ See *Facebook, Inc. v. Power Ventures, Inc.*, 844 F. Supp. 2d 1025, 1028 (N.D. Cal. 2012); see also *Facebook, Inc. v. ConnectU LLC*, 489 F. Supp. 2d 1087, 1089 (N.D. Cal. 2007). There, the court found that a competing social networking site violated Section 502 when it accessed the Facebook website to collect “millions” of email address of Facebook users, and then used those email addresses to solicit business for itself. *Id.*

lenged for copyright infringement in court. While Pinterest's terms of service and copyright policies outline guidelines for users and protections for copyright owners, it is only a matter of time before a "pin" is more than just an image "re-pinned" on hundreds of Pinterest users' boards. It is inevitable that one day a copyright owner is going to be surfing the web and find his copyrighted image on Pinterest.

One might be surprised to know that this scenario has not yet occurred, and the issue of copyright infringement has not ended in court, but the fact that Pinterest is not a profit-making company is plays a huge role in its ability to avoid litigation. However, prospective future business models for Pinterest, where companies will be able to buy certain boards as a means of advertising,⁷² the potential for damages could be great.⁷³ Given the development of copyright law, how would a court analyze a claim of copyright infringement against Pinterest? This Part will apply current copyright laws and common law to predict how a court would analyze these intellectual property issues.

Predictably, if a copyright owner brought a claim of copyright infringement (direct, willful, con-

⁷² Maria Duron, *Pinterest When You're a Service Provider*, BUZZ101 (May 14, 2012), <http://thebuzz101.blogspot.com/2012/05/pinterest-when-youre-service-provider.html> (discussing business opportunities for companies and advantages of using Pinterest to get ahead); see also Hollis Thomases, *4 Things Pinterest Isn't Saying*, INC. (Feb. 24, 2012), <http://www.inc.com/hollis-thomases/what-pinterest-wont-tell-you.html> (discussing Pinterest's appeal to businesses, but the copyright implications involved with using Pinterest).

⁷³ It should be noted that businesses can currently sign up for a business membership with Pinterest, however Pinterest has not used this route as a means of profit, but may look to do so in the future.

tributory, or vicarious) against Pinterest, Pinterest would use the safe harbor provision of the Digital Millennium Copyright Act and argue that it meets all four of the requirements and deserves protection from liability.⁷⁴ First, Pinterest would argue that it is an ISP as defined by the Act. The plaintiff would then try to argue and rebut this fact to show that Pinterest is not a service provider as defined by the Act and does not deserve protection. However, in *In re Aimster Copyright Litigation*,⁷⁵ the District Court for the Northern District of Illinois looked to the language of the DMCA in order to determine what a service provider is defined as under the Act. After a detailed discussion of the definition of a service provider,⁷⁶ the court said that it would “have trouble imaging the existence of an online service that *would not* fall under the definitions”⁷⁷ of what a service provider is under the DMCA. Finally, in *Perfect 10, Inc. v. Cybernet Ventures, Inc.*, the District Court for the Central District of California also discussed the

⁷⁴ See *supra* note 36 and accompanying text.

⁷⁵ *In re Aimster Copyright Litigation*, 252 F. Supp. 2d 634 (2002).

⁷⁶ “The DMCA defines ‘service provider’ in two different ways, depending upon which safe harbor is at issue. For the purpose of the Transitory Communication Safe Harbor, ‘service provider’ is defined as ‘an entity offering the transmission, routing, or providing of connections for digital online communications, between or among parties specified by a user, of material of the user’s choosing, without modification of the content of the material as sent or received.’ 17 U.S.C. § 512(k)(1)(A). For the purposes of the remaining safe harbors, the ‘service provider’ definition is even more broad: a service provider is ‘a provider of online services or network access, or the operator of facilities therefor.’ 17 U.S.C. § 512(k)(1)(B). The second definition further provides that it includes any entity that qualifies under the first definition. *Id.*” *Aimster*, 252 F. Supp. 2d at 657-58.

⁷⁷ *Id.* at 658.

broad definition of a service provider and stated that “[a]lthough there appears to be uniform agreement that the definition is broad . . . the Court has found no discussion of this definition’s limits.”⁷⁸ Given the social media platform that Pinterest allows and the potential for business uses on the website, I do not think a court would find difficulty in labeling Pinterest as a service provider as defined by the DMCA.

A. Types of Claims That Could Be Made

A copyright owner could pursue many different types of copyright infringement claims. Below are hypotheticals under (1) direct copyright infringement, (2) willful infringement, (3) contributory copyright infringement, and (4) vicarious liability.

1. Direct Copyright Infringement

If a copyright owner tried to sue Pinterest on a claim of direct copyright infringement when one of Pinterest’s users pinned or re-pinned the copyright owner’s image or video, I think a court would look to statutory and common law protections that would allow Pinterest to escape liability. In order to prevail on a direct copyright infringement claim, “a plaintiff must show that he owns the copyright and that the defendant himself violated one or more of the plaintiff’s exclusive rights under the Copyright Act.”⁷⁹

A court could look to *Cartoon Network LP, LLLP v. CSC Holdings, Inc.*,⁸⁰ for guidance on whether Pinterest should be found liable for direct

⁷⁸ 213 F.Supp.2d 1146, 1175 (C.D.Cal.2002).

⁷⁹ *Ellison v. Robertson*, 357 F.3d 1072, 1076 (9th Cir. 2004) (citing *A & M Records v. Napster, Inc.*, 239 F.3d 1004, 1013 (9th Cir. 2001)).

⁸⁰ *Cartoon Network LP, LLLP v. CSC Holdings, Inc.*, 536 F.3d 121 (2d Cir. 2008).

copyright infringement or not. In *Cartoon Network*, the Second Circuit “held that the defendants’ Remote Storage DVR (“RS-DVR”) service did not render them liable for infringement of the plaintiffs’ [] rights.”⁸¹ The Second Circuit eventually held that “it was the customer who ‘made’ the copies at issue, not the defendants who merely created and maintained the automated systems for doing so and, therefore, the defendant could not be directly liable for violating the [copyright owner’s] rights.” Because Pinterest users are responsible for things that are “pinned” (uploaded) or “re-pinned” on the site and a copyright owner would have difficulty proving that Pinterest itself “violated one or more of the plaintiff’s exclusive rights under the Copyright Act,”⁸² I predict that a court would not find Pinterest liable for direct copyright infringement.

2. Willful Infringement

If a copyright owner tried to sue Pinterest on a claim of willful infringement when one of Pinterest’s users pinned or re-pinned the copyright owner’s image or video, I again think a court would look to statutory and common law protections that would allow Pinterest to escape liability. In order to prove willful infringement under the Copyright Act,⁸³ a plaintiff must prove one of two things: (1) that the defendant knew its conduct was infringing or (2) that the defendant’s actions were the result of reckless disregard or willful blindness to the prospect that its con-

⁸¹ *Agence France Presse v. Morel*, 934 F. Supp. 2d 547 (S.D.N.Y. 2013) (citing *Cartoon Network*, 536 F.3d 121, 130-33).

⁸² *Ellison*, 357 F.3d at 1076.

⁸³ See 17 U.S.C. § 504(c) (2012).

duct was infringing.⁸⁴

Courts have looked to the defendant's state of mind to determine whether the defendant was on notice that a certain piece of copyrighted work was protected or whether the infringer had warnings of the infringement.⁸⁵ If the defendant or infringer's acts are made in good faith that its conduct is innocent, then infringement is usually not willful.⁸⁶ Finally, the copyright owner has to prove the willfulness of the defendant.⁸⁷ If Pinterest is unaware of an illegal pin or re-pin, then I predict a court would have a difficult time finding Pinterest liable for willful infringement. Further, I think a plaintiff would have a very large uphill battle of proving that Pinterest was willful in copyright infringement.

3. Contributory Liability

Because of Pinterest's nature of pinning, re-pinning, terms of service, and copyright policies, I think any copyright owner would find difficulty in getting a court to find liability for direct or willful copyright infringement for Pinterest. However, I think Pinterest would be closer to liability under a contributory or vicarious copyright infringement claim.

In order to win on a claim of contributory copyright infringement, a copyright owner must show that an infringer is "one who, with knowledge of the

⁸⁴ *Bryant v. Media Rights Prods.*, 603 F.3d 135, 143 (2d Cir. 2010); *Island Software and Computer Serv. v. Microsoft Corp.*, 413 F.3d 257, 263 (2d Cir. 2005).

⁸⁵ *Agence France Presse*, 934 F. Supp. 2d at 569 (citations omitted).

⁸⁶ *N.A.S. Imp., Corp. v. Chenson Enters., Inc.*, 968 F.2d 250, 252 (2d Cir.1992).

⁸⁷ *Bryant*, 603 F.3d at 143.

infringing activity, induces, causes or materially contributes to the infringing conduct of another, may be held liable as a ‘contributory’ infringer.”⁸⁸ The knowledge prong is determined on a subjective level, but liability requires that “the defendant engage[d] in ‘personal conduct that *encourages* or assists the infringement.”⁸⁹ Finally, courts have generally only found a defendant to be contributorily liable if it “(1) knew or had reason to know of the infringement and (2) materially contributed to the infringement.”⁹⁰

In order to find Pinterest liable for contributory copyright infringement, a copyright owner would have to prove that Pinterest not only knew that one of its users directly infringed copyrighted material, but also that Pinterest *materially contributed* to the infringement. Even though a copyright owner could argue that “[o]ne who furnishes a copyrighted work to another, who in turn wrongfully copies from that work, may be liable as infringer,”⁹¹ and that Pinterest by its nature “furnishes” copyrighted work to its users by giving the forum and outlet to do so, I do not

⁸⁸ A & M Records, Inc. v. Napster, Inc., 239 F.3d 1004, 1019 (9th Cir. 2001) (quoting Gershwin Publ’g Corp. v. Columbia Artists Mgmt., Inc., 443 F.2d 1159, 1162 (2d Cir. 1971)).

⁸⁹ *Id.* at 1019 (quoting Matthew Bender & Co. v. West Publ’g Co., 158 F.3d 693, 706 (2d Cir. 1998)) (emphasis added).

⁹⁰ Ellison v. Robertson, 357 F.3d 1072, 1076 (“We have interpreted the knowledge requirement for contributory copyright infringement to include both those with *actual knowledge* and those who *have reason to know* of direct infringement.”) (citing A & M Records, 239 F.3d at 1020); see also Capitol Records, Inc. v. MP3tunes, LLC, 821 F.Supp.2d 627, 648 (S.D.N.Y.2011).

⁹¹ Agence France Presse v. Morel, 934 F. Supp. 2d 547, 572 (S.D.N.Y. 2013) (alteration in original) (quoting MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT § 12.04(3)(b) (2012)).

a believe a court would buy this argument. If a court allowed this argument, then it would be going against the legislative purpose of the safe harbor provision. The safe harbor provision was crafted to make sure that ISPs were less likely to “hesitate to make the necessary investment in the expansion of the speed and capacity of the Internet.”⁹² Congress wants to “ensure[] that the efficiency of the Internet will continue to improve and that the variety and quality of services on the Internet will continue to expand.”⁹³

Further, currently with over 49 million users,⁹⁴ hundreds of millions of boards, pins, and re-pins, it would not only be unlikely, but also inefficient to make Pinterest monitor every pin to ensure that it is not one of copyrighted material. Pinterest should only have to act once it is notified by a copyright owner that a user has pinned or re-pinned a copyrighted image (as outlined by the DMCA).

4. Vicarious Liability

A few copyright owners have tried to sue individuals and companies under the theory of vicarious

⁹² S. REP. NO. 105-190, at 8 (1998).

⁹³ *Id.*

⁹⁴ Craig Smith, *How Many People Use 416 of the Top Social Media, Apps and Tools? (May 2014)* DIGITAL MARKETING RAMBLINGS (Apr. 2, 2013), <http://expandedramblings.com/index.php/resource-how-many-people-use-the-top-social-media/>; *Pinterest Is Worth \$2 Billion Because Its 25 Million Users Are Rich, Female, And Like To Spend*, BUSINESS INSIDER (Feb. 28, 2013, 7:35 AM), <http://www.businessinsider.com/pinterest-is-worth-2-billion-because-its-25-million-users-are-rich-female-and-like-to-spend-2013-2..>

liability of copyright infringement.⁹⁵ A defendant would be found vicariously liable for copyright infringement of others if the defendant “profit[s] from direct infringement while declining to exercise the right to stop him or limit it.”⁹⁶ Some courts have defined a standard to be used to determine if one is vicariously liable for copyright infringement: a plaintiff must show that the defendant has (1) the right and ability to control or supervise the infringing activity and (2) a direct financial interest in the exploitation of the copyrighted materials.⁹⁷

In *A & M Records v. Napster, Inc.*,⁹⁸ the Court determined that Napster could be found vicariously liable for copyright infringement because “Napster has both the ability to use its search function to identify infringing” material and “the right to bar participation of users who engage in the transmission of infringing files.”⁹⁹ While Pinterest has the ability to bar participation of users who engage in copyright infringement once it learns about illegal acts, Pinterest does not have the ability to search all of its members’ boards to determine what has been illegally pinned or re-pinned. Even if Pinterest did monitor its users’ pins, sometimes pinned images do not have anything depicting that the image is protected by

⁹⁵ See *Agence France Presse v. Morel*, 934 F. Supp. 2d 547, 572 (S.D.N.Y. 2013) (citing *Cartoon Network LP, LLLP v. CSC Holdings, Inc.*, 536 F.3d 121 (2d Cir. 2008)); see also *Metro-Goldwyn-Mayer Studios, Inc. v. Grokster, Ltd.*, 545 U.S. 913 (2005).

⁹⁶ *Metro-Goldwyn-Meyer*, 545 U.S. at 914.

⁹⁷ See *Arista Records LLC v. USENET.com*, 633 F. Supp. 2d 124, 156 (S.D.N.Y. 2009); *Dixon v. Atlantic Recording Corp.*, 1985 U.S. Dist. LEXIS 15291, at *6 (S.D.N.Y. Oct. 3, 1985).

⁹⁸ *A & M Records, Inc. v. Napster, Inc.* 239 F.3d 1004, 1021 (9th Cir. 2001).

⁹⁹ *Id.* at 1027.

copyright. Therefore it would be nearly impossible for Pinterest to control and supervise all of its members' actions as a means of monitoring copyright infringement.

In order to determine if a defendant is benefiting from the infringement or not, some courts will look to see if "parties pay fees or money to the allegedly vicariously liable defendant for the infringing works."¹⁰⁰ Pinterest is currently free of charge to all of its members and therefore cannot receive any financial benefit from money coming from users. While this could change if Pinterest decides to charge for business accounts in the future, I think a court would not find Pinterest vicariously liable for any direct copyright infringement of its users.

B. Protection From Digital Millennium Copyright Act's Safe Harbor Provision

Apart from the law under the Copyright Act of 1976, Pinterest is held to the standards as described by the DMCA. Unless a copyright owner could prove that Pinterest has actual knowledge that the material on the website is infringing, is aware of facts or circumstances from which infringing activity is apparent or upon obtaining such knowledge or awareness, receives a financial benefit from the infringement, or fails to respond expeditiously to remove the material, then Pinterest will not be found liable for any claim of copyright infringement (i.e., direct, willful, contributory, or vicarious).

The copyright owner has the burden to prove

¹⁰⁰ *Agence France Presse v. Morel*, 934 F. Supp. 2d 547, 574 (S.D.N.Y. 2013); *see e.g.*, *Yash Raj Films (USA), Inc. v. Bobby Music Co. & Sporting Goods, Inc.*, 2006 WL 2792756 at *1 (E.D.N.Y. Sept. 27, 2006).

these elements,¹⁰¹ and if he cannot, then a court will not impose liability on an ISP. While it is impossible to prove that Pinterest has met all of the requirements of the safe harbor provision without a claim against it and facts to dispute such a claim, Pinterest does take precautionary steps with its take down notice policy found on its website.¹⁰²

¹⁰¹ “DMCA notification procedures [would] place the burden of policing copyright infringement – identifying the potentially infringing material and adequately documenting infringement – squarely on the owners of the copyright.” *Perfect 10, Inc. v. CCBill LLC*, 488 F.3d 1102 (9th Cir. 2007).

¹⁰² See *Copyright*, PINTEREST, <http://about.pinterest.com/en/copyright> (last visited May 22, 2014).

In accordance with the Digital Millennium Copyright Act of 1998, the text of which may be found on the U.S. Copyright Office website at <http://www.copyright.gov/legislation/dmca.pdf>, Pinterest will respond expeditiously to claims of copyright infringement committed using the Pinterest website (the “Site”) that are reported to Pinterest’s Designated Copyright Agent, identified in the sample notice below.

If you are a copyright owner, or are authorized to act on behalf of one, or authorized to act under any exclusive right under copyright, please report alleged copyright infringements taking place on or through the Site by completing the following DMCA Notice of Alleged Infringement and delivering it to Pinterest’s Designated Copyright Agent. Upon receipt of the Notice as described below, Pinterest will take whatever action, in its sole discretion, it deems appropriate, including removal of the challenged material from the Site. DMCA Notice of Alleged Infringement (“Notice”).

CONCLUSION

Most companies and business people do not complain when their product ends up re-pinned on Pinterest because it is free advertising at its finest.¹⁰³ Therefore, it is no surprise that a plaintiff has not yet cried “copyright infringement” against Pinterest or individual users. However, the issue will arise when a non-Pinterest user finds his copyrighted image on Pinterest without his permission. A Pinterest user who posts his copyrighted image on Pinterest gives others the permission to re-pin and reproduce his image, however a non-Pinterest user has not given anyone the permission to post his image or have his image re-pinned on Pinterest.

Until a claim is brought against Pinterest and the facts are presented, it is hard to predict the actual outcome of a case, but as long as Pinterest abides by all of the requirements under the DMCA, Pinterest should be protected in its entirety. Currently, Pinterest may not have to be fearful of copyright infringement claims, but should be prepared for potential legal consequences if it decides to open its social networking website to the profits of business advertising and marketing. As Pinterest continues to grow every year and the number of pins and re-pins continue to multiply rapidly, the chances for copyright infringement increase rapidly at the same time. Pinterest and its members should both think before they pin.

Id.

¹⁰³ See Brendan Lowry, *Three Ways Pinterest Fits Into Your Company's Branding Strategy*, BUSINESS INSIDER (Apr. 3, 2013), <http://www.business2community.com/pinterest/three-ways-pinterest-fits-into-your-companys-branding-strategy-0455259>.

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**Banksy Got Back? Problems With
Chains of Unauthorized Derivative
Works and Arrangements in Cover
Songs Under a Compulsory License**

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Abstract

This Article will analyze the scope of copyright ownership in relation to chains of unauthorized derivative works and chains of arrangement rights in cover versions of musical recordings. In particular, the analysis will focus on the gray area in the law where an unauthorized derivative work (“D1”) is created by an author and another author creates a second derivative work (“D2”) based off of D1. In situations such as these, does the creator of the original derivative work have any rights in their creation if their derivative work was unauthorized?

Further, depending on what rights do exist for D1, can the creator of the D2 be found to be infringing upon D1? Moreover, even in the case of certain authorized chains of works such as musical “covers” produced under a compulsory license, does the creator of the first derivative work D1 have any legal recourse against further authorized derivative work creators who base their work on the first derivative work?

This phenomenon is demonstrated through examples based in contemporary urban art (Keith Haring and Banksy) and cover songs created through compulsory licenses (Sir Mix-A-Lot, *Glee*, and Jonathan Coulton).

Table of Contents

INTRODUCTION.....	405
I. BACKGROUND.....	406
II. DERIVATIVE WORKS.....	412
A. <i>The Derivative Work</i>	412
B. <i>Do You Need Authorization From the Original Copyright Holder to Create a Derivative Work?</i>	414
C. <i>Is There a Bright Line Rule Somewhere Over</i>	

	<i>the Rainbow?</i>	415
D.	<i>A TKO for Original Expression in Unauthorized Derivative Works?</i>	417
E.	<i>This Is What It Sounds Like When Unauthorized Derivative Works Holders Cry?</i>	419
F.	<i>Professor Nimmer's Treatise</i>	421
III.	THE FAIR USE DEFENSE & POLICY CONCERNS	423
A.	<i>Policy</i>	423
B.	<i>Fair Use, Punishment, and the Public Domain</i>	428
IV.	ANALYSIS & APPLICATION	432
A.	<i>Did Banksy Choose the Wrong Weapon? ...</i>	432
B.	<i>Did Baby Get Back Any Rights for Coulton?</i>	436
V.	WHICH WEAPON SHOULD BANKSY CHOOSE? HOW CAN COULTON GET BACK HIS "BABY GOT BACK"?	437
A.	<i>Viable Severability Standard</i>	439
B.	<i>Attribution & Moral Rights</i>	441
C.	<i>Licensing</i>	442
	CONCLUSION	443

INTRODUCTION

This Article will analyze the scope of copyright ownership in relation to chains¹ of unauthorized derivative works and chains of arrangement rights in "cover" versions of musical recordings. In particular,

¹ "Chains," as utilized in this Article, is a term coined by Professor Brett Frischmann at Benjamin N. Cardozo School of Law, after a discussion with him regarding this phenomenon. Chains occur when the second author borrows from the first author's work, creating a derivative work. It can be further complicated, or lengthened, when a third author borrows from the second author's work, and so forth.

the analysis will focus on the gray area in the law where an unauthorized derivative work (“D1”) is created, and then a different author creates a second derivative work (“D2”) based off of D1. In this situation, does the creator of the original derivative work have any rights in his or her creation if the derivative work was unauthorized? Further, depending on what rights exist for the creator of D1, can the creator of D2 be found to be infringing upon D1?

Moreover, even in the case of certain authorized chains of works such as musical “covers” produced under compulsory licenses, does the creator of the first derivative work have any legal recourse against further authorized derivative work creators who base their work on the first derivative work?

I. BACKGROUND

To better understand this phenomenon, one may first look to the world of contemporary urban art. The famed New York artist Keith Haring created many illustrations of a barking dog in his iconic style.



Figure 1. Keith Haring's Barking Dog²

Over 30 years later, the elusive street artist Banksy (most likely without authorization) created a piece of street art, entitled "Choose Your Weapon," in which a hooded character is taking the Haring dog for a walk.



Figure 2. Choose Your Weapon, Banksy³

As a response to Banksy's creation (and his subsequent creation of a title sequence for *The Simp-*

² Keith Haring's Barking Dog, MATHI DESIGN, http://www.mathidesign.com/boutique_us/images_produits/zMURDO_1.jpg (last visited May 24, 2014).

³ Banksy's Choose Your Weapon, URBAN DEFECTS GALLERY, <http://www.urbandefectsgallery.com/shop/banksy-choose-your-weapon-grey/> (last visited May 24, 2014).

sons),⁴ another street art collective under the moniker J-Boy created a piece of urban art entitled “Very Little Helper,”⁵ a variation featuring *only* the Banksy hooded character walking Santa’s Little Helper, the family dog from the classic television show *The Simpsons*. Note that J-Boy’s creation does not use the Haring dog or any expression from the original work in the chain.



Figure 3. Very Little Helper, J-Boy⁶

⁴ *Banksy Drags the Simpsons Into the Sweatshop in Controversial New Title Sequence*, DAILY MAIL REP. (Oct. 11, 2010, 12:15 PM), <http://www.dailymail.co.uk/tvshowbiz/article-1319517/Banksys-Simpsons-Korean-sweatshop-opening-sequence.html>.

⁵ Stephen Saban, *JBoy vs Banksy: It's Dog Eat Dog in the Graffiti World*, WOW REP. (Oct. 11, 2010, 1:15 PM), http://worldofwonder.co/2010/10/11/Dog_Eat_Dog_in_the_Graffiti/?utm_source=wow&utm_medium=permalink&utm_campaign=related.

⁶ J-Boy's Very Little Helper, 34 FINE ART GALLERY, <http://34fineart.com/emulateind.htm> (last visited May 24, 2014).

Although the parties in this example will most likely never litigate these issues in court, we will assume for the purposes of this Article that they in fact are litigating the hypothetical in order to analyze how the law might be applied. For this reason, this chain of works raises many questions as to which parties own which copyrights in which images. For instance, if Banksy did not receive authorization from Haring (or Haring's foundation) to create "Choose Your Weapon," does he forfeit all copyright protection in his entire piece? Similarly, does the law allow Banksy to be found to be infringing upon Keith Haring's copyright in his dog, while at the same time retaining a valid copyright in his hooded figure?

Further, depending on how the law interprets the extent of Banksy's copyright protection in his unauthorized derivative work will dictate if, and to what extent J-Boy possesses a valid copyright in his derivative work based off of Banksy's "Choose Your Weapon." If the court finds that Banksy, as the creator of an unauthorized derivative work, deserves no copyright protection at all, and has no valid copyright in "Choose Your Weapon," this will essentially allow J-Boy to use his original expression free of the threat of infringement. Alternatively, if the court recognizes a copyright in Banksy's original creation of the hoodie character because it is severable from the Haring dog, then this may open up J-Boy to liability for copyright infringement.

Another illustration of this gray area of rights attached to chains of works can be seen in the arena of sound recordings. Recently, the hit television show *Glee* lawfully, under a compulsory license, recorded and performed a cover version of the classic hip hop song "Baby Got Back," originally recorded by

Sir Mix-a-Lot.⁷ Pursuant to the compulsory license *Glee* recorded and performed what may be described as a country music variation.

Previously, a musician named Jonathan Coulton, also under a valid compulsory license, had recorded a country version of “Baby Got Back.” Interestingly, the *Glee* version of the song shockingly resembled the Coulton cover.⁸ One could gather that in reality, *Glee*’s version of “Baby Got Back” was actually a cover of Coulton’s pre-existing cover.⁹ Notably, Coulton’s cover does not receive its own copyright protection as far as the underlying musical composition because of the compulsory license Coulton acquired for his cover, which does not protect the arrangement itself.

Anybody may obtain a compulsory license to make a cover version of a song, provided that all formalities in 17 U.S.C. § 115 are followed. A compulsory license may be obtained for any nondramatic musical work that has previously been distributed to the public in the United States under the authority of the copyright owner.¹⁰ Consequently, a cover artist must serve proper notice on the copyright holder and make timely royalty payments to the copyright holder.¹¹ Further, § 115 allows the cover artist “the

⁷ Chelsea Stark, ‘*Glee*’ *Airs ‘Baby Got Back’ Cover Despite Copyright Controversy*, MASHABLE (Jan. 25, 2013), <http://mashable.com/2013/01/25/glee-baby-got-back-jonathan-coulton>.

⁸ Madina Toure, *Artist Unhappy With Glee’s Use of ‘Baby Got Back’: Do Cover Songs Have an Identity of Their Own?*, SYRACUSE.COM BLOG (Jan. 28, 2013, 1:20 PM), http://blog.syracuse.com/opinion/2013/01/post_181.html.

⁹ *Id.*

¹⁰ 17 U.S.C. §115(a)(1) (2012).

¹¹ *Id.* at § 115(b)(1), (c)(2).

privilege of making a musical arrangement of the work to the extent necessary to conform it to the style or manner of interpretation of the performance involved, but the arrangement shall not change the basic melody or fundamental character of the work, and *shall not be subject to protection as a derivative work* under this title, except with the express consent of the copyright owner.”¹²

Essentially, by choosing to record his cover version under a compulsory license, Coulton elected to receive no rights in the new arrangement used to produce his country version. Under § 115, the arrangement effectively falls into the public domain, and consequently the cover artist cannot claim it because of the way the statute is designed, and the original songwriter cannot claim it, as the original songwriter is not author of the arrangement.¹³

The ownership of the copyright as to the composition and arrangement of “Baby Got Back” belongs to Anthony L. Ray (better known by his stage name, Sir Mix-A-Lot), and its publisher Universal Music,¹⁴ and as such Coulton appears to have no legal recourse against *Glee* for copyright infringement for copying his country arrangement of the song.¹⁵

Once again, creators of the first work in a chain of works may have no recourse to protect their

¹² *Id.* at (a)(2) (emphasis added).

¹³ Mike Madison, *Coulton, Glee, and Copyright*, MADISONIAN.NET BLOG, (Jan. 28, 2013), <http://madisonian.net/2013/01/28/coulton-glee-and-copyright>.

¹⁴ Elizabeth Landau, *Singer Alleges ‘Glee’ Ripped Off His Cover Song*, CNN (Jan. 26, 2013, 11:59 AM), <http://www.cnn.com/2013/01/26/showbiz/glee-coulton-song-copyright/index.html>.

¹⁵ Note that the analysis would differ if *Glee* actually used Coulton’s sound recording, as that would be infringement.

original portions of such works, allowing the next in the chain to freely steal their expression. In this case, the fact that a compulsory license under § 115 clearly states that the cover artist does not create a derivative work makes the arrangement unprotectable and leaves Coulton in a difficult situation.¹⁶

Attempting to quantify the actual rights of each member of these derivative work chains will involve analyzing many ambiguous areas of law such as: (1) if authorization is needed to create a derivative work that will result in any rights at all for the derivative artist, (2) the many policies behind different court's reasoning for denying or allowing derivative work rights without prior approval, (3) some exceptions unique to each area of intellectual property (such as VERA for works of fine art and compulsory licenses for musical compositions), and (4) some possible solutions to remedy such situations.

II. DERIVATIVE WORKS

A. The Derivative Work

The Copyright Act of 1976, specifically in § 106(2), bestows on creators of original works of authorship (which are fixed in any tangible medium of expression) a collection of exclusive rights including the right “to prepare derivative works based upon the copyrighted work.”¹⁷

A derivative work is defined in 17 U.S.C. §102 as:

a work based upon one or more preexisting works, such as a translation, musical arrangement, dramatization, fictionalization, motion picture version, sound recording, art

¹⁶ 17 U.S.C. § 115(a)(2) (2012).

¹⁷ 17 U.S.C. § 106(2) (2012).

reproduction, abridgement, condensation, or any other form in which a work may be recast, transformed, or adapted. A work consisting editorial revisions, annotations, elaborations, or other modifications which, as a whole, represent an original work of authorship, is a “derivative work.”¹⁸

Accordingly, under this definition both pieces of art based on the Haring dog qualify as derivative works. Moreover, both musical cover versions of “Baby Got Back” are not considered to be derivative works under § 115, but would be under other similar circumstances, which will be discussed in the solutions portion of this Article.¹⁹

Relatedly, both of these examples also demonstrate how the right to reproduce these works can be extremely profitable. Commonly, the rights to reproduce such derivative works can be more valuable than the right to the original work itself.²⁰ Banksy is considered by many to be the most popular living street artist of our generation, having had several pieces of art sell for over a million dollars at auction,²¹ and his art being reproduced and sold on everything from canvases to T-shirts. Similarly, *Glee* is one of the highest rated shows on television today,²²

¹⁸ 17 U.S.C. § 102 (2012).

¹⁹ See *infra* Part IV.B.

²⁰ *Atari, Inc. v. North Am. Philips Consumer Elec. Corp.*, 672 F.2d 607, 618 n.12 (7th Cir. 1982).

²¹ Lowpro, *Viewpoints: Top 25 Most Expensive Banksy Works Ever*, ARRESTED MOTION (Sept. 21, 2011), <http://arrestedmotion.com/2011/09/banksy-top-25-most-expensive-works-ever>.

²² Daniel Bowen, *Glee: The Most Important Show on TV?*, WHAT CULTURE (Oct. 30, 2012), <http://whatculture.com/tv/glee-the-most-important-show-on-tv.php>.

and for a small up-and-coming artist such as Coulton, being associated with such a hit television show could exponentially increase his current fan base, resulting in greater record sales and live concert attendance.

B. Do You Need Authorization From the Original Copyright Holder to Create a Derivative Work?

The crux of the issue at hand, especially when analyzing the Keith Haring derivative works chain, is whether the creator of an unauthorized derivative work can claim any rights in his or her unique expression. The answer to this question is one of abundant ambiguity and is greatly dependent on the Circuit in which the case is brought.

The Second Circuit in *Eden Toys, Inc. v. Florelee Undergarment Co.* dealt with the fictional children's cartoon character Paddington Bear.²³ The court held that when analyzing a string of derivative illustrations that the Plaintiff indeed did have a valid copyright obtained through licenses authorizing the derivative works, but addressed the possible outcome absent the valid license.²⁴ *Eden Toys* involves three successive tiers of valid copyrights in drawings of Paddington Bear which all were derivative works stemming from one another. The Plaintiff, through licensing agreements, obtained a valid copyright to all three tiers. In a footnote analyzing whether the Plaintiff could have a valid copyright in the chain of derivative without authorization in the original Paddington drawings, the court explains:

²³ *Eden Toys, Inc. v. Florelee Undergarment Co., Inc.* 697 F.2d 27, 35 (2d Cir. 1982).

²⁴ *Id.* at 36-37.

It is true that if Eden did not have Paddington's consent to produce a derivative work based on Paddington's copyrighted illustrations its derivative copyrights would be invalid, since the pre-existing illustrations used without permission would "tend[] to pervade the entire derivative work."²⁵

Here, the court recognizes the fact that a derivative work by its nature retains the "same aesthetic appeal" as the original work, and consequently, because of its inherent similarities, will be an infringing derivative work if authorization is absent.²⁶

C. Is There a Bright Line Rule Somewhere Over the Rainbow?

Around the same time the *Eden* case was being litigated, the Seventh Circuit, in *Gracen v. Bradford Exchange*,²⁷ although only in dicta, expresses the view that there is a bright line rule that a derivative work cannot be endowed with any copyright protection if the work was created without the authorization of the original works copyright holder.²⁸

In *Gracen*, the Defendant Bradford Exchange, under a license from MGM Studios, invited several artists to compete to win an exclusive contract to produce paintings that would be used on a series of collector's plates featuring characters from the classic movie *The Wizard of Oz*.²⁹ Originally, the Plaintiff Gracen's painting of the character Dorothy was

²⁵ *Id.* at 34 n.6.

²⁶ *Id.* at 35.

²⁷ *Gracen v. Bradford Exch.*, 698 F.2d 300 (7th Cir. 1983).

²⁸ *Pickett v. Prince*, 52 F. Supp. 2d 893 (N.D. Ill. 1999).

²⁹ *Gracen*, 698 F.2d at 301.

selected to be the image for the collector's plates, but after a disagreement as to the terms of the contract, Gracen was replaced by another artist who based their painting not on the movie's depiction of Dorothy, but instead on Gracen's painting of Dorothy.³⁰

Although the court affirmed the district court's grant of summary judgment on the grounds that the painting lacked sufficient originality to be copyrightable,³¹ in dicta the court, considering 17 USC §103(a), declared that:

[E]ven if Miss Gracen's painting and drawings had enough originality to be copyrightable as derivative works she could not copyright them unless she had authority to use copyrighted materials from the movie. "[P]rotection for a work employing preexisting material in which copyright subsists does not extend to any part of the work in which such material has been used unlawfully." Therefore, if Miss Gracen had no authority to make derivative works from the movie, she could not copyright the painting and drawings, and she infringed MGM's copyright by displaying them publicly.³²

Although in dicta, the *Gracen* court lays out a bright line rule awarding no rights to those who create unauthorized derivative works, even to such aspects that are original to the derivative work's author.

³⁰ *Id.*

³¹ *Id.* at 305.

³² *Id.* at 302.

***D. A TKO for Original Expression in
Unauthorized Derivative Works?***

Following in the footsteps of the *Gracen* decision, in the Ninth Circuit case, *Anderson v. Stallone*, Plaintiff Anderson was a screenwriter who wrote a 31-page treatment entitled *Rocky IV* based on the famous characters created by Sylvester Stallone for his *Rocky* movie franchise.³³ Sometime in the early 1980s, while on tour promoting the movie *Rocky III* to members of the press, Stallone shared an idea for *Rocky IV* in which Rocky is asked by a representative from the White House to fight a Russian boxer as a prelude to the Olympics.³⁴ The fight would take place in Russia, where Rocky would have to overcome insurmountable odds to become the victor. Anderson based his 31-page treatment on this description portrayed by Stallone and credited him as a co-author.³⁵ Anderson presented his treatment to members of MGM who would be producing the film, but they chose not to option Anderson's script. Subsequently, Stallone completed his own *Rocky IV* script, which was used to create the fourth installment of the series.³⁶

Plaintiff Anderson claims that Stallone had copied his *Rocky IV* script from Anderson's 31-page treatment, and brought suit for copyright infringement arguing the position that he is entitled to copyright protection for the non-infringing portions of his treatment.³⁷ The court granted summary judgment for Defendant Stallone partly based on the fact that

³³ *Anderson v. Stallone*, No. 87-0593-WDKGX, 1989 WL 206431 (C.D. Cal. Apr. 25, 1989).

³⁴ *Id.* at *1.

³⁵ *Id.*

³⁶ *Id.* at *2.

³⁷ *Id.* at *5.

Anderson's work was not entitled to any copyright protection under 17 U.S.C. § 103(a) and § 106(2).³⁸

Anderson argued that § 103(a) grants copyright protection to those parts of his treatment that are original expression, owed solely to him.³⁹ In his argument, Anderson pointed to the language of the Notes of Committee on the Judiciary, House Report No. 94-1476, which stated

the bill prevents an infringer from benefiting, through copyright protection, from committing an unlawful act, *but preserves* protection for those parts of the work that do not employ the preexisting work.⁴⁰

The court recognized that the language of the House Report is confusing, but disagreed with Anderson's logic, stating that taking the language as a whole is meant to award such rights only to compilations, not derivative works.⁴¹ The House Report clarifies this distinction by stating,

an unauthorized translation of a novel could not be copyrighted at all, but the owner of copyright in an anthology of poetry could sue someone who infringed the whole anthology, even though the infringer proves that publication of one of the poems was unauthorized.⁴²

The Court ultimately held that Stallone owns

³⁸ *Id.*

³⁹ *Id.* at *9.

⁴⁰ *Id.* (citing H.R. REP. 1476, 94th Cong., 2d Sess. 57-58 (1976)) (emphasis added).

⁴¹ *Id.*

⁴² *Id.*

the copyrights for the first three *Rocky* movies and that under 17 U.S.C. § 106(2), Stallone also has the exclusive right to prepare derivative works.⁴³ The Court also determined that due to the fact that Anderson's treatment is an unauthorized derivative work, he has no interest in the copyright (even in parts original to his own expression) and has infringed upon Stallone's copyright.⁴⁴

***E. This Is What It Sounds Like When
Unauthorized Derivative Works Holders Cry?***

Ironically, in 1999, the musician Prince found himself not so much partying,⁴⁵ but instead defending himself against a copyright infringement claim in the Seventh Circuit. The case of *Pickett v. Prince*⁴⁶ involved an electronic guitar designer who incorporated the Prince symbol into the design of the body of a guitar.



Figure 4. The Prince Symbol.⁴⁷

⁴³ Id. at *18.

⁴⁴ *Id.*

⁴⁵ Prince's popular single "1999" declares that he's going to "party like it's 1999." Daniel Dunican, *Prince – 1999 (12inch) (Vinyl)*, YOUTUBE (May 15, 2014), <https://www.youtube.com/watch?v=NpTygqODWBg>.

⁴⁶ *Pickett v. Prince*, 52 F. Supp. 2d 893 (N.D. Ill. 1999).

⁴⁷ Prince Logo, WIKIPEDIA, http://upload.wikimedia.org/wikipedia/en/a/af/Prince_logo.svg (last visited May 24, 2014).

Pickett hoped that he could ultimately sell the guitar to Defendant Prince and bolster his reputation as a guitar maker.⁴⁸ Prince decided not to purchase Pickett's guitar, and subsequently Pickett discovered Prince performing with a different guitar that similarly incorporated the aforementioned symbol. Pickett filed suit against Prince, alleging copyright infringement as to his rights in the symbol guitar.⁴⁹

Prince defended such claims by arguing that the Plaintiff cannot bring a copyright infringement suit because the Defendant never granted the Plaintiff the authority to create a derivative work, and as such the Plaintiff has no enforceable rights to sue upon.⁵⁰

Pickett argued that the court should not adhere to the *Gracen* bright line standard, stating that without a valid authorization to create a derivative work one cannot have any rights in such work, which the court should instead treat as mere dictum. Pickett instead insisted that the "pervades" standard originally mentioned in the *Eden Toys* footnote should control.⁵¹

The court explains that the Plaintiff never actually articulates what the "pervades" standard entails, but the court understands the Plaintiff's argument to follow the logic that copyright protection is available under § 103(a) for parts of the derivative work that do not employ the preexisting work regardless of whether authorization was obtained.⁵²

[U]nder Plaintiff's interpretation, authori-

⁴⁸ *Pickett*, 52 F. Supp. 2d at 896.

⁴⁹ *Id.*

⁵⁰ *Id.*

⁵¹ *Id.* at 901.

⁵² *Id.* at 902.

zation is never necessary for a valid copyright in original parts of the derivative work (i.e., those parts not “pervaded” by the preexisting work). For Plaintiff, a derivative work is only unlawful if the original work “pervades” it entirely; whether or not the creator of the original work has authorized it is irrelevant. In other words, Plaintiff finds no circumstances in which authorization would be an issue.⁵³

According to the Plaintiff, the language in § 103(a) expresses a Congressional intent that some infringing derivative works would still receive copyright protection, *but only covering those “original” parts* not employing the pre-existing material,⁵⁴ as long as the original aspects of the derivative work do not “pervade” the entirety of the pre-existing copyrighted material, whether or not authorization was granted by the original copyright owner.⁵⁵

The court for many reasons finds the Plaintiff’s argument unavailing, and even though the bright line rule proposed in *Gracen* was presented in dicta, the court sided with the Defendant finding that the Plaintiff’s symbol guitar had no copyright protection because it lacked the necessary authority from the Defendant, Prince, to be considered a legitimate derivative work.⁵⁶

F. Professor Nimmer’s Treatise

Although the Northern District of Illinois ultimately followed the bright line standard articulated

⁵³ *Id.* at 904.

⁵⁴ *Id.* at 902.

⁵⁵ *Id.*

⁵⁶ *Id.* at 906.

in *Gracen*, in a footnote the court discussed the ambiguity surrounding the topic of whether the creator of an unauthorized derivative work can maintain a valid copyright in his or her portion of such work that does not “pervade” the original right holder's creation.⁵⁷ The court contemplated the fact that even Professor Nimmer's treatise, considered to be the go to authority in almost every copyright case, “does not answer this matter conclusively.”⁵⁸

The court explains that Professor Nimmer addresses what he calls the “lawful use of the underlying work as a condition to a derivative copyright.”⁵⁹ The statement enunciates the point that if a copyrighted work is incorporated into a derivative work without authority from the original copyright holder that act will constitute copyright infringement.⁶⁰

Nonetheless, the court continues to point out that Professor Nimmer separately states that a derivative work still may claim copyrightability under § 103(a) in that which was originally contributed to the derivative work even though the derivative author may be an infringer as to that which was borrowed from the pre-existing work. Professor Nimmer states “only that portion of a derivative . . . work that employs the pre-existing work would be denied copyright.”⁶¹

The court finds these two views to be somewhat contradictory, and appears to question a bright line authorization standard because there may be a possibility where, without a valid authorization to create a derivative work, the author may be able to

⁵⁷ *Id.* at 906 n.17; see *supra* Part II.C for further discussion.

⁵⁸ *Id.*

⁵⁹ *Id.*

⁶⁰ *Id.*

⁶¹ *Id.*

salvage some rights.

One can see that even though the *Pickett* court follows the dicta of *Gracen*, it still recognizes that there are contradictory views as to the “pervasive” standard, which is still an unsettled point of law.

III. THE FAIR USE DEFENSE & POLICY CONCERNS

A. Policy

There are many reasons stated by the different courts as to why their legal interpretations have led to what is clearly a preference for not awarding unauthorized derivative works creators with any rights, but there are also powerful policy concerns, not always addressed or expressed in an upfront manner by the court, but surely are influential in their reasoning.

One such case that deals with important policy considerations (although not specifically spawning its holding from a derivative works analysis) is *Castle Rock Entertainment v. Carol Publishing Group*.⁶² This Second Circuit case involved Plaintiff Castle Rock Entertainment, the copyright holders to the hit television series *Seinfeld*, suing Carol Publishing for copyright infringement concerning their trivia quiz book entitled *The Seinfeld Aptitude Test*, known as *The SAT*. *The SAT* was a 132-page book containing 643 trivia questions and answers concerning the many characters and events that had taken place over several seasons of the *Seinfeld* television program. The Defendant based such questions on 84 of the 86 existing episodes that had aired by the time of the book’s publication. The majority of the questions

⁶² *Castle Rock Entm’t, Inc. v. Carol Publ’g Grp.*, 150 F.3d 132 (2d Cir. 1998).

in *The SAT* were multiple-choice questions, which included one correct answer taken directly from a *Seinfeld* television episode, and multiple incorrect answers that were the Defendant's original creation.⁶³

The Court, when analyzing the copyright infringement claim, decided to treat the 86 *Seinfeld* episodes as one "discrete, continuous television series" in aggregate, and not as each their own independent work, or each respectively being a derivative work based on the prior episode.⁶⁴

The Court held that *The SAT* unlawfully copied the Plaintiff's expression by deriving their questions from the *Seinfeld* television series, and that such copying did not constitute a fair use as codified in 17 U.S.C. § 107.⁶⁵ The Court, while coming to this conclusion in their fair use analysis, discusses the policy matter of the possible future derivative works market for the Plaintiff. The Court states that "[u]nlike parody, criticism, scholarship, news reporting, or other transformative uses, *The SAT* substitutes for a derivative market that a television program copyright owner such as Castle Rock 'would in general develop or license others to develop.'"⁶⁶ In essence, the Court, while analyzing the fourth factor of the fair use test – the "effect of use upon potential market for or value of copyrighted work"⁶⁷ – is in a roundabout manner stating that the future derivative work market is a right that valid copyright holders should have control over.

⁶³ *Id.* at 135.

⁶⁴ *Id.* at 138.

⁶⁵ *Id.* at 145.

⁶⁶ *Id.* (quoting *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 592 (1994)).

⁶⁷ 17 U.S.C. § 107 (2012).

The logic in *Castle Rock* is further extrapolated upon in *Warner Brothers Entertainment and J.K. Rowling v. RDR Books*.⁶⁸ Here, the Second Circuit was faced with, among other claims, a copyright infringement claim by the Plaintiff, the copyright holder of the enormously popular *Harry Potter* series, brought against the Defendant, a book publisher who was attempting to publish the unauthorized *The Harry Potter Lexicon*, which the Defendant described as the “definitive” Harry Potter encyclopedia.⁶⁹ The Defendant compiled the information for the content of the *Lexicon* from the creator of the *Harry Potter* character and author of the series, “J.K. Rowling, either in the novels, the ‘schoolbooks,’ from her interviews, or from material which she developed or wrote herself,” and a small amount of select outside reference sources, such as *Bullfinch’s Mythology*, *Field Guide to Little People*, *New Shorter Oxford English Dictionary*, and online encyclopedias.⁷⁰

The Court did not agree with the Plaintiff’s contention that the *Lexicon* was indeed an unauthorized derivative work based on the *Harry Potter* franchise because the *Lexicon* was not an “elaborate recounting” that did not follow the same plot structure as the *Harry Potter* novels, and because the purpose of the *Lexicon* was to give the reader an understanding of individual elements in the elaborate world of *Harry Potter* that appear in diverse and voluminous sources as organized in an A-to-Z reference guide.⁷¹

The Court once again, as in *Castle Rock*, confronted the policy issues surrounding the potential

⁶⁸ Warner Bros. Entm’t, Inc. v. RDR Books, 575 F. Supp. 2d 513 (S.D.N.Y. 2008).

⁶⁹ *Id.* at 523.

⁷⁰ *Id.* at 525.

⁷¹ *Id.* at 539.

for a future derivative works market. Although the court did not hold that the market for reference guides becomes derivative simply because a copy-right holder may plan to produce or license a similar product,⁷² the Court did hold that

in striking the balance between the property rights of original authors and the freedom of expression of secondary authors, reference guides to works of literature should generally be encouraged by copyright law as they provide a benefit to readers and students; but to borrow from Rowling's overstated views, they should not be permitted to 'plunder' the works of original authors . . . without paying the customary price . . .

and consequently authors would "lose incentive to create new works that will also benefit the public interest."⁷³

In sum, the Court was hesitant to hold that a copyright holder's plans to produce a similar work in the future does not *per se* lead to the fourth factor of the fair use analysis tipping in their favor, noting the fact that the Defendant's *Lexicon* would essentially "plunder" the works of Rowling, and additionally that "one potential derivative market that would reasonably be developed or licensed by Plaintiffs is use of the songs and poems in the Harry Potter novels"⁷⁴ would be impaired by the publishing of Defendant's *Lexicon* which was enough to find the work of Defendant infringing, and strongly against public

⁷² *Id.* at 550.

⁷³ *Id.* at 551.

⁷⁴ *Id.*

policy.

Further illustrating the policy concerns intertwined with unauthorized derivative works, the *Pickett* court,⁷⁵ who found ambiguity as to interpretations concerning statutory language in the House Report while anchoring their decision to following *Gracen's* bright line rule, was particularly sympathetic to Defendant Prince, because granting any copyright in the Plaintiff's derivative work may deprive him of the exclusive right to produce additional derivative works based on the symbol he created.⁷⁶

In particular, the Court emphasized that Prince may lose the ability to one day produce and market the guitar at issue in the case, or possibly a bass guitar version, or even a violin containing the Prince symbol.⁷⁷ The possibility of Prince producing such items the future is not farfetched, just as the possibility of a future production of a trivia book in *Castle Rock*. Prince is one of the most well-known musicians in the world and has used the symbol as part of many derivative works such as T-shirts, posters, and other merchandise. One should also note that instilling any sort of copyright in *Pickett's* unauthorized guitar could potentially rob Prince of the opportunity to license his symbol to other guitar makers of his choice in the future,⁷⁸ similar to the songs from the *Harry Potter* series discussed by the court in *RDR*. The court describes such a situation as the "creation of a *de facto* monopoly on derivative works to the detriment of the owner of the copyright in the preexisting work."⁷⁹

⁷⁵ See *supra* Part II.E.

⁷⁶ *Pickett v. Prince*, 52 F. Supp. 2d 893, 909 (N.D. Ill. 1999).

⁷⁷ *Id.*

⁷⁸ *Id.*

⁷⁹ *Id.* at 908.

These examples illustrate the fact that courts, when deciding what rights may be awarded to an unauthorized derivative works holder, cannot simply look at severability or the pervasiveness of the derivative work, but must also factor in policy concerns such as the potential for a future derivative market for the valid copyright holder, the benefit that will be instilled in the public interest by offering authors incentives to create further works, and avoiding the creation of a “de facto monopoly.”⁸⁰

B. Fair Use, Punishment, and the Public Domain

As previously discussed, many courts, while grappling with the problem of unauthorized derivative works or policies related to potential future markets for production or licensing of such works, have analyzed the possibility of a fair use defense presented by a defendant. Although this Article is not principally concerned with the fair use defense in regard to the Banksy and Coulton hypotheticals, a brief discussion as to its relevance is still warranted.

The doctrine of fair use is a limited exception in American copyright law to copyright holder’s otherwise exclusive rights. The fair use doctrine is designed to “fulfill copyright’s very purpose, ‘[t]o promote the Progress of Science and useful Arts.’”⁸¹ Codified in § 107 of the Copyright Act of 1976,⁸² fair use is justified “for purposes such as criticism, comment, news reporting, teaching, scholarship, or re-

⁸⁰ *Id.*

⁸¹ Warner Bros. Entm’t, Inc. v. RDR Books, 575 F. Supp. 2d 513, 540 (S.D.N.Y. 2008) (quoting *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 575 (1994) (quoting U.S. Const. art. I, § 8, cl. 8)).

⁸² 17 U.S.C. § 107 (2012).

search” and as such is not an infringement of copyright.⁸³

In a fair use analysis, after a finding of the defendant’s infringement of a copyright, the court must analyze this defense on a case-by-case basis by balancing a four-factor test: (1) the purpose and character of the use; (2) nature of the copyrighted work; (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and, (4) the effect of the use upon the potential markets.⁸⁴ If the Court finds that the factors weigh in the defendant’s favor, the fair use doctrine will excuse such infringement. Fair use must ideally balance

on one hand “[t]he monopoly created by copyright . . . rewards the individual author in order to benefit the public,” and on the other “[m]onopoly protection of intellectual property that impeded referential analysis and the development of new ideas out of old would strangle the creative process.”⁸⁵

In the realm of unauthorized derivative works, the fair use doctrine does play a relevant role in that if the unauthorized derivative work is found to be justified after weighing the four fair use factors, this would in essence transform the unauthorized derivative work into a piece no longer needing permission from the original copyright holder, and as such rescue the derivative work creator’s rights in their original expression. The House Report No. 94-1476,

⁸³ *Id.*

⁸⁴ *Id.*

⁸⁵ *Warner Bros. Entm’t, Inc.*, 575 F. Supp. 2d at 540 (quoting Pierre N. Leval, *Toward a Fair Use Standard*, 103 HARV. L. REV. 1105, 1109 (1990)).

when clarifying § 103, specifically anticipates for such a situation when they explain,

Under this provision, copyright could be obtained as long as the use of the preexisting work was not “unlawful,” even though the consent of the copyright owner had not been obtained. For instance, the unauthorized reproduction of a work might be “lawful” under the doctrine of fair use or an applicable foreign law, and if so the work incorporating it could be copyrighted.⁸⁶

Although some could argue that Banksy’s “Choose Your Weapon” could be saved by a court finding that it qualifies for fair use protection under § 107 in the enumerated categories of either criticism or comment, there are far too many other unknown factors to definitively come to such a conclusion.⁸⁷

Another school of thought focuses on the idea that the law does not reward wrongdoers, and as such Banksy, by not obtaining a valid authorization to create “Choose Your Weapon,” loses the privilege of copyright protection in his original expression, and all other related benefits because of his bad act. This theory essentially forces any unauthorized derivative work, absent a valid exception such as fair use, into the public domain. In the Banksy situation, Haring would still hold all rights in his dog character, but all additional expression added by Banksy, such as his hooded figure character, as a result of his transgression would instead be thrust into the public domain,

⁸⁶ H.R. REP. 1476, 94th Cong., 2d Sess. 57-58 (1976).

⁸⁷ Ultimately this Article is more concerned with the possible outcomes of no valid fair use defense. See *supra* Part III.B for a discussion regarding fair use.

free for anyone to use. Some would argue that this is the correct result because Banksy should not be rewarded for violating Haring's legal rights, and society should reap the benefits of the misdeed with new elements added to the public domain for everyone to improve upon.

Similarly, in the case of a musician who chooses to create a cover version of a song by satisfying the requirements of a compulsory license under § 115 by operation of law, the expression found in the new arrangement falls into the public domain, facing a similar fate to that of an unauthorized derivative work discussed above. This is effectively why Coulton has no legal recourse against *Glee* for stealing his country arrangement. Because Coulton chose to use a compulsory license to create his cover version of "Baby Got Back," a legal consequence of such a decision (surely unanticipated by Coulton) is that now his arrangement is part of the public domain for all to use freely.⁸⁸

This result is distinguishable from the Banksy situation in the manner that Coulton was not a wrongdoer; in fact his actions were completely legal and encouraged under § 115. However, because the compulsory license is a cost effective method to obtain access to source material without obtaining the copyright owner's permission, which can be costly for a new artist to negotiate for such rights, the consequence of such a convenience comes with the downside of no legal rights in the cover artist's new arrangement.⁸⁹

Although fair use may be a viable defense for the creator of an unauthorized derivative work in

⁸⁸ Madison, *supra* note 13.

⁸⁹ *Id.*

some limited situations, it is not a viable solution in all circumstances. Fair use is reserved for actors who are not wrongdoers. Subsequently, those wrongdoers will effectively find their work added to the public domain for all to use freely. Similarly, and arguably unfairly, a parallel result is inevitable under § 115 as to the arrangement of cover songs as a consequence of the compulsory licenses convenience.

IV. ANALYSIS & APPLICATION

A. Did Banksy Choose the Wrong Weapon?

Now, the discussion will return to the first hypothetical concerning the chain of derivative works based on the Keith Haring dog.⁹⁰ In this example, Banksy has created his derivative work “Choose Your Weapon” by producing his own original hooded figure holding the Keith Haring dog on a leash as if the figure is taking the dog for a walk.

If one analyzed “Choose Your Weapon”⁹¹ under the reasoning set out in *Eden Toys*, one could come to the conclusion that because Banksy most certainly did not obtain Haring’s consent to produce the derivative work, he would hold no rights in the work. Under this logic, J-Boy’s piece “Very Little Helper”⁹² would not be infringing as a derivative work as to the hooded character created by Banksy, and would be free from any form of copyright infringement liability with regard to Banksy.

Moreover, the *Eden Toys* court was the first to discuss this idea of the original copyright holder’s work pervading the entire derivative work. In this

⁹⁰ See *supra* Figure 1, note 2, and accompanying text in Part I.

⁹¹ See *supra* Figure 2.

⁹² See *supra* Figure 3.

case, one can easily separate the Haring dog from the hooded figure without any overlap. An argument can be made that the Haring dog does not tend to pervade the entire derivative work because both images are completely separable; consequently, Banksy should be liable for infringing the Haring dog, but may retain rights as to the hooded figure character. These rights could be used to bring his own suit against J-Boy for creating an unauthorized derivative work using Banksy's copyrighted hooded figure.

However, following the reasoning laid out in dicta by the *Gracen* court, Banksy would forfeit all rights in "Choose Your Weapon," including those parts of expression that are original to him, although completely severable. As such, J-Boy essentially has stolen Banksy's original expression with no fear of liability from Banksy (but is still of course possibly liable to *The Simpsons* for using the image of Santa's Little Helper).

A similar result would be produced under the holding in *Stallone*. However, the logic followed by the court in *Stallone* was based on the idea that the character of Rocky was developed to such a point that he was part of "one of the most highly delineated group of characters in modern American cinema."⁹³ Moreover, the characters in the derivative work, Plaintiff Anderson's *Rocky IV* treatment, "[were] not merely substantially similar to Stallone's, they are Stallone's characters."⁹⁴ As such, because the character Rocky, combined with his unique personality and mannerisms created by Stallone, was so intertwined and essential to the story that there

⁹³ Anderson v. Stallone, No. 87-0593-WDKGX, 1989 WL 206431, at *7 (C.D. Cal. Apr. 25, 1989).

⁹⁴ *Id.* at *8.

could be no way to separate the two, identifying which aspects could be protectable without the Rocky character would be an impossible chore.

Correspondingly, the dog in the Banksy piece, as in *Rocky*, was not merely substantially similar to that of the Haring dog, it was essentially identical. But unlike the character of Rocky, the Haring dog is not so intertwined with the hooded character that they could not be separated and easily distinguished, which is evidenced by the fact that J-Boy used the figure in his derivative work without any trace of the Haring dog, with the hooded character completely identifiable as originally created by Banksy). This aspect of severability could possibly be enough to differentiate these situations and conceivably negate much of the impact of the *Stallone* holding in this case.

Once more, a similar result almost certainly would be achieved under the holding of the *Prince* case. Again, the court in *Prince* followed the bright line rule laid out in *Gracen*, denying any sort of copyright protection to an unauthorized derivative work.⁹⁵ However, the court clearly established, that an unauthorized creator of a derivative work may be entitled to copyright protection in those facets of the derivative work which do not appear in the original copyrighted item, but only if the original aspects used in the unauthorized derivative are not so “pervasive” as to overtake the entire essence of the work.⁹⁶ The *Prince* court, in reality, based their denial of copyright protection of the Plaintiff’s guitar concerning those facets that were original to him.⁹⁷

⁹⁵ *Pickett v. Prince*, 52 F. Supp. 2d 893, 909 (N.D. Ill. 1999).

⁹⁶ *Id.*

⁹⁷ *Id.* at 907.

If the Prince symbol was removed from the guitar, all that would remain would be functional and utilitarian objects, such as guitar strings.⁹⁸ As such, even if the court did decide that the symbol guitar was separable, there would be nothing left to grant rights for anyhow.

As *Prince* suggests, the Banksy hooded figure is easily separated from the Haring dog and once divided, unlike the Prince symbol guitar, some protectable subject matter would indeed remain. The purely original expression that would normally be awarded full copyright protection (if it were not part of an unauthorized derivative work), once severed, would remain protectable.

Further, Banksy, as the creator of an unauthorized derivative work, would enjoy no copyright protection in his piece “Choose Your Weapon,” even though there are purely original aspects attributable only to Banksy. Interestingly, J-Boy will be able to use Banksy’s original expression as articulated in the form of his hooded character without fear of claims of copyright infringement brought by Banksy.⁹⁹

It seems ironic and unjust that the law punishes the first author of an unauthorized derivative work in a chain by depriving them of all copyright protection, especially to any severable and original parts of the work, while simultaneously rewarding any other subsequent derivative work authors who take any original aspect of the first author’s unauthorized derivative work by allowing that second author to essentially perform the same bad act, free of any threat of legal consequences under copyright

⁹⁸ *Id.*

⁹⁹ Although there most likely would be a trademark claim still available.

law.

Furthermore, a result mandating that Banksy would receive no rights in any portion of his work would be contrary to the policy concerns expressed in *Prince*. Essentially, Banksy has been foreclosed from enjoying any benefits in connection with future derivative works based on his original expression, including, but not limited to, future sequels of “Choose Your Weapon,” while J-Boy may freely exploit them. This can be seen as reminiscent of the *Prince* court’s logic, as to the future opportunity for Prince to produce his own guitars or violins based on his copy-righted symbol.

B. Did Baby Get Back Any Rights for Coulton?

The second situation posed earlier concerned the television show *Glee* recording and performing a cover version of an already existing cover version of the song “Baby Got Back.” Unlike the previous hypothetical however, both works in this chain were authorized by statute; the authority enjoyed by both works’ creators (*Glee* and Coulton) was obtained legitimately through a compulsory license.

As such, Coulton was within his rights to produce his cover version of “Baby Got Back” in a country music style. Similarly, *Glee*, which subsequently obtained the same compulsory license, was also well within its legal rights to also produce a country version of the same song.

The interesting ripple, which has resulted from this situation, is that Coulton is not entitled to any sort of credit or compensation from *Glee* for copying his original arrangement. Covers do not possess their own copyright protection as far as the underlying musical composition, so Coulton’s only legal recourse under copyright law is an infringement suit,

which he is only able to bring if *Glee* used portions of the *actual audio track* he recorded.¹⁰⁰

So once again, in this gray area of the law, the author of the first work in a chain of derivative works is left with no recourse to defend the copying of their original expression that distinguished the derivative work from the original copyrighted work. This loophole allows the second author to escape all legal liability for their work that has essentially stolen the first author's expression, which would have been subject to copyright protection if it was not under a compulsory license.

This situation is distinguishable from all the prior cases analyzed, particularly when discussing the policy issues discussed in *Prince*. Specifically, the compulsory license is designed to make sure that the original composer, who must allow covers of their song, as long as the cover artist abides by the limitations of 17 U.S.C. § 115, is guaranteed to receive compensation from each cover through royalty payments. In *Prince* the court was sympathetic to the fact that many possible options from future derivative works could be foreclosed upon, robbing the original rights holder from future income. Here, the rights awarded through compulsory licenses do not foreclose any possible avenues to the original rights holder and only award rights to the creator of the secondary work if their actual sound recording is identically reproduced.

V. WHICH WEAPON SHOULD BANKSY CHOOSE? HOW CAN COULTON GET BACK HIS "BABY GOT BACK"?

Both Banksy's and Coulton's situations raise many issues concerning the proper rights that should

¹⁰⁰ Landau, *supra* note 14.

be afforded to artists who are links in a chain of artistic works that build from one another. Although one situation is constructed from a chain of unauthorized derivative works, and the other is composed under a lawful compulsory license, both find themselves with identical unfortunate fates. However, there are possibilities that feasibly could find a more favorable result for Banksy and Coulton.

As discussed earlier, one prospect for Banksy to obtain rights in the original expression of his hooded figure would be to defend an infringement action with a valid fair use defense. A court finding such an outcome would fundamentally excuse Banksy for his “wrongdoing” and preserve his rights in *only* the aspects of “Choose Your Weapon” which are original to him. This would allow Haring to keep all rights in his dog figure, and all future derivative projects or licensing opportunities he would like to exploit, and would leave limited circumstances in which Banksy could exploit the image. Further, Banksy would keep all rights in his original expression of the hooded character, which would include the ability to bring an infringement action against other unauthorized derivative works, such as J-Boy’s “Very Little Helper.” But as discussed earlier, a fair use defense is not an easy defense to prove, and as such most likely not a practical solution.

Another interesting aspect is that the compulsory license, if one existed for visual arts and was available to Banksy when he created “Choose Your Weapon,”¹⁰¹ would possibly have been a viable solution. By complying with the limitations of a compulsory license applied to the visual arts, Banksy’s de-

¹⁰¹ Compulsory licenses under 17 U.S.C. § 115 are only for sound recordings, not for visual works.

ivative work would no longer have been considered unauthorized and he would not need authorization as long as he complied with whatever statutorily mandated actions must be fulfilled. Further, this would award him legal protection as to exact copies of his original expression, similar to the idea that Coulton's only current recourse would be if *Glee* used his actual sound recording. Under this theory one could argue that J-Boy, by copying Banksy's hooded character, has performed the equivalent of copying the actual sound recording, as may be the case in the *Glee* situation.

Further, the real core of the issue in the Banksy chain of derivative works is the question of whether Banksy's unauthorized derivative work in fact "pervades" a sufficient amount of Haring's expression to not be entitled to any copyright, and relatedly, whether the novel expression of the hooded character presented by Banksy in his unauthorized derivative work is completely severable from the Haring dog, and if so, should be awarded independent copyright protection.

This situation would put courts in a difficult situation. How could a court set a standard to measure what "pervading" a work actually means? It would almost certainly involve a case-by-case analysis with many factors to balance similar to the fair use test discussed earlier, or possibly the "pervasive" standard could be an extension of the current fair use analysis?

A. Viable Severability Standard

Correspondingly, and ostensibly more practical, would be a viable severability standard (reminiscent of the analysis used in trademark law under the functionality doctrine). Under such a standard a

court would have to analyze: (1) to what extent the original expression of the offending derivative work is original to the offending artist, and (2) if the infringing and non-infringing expressions of the derivative work can be separated to such a point that both expressions could exist independently. If a defendant could satisfy both of these requirements, then a court could effectively award rights to the infringing derivative artist as to their independent expression, while simultaneously punishing them for infringing the unauthorized portions under a traditional infringement action.

Under this theory, the Court could award Banksy all the pertinent copyright protection in his hooded figure, including the right to sue others for infringement in that expression, and simultaneously proceed with a standard infringement analysis as to the Haring dog that Banksy used illegally, handing down punishment accordingly. Of course, there are flaws incorporated in this reasoning, including the fact that it ignores the public policy of not rewarding wrongdoers, and the fact that in this specific example, the derivative work is a fairly straight forward image which can easily be separated. (In Banksy's derivative work, it would be as easy as drawing a line down the center of the image between the Haring dog and the hooded figure.) Most other situations surely will not present the Court with such user-friendly separation, and as such may create judgments based on personal preference,¹⁰² or parties be-

¹⁰² A concern that may be interpreted as parallel to the fears of judges interpreting artistic merit when determining if a valid copyright is merited, which is discussed in the seminal case *Bleistein v. Donaldson Lithographing Co.* 188 U.S. 239, 251 (1903), where the court determined “[i]t would be a dangerous undertaking for persons trained only to the law to constitute

ing assigned unwarranted copyright protection in others' rights.

B. Attribution & Moral Rights

The further irony stemming from both of these situations is strengthened by the fact that Coulton has expressed the opinion that attribution could have been one of the worthwhile solutions to *Glee* stealing his arrangement:

It's a little frustrating. Whether or not they're in the right legally, it doesn't seem like the best way to handle it. If you're going to claim that you're giving an artist exposure and they should be grateful – there's a right way to do that. Contact them ahead of time. Say this is great, we're going to talk about it on our blog and tell all our fans that they should be fans of yours. We're going to put a credit in the show. That doesn't cost them anything. It's a show with something like a \$3.5 million budget for each episode, but there are still so many free things they could have done to engender goodwill.¹⁰³

Interestingly, moral rights of attribution are only awarded under US copyright law for works of

themselves final judges of the worth of pictorial illustrations, outside of the narrowest and most obvious limits. At the one extreme some works of genius would be sure to miss appreciation. Their very novelty would make them repulsive until the public learned the new language in which their author spoke.”

¹⁰³ Laura Hudson, *Jonathan Coulton Explains How Glee Ripped Off His Cover Song – And Why He's Not Alone*, WIRED (Jan. 25, 2013, 3:21 PM), <http://www.wired.com/2013/01/jonathan-coulton-glee-song/>

fine art. Under the Visual Artists Rights Act of 1990 (VARA), works of art that meet certain criteria are traditionally awarded moral rights which are not present in any other sector of United States intellectual property law.¹⁰⁴ In particular, one of these exclusive rights is that the author of a work of visual art shall have the right to claim authorship of their original works.¹⁰⁵ If similar legislation to that of VARA were available for musicians who cover songs under a compulsory license, such as Coulton, they could be endowed with the right to at least be accredited for their arrangements of cover songs reproduced by a second derivative artist.

C. Licensing

Another viable solution for Coulton would be to obtain a license to “Baby Got Back” from the Harry Fox Agency. Agencies like Harry Fox act on behalf of many copyright holders in administering the further uses of such copyrights. These licenses are in many ways similar to the rights granted to an artist under § 115 in that they grant rights that are no greater and no lesser than the rights under § 115. The major difference between the Harry Fox license and the legal grant authorized by Congress in § 115 is that the license is actually a contract between the original composer and the cover artist, and possibly could be amended through negotiations to reflect an intellectual property right in the arrangement for the cover artist.¹⁰⁶

Similarly, Coulton could circumvent the Harry Fox license all together, and instead approach Sir

¹⁰⁴ 17 U.S.C. §106(a) (2012).

¹⁰⁵ 17 U.S.C. §106(1)(a) (2012).

¹⁰⁶ Madison, *supra* note 13.

Mix-a-Lot directly and negotiate a deal including, rights, royalties, and any other issues important to Coulton concerning his cover version. This agreement could entail requiring Coulton to assign his publishing rights (for the new arrangement) to Sir Mix-a-Lot, or conversely, Coulton could insist on keeping the publishing rights (and possibly pay Sir Mix-a-Lot a royalty) granting him rights in his new arrangement.¹⁰⁷

CONCLUSION

The fact that particularized special circumstances exist, such as the compulsory license and VARA, illustrates that legislation has been put in place to deal with deficiencies as to the rights of copyright holders. Of course, it is nearly impossible to prepare for every issue that could possibly arise concerning artist rights, however, these pieces of legislation prove that there are viable possibilities already available to fill holes in the law upon discovery.

Artists, like Banksy, who create severable unauthorized derivative works, may be assisted by the court's adoption of a test of some nature to retain rights in the original portions of such work, or by a successful fair use defense of an infringement action. But such options may be unlikely due to the strong public policy to not reward wrongdoers.

Coulton could never have anticipated when he chose to record his cover song under § 115 that another creator would copy his arrangement. Nonetheless, Coulton and others who find themselves in a similar predicament could be compensated by a law compelling attribution to such artists. More realistically however, many believe that *Glee* did actually

¹⁰⁷ *Id.*

copy Coulton's actual recording,¹⁰⁸ so Coulton may find justice in a standard copyright infringement action (or most likely a settlement, if actual copying is proven).

Ironically, if Coulton did in fact receive attribution initially by *Glee*, he would most likely not be enjoying the large amount of publicity that has arisen from the unauthorized copying. For a brief period following the outrage, Coulton's cover version outsold any *Glee* song on iTunes.¹⁰⁹

¹⁰⁸ Caleb, *Were Jonathan Coulton's Actual Audio Tracks Reused by Glee?*, REFRACTORING MY BRAIN (Jan. 26, 2013, 11:23 PM), <http://refactoringmybrain.blogspot.com/2013/01/were-jonathan-coultons-actual-audio.html>.

¹⁰⁹ Michele Catalano, *Jonathan Coulton Vs. Glee And Fox Update: Last Laughs*, FORBES (Jan. 31, 2013, 8:17 PM), <http://www.forbes.com/sites/michelecatalano/2013/01/31/jonathan-coulton-vs-glee-and-fox-update-last-laughs>.

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Article

**Cash From Chaos: Sound
Recording Authorship, Section 203
Recapture Rights and a New Wave
of Termination**

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Abstract

The thesis of this Article is that under an exclusive recording agreement entered into in the United States between a record label and recording artist on or after January 1, 1978, any key member or recording artist that signed the recording contract is a bona fide author of a sound recording for purposes of claiming standing in order to effectuate a termination of transfer of grant under Section 203 of the 1976 Copyright Act.

Part I will summarize the history of sound recordings as copyrightable subject matter. Part II will examine record industry custom and practice as it relates to the relationship between recording artists and record labels under exclusive recording agreements. Part III will examine what occurs in a typical recording session for the purpose of offering indicia of who is making substantive creative decisions that affect the final sound recording. Part IV will explore different theories of who may reasonably articulate a claim of authorship credit in a sound recording. Part V will present a nuanced, reasonable and practical solution to the issue of determining who has standing as an author of a sound recording for purposes of terminating a grant of transfer under Section 203 of the 1976 Copyright Act.

Table of Contents

INTRODUCTION.....	447
I. HISTORICAL TREATMENT OF SOUND RECORDINGS UNDER THE LAW	452
A. <i>The 1909 Copyright Act</i>	452
B. <i>The 1971 Amendment</i>	453
C. <i>The 1976 Copyright Act</i>	454
D. <i>The 1999 Amendment</i>	455
II. RECORD INDUSTRY CUSTOM AND PRACTICE	458

A. <i>Is a Sound Recording a Work Made For Hire?</i>	464
III. THE RECORDING SESSION	469
IV. SOUND RECORDING AUTHORSHIP	477
A. <i>A Survey of Artistic, Legislative and Judicial Guidance</i>	477
B. <i>Sheryl Crow “Featured Artist” Approach</i> ..	480
C. <i>Marybeth Peters “Key Contributor” Approach</i>	482
D. <i>Other Theories for Determining Who is an Author of a Sound Recording</i>	484
1. Authorship as Implied by Public Perception and Record Label Representations	484
2. Authorship by Estoppel	486
V. AUTHOR AS “KEY MEMBER”	487
CONCLUSION.....	492

INTRODUCTION

In 1980, independent record labels in the United States were thriving by satisfying consumer demand unfulfilled by major labels. Small record labels such as Alternative Tentacles, Mystic, SST, Epitaph, Frontier, Posh Boy, and Dischord Records were flourishing by capturing the zeitgeist of suburban teenage angst in sound recordings. These independent labels were prospering by satisfying a demand for underground music and releasing 12” and 7” vinyl punk rock records deemed technically and commercially un-mass-marketable by the majors. The following hypothetical played out many times during this period.

A suburban teenage garage band gets the attention of an independent record label and is offered an exclusive recording agreement. Up to this point the band’s biggest accomplishment had been per-

forming at a high school talent show or making a crude demo tape. The group is unrepresented by counsel and the recording agreement is a take it or leave it proposition. The band signs the deal as is. The band is not thinking about copyright law¹ and they are not motivated by making money;² they are just excited that anyone would want to pay for their studio time and release their records.

The record company has a reputation for releasing great albums and has a built-in niche audience that eagerly awaits to purchase the label's new releases. The band is flattered they were even asked to join the record company's roster and feel confident they will be positioned for a successful debut release. The label releases and sells tens of thousands of copies of the album on vinyl and cassette tapes, recoups and makes a tidy profit. Although the group receives a few small royalty checks, they never received any

¹ Article I, Section 8, Clause 8 of the United States Constitution is the source of power that gives Congress the right to promulgate copyright legislation. The copyright clause states "The Congress shall have Power . . . To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right their respective Writings and Discoveries." U.S. CONST. art. I, § 8, cl. 8.

² Cf. Howie Cockrill, *DRM: Incentive Theory*, MULTIMEDIA & ENT. L. ONLINE NEWS (June 27, 2007, 10:41 AM), <http://beatblog.typepad.com/melon/2007/06/drm-incentive-t.html> ("Incentive Theory is often said to be the greatest ideological force behind U.S. copyright law. Through an Incentive lens, the purpose of copyright law is to incentivize creative behavior by granting certain monopolistic rights to producers or creators. . . . If copyright owners are unable to turn a profit or even make a living on the creative works that they invested a great deal of time and money in, then there is no INCENTIVE for them to continue to contribute creatively to society.").

formal or accurate accountings. Because of the unequal bargaining power between the label and the band, the band has entered into a contract that can be characterized as the epitome of an unremunerative transfer.³

As time goes by, incidental band members come and go and key creative members stay throughout all incarnations of the group. The key members are signatories to all exclusive recording agreements signed on behalf of the band throughout their career. The band achieves cult status in the genre of underground music they helped define. As the years go by, the group uneventfully dissolves and fades away.

Thirty five years later, history shows that those early sessions produced seminal recordings that influenced many modern day platinum selling rock bands. The former members of those teenage rock bands are now in their fifties and learn that they⁴ may be able to terminate the written grants of transfer memorialized in those early recording

³ “The provisions of section 203 are based on the premise . . . [of] . . . safeguarding authors against unremunerative transfers. A provision of this sort is needed because of the unequal bargaining position of authors, resulting in part from the impossibility of determining a work’s value until it has been exploited.” H.R. REP. NO. 94-1476, at 124 (1976).

⁴ Aaron J. Moss & Kenneth Basin, *Copyright Termination and Loan-Out Corporations: Reconciling Practice and Policy*, 3 HARV. J. SPORTS & ENT. L. 55, 93 (2012) (“Sections 203 and 304(c) clearly contemplate that termination rights are to be held only by natural persons (artists) and their families/descendants, and not corporate entities, this revision expressly deems the individual author to be the legal author of the work for purposes of the Copyright Act’s termination provisions. This ensures that the rescued termination rights vest in the artists themselves, rather than in their loan-out corporations.”).

agreements.⁵ Along with being influential recordings that paved new musical ground for today's modern rock acts, those old sound recordings also have sentimental value to the music groups that originally gave them life. These former recording artists now desire to recapture their sound recording copyrights and re-issue their old masters in order to receive a larger share of the results and proceeds derived from future commercial exploitations.⁶ The problem members of these recording artists face is determining who⁷ if anyone⁸ can terminate the transfer of

⁵ 17 U.S.C. § 203(a) (2012) ("In the case of any work other than a work made for hire, the exclusive or nonexclusive grant of a transfer or license of copyright or of any right under a copyright, executed by the author on or after January 1, 1978, otherwise than by will, is subject to termination"); *see also* 17 U.S.C. § 203(a)(3) ("Termination of the grant may be effected at any time during a period of five years beginning at the end of thirty-five years from the date of execution of the grant; or, if the grant covers the right of publication of the work, the period begins at the end of thirty-five years from the date of publication of the work under the grant or at the end of forty years from the date of execution of the grant, whichever term ends earlier.").

⁶ The company Tunecore operates on a business model that facilitates digital phonorecord deliveries of master recordings to digital stores such as iTunes, AmazonMP3, Rhapsody, Google Play, Rdio, Spotify, iHeartRadio, eMusic and MySpace for a flat fee of twenty nine dollars and ninety nine cents (\$29.99) for the first year and forty nine dollars and ninety nine cents (\$49.99) for each following year, per album. Under this model the sound recording rights holder retains one hundred percent (100%) of master rights, receives weekly iTunes sales trend reports, monthly overall music sales reports and retains all income derived from commercial exploitation of masters subject only to the annual fee mentioned above.

⁷ Under the definitions section, the Copyright Act of 1976 does not define the term "author." 17 U.S.C. § 101 (2012). *See also* Video Interview with Jay Cooper: *35 Year Copyright Reversion Clause, Works for Hire, and the Future of the Music Business*,

grant⁹ of sound recording copyrights that occurred thirty five years ago.

The thesis of this Article is that under an exclusive recording agreement entered into in the United States between a record label and recording

ARTISTS HOUSE MUSIC (Nov. 2007), <http://www.artistshousemusic.org/videos/35+year+copyright+reversion+clause+works+for+hire+and+the+future+of+the+music+business> (explaining that “there’s no definition of author . . . the sound recording is subject to being recaptured because it is not defined as one of the nine categories that can be assigned as a work made for hire and therefore the author has a right to recapture 35 years later, now we get into the real issue. Who is the author? Is it the featured artist? Is it the featured artist and the producer? Is it the featured artist and the producer and the engineer? Who is the author? We don’t know who the author is.”); Larry Rother, *Record Industry Braces for Artists’ Battles Over Song Rights*, N.Y. TIMES, August 16, 2011, at C1 (“The legislation, however, fails to address several important issues. Do record producers, session musicians and studio engineers also qualify as ‘authors’ of a recording, entitled to a share of the rights after they revert?”).

⁸ See *Scorpio Music S.A. v. Willis*, No. 11CV1557 BTM(RBB), 2012 WL 1598043, at *2 (S.D. Cal. May 7, 2012). The *Scorpio Music* court held that a joint author of a musical composition who transferred his copyright interest in a separate grant may unilaterally terminate that grant. “Upon consideration of the language and purpose of 17 U.S.C. § 203 in conjunction with the law governing the rights of joint authors, the Court concludes that a joint author who separately transfers his copyright interest may unilaterally terminate that grant.” *Id.*

⁹ “In the case of any work other than a work made for hire, the exclusive or nonexclusive grant of a transfer or license of copyright or of any right under a copyright, executed by the author on or after January 1, 1978, otherwise than by will, is subject to termination under the following conditions: (1) In the case of a grant executed by one author, termination of the grant may be effected by that author or . . . [i]n the case of a grant executed by two or more authors of a joint work, termination of the grant may be effected by a majority of the authors who executed it” 17 U.S.C. § 203 (2012).

artist on or after January 1, 1978, any key member or recording artist that signed the recording contract is a bona fide author of a sound recording for purposes of claiming standing in order to effectuate a termination of transfer of grant under Section 203 of the 1976 Copyright Act.

Part I will summarize the history of sound recordings as copyrightable subject matter. Part II will examine record industry custom and practice as it relates to the relationship between recording artists and record labels under exclusive recording agreements. Part III will examine what occurs in a typical recording session for the purpose of offering indicia of who is making substantive creative decisions that affect the final sound recording. Part IV will explore different theories of who may reasonably articulate a claim of authorship credit in a sound recording. Part V will present a nuanced, reasonable and practical solution to the issue of determining who has standing as an author of a sound recording for purposes of terminating a grant of transfer under Section 203 of the 1976 Copyright Act.

I. HISTORICAL TREATMENT OF SOUND RECORDINGS UNDER THE LAW

A. The 1909 Copyright Act

Under the 1909 Copyright Act, there was no federal copyright protection for sound recordings. In fact, there has been a long history of discrimination against sound recordings as protectable subject matter under federal law.¹⁰ For example, compared to

¹⁰ *Hearing Before the House Committee on Patents on Revision of Copyright Law*, 74th Cong., 2d Sess. 488-89 (1936) (“Recordings are not creations of ‘authors’ because they are

the fully realized public performance right afforded to musical composition rights holders, only recently have sound recording rights holders enjoyed a narrow public performance right in digital audio transmissions under federal copyright law.¹¹ Fortunately for authors and copyright owners, national discrimination of sound recordings has slowly faded away over the past sixty years¹² and has evolved into a more fully recognized federal right.

B. The 1971 Amendment

Due to the lobbying efforts of radio broadcast-

mechanical contrivances produced by efforts of engineers, technicians, performers and machines rather than by ‘authors.’”).

¹¹ U.S. COPYRIGHT OFFICE, CIRCULAR NO. 56, COPYRIGHT REGISTRATION FOR SOUND RECORDINGS 1 (2012) (“The Digital Performance Right in Sound Recordings Act of 1995, P.L. 104-39, effective February 1, 1996, created a new limited performance right for certain digital transmissions of sound recordings.”); *see also* WILLIAM F. PATRY, PATRY ON COPYRIGHT, § 3:162 (2012) (“Sound recordings have limitations on protection not found with other works of authorship. They were not granted a performance right until 1995 and then only a limited one for digital audio transmissions.”).

¹² “[T]here is no doubt in my mind that recorded performances represent the ‘writings of an author’ in the Constitutional sense and are fully as creative and worthy of copyright protection as translations, arrangements, or any other class of derivative works. I also believe that contributions of the record producer to a great many sound recordings also represent true ‘authorship’ and are just as entitled to protection as motion pictures and photographs. No one should be misled by the fact that in these cases the author expresses himself through sounds rather than by words, pictures, or movements of the body” *Hearings on H.R. 4347, H.R. 5680, H.R. 6831 and H.R. 6835 before Subcomm. No. 3 of the House Comm. on the Judiciary*, 89th Cong., 1st Sess. 1863 (1965) (statement of Abraham Kaminstenstein, Register of Copyrights).

ers in the 1960s, federal protection of sound recordings was a controversial topic. Radio broadcasters feared that if sound recordings were recognized by federal copyright law it would subject them to payment of public performance royalties for use of sound recordings similar to those paid to music publishers for public performance of musical compositions. While the battle between radio broadcasters and record labels waged on, bootleggers thrived because there was no federal law prohibiting them from creating unauthorized copies of records.

As piracy became more and more widespread, the recording industry entered into a compromise with radio broadcasters. In 1971, Congress passed the Copyright Amendment. The 1971 Amendment represented a negotiated compromise that allowed record labels to combat illegal bootlegging via federal copyright protection against unauthorized reproduction of sound recordings.¹³ To appease broadcasters, the 1971 Amendment carved out an exception to the public performance right traditionally held by copyright owners. Under the compromise between labels and broadcasters, radio broadcasters would not have to ask permission, nor pay, for the right to publicly perform a sound recording on terrestrial radio and record labels would have the force of federal copyright law to combat piracy.

C. The 1976 Copyright Act

The 1976 Copyright Act was the culmination of a sixteen year effort to modernize United States

¹³ On March 10, 1974, the United States became a member of the Convention for the Protection of Producers of Phonograms Against Unauthorized Duplication of Their Phonograms, which became effective April 18, 1973.

copyright law. In the early 1960s, Congress sought a comprehensive revision to the 1909 Copyright Act.¹⁴ Congress eventually enacted the 1976 Copyright Act which incorporated the primary elements of the 1971 Copyright Amendment.¹⁵ The 1976 Copyright Act also changed the term of copyright to the life of the author plus fifty years, redefined the work made for hire doctrine and added a fair use provision. The 1976 Copyright Act was also designed to make United States intellectual property law comport with the laws of Europe and other countries.¹⁶ Additionally, as with the 1971 Amendment, the 1976 Copyright Act continued to recognize sound recordings as copyrightable subject matter.¹⁷

D. The 1999 Amendment

In 1999, under the guise of adding a technical amendment to the 1976 Copyright Act, the Recording Industry Association of America¹⁸ lobbied Congress

¹⁴ See Peter S. Menell & David Nimmer, *Judicial Resistance to Copyright Law's Inalienable Right to Terminate Transfers*, 33 COLUM. J.L. & ARTS 227, 229 (2009).

¹⁵ Mary LaFrance, *Authorship and Termination Rights in Sound Recordings*, 75 S. CAL. L. REV. 375, 386 (2002) (“The legislative history of the 1976 Act incorporates verbatim a number of passages from the legislative history of the 1971 Sound Recordings Act. In fact, Congress enacted the 1971 Act (rather than simply waiting to address sound recording copyrights in the 1976 Act) in order to avoid any unnecessary delay in granting copyright protection to sound recordings.”).

¹⁶ PATRY, PATRY ON COPYRIGHT *supra* note 11, at § 1:82 (2012) (“By vesting copyright upon creation and fixation and providing for a single term of protection based on life of the author plus 50 years, the 1976 Act made substantial progress toward making U.S. law more compatible with the Berne Convention.”).

¹⁷ 17 U.S.C. § 101 (2012).

¹⁸ The Recording Industry Association of America (RIAA) is a trade group that represents the United States recording

to add sound recordings as a tenth enumerated category¹⁹ of works deemed capable of being characterized as works made for hire.²⁰ Without any analysis

industry. The mission of the RIAA is to foster a legal and business environment that strengthens and advocates the creative and financial prosperity of its members. In support of this mission, the RIAA lobbies to protect the intellectual property rights of its members and monitors state and federal laws, regulations and policies. The RIAA also certifies Gold®, Platinum®, and Diamond® sales of phonorecords.

¹⁹ See Randy S. Frisch & Matthew J. Fortnow, *Termination of Copyrights in Sound Recordings: Is There a Leak in the Record Company Vaults?*, 17 COLUM. J.L. & ARTS 211 (1993) (“A seemingly simple solution for record companies, of course, would be to lobby Congress for an amendment to the definition of a work for hire that would add sound recordings to the nine types of specially commissioned works.”).

²⁰ Intellectual Property and Communications Omnibus Reform Act of 1999, Pub. L. No. 106-113 app. I—S. 1948, §1011(d), 113 Stat. 1501A-521, 1501A-544 (1999) (amending 17 U.S.C. §101) (repealed 2000) (“Work Made for Hire. – Section 101 of title 17, United States Code, is amended in the definition relating to work for hire in paragraph (2) by inserting ‘as a sound recording,’ after ‘audiovisual work.’”); see also *How Stella Got Her Masters Back: Reversion Rights*, SXSW Panel (Mar. 15, 2012), http://schedule.sxsw.com/2012/events/event_MP9606. Panelist Eric German, Esq. states the reason record labels believe sound recordings should be characterized as ‘works made for hire.’ “Congress was intending to clarify something that everyone already knew to be true. It’s been standard industry practice for decades and decades to assume these things are works made for hire Almost every single record deal that ever was says this is a work for hire and every artist represented by counsel knows that, signs it, that’s what they thought all along too. The point is the reason that it doesn’t say sound recordings in the work for hire section of the Copyright Act is really an accident of history. The work for hire provisions were drafted back in 1965; in 1965 there was no such thing as a sound recording copyright. Back in the day, sound recordings, masters weren’t protected by copyright. That didn’t come into existence until 1971, so by the time sound recordings existed,

or debate, Congress passed the amendment and President Clinton signed it into law. After backlash and a bitter dispute between record labels and the artistic community,²¹ the 1999 Amendment was repealed in 2000 without prejudice and with congressional instructions that no inference was to be made either way as to its enactment and repeal.²² As a re-

this work for hire language had already been drafted, so of course the work for hire provision didn't mention sound recordings because they weren't copyrighted but by the time we get to the late '90s, we get the Sonny Bono Term Extension Act and we start looking at the prospect of what's coming up in 2013. There is this idea that 'Oh my God' everyone assumes these are work for hires, every contract says they're work for hires but yeah, we have to clean up the historical language from the '60s. I don't think that anyone thought that it had to happen in order to affect anything in the law but I think it just might as well to avoid the issue that we're talking about today. So Congress puts this in 1999 and adds it. Here's the facts, everyone thought these were work for hire, every contract said they were work for hire, Congress said, 'Oh, by the way, we meant to have work for hire, let's amend the Copyright Act and put this in there. Yes, shit storm is the phrase you used. Because of procedural issues, everyone thought there wasn't enough debate on the subject. Artist advocacy groups got very vocal about this. So they decided to pull it back in 2000 and said, 'OK, we won't go through with that, and there's a 2000 amendment that deals with that.' *Id.*

²¹ See *How Stella Got Her Masters Back: Reversion Rights*, *supra* note 20 (discussed by panelist Eric German).

²² See 17 U.S.C. § 101 (2012) (amended "work made for hire" definition) ("In determining whether any work is eligible to be considered a work made for hire under paragraph (2), neither the amendment contained in section 1011(d) of the Intellectual Property and Communications Omnibus Reform Act of 1999, as enacted by section 1000(a)(9) of Public Law 106-113, nor the deletion of the words added by that amendment – (A) shall be considered or otherwise given any legal significance, or (B) shall be interpreted to indicate congressional approval or disapproval of, or acquiescence in, any judicial determination, by the courts

sult, Congress left the issue of whether a sound recording could be a work made for hire unresolved and ambiguous.

History shows that the rights afforded to sound recording owners are evolving. Throughout the last hundred years sound recordings have gone from not being federally recognized copyrightable subject matter to a category of intellectual property that is slowly enjoying the full panoply of rights afforded to other types of works. Looking forward, future judicial opinions interpreting Section 203 of the 1976 Copyright Act are sure to further define the rights held by sound recording copyright owners.

II. RECORD INDUSTRY CUSTOM AND PRACTICE

Once a band is scouted and the label deems them worthy of a deal, the recording artist is offered

or the Copyright Office. Paragraph (2) shall be interpreted as if both section 2(a)(1) of the Work Made for Hire and Copyright Corrections Act of 2000 and section 1011(d) of the Intellectual Property Communications Omnibus Reform Act of 1999, as enacted by section 1000(a)(9) of Public Law 106-113, were never enacted, and without regard to any inaction or awareness by the Congress at any time of any judicial determinations.”); *see also How Stella Got Her Masters Back: Reversion Rights*, *supra* note 20 (discussed by panelist Daryl Friedman) “In ’99 at the suggestion of the recording industry association Congress put in a law that . . . added . . . sound recordings as a category of works for hire I . . . was in Washington at the time we worked on this issue I don’t believe that Congress had ill intent. I think they were just thinking they were doing the right thing because it would clarify what they had been told was a very clear issue but ambiguous in the law, so they added sound recordings as a category of work for hire. What happened is a shit storm of artist revolt when they found out about it and my CEO testified about it on the Hill, Sheryl Crow testified and eventually that was taken out and we’re back to the sort of ambiguous state.” *Id.*

an exclusive recording agreement whereby the parties agree that in exchange for an advance and promise of artist's royalties, the record label is entitled to the artist's exclusive recording services. Further to this agreement, the label takes the position that as a matter of law, all sound recordings (also known as 'masters') created during the term of the contract fall within the subject matter and scope of the exclusive recording agreement and shall be deemed to be property of the label from the moment of fixation. Typical language found in recording agreements usually characterizes these sound recordings as works made for hire²³ and as a result the label is deemed the author of the works. The recording agreement will also, as a matter of custom and practice, include language stating that in the event the masters are not found to be works made for hire then the artist shall have assigned the copyright in the sound recordings to the label.²⁴ This "belt and suspenders" approach offers

²³ But see *Fifty-Six Hope Road Music v. UMG Recordings*, No. 08-CIV-6143(DLC), 2011 WL 3874861 (S.D.N.Y. Aug. 31, 2011) in which a dispute concerning the ownership of the renewal term copyrights in pre-1978 sound recordings embodying the performances of reggae artist, Bob Marley. The court applied the "instance and expense test" under the 1909 Act and deemed the recordings created pursuant to exclusive recording agreements between Bob Marley and the predecessor in interest to defendant UMG Recordings, Inc. were works made for hire.

²⁴ *Sound Recordings as Works Made for Hire Before the Subcomm. on Courts and Intellectual Property Comm. on the Judiciary*, 106th Cong. (2000) (statement of Marybeth Peters, Reg. of Copyrights). "Although the recording industry has changed considerably since the 1960's, the contracts signed between record companies and performers appear to have changed very little. Most contracts contain clauses specifying that the works produced by performers are works made for hire. Such contracts generally contain an additional clause providing

some consolation to the label in the event that the work made for hire language is deemed invalid. If the work made for hire provision is deemed invalid, the record company can at least be assured they have the right to create derivative works and freely exploit the masters for at least thirty five years from the date of grant or first publication.

In the music industry a sound recording²⁵ is created by the process of layering individually recorded tracks of instrumental and vocal performances until the many parts are compressed into a final unitary whole. After sound recordings from a recording session are mixed and mastered (or compressed), under the terms of most recording agreements, usually between ten to thirteen individual recordings are selected to be included in an album.²⁶ The recordings are then arranged, copied,²⁷ packaged, marketed,

that if the work created is found to by courts to fall within neither prong of the definition of works made for hire, that the performer assigns all his rights to the record company.” *Id.*

²⁵ See 17 U.S.C. § 101 (2012) (“Sound recordings’ are works that result from the fixation of a series of musical, spoken, or other sounds, but not including the sounds accompanying a motion picture or other audiovisual work, regardless of the nature of the material objects, such as disks, tapes, or other phonorecords, in which they are embodied.”); see also PATRY, PATRY ON COPYRIGHT, supra note 11, at § 3:160 (“Sound recordings are thus purely aural works, covering only the series of recorded sounds.”).

²⁶ Modern practice also includes digital distribution via streaming and sale of individually downloadable phonorecords in non-album a la carte configurations.

²⁷ See 17 U.S.C. § 101 (2012) (“Phonorecords’ are material objects in which sounds, other than those accompanying a motion picture or other audiovisual work, are fixed by any method now known or later developed, and from which the sounds can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or

distributed and sold to consumers in physical and digital formats or licensed to third party audiovisual content creators.

Because demand for physical product has dissipated²⁸ due in part to rampant illegal file sharing²⁹ over the past decade,³⁰ the modern practice of distribution and commercial exploitation of sound recordings is now being transformed and moving from an ownership to an access based model.³¹ Today, most record company business models are more focused on selling or streaming digital configurations of sound

device. The term “phonorecords” includes the material object in which the sounds are first fixed.”).

²⁸ D.X. Ferris, *Exclusive Interview: Hawthorne Heights on Leaving Wind-Up Records, Starting Their Own Label*, Alternative Press (Aug. 10, 2011), http://www.altpress.com/features/entry/hawthorne_heights_interview_leaving_wind-up_records_cardboard_empire (quoting Eron Bucciarelli of Hawthorne Heights: “In our opinion, the physical format is going the way of the dinosaur, and it doesn’t make sense to invest a lot of money into stocking up on an inventory.”).

²⁹ *A&M Records, Inc. v. Napster, Inc.* 239 F.3d 1004 (9th Cir. 2001) (holding that unauthorized peer-to-peer file sharing of MP3’s over the internet for the purpose of space-shifting represented copyright infringement).

³⁰ *Album Sales Plummet to a 12-Year Low*, NME (Apr. 16, 2012, 10:56 AM), <http://www.nme.com/news/various-artists/63256> (reporting that “[o]verall LP figures over the last week are 27.62% down with week-on-week sales currently standing at 1,446,218. Compared with figures of 1,882,878 for the same week last year, that shows a 23.19% drop overall. That is lower than any of the 640 previous weeks that have elapsed since the year 2000.”).

³¹ Jareen Imam, *Young Listeners Opting to Stream, Not to Own Music*, CNN (June 16, 2012, 3:39 PM), <http://www.cnn.com/2012/06/15/tech/web/music-streaming> (“[T]he cloud model is where the state of music is heading, and for many people ownership is not essential.”).

recordings to consumers and for the lucrative³² business purpose of master use licensing.³³

³² In contrast to the dramatic decrease of physical phonorecord sales revenue in the United States caused by rampant illegal file sharing, the business of licensing sound recordings to film producers, television studios, ad agencies and video game publishers for use in their audiovisual projects has become a very lucrative revenue stream for record labels. In addition to the value derived from marketing impressions created for the artist an independent record label with a decent catalog can easily generate \$1 million dollars a year in gross revenues in licensing fees. One can reasonably infer that major record labels with much more extensive catalogs of successful recordings are generating a substantial amount of revenue from master use licensing of their catalog. A recent Rolling Stone magazine article reported that The Beatles recently licensed master rights to “Tomorrow Never Knows” for use in the Showtime series *Mad Men* for \$250,000. *‘Mad Men’ Paid \$250K for Beatles Song*, Rolling Stone (May 8, 2012, 8:45 AM), <http://www.rollingstone.com/music/news/mad-men-paid-250k-for-beatles-song-20120508>. I think the reason that third party master use licensing remains a healthy robust source of revenue is because the users of sound recordings in these instances are most likely to be established content creating entities themselves that are owned by major corporations and run by professionals. These enterprises understand and respect the importance of copyright law. These licensees have much to lose in the event they were to unlawfully use another entity’s intellectual property without permission. In addition to harming their reputation by participating in unlawful conduct, the 1976 Copyright Act provides for \$150,000 in statutory damages for copyright infringement per willful violation. Compare this to the no win proposition created by an illegal file sharing teenager who is trading MP3s with her friends. If the record label decides to bring an action against such an individual, the teenager is most likely going to be judgment proof and the record label will look like a bully in the court of public opinion.

³³ As commonly used in the music industry, the term “master use licensing” refers to the practice of licensing master rights to third party audiovisual content (film, TV show, video game)

Under the common arrangement summarized above, rights to ownership, control and exploitation of sound recordings are deemed to be held solely and exclusively by the record label. Although under the language of most exclusive recording agreements sound recordings are labeled works made for hire, federal copyright law holds that just because a writing or contract states the work is a work made for hire, it does not legally necessarily make it so.³⁴ One must analyze the substance of the relationship between the artist and label in order to determine if the work can be properly deemed to be a work made for

creators whereby the record label (licensor) grants to the audiovisual creator (licensee) permission to reproduce sound recordings in fixed and timed synchronization with a visual image.

³⁴ *Sound Recordings as Works Made for Hire Before the Subcomm. on Courts and Intellectual Property Comm. on the Judiciary, supra* note 24 (“... the fact that work-for-hire agreements and copyright registrations (characterize the works) as works for hire ... does not lead to the legal conclusion that the sound recordings that are the subjects of those agreements and registrations are indeed works made for hire. If a specifically ordered or commissioned work does not fall within one of the categories set forth in the ... statutory definition, the agreement of the parties cannot transform it into a work made for hire.”); *see also How Stella Got Her Masters Back: Reversion Rights, supra* note 20 (discussed by panelist Ken Abdo, Esq.). “Most recording agreements in existence have work for hire language, which basically means as a technical matter that the person offering the services is an employee of the employer. It is an inalienable right that someone has to their copyrights so just by saying something is a work for hire, even in a writing, doesn’t make it a work for hire. A work for hire is a technical term of art, so, there are many examples of what constitutes a work for hire across many different businesses, which is basically, you’re an employee, you’re treated as an employee, paid as an employee and therefore the creative content becomes the property of the employer.” *Id.*

hire.³⁵

A. Is a Sound Recording a Work Made For Hire?

Under Section 101 of the 1976 Copyright Act³⁶ there are two mutually exclusive means by which a work may acquire work made for hire status. One of the means by which a work can be deemed a work made for hire is if it was created by an employee under the course and scope of employment. The other means by which a work may acquire work made for hire status is if the work falls within one of the enumerated categories of works specially ordered or commissioned, is created for use in one of the nine enumerated categories, created by an independent contractor³⁷ and the parties expressly agree in a signed written instrument that the work shall be considered a work made for hire.

One consequence of being deemed a work made for hire is that the hiring party, rather than

³⁵ See *Warren v. Fox Family Worldwide, Inc.*, 328 F.3d 1136, 1141 (2003). It is also true that the term “work for hire” need not expressly be included in such a writing. What is necessary is that it must appear from the document that the parties both intended that the work be considered a work for hire. *Id.*

³⁶ 17 U.S.C. § 101 (2012) (“A ‘work made for hire’ is – (1) a work prepared by an employee within the scope of his or her employment; or (2) a work specifically ordered or commissioned for use as a contribution to a collective work, as part of a motion picture or other audiovisual work, as a translation, as a supplementary work, as a compilation, as an instructional text, as a test, as answer material for a test, or as an atlas, if the parties expressly agree in a written instrument signed by them that the work shall be considered a work made for hire.”).

³⁷ But see Neil J. Rosini, *Copyright Recapture 2012: Strategies for Owners and Transferees Facing the New Termination Threat*, STRAFFORD (June 26, 2012) at slide 36 (“Whether or not post 1/1/78 sound recordings by independent contractors are eligible for work for hire status is unclear.”).

the creator of the work, would be deemed the author and will own the copyright in the sound recording from the moment of fixation.³⁸ This means that the recording artist will not be a rights holder of the sound recording copyright. Instead the artist will only be entitled to receive royalties from exploitations of the masters under the terms of the recording agreement. Another consequence is the effect on copyright duration. Under the 1976 Copyright Act, the life of copyright for a work made for hire is 120 years from the date of creation or ninety-five years from publication, whichever comes first.³⁹ The most important implication for the purposes of this Article would be that if sound recordings are deemed to be works made for hire, they would not be subject to reversion under Section 203 of the 1976 Copyright Act.

The first step in the work made for hire analysis requires determination as to whether the creative party was an employee acting within the scope of his or her employment; the Supreme Court in *Community for Creative Non-Violence v. Reid* instructs us to look to the law of agency.⁴⁰ In interpreting Section 101 of the 1976 Copyright Act, the Supreme Court held that there are twelve factors⁴¹ that should be examined in order to determine if the party is an employee. With no single factor being determinative, the factors to be considered are: (1) the skill required to create the work; (2) the source of the tools and instrumentalities; (3) the location of the work; (4) the duration of the relationship between the parties; (5) whether the hiring party has the right to assign ad-

³⁸ 17 U.S.C. § 201(b) (2012).

³⁹ 17 U.S.C. § 302(c) (2012).

⁴⁰ *Cnty. for Creative Non-Violence v. Reid*, 490 U.S. 730, 751 (1989).

⁴¹ *Id.* at 751.

ditional projects to the hired party; (6) the extent of the hired party's discretion over when, and for how long, to work; (7) the method of payment; (8) the hired party's role in hiring and paying assistants; (9) whether the work is part of the regular business of the hiring party; (10) whether the hiring party is in business; (11) the provision of employee benefits; and (12) the tax treatment of the hired party.⁴²

Under most situations, the modern recording artist signed to an exclusive recording contract will most likely not fall within the definition of an employee acting within the scope of his or her employment. The delivery requirements of a typical record deal provide that the artist shall deliver commercially satisfactory recordings that the label believes will sell. Other delivery criteria require that the recordings must be studio recordings, are to be recorded during the term, feature the performance of the recording artist, do not infringe any third party rights, and are of a certain quantity and minimum playing time.⁴³ Typically, the artist usually works unsupervised by the record label and the artist will have complete control over creative decisions affecting production of the sound recordings. The lack of label control over the artist shows a lack of a sufficient nexus between the artist and label that favors a finding that the recording artist is not an employee.

In instances where a third party producer is brought on board, although the artist may work closely with a producer, the artist is the hiring party in relation to the producer. The artist is responsible

⁴² *Id.*

⁴³ DONALD S. PASSMAN, ALL YOU NEED TO KNOW ABOUT THE MUSIC BUSINESS 110-11 (7th ed. 2009). (discussing delivery requirements for recordings under a typical recording agreement).

for engaging and paying for the services of the producer out of the artist's advance and all-in royalty. Because in most instances the recording artist is the final creative decision maker,⁴⁴ and because the label does not withhold taxes or pay social security taxes on behalf of recording artists, it is very unlikely that the record company will be able to successfully argue that the recording artist is an employee of the label acting within the scope of his or her employment when the works are created.

If the recording artist is found not to be an employee of the record label under the Community For Creative Non-Violence analysis, then we look to the second means provided under Section 101 of the work made for hire definition. Usually, the record label's stronger argument of characterizing sound recordings as works made for hire is found here and based on the position that the artist is an independent contractor. But, under an independent contractor analysis, only nine types of works can be works made for hire. The nine categories are (1) contribution to collective works, (2) part of a motion picture or audiovisual work, (3) translation, (4) supplementary work such as an introduction, index, appendice, forward, explanation, (5) a compilation (6) an instructional text, (7) a test, (8) as answer material for a test, or (9) an atlas. If the work falls within one of the nine enumerated categories and there is a signed writing expressly stating that the sound recording is

⁴⁴ See U.S. COPYRIGHT OFFICE, CIRCULAR NO. 56, *supra* note 11, at 3. Although the artist is in control of what happens during the tracking phase of the recording, I have experienced situations where a rogue producer in post-production will rearrange or shorten the recorded chorus or verse, add an effect or vocalist, or performance of a side-musician without consulting the artist or label.

a work made for hire, then the work will be deemed a work made for hire.

Here, the label's position would be based on the premise that a sound recording is either a work specifically ordered or commissioned for use as a contribution to a collective work,⁴⁵ a work that is part of an audiovisual work⁴⁶ or that the album embodying the sound recordings is a compilation.⁴⁷ Although, there is a dearth of Supreme Court judicial opinion on these matters, there have been several decisions in lower jurisdictions recognizing that sound recordings are not one of the nine categories of specially or-

⁴⁵ See *Sound Recordings as Works Made for Hire Before the Subcomm. on Courts and Intellectual Property Comm. on the Judiciary*, *supra* note 24. "Record companies have argued that even under the law as it existed before last November, the vast majority of commissioned sound recordings qualified as works made for hire because they were contributions to collective works or compilations, two categories of works included in the statutory definition. This theory may well be valid under traditional distribution models. A record album may well be considered a collective work, and a sound recording of each performance included on the album therefore may well be a contribution to a collective work. The courts have not yet addressed this issue, although several courts have stated that sound recordings as such are not among any of the nine categories of specially ordered or commissioned works. Some representatives of performers have rejected the theory that an individual sound recording on an album can usually be considered a contribution to a collective work, arguing that an album of songs by the same artist, delivered by that artist to a record company, does not qualify as a collective work." *Id.*

⁴⁶ See Mary LaFrance, *Authorship and Termination Rights in Sound Recordings*, 75 S. CAL. L. REV. 375 (2002) for an in depth discussion.

⁴⁷ See David Nimmer & Peter S. Menell, *Sound Recordings, Works for Hire, and the Termination-of-Transfers Time Bomb*, 49 J. COPYRIGHT SOC'Y U.S.A. 387 (2001) for an in depth discussion.

dered or commissioned works.⁴⁸ Because of the lack of authority on this issue, it is hard to predict with any degree of certainty whether record labels putting forth one of these theories would be successful in convincing a court that sound recordings are works made for hire under the terms of a traditional recording agreement.

Although the above arguments characterizing sound recordings as works made for hire will likely fail, record labels do have another alternative that will enable them to successfully obtain control over sound recording copyrights for at least thirty five years from the date of grant. Under this approach, a label would be able to control rights to sound recordings under the non-work made for hire terms of the recording agreement via the assignment clause,⁴⁹ but they would not own the copyright in the sound recording as a matter of law under the Section 101 definition of a work made for hire.

III. THE RECORDING SESSION

Recording an album is usually a long and arduous process and subject to many unforeseen occur-

⁴⁸ See *Lulirama Ltd. v. Axxess Broadcast Services, Inc.*, 128 F.3d 872, 878 (5th Cir.1997) (finding that the category of “audiovisual works” in the work for hire definition does not include sound recordings); see also *Ballas v. Tedesco*, 41 F. Supp. 2d 531, 541 (D.N.J. 1999) (sound recordings at issue were “not works for hire under the second part of the statute because they do not fit within any of the nine enumerated categories”); see also *Staggers v. Real Authentic Sound*, 77 F. Supp. 2d 57, 64 (D.D.C. 1999) (finding that “a sound recording does not fit within any of the nine [enumerated] categories”).

⁴⁹ See WILLIAM F. PATRY, COPYRIGHT LAW & PRACTICE 380–81 (1994) (“[Artist/record company] contracts typically contain ‘belt and suspenders’ language transferring copyright in the event a work is found not [to] be a work made for hire.”).

rences. The consistent variable is that a creation of a sound recording results from a culmination of many steps and a multitude of decisions. With the above in mind, this Part will examine a typical recording session for a four piece rock band comprised of vocals, guitar, bass and drums.

In the music industry, a typical sound recording is created by a process of layering individually recorded audio tracks of instrumental and vocal performances until the many individual tracks are compressed into a final unitary whole. During a traditional recording session each instrument is isolated and recorded on a separate track,⁵⁰ then mixed and mastered. The mixing phase refers to the process where the volume levels of the individual tracks are adjusted and some effects are added to enrich the vocal and musical performances. After all desired volume levels are decided upon for each individual track in the matrix, the final mix is then compressed into a unitary whole and becomes the final 'mastered' version of the recording.⁵¹ This mastered version of the

⁵⁰ Although an argument can be made that each separate track is a sound recording subject to copyright in and of itself, a better characterization is that creation of a sound recording is a process that occurs over a period of time. The master recording that has been tracked, mixed and compressed is the complete version of the work. An analogy can be made to creation of an audiovisual work, each day of principal photography is not intended to be a complete audiovisual work, but rather the final work is the culmination of a process that includes filming, scoring, directing and editing all the individual parts.

⁵¹ For the sake of clarity, please note that the term 'mastered' here refers to the process of aggregating the individual recorded tracks created during the recording session and compressing them into a unitary whole whereby. The purpose of the mastering process is to create the final sound recording along which includes the output volume levels the listener hears when listening to the commercially released recording. The

sound recording is then reproduced, distributed, marketed and commercially exploited by the record label.

Historically, most rock bands are organically created by a group of friends. The musical compositions performed by the band are usually written by a key member or key members of the group. These key members are the masterminds and source of creative vision for the band. The musical compositions are the underlying works that are performed when the band plays live and are embodied in sound recordings. The composition is made up of the lyrics and melody of musical work. In most instances, the key member gives aural effect to the ideas embodied in the composition.⁵² For example, the guitar player will have a riff and play it at practice; the singer may have a notebook of lyrics or a chorus in mind. During rehearsal the guitar player may play a riff over and over again until the drummer and bass player join in, followed by the singer, and the composition eventually takes shape, with certain parts extended, shortened, changed, or deleted as deemed necessary by the band. Once the final form of the musical composition is agreed upon, the band will usually practice performing it in their rehearsal studio until they get the opportunity to fix it in a recording.

Prior to the formal recording of a musical

term ‘mastered’ should not be confused with the term master recording which is just another name for a phonorecord as used in the music industry. Thus, a sound recording is the final result of ‘mastered’ audio recordings and the last mechanical step in creation of the work. A sound recording is also embodied in a master recording i.e., a phonorecord.

⁵² *Burrows-Giles Lithographic Co. v. Sarony*, 111 U.S. 53, 61 (1884) (“...[T]he author is the man who really represents, creates, or gives effect to the idea, fancy, or imagination.”).

work, there is usually a pre-production phase in which the artist creates low cost raw versions of recordings that are typically recorded at the band's rehearsal studio. These demos are usually devoid of any big production elements. The purpose of demo is to give the artist and label a rough idea of what the final recording will or should sound like. These rough drafts are usually listened to by the artist and sent to the record label and producer for creative feedback. Once the artist takes the producer's and label's creative notes into consideration, the artist will fine tune the composition in order to realize their creative vision of what the final sound recording should sound like. With the help of the producer and label, the artist decides which compositions will be recorded. Once they have a target list of works to record, the artist will head to the studio to begin tracking (also known as recording) the album.

The formal process of creating a sound recording begins with tracking the drums. The drums provide the foundation of the recording. The drums are the time keeping element upon which that the rest of the group builds upon. Along with the final mix down, the process of tracking the drums is usually the most cumbersome and labor intensive.

Although it is true that the sound engineer usually decides which microphones to use and where to place them, the overriding goal of the engineer when tracking the drums is to set up the microphones with the intention of not getting in the way of the drummer's performance. The drummer as recording artist usually does not concern himself with placement of microphones. The drummer as creator of his performance chooses which gear he will use for the recording session. These choices are based on his comfort level and on his subjective idea of what

equipment sounds the best. As a technical matter, once the drum tech sets up the kit, the drummer is mostly interested in having his drums set up in the usual manner in which he performs, making sure all the drum heads, stands and cymbals are tilted at the proper angles and within his reach.

Next, the engineer comes in, works around the placement of the drum kit and sets up the microphones for the purpose of capturing the drummer's performance, ever vigilant of making sure the microphones are not obstructing the drummer's performance in any way. In order to accomplish this goal, a reasonably competent sound engineer will work within a range of industry norms and practices that dictate the types of microphones used and the distance between the microphone and the instrument. Although the engineer has discretion to choose expensive microphones, if he has them at his disposal, for the most part the professional sound engineer's microphone of choice for recording musical instruments is going to be a high quality, moderately priced and durable microphone.⁵³

Once the microphones are set up, the engineer will ask the drummer to hit each drum head and cymbal over and over again while the engineer is in the control room. The engineer will then fine tune the microphone volume levels of each isolated microphone at the mixing board. The process of repeatedly hitting each drum head and cymbal is long and monotonous and could take hours until the exact desired tone of sound is captured. The engineer and producer are usually the parties deciding the appropriate drum sound to be desired for purposes of

⁵³ The Shure SM57 microphone is the mainstay of the live performance and recorded music industry.

tracking.

Once the right sound is agreed upon, the levels on the mixing board are noted for future reference. This process is repeated until all the desired sound levels are reached for all the individual drums and hardware included in the kit (i.e., the floor toms, snare, bass drum, hanging toms, high hat, crash cymbal, and ride cymbal). Once the desired levels for each piece of drum hardware are found, then the first layer, which is actually the combination of multiple layers of drum tracks, is recorded. The creativity provided by the drummer originates from his personal drumming style which is mainly derived from his internal timekeeping rhythm and how fast, hard or soft he hits the drums and cymbals while he plays.

On the first take, the entire band will perform the musical composition in unison in different isolation booths while the drum tracks are isolated and recorded. These ancillary vocal, guitar and bass tracks are not intended for use in the final sound recording. These ancillary recordings are referred to as scratch tracks and will later be discarded and recorded over. The sole purpose of the scratch tracks are to provide the drummer with an audio context to which he performs his drum parts.

Next the bass track is recorded. Usually the bass player sets up his bass cabinet and amplifier in a recording booth isolated from the rest of the band. The engineer will choose the types of microphones to be used and decide where to place the microphones. Again, these technical non-unique⁵⁴ decisions fall

⁵⁴ Samson Vermont, *The Sine Qua Non of Copyright is Uniqueness, not Originality*, 20 TEXAS INTELL. PROP. L.J. 327, 328 (“[U]niqueness is the true *sine qua non* of copyright and that the two components [independent creation by the author and a modicum of creativity] are rough heuristics for

within reasonable parameters dictated by studio industry custom and practice. During tracking of the bass performance, the bass player will listen to the previously recorded drum tracks on headphones.

The unique creativity provided by the bass player is derived from his interpretation of the musical composition, his picking style and the individual rhythm which finds expression when he physically plays the bass. Once captured, the isolated recording of the bassist's performance will be the second major layer of the recording matrix that goes into creating the final sound recording.

Next, the guitars are recorded under a similar process as was used to record the bass parts. The guitar player listens to the drum and bass tracks on headphones in an isolation booth and records his guitar parts. The creativity provided by the guitar player is mostly derived from his timing and unique method of strumming the instrument. The guitar player also decides which distortion box to use (if any) during his recorded performance. The guitar player also decides which instrumental guitar flourishes and leads are going to be added to the recording. These unique leads and flourishes are usually recorded on separate tracks on separate takes, using the aforementioned process of playback and "layering" additional tracks on top of each other. After the drums, bass and guitars are recorded, the vocalist will also go through a similar process of listening to the recorded music on headphones and have his isolated performance recorded on a separate track or tracks. The originality created by the vocalist's performance comes from his unique vocal tone, timing,

uniqueness. When we focus directly on uniqueness, many puzzles melt away.").

cadence, breathing capacity and energy behind the performance of the lyrics. At each step of the way each individual performance is mechanically captured in the sound recording.

During the entire recording process the producer will offer creative feedback to the recording artist. It is the job of the producer to inspire the band in order to draw out the best possible performance and capture it on the recording. The level of creative feedback and degree to which the recording artist cooperates with the producer varies immensely depending on the parties. As with all creative endeavors, the process of creating a sound recording is a very fluid process and the producer's degree of influence on the final result⁵⁵ is based mostly on the relationship and chemistry between the parties.

Once tracking is complete, the volume levels and effects layered on the individual tracks are mixed down into a final version by the sound mixing engineer. Depending on the agreement of the parties, the job of mixing the final recording may or may not be done by the recording engineer who may or may not be the same person as the producer. Once the final mix of individual isolated tracks is complete, the recording is compressed and 'mastered' by the engineer into a final unitary whole technically fit for commercial exploitation. This mastered recording is the first phonorecord which embodies the sound recording. This first phonorecord is the source asset from which all subsequent copies or phonorecords are reproduced.

⁵⁵ Sometimes in post-production a producer will re-arrange or shorten the recorded chorus or verse, add an effect or vocalist, or performance of a side-musician *without* first consulting the artist.

IV. SOUND RECORDING AUTHORSHIP

A. A Survey of Artistic, Legislative and Judicial Guidance

There are many sources that inform as to who is an author of a sound recording. Although the 1976 Copyright Act does not define the term “author,” Circular 56 issued by the United States Copyright Office expresses that a performer or producer is the author.⁵⁶ Recording artists,⁵⁷ commentators,⁵⁸ and ju-

⁵⁶ See U.S. COPYRIGHT OFFICE, CIRCULAR NO. 56, *supra* note 11 (“The author of a sound recording is the performer(s) or record producer or both.”).

⁵⁷ Katie Van Syckle, *Q&A: Dave Grohl on His ‘Sound City’ Doc and Taking Risks in Music*, ROLLING STONE (Jan. 25, 2013), <http://www.rollingstone.com/music/news/q-a-dave-grohl-on-his-sound-city-doc-and-taking-risks-in-music-20130125#ixzz2NLaBayS6>. Some artists even give great deference and creative credit to the actual studio and mixing board used in producing their sound recordings. Professional musician and vocalist David Grohl is quoted as saying “I always had a strong connection to that studio because Nirvana wasn’t meant to be the biggest band in the world. We just weren’t. So when we went there for 16 days, we weren’t making that album with the intention that we were going to change the fuckin’ world. We just wanted it to sound good . . . The fact that what happened actually, happened, makes me think there’s something a more than just wires and knobs in that place. Personally, I have a strong emotional connection to it. Musically, there’s something magical about that place, and when I heard that they were closing I thought, ‘I have a studio, I make records every day. If I could be reunited with this piece of equipment that I consider to be the best sounding board I’ve ever worked on and the board that’s responsible for the person that I am, it would be a huge full-circle emotional reunion for me.’ And that’s why I made the movie.” *Id.* This statement was made in reference to the Neve 8028 analog mixing console from Sound City recording studio. Sound City was the recording studio where Fleetwood Mac, Nirvana, The Red Hot Chili

dicial opinions⁵⁹ also provide clues as to who should be deemed an author of a sound recording. Although there is no definitive case law resolving the issue of who is an author of a sound recording, there is a rich history suggesting that an author of a work is the mastermind or creator of the work.⁶⁰

Legislative history also provides guidance as to who could be deemed an author of a sound recording. Congress has suggested that performers, studio engineers and producers may be deemed authors of sound recordings,⁶¹ and even suggested that the per-

Peppers, Neil Young, Bad Religion, Tom Petty, Rick Springfield plus many others recorded.

⁵⁸ See MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT NIMMER § 2.10[A][3] (1999) (“Absent an employment relationship, or an express assignment of copyright from the performers to the record producer, the resulting ownership of the sound recording copyright will either be exclusively in the performing artists, or ... a joint ownership between the record producer and the performing artists.”).

⁵⁹ See *Aalmuhammed v. Lee*, 202 F.3d 1227, 1235 (9th Cir. 1999) (explaining that exercising control over the finished work is strong indicia of authorship).

⁶⁰ *Burrows-Giles Lithographic Co. v. Sarony*, 111 U.S. 53, 58 (1884). Here the Court adopted a dictionary definition of “author,” and held that an author is “he to whom any owes its origin; originator; maker.” *Id.* See also *Community for Creative Non-Violence v. Reid*, 490 U.S. 730, 737 (1989). Generally, the author of a work is the person who “actually creates the work, that is, the person who translates an idea into a fixed, tangible expression entitled to copyright protection.” *Id.*

⁶¹ H.R. REP. NO. 92-487, at 5 (1971); S. REP. NO. 92-72, at 5 (1971) (“The copyrightable elements in a sound recording will usually, though not always, involve ‘authorship’ both on the part of the performers whose performance is captured and on the part of the record producer responsible for setting up the recording session, capturing and electronically processing the sounds, and compiling and editing them to make the final sound recording. There may be cases where the record

son who sets up the recording session may be considered an author.⁶² Most telling from a historical perspective is the fact that Congress decided to leave the 1971 Amendment silent as to the issue of authorship. As a result, the 1909 Act controlled, and because Congress deemed that sound recording authorship should be left to the free market to decide, works were often characterized as works made for hire under work made for hire provisions of recording contracts.⁶³

producer's contribution is so minimal that the performance is the only copyrightable element in the work, and there may be cases (for example, recordings of birdcalls, sounds of racing cars, etc.) where only the record producer's contribution is copyrightable.”).

⁶² H.R. REP. NO. 94-1476, at 56 (1976) (“[S]etting up the recording session, capturing and electronically processing the sounds, and compiling and editing them to make the final sound recording” may constitute authorship of a sound recording.) *But see* *Forward v. Thorogood*, 985 F.2d 604, 605-606 (1993) (finding that plaintiff was not a joint author of a sound recording where he had merely arranged and paid for the recording session and requested that specific works were to be recorded. Plaintiff did not make any musical or creative artistic contribution to the sound recordings. Plaintiff did not serve as the producer, studio engineer nor in any way directed the manner in which the musical compositions were performed.); *see also* MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT NIMMER § 2.10[A][2][b] (1999) (“If the act of ‘setting up the recording session’ were the record producer’s only basis for claiming original contribution to the recording, and hence ‘authorship,’ it would be ill-based indeed. This is no more an act of ‘authorship’ than is the act of one who makes available to a writer a room, a stenographer, a typewriter, and paper.”).

⁶³ H.R. REP. NO. 92-487, at 5 (1971); S. REP. NO. 92-72, at 5 (1971) (“As in the case of motion pictures, the bill does not fix the authorship, or the resulting ownership, of sound recordings, but leaves these matters to the employment relationship and bargaining among the interests involved.”).

B. Sheryl Crow “Featured Artist” Approach

The Subcommittee hearings of the 106th Congress were held to resolve the issues raised by the 1999 Amendment. During these work for hire hearings, recording artist Sheryl Crow testified as to who she thought should be deemed an author of a sound recording. In answering the question, she took a pragmatic position that focused on the financial and creative burdens associated with the creation and marketing of records. The answer to determining sound recording authorship in Ms. Crow’s mind was provided by looking at the music industry custom and practice and focusing on the party that carries the burden of creativity and economic responsibility.

In her mind, from a constitutional⁶⁴ perspective, the featured recording artist was the creative force⁶⁵ behind the sound recording. Also important,

⁶⁴ *Sound Recordings as Works Made for Hire Before the Subcomm. on Courts and Intellectual Property Comm. on the Judiciary, supra* note 24, at 162-66 (statement of recording artist, Sheryl Crow) “If anyone in this room sat in a recording studio, you would see that the artist featured on a sound recording functions as the author of the work. Without the creative vision of that featured artist, there would be no sound recording. To legislate that the record label should be recognized and credited as the author of the sound recording undermines what I feel the framers’ intent of the Constitution was. I am the author and creator of my work. Although I appreciate my record label’s advice to me, they by no means tell me what to do on my records...I am basically left to my own devices in creating a work. I choose what the sound should be by choosing and working closely with a producer, or in my case I produce my own material. I choose the musicians, the engineers, the studio all based on what I am striving to express artistically.” *Id.*

⁶⁵ *Id.* “. . . After I have composed the songs that will appear on the recording, I try to define how I want the album to sound . . . I try to bring a look and feel to the recording that will take

from a public policy vantage point, she stated that the featured artist (and not the engineer, producer, back-up singers, or studio musicians) is the party responsible for recouping the costs of creating and marketing the album to the record label. The fund from which the advance is recouped is derived solely from the featured artist's royalties.⁶⁶ In her opinion, the featured artist should be deemed the author because the featured artist was the creative force behind the recording. Further buttressing her position,

the listener on a journey. Because I produce my own records, I am basically the captain of the ship and ultimately, the decision maker, I must also decide what musicians I want to perform on each song, given the desired sounds I want to attain, what engineering staff to implement my sonic vision, (and) what studio will be appropriate”

⁶⁶ *Id.* “But the most important factor is that I pay for the recording of my albums and a portion of the marketing of the album out of my own royalties, as do all other recording artists. This is where we, as authors of our own work differ from the film industry. Comparisons with regard to the work for hire amendment have been made where it is necessary to treat films as a work made for hire to avoid issues of authorship. The record business is different than the film industry in a fundamental way. In the film industry, the studio pays the production costs, they hire the director, they hire the actors, they come out with a product that they have hired to be fulfilled, and then they own the film. The cost of the production is never charged back to the creative contributors. In the record industry, as a recording artist I do not receive a fee for making an album. I may receive an advance to cover the cost of the recording process, which I am responsible for paying back in full. In other words, I don't receive a dime from the sale of my records until I have paid for all the costs incurred during production up to the point of distribution In short, the sound recording artist is not only the author but is also the person in charge of all facets of production up to the point of distribution. We give the record labels our work to exploit for 35 years. Like other authors, we should be able to reclaim our work as Congress intended.”

she argued that the featured artist should benefit from the spirit of the statute because the featured artist was typically the unremunerated party who was ultimately burdened financially under the exclusive recording agreement.

C. Marybeth Peters “Key Contributor” Approach

Register of Copyright Marybeth Peters also testified during the work made for hire Subcommittee hearings of the 106th Congress. When asked for her opinion as to who should be deemed an author of a sound recording, Ms. Peters recommended a resolution that would result in works of joint authorship. These works would be partly owned by the “Key Contributor” as creator/author and partly owned by the record label as employer or commissioning party. Under her Key Contributor view, sound recording authorship would be deemed vested in part to recording artists as individual authors only if they contributed a major portion of copyrightable expression in the sound recording vis-à-vis their performance⁶⁷ and in part to the record label under the work made for hire doctrine.⁶⁸ The Register of Copyright recom-

⁶⁷ See *Sound Recordings as Works Made for Hire Before the Subcomm. on Courts and Intellectual Property Comm. on the Judiciary, supra* note 24. “. . . a ‘key contributor’ . . . is someone who has made a major contribution of copyrightable expression to a sound recording. Ordinarily, it would include the featured performer or performers. For example, Frank Sinatra and Madonna would clearly be key contributors of authorship to the sound recordings on which they perform. Each of the members of the Beatles and Metallica would also be key contributors. In contrast, a background musician would not be a key contributor.” *Id.*

⁶⁸ Incidentally this same result may arise if a band member also happens to own the record label. This occurred frequently in the early 1980s when many independent record labels were

mended a compromise whereby the 1976 Copyright Act would be amended creating an *exception* to the sound recording category under the Section 101 work made for hire definition (as revised by the 1999 Amendment) that would allow key contributors a right to terminate,⁶⁹ but only as to their portion of meaningful authorship.⁷⁰ Here, the meaningful au-

formed by recording artists out of necessity. Many bands that could not get signed by a major label simply resorted to releasing their own records. These independent record labels were created by a key contributing member of the band. Examples of dual label/key contributor ownership include the record labels Alternative Tentacles (owned by Jello Biafra, lead singer of the Dead Kennedys), Dischord Records (owned by Ian MacKaye, lead singer of Minor Threat), SST Records (owned by Greg Ginn, guitar player of Black Flag), Epitaph (owned by Brett Gurewitz, guitar player of Bad Religion) and BYO Records (owned by Shawn and Mark Stern, vocalist, guitar player and bass player of Youth Brigade).

⁶⁹ Subject to the ‘majority rule’ provision of 17 U.S.C. § 203(a)(1): “In the case of a grant executed by two or more authors of a joint work, termination of the grant may be effected by a majority of the authors who executed it”

⁷⁰ See *Sound Recordings as Works Made for Hire Before the Subcomm. on Courts and Intellectual Property Comm. on the Judiciary*, *supra* note 24. “Most sound recordings will have a number of potential coauthors, including all of the musicians who perform on the recording, the producer of the recording, and perhaps others. There could easily be a dozen or more potential coauthors of a single sound recording The Copyright Office believes that those who contribute significant authorship to a sound recording should have the right to terminate. I will refer to these persons as ‘key contributors.’ I use the term ‘key contributors’ because, as the recording industry has correctly emphasized, permitting every contributor to a sound recording to exercise termination rights could make the exploitation of a sound recording unworkable . . . a ‘key contributor’ . . . is someone who has made a major contribution of copyrightable expression to a sound recording. Ordinarily, it would include the featured performer or performers. For

thorship referred to by the Register of Copyright is the artist's unique performance fixed in the sound recording.

D. Other Theories for Determining Who is an Author of a Sound Recording

1. Authorship as Implied by Public Perception and Record Label Representations

A proponent of the proposition that a recording artist is the author of the sound recording may also try to argue that because of public perception

example, Frank Sinatra and Madonna would clearly be key contributors of authorship to the sound recordings on which they perform. Each of the members of the Beatles and Metallica would also be key contributors. In contrast, a background musician would not be a key contributor. Exempting those key contributors from the work made for hire provisions should result in only a limited number of potential terminations. This could be accomplished by retaining the inclusion of sound recordings among the categories of works eligible to be commissioned works made for hire, but excluding the contributions of these key contributors from work-made-for-hire status. The result would be that the sound recording would be a joint work that is in part work made for hire and in part a work of individual authors.” *But see* Eriq Gardner, *Ray Charles’ Children Win lawsuit Over Song Rights Termination*, HOLLYWOOD RPT. (Jan. 30, 2013, 10:18 AM), <http://www.hollywoodreporter.com/thr-esq/ray-charles-children-win-lawsuit-416809>. Here, Gardner holds the view that the recent case involving suit against the grandchildren of Ray Charles holds bad precedent for producers in their capacity to block termination notices. “Here is where Collins made the second piece of important precedent by deciding that the foundation lacks standing since the statutes were intended to apply only to authors, statutory heirs and grantees of transfers and their successors -- not beneficial owners, which could be bad news for other royalty recipients like record producers who might wish to challenge termination notices.” *Id.*

and record label representations, the recording artist has a valid claim to assert authorship in sound recordings that capture the recording artist's performance. An authorship claim based on this quasi-source of origin theory may be made on the premise that authorship of a sound recording could be reasonably derived by examining who the public thinks the natural author is. Here, the artist could claim that members of the public would naturally identify the artist as the author of the work and that no reasonable member of the public would identify the record label as the author of the sound recording.⁷¹

Buttressing this position, the artist could show that the primary focus of marketing materials created by the label feature the name and likeness of the recording artist and were not focused on the record label in and of itself. Flowing from this equitable quasi-trademark position, the recording artist would argue that since it was to the label's advantage to commercially exploit the sound recordings by messaging that the recordings featured the artist's performances, then the artist now has a valid claim that she is the author. The artist can claim she was the origin of the sound recording, i.e., that the record label was not the primary source of marketable value inherent in the sound recording, but rather the value in the work was derived from the fact that the artist was the creator.

⁷¹ See *Aalmuhammed v. Lee*, 202 F.3d 1227 (9th Cir. 2000). Applying a similar rationale, the court held that "[i]t is striking in *Malcolm X* how much the person who controlled the hue of the lighting contributed, yet no one would use the word 'author' to denote that individual's relationship to the movie. A creative contribution does not suffice to establish authorship of the movie." *Id.* at 1233.

2. Authorship by Estoppel

Under an authorship by estoppel approach, one can leave out those individuals that do not send termination of grant notices within the window of opportunity as outlined under Section 203 from the realm of possible sound recording authors.⁷² If a party fails to assert termination rights as dictated by the statute in a timely manner, they are lost. As a practical matter, if only one out of several potential claimants were to deliver termination of grant notice within the requisite window of opportunity, then the class of potential authors closes as a matter of law to all other non-claimants.

Under this approach, only those individuals who timely filed for a Section 203 reversion are in the pool of eligible sound recording author candi-

⁷² 17 U.S.C. § 203(a)(3) (2012) (“Termination of the grant may be effected at any time during a period of five years beginning at the end of thirty-five years from the date of execution of the grant; or if the grant covers right of publication of the work, the period begins at the end of thirty-five years from the date of publication of the work under the grant or at the end of the forty years from the date of execution of the grant, whichever term ends earlier.”); 17 U.S.C. § 203(a)(4)(A) (“The notice shall state the effective date of the termination, which shall fall within the five-year period specified by clause (3) of this subsection, and the notice shall be served not less than two or more than ten years before that date.”); *see also* Rosini, *supra* note 37, at slide 27-28 (“§ 203(a) provides right of termination for post-1978 grants made by author (applicable both to pre-1978 and post - 1978 works) with a Five Year Window open from the 35th anniversary through the 40th year (with a twist for publication rights) - measured from the grant. The twist: If the grant covers the right of publication of the work, effective date must occur between (i) the 35th anniversary through the 40th year measured from the date of publication OR (ii) between the 40th anniversary through the 45th year measured from the date of execution of the grant, whichever ends earlier.”).

dates. Those who did not file a timely termination notice have waived their statutory rights, including any potential joint authorship claims they may have had. This does away with the potential clutter of claimants by closing the class to those who do not file a timely notice of termination under the statute.

V. AUTHOR AS “KEY MEMBER”

The following Part will provide a reasonable, nuanced and equitable solution to the issue of determining who is an author of a sound recording for purposes of terminating a grant of transfer under Section 203 of the 1976 Copyright Act. This solution is not focused on the broad issue of who can be an author of a sound recording in general, but rather focuses on the practical and narrow issue of who is an author of a sound recording for purposes of recapturing rights under Section 203 of the 1976 Copyright Act.

The answer can be found by focusing on who is a key member of the recording group.⁷³ From this class of key individuals we then look to see which

⁷³ Session musicians can be excluded from the potential pool of sound recording authors because session musicians are not the sine qua non of the sound recording. But rather, the key member is the indispensable unique and essential ingredient that makes the sound recording an original work. *See also Sound Recordings as Works Made for Hire Before the Subcomm. on Courts and Intellectual Property Comm. on the Judiciary*, *supra* note 24 (testimony of Jay Cooper addressing issue as to why session musicians can be subject to work made for hire agreements). “There is one other intervening factor, which is that he [the session musician] is a member of the musician’s union. When you contract with musicians, you contract with a certain employment form. The union sanctifies this relationship and he is paid as an employee just like any other hired hand on that particular record date.” *Id.*

member of that class was a signatory to the recording agreement from which the sound recordings arose. Under this two-step approach, if an individual is a *key member* of recording artist and a *signatory* to a record contract signed in the United States on or after January 1, 1978, then that individual should be deemed an author of a sound recording entitling them to terminate the grant of transfer under Section 203 of the 1976 Copyright Act.

I propose that as a matter of equity, only key members of a band should be eligible to have standing as an author of a sound recording in order to assert a Section 203 termination. This *ad valorem*⁷⁴ vesting of sound recording authorship for purpose of Section 203 termination is based on the premise that if the key member was not in the band, then the record label would not have signed the band to an exclusive record contract. If a member of recording artist is a key member, then one can reasonably deduce that they are an initial creative agent and cause of the circumstances that gave rise to the existence of the recording agreement in the first place. *But for* the creative vision, unique skills and original talent of the key member,⁷⁵ the record label would not have

⁷⁴ BLACK'S LAW DICTIONARY 1594 (9th ed. 2009) defines an *ad valorem* tax as “[a] tax imposed on the value of something (esp. real property), rather than on its quantity or some other measure.” But instead of imposing a tax, I suggest here that courts impose (vest) authorship in key members according to their value as creators.

⁷⁵ Denis Dutton, *A Darwinian Theory of Beauty*, TED (Nov. 2010), http://www.ted.com/talks/denis_dutton_a_darwinian_theory_of_beauty. Denis Dutton presented a number of interesting related observations regarding beauty, based on the premise that “We find beauty in something done well.” Echoing what Dutton holds as axiomatic, I propose that the key member is

signed the band to an exclusive recording contract.

Since participation by the key member in the recording group is the primary cause for the existence of the recording agreement and the recording agreement is the legal document that gives rise to the circumstances from which the sound recording is created, then one can, following back in a logical manner, show a causal nexus between the key member as valued creative member of recording artist and prime mover of circumstances that led to the creation of the sound recording. Additionally, all key members of a recording artist who intend⁷⁶ to create joint works under the recording agreement would be the sole joint authors of the work for purposes of Section 203.⁷⁷

responsible for doing something well, i.e., performing. Because the performance of the key member captured in the sound recording is done well, then this is something the record label finds beauty in. Since the record label values this key member performance it has offered the group an advance and exclusive recording agreement. Without the key member's participation in the group, the record company would not have offered a record contract to this group of individuals. Without this recording agreement no subsequent sound recording derived from the agreement would have been created.

⁷⁶ *Childress v. Taylor*, 945 F.2d 500, 509 (2d Cir. 1991) (“... equal sharing of rights should be reserved for relationships in which all participants fully intend to be joint authors. The sharing of benefits in other relationships involving assistance in the creation of a copyrightable work can be more precisely calibrated by the participants in the contract negotiations regarding division of royalties or assignment of shares of ownership of the copyright . . .”).

⁷⁷ H.R. REP. NO. 94-1476, at 120 (1976) (“Under the bill, as under the present law, co owners of a copyright would be treated generally as tenants in common, with each co owner having an independent right to use or license the use of a work, subject to a duty of accounting to the other co owners for any profits.”).

A recording artist can show they are a key member by providing evidence that they are entitled to royalties under the exclusive recording agreement. Here, authorship can be justified by showing that the key member is a beneficial owner “plus.” The “plus” element is the reason the key member receives the royalty. If the reason the member receives a royalty is due to the fact that they were a meaningful creative contributor to the sound recording, then their position as key member is justified. This reason would trump the status of a member being a royalty recipient for non-creative, political or other business reasons. This would be a question of fact to be decided on a case-by-case basis. If a member of the band has shown they are a key member, then they have passed the first hurdle on their way to being deemed an author of a sound recording for purposes of recapturing copyrights under Section 203. If an individual shows they are a key member, they have justified their inclusion as a member of the eligible pool of candidates that may claim authorship of a sound recording with vested standing rights to assert a Section 203 termination.

The second step in the analysis looks at who signed the grant of transfer. Because Congress uses the language “executed” in reference to the types of grants that authors can terminate, one can apply the plain meaning rule to reasonably infer that Section 203 terminations of transfer are meant to apply only to written grants. Section 203 states:

In the case of any work other than a work made for hire, the exclusive or nonexclusive grant of a transfer or license of copyright or of any right under a copyright, executed by the author on or after January 1, 1978, oth-

erwise than by will, is subject to termination under the following conditions: (1) In the case of a grant executed by one author, termination of the grant may be effected by that author or . . . In the case of a grant executed by two or more authors of a joint work, termination of the grant may be effected by a majority of the authors who executed it . . .⁷⁸

Section 203 plainly states that only individuals who execute the grant have reversion rights. As a matter of practice, an exclusive recording agreement is signed by the recording artist and an authorized representative of the label. Therefore, Congress must have intended that a recording artist who signs a recording agreement is an author capable of recapturing sound recording copyrights under Section 203.

When combining the rationale and analysis summarized above, the equitable and practical conclusion is that only key members of the recording artist who signed the recording agreement may recapture rights to sound recordings under Section 203. The advantage of this interpretation is that it leaves out all other authorship claimants from the realm of bona fide authors who can perfect a termination of grant transfer under Section 203. Under this “key member” approach, reversion rights under Section 203 may not be exercised by those individuals that contribute less than a major contribution of copyrightable expression to sound recordings and who are not the *but for* cause of the existence of the record contract from which the sound recording arose. These criteria would exclude former non-key band members, back-up singers, studio musicians, engi-

⁷⁸ 17 U.S.C. § 203 (2012).

neers and producers from the eligible class of Section 203 authors. Vesting only key members with sound recording authorship status for purposes of Section 203 terminations effectuates Congress' intent of "safeguarding authors against unremunerative transfers"⁷⁹ by giving a practical compromise that would further the objectives of the copyright law while recognizing that the statutory right of termination should only be given to recording artists that deserve it the most.

CONCLUSION

At the heart of the proposition that the recording artist is the true author of a sound recording is the intuitive notion that a sound recording is more than a mere mechanical contrivance. To deny the recording artist authorship of the sound recording would be to dismiss their creative originality. Because originality is the sine qua non of copyright, it would be counterintuitive to grant sound recording authorship status to individuals charged with capturing sounds instead of the performers who are originators of the creative performance expressed in those sounds. Additionally, by applying the public policy rationale of guarding against unremunerative transfers, we come to the reasonable conclusion that the key member is the party that should be able to recapture sound recording copyrights under Section 203 of the 1976 Copyright Act because *this* performer is the heart of the work.

⁷⁹ H.R. REP. NO. 94-1476, at 124 (1976).

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Note

**Let's Talk About Sex:
How Societal Value Evolution Has
Redefined Obscenity**

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* J.D., Pace University School of Law (2014), B.S., Spelman College (2009). Thank you to God first and foremost. Many thanks to my family, friends, mentors, teachers, and classmates for all of their continued support and love. Thank you to my faculty adviser Professor Noa Ben-Asher, for all of her feedback and insight as I was writing this Note. A very special thanks to my PIPSELF family, for extending an amazing opportunity to me this past year. Lastly, thank you to Timothy Jones, the love of my life, for encouraging me and supporting me these many years. Without you all, I would not be here.

Abstract

This Note seeks to examine the evolution of sex and sexuality in the media, by critically examining how the prevalence of sex and more recently the prevalence of topics and issues related to sexuality in television, literature, electronic media, and art have and continue to impact societal views and notions on obscenity. This Note will also examine the *Miller* test for obscenity, and the long term effects of societal value evolution on the application of the *Miller* test. This Note concludes by positing that at some point, the line between what is deemed sexually offensive and what is socially acceptable will become so blurred that the *Miller* test will no longer be definitively able to differentiate between the two, ultimately rendering it inapplicable.

Table of Contents

INTRODUCTION.....	494
I. LITERATURE.....	496
II. TELEVISION.....	499
III. CASE LAW REFLECTS THE SOCIETAL VIEWPOINTS ON SEXUALITY.....	505
IV. ELECTRONIC MEDIA: THE INTERNET & VIDEO GAMES	509
V. ART.....	513
VI. THE CATEGORICAL EXEMPTION OF OBSCENITY FROM FIRST AMENDMENT PROTECTION	516
VII. OBSCENITY AND THE <i>MILLER</i> TEST.....	518
VIII. THE PROBLEMS WITH THE <i>MILLER</i> TEST	524
CONCLUSION.....	528

INTRODUCTION

SEX. Arguably, no other singular word has the ability to describe one of the most fundamental aspects of what it is to be human, while simultane-

ously maintaining an air of tabooism, shame, embarrassment, secrecy, and repression. Whether because of religion, the viewpoints of society at the time, or ignorance, throughout the ages sex has endured a certain level of taboo because of its consistent association with impurity and immorality. Within the last twenty to thirty years, however, topics on sex and sexuality have taken center stage, and society has done away with the days of silence and conservatism. Society has come a long way, from frowning upon pre-marital sex to sexual education becoming a mandatory requirement in most upper level public school systems.¹ The sex discussion has become pervasive and society's viewpoints ever more radical.

This Note seeks to examine the evolution of sex and sexuality in the media, and how this evolution has transformed societal notions of what is and what is not considered obscene. It will critically examine how the prevalence of sex and more recently the prevalence of topics and issues related to sexuality in television, literature, electronic media, and art have and continue to impact societal views and notions on obscenity.

Additionally, this Note seeks to examine the *Miller* test for obscenity. The Note posits the theory that there are fundamental issues with the *Miller* test, namely that the community standards criteria conflicts with societal viewpoints and values because specified communities are in no way reflective of society's viewpoints as a whole. This Note seeks to examine the long term effects of societal value evolu-

¹ GLADYS MARTINEZ, JOYCE ABMA & CASEY COPEN, U.S. DEP'T OF HEALTH & HUMAN SERVICES, NCHS DATA BRIEF NO. 44, EDUCATING TEENAGERS ABOUT SEX IN THE UNITED STATES 1 (2010).

tion, (i.e., the norms and values and what is deemed socially acceptable and what is not deemed socially acceptable) on the application of the *Miller* test. That is, whether at some point, the line between what is deemed sexually offensive and what is socially acceptable may become so blurred that the *Miller* test will no longer be definitively able to differentiate between material that is obscene and material that is not obscene, ultimately rendering it inapplicable.

I. LITERATURE

Perhaps one of the most readily available aspects of the media which illustrates the drastic shift in society's views on sexuality is literature. The most infamous book to date, collectively recognized and associated with obscenity is John Cleland's *Fanny Hill - Memoirs of A Woman of Pleasure*.² Published in England in 1749, the book chronicles the sexual dalliances of Francis Hill, and her rise from English prostitute to reformed high society woman.³ Arguably one of the most prosecuted books in history, *Memoirs* was banned in Europe⁴ and upon making its grand entry into the United States, became the subject of countless litigious actions,⁵ most notably the trilogy of actions from the Superior Court of Massachusetts up through the Supreme Court of the United States.

In *Attorney General v. A Book named "John*

² Katy Steinmetz, *Fanny Hill, by John Cleland*, TIME (Mar. 28, 2012), http://content.time.com/time/specials/packages/article/0,28804,2110281_2110282_2110290,00.html.

³ Att'y Gen. v. A Book Named 'John Cleland's Memoirs of a Woman of Pleasure,' 206 N.E.2d 403, 404 (1965).

⁴ Steinmetz, *supra* note 2.

⁵ *John Cleland's Memoirs*, 206 N.E.2d at 404.

Cleland's Memoirs of a Woman of Pleasure" the Supreme Judicial Court of Massachusetts applied the then test for obscenity set forth by the Supreme Court in *Roth v. United States*.⁶ In applying the three part *Roth* test⁷, the Court found that the book appealed to the prurient interest for its "series of episode involving Lesbianism, voyeurism, prostitution, flagellation, sexual orgies, masturbation, fellatio, homosexuality, and defloration" ⁸ Convinced that *Memoirs* violated both local and community standards because its graphic content went "substantially beyond customary limits of candor in describing or representing such matters,"⁹ the Court held the book to be obscene.

In an interesting turn of events, the Supreme Court reversed the Massachusetts Court, holding that *Memoirs* was entitled to First Amendment protection.¹⁰ In so holding, the Supreme Court reasoned that the Massachusetts Court misapplied the *Roth* test with regard to the "social value" criterion;¹¹ spe-

⁶ *Id.* at 404.

⁷ *Id.* (stating the test enumerated in *Roth*: "whether to the average person, applying contemporary community standards, the dominant theme of the material taken as a whole appeals to prurient interest.") (quoting *Roth v. United States*, 354 U.S. 476, 489 (1957)). Under this definition, as elaborated in subsequent cases, three elements must coalesce: it must be established that (a) the dominant theme of the material taken as a whole appeals to a prurient interest in sex; (b) the material is patently offensive because it affronts contemporary community standards relating to the description or representation of sexual matters; and (c) the material is utterly without redeeming social value. *Id.*

⁸ *Id.*

⁹ *Id.*

¹⁰ *A Book Named 'John Cleland's Memoirs of a Woman of Pleasure' v. Att'y Gen. of Mass.*, 383 U.S. 413, 421 (1966).

¹¹ *Id.* at 419.

cifically they addressed the fact that a book need not be “unqualifiedly worthless before it can be deemed obscene.”¹² This ruling stood for the proposition that if a book has some literary and social value, however de minimis that value may be, it is enough to place the book within the protections of the First Amendment.¹³

In rendering *Memoirs* obscene, it is evident that the Massachusetts judiciary felt compelled to do so because they believed the book went beyond the bounds of what was socially acceptable at the time. Indeed they noted this fact stating “we hold *Memoirs* to be such an affront to current community standards as to constitute ‘patent offensiveness’ We would reach this result whether we applied local community or national standards.”¹⁴

Present day literature presents an interesting contradiction, however. The evolution of society’s valuation on sex has had an interesting impact on the works that are produced by authors, but also on the judiciary’s attempts to censor sexually explicit literature. For example, consider the recent success that author E.L. James has enjoyed in relation to her erotica novels, more commonly referred to as the *Fifty Shades of Grey* trilogy. The novels have gained notoriety for their graphic erotica scenes involving many of the same themes¹⁵ which were present in

¹² *Id.*

¹³ *Id.*

¹⁴ *Att’y Gen. v. A Book Named ‘John Cleland’s Memoirs of a Woman of Pleasure,’* 206 N.E.2d 403, 405 (1965).

¹⁵ The *Fifty Shades* trilogy includes themes of voyeurism, flagellation, bondage, discipline, dominance, submission, and sadomasochism. Linda Bloom, *What’s So Special About Fifty Shades of Grey? It’s Not Just About the Sex*, HUFFINGTON POST (Apr. 9, 2013, 2:27 PM), <http://www.huffingtonpost.com/linda->

Memoirs. In fact, the books have enjoyed international success, selling 65 million copies worldwide,¹⁶ becoming the fastest selling paperback book ever,¹⁷ and catapulting previously relatively unknown author E.L. James to international fame.

Contrasted with *Memoirs*, not only have there been no challenges brought against the *Fifty Shades* novels to get them banned or to have them rendered obscene, but the aforementioned statistics surrounding the *Fifty Shades* trilogy suggests that society, far from deeming sexually explicit works that delve into topics like those in *Memoirs* obscene, find them to be fascinating and interesting. The fact that the *Fifty Shades* trilogy is lauded rather than the subject of litigation lends further credence to the notion that works that would have been deemed obscene by society nearly 50 years ago, are now a topic of interest and discussion.

II. TELEVISION

Likewise, television presents a perfect example of society's ever changing and consistently progressive views on sex and sexuality. Sex on television has endured a lengthy evolution to get to its current state where simulated oral sex between both adults and teenagers is common place¹⁸ and televi-

bloom-lcsw-and-charlie-bloom-msw/fifty-shades-of-grey_b_3038504.html.

¹⁶ *Id.*

¹⁷ Kirsten Acuna, *BY THE NUMBERS: The '50 Shades of Grey' Phenomenon*, BUS. INSIDER MAG. (June 27, 2012, 5:30 PM), <http://www.businessinsider.com/by-the-numbers-the-50-shades-of-grey-phenomenon-2012-6?op=1>.

¹⁸ *Study Reveals 70 Percent of TV Shows Contain Sexual Content*, LUBBOCK AVALANCHE-J. (Nov. 10, 2005), http://lubbockonline.com/stories/111005/nat_111005043.shtml.

sion shows tackle issues concerning lesbian, gay, bisexual and transgendered individuals.¹⁹ To place this evolution in context, it is necessary to examine the history of sex on television.

From the outset, sex as portrayed on television and in films was incredibly reserved and conservative. For example, in the late 1940s and early 1950s, only actors that were married on and off screen shared a bed on screen,²⁰ so as to uphold the notions of wholesomeness and to maintain an image of marital fidelity and morality. Any references to sex or intimacy were scarce, and carefully designed to maintain an image of wholesomeness and decency. For example, when the screenwriters chose to write pregnancy into the script, the actors were not allowed to use the term “pregnancy.”²¹ Notwithstanding the fact that these actors were married off screen, and did indeed procreate with one another, the use of the term “pregnancy” was considered too harsh and offensive. Instead the actors were made to use the

¹⁹ Sophie Laubie, *Gay Parents on TV: Why the ‘New Normal’ Is No Longer Just the Nuclear Family*, HUFFINGTON POST (Dec. 7, 2013, 3:51 AM), http://www.huffingtonpost.com/2013/12/07/gay-parents-tv_n_4402297.html. More recently, popular Netflix series *Orange is the New Black* garnered rave reviews from the Gay & Lesbian Alliance Against Defamation (GLAAD) for its prominent feature of a transgendered woman as a standout character. Natalie Meier, *Laverne Cox and “Orange is the New Black” Get Rave Reviews*, GLAAD BLOG (Jul. 16, 2013), <http://www.glaad.org/blog/laverne-cox-and-orange-new-black-get-rave-reviews>.

²⁰ *The History of Sex on Television*, EXTRA (Aug. 13, 2010), http://www.extratv.com/2010/08/15/the-history-of-sex-on-television/#first_married_couple_on_tv_to_share_a_bed.

²¹ *A Brief History of Sex on TV: I Love Lucy*, TIME, http://content.time.com/time/photogallery/0,29307,2045043_2231128,00.html (last visited May 25, 2014).

term “expecting” and phrases like “she has a bundle of joy on the way” to express the pregnancy.²²

The conservatism in television programming was merely a mirror for the attitudes and societal norms at that time. In the 1950s, a woman’s place was in the home tending to her children and husband, and premarital sex was frowned upon so much so that most young women who became pregnant before marriage were sent away to live with relatives or placed in homes for promiscuous girls.²³ With these views being dominant in that era, it is hardly surprising that the television shows of the time refused to use the term “pregnancy,” much less had any significant or overt references to sex.

In a somewhat surprising turn, the reservations of television programming in the 1940s and 1950s continued throughout the 1960s and 1970s. It is often noted that the 1960s brought about a sexual liberation and revolution due to the advent of readily available birth control pills,²⁴ however this was not evidenced in the popular television shows of that era. For example, *Leave It to Beaver* and *The Brady Bunch*, two of the most popular television shows of the 1960s and 1970s respectively, contained no overt references to sex,²⁵ with the only physical interaction

²² *Id.*

²³ *Mrs. America: Women’s Roles in the 1950s*, PBS AM. EXPERIENCE,
http://www.pbs.org/wgbh/amex/pill/peopleevents/p_mrs.html
(last visited May 25, 2014).

²⁴ *Id.*

²⁵ Caley Murphy, *Sex Sells: An Analysis of Sexual Content on Prime Time TV over the Past 50 Years* (Apr. 30, 2012) (unpublished B.A. honors thesis) (on file with Carroll College Library), *available at* https://www.carroll.edu/library/thesisArchive/MurphyC_2012final.pdf.

being limited to rare chaste kisses between the actors who portrayed the married couples on the shows.²⁶

While the television programming of the 1960s and 1970s did nothing to substantially further the notion that society's viewpoint on sex and sexuality had changed, the 1980s and 1990s brought about the most dramatic of shifts. The days of separate beds and chaste kisses were replaced with men living with promiscuous women,²⁷ the first ever airing of a kiss between two women,²⁸ the first depictions of nudity and sexual content in prime time television,²⁹ the story of four single women in New York City and their trials and tribulations regarding sex and dating,³⁰ and an Emmy winning television show centered around the relationship lives of two openly gay men.³¹ The television of the 1980s and 1990s not only reflected society's changing views on sex, but also introduced a previously taboo subject into prime time: homosexuality. The 1980s and 1990s evidenced

²⁶ *Id.*

²⁷ See Todd Jacobs, *Top 10 Television Sitcoms of the 80s*, YAHOO (May 5, 2010), <http://voices.yahoo.com/top-10-television-sitcoms-80s-5957726.html> (noting the plot of *Three's Company*, in which John Ritter portrays a man pretending to be gay in order to live with two single women.).

²⁸ *The History of Sex on Television*, EXTRA (Aug. 13, 2010), http://www.extratv.com/2010/08/15/the-history-of-sex-on-television/#first_televised_girlongirl_kiss.

²⁹ *Id.*

³⁰ Katie J.M. Baker, *Sex and the City Was Actually A Great Show, You Know.*, JEZEBEL (July 22, 2013, 12:00 PM), <http://jezebel.com/sex-and-the-city-was-actually-a-great-show-you-know-865569793>.

³¹ Reid Wilson, *Will, Grace and A Decade of Change on Gay Rights*, NAT'L J. (Jun. 26, 2013), <http://www.nationaljournal.com/columns/on-the-trail/will-grace-and-a-decade-of-change-on-gay-rights-20130626>.

society's first foray into progressivism and acceptance, with shows prominently featuring gay and lesbian characters into the storylines.³²

As the sexual content in television programming tends to most closely mirror the views of society during that time, it is not surprising that the 1980s and 1990s evidenced a dramatic viewpoint shift from the 1960s and 1970s. Approval for cohabitation between males and females was at an all-time high in the 1980s³³ and the viewing of X-rated movies climbed rapidly.³⁴ Society's attitude on issues such as premarital sex, sex education, birth control information for teenagers and engaging in skinny dipping saw dramatic shifts in favor of approval.³⁵ Furthermore, the days of women being creatures of the home had all but dissipated with more than thirty million women in the workforce in 1990,³⁶ and nearly 20% women having obtained a bachelor's degree or higher.³⁷

Like the television programming of the 1980s and 1990s, the last and most current era of television has mostly closely mirrored society's views on sex and sexuality. Television shows pushed the envelope more than ever before, with nearly 80% of television shows including sexual content (averaging almost six

³² See generally *Sex and the City* (HBO television broadcast 1998-2004); *Will & Grace* (NBC television broadcast 1998-2006); *Soap* (ABC television broadcast 1977-1981); *Ellen* (ABC television broadcast 1994-1998).

³³ Tom W. Smith, A Report: The Sexual Revolution?, in 54 PUB. OPINION Q. 415, 417 (1990).

³⁴ *Id.*

³⁵ Smith, *supra* note 33 at 418-19.

³⁶ U.S. CENSUS BUREAU, WOMEN IN THE WORKFORCE at slide 2, http://www.census.gov/newsroom/pdf/women_workforce_slides.pdf.

³⁷ *Id.* at slide 9.

sex scenes per hour),³⁸ the advent of a television series devoted to chronicling the lives of teens who became pregnant and their journeys into motherhood,³⁹ the tackling of hard-hitting issues such as teens struggling with their sexuality and the epidemic of gay teen suicide,⁴⁰ shows popular amongst teenagers prominently featuring simulated oral sex among the main characters⁴¹ and threesomes,⁴² shows which chronicle the lives of teenagers prominently feature eroticized sex scenes and drug use,⁴³ and shows delving into the human sexuality fascination whilst prominently displaying nudity in every episode.⁴⁴

Closely mirroring the 1980s and 1990s viewpoint shift, the 2000s were likewise one of the most dramatic decades to date. The social stigmas associ-

³⁸ Murphy, *supra* note 25.

³⁹ Melissa Henson, *MTV's 'Teen Mom' Glamorizes Getting Pregnant*, CNN (May 4, 2011, 7:06 PM), <http://www.cnn.com/2011/OPINION/05/04/henson.teen.mom.show/>.

⁴⁰ Rory Barbarossa, *GLEE Tackles Gay Suicide*, FLA. AGENDA (Mar. 1, 2012), <http://floridaagenda.com/2012/03/01/glee-tackles-gay-suicide/>.

⁴¹ Tim Graham, '90210' Oral Sex Episode: The 'Sarah Palin of TV Shows'?, NEWS BUSTERS (Sept. 5, 2008, 9:45 PM), <http://newsbusters.org/blogs/tim-graham/2008/09/05/90210-oral-sex-episode-sarah-palin-tv-shows>.

⁴² A threesome is when three people engage in sexual intercourse together. See *A Brief History of Sex on TV: Gossip Girl*, TIME, http://content.time.com/time/photogallery/0,29307,2045043_2231127,00.html (last visited May 25, 2014).

⁴³ *Skins on MTV*, PARENTS TELEVISION COUNCIL, <http://www.parentstv.org/ptc/campaigns/skins/> (last visited May 25, 2014).

⁴⁴ Scott Collins, *Showtime's 'Masters of Sex' Tackles Taboos*, L.A. TIMES (July 31, 2013), <http://articles.latimes.com/2013/jul/31/entertainment/la-et-st-tca-showtime-20130731>.

ated with premarital sex and speaking about sex openly of the earlier half of the century had all but dissipated. The 2000s saw nearly 50% of high school students engaging in sexual intercourse in 2011,⁴⁵ hundreds of thousands of babies being born to teenage mothers,⁴⁶ the advent of gay rights⁴⁷ (most notably the legalizing of same-sex marriage,⁴⁸ the overturning of *Lawrence v. Texas*,⁴⁹ and Defense of Marriage Act (DOMA) being ruled unconstitutional⁵⁰), high schools making contraceptive methods readily available to their students,⁵¹ and the abortion rights debate brought to the forefront of discussion.⁵²

III. CASE LAW REFLECTS THE SOCIETAL VIEWPOINTS ON SEXUALITY

While each era of television examined has

⁴⁵ *Sexual Risk Behavior: HIV, STD & Teen Pregnancy Prevention*, CDC, <http://www.cdc.gov/HealthyYouth/sexualbehaviors/> (last updated Aug. 26, 2013).

⁴⁶ *Id.*

⁴⁷ *The American Gay Rights Movement: A Timeline*, INFOPLEASE, <http://www.infoplease.com/ipa/A0761909.html> (last visited May 25, 2014).

⁴⁸ *Id.*

⁴⁹ *Id.* *Lawrence v. Texas*, 539 US 558 (2003) was a notable Supreme Court case in which the Supreme Court of the United States ruled anti-sodomy laws unconstitutional.

⁵⁰ *Id.* The Defense of Marriage Act (DOMA) was enacted in 1996 and was a federal law which allowed states to refuse to recognize same-sex marriages granted under the laws of other states.

⁵¹ Keri J. Dodd, *School Condom Availability*, ADVOCATES FOR YOUTH (Feb. 1998), <http://www.advocatesforyouth.org/publications/449>.

⁵² *History and Debate of Abortion*, DEBATE.ORG, <http://www.debate.org/abortion-debate/> (last visited May 25, 2014).

closely mirrored the societal views on sexuality during the relevant period, so too have the seminal obscenity cases. In the 1940s and 1950s for example, of the eight obscenity cases heard by the United States Supreme Court, only two considered whether or not the challenged material was in fact obscene.⁵³ Notwithstanding the fact that majority of the remaining cases were resolved in favor of finding an obscenity violation, the material challenged in the two aforementioned cases concerned materials which were thought to violate societal notions on decency and morality.⁵⁴ Furthermore, the challenged material was in fact resolved as being obscene.⁵⁵ The remaining cases focused specifically on the legality of state statutes which forbid the publication and dissemination of obscene materials,⁵⁶ and while there was no real legal analysis done as to determine whether the materials in these cases were in fact obscene, almost overwhelmingly the statutes were upheld as valid regulations on obscenity.

Furthermore of the cases which did delve into whether or not the challenged material was obscene,

⁵³ See *Kingsley Int'l Pictures Corp. v. Regents of the Univ. of the State of New York*, 360 US 684 (1959); *Roth v. United States*, 354 U.S. 476 (1957).

⁵⁴ *Id.*

⁵⁵ Note that the challenged material in *Kingsley International Pictures Corporation v. the Regents of the University of the State of New York* was actually found not to be obscene but instead an assault on morality and an incitement to sexual impurity. *Kingsley*, 360 U.S. at 686-87.

⁵⁶ See *Hannegan v. Esquire*, 327 U.S. 146 (1946); *Winters v. New York*, 333 U.S. 507 (1948); *United States v. Alpers*, 338 U.S. 680 (1950); *Kingsley Books, Inc. v. Brown*, 354 U.S. 436 (1957); *Butler v. Michigan*, 352 U.S. 380 (1957); *Roth v. United States*, 354 U.S. 476 (1957); *Smith v. California*, 361 U.S. 147 (1959).

one of them set forth the first universally recognized test for obscenity. In *Roth v. United States*, the issue concerned whether or not certain photographs and mailings were properly considered obscene under the standards set forth by the trial court judge.⁵⁷ In finding that the trial court judge had indeed applied the correct standards, the Supreme Court set forth the following test for obscenity: “whether to the average person, applying contemporary community standards, the dominant theme of the material taken as a whole appeals to prurient interest.”⁵⁸ The Court ultimately held the mailings of Mr. Roth to be obscene and upheld the constitutionality of the federal statutes which outlawed them.⁵⁹

Notwithstanding the fact that *Roth* set forth the first universally recognized test for obscenity, it is important to note the outcome of the case. Namely, that the challenged material, which included certain pornographic photographs was held to be obscene. Here is a prime example of societal norms reflected in the cases brought before the judiciary. The 1940s and 1950s, if nothing more reflected an era of conservatism with a high emphasis placed upon the sanctity of marriage⁶⁰ and family life.⁶¹ Not surprisingly, in reflecting society’s attitudes and value system, the one case which addressed the issue of whether or not the material was in fact obscene, dealt with an assault on the aforementioned value system. The fact remains, though, that as society’s

⁵⁷ *Roth*, 354 U.S. at 480.

⁵⁸ *Roth*, 354 U.S. at 489.

⁵⁹ *Roth*, 354 U.S. at 492.

⁶⁰ *Mrs. America: Women’s Roles in the 1950s*, *supra* note 23.

⁶¹ *The Pill and the Sexual Revolution*, PBS AM. EXPERIENCE, http://www.pbs.org/wgbh/amex/pill/peopleevents/e_revolution.html (last visited May 25, 2014).

values have evolved, so too has the subject matter of obscenity cases put before the judiciary, as is seen with the cases in the present day.

As with the cases brought before the judiciary in the 1940s and 1950s, the subject matter of the cases in the 2000s evidenced the dramatic changes of society's views on sex and sexuality. From the outset of the twenty-five cases dealing with obscenity heard by the Supreme Court between 2000 and 2013, eight cases sought a determination of whether or not the challenged material was in fact obscene. The subject matter of those cases dealt mostly with whether certain depictions could be considered child pornography and therefore rendered obscene.⁶² Depictions of minors engaged in sexually explicit acts is a far cry from the mailings of erotica books and pictures, but again, the sentiments and views on sex and sexuality had shifted greatly between the 1940s and 1950s and present day.

Furthermore, the outcome of the cases evidenced the change in viewpoints as well. In *Roth v. United States*, the mailings of erotica books and pictures were held to be obscene and in violation of federal obscenity statutes.⁶³ However in *Ashcroft v. Free Speech Coalition*, sexually explicit photos that depicted what appeared to minors engaged in sex acts were held not to be obscene because the photos were not actually produced using children.⁶⁴ It is hard to imagine a more ripe example of material appealing to the prurient⁶⁵ interest than sexually ex-

⁶² *Ashcroft v. Free Speech Coalition*, 535 U.S. 234 (2002).

⁶³ *Roth v. United States*, 354 U.S. 436 (1957).

⁶⁴ *Ashcroft*, 535 U.S. at 234.

⁶⁵ Prurient as defined by Merriam-Webster's Dictionary means marked by or arousing an immoderate or unwholesome interest or desire. *Prurient Definition*, MERRIAM-WEBSTER

plicit photos depicting persons appearing to be minors engaged in sex acts, regardless of whether the material was created using minors or not, and yet the Supreme Court found them not to be obscene.

The change in the subject matter of the cases put before the judiciary, along with the evolution of societal values and notions on sex appears to occur concurrently. Furthermore, society's views at the time seem to be reflected in the outcomes of the seminal obscenity cases. During the 1940s and 1950s, when societal views on sexuality were very conservative, the seminal obscenity case found the challenged material to be obscene. However in present day, where society's views on sex and sexuality are arguably more liberal, one of the seminal obscenity cases found the challenged material not to be obscene. Furthermore, the decision in *Ashcroft* adds support to the notion that the obscenity line comes ever closer to being obsolete. If simulated child pornography falls within the protections of the First Amendment, a startling question is left in its wake: is anything really obscene anymore?

IV. ELECTRONIC MEDIA: THE INTERNET & VIDEO GAMES

Perhaps the notion that the obscenity doctrine is becoming obsolete due to society's views on sex and sexuality finds the most support in the advent of electronic media. Never before has sexually explicit material become as readily available as it is today through the Internet. Certainly material which appeals to the prurient interest is not more than a few key strokes and a mouse click away.

DICTIONARY, <http://www.merriam-webster.com/dictionary/prurient> (last visited May 25, 2014).

For example, in *Miller v. California*, the Supreme Court, in an attempt to further give the lower courts guidance as to what may be deemed obscene material, gave the following example: “patently offensive representation or descriptions of masturbation, excretory functions, and lewd exhibition of the genitals.”⁶⁶ A simple search on Google using the terms “masturbation” and “lewd,” brings up over 5 million related sites,⁶⁷ with some sites brazenly displaying their sexually explicit content.⁶⁸ The advent of the internet has availed access to virtually any type of potentially offensive material, from crush videos⁶⁹ to child pornography.⁷⁰

With such easy availability of such material to anyone, it would be very difficult, if not wholly impossible, to bring obscenity challenges for every website which contained material found to be in potential violation of the *Miller* test. Not to mention the more obvious fact, easy and readily available access to the material evidences society’s ever changing notions on sex and sexuality once again.

⁶⁶ *Miller v. California*, 413 U.S. 15, 25 (1973).

⁶⁷ I performed a search on my computer and nearly 4 million related sites were returned. Search Results, GOOGLE, <http://www.google.com> (search “masturbation AND lewd” without quotes).

⁶⁸ “Gorgeously-Lewd Footage Hardcore Masturbation by Hot Girls,” and “Taiwan pretty girls at home masturbation lewd” are a few of the website titles displayed, enticing users to enter their sites. *Id.*

⁶⁹ I performed another Google search on my computer for “Crush Videos” and nearly 105,000 related sites were returned. Search Results, GOOGLE, <http://www.google.com> (search “crush videos”).

⁷⁰ I performed another Google search on my computer and nearly 32 million related sites were returned. Search Results, GOOGLE, <http://www.google.com> (search “child pornography”).

Furthermore, society's ever evolving and changing viewpoints are evidenced quite prominently in video games; most notably with the release of the popular video game series *Grand Theft Auto*. Outside the overarching themes of larceny and violence,⁷¹ the most recent game in the series has been lauded for its realistic and blatant depictions of sex.⁷² *Grand Theft Auto V* includes various depictions of sexual activity. In fact, in the synopsis of the game provided by the Entertainment Software Rating Board (ESRB), it was noted that the following sexually explicit material is found prevalently throughout the game:

implied fellatio and masturbation; various sex acts that the player's character procures from a prostitute – while no nudity is depicted in these sequences, various sexual moaning sounds can be heard. Nudity is present, however, primarily in two settings: a topless lap dance in a strip club and a location that includes male cult members with exposed genitalia Within the game, TV programs and radio ads contain instances of mature humor: myriad sex jokes; depictions of raw sewage and feces on a worker's body; a brief instance of necrophilia⁷³

In an attempt to make the game more realistic with respect to the soliciting of prostitutes for sex, players have the ability to pay the prostitutes for their services,⁷⁴ and subsequently contact them for additional

⁷¹ *Grand Theft Auto V*, ENT. SOFTWARE RATING BOARD, <http://www.esrb.org/ratings/synopsis.jsp?Certificate=33073>.

⁷² *Id.*

⁷³ *Id.*

⁷⁴ The game allows players to pay \$50 for oral sex, and \$100 for sexual intercourse. WikiGameGuides, *Grand Theft Auto 5* –

encounters.

The reason that *Grand Theft Auto V* evidences society's evolving notions on sex and sexuality is not because the game contains such sexually explicit material, but because the public demand for the game is astonishing. The release of *Grand Theft Auto V* has been lauded by Forbes.com as the "biggest entertainment launch in history,"⁷⁵ with the game making more than one billion dollars in sales after being on the market for just three days.⁷⁶ Additionally, while the game's mature rating is meant to establish that the game is marketed to more mature audiences, the reality is that the majority of the game's player demographic is made up of young males,⁷⁷ some as young as age 8.⁷⁸

While the game has only been on the market for a short period of time,⁷⁹ its sexually explicit

How to Get a Prostitute, YOUTUBE,

<http://n4g.com/news/1356227/gta-5-how-to-get-a-prostitute> (last visited May 26, 2014).

⁷⁵ Erik Kain, 'Grand Theft Auto V' Crosses \$1B In Sales, Biggest Entertainment Launch In History, FORBES (Sept. 20, 2013, 1:22 PM),

<http://www.forbes.com/sites/erikkain/2013/09/20/grand-theft-auto-v-crosses-1b-in-sales-biggest-entertainment-launch-in-history/>.

⁷⁶ *Id.*

⁷⁷ John S. Dickerson, *Grand Theft Auto V Sales Set Record – Why Are We Surprised When Virtual Violence Becomes Reality*, FOX NEWS (Sept. 19, 2013),

<http://www.foxnews.com/opinion/2013/09/19/grand-theft-auto-v-sales-set-record-why-are-surprised-when-virtual-violence/>.

⁷⁸ *Id.*

⁷⁹ The game was released on September 17, 2013. *Grand Theft Auto V Is Coming 9.17.2013*, ROCKSTAR GAMES (Jan. 31, 2013, 10:00 AM),

<http://www.rockstargames.com/newswire/article/48591/grand-theft-auto-v-is-coming-9172013.html>.

themes coupled with the public's uncanny demand resulting in extreme popularity tend to not only establish society's views on sexuality and sex, but also tend to establish society's fascination with the topics. The days of conservatism and shyness have been replaced with intrigue and liberation. No less than thirty years ago, the material included in *Grand Theft Auto V* would have been ripe for an obscenity challenge; it would be difficult to imagine a better example. The game's blatant sexually explicit content could easily have been viewed as a violation on societal values and views on immorality, sex and sexuality during an earlier time. And yet in current times, such material is not challenged as obscene, but rather in apparent heavy demand by society. The reality is astounding and further lends support to the notion that the line between obscene material and material that is universally accepted by society, has and continues to become ever closer to being blurred.

V. ART

"Congress shall make no law . . . abridging the freedom of speech or of the press"⁸⁰ It is through these words that countless types of expression have found the mechanism through which they can be, and indeed are, afforded protection from censorship. Not surprisingly, art, which has been defined as the expression or application of human creative skill,⁸¹ has also found a home in the protections of the First Amendment.⁸² As an initial matter, the

⁸⁰ U.S. CONST. amend. I.

⁸¹ *Definition of Art*, OXFORD DICTIONARIES, http://oxforddictionaries.com/us/definition/american_english/art (last visited May 25, 2014).

⁸² *Bery v. City of New York*, 97 F.3d 689, 695 (2d Cir. 1996).

embodiment of art may be found in many mediums and expressed through several forms, making it somewhat difficult to categorize.

As questions regarding what types of art would be protected under the First Amendment became increasingly more prevalent, the Supreme Court issued a series of opinions addressing these questions, serving as a means for clarification and direction.⁸³ Perhaps one of the most infamous cases in this series was *Texas v. Johnson*, in which the Supreme Court proclaimed that non-verbal as well as verbal forms of expression are protected under the First Amendment;⁸⁴ and it is through this holding that the most abstract forms of art have found protection from censorship.

Through the First Amendment, the broadest protection of an artist's ability to create works has been developed. Indeed, the First Amendment can be construed as providing a broad latitude for artists to express their ideals and opinions without fear of censorship.⁸⁵ And indeed, many believe some of the best art is produced when its creator is free and unencumbered by societal and governmental restraints.

Not all forms of art are protected though. One very prevalent art form which is not afforded protection under the First Amendment is art that is classified as obscene.⁸⁶ The purpose of the First Amendment and its necessity to preserve public discourse through the free exchange of ideals and expression,

⁸³ See e.g. *Roth v. United States*, 354 U.S. 476 (1957); *Miller v. California*, 413 U.S. 15 (1972); *Hamling v. United States*, 418 U.S. 87 (1974).

⁸⁴ *Texas v. Johnson*, 491 U.S. 397, 398 (1989).

⁸⁵ See JESSICA L. DARRABY, ART, ARTIFACT, ARCHITECTURE, AND MUSEUM LAW 37 (2012).

⁸⁶ *Miller*, 413 U.S. at 23.

contrasted with the fact that the First Amendment inhibits public discourse by excluding certain forms of expression from protection, remains a very interesting and perplexing contradiction.

In *Texas v. Johnson*, the Supreme Court aptly noted that the “bedrock principle underlying the First Amendment . . . is that the government may not prohibit the expression of an idea simply because society finds the idea itself offensive or disagreeable.”⁸⁷ Art, in and of itself, is perhaps one of the best examples of expression which may be deemed offensive or disagreeable, and yet like its predecessors has been subject to the same inhibitor of obscenity.

Obscene art, if nothing more, creates public discourse, whether positive or negative. This class of art evokes and upsets certain sensibilities in the society at large, which in turn stimulates healthy conversation regarding these sensibilities. For example, the Contemporary Arts Center’s exhibition of the late Robert Mapplethorpe’s work garnered a great deal of attention, most notably resulting in a judicial proceeding.⁸⁸ The Museum faced an overwhelming amount of criticism for its exhibition of Mapplethorpe’s photos, which included seven photos of men in sadomasochistic poses,⁸⁹ however, the fact remains that the exhibition generated public discourse regarding the display of those photos. Further, Andres Serrano’s “Piss Christ” also garnered a substantial amount of public attention.⁹⁰ Some argued that the

⁸⁷ *Texas*, 491 U.S. at 414.

⁸⁸ *Contemporary Arts Center v. Ney*, 735 F.Supp 743, 745 (1990).

⁸⁹ *See, e.g., City of Cincinnati v. Contemporary Arts Center*, 566 N.E.2d 207 (1990).

⁹⁰ Jennifer Schuessler, *Who’s the Shockingest of Them All?*, N.Y. TIMES (Oct. 5, 2012),

work was offensive and an attack on religious sensibilities,⁹¹ while others have praised his work as being “a disturbing and challenging artistic statement, which explores how spiritual belief has been exploited and spiritual values debased.”⁹²

Is not this type of public discourse the very kind that the First Amendment seeks to protect? Does not the First Amendment seek to foster discussion on such topics? Does not obscene art garner attention, which in turn generates debate, thus stimulating the intellectual state of the country? The answer to these questions is that the very category of art which has been outlawed serves the fundamental purpose of the First Amendment quite clearly and distinctly. Despite this seemingly apparent contradiction in the purpose of the First Amendment and the fact that certain types of art must pass a test largely based on specified community standards to obtain first amendment protection, the fact remains that not all art is afforded First Amendment protection.⁹³

VI. THE CATEGORICAL EXEMPTION OF OBSCENITY FROM FIRST AMENDMENT PROTECTION

The government has offered several explanations for not allowing obscenity to fall within any constitutionally protected category of speech. The

http://www.nytimes.com/interactive/arts/art-shock.html?_r=0.

⁹¹ Elissa Hunt, *Andres Serrano 'Piss Christ' Triggers Religious Fury and Court Battle in 1990s Trials*, HERALD SUN (Mar. 6, 2013, 6:38 PM), <http://www.heraldsun.com.au/news/law-order/andres-serrano-piss-christ-triggers-religious-fury-and-court-battle-in-1990s-trials/story-fnat7dag-1226591823318>.

⁹² GRANT H. KESTER, *ART, ACTIVISM AND OPPOSITIONALITY: ESSAYS FROM AFTERIMAGE 126* (1998).

⁹³ *Id.*

main reasons being that the government has a significant interest in protecting minors and unwilling passerby from being exposed to obscene materials,⁹⁴ that the government has a legitimate interest in protecting and preserving societal mores and values,⁹⁵ and lastly that obscenity “utterly lacks any redeeming social importance.”⁹⁶ The fundamental notion is that these interests outweigh any benefit (and indeed the argument that there is no benefit) that obscenity may have on society, and as such it is subject matter upon which regulation is important and proper.

Each one of these arguments overlooks and grossly misinterprets the purpose of the First Amendment. The First Amendment serves as a catalyst to promote the exchange of ideas and public discourse.⁹⁷ As David Cole argues,

Ordinarily, attempts to regulate speech because of its content are subjected to exacting judicial scrutiny and require a compelling justification. When it comes to sexual expression, however, the state is not obliged to offer a compelling rationale, and the Court's decisions proceed by assertion rather than by logical reasoning.⁹⁸

Further in *Terminiello v. City of Chicago*, the Supreme Court recognized such stating:

⁹⁴ *People v. Neumayer*, 275 N.W.2d 230, 233 (1979).

⁹⁵ *Miller*, 413 U.S. at 20, 21.

⁹⁶ *Id.* at 20.

⁹⁷ JESSICA L. DARRABY, ART, ARTIFACT, ARCHITECTURE, AND MUSEUM LAW 37 (2012).

⁹⁸ David Cole, *Playing By Pornography's Rules: The Regulation of Sexual Expression*, 143 U. PA. L. REV. 111, 113 (1994).

Accordingly a function of free speech under our system of government is to invite dispute. It may indeed best serve its high purpose when it induces a condition of unrest, creates dissatisfaction with conditions as they are, or even stirs people to anger. Speech is often provocative and challenging. It may strike at prejudices and preconceptions and have profound unsettling effects as it presses for acceptance of an idea.⁹⁹

Indeed the public interest in the First Amendment has been held to outweigh any other consideration,¹⁰⁰ however the First Amendment concerns regarding obscenity do not hold such weight.

VII. OBSCENITY AND THE *MILLER* TEST

“I shall not today attempt further to define the kinds of material I understand to be embraced within that shorthand description; and perhaps I could never succeed in intelligibly doing so. But I know it when I see it”¹⁰¹ This now infamous passage was written by Supreme Court Justice Stewart in recognition of the near impossibility in defining what obscenity is. Interestingly enough, elusive though it may be, the judicial system has made several wholehearted, nevertheless confusing attempts to define obscenity, with the culmination of course being the landmark case *Miller v. California*.¹⁰² Despite the best efforts of the Supreme Court, the elusiveness in the definition remains, in large part due to the fact

⁹⁹ *Terminiello v. City of Chicago*, 337 U.S. 1, 4 (1949).

¹⁰⁰ *Contemporary Arts Center v. Ney*, 735 F. Supp. 743, 745 (1990).

¹⁰¹ *Jacobellis v. Ohio*, 378 U.S. 184, 197 (1964).

¹⁰² *Miller v. California*, 413 U.S. 15 (1973).

that society's views on sexuality continue to progress and evolve.

Fundamentally, there is an issue of which types of speech qualify as obscene. Over the years the Supreme Court has found it difficult to define what obscenity is, making it impossible to decide which types of speech qualify. In 1973, however, the Supreme Court, in the landmark case *Miller v. California*, made its best attempt to set forth a three part test describing what types of speech qualify as obscene. The test consists of the following:

- (1) whether “the average person, applying contemporary community standards” would find that the work, taken as a whole, appeals to the prurient interest;
- (2) whether the work depicts or describes, in a patently offensive way, sexual conduct specifically defined by the applicable state law; and
- (3) whether the work, taken as a whole, lacks serious literary, artistic, political or scientific value.¹⁰³

The purpose of this test was to bring clarification to the courts in solving the “intractable obscenity problem”¹⁰⁴ and to “formulate standards more concrete than those in the past.”¹⁰⁵ The three prongs of the test sought to incorporate the necessary and relevant inquiries when determining whether a work

¹⁰³ *Id.* at 24 (internal citations omitted).

¹⁰⁴ *Id.* at 16.

¹⁰⁵ *Id.* at 20.

has fallen outside the constitutional protections of the First Amendment. While the *Miller* test is arguably clearer than Justice Stewart's "I know it when I see it" definition for obscenity, the courts have remained decisive in the application of the test to subsequent obscenity issues.

For example the "community standards" prong of the test has brought about a considerable split among the courts, with some advocating that the prong should be one of a national standard¹⁰⁶ and some advocating that the standard should be restricted to the community in which the fact finder resides.¹⁰⁷ The split was recognized by Judge Gabrielli in *People v. Heller*:

The connotation of the term "community" appears to have brought about a great deal of hand wringing by concerned libertarians who have tended to interpret the term as meaning local or provincial so as to open the door to censorship by local authorities or even constables who would be free to form their own notions as to what constituted patently offensive material.¹⁰⁸

In addition the courts have also had to deal with the undeniable reality that societal and community standards with respect to sexuality have and continue to evolve since the time in which the *Miller* test was enumerated. In *United States v. McCoy*, the court refused to find the fictional writings on child sex abuse by a Minnesota author obscene, stating: "in light of the evolution of community standards

¹⁰⁶ *United States v. Palladino*, 490 F.2d 499, 502-03 (1974).

¹⁰⁷ *People v. Heller*, 33 N.Y.2d 314, 322 (1973).

¹⁰⁸ *Id.* at 322.

since the Court decided *Miller*, this Court is unprepared to conclude that the depraved fictional stories . . . are obscene.”¹⁰⁹ Further, the court stated “[w]hile many persons, including this Court, find the materials at issue depraved and disturbing, community standards have significantly evolved since *Miller*.”¹¹⁰ *McCoy* was decided in 2009, nearly forty years after the *Miller* test was set forth. The unwillingness of the *McCoy* Court to find graphic descriptions of the sexual abuse, rape and assault of children obscene represents not only the recognition by the courts that societal views on sexuality continue to evolve but also an understanding that the standards enumerated in the *Miller* test must be amenable to this continuous evolution.

As viewpoints regarding sexuality may be viewed as progressive for society as a whole, they remain a problem and potential threat to the *Miller* test. Why? Well, put simply, at its core the test is meant to lessen the difficulty courts have faced in correctly identifying those works that are categorically exempt from First Amendment protection. This functions as a mechanism to protect an unwilling and unexpected passerby from being exposed to sexually explicit and offensive material.¹¹¹ The concern then becomes, how is it possible to correctly identify those works categorically exempt from First Amendment protection if the viewpoints of the very class the test is intended to protect constantly change with respect to what is sexually offensive. Some would seek to downplay this problem, claiming

¹⁰⁹ *United States v. McCoy*, 678 F. Supp. 2d 1336, 1341 (2009).

¹¹⁰ *Id.*

¹¹¹ *Miller*, 413 U.S. at 28.

that the viewpoint shift is a gradual and progressive change that has no real implication on the application of the test.

The statistical data regarding such viewpoints, however, presents a different story. Society's ever changing views on sexuality can be found across all forms of popular culture including television, film, music, literature and art. For example, society has gone from classifying homosexuality as a mental disorder in 1952¹¹² to legalizing gay marriage in nineteen states in present day.¹¹³ In 2011, roughly 85% of the population approved of premarital sex.¹¹⁴ Today nearly 80% of television shows include sexual content,¹¹⁵ including graphic depictions of nudity,¹¹⁶ as well as simulated oral sex acts between teenagers.¹¹⁷ In 2011, 92% of the Top Ten Songs on Bill-

¹¹² *Diagnostic and Statistical Manual of Mental Disorders*, ENCYC. BRITANNICA, <http://www.britannica.com/EBchecked/topic/161092/Diagnostic-and-Statistical-Manual-of-Mental-Disorders-DSM> (last visited May 25, 2014).

¹¹³ *Nineteen States with Legal Gay Marriage and Thirty-One States with Same-Sex Marriage Bans*, PROCON, <http://gaymarriage.procon.org/view.resource.php?resourceID=004857> (last updated May 21, 2014).

¹¹⁴ *Premarital Sex: The Waiting Game*, ECONOMIST (Jan. 20, 2011), <http://www.economist.com/node/17956905>.

¹¹⁵ *Sex on TV 4: Executive Summary 2005*, KAISER FAM. FOUND. REP., <http://kaiserfamilyfoundation.files.wordpress.com/2013/01/sex-on-tv-4-executive-summary.pdf>.

¹¹⁶ Collins, *supra* note 44.

¹¹⁷ Alice Park, *Sex on TV Increases Teen Pregnancy, Says Report*, TIME (Nov. 3, 2008), <http://content.time.com/time/nation/article/0,8599,1855842,00.html>.

board Music Charts were about sex.¹¹⁸ The erotica novels by E.L. James, more commonly referred to as the *Fifty Shades of Grey* trilogy sold over 200,000 copies in its first week.¹¹⁹ In 2013, the popular video game series *Grand Theft Auto V*, in which gamers can actively engage strippers and prostitutes for sex, became the biggest entertainment launch in history, garnering more than one billion dollars in sales in its first three days on the market.¹²⁰

These examples indicate both a dramatic change in the way society views sex, but also a demand for sex by the masses. The evolution of society's viewpoint on sex is important in demonstrating the ability of society to become more accepting of things which in the past offended sensibilities and were taboo to speak about. As society becomes increasingly more accepting there becomes less of a compelling justification to protect society against that which offends. That is, the necessity of shielding an unwilling passerby from being exposed to certain material becomes less prevalent if the passerby becomes accepting (and demanding) of that material.

If the numbers are indicative of any type of unwavering trend, then changes in viewpoints will only continue to occur and in ever more dramatic fashion. The line between obscenity and what is socially acceptable continues to become increasingly more blurred, and as a result, the need for a test which categorically exempts sexually offensive speech becomes ever more questionable.

¹¹⁸ Dino Grandoni, *92% of Top Ten Billboard Songs Are About Sex*, WIRE (Sept. 30, 2011, 3:06 PM), <http://www.thewire.com/entertainment/2011/09/92-top-ten-billboard-songs-are-about-sex/43182/>.

¹¹⁹ Acuna, *supra* note 17.

¹²⁰ Kain, *supra* note 75.

VIII. THE PROBLEMS WITH THE *MILLER* TEST

The most readily apparent problem with the *Miller* test is that it is inherently subjective. At the outset, the test itself does not specify which community the “contemporary standards” should be assessed in lieu of. Is the test referring to the national community standards, or a specific state’s community standards, or a specific town’s community standards? The recognition of the need for a definition regarding community standards was noted in the *Miller* opinion by Chief Justice Berger. He stated, “[i]t is in this context that we are called on to define the standards which must be used to identify obscene material”¹²¹ Despite this acknowledgment, the standards remained undefined.

Opting instead to provide a more generalized analysis of what criteria should be used to determine obscenity, the Supreme Court articulated a few subjective examples of what may be deemed obscene. Those examples included:

- (a) Patently offensive representations or descriptions of ultimate sexual acts, normal or perverted, actual or simulated.
- (b) Patently offensive representation or descriptions of masturbation, excretory functions, and lewd exhibition of the genitals.¹²²

The examples, while informative, failed to address one of the main issues that Chief Justice Burger so readily proclaimed would be addressed in the opinion: the definition of which standards to apply when determining whether a work should be classi-

¹²¹ *Miller*, 413 U.S. at 20

¹²² *Id.* at 25.

fied as obscene.

As the *Miller* opinion left the courts with minimal direction as to which contemporary standards to apply, subsequent case law emerged in an attempt to clarify which community standards to be used in assessing potentially obscene works. For example, in *Smith v. United States*, the Supreme Court noted “contemporary community standards must be applied by jurors in accordance with their own understanding of the tolerance of the average person in their community”¹²³ Further, in *Hamling v. United States*, Supreme Court noted:

Miller rejected the view that the First and Fourteenth Amendments require that the proscription of obscenity be based on uniform nationwide standards of what is obscene A juror is entitled to draw on his own knowledge of the views of the average person in the community or vicinage from which he comes for making the required determination.¹²⁴

While the subsequent attempts to clarify which community standards to use gave guidance and direction to the lower courts, they nevertheless did not solve the problem of the inherent subjectivity of the test. The glaring issue remains that community standards vary greatly from geographic region to geographic region. The Supreme Court has recognized this issue but has refused to adequately address it, instead noting “the fact that distributors of allegedly obscene materials may be subjected to varying community standards in the various federal

¹²³ *Smith v. United States*, 431 U.S. 291 (1977).

¹²⁴ *Hamling v. United States*, 418 U.S. 87 (1974).

judicial districts into which they transmit the materials does not render a federal statute unconstitutional because of the failure of application of uniform national standards of obscenity.”¹²⁵

It seems apparent that the Supreme Court has refrained from enumerating which community standards to apply, and has further refused to specify any national standards for the application of the test, for the following reasons: (1) there is inherent difficulty in defining such standards and (2) in enumerating a standard the test would become more rigid and less flexible. Indeed, the Supreme Court noted those very facts stating “our Nation is simply too big and too diverse for this Court to reasonably expect that such standards could be articulated for all 50 States in a single formulation, even assuming the prerequisite consensus exists.”¹²⁶ The fundamental issue with this rationale is that it fails to adequately take into account the harm that the lack of guidelines places on those against whom obscenity challenges are being brought.

In essence, the lacking definition of which communities’ standards will be applied allows for much too much subjectivity. When confronted with applying the *Miller* test to a specific type of material, the trier of fact has no direction in determining which contemporary standards to apply and is instead allowed to apply the standards of their specific community. While the Supreme Court subsequently refused the notion of articulating a national community standard in *Miller*, the fact remains that a national standard would serve to clarify some of the most ambiguous parts of the test, and also more ade-

¹²⁵ *Miller*, 413 U.S. at 30.

¹²⁶ *Id.*

quately address the issue that applying contemporary standards of a particular community may in many cases, may not be reflective of society's views as a whole. The development of a national contemporary standard for assessing obscene works appears to be a more attractive option than allowing for the subjectivity of the local standards which currently is the precedent. The national standard would allow for less confusion in the application of the test, as well as greater fairness. A national standard, would arguably, create a mechanism of uniformity among the courts, while simultaneously allowing for works to be assessed against the back drop of society's standards and not those of a particular community. Allowing works to be assessed against society's standards is inherently fairer, because it takes into account multiple viewpoints and synthesizes them into a standard that is reflective of the majority, as opposed to looking specifically at the viewpoints of an isolated community.

To be sure, the development of a national standard would by no means be a perfect solution to the problem, however it would be more adequate in terms of addressing the concerns of subjectivity. The national standard would of course take care to take into account both liberal and conservative sensibilities. This necessity lies in the fact that a national standard advocating either more conservative sensibilities or more liberal sensibilities would have the overwhelming potential to have an astonishing number of material either rendered obscene or not obscene. The national standard approach, while not without its issues, remains a much more adequate option for giving courts and juries more adequate direction in the application of the *Miller* test.

CONCLUSION

The discussion of obscenity in relation to First Amendment protections remains an interesting and perplexing question that society will continue to struggle with as societal value evolution continues to progress. Without adequate attention being directed to the fundamental problems within the *Miller* test for obscenity, the issue will remain challenging and debatable. The inherent tension between evaluating challenged material under the factors set forth in the *Miller* test and within the context of society's views on sex and sexuality will continue to present issue for the judiciary as societal values continue to evolve and develop. Indeed, there very well may come a time when the *Miller* test will be rendered inapplicable because of the societal notions and viewpoints.

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Note

**The Copyright Infringement Test:
A New Approach to Literary
Misappropriation in Film**

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Abstract

This Note argues that courts' emphasis on the ordinary observer test to prove illicit copying in film is misguided. The ordinary observer test relies on whether the accused work captures the total feel of the copyrighted work, but overlooks an essential aspect of unlawful appropriation and copyright law – the idea that only particular elements of a work are copyrightable. If a jury is exposed to expert testimony regarding probative similarity before making their evaluation, it is unlikely they will forget such evidence when evaluating the illicit copying.

A better test for infringement would be one that allows the ordinary observer, representative of the intended audience, to detect whether there is a similarity in the works, exclusive of an expert's opinion. The focus should then shift to the more complicated issue of unlawful appropriation by permitting the inclusion of analytic dissection and expert testimony.

Table of Contents

INTRODUCTION.....	531
I. BACKGROUND AND OVERVIEW OF INFRINGEMENT IN MOTION PICTURES.....	536
II. PROVING COPYRIGHT INFRINGEMENT.....	539
A. <i>The Two-Step Test</i>	539
1. Copying.....	540
2. Improper Appropriation.....	541
B. <i>The Ordinary Observer in Film</i>	545
III. COPYRIGHT INFRINGEMENT COMPARED TO TRADEMARK.....	550
IV. PROPOSED SOLUTIONS	555
CONCLUSION.....	557

“[A]s a matter of triable fact, . . . there are only twenty-nine basic plot ideas in the world.”¹

INTRODUCTION

All writers think that their ideas are unique, and no single writer is usually willing to admit that the same idea can be independently thought of twice. For this reason, copyright infringement suits are quite popular in Hollywood. However, for this very same reason, an overwhelming amount of such suits fail.²

To prove copyright infringement, the Second Circuit test requires that the claimant show, (1) ownership of the copyright, (2) that the defendant copied from claimant’s copyrighted work, and (3) that the copying constitutes improper, or unlawful appropriation.³ Ownership is a “statutory formality,” which is easily satisfied.⁴ However, proving that the defendant copied a copyrighted work as a matter of fact, which may consist of evidence of admission by the defendant or circumstantial evidence of access to the work, is more involved.⁵ Thus, factual copying

¹ Nick Gladden, *When California Dreamin’ Becomes a Hollywood Nightmare; Copyright Infringement and the Motion Screenplay: Toward an Improved Framework*, 10 J. INTELL. PROP. L. 359, 360 (2003) (quoting RON SUPPA, *THE BUSINESS OF SCREENWRITING* 66 (1999)).

² *Id.*

³ *Arnstein v. Porter*, 154 F.2d 464, 468 (2d Cir. 1946); 17 U.S.C. §§ 106, 501 (2012).

⁴ See Gladden, *supra* note 1 (noting registration of a copyright is a prerequisite to copyright infringement, but the requirements for registration are minimal: the registered work may simply be an independent creation of the copyright owner).

⁵ *Arnstein*, 154 F.2d at 468-69.

involves proof of similarity, in addition to access.⁶

Access is established if there was a reasonable opportunity to view the copyrighted work, as “[i]t is obvious that one cannot copy a work unless he reads, sees, or hears it,” thus establishing a reasonable inference of copying.⁷ However, access alone will not suffice if no similarities between the two works exist.⁸ Once access and similarities have been established, an analysis is required to determine whether such similarities necessarily prove copying.⁹ Here, expert testimony is permitted to aid the trier of facts.¹⁰ Furthermore, unless the similarities are “striking,” an absence of access will usually preclude a finding of copying.¹¹

Nonetheless, the more complex issue tends to fall within the third part of the Second Circuit’s test for copying: that of unlawful appropriation.¹² The unlawful appropriation standard for screenplays currently remains somewhat underdeveloped.¹³ However, in considering what constitutes an illicit copying, courts apply the test of the ordinary observer.¹⁴ For sufficient actionable appropriation, a film must “leave the impression it was based on or used plaintiff’s work” from the point of view of the average per-

⁶ *Id.*

⁷ M.L. Cross, *Literary and Artistic Rights for Purposes of, and Their Infringement by or in Connection with, Motion Pictures, Radio, and Television*, 23 A.L.R.2d 244, § 28(a) (1952); *Arnstein*, 154 F.2d at 468.

⁸ *Arnstein*, 154 F.2d at 468.

⁹ *Id.*

¹⁰ *Id.*

¹¹ *Id.*

¹² *Id.*

¹³ See Gladden, *supra* note 1.

¹⁴ *Arnstein*, 154 F.2d at 468.

son.¹⁵

This Note argues that the courts appear to allow expert testimony where none is needed, but then exclude such testimony where it is necessary. According to Judge Learned Hand, copying is illicit where “the ordinary observer, unless he set out to detect the disparities, would be disposed to overlook them.”¹⁶ If a jury is exposed to expert testimony regarding probative similarity, it is unlikely they will forget such evidence when evaluating the illicit copying. The ordinary observer test relies on whether the accused work captures the “total concept and feel” of the copyrighted work.¹⁷ The “total concept and feel” overlooks an essential aspect of unlawful appropriation and copyright law – only particular elements of a work are copyrightable.¹⁸

One reason for the lack of successful suits against movie studios is the fact that many suits are misguided, and the parties alleging infringement do not necessarily understand how to dissect an unlawful appropriation.¹⁹ A better test for infringement would be one that allows the ordinary observer, representative of the intended audience, to detect whether there is a similarity in the works, exclusive of an expert’s opinion. The focus should then shift to the more complicated issue of unlawful appropriation

¹⁵ Cross, *supra* note 7, at § 2[b].

¹⁶ Mark A. Lemley, *Our Bizarre System for Proving Copyright Infringement*, 57 J. COPYRIGHT SOC’Y U.S.A. 719, 727 (2010) (quoting *Arnstein*, 154 F.2d at 468).

¹⁷ Sid & Marty Krofft Television Productions, Inc. v. McDonald’s Corp., 562 F.2d 1157, 1167 (9th Cir. 1977).

¹⁸ See 17 U.S.C. § 102(b) (2012).

¹⁹ K.J. Greene, *Motion Picture Copyright Infringement and the Presumption of Irreparable Harm: Toward a Reevaluation of the Standard for Preliminary Injunctive Relief*, 31 RUTGERS L.J. 173, 182 (1999); Lemley, *supra* note 16, at 719.

by permitting the inclusion of analytic dissection and expert testimony. Although a layperson may easily detect an overall similar theme, the separation of copyrightable material and elements should be detected by expert testimony, or perhaps is better analyzed as a matter of law.

Furthermore, the qualifications of the ordinary observer have been a source of dissent.²⁰ Can the average moviegoer truly differentiate between an original and unoriginal work? Is the lay observer equipped to differentiate between protectable and unprotectable elements of a copyright? Does the lay observer understand that copyright protection does not “extend to any idea, procedure, process, system, method of operation, concept, principle, or discovery, regardless of the form in which it is described, explained, illustrated, or embodied?”²¹ Should the courts allow expert testimony of dramaturges and literary agents, or does that make the infringement too trivial to be actionable?

Comparatively, trademark infringement cases rely on consumer confusion and the judgment of the reasonably prudent purchaser to determine actionable infringement.²² The reasonably prudent purchaser is akin to the ordinary observer in copyright infringement cases. However, a reasonably prudent

²⁰ Cross, *supra* note 7, at § 28(a).

²¹ 17 U.S.C. § 102(b) (2012).

²² See *Polaroid Corp. v. Polarad Elecs. Corp.*, 287 F.2d 492, 495 (2d Cir. 1961) (setting forth the 8-factor test for consumer confusion, which includes: (1) Strength of the mark; (2) Proximity of the goods; (3) Similarity of the marks; (4) Evidence of actual confusion; (5) Marketing channels used; (6) Type of goods and the degree of care likely to be exercised by the purchaser; (7) Defendant’s intent in selecting the mark; (8) Likelihood of expansion of the product lines).

purchaser watching a film can easily identify the product, and thereby any confusion as to the origin of the product is more explicit than the confusion of an ordinary observer identifying copyright infringement, where she must be told that there is an issue of authorship or copyright ownership.

Alternatively, copyright infringement in film requires the “ordinary observer” to be highly knowledgeable about the art of filmmaking. The complexities involved in making a film set it apart from the art of music and literature, which also employs the ordinary observer test.²³ Where the expression of music is analyzed by patterns of notes, film employs multiple mediums, which may cause confusion for the ordinary observer in identifying the copyrightable elements.

The court employs the ordinary observer test to determine copyright infringement in film through the “eyes of men generally.”²⁴ Yet, this test is flawed because the average observer of a movie is not accurately represented if they are influenced by expert testimony initially. Furthermore, the ordinary observer is not necessarily one who can properly differentiate between what may and may not be copied. The confusion of the observer watching a film should relate to the question of whether similarities of copyrightable material exist. Courts should therefore allow extrinsic evidence of experts to support the testimony of the “average” quasi-expert that make up

²³ The medium of computer software, which is also covered under the Copyright Act, will not be addressed as I intend to focus on mediums that employ artistic expression.

²⁴ See *Gorham Mfg. Co. v. White*, 81 U.S. 511, 528 (1871) (establishing that the “ordinary observer” test is the judgment of a design, which is to be made by men generally “of ordinary intelligence”).

the juries of the Ninth and Second Circuits.

I. BACKGROUND AND OVERVIEW OF INFRINGEMENT IN MOTION PICTURES

Article I, Section 8 of the United States Constitution grants Congress the power to enact copyright legislation in order to promote and protect the works of authors.²⁵ The Copyright Act, codified in 17 U.S.C., vests protection “in original works of authorship fixed in any tangible medium of expression” and lists “motion pictures” as a category to be protected.²⁶ The owner of a copyright has the exclusive right to reproduce the copyrighted work, prepare derivative works, distribute copies, and perform or display the work publicly.²⁷

By way of limitation, 17 U.S.C. § 102(b) specifies that protection will not extend to any “idea, procedure, process, system, method of operation, concept, principle, or discovery.”²⁸ Thus, in the seminal case *Baker v. Selden*, the Supreme Court found that expression of ideas, not the ideas themselves, could be copyrighted.²⁹ This is where the ordinary observer test becomes somewhat complicated. In *Baker*, plaintiff alleged copyright infringement of his book that consisted of a unique double entry bookkeeping system made up of a particular arrangement of columns. Defendant’s book used a similar system with

²⁵ U.S. CONST. art. I, § 8, cl. 8.

²⁶ 17 U.S.C. § 102 (2012).

²⁷ 17 U.S.C. § 106 (2012).

²⁸ 17 U.S.C. § 102(b) (2012).

²⁹ *Baker v. Selden*, 101 U.S. 99, 103 (1879) (“The description of the art in a book, though entitled to the benefit of copyright, lays no foundation for an exclusive claim to the art itself. The object of the one is explanation; the object of the other is use. The former may be secured by copyright.”).

a different arrangement of columns.³⁰ The court ruled that defendant was free to use the art of the system described in the book, as long as the book itself was not copied.³¹ The court acknowledged that, although the system of the art described in the book may be protected, no exclusive claim existed in the art of the system itself.³²

The idea/expression dichotomy is particularly important in the business of Hollywood filmmaking. Even more so, the idea/expression dichotomy creates complications for the ordinary observer in identifying copyright infringement. Producers are at liberty to find an idea and quickly make a motion picture on the same subject or idea.³³ Although copyright law assumes that the author will be the owner of the work, generally, in Hollywood, the author sells his idea and assigns all his rights to a producer who creates the expression.³⁴ Nonetheless, directors and producers will be held contributorily or vicariously liable.³⁵

The complication of the idea/expression dichotomy is partly attributed to the complexity of a making a Hollywood film. Hollywood films are arguably the single most expensive art of modern times.³⁶ The phases of creation include pre-production, production, post-production, and distribution, with hundreds of negotiations contracted for each phase, producing hundreds of additional transaction costs. Due to these costs, only one in ten motion pictures will

³⁰ *Id.* at 100.

³¹ *Id.* at 105.

³² *Id.*

³³ Cross, *supra* note 7, at § 13.

³⁴ Greene, *supra* note 19, at 178.

³⁵ *Id.* at 179.

³⁶ *Id.* at 180.

ever yield a profit.³⁷ Because of the risk and expense involved in creating a movie, production companies usually spend millions of dollars on “clearance experts” who will calculate the risk of potential legal action surrounding any infringement risks.³⁸

Yet, despite such efforts, copyright infringement suits continue to be brought in large numbers.³⁹ This is because writers tend to believe in the originality of their ideas, failing to understand that an idea is not cause for a claim of copyright infringement.⁴⁰ If the creator of the art is confused as to what is copyrightable and what is not, won’t the ordinary observer feel similarly if not more confused?

Litigation related to motion pictures can arise based on theories of law ranging from contract, to trademark, to right of publicity. Yet, the most popular of the claims tends to be based on copyright infringement.⁴¹ The allure of suing the makers of Hollywood films is apparent: lots of equity and the great fear of bad publicity. Nevertheless, actions against motion pictures rarely ever succeed.⁴² Possible rea-

³⁷ *Id.*

³⁸ *Id.* at 180.

³⁹ *Id.* at 180-81.

⁴⁰ 17 U.S.C. § 102(b) (2012).

⁴¹ Greene, *supra* note 19, at 180-81.

⁴² *Id.* at 182; see Kerry Ryan, *Using the Uniform Commercial Code to Protect the “Ideas” That Make the Movies*, 27 SANTA CLARA L. REV. 693, 694 (1987) (arguing that screenwriters face a “high risk of appropriation” under copyright law); *Columbia Wins TV-Show Copyright Case*, L.A. TIMES (Apr. 10, 1999), <http://articles.latimes.com/1999/apr/10/business/fi-25924>; Eriq Gardner, *Judge: Writer Must Pay Fox \$40,000 for Claiming “Alien vs. Predator” Stole His Script*, HOLLYWOOD REP. (Aug. 24, 2011, 8:32 AM), <http://www.hollywoodreporter.com/thr-esq/judge-writer-pay-fox-40000-227204>; Eriq Gardner, *You Sue a Studio, They Make You Pay*, HOLLYWOOD REP. (Feb. 2, 2011, 9:48 PM), <http://www.hollywoodreporter.com/news/sue-studio->

sons for this lack of success are threefold – either movie studios rarely appropriate copyrighted works – hence the reason behind clearance experts; the suits are misguided because the claimant lacks the adequate copyright knowledge; or, the courts are hostile to such claims, and thus employ more exacting standards, making it extremely difficult to prove copyright infringement.⁴³

II. PROVING COPYRIGHT INFRINGEMENT

Copyright infringement relating to motion pictures typically falls into three scenarios: (1) an author claims its literary work has been used as the basis of a film; (2) an author of a work of visual art alleges that his work was used in a film; or (3) an author of a visual work sues a film maker for digitally manipulating the author's image for use in a film.⁴⁴ The doctrine of *scènes à faire* puts forth the theory that there are only a limited amount of basic plot ideas in the world, and as a result, writers are bound to create parallel, if not identical ideas. Due to this fact, it is not surprising that the most popular area for infringement suits is the allegation of plot appropriation.⁴⁵

For a writer to prove copyright infringement they must show: (1) copyright ownership, (2) copying of the work, and (3) that such copying relates to cop-

pay-95267; Frances Grandy Taylor, *In Filmmaking, Lawsuits Thicken Plot*, HARTFORD COURANT (June 24, 1998), http://articles.courant.com/1998-06-24/news/9806240194_1_writers-truman-show-lion-king (stating plagiarism and copyright cases brought by writers “are extremely difficult to win”).

⁴³ Greene, *supra* note 19, at 182.

⁴⁴ *Id.* at 183.

⁴⁵ Gladden, *supra* note 1, at 360.

yrightable material and is therefore deemed improper appropriation.⁴⁶ Under common law, an author of a literary work (before publication) possesses the same rights as in any other property he possesses. Mainly, the author has full control over his work in terms of first publication, and may prevent others from using such work.⁴⁷ The common law right to one's creative work is not exactly a copyright, since it includes the right to refuse, to perform, publish, dramatize, or copy.⁴⁸ Once an author obtains a copyright under federal statute, their common law literary rights are abandoned.⁴⁹ Accordingly, proving copyright ownership in a copyright infringement action depends on proof of ownership in compliance with the Copyright Act.⁵⁰

A. The Two-Step Test

Copyright infringement consists of the following elements: (1) copying and (2) improper appropriation.⁵¹ Copying can be shown by either admission or reasonable opportunity to access the material, and similarity between the works. If there is evidence of both access and similarity, an inference of copying is established.⁵² Still, not all copying is illegal. Only copying that includes more than a de minimis amount of copyrightable expression will constitute copyright infringement.⁵³ This further refinement of

⁴⁶ *Sid & Marty Krofft Television Productions, Inc. v. McDonald's Corp.*, 562 F.2d 1157, 1162 (9th Cir. 1977).

⁴⁷ Cross, *supra* note 7, at § 3.

⁴⁸ *Id.*

⁴⁹ *Id.*

⁵⁰ *Sid & Marty*, 562 F.2d at 1162; 17 U.S.C. § 107 (2012).

⁵¹ *Sid & Marty*, 562 F.2d at 1162.

⁵² *Arnstein v. Porter*, 154 F.2d 464, 468 (2d Cir. 1946).

⁵³ Lemley, *supra* note 16, at 720.

identifiable copying is improper appropriation.⁵⁴

The two-step test may be proven in court based on the majority approach, defined by the Second Circuit in *Arnstein v. Porter* and the Ninth Circuit in *Sid & Marty Krofft Television Productions, Inc. v. McDonald's Corp.*⁵⁵ The Second Circuit answers the question of who evaluates the copyright infringement in two parts. First is the analysis and dissection stage, which receives the aid of expert testimony and asks whether the defendant copied from a copyrighted work. Second is the “ordinary observer” test to determine if such copying was illicit, and is apparent to the layperson.⁵⁶ The Ninth Circuit refers to the same two steps, but as extrinsic and intrinsic analyses.⁵⁷

1. Copying

Much time seems to be spent in courts analyzing both access and probative similarity, which make up copying. Yet, the courts place the most emphasis on the circumstantial evidence of access, which presumably allows the trier of facts to “reasonably infer copying,” but also requires analytic dissection.⁵⁸ The dissection seems misplaced, as it is not the access that the law protects, but rather the copyrightable elements of an idea. The extrinsic evidence used to establish access is focused on so much that it inevitably falls over to the probative similarity part of copying, the second element of the first step, and to the entire second step, finding a misappropriation.

⁵⁴ *Id.*

⁵⁵ *Id.* at 721-22.

⁵⁶ *Arnstein*, 154 F.2d at 468.

⁵⁷ *Sid & Marty Krofft Television Productions, Inc. v. McDonald's Corp.*, 562 F.2d 1157, 1164 (9th Cir. 1977).

⁵⁸ *Arnstein*, 154 F.2d at 468.

In *Arnstein*, the court found, after listening to the compositions of Ira Arnstein and defendant Cole Porter, that similarities existed. Together with access, the court suggested, a reasonable jury may infer copying.⁵⁹ This test seems to correspond to that of the ordinary observer test, which depends “on the response of the ordinary reasonable person.”⁶⁰ The court in *Arnstein* does not explain the relevance of the analytic dissection element of the copying step, only stating that it is.⁶¹

This inevitably influences courts to focus on the dissection of copying and the access that *Arnstein* allows to infer such copying, and focus less on deciding whether or not the copying was permissible. The access hurdle can be overcome if and when it is shown that a plaintiff's work was available to the public, or specifically available to the defendant.⁶² Yet, the courts make it difficult to establish access and may never get to the more crucial elements of copyright infringement: that of misappropriation.

Courts require a reasonable possibility of access to the work, rather than a mere possibility.⁶³ Plaintiffs must prove a chain of events, which leads to a reasonable possibility of defendant viewing the work.⁶⁴ Usually, there is an intermediary in between the author and alleged infringer, yet courts demand a showing of a close relationship in order to establish a reasonable opportunity of access.⁶⁵ What constitutes a close relationship for the courts has been ex-

⁵⁹ *Id.* at 469.

⁶⁰ *Sid & Marty*, 562 F.2d at 1164.

⁶¹ *Arnstein*, 154 F.2d at 468.

⁶² *Towler v. Sayles*, 76 F.3d 579, 582 (4th Cir. 1996).

⁶³ *Id.*

⁶⁴ *Id.*

⁶⁵ *Id.* at 583.

tremely strict. Courts want to see an overlap of subject matter in the dealing between the intermediary and infringer, and will not assume a close relationship without evidence of closeness related to the subject of the infringement.⁶⁶ The requirement of finding evidence of a reasonable possibility of viewing the work is more closely related to a reasonable opportunity to actually view the work.⁶⁷ Already, the appearance of misappropriation seems diluted by extrinsic evidence, which may or may not prove substantial copying.

One example of the courts placing too much emphasis on the evidence of a close relationship exists in *Towler v. Sayles*, in relation to the film *Passion Fish*.⁶⁸ Virginia Towler had submitted her screenplay, *Crossed Wires*, to SCS Films, a successor company to Cinecom, who had previously released two films of John Sayles, and also shared a chairman, an office, and employees. A representative of the company had told Towler that her screenplay would be forwarded to Sayles. Of course, they later denied receiving the screenplay and the court found as a matter of law that there was no way for a jury to find that Sayles denied the truth.⁶⁹ The court held that the dealings between SCS and Sayles needed to involve more of an overlap in subject matter to find access.⁷⁰ Yet, it seems quite likely, or at least reasonable, that a jury might find that someone from Cinecom would have given the script to Sayles, considering Towler's request for such and testimony that such an agreement between Towler and a repre-

⁶⁶ Gladden, *supra* note 1, at 367.

⁶⁷ *Id.*

⁶⁸ *Towler v. Sayles*, 76 F.3d 579 (4th Cir. 1996).

⁶⁹ *Id.* at 582-83.

⁷⁰ *Id.*

sentative of SCS was made.⁷¹

Similarly, in *Herzog v. Castle Rock Entertainment*, the aforementioned Sayles and his film *Lone Star* were the subject of an alleged infringement of a script written by a high school teacher for her thesis, entitled *Concealed*.⁷² Herzog had given her script to William Cosford, a renowned film critic, and asked him to serve on her thesis committee. Although he declined due to time constraints, he had retained a copy of Herzog's thesis in his possession.⁷³ Both Cosford and Sayles had attended the Miami Film Festival that same year. Evidence showed that the two had a personal relationship where they had associated on many occasions and had been seen together at the festival in previous years.⁷⁴ Although it seemed quite probable that Cosford could have passed along the script to Sayles, the court found that it was unreasonable to presume that Cosford, as a respected film critic, could have given Sayles the script, acting as a "conduit for the film industry."⁷⁵

It seems as though some courts get caught up with the access factor and stray too far away from the importance of copyright infringement: the actual unlawful copying. Perhaps courts tend to eliminate cases within the access stage because most cases that get past this barrier still end in failure during further evaluation in the illicit copying phase, examining similarities. Yet, more often than not, courts will "dispense the access requirement altogether if the two works are so strikingly similar as to preclude in-

⁷¹ Gladden, *supra* note 1, at 367-68.

⁷² *Herzog v. Castle Rock Entm't*, 193 F.3d 1241, 1243 (11th Cir. 1999).

⁷³ *Id.* at 1244.

⁷⁴ *Id.* at 1245.

⁷⁵ *Id.* at 1251.

dependent creation.”⁷⁶

In *Sid & Marty Krofft Television Productions Inc. v. McDonald’s Corp.*, copyright infringement of the Krofft’s television series by McDonald’s television commercials was the issue at hand.⁷⁷ Here, access was unnecessary to prove, since the similarities were not only striking, the defendant also admitted to copying the idea from the plaintiff.⁷⁸ Instead, courts now focused on whether the copying constituted misappropriation. Krofft’s television series, *Pufnstuf*, consisted of a fantasyland that was inhabited by fanciful costumed characters, talking books, and moving trees. McDonald’s then released an advertising campaign for *McDonaldland*, which was based on the series and even employed the same set and costume designers used for *Pufnstuf*.⁷⁹ After the campaign launched, the Kroffts lost their licensing agreement with various toy manufacturers. In addition, the Ice Capades replaced the use of the *Pufnstuf* characters with the McDonaldland characters.⁸⁰

2. Improper Appropriation

McDonald’s, the defendants in *Sid & Marty*, contended, albeit unsuccessfully, that although the ideas of McDonaldland and *Pufnstuf* were similar, the expressions of the idea were too dissimilar to find liability.⁸¹ Likewise, the difficulty in comparing similarities between two works of literary art is that elements such as plot and theme may seem similar

⁷⁶ *Id.* at 1248.

⁷⁷ *Sid & Marty Krofft Television Productions, Inc. v. McDonald’s Corp.*, 562 F.2d 1157, 1161 (9th Cir. 1977).

⁷⁸ *Id.* at 1165.

⁷⁹ *Id.* at 1161.

⁸⁰ *Id.* at 1162.

⁸¹ *Id.* at 1165.

in the abstract, yet the law will only protect the expression of an idea and not the idea generally.⁸² The court in *Sid & Marty* relied on the ordinary observer test and undoubtedly found that the “total concept and feel” of McDonaldland’s characters were similar to the characters of *Pufnstuf* and so infringement existed.⁸³ Yet, the court overlooks the defendant’s argument about separating the idea from the expression. If an extrinsic test was allowed, and dissection of the protected and unprotected elements was pursued, it is likely that the finding would not have resulted in liability.

To help clarify where the line is drawn between an idea and an expression of an idea, Judge Learned Hand articulated the “abstractions test.” The abstractions test states that with any work many general patterns can be found, “as more and more of the incident is left out.”⁸⁴ Rather, it easy to find similarities in two pieces of art when you ignore the differences. This is why decisions of substantial similarity cannot help much in new cases and must inevitably be made ad hoc.⁸⁵ Although there is no set standard for copyright infringement cases dealing with art, when courts dissect the elements of a literary work by character, plot, theme, and mood – a move from the abstract to the specific – this helps establish a valid assessment of an improper appropriation.⁸⁶

The plot of a screenplay is the crux of all copyright infringement claims. As mentioned previously,

⁸² *Nichols v. Universal Pictures Corp.*, 45 F.2d 119, 121 (2d Cir. 1930).

⁸³ *Sid & Marty*, 562 F.2d at 1167.

⁸⁴ *Nichols*, 45 F.2d at 121.

⁸⁵ *Id.*

⁸⁶ *Id.*; Gladden, *supra* note 1, at 365.

writers easily find their ideas in films they watch, but may not understand the difference between an idea, which is unprotected, and the expression of the idea, which may be protected. In the seminal case, *Nichols v. Universal Corporation*, Judge Learned Hand used his abstraction test to determine whether appropriation was improper regarding defendant's film *The Cohens and the Kellys* and plaintiff's play *Abie's Irish Rose*.⁸⁷ Judge Hand searched through each level of the stories, looking for the place to draw the line between the expression and the idea. By focusing on the theme, plot, and character, the court concluded that there was no misappropriation.

Both stories revolved around a Jew and an Irish Catholic, living in New York, who marry against their parents' will. Yet, the theme of different backgrounds converging was both unoriginal and, even assuming it was novel, uncopyrightable.⁸⁸ Likewise, the characters of each play are mere stock characters, which the court describes as the "low comedy Jew and Irishman."⁸⁹ Judge Hand explained that "the less developed the characters, the less they can be copyrighted."⁹⁰ By not allowing extrinsic evidence in determining misappropriation, the ordinary observer may miss the similarities of stock characters, or they may automatically deem them to be exactly the same.

B. The Ordinary Observer in Film

The court in *Arnstein* leaves the issue of improper appropriation to the jury and categorizes it as

⁸⁷ *Nichols*, 45 F.2d at 120.

⁸⁸ *Id.* at 122.

⁸⁹ *Id.*

⁹⁰ *Id.* at 121.

an issue of fact.⁹¹ The concern is summed up as “whether defendant took from plaintiff’s works so much of what is pleasing to ears of lay listeners, who comprise the audience for whom such popular music is composed, that defendant wrongfully appropriated something which belongs to the plaintiff.”⁹² Lay listeners are relevant because they make up the relevant audience in the *Arnstein* case.

For film, the relevant testimony would therefore rely on the general audience, which films are intended for. Perhaps it is easy to test the reaction of a general audience to determine similar overall concepts between two films, as suggested by *Arnstein*.⁹³ However, this does not seem to complete the test of improper appropriation. The elements that deserve protection are overlooked when improper appropriation is left in the hands of the lay observer who is not properly educated on the differences between protectable and unprotectable elements.⁹⁴

Audience members who make up the jury are prone to evaluating the art as they see fit, or, more likely, as was described by any expert testimony given during dissection of the copying elements. How can they truly ignore the facts already established? The question is more likely focused on what they see as copied art, rather than deciding whether the art copied falls under the law’s protection.

For example, scènes à faire are exceptions to copyright protection because they are scenes that are a necessary result of a certain situation.⁹⁵ Once an

⁹¹ *Arnstein v. Porter*, 154 F.2d 464, 472-73 (2d Cir. 1946).

⁹² *Id.* at 473.

⁹³ *Id.*

⁹⁴ Lemley, *supra* note 16, at 739.

⁹⁵ *See, e.g., Walker v. Time Life Films, Inc.*, 784 F.2d 44 (2d Cir. 1986) (holding that “[e]lements such as drunks, prostitutes,

author chooses a situation, “it calls for certain sequences in the methods of treatment, which cannot be avoided, because they are, in the very nature of the development of the theme, and are used by every writer who knows his craft.”⁹⁶ Although such scenes flow from a common idea, they are likely to be expressed in a stereotyped form.⁹⁷ Separating out such scenes is helpful in determining whether there is improper appropriation and actionable copyright infringement.⁹⁸ Yet courts do not elaborate on what makes such stock scenes necessary and how the ordinary observer is to determine these scenes in copyright infringement evaluations.⁹⁹

The phrase “every writer that knows his craft” suggests that evidence of expert testimony is necessary to determine the true elements of similarities of a work. While expert testimony is permitted in determining copying, the test of the ordinary observer

vermin and derelict cars would appear in any realistic work about the work of policemen in the South Bronx” and thus were unprotectable scènes à faire); *CBS Broad., Inc. v. ABC, Inc.*, No. 02-CIV-8813-LAP 2003 U.S. Dist. LEXIS 20258 (S.D.N.Y. Jan. 14, 2003) (establishing that stock devices in reality television game shows, such as, a million dollar prize, dividing contestants into teams, highlighting the surroundings where a competition takes place, and depriving contestants of basic human needs, all fall under scènes à faire, and are not protected); *Cain v. Universal Pictures Co.*, 47 F. Supp. 1013 (S.D. Cal. 1942) (establishing a scene where two characters take refuge in a church after a storm is an uncopyrightable, incidental scene).

⁹⁶ *Schwarz v. Universal Pictures Co.*, 85 F. Supp. 270, 276 (S.D. Cal. 1945).

⁹⁷ *Walker v. Time Life Films, Inc.*, 784 F.2d 44, 50 (2d Cir. 1986).

⁹⁸ *Id.*

⁹⁹ Leslie A. Kurtz, *Copyright: The Scènes à Faire Doctrine*, 41 FLA. L. REV. 79, 88 (1989).

for illicit copying does not. Nonetheless, jurors may hear evidence, whether expert or lay, that may skew their judgment of improper appropriation. While they may be instructed to ignore the evidence, they still are aware that such evidence exists and therefore may apply that, and its unprotectable nature, to the work as a whole. Where a work is a combination of protectable and unprotectable elements, a more discerning ordinary observer test is necessary, which requires that the court first filter out from consideration any non-protectable elements.¹⁰⁰

Perhaps using the ordinary observer of the intended audience is inappropriate. If courts will not allow extrinsic evidence to determine the more critical aspect of copyright infringement, then perhaps the intended audience should be replaced with the view of the writer.

III. COPYRIGHT INFRINGEMENT COMPARED TO TRADEMARK

More appropriately, trademark infringement cases use the average consumer to fulfill the ordinary observer test. Trademark infringement is defined as a likelihood of confusion among consumers as to the source of the product.¹⁰¹ The ordinary consumer can thus more easily identify trademark infringement than the ordinary observer can identify copyright infringement. With copyright infringement, the average observer may not understand the origin of the copyright, as it is not marked by a brand and is not as easily identifiable as a trademark would be. Therefore, copyright infringement should be held to a

¹⁰⁰ Sheldon Abend Revocable Trust v. Spielberg, 748 F. Supp. 2d 200, 203-04 (S.D.N.Y. 2010).

¹⁰¹ 15 U.S.C. § 1114 (2012).

higher standard than that used for trademark infringement by focusing on illicit copying and allowing extrinsic evidence for the same.

Where copyright seems to place more emphasis on the art and its expression, trademarks help aid consumerism and thus, extrinsic evidence may not be required because the ordinary observer is now the ordinary purchaser. The general rule is that no more of the trademark should be used than necessary for the legitimate purpose.¹⁰² A fair use must be artistically relevant and not explicitly misleading.¹⁰³ Since a major relevant factor includes the consumer and their impression, the reasonable prudent purchaser is likely more competent than the ordinary observer, allowing a lesser need for experts.

Under the Lanham Act, it is the likelihood of confusion that is the standard for liability, rather than actual confusion.¹⁰⁴ To determine such likelihood courts have relied on “similarity of appearance,” which is examined by “sight, sound, and meaning.”¹⁰⁵ Evidence of confusion is usually presented in the form of consumer surveys. Thus, trademark cases are “fact-driven” and “necessarily subjective and impressionistic.”¹⁰⁶ Trademark infringement cases in-

¹⁰² *Louis Vuitton Malletier S.A. v. Warner Bros. Entm’t Inc.*, 868 F.Supp.2d 172, 177 (S.D.N.Y. 2012).

¹⁰³ *Id.*

¹⁰⁴ 15 U.S.C. § 1114.

¹⁰⁵ K.J. Greene, *Abusive Trademark Litigation and the Incredible Shrinking Confusion Doctrine – Trademark Abuse in the Context of Entertainment Media and Cyberspace*, 27 HARV. J.L. & PUB. POL’Y 609, 620 (2004) (quoting JANE C. GINSBURG ET AL., TRADEMARK AND UNFAIR COMPETITION LAW 398 (3d ed. 2001)).

¹⁰⁶ *Id.* (quoting Richard L. Kirkpatrick, *Likelihood of Confusion in Trademark Law*, in 2 PLI’S SIXTH ANNUAL INSTITUTE FOR INTELLECTUAL PROPERTY LAW, at 85, 96).

volving motion pictures, therefore, have a more identifiable “ordinary observer” than the copyright infringement case, i.e., anyone who goes to the movies.

Another reason why the reasonable prudent purchaser is more competent than the ordinary observer in a copyright infringement case against a filmmaker is because, with trademark infringement claims, the allegation does not involve an abstract idea, but rather an unauthorized use of a concrete mark.¹⁰⁷ The line between copyright and trademark claims is quite distinctive in that way. However, on occasion, the line may become blurred. Such blurred lines further demonstrate how the ordinary observer is confused as to what constitutes copyrightable elements, and therefore requires extrinsic elements to aid them.

For instance, in *Comedy III Productions, Inc. v. New Line Cinema*, the defendant brought a trademark infringement claim for use of a clip of *The Three Stooges* in New Line’s film, *The Long Kiss Goodnight*.¹⁰⁸ Even the court had trouble understanding how the use of a clip was the subject of a trademark infringement claim and not a copyright infringement claim.¹⁰⁹ Yet, the plaintiff insisted that the clip was an enforceable, cognizable trademark because the clip itself was indicative of *The Three Stooges* comedy.¹¹⁰ They claimed that their protected right was in the “name, characters, the likeness, and overall act.”¹¹¹ Still the court found no cognizable trademark, one that the public can recognize as a

¹⁰⁷ 15 U.S.C. § 1114.

¹⁰⁸ GRAEME B. DINWOODIE & MARK D. JANIS, TRADEMARKS AND UNFAIR COMPETITION: LAW AND POLICY 138-39 (3d ed. 2004).

¹⁰⁹ *Id.* at 139.

¹¹⁰ *Id.*

¹¹¹ *Id.*

symbol of *The Three Stooges*, either by inherent distinctiveness or acquisition of a secondary meaning.¹¹²

Another example of how the reasonable prudent purchaser is a more reliable test than that of the ordinary observer exists in the 2012 decision of *Louis Vuitton Malletier S.A. v. Warner Bros. Entertainment Inc.*, in relation to film *The Hangover Part II*. The plaintiff alleged trademark infringement for display of counterfeit Louis Vuitton bags, used in an airport scene by one of the main characters.¹¹³ The character refers to the bags as a “Lewis Vuitton” and that is the last reference made in the film. Louis Vuitton complained that many consumers believed that the counterfeit bags used in the film were genuine Louis Vuitton products.¹¹⁴

Using the *Rogers* test,¹¹⁵ the court noted that finding artistic relevance “merely must be above zero.”¹¹⁶ “Above zero” is a standard that is not available to the ordinary observer. The courts defer the responsibility of determining “how meaningful” a connection between a trademark and artistic work must be.¹¹⁷ The artistic relevance prong simply establishes the intent of a non-commercial association with the trademark, eliminating any bad faith effort to

¹¹² *Id.*

¹¹³ *Louis Vuitton Malletier S.A. v. Warner Bros. Entm’t Inc.*, 868 F.Supp.2d 172, 174 (S.D.N.Y. 2012).

¹¹⁴ *Id.* at 175.

¹¹⁵ *Rogers v. Grimaldi*, 875 F.2d 994 (1989) (holding that the copyright act should be construed to apply to artistic works only when the public interest in avoiding consumer confusion outweighs the public interest in free expression).

¹¹⁶ *Louis Vuitton*, 868 F.Supp.2d at 178 (quoting *E.S.S. Entm’t 2000, Inc. v. Rock Star Videos, Inc.*, 547 F.3d 1095, 1100 (9th Cir. 2008)).

¹¹⁷ *Id.*

exploit the mark.¹¹⁸ Again, the ordinary observer does not have the luxury of dismissing bad faith for artistic expression. The scene in which the counterfeit Louis Vuitton bag appears is used for comedic effect and displays the character's socially inept traits. The court finds such use genuinely relevant to the film's story and thus, the first prong of the *Rogers* test is satisfied.¹¹⁹

The second prong of the test relates to consumer confusion, which is the ultimate consideration in trademark infringement allegations. If the use of a mark is so misleading as to induce the public to believe the use was "prepared or otherwise authorized by the plaintiff" the use will be denied First Amendment protection.¹²⁰ This is an immediate recognition upon the judgment of the reasonable prudent purchaser, an immediacy that is unavailable for the ordinary observer.

The Lanham Act is purposefully strict in its accommodation of free expression. This is achieved by limiting restriction of its application to those cases that present the "greatest risk of consumer confusion: namely, when trademarks are used to 'dupe[] consumers into buying a product they mistakenly believe is sponsored by the trademark owner.'"¹²¹ Therefore, if a trademark is not directly used to designate the source of the defendant's work then the interest in avoiding deception is slight. And if the defendant is not using the mark as its own trade-

¹¹⁸ *Id.*

¹¹⁹ *Id.*

¹²⁰ *Id.* at 179 (quoting *Twin Peaks Prods., Inc. v. Publ'ns Int'l, Ltd.*, 996 F.2 1366, 1379 (2d Cir. 1993)).

¹²¹ *Id.* at 180 (quoting *Rock Star Videos*, 547 F.3d at 1100, quoting *Mattel, Inc. v. Walking Mountain Prods.*, 353 F.3d 792, 806 (9th Cir. 2003)) (alterations in original).

mark, then the viewer is not “confus[ed] . . . into believing that the two marks identify a single source.”¹²²

In the film, the counterfeit Louis Vuitton bags appear for a few seconds in the background of a single scene, making it highly unlikely for a viewer to even notice the difference in bags. Furthermore, it is nearly implausible to presume that viewers would take the character’s comments about designer bags and attribute those views to the filmmakers themselves.¹²³ Because there is no evidence of a “particularly compelling” likelihood that consumers will be confused as to the source of the counterfeit bag as a genuine Louis Vuitton, the First Amendment defense and the public interest in protecting free expression of noncommercial speech ultimately prevails.¹²⁴

Simply put, if the reasonably prudent purchaser is confused as to Louis Vuitton’s connection with the film, then there is an infringement. Yet, if the ordinary observer is confused as to the source of two works, this does not equate to infringement.

IV. PROPOSED SOLUTIONS

Although avoiding frivolous suits is imperative in maintaining a streamlined court system, to retain the essence of the copyright law, more emphasis should be placed on determining misappropriation. To do so, dissection of copyrightable elements should be left out of the first part of the *Arnstein* test, where similarities are analyzed, and placed in the second factor where illicit copying is determined.¹²⁵

¹²² *Id.* (quoting 4 MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 23:11.50 (4th ed.)).

¹²³ *Id.* at 182.

¹²⁴ *Id.*

¹²⁵ *Arnstein v. Porter*, 154 F.2d 464, 468 (2d Cir. 1946).

To show infringement, the main concern is whether a defendant copied more than a de minimis amount of protectable expression. The first inquiry, therefore, is whether a defendant copied from the plaintiff. The Ninth Circuit describes this inquiry of substantial similarity as a simple one.¹²⁶ Yet, dissection of the work into protectable and unprotectable elements is employed. Similarities of two works are probative of copying regardless of whether the similarities lie in protected elements or not.

Here is where defendants backed by expensive lawyers overrun the small time writer: defendant Hollywood producers and writers have the resources to pick apart the elements which are questionably copyrightable without having to give credit to the original source. For this reason it appears more useful to employ the ordinary observer, instead of expert testimony, to determine whether the “total concept and feel” is similar to the copyrighted work and thus probative of copying.

The second part of the test, which the Ninth Circuit describes as more complex, is more appropriate for both analytical dissection and expert testimony.¹²⁷ The line between the uncopyrightable idea and the copyrightable expression of an idea is rather thin and quite difficult for courts to decipher.¹²⁸ Nonetheless, the ordinary observer is unlikely to understand precisely which elements fall under copyright protection and will likely not be able to separate them from unprotected elements. Such concepts are generally out of the purview of the public at

¹²⁶ Sid & Marty Krofft Television Productions, Inc. v. McDonald’s Corp., 562 F.2d 1157, 1164 (9th Cir. 1977).

¹²⁷ *Id.*

¹²⁸ Nichols v. Universal Pictures Corp., 45 F.2d 119, 121 (2d Cir. 1930).

large. Therefore, dissection of the work in question is required to determine misappropriation, and often, expert testimony is necessary to aid such determination.

Perhaps substituting extrinsic analysis for intrinsic analysis, and vice versa, for all copyright infringement cases may be problematic as most circuits have already implemented the *Arnstein-Krofft* test of the Second and Ninth Circuits. However, by allowing dissection and expert testimony in both prongs of the test, courts can avoid the difficult problem of juries attempting to ignore evidence already heard. Further, this would allow juries to understand what elements should be analyzed as an ordinary observer.

Moreover, if the misappropriation prong is better served by dissection of copyrightable elements, it seems best if this was considered a factor to be decided as a matter of law. The very principle behind illicit copying is an incident of copying that reaches beyond the point of unlawful appropriation, or the copying of the protected expression itself. Because the line between idea and expression is already so blurred, it seems appropriate for courts to be the determiner.

CONCLUSION

Most plaintiffs of infringement cases targeting filmmakers and studios are not prepared to face the realities and complexities of copyright law. After a thorough evaluation of the elements above it is easy to see why so many copyright infringement suits tend to fail. It seems that courts are “intuitively hostile” to claims against films either because of the belief that too often these cases are based on a misunderstanding of what copyright in fact does protect or

on an “obsessive conviction” prevalent in the minds of many authors and artists alike, “that all similarities between their work and any other which appear later must inevitably be ascribed to plagiarism.”¹²⁹ The proposal above will aid the courts in determining more accurate decisions in copyright infringement cases, thusly educating writers and juries alike in what actionable copyright infringement actually entails.

¹²⁹ Greene, *supra* note 19, at 185.

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Note

**Protecting a Celebrity's Child From
Harassment: Is California's
Amendment Penal Code § 11414
Too Vague to be Constitutional?**

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Abstract

This Note will describe a brief history of the legal attempts to restrict the paparazzi and the legislative history behind A.B. 3592 and its amendment, S.B. 606. The bills are controversial and have received a significant amount of criticism, due to the fact that they restrict speech by essentially prohibiting paparazzi, known for their harassing behavior, from taking pictures of the children of celebrities. The Note will conclude with an analysis utilizing the void-for-vagueness doctrine of whether the bill is in violation of the First Amendment.

Table of Contents

INTRODUCTION.....	560
I. BRIEF HISTORY OF LEGAL ATTEMPTS TO PROTECT CELEBRITIES.....	567
II. DISCUSSION OF A.B. 3592, CODIFIED AS PENAL CODE § 11411	575
III. DISCUSSION OF S.B. 606	577
IV. CRITICISM OF S.B. 606	584
V. TOO VAGUE TO BE CONSTITUTIONAL	587
CONCLUSION.....	596

INTRODUCTION

Imagine a young child who is terrorized because of her parents' occupation by peers, neighbors, or even strangers. They are constantly asking her questions, making derogatory comments about her parents, physically attacking her, and even jumping from behind trees or cars to frighten her. She is emotionally traumatized and terrified to go outside to play with her friends, go to school, or visit the local shopping mall. It is hard to imagine how a parent can cope with this situation. One way for parents to prevent this is by changing their occupations. But

for most parents, this is not an option. Something should be done to prevent this type of harassment.

California recognized that children are harassed because of their parents' occupations. This is especially the case for parents who are entertainers, public officials, or law enforcement officers. Since the advent of America's fascination with celebrities in the press and social media, there have been numerous reports of members of the media doing almost anything in their power to capture and publish the image of a celebrity's child.¹ For example, many tabloid magazines are willing to pay millions of dollars to feature the first image of a celebrity's newborn baby on the cover of their magazine. In July 2013, *Newsday* reported that Brad Pitt and Angelina Jolie received \$15 million for the first images of their twins, Knox Leon & Vivienne Marcheline.²

The media chases and harasses celebrity parents who want to keep their child out of the spotlight so that they can photograph the celebrity's child. For example, Beyoncé Knowles and Jay-Z decided not to sell the image of their daughter, Blue Ivy, to the media.³ As a result, the media relentlessly tried to pho-

¹ "Celebrity" is a broad term that describes a famous person. THE AMERICAN HERITAGE COLLEGE DICTIONARY 231 (4th ed. 2004).

² Lacey Rose, *In Pictures: Most Expensive Celebrity Pictures*, FORBES (July 1, 2009, 4:00 PM), http://www.forbes.com/2009/07/01/michael-jackson-magazine-business-media-jackson_slide_2.html; *Celebrity Baby Scoop, 10 Most Expensive Celebrity Photos to Date*, NEWSDAY (July 10, 2013, 7:00 AM) <http://long-island.newsday.com/kids/long-island-parent-talk-1.3679226/10-most-expensive-celebrity-baby-photos-to-date-1.5612593>.

³ Sarah Fitzmaurice & Nadia Mendoza, *'She Wanted to Do It This Way': Beyoncé's Friend, Celebrity Stylist June Ambrose, Reveals Why Singer and Jay-Z Chose to Forfeit Price Tag on*

tograph the baby girl. To protect her child from the paparazzi,⁴ Beyoncé covered little Blue's face with a blanket or pressed her daughter's face into her chest when out in public.⁵ These images are seen in almost every candid image posted of the mega-star and her daughter.⁶

For the most part, there are no reports of Beyoncé or her child being physically harmed by the paparazzi in their unrelenting attempts to photograph her daughter. But the media can be overly aggressive and cause severe damage, which was unfortunately demonstrated in 1997 when Princess Diana was killed.⁷ More recently in 2011, Tori Spelling, who was pregnant at the time, was chased by the paparazzi while driving her children to school and crashed into the wall of her children's school.⁸ How-

First Pictures of Blue, MAIL ONLINE (Feb. 12, 2012, 12:01 AM), <http://www.dailymail.co.uk/tvshowbiz/article-2100081/Blue-Ivy-Carter-pictures-Beyonce-Jay-Z-chose-forfeit-price-tag-baby-photos.html>.

⁴ The term "paparazzi" is the plural word for paparazzo. A paparazzo is a "freelance photographer who pursues celebrities to take candid pictures for sale to magazines and newspapers." THE AMERICAN HERITAGE COLLEGE DICTIONARY 1006 (4th ed. 2004).

⁵ Nadia Mendoza, *Cute Feet – But We Want to See Her Face! Jay-Z Keeps Blue Ivy Covered Up as Her Little Legs Poke Out Beneath Protective Blanket*, MAIL ONLINE (June 4, 2012, 10:32 AM), <http://www.dailymail.co.uk/tvshowbiz/article-2154460/Jay-Z-keeps-Blue-Ivy-covered-little-legs-poke-beneath-protective-blanket.html>.

⁶ *Id.*

⁷ The Learning Network, *Aug. 31, 1997 Princess Diana Is Killed Car Crash*, N.Y. TIMES (Aug. 31, 2011, 4:41 AM), <http://learning.blogs.nytimes.com/2011/08/31/aug-31-1997-princess-diana-is-killed-in-car-crash/>.

⁸ Nancy Dillon, *Tori Spelling Gets in 'Pretty Big' Car Crash: Pregnant Star Blames Paparazzo for Causing Accident*, N.Y. DAILY NEWS (July 14, 2011, 9:23 AM),

ever, the crash did not stop the aggressive photographers. The photographers continued to snap pictures after she collided with the building.⁹ They were eventually chased away by other parents.¹⁰ Fortunately, the damage was minimal.

Children of celebrities are not the only children targeted by overzealous individuals. Families of law enforcement officials are also threatened with violence and harassed by individuals who are resentful towards law enforcement officers.¹¹ For example, in February 2013, Christopher Dorner targeted police officers and their families, stating in his manifesto that he intended to “destroy, exploit and seize designated targets.”¹² Dorner was a former Los Angeles Police Department (LAPD) Officer whose employment was terminated after he accused his training officer of assaulting a mentally ill man.¹³ A year after the LAPD disciplinary panel terminated his employment, the Los Angeles County Superior Court

<http://www.nydailynews.com/entertainment/gossip/tori-spelling-pretty-big-car-crash-pregnant-star-blames-paparazzo-causing-accident-article-1.131844>; Tim Kenneally, *Pregnant Tori Spelling Survives Accident After Paparazzi Chase*, WRAP (June 13, 2011, 5:07 PM),

<http://www.thewrap.com/tv/article/pregnant-tori-spelling-survives-accident-after-paparazzi-chase-28199>.

⁹ Kenneally, *supra* note 8.

¹⁰ *Id.*

¹¹ *Bill Analysis of S.B. 606 Before the 2013 Assemb. Comm. on Pub. Safety*, 2013-14 Leg., Reg. Sess. 4 (Cal. 2013).

¹² Joel Rubin et al., *Investigators Focus on What Makes Dorner Tick*, L.A. TIMES (Feb. 11, 2013), <http://articles.latimes.com/2013/feb/11/local/la-me-dorner-hunt-20130211>.

¹³ Jack Leonard et al., *Dorner's LAPD Firing Case Hinged on Credibility*, L.A. TIMES (Feb. 10, 2013), <http://articles.latimes.com/2013/feb/10/local/la-me-lapd-dorner-20130211>.

reexamined his case and determined that the disciplinary committee did not have sufficient evidence to terminate Dorner's employment. However, the court did not overturn the disciplinary panel's decision to fire Dorner.¹⁴ As a result, Dorner vowed to seek revenge in his online manifesto. In the manifesto he claimed that he was "unjustly fired" and that "[the disciplinary panel members] lack of ethics and conspir[acy] to wrong a just individual are over."¹⁵ He further stated that the panel members' unjust behavior would result in "deadly consequences" for them and their loved ones.¹⁶ Dorner killed several people, including a police officer, a sheriff's deputy and the daughter of a former LAPD Captain, who defended Dorner at the disciplinary hearing.¹⁷ Other police officers, such as Phil Tingirides, a LAPD Captain who was a member of the disciplinary panel that

¹⁴ *Id.*

¹⁵ *Id.*

¹⁶ *Id.*

¹⁷ Jens Erik Gould, *After Christopher Dorner, What Next for the LAPD?*, TIME (Feb. 14, 2013), <http://nation.time.com/2013/02/14/after-christopher-dorner-what-next-for-the-lapd/> ("Dorner is suspected of killing a total of four people,, including a Riverside, Calif., police officer, a San Bernardino sheriff's deputy and the daughter of a former police captain, all part of a one-man war against the Los Angeles Police Department over what he called the force's 'lying, racism' and 'cover-ups.'"); Jack Leonard et al., *Police Say Ex-Cop Was Bent on Exacting Revenge*, L.A. TIMES (Feb. 7, 2013), <http://articles.latimes.com/2013/feb/07/local/la-me-dorner-profile-20130207/2> ("Dorner spent the next couple of years unsuccessfully appealing his termination. Then, this week, police say, Dorner made good on his threat to seek revenge when he fatally shot the daughter of an ex-LAPD captain who represented him at his discipline hearing. He also allegedly shot her fiancé. Dorner went on to fatally shoot one officer and injure two others, police say.").

terminated Dorner's employment, had round-the-clock protection for his six foster children during the hunt for Dorner.¹⁸

Despite the outrageousness of this type of behavior, the law does not offer much protection from obsessive individuals who threaten and harass children because of their parents' identity. There are statutes that punish threats that result in a felony, such as Section 422 of California's Penal Code.¹⁹ But parents do not want to wait until their child is physically harmed. They want to deter individuals from behaving in a manner that would cause their children emotional and psychological harm. Whether it is unwarranted attention from the media or threats from individuals seeking revenge, parents want legal protection that will deter others from harassing their children.

Almost twenty years ago, California passed A.B. 3592, codified as Penal Code Section 11414, to protect children from individuals who harassed them because of their parents' occupations.²⁰ However, many argued that this law was not effective in deterring individuals because of its "relatively weak penalties."²¹ As a result, a California senator presented a bill, S.B. 606, to amend Penal Code Section 11414 in early 2013.²² This amendment is very similar to the existing law as it prohibits harassment of a child

¹⁸ *Bill Analysis of S.B. 606 Before the S. Rules Comm.*, 2013-14 Leg., Reg. Sess. 3-4 (Cal. 2013).

¹⁹ CAL. PENAL CODE § 422 (West 2013).

²⁰ A.B. 3592, 1993-1994 Leg., Reg. Sess., (Cal.1994) (enacted).

²¹ *Bill Analysis of S.B. 606 Before the 2013 Assemb. Comm. on Pub. Safety*, 2013-14 Leg., Reg. Sess. 4 (Cal. 2013).

²² S.B. 606, 2013-2014 Leg., Reg. Sess. (Cal. 2013) (enacted).

because of his parent's occupation.²³ However, the biggest difference between the existing law and the amendment is that the criminal penalties are enhanced.²⁴ In September 2013, the California State Legislature passed the amendment and the Governor signed it into law.²⁵

This Note will focus on whether Penal Code Section 11414, as amended, will protect children, specifically children of celebrities, from the paparazzi, without violating the press' right to due process. According to critics of the amendment, the new law violates the void-for-vagueness doctrine, which derived from the due process clauses of the Fifth and Fourteenth Amendment.²⁶ Under the void-for-vagueness doctrine, a criminal statute will be void if it does not provide clear notice of the prohibited behavior.²⁷ Without clear notice, the law will not be

²³ *Bill Analysis of S.B. 606 Before the 2013 Assemb. Comm. on Judiciary*, 2013-14 Leg., Reg. Sess. at 2 (Cal. 2013).

²⁴ *Id.* at 3.

²⁵ Patrick McGreevy and Melanie Mason, *Gov. Brown Signs Bills Aimed at Paparazzi, Family Leave and Quakes*, L.A. TIMES (Sep. 24, 2013), <http://articles.latimes.com/2013/sep/24/local/la-me-brown-bills-paparazzi-20130925>.

²⁶ See *Kolender v. Lawson*, 461 U.S. 352 (1983) (holding that "[t]he statute, as drafted and as construed by the state court, is unconstitutionally vague on its face within the meaning of the Due Process Clause of the Fourteenth Amendment by failing to clarify what is contemplated [. . .].").

²⁷ *Connally v. General Construction*, 269 U.S. 385, 391 (1926)(stating "[t]hat the terms of a penal statute creating a new offense must be sufficiently explicit to inform those who are subject to it what conduct on their part will render them liable to its penalties is a well-recognized requirement, consonant alike with ordinary notions of fair play and the settled rules of law; and a statute which either forbids or requires the doing of an act in terms so vague that men of common intelligence must necessarily guess at its meaning and

enforced.

In this Note, I will first describe a brief history of the legal attempts to restrict the paparazzi in section I. Next, I will discuss the legislative history behind the existing law and its amendment in sections II and III. Finally, I will analyze whether the bill fails the void-for-vagueness doctrine in section IV.

I. BRIEF HISTORY OF LEGAL ATTEMPTS TO PROTECT CELEBRITIES

The First Amendment to the U.S. Constitution protects the press' right to photograph celebrities, and to some extent, those associated with them. It provides that "Congress shall make no law . . . abridging the freedom of speech, or the press."²⁸ Legislators must balance the press' First Amendment rights with the celebrity's right to privacy when drafting a bill that protects celebrities from the paparazzi.²⁹ Some justifications for enumerating a

differ as to its application violates the first essential of due process of law.") (citing *International Harvester Co. v. Kentucky*, 234 U.S. 216, 221 (1926)).

²⁸ U.S. CONST. amend. I.

²⁹ Although the "right to privacy" is not expressly stated in the U.S. Constitution, the U.S. Supreme Court found that the right to privacy was a fundamental right in *Griswold v. Connecticut*, 381 U.S. 479 (1965). According to Justice Douglas, "[t]he foregoing cases suggest that specific guarantees in the Bill of Rights have penumbras, formed by emanations from those guarantees that help give them life and substances. Various guarantees create zones of privacy [. . .]. We have had many controversies over these penumbral rights of privacy and repose. These cases bear witness that the right of privacy which presses for recognition here is a legitimate one." *Id.* at 480. As such, Justice Douglas held in this case that a Connecticut statute banning married couples from using

separate right for the press in the First Amendment are that the press has a very unique role in informing the public and, according to the Supreme Court, without separate protection, the public would be denied access to significant information.³⁰

Although the Constitution recognizes separate protection for the press, the federal and state courts have taken the approach that the press is not entitled to special protection from generally applicable laws.³¹ For example, in *Branzburg v. Hayes*, the Court refused to create a shield that protected reporters from revealing their sources.³² While courts are reluctant to create special privileges for the

contraceptives was unconstitutional because it violated their right to privacy. *Id.* at 485-86.

³⁰ *Branzburg v. Hayes*, 408 U.S. 665, 681 (1972) (stating that “[w]e do not question the significance of free speech, press, or assembly to the country’s welfare. Nor is it suggested that news gathering does not qualify for First Amendment protection; without some protection for seeking out the news, freedom of the press could be eviscerated.”); *see also* ERWIN CHEMERINSKY, CONSTITUTIONAL LAW PRINCIPLES AND POLICES 1214 (Vicki Been et al., eds., 4th ed. 2011) (discussion of *Hayes*).

³¹ *Branzburg*, 408 U.S. at 682-683 (according to Justice White, “[i]t is clear that the First Amendment does not invalidate every incidental burdening of the press that may result from the enforcement of civil or criminal statutes of general applicability. Under prior cases, otherwise valid laws serving substantial public interests may be enforced against the press as against others, despite the possible burden that may be imposed. The Court has emphasized that the publisher of a newspaper has no special immunity from the application of general laws.”).

³² *Id.* at 709 (holding that where the reporter refused to reveal his sources before a grand jury, the “petitioner must appear before the grand jury to answer the questions put to him [. . .].”); *see* CHEMERINSKY, *supra* note 30 at 1214-20 (discussing cases in which the Court refused to grant the press special privileges.).

press, they recognize that the press has the right to report on matters of public significance.³³ When the matter of public significance involves a public person, including a celebrity, the Court has expanded the First Amendment to protect the press' freedom to publish information.³⁴

Unlike the average person, celebrities have a limited right to privacy. In 1974, the U.S. Supreme Court articulated in a defamation action, that "[t]hose who, by reason of the notoriety of their achievements or the vigor and success with which they seek the public's attention, are properly classed as public figures [. . .]."³⁵ The Court recognized that there are different types of public figures by stating that an all-purpose public figure was one who "achieve[s] such pervasive fame or notoriety that he becomes a public figure for all purposes and in all contexts."³⁶ However, a limited public figure is "an individual [who] voluntarily injects himself or is drawn into a particular public controversy and thereby becomes a public figure for a limited range of

³³ *Smith v. Daily Mail Pub. Co.*, 443 U.S. 97, 103 (1979) (stating that "if a newspaper lawfully obtains truthful information about a matter of public significance then state officials may not constitutionally punish publication of the information, absent a need to further a state interest of the highest order.").

³⁴ *See Gertz v. Robert Welch Inc.*, 418 U.S. 323, 342 (1974) (stating that "[i]n our continuing effort to define the proper accommodation between [the need for a vigorous and uninhibited press and the legitimate interest in redressing wrongful injury], we have been especially anxious to assure to the freedoms of speech and press that 'breathing space' essential to their fruitful exercise.") (citing *NAACP v. Button*, 371 U.S. 415, 433 (1963)).

³⁵ *Id.*

³⁶ *Id.* at 351.

issues.”³⁷ These figures have relinquished their right to privacy and can recover damages if they satisfy the elements for one, or more, of the four separate categories of invasion of privacy. The categories are an “(1) intrusion upon a person’s seclusion or solitude; (2) public disclosure of private facts; (3) publicity that places a person in a false light; and (4) misappropriation of a person’s name and likeness.”³⁸

However, the elements of these categories can be difficult for a public figure to satisfy. For example, in *Howard v. Antilla*, the United States Court of Appeals for the First Circuit held that to establish a false light invasion of privacy action, the plaintiff had the burden of proving the statements were false and were made with actual malice.³⁹ In this case, the defendant, a reporter for *The New York Times*, learned the plaintiff, Robert Howard, a chairman of two publicly traded companies, was in fact Howard Finkelstein.⁴⁰ Finkelstein was convicted of “securities fraud, violation of the White Slave Act,⁴¹ conspiracy to defraud, and interstate transportation of

³⁷ *Id.*

³⁸ *Ignat v. Yum! Brands, Inc.*, 154 Cal. Rptr. 3d 275, 279 (Cal. Ct. App. 2013).

³⁹ *Howard v. Antilla*, 294 F.3d 244, 249 (2002) (holding that “only statements that are ‘provable as false’ are actionable. The plaintiff must also shoulder the burden of proving the falsity of each statement. Moreover, the plaintiff must prove that the offending statement was made with ‘actual malice’—that is, that the false statement was made intentionally or with reckless disregard as to whether it was false—and proof of that element must be established by the quantum of ‘convincing clarity.’”).

⁴⁰ *Id.* at 245.

⁴¹ Also known as the Mann Act, this federal law prohibits the transportation of an individual in “interstate and foreign commerce for prostitution or other criminal sexual activity.” BLACK’S LAW DICTIONARY 822 (9th ed. 2009).

stolen property.”⁴² The defendant investigated the rumor but was unable to confirm or refute it.⁴³ The article, entitled “Is Howard Really Finkelstein? Money Rides on It,” was published.⁴⁴

However, after the story was published, Finkelstein’s attorney contacted the defendant and told her that his client and the plaintiff were not the same person.⁴⁵ *The Times* then published a corrected version of the article, apologizing for publishing the story and stating that there was “‘no credible evidence’ to support the rumor.”⁴⁶ However, three years after the story was published, the plaintiff sued the defendant for, among other things, false light invasion of privacy.⁴⁷

As a limited public figure, the plaintiff needed to demonstrate that the article was written with actual malice.⁴⁸ The Court of Appeals held that a plaintiff could not prove actual malice by merely demonstrating that the defendant’s behavior was “an extreme departure from professional standards.”⁴⁹ The plaintiff must show that there was “sufficient evidence to permit the conclusion that the defendant in fact entertained serious doubts to the truth of his publication or acted with a ‘high degree of awareness of . . . probable falsity.’”⁵⁰ Furthermore, “where the plaintiff is claiming injury from an allegedly harmful

⁴² Antilla, 294 F.3d at 245-46.

⁴³ *Id.* at 246.

⁴⁴ *Id.*

⁴⁵ *Id.* at 247.

⁴⁶ *Id.* at 247.

⁴⁷ *Id.*

⁴⁸ *Id.* at 249.

⁴⁹ *Id.* at 252 (quoting *Harte-Hanks Commc’ns, Inc. v. Connaughton*, 491 U.S. 657, 665 (1989)).

⁵⁰ *Id.* (quoting *Garrison v. Louisiana*, 379 U.S. 64, 74 (1964)).

implication arising from the defendant's article, 'he must show with clear and convincing evidence that the defendant intended or knew of the implications that the plaintiff is attempting to draw' "⁵¹

The Court of Appeals did not agree with Howard that the article was capable of causing the public to believe that he was Finkelstein.⁵² The Court looked at the fact that article casted doubt on both the rumor and the defendant's attempts to dispel the rumor.⁵³ Furthermore, "the article remained 'agnostic' with respect to the truth" of the rumor.⁵⁴ As such, the Court held that actual malice was not established because the "false accusation was not shown to be either intentional or treated with reckless disregard."⁵⁵

As demonstrated in *Antilla*, it is difficult for public figures to bring a successful invasion of privacy action against the paparazzi due to the "freedom of the press" clause.⁵⁶ However, in a well-known pa-

⁵¹ *Id.* (citing *Saenz v. Playboy Enters., Inc.*, 841 F.2d 1309, 1314 (7th Cir. 1988)).

⁵² *Id.* at 252.

⁵³ *Id.* (stating "it is questionable, even doubtful, that the article is actually capable of bearing the harmful implication charged by Howard – namely, that he is Finkelstein.").

⁵⁴ *Id.*

⁵⁵ *Id.* at 256.

⁵⁶ *See Levesque v. Doocy*, 560 F.3d 82 (1st Cir. 2009) (holding that a news show host did not make false statements about a public official recklessly or with actual malice); *Bernstein v. National Broadcasting Company*, 129 F.Supp. 817 (D.D.C 1955) (holding that the press did not invade a public person's privacy if they reported on a matter that was public at one time); *see also* Lauren N. Follett, *Taming the Paparazzi in the "Wild West": A look at California's 2009 Amendment to the Anti-Paparazzi Act and a Call for Increased Privacy Protections for Celebrity Children*, 84 S. CAL. L. REV. 201, 211 (2010) ("While celebrities have successfully obtained restraining orders against

parazzi case, *Galella v. Onassis*, the Court of Appeals for the Second Circuit balanced a public person's right to privacy with the media's First Amendment right to gather news.⁵⁷ As the wife of the late President John F. Kennedy, Jacqueline Onassis was a public figure.⁵⁸ Despite her status as a public figure, the press did not have unlimited access into her life.⁵⁹ Furthermore, the press could not engage in behavior that was outside the reasonable bounds of newsgathering such as, jumping into Onassis' son's path as he rode his bike to capture his picture.⁶⁰ The

paparazzi, practical issues make injunctive relief ineffective in curbing the majority of paparazzi issues in California. Not only must celebrities be able to identify a particular paparazzo in court, but there must also already have been an identifiable incident of harassment, and the celebrities must be able to convince the court that they are likely to succeed on the merits of the case without introducing discovery. This leaves most celebrities without effective injunctive recourse against the paparazzi who place them under constant surveillance.”).

⁵⁷ *Galella v. Onassis*, 487 F.2d 986 (2d Cir. 1973).

⁵⁸ *Id.* at 995 (holding that “legitimate countervailing social needs may warrant some intrusion despite an individual’s reasonable expectation of privacy and freedom from harassment. However the interference allowed may be no greater than that necessary to protect the overriding public interest. Mrs. Onassis was properly found to be a public figure and thus subject to news coverage.”).

⁵⁹ *Id.* at 992.

⁶⁰ *Id.* (stating that “some examples of Galella’s conduct brought out at trial are illustrative. Galella took pictures of John Kennedy riding his bicycle in Central Park across the way from his home. He jumped out into the boy’s path, causing the agents concern for John’s safety. The agents’ reaction and interrogation of Galella led to Galella’s arrest and his action against the agents; Galella on other occasions interrupted Caroline at tennis, and invaded the children’s private schools. At one time he came uncomfortably close in a power boat to Mrs. Onassis swimming. He often jumped and postured around while taking pictures of her party notably at a theater opening

Court of Appeals held that the photographer's conduct was outside of the "reasonable bounds of news-gathering."⁶¹ They also found that injunctive relief was appropriate but needed to be "tailored to protect Mrs. Onassis from the 'paparazzo' attack which distinguishes Gallela's behavior from that of other photographers" and "it should not unnecessarily infringe on reasonable efforts to 'cover' defendant."⁶² The injunctive relief prohibited "(1) any approach within twenty-five (25) feet of defendant or any touching of the person of the defendant Jacqueline Onassis; (2) any blocking of her movement in public places and thoroughfares; (3) any act foreseeably or reasonably calculated to place the life and safety of defendant in jeopardy; and (4) any conduct which would reasonably be foreseen to harass, alarm or frighten the defendant."⁶³

Gallela demonstrates that there can be a balance between a celebrity's right to privacy and the press' right to gather and publish the news. The Court recognized that Gallela's methods was dangerous and outside of the reasonable bounds of news-gathering. As such, the Court structured the injunctive relief to balance the rights of the media and that of the celebrity. California's amended law criminalizes the same methods Gallela used to capture Mrs. Onassis and her children's images. Whether the amended statute will be enforced, depends on whether the statute gives clear notice of the prohibited be-

but also on numerous other occasions. He followed a practice of bribing apartment house, restaurant and nightclub doormen as well as romancing a family servant to keep him advised of the movements of the family.").

⁶¹ *Id.*

⁶² *Id.* at 995.

⁶³ *Id.*

havior. If it fails to do so, that statute will be invalid under the void-for-vagueness doctrine.

II. DISCUSSION OF A.B. 3592, CODIFIED AS PENAL CODE § 11411

In 1994, California passed A.B. 3592 to protect children of health care service workers from being harassed as a result of their parents' occupation. The bill was drafted as a result of a 1993 Clinic Violence Survey Report that showed increasing anti-abortion violence towards medical staff throughout the country.⁶⁴ The violence was not only directed towards medical staff but also their families.⁶⁵ One abortion clinic reported that the life of a director's child was threatened so that "she can see how it feels."⁶⁶ California recognized that this type of behavior could not be tolerated and the bill was signed into law and codified as California Penal Code Section 11414. It read:

(a) Any person who intentionally harasses the child or ward of any other person because of that person's employment, is guilty of a misdemeanor.

(b) For purposes of this section, the following definitions shall apply:

(1) "Child" and "ward" mean a person under the age of 16 years.

(2) "Harasses" means knowing and willful conduct directed at a specific child that seriously alarms, annoys, torments, or terrorizes the child, and

⁶⁴ *Bill Analysis of A.B. 3592 Before the Assemb. Comm. of Pub. Safety*, 1993-94 Leg., Reg. Sess. (Cal. 1994).

⁶⁵ *Id.*

⁶⁶ *Id.*

that serves no legitimate purpose. The conduct must be such as would cause a reasonable child to suffer substantial emotional distress, and actually cause the victim to suffer substantial emotional distress.

(c) A second conviction under this section shall be punished by imprisonment in a county jail for not less than five days. A third or subsequent conviction under this section shall be punished by imprisonment in a county jail for not less than 30 days.⁶⁷

In summary, under this statute, anyone in violation was guilty of a misdemeanor.⁶⁸ In California, generally speaking, punishment for a misdemeanor could result in imprisonment, not exceeding six months, or a fine, not exceeding one thousand dollars, or both.⁶⁹ A second conviction resulted in mandatory imprisonment in county jail for five days or more.⁷⁰ For subsequent convictions, imprisonment for 30 days or more was mandatory.⁷¹

Despite the purpose of the statute, the 1994 California Legislature designed the law so that it applied to all children, not just children of health care service providers.⁷² As a result, this statute sought to protect children who were harassed, regardless of

⁶⁷ CAL. PENAL CODE § 11414 (West, Westlaw through ch. 16 of 2014 Reg. Sess.).

⁶⁸ *Id.*

⁶⁹ CAL. PENAL CODE § 19 (West, Westlaw through ch. 16 of 2014 Reg. Sess.).

⁷⁰ PENAL § 11414 (Westlaw).

⁷¹ *Id.*

⁷² *Bill Analysis of A.B. 3592 Before S. Comm. on Judiciary*, 1993-94 Leg., Reg. Sess. (Cal. 1994).

their parents' employment. Prior to its enactment, California's Senate Committee on Judiciary acknowledged that this bill might be challenged because it criminalized First Amendment protected conduct.⁷³ However, for the nineteen years the bill existed, it was never challenged.

III. DISCUSSION OF S.B. 606

Nineteen years after the enactment of California Penal Code Section 11414, some California residents did not believe the statute's penalties were effective in deterring people from harassing their children. In early 2013, a very famous resident of California, Halle Berry, met with California State Senator Kevin de Leon.⁷⁴ At the meeting, Ms. Berry expressed the need for protection from paparazzi who "stalked and harassed" children of celebrities for their photographs.⁷⁵ She also emphasized the need for a bill that would deter the paparazzi from harassing children because "she and other parents had no real recourse to protect their children."⁷⁶

Ms. Berry's demand for protection was a result of her personal experience. There are numerous stories in the media about Ms. Berry's violent interactions with the paparazzi because of their unrelenting attempts to photograph her and her daughter. In May 2012, Ms. Berry lashed out on the paparazzi af-

⁷³ *Id.*

⁷⁴ *Release: Paparazzi Harassment Deterrent Bill Signed by the Governor – Increases Penalties & Allows for Civil Action to Protect Children*, STATE SEN. KEVIN DE LEÓN (Sept. 24, 2103), <http://sd22.senate.ca.gov/news/2013-09-24-release-paparazzi-harassment-deterrent-bill-signed-governor-increases-penalties-allo>.

⁷⁵ *Id.*

⁷⁶ *Id.*

ter they camped out in front of her daughter's preschool.⁷⁷ In an interview with the television show *Extra*, regarding the incident, Ms. Berry said that she had been "struggling for years" to keep her daughter safe from the paparazzi.⁷⁸ She also stated that "[t]here are no laws [. . .] that protect our children and as a mom, coming to the school . . . not only my child, but all the children that are there. It's just wrong, wrong, wrong."⁷⁹

Senator de Leon ultimately agreed that the current law was ineffective in protecting children of public figures from harassment. He introduced S.B. 606, as an amendment to California's Penal Code Section 11414, on February 22, 2013.⁸⁰ In a press release, he stated that children should not be "subjected to such unwarranted and harmful persecution" because of their parent's occupations.⁸¹ He believed that by increasing the penalties and allowing parents to have access to a civil cause of action, the amended bill would deter "those who would consider tormenting the most vulnerable and defenseless members of our society."⁸²

Ms. Berry aggressively advocated for the pas-

⁷⁷ *Halle Berry on Paparazzi Blowup: 'When It Comes to My Daughter, I'm Ferocious!'*, EXTRA (May 14, 2012)

<http://www.extratv.com/2012/05/14/halle-berry-on-paparazzi-blow-up-when-it-comes-to-my-daughter-im-ferocious/>.

⁷⁸ *Id.*

⁷⁹ *Id.*

⁸⁰ *Release: Paparazzi Harassment Deterrent Bill Passes to Protect Children - SB 606 Increases Penalties & Allows for Civil Action*, STATE SEN. KEVIN DE LEÓN, (Sept. 6, 2013), <http://sd22.senate.ca.gov/news/2013-09-06-release-paparazzi-harassment-deterrent-bill-passes-protect-children-sb-606-increases>.

⁸¹ *Id.*

⁸² *Id.*

sage of the proposed amendment and sought the support of fellow thespians. In August 2013, Jennifer Garner joined Ms. Berry to testify in front of California's Assembly Judiciary Committee and the State Assembly Committee on Public Safety to support the amendment. Ms. Garner described how the paparazzi aggressively followed her and her children on a daily basis.⁸³ She also stated that although she chose a public life, her children did not and she does not "want a gang of shouting, arguing, law-breaking photographers who camp out everywhere [her family is] all day, every day, to continue traumatizing [her] kids."⁸⁴ Ms. Berry testified that her daughter was terrified to go to school because the paparazzi were always watching her and jumping out of bushes and from behind vehicles to get a photo of her child.⁸⁵ She also stated that a photographer asked her daughter how she felt that she might never see her father again, after it was reported that Ms. Berry was seeking permission from a court to move her daughter to France.⁸⁶ The paparazzi would also curse and call Ms. Berry names to provoke a response from her while she was with her daughter, she testified.⁸⁷

Although media reports and legislative history show that the amendment was motivated by the

⁸³ *Id.*

⁸⁴ *Id.*

⁸⁵ *Id.*

⁸⁶ *Id.*

⁸⁷ Natalie Finn, *Halle Berry & Jennifer Garner Join Forces to Support Anti-Paparazzi Bill That Would Make Photographing Their Kids a Crime*, E! ONLINE (Aug. 13, 2013, 6:56 PM), <http://www.eonline.com/news/448665/halle-berry-jennifer-garner-join-forces-to-support-anti-paparazzi-bill-that-would-make-photographing-their-kids-a-crime>.

need to protect children of public figures, the statute was not only designed to protect children of celebrities. The statute protects all children who are harassed because of their parents' occupations, especially law enforcement officials, who are big supporters of this amendment after the violence committed by Dorner. The Chair of the Assembly Committee on Judiciary, Bob Wieckowski, wrote that the author of the existing law, former Assemblyman Tom Umberg, "sees [S.B. 606] as a logical extension of the earlier legislation, since children of many other occupations – including law enforcement officers, psychologist or psychiatrists, or others engaged in high-profile or controversial occupations – could also be vulnerable."⁸⁸ Some of the other supporters of this amendment include the Screen Actors Guild, California Medical Association, and the California Psychological Association. These organizations recognize that the law needs to protect children from the "dangerous actions of out of control members of the paparazzi" and, according to the Screen Actors Guild, S.B. 606 is "appropriately balanced and limited in that it exempts legitimate activities, including transmission, publishing, and broadcasting."⁸⁹

In September 2013, the amendment, S.B. 606, to Penal Code Section 11414 unanimously passed through California's State Assembly and Senate. On September 24, 2013, California's Governor signed the

⁸⁸ *Bill Analysis of S.B. 606 Before the 2013 Assemb. Comm. on Judiciary*, 2013-14 Leg., Reg. Sess. 6 (Cal. 2013).

⁸⁹ *Id.*; *Bill Analysis of S.B. 606 Before the 2013 Assemb. Comm. on Appropriations*, 2013-14 Leg., Reg. Sess. 2 (Cal. 2013).

bill into law.⁹⁰ Beginning January 1, 2014, Penal Code Section 11414 now reads:

11414. SEC. 1.

- (a) Any person who intentionally harasses the child or ward of any other person because of that person's employment shall be punished by imprisonment in a county jail not exceeding one year, or by a fine not exceeding ten thousand dollars (\$10,000), or by both that fine and imprisonment.
- (b) For purposes of this section, the following definitions shall apply:
 - (1) "Child" and "ward" mean a person under 16 years of age.
 - (2) "Harasses" means knowing and willful conduct directed at a specific child or ward that seriously alarms, annoys, torments, or terrorizes the child or ward, and that serves no legitimate purpose, including, but not limited to, that conduct occurring during the course of any actual or attempted recording of the child's or ward's image or voice, or both, without the express consent of the parent or legal guardian of the child or ward, by following the child's or ward's activities or by lying in wait. The conduct must be such as would cause a reasonable child to suffer substantial emotional distress, and actually cause the victim to suffer substantial emotional distress.

⁹⁰ *Release: Paparazzi Harassment Deterrent Bill Passes to Protect Children - SB 606 Increases Penalties & Allows for Civil Action*, *supra* note 80; McGreevy & Mason, *supra* note 80.

Protecting a Celebrity's Child From Harassment

- (3) "Employment" means the job, vocation, occupation, or profession of the parent or legal guardian of the child or ward.
- (c) A second conviction under this section shall be punished by a fine not exceeding twenty thousand dollars (\$20,000) and by imprisonment in a county jail for not less than five days but not exceeding one year. A third or subsequent conviction under this section shall be punished by a fine not exceeding thirty thousand dollars (\$30,000) and by imprisonment in a county jail for not less than 30 days but not exceeding one year.
- (d) Upon a violation of this section, the parent or legal guardian of an aggrieved child or ward may bring a civil action against the violator on behalf of the child or ward. The remedies in that civil action shall be limited to one or more of the following: actual damages, punitive damages, reasonable attorney's fees, costs, disgorgement of any compensation from the sale, license, or dissemination of a child's image or voice received by the individual who, in violation of this section, recorded the child's image or voice, and injunctive relief against further violations of this section by the individual.
- (e) The act of transmitting, publishing, or broadcasting a recording of the image or voice of a child does not constitute a violation of this section.
- (f) This section does not preclude prosecution under any section of law that provides for greater punishment.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.⁹¹

In summary, there are three major changes to the existing law. First, the criminal penalties are harsher than a misdemeanor. Anyone who violates this law could face up to a year in jail as well as a fine of up to \$10,000 for a first conviction. The penalties increase for repeat violations. The second change to the statute is that it allows a parent or guardian to bring a civil action against any violators.⁹² The third change, and a source of potential litigation, is that the amendment expands the definition of “harassment” to include “conduct occurring during the course of any actual or attempted recording of the child’s or ward’s image or voice, or both, without the express consent of the parent or legal guardian of the child or ward, by following the child’s or ward’s activities or by lying in wait.”⁹³ Furthermore, “[t]he conduct must be such as would cause a reasonable child to suffer substantial emotional distress, and actually cause the victim to suffer sub-

⁹¹ CAL. PENAL CODE § 11414 (West, Westlaw through ch. 16 of 2014 Reg. Sess.).

⁹² *Id.*

⁹³ *Id.*

stantial emotional distress.”⁹⁴

The amended law does not prevent the paparazzi from taking pictures of a celebrity's child.⁹⁵ Rather, it prohibits the dangerous methods the paparazzi use to photograph a child of a celebrity.⁹⁶ As discussed in Part I of this paper, it is difficult to draft a bill that would prevent the paparazzi from taking a picture of a celebrity in a public place, even if that picture is of the celebrity's child. Lawmakers are very limited in how they can restrict the paparazzi when it comes to photographing public figures. There is a very thin line between protecting celebrities' privacy and the paparazzi's right to gather news. The California's Legislature believes the amended law balances both the celebrity's limited right to privacy and the press' right to gather news.

IV. CRITICISM OF S.B. 606

However, the California Newspapers Publishers Association (CNPA), the National Press Photographers Association (NPPA) and the California Broadcasters Association (CBA) argued that the amended law infringes on constitutional rights of the press.⁹⁷ The CNPA raised First Amendment concerns with amended law. They argued that “the in-

⁹⁴ *Id.*

⁹⁵ *Bill Analysis of S.B. 606 Before the 2013 Assemb. Comm. on Judiciary*, 2013-14 Leg., Reg. Sess. 4 (Cal. 2013) (stating that “[a]lthough the bill creates enhanced criminal penalties and a new civil cause of action, it arguably makes no change as to what constitutes an underlying offense. To begin with, the bill does not – as some of the opposition letters suggest – make it misdemeanor harassment to simply take a photograph of a child without the consent of the parent or guardian, either by following the child or by lying in wait.”).

⁹⁶ *Id.*

⁹⁷ *Id.* at 7.

creased penalties and liabilities . . . improperly abridge First Amendment protected newsgathering activity that occurs in public places where a person normally has no reasonable expectation of privacy.”⁹⁸ The CNPA further argued that the amendment “pertain[ing] to photography and recording is overly broad [and] vague.”⁹⁹

The NPPA agreed with the CNPA but also raised two separate constitutional arguments. The first is that the amended law “raises First Amendment concerns by singling out attempts to take a photograph – an activity commonly done for valid newsgathering or expressive activities, especially if the attempt to take the photograph is in a public place where there is no reasonable expectation of privacy.”¹⁰⁰ The second argument is that the amendment’s definition of “harass” is vague and subjective because the terms, “harassment,” “annoys and alarms,” and “no legitimate purpose,” which are used to define it, are vague.¹⁰¹ Furthermore, NPPA does not see a need for this amendment since California has laws on the books that address harassment concerns.¹⁰² Along with the CNPA, the NPPA argued that the additional enhanced criminal penalties, along with a new civil cause of action, will “further chill free speech and create uncertainty.”¹⁰³

In the legislative hearing reports, constitutional law Professor Erwin Chemerinsky disagreed with the opponent’s vagueness and First Amendment

⁹⁸ *Id.*

⁹⁹ *Id.*

¹⁰⁰ *Id.*

¹⁰¹ *Bill Analysis of S.B. 606 Before the 2013 Assemb. Comm. on Pub. Safety*, 2013-14 Leg., Reg. Sess. 5 (Cal. 2013).

¹⁰² *Id.*

¹⁰³ *Id.*

arguments. In response to the First Amendment concerns, Professor Chemerinsky, a renowned constitutional law professor at University of California-Irvine, argued that there is no substantial First Amendment issue “because the bill targets only harassing *conduct*, not constitutionally protected expression.”¹⁰⁴ Professor Chemerinsky supported his claim by stating that there is no constitutional right to harass.¹⁰⁵ However, he failed to explain his conclusion that the amended statute was not vague.

California's Assembly Committee on Public Safety disagrees that the definitions of ‘harass’ singles out journalistic activity.¹⁰⁶ The Committee believes that the statute merely lists a form of journalistic activity as an example of the kinds of conduct that *could* rise to the level of harassment.¹⁰⁷ Essentially, the phrase “any actual or attempted recording of the child's or ward's image or voice” is simply an example of the kind of activity that could be considered harassment.¹⁰⁸ The Committee recognizes that if the statute singles out journalistic activity, the statute may be unconstitutional because the Supreme Court has previously held that statutes that single out journalistic activities and subject it to heightened punishment are unconstitutional.¹⁰⁹ Ac-

¹⁰⁴ *Bill Analysis of S.B. 606 Before the 2013 Assemb. Comm. on Judiciary*, 2013-14 Leg., Reg. Sess. 5 (Cal. 2013).

¹⁰⁵ *Id.*

¹⁰⁶ *Id.*

¹⁰⁷ *Id.* at 6.

¹⁰⁸ CAL. PENAL CODE § 11414 (West, Westlaw through ch. 16 of 2014 Reg. Sess.).

¹⁰⁹ *Minneapolis Star & Tribune v. Minnesota Comm'r of Revenue*, 460 U.S. 575, 586 (1983) (holding that “the main interest asserted by Minnesota in this case is the raising of revenue. Of course that interest is critical to any government. Standing alone, however, it cannot justify the special treatment

cordingly, the statute was designed to punish anyone who violates it. Not just members of the press.

In addition to the First Amendment challenges that can be made to the amendment, the opponents argue that this amendment is unconstitutionally vague. However, I contend that, despite the opponents' arguments, this statute is not unconstitutionally vague as applied to the press. The purpose of determining whether the statute is vague is not to rid the California law books of this crime. Rather, because there is a need to protect children from the dangerous conduct of the paparazzi, it is very important that the statute is clear in what behavior it is prohibiting. The amendment clearly articulates the type of conduct it prohibits. In the remainder of this Note, I will demonstrate that this statute does not violate the void-for-vagueness doctrine.

V. TOO VAGUE TO BE CONSTITUTIONAL

The amended California Penal Code Section 11414 terms "annoys," "alarms," "torments," and "terrorizes," despite the opponents' claims, are not void under the vagueness doctrine because the terms provide adequate notice of the prohibited conduct. Under the void-for-vagueness doctrine, "a statute which either forbids or requires the doing of an act in terms so vague that men of common intelligence must necessarily guess at its meaning and differ as to its application violates the first essential of due process of law," especially if it is a criminal stat-

of the press, for an alternative means of achieving the same interest without raising concerns under the First Amendment is clearly available: the State could raise the revenue by taxing businesses generally, avoiding the censorial threat implicit in a tax that singles out the press.").

ute.¹¹⁰ In *Kolender v. Lawson*, the Court used a two-pronged test to determine whether a statute failed the void-for-vagueness doctrine.¹¹¹ Under the first prong, a criminal statute must define the offense with “sufficient definiteness” so that a layperson knows what conduct is prohibited.¹¹² Under the second prong, the statute must comply with the first prong “in a manner that does not encourage arbitrary and discriminatory enforcement.”¹¹³ The Court, interpreted the second prong to “[require] that a legislature establish minimal guidelines to govern law enforcement” and considered this to be the most important part of the test.¹¹⁴

This test must be met so that a criminal statute provides for fair enforcement and notice of the prohibited conduct.¹¹⁵ In *City of Chicago v. Morales*, an ordinance was unconstitutionally vague because it failed to establish minimal guidelines for enforcement. In an effort to rid the city of gang activity, Chicago enacted the Gang Congregation Ordinance¹¹⁶ to prevent gang members from loitering in

¹¹⁰ *Connally v. General Construction*, 269 U.S. 385, 391 (1926).

¹¹¹ *Kolender v. Lawson*, 461 U.S. 352, 357 (1983).

¹¹² *Id.*

¹¹³ *Id.*

¹¹⁴ *Id.* (citing *Smith v. Goguen*, 415 U.S. 566, 574(1974)).

¹¹⁵ ERWIN CHEMERINSKY, CONSTITUTIONAL LAW PRINCIPLES AND POLICES 970 (Vicki Been et al., eds., 4th ed. 2011) (“In, part, the vagueness doctrine is about fairness; it is to unjust to punish a person without providing clear notice as to what conduct was prohibited. Vague laws also risk selective prosecution; under vague statutes and ordinances the government can choose who to prosecute based on their views of the policies.”).

¹¹⁶ The ordinance provides that “[w]henever a police officer observes a person whom he reasonably believes to be a criminal street gang member loitering in any public place with one or

the public.¹¹⁷ The Supreme Court found that the statute covered additional activities besides the congregation of gang members for the purpose of engaging in illegal activity.¹¹⁸ It was this “uncertainty about the scope of [the] additional coverage [that] provide[d] the basis” of the vagueness claim.¹¹⁹ The Court applied the two-prong test articulated in *Kolender* to determine whether the statute was vague.¹²⁰

As to whether the ordinance provided “sufficient definiteness” or fair notice to a layperson, the Court looked to the meaning of the term “loiter,” which meant, “to remain in any one place with no apparent purpose.”¹²¹ According to the Court, the term “apparent purpose” was unclear, stating that “[i]t [was] difficult to imagine how any citizen of the city of Chicago standing in a public place with a group of people would know if he or she had an “apparent purpose.”¹²² To illustrate its point, the Court asked two hypothetical questions: “[i]f she were talking to another person, would she have an apparent purpose? If she were frequently checking her watch and looking expectantly down the street, would she have an apparent purpose?” The Court doubted the city meant to criminalize every instance in which a person stands with a gang member.¹²³ For that reason,

more other persons, he shall order all such persons to disperse and remove themselves from the area. Any person who does not promptly obey such an order is in violation of this section.” *City of Chicago v. Morales*, 527 U.S. 41, 65 (1999).

¹¹⁷ *Id.* at 45-46.

¹¹⁸ *Id.*

¹¹⁹ *Id.*

¹²⁰ *Id.* at 56.

¹²¹ *Id.*

¹²² *Id.* at 57.

¹²³ *Id.*

the statute failed the first prong because the term “loiter” did not distinguish between loitering with a criminal purpose and loitering with an innocent purpose.¹²⁴

Under the second prong, the Court held that the ordinance failed to provide minimum guidelines to govern law enforcement, which would prevent arbitrary and discriminatory enforcement.¹²⁵ As a result, a police officer could instruct a gang member standing in a public place to disperse without determining the person’s reason for standing in that public place.¹²⁶ According to the Court, the language of the ordinance directing a police officer to issue an order without inquiry was too broad. Furthermore, a statute that allowed too much discretion was prohibited because the “Constitution does not permit a legislature to ‘set a net large enough to catch all possible offenders, and leave it to the courts to step inside and say who could be rightfully detained, and who should be set at large.’”¹²⁷ For example, the statute did not take into consideration that a gang member could be standing in front of a place with a relative for rea-

¹²⁴ *Id.* (The Court also stated that “[t]he Illinois Supreme Court emphasized the law’s failure to distinguish between innocent conduct and conduct threatening harm. Its decision followed the precedent set by a number of state courts that have upheld ordinances that criminalize loitering combined with some other overt act or evidence of criminal intent. However, state courts have uniformly invalidated laws that do not join the term ‘loitering’ with a second specific element of the crime.”)

¹²⁵ *Id.* at 60 (“The broad sweep of the ordinance also violates ‘the requirement that a legislature establish minimal guidelines to govern law enforcement.’ There are no such guidelines in the ordinance.”(quoting *Kolender v. Lawson*, 461 U.S. at 358)).

¹²⁶ *Id.*

¹²⁷ *Id.* (quoting *United States v. Reese*, 92 U.S. 214, 221 (1876)).

sons that were not criminal.¹²⁸ Under the ordinance, if a police officer ordered the gang member in the preceding example to leave the area and he refused to do so, he would be arrested, even though he was not loitering for criminal purposes. Since there were no guidelines in the ordinance, the statute violated the void-for-vagueness doctrine.¹²⁹

As explained by the Supreme Court in *Morales*, a statute will be upheld under the void-for-vagueness doctrine as long as the terms are not too subjective. For example, in *People v. Ewing*, the California's Court of Appeals for the Fourth District upheld a harassment statute because the terms were clear, understandable and not subjective and it provided an objective standard to guide the public.¹³⁰ In this case, the defendant argued that a stalking statute was unconstitutionally vague because the terms "alarms," "annoys," "torments," and "terrorizes" in the "harass" section of the statute "[were] subjective terms that [did] not provide adequate notice for an individual to avoid liability under the statute."¹³¹ To determine whether that terms were vague, the court stated that it "must view a statute from the 'standpoint of the reasonable person who might be subject to its terms' and uphold the statute if its meaning is

¹²⁸ *Id.*

¹²⁹ *Id.*

¹³⁰ *People v. Ewing*, 90 Cal Rptr. 2d 177, 182 (Cal. Ct. App. 1999).

¹³¹ *Id.* at 181. (Section 649.9 provided that "[f]or the purposes of this section, 'harasses' means a knowing and willful course of conduct directed at a specific person that seriously alarms, annoys, torments, or terrorizes the person, and that serves no legitimate purpose. This course of conduct must be such as would cause a reasonable person to suffer substantial emotional distress, and must actually cause substantial emotional distress to the person.").

reasonably ascertainable.”¹³² This is required because the courts recognize that there will be some ambiguity in a statute because of the difficulty in “defining the subject matter with precision” and as long as the meaning is reasonably ascertainable, the statute will be upheld.¹³³

In *Ewing*, the Court look to Webster’s dictionary to define each of the terms and concluded, that along with the term “seriously” and the reasonable person standard, the definition of “harass,” provided a clear standard of conduct that a man of ordinary intelligence will understand the behavior the law prohibits.¹³⁴ According to the court, the terms

¹³² *Id.* at 182 (quoting *People v. Deskin*, 13 Cal. Rptr. 2d 391, 392 (Cal. Ct. App. 1992)).

¹³³ *Deskin*, 13 Cal. Rptr. 2d at 392.

¹³⁴ *Ewing*, 90 Cal Rptr. 2d at 182-83 (stating that, “[t]he definition of ‘alarm’ is ‘to strike with fear: fill with anxiety. ‘Annoy’ is defined as ‘to irritate with a nettling or exasperating effect.’ The definition of ‘torment’ is ‘to cause (someone) severe suffering of body or mind: inflict pain or anguish on.’ The definition of ‘terrorize’ is ‘to fill with terror or anxiety’; ‘terror’ is defined as ‘a state of intense fright or apprehension.’ Moreover, these terms as they appear in the statute cannot be read in a vacuum. First, we note they are preceded and qualified with the adverb ‘seriously.’ Thus, the statutory definition of ‘harasses’ [. . .] refers to ‘a knowing and willful course of conduct directed at a specific person that *seriously alarms, seriously annoys, seriously torments, or seriously terrorizes* the person’ against whom it is directed. Second, when the reasonable person standard is factored in, the statutory definition of ‘harasses’ becomes ‘a knowing and willful course of conduct directed at a specific person that *a reasonable person would consider as seriously alarming, seriously annoying, seriously tormenting, or seriously terrorizing* the person.’ added.) Third, [the statute] explicitly provides the ‘course of conduct must be such as would cause *a reasonable person to suffer substantial emotional distress*, and must actually cause substantial emotional distress to the person.’ Thus, a reasonable person

“alarms,” “annoys,” “torments,” and “terrorizes” and could not be read separately.¹³⁵ First, the terms were “preceded and qualified with the adverb ‘seriously.’”¹³⁶ The word “seriously” limited the application of the statute. As such, the statute would be enforced against a person who seriously, rather than trivially, annoyed, alarmed, tormented, or terrorized another. In addition, whether a person seriously annoyed, alarmed, tormented, or terrorized another to the extent of causing substantial emotional distress depended on whether a reasonable person would find the defendant’s conduct offensive.¹³⁷ According to the court, the objective standard served the purpose of eliminating “the spectrum of possible subjective reactions by a targeted person.”¹³⁸ Construed in this light, the harassment statute is clear and certain.¹³⁹

Without ascertainable standards to limit the application of a statute, a statute will be invalid under the void-for-vagueness doctrine. For example, in *Coates v. City of Cincinnati*, the Court held that terms such as “annoys” are vague if they are not paired with an objective standard to determining whether the act is “annoying.” In this case, the Cin-

standard also applies to the victim, which eliminates the spectrum of possible subjective reactions by a targeted person to defendant’s course of conduct. The result is the stalking statute prohibits a course of conduct directed at a specific person that *a reasonable person would consider as seriously alarming, seriously annoying, or seriously tormenting a reasonable person*. Given this context, the statutory definition of ‘harasses’—based on the four challenged words—is not uncertain.”) (alterations in original) (citations omitted).

¹³⁵ *Id.*¹³⁶ *Id.*¹³⁷ *Id.*¹³⁸ *Id.*¹³⁹ *Id.*

cinnati ordinance prohibited “three or more persons [from] assemb[ling] . . . on any of the sidewalks, . . . and there conduct themselves in a manner annoying to persons passing by.”¹⁴⁰ The Court held that the ordinance failed the void-for-vagueness doctrine “because it subjects the exercise of the right of assembly to an [unascertainable] standard.”¹⁴¹ The statute failed to consider that there were behaviors that annoy some people but do not annoy others.¹⁴² Therefore, the ordinance violated the first prong of the *Kolender* test because “men of common intelligence must necessarily guess at its meaning.”¹⁴³

To determine whether Penal Code Section 11414 provides “sufficient definiteness,” the terms must be clear enough for a man of ordinary intelligence to understand what is prohibited. The analysis for determining whether Penal Code Section 11414 is vague is similar to the analysis in *Ewing*. “Annoy” is defined as “to cause irritation to by irritating acts.”¹⁴⁴ “Alarm” is defined as “to fill with alarm; frighten.”¹⁴⁵ “Torment” is defined as “to cause to undergo physical or mental torture.”¹⁴⁶ Finally, “terrorize” is defined as “to fill or overpower with terror.”¹⁴⁷ As stated in *Ewing*, these terms cannot be looked at in a vacuum. The terms are preceded with the word “seriously.” This term works to limit the

¹⁴⁰ *Coates v. City of Cincinnati*, 402 U.S. 611 (1971) (fourth alteration in original).

¹⁴¹ *Id.* at 614.

¹⁴² *Id.*

¹⁴³ *Id.* (quoting *Connally v. General Construction Co.*, 269 U.S. 385, 391 (1926)).

¹⁴⁴ THE AMERICAN HERITAGE COLLEGE DICTIONARY 57 (4th ed. 2004).

¹⁴⁵ *Id.* at 31.

¹⁴⁶ *Id.* at 1451.

¹⁴⁷ *Id.* at 1423.

application of the statute to only the offenses that seriously annoys, alarms, terrorizes, or torments a child. Furthermore, as required by the Supreme Court in *Coates*, the statute provides an objective standard in determining whether a person violated this statute. As such, the statute prohibits a person from seriously annoying, alarming, terrorizing, or tormenting a child to the extent that a reasonable child would suffer substantial emotional distress. Read in this context, the statute is clear and provides sufficient definiteness.

The second prong of the *Kolender* test requires that the statute provide minimum guidelines to govern law enforcement to prevent arbitrary and discriminatory enforcement. In *Morales*, the Court held that the statute failed the second prong of the void-for-vagueness test because the statute provided law enforcement officers with too much discretion. Penal Code Section 11414 instructs law enforcement officers to arrest anyone who knowingly and intentionally harasses a child because of his or her parents' occupations. Unlike the statute in *Morales*, the amendment specifically explains what conduct is criminalized: harassing a child because of her parents' occupations. In *Morales*, the statute prohibited standing in a public place for no apparent purpose, but the statute did not instruct law enforcement officers to determine whether they had an innocent reason for standing around. Unlike harassment, there is a constitutional right to assemble.¹⁴⁸ A statute cannot in-

¹⁴⁸ U.S. CONST. amend. I. ("Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the government for a redress of grievances.") (emphasis added).

fringe on that right. As stated by Professor Chemerinsky, there is no constitutional right to harass.¹⁴⁹ Therefore, states can criminalize the conduct. In this case, a police officer is instructed to arrest someone who is engaging in criminal conduct: harassment. The amended statute does not provide unlimited discretion like the statute provided in *Morales*. As a result, it is very likely that a court will determine that Penal Code Section 11414, as amended, complies with the second prong of the *Kolender* test.

There are additional constitutional challenges that may impact the enforcement of the amendment. However, it is very unlikely that a court will void this statute because the terms used to define "harass" are vague. The amended statute is very similar to the statute in *Ewing*. The opponents of the amendment argue that the terms used to define "harass" are vague. However, as demonstrated, the terms "annoys," "alarms," "torments," and "terrorizes," read in context of the entire statute, clearly identifies the prohibited conduct so that a layperson understands what conduct is prohibited and it provides minimum guidelines to govern law enforcement.

CONCLUSION

California has a legitimate concern to protect the emotional, psychological, and physical well-being of a child. In recent years, there have been violent interactions with the press that result in injury and even death. California has made numerous attempts to curb the behavior of the press, however, many of these attempts infringed on the press' constitutional rights. This statute criminalizes conduct that is not

¹⁴⁹ *Bill Analysis of S.B. 606 Before the 2013 Assemb. Comm. on Judiciary*, 2013-14 Leg., Reg. Sess. 5 (Cal. 2013).

protected by the Constitution: harassment. The Statute is currently in effect. Time will tell whether this statute is effective in deterring the paparazzi and other overzealous individuals.

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Essay

**Is Cricket Taxing?
The Taxation of Cricket Players
in India**

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Abstract

This Essay examines the taxation of crickets in the context of Indian law. It examines the concept of non-resident “star” companies created by Indian cricketers as a mechanism to avoid the taxation of their global income in India.

Table of Contents

INTRODUCTION: EATING CRICKET, SLEEPING CRICKET BUT DEFINITELY TAXING CRICKET	600
I. HIT WICKET!	601
<i>A. Argument</i>	601
<i>B. Scope, Methodology & Limitations</i>	601
II. THE INCORPORATED CRICKETER: UNDERSTANDING THE “STAR” COMPANY STRUCTURE	602
III. DROPPED CATCH! AVOIDANCE DUE TO A COMPUTATION PROBLEM	604
IV. OVER THE BOUNDARY! ANTI-AVOIDANCE UNDER SECTIONS 93 AND 61	605
V. SUBSTITUTE FIELDER: IS THE DTC “CFC” STRUCTURE MORE EFFECTIVE?	607
CONCLUSION: RELAYING THE PITCH TOWARDS A SPECIFIC CHARGING PROVISION FOR CRICKETERS IN INDIA	609

INTRODUCTION: EATING CRICKET, SLEEPING CRICKET BUT DEFINITELY TAXING CRICKET

Usain Bolt cancelling his run and the European Football Union threatening to move its Final out of London¹ are some recent examples of sportspersons basing professional choices solely on issues re-

¹*The Taxation of Athletes in the UK*, HARBOTTLE & LEWIS, http://www.harbottle.com/hnl/pages/hnl09_eb_view/9117.php (last visited May 21, 2014).

lated to taxation.² Cricket in India is no different, and today though a resident Indian cricketer will be taxed on the profits and gains of his profession under section 28 of the Indian Income Tax Act, 1961 (hereinafter “ITA”), there are numerous ways by which he may reduce or even eliminate such tax liability.

I. HIT WICKET!

A. Argument

This Essay studies the creation of non-resident “star” companies by resident Indian cricketers as a means to avoid taxation of their global income in India. The Essay argues that the current computation regime and the anti-avoidance mechanisms as envisaged under the ITA and the Direct Tax Code, 2010 (hereinafter “DTC”) fail to tackle the issue of taxation of star companies comprehensively enough and hence the Essay proposes the introduction of a separate tax provision for this purpose.

B. Scope, Methodology & Limitations

This Essay does not examine taxation issues related to non-resident cricketers who might come and play in India. Further, the Essay does not analyze the implications of Article 17 of the Organization for Economic Cooperation and Development Model Law (hereinafter the “OECD Model Law”) for taxing athletes, nor does it address bilateral and multilateral treaties that seek to avoid the double taxation of athletes. The researcher is limited by the non-

² Mike Warburton, *Stupid Agassi Tax Rule Prevents Usain Bolt From Running*, TELEGRAPH (July 13, 2010, 11:37 AM), <http://www.telegraph.co.uk/finance/personalfinance/consumertips/tax/7887331/Stupid-Agassi-tax-rule-prevents-USain-Bolt-from-running.html>.

availability of information and empirical data on how specific resident Indian cricketers actually plan their tax structures.

III. THE INCORPORATED CRICKETER: UNDERSTANDING THE “STAR” COMPANY STRUCTURE

Contemporary Indian cricketers, now mobile and global in their activities, don’t want to be taxed on their cross border earnings and employ the device of an interposed company to stand between them and their income so as to minimize their tax burden in India. Under such a “star” company model, an Indian cricketer sets up a company in a very low tax country and enters into an employment contract with that company.³ Consequently all agreements with endorsers, sports authorities and other types of sponsors are concluded with the company rather than the cricketer himself, thereby enabling the cricketer to plan how he receives income from the company in tax efficient ways.⁴

The star company structure is attractive not only because it may directly help reduce the applicable tax rate on the cricketer but also because income can be saved in the company without distribution, thereby ending up in a tax deferral.⁵ The cricketer may pay tax only on the nominal salary he draws from the star company, or his performance income may be converted into dividend income, which may be taxed more favorably under the Indian system. Further, the star company structure may enable the

³ MICHAEL LANG ET AL., TAXATION OF ARTISTES AND SPORTSMEN IN INTERNATIONAL TAX LAW 251 (2008).

⁴ Bret M. Kanis, Comment, *The Utility of Personal Service Corporations for Athletes*, 22 PEPP. L. REV 629, 632 (1995).

⁵ DICK MOLENAAR, TAXATION OF INTERNATIONALLY PERFORMING ARTISTES 6 (2006).

cricketer to claim large corporate deductions for expenses such as accident relief and insurance.⁶

There is no fixed star company model and the biggest challenge faced by Revenue authorities lies in being able to establish the existence of such a corporation. The cricketer could be the majority or the sole shareholder of the star company, or could also only be a beneficiary without ownership. Under the “loan out” model for instance, the cricketer’s services would be “lent out” for an event on the company’s behalf and thus effective management and control might still be deemed to rest with the cricketer.⁷ By way of analogy for example, in *Gordon Sumner v. The Queen*, Sumner unsuccessfully sought to escape tax in Canada by establishing his company in a low tax jurisdiction and only drawing a nominal percentage of its profit.⁸ Similarly, in the *X AG* case, a Swiss company contracted with third parties on behalf of certain non-Swiss entertainers in return for a modest commission.⁹ The Swiss Court held that the contracts with the company were mere “shams,” aimed at avoiding foreign withholding tax that the entertainers would have otherwise had to pay.¹⁰

Yet, in many cases the star company may genuinely fulfill a larger role of acting like an “organizer” for cricket in general, being responsible for ar-

⁶ LANG ET AL., *supra* note 3, at 250.

⁷ Andrew D. Appleby, *Levelling the Playing Field: A Separate Tax Regime for International Athletes*, 36 BROOK. J. INT’L L. 605, 609 (2011).

⁸ *Gordon Sumner v. The Queen*, [2000] 2 C.T.C. 2359 (Can. Tax. Ct.).

⁹ Bundesgericht [BGer] [Federal Supreme Court] April 27, 1990, 116 Entscheidungen des schweizerischen Bundesgerichts (Amtliche Sammlung) [BGE] Ia 81 (Switz.).

¹⁰ *Id.*

rangements other than only the hire of the cricketer. In such cases, since business relations by third parties conducted with the company are explicitly at an arm's length from the cricketer, it may not be possible for Revenue authorities to attribute the earnings of the company to that of the cricketer for the purposes of taxation.¹¹

It is in this backdrop that Revenue authorities world over have often tried to apply the “look through the company” approach when taxing athletes and have held, for example in *Agassi v. Robinson*, that payments made to an athlete's service company shall be characterized and taxed as if such payments were made to the athlete himself.¹²

IV. DROPPED CATCH! AVOIDANCE DUE TO A COMPUTATION PROBLEM

Under the current ITA regime a resident Indian cricketer would be taxed on all his income under section 28 if he plays cricket with regularity, or under section 56 if the game is played only as a hobby. Seen in an “ease of computation” perspective however, it is proposed that without a residuary provision such as section 56, the all-encompassing nature of section 28 by itself is likely to create difficulties in the specific context of taxing professional Indian cricketers.

Unlike Article 17 of the OECD Model Law which specifically takes into account the various nuances of a sportsperson's income, including individual player liability for his star company,¹³ in the ab-

¹¹ LANG ET AL., *supra* note 3, at 251.

¹² *Agassi v. Robinson*, [2006] UKHL 23 (U.K.).

¹³ OECD Model Tax Convention art. 17(2), Jan. 28, 2003, available at <http://www.oecd.org/dataoecd/52/34/1914467.pdf> (last visited May 21, 2014).

sence of a distinct charging head for cricketer income in the ITA, the nature of the cricketer's economic activities being so dissimilar to that of any other profession, makes tax avoidance a real possibility. Not only does a cricketer receive prize money, match fees, gifts, endorsement income and other types of bonus earnings,¹⁴ the number of matches he plays and the manner in which his schedule operates is necessarily different from any other business activity ordinarily captured under section 28.

Even though it might be argued that the residuary charging of section 56 technically covers all the forms of a cricketer's earnings, from a policy perspective such heavy reliance on the residuary provision is perhaps undesirable in the long run. Having said this, unfortunately section 28 by itself proves inadequate because it can only be invoked if it can be established that all the cricketer's earnings accrue to him only by virtue of him being a star in his cricket profession, thereby also making his allied income attributable to his professional income under "profits and gains of any profession" in section 28.

V. OVER THE BOUNDARY! ANTI-AVOIDANCE UNDER SECTIONS 93 AND 61

Explanation (b) to section 93(3) of the ITA, supported by case law, says that a corporate entity incorporated outside India shall be treated as if it were a non-resident, and therefore the resident transferor (the cricketer) may be responsible for taxes assessed on transferred assets, such as income

¹⁴ See generally Carole C. Berry, *Taxation of U.S. Athletes Playing in Foreign Countries*, 13 MARQ. SPORTS L. REV. 1 (2002).

from the company.¹⁵

In the star company framework, where the resident Indian cricketer sets up a company outside India, which consequently enters into its own transactions with third parties, and only employs the cricketer, there is technically no transfer for the purposes of section 93. Yet, it may be argued that since the resident Indian cricketer ought to have been the one to contract with the third parties, and if section 93(4)(a) is given its widest interpretation, since “asset” includes “property rights of any kind” and “transfer” includes “the creation of those rights,” Revenue authorities may take the view that the transfer of the “right to contract with third parties” (for endorsements, etc.) by the Indian cricketer to his non-resident star company itself amounts to a transfer which invokes section 93. This is because, for instance, if the resident cricketer is the exclusive employee of his star company, he is in fact giving up his right to contract for playing cricket and earning endorsement fees in favor of his non-resident company.

In the context of section 61,¹⁶ transfers through settlements or arrangements made by the resident cricketer to his star company will be taxable in his hands, if it can be proved that the transfer was revocable in nature. Though such an inference can ultimately only be drawn by an examination of the terms and conditions of a particular contract between the cricketer and his company, in a general sense, cases where the cricketer transfers his earnings to

¹⁵ Kadar Mohideen v. CIT, A.I.R. 1960 (Mad.) 302 (India); Chidambaram Chettiar v. CIT, (1966) 2 S.C.R. 761 (India); *see also* NANI PALKHIVALA ET AL., 2 THE LAW AND PRACTICE OF INCOME TAX 1543 (9th ed. 2004).

¹⁶ VINOD K. SINGHANIA & KAPIL SINGHANIA, TAXMANN'S DIRECT TAXES: LAW AND PRACTICE 560 (38th ed. 2007).

the company with a right to revoke the same at any time would be covered by section 61, though transfers with a right to re-transfer the earnings back at a different value or under certain new terms, would perhaps not invoke section 61.

VI. SUBSTITUTE FIELDER: IS THE DTC “CFC” STRUCTURE MORE EFFECTIVE?

Under the proposed DTC,¹⁷ a controlled foreign corporation (“CFC”) is a company that has been incorporated in a low tax jurisdiction, but is controlled by an Indian resident, who will have to pay tax in India.¹⁸ Unlike section 93 of the ITA, the CFC model taxes the resident controlling the CFC on the passive income earned and even taxes undistributed dividends as the “deemed dividends” of the CFC.

CFC liability hinges on being able to establish that the resident in India controls the company by holding no less than fifty percent of the voting power or income. Further, control is also proved if the resident “exercises a dominant influence on the company” due to a special contractual relationship.¹⁹ Thus, with such a wide construction given to the term “control,” it is proposed that in the context of resident In-

¹⁷ Shyamal Mukherjee, *Regulations on Controlled Foreign Corporations: Are We Ready?*, BUS. STANDARD (Jun. 21, 2010, 12:56 AM), available at http://www.business-standard.com/article/economy-policy/regulations-on-controlled-foreign-corporations-are-we-ready-110062100065_1.html.

¹⁸ Avantika Govil, *Introduction of the Controlled Foreign Corporations Regime in India: Necessity and Limitations*, INDIAN LEGAL SPACE (Jul. 14, 2010, 8:53 PM), available at <http://indianlegalspace.blogspot.com/2010/07/introduction-of-controlled-foreign.html>.

¹⁹ The Direct Taxes Code, No. 110, Acts of Parliament, 2010, Twentieth Schedule, cl. 5(b)(iii), p. 286, available at <http://www.finmin.nic.in/dtcode/index.asp>.

dian cricketers, the CFC model appears likely to bring more star company situations within the tax net. Not only can Revenue authorities pierce the veil of the company in cases where cricketers cross the fifty percent marker, but they may also do so if other factors cumulatively establish that the cricketer exerts a “dominating influence.” Yet, given the conceptualization of control, perhaps this provision too may not be sufficient to cover all the techniques that may be employed by the Indian cricketer in his efforts to evade tax. For example, where the resident Indian cricketer is the sole beneficiary of a trust without meeting the statutory thresholds of the CFC’s definition of owner, income received by him from the company would continue to go scot-free.

A CFC has interestingly been defined as one that “is not engaged in any active trade or business.”²⁰ This creates uncertainty in the context of taxing star companies of cricketers, because unlike a holding company that is passively earning dividends, the star company is actively entering into all sorts of contracts on behalf of the cricketer. Though a restrictive definition has been provided for the term “active trade,” it is proposed that entering into contracts on behalf of the cricketer could legitimately fall within its definition that reads, “[The CFC] actively participates in commercial or financial undertakings through employees or other personnel in the economic life of the territory of which it is resident.” This could thereby enable the cricketer to successfully argue that his company is not a CFC for tax purposes.²¹

²⁰ *Id.* at cl. 5(a)(iv), p. 286.

²¹ *Id.* at cl. 5(e)(i), p. 287.

CONCLUSION:

RELAYING THE PITCH TOWARDS A SPECIFIC CHARGING PROVISION FOR CRICKETERS IN INDIA

It is evident, both from a computation and anti-avoidance perspective, that the taxation of resident Indian cricketers requires specific categorization. Whilst an all-encompassing charging provision like section 28 is unlikely to cover all forms of the cricketer's economic activity, sections 93, 61 and the CFC model also have their limitations.

Recognizing that resident Indian cricketers are scarce and possess a significant amount of bargaining power, signals the urgent need to create a distinct charging head for their taxation. This provision must be inclusive and yet comprehensive enough to embrace the various sources of income that cricketers may accrue.

The law must also explicitly recognize and tax different models of the star company structure. The researcher submits that the law must seek to distinguish between companies that genuinely do more than just act as a sham for cricketers from those which are created only for tax avoidance purposes. Unless it can be established that there is some substance to the star company in as much as it is performing a function the resident Indian cricketer could not otherwise do, such as professional management or organizational activities by an independent group of persons trained in the field, the star company must be seen only as method of diverting the cricketer's stream of income. In cases of such diversion, a separate tax provision must enable Revenue authorities to pierce the company's veil based on the specific facts of each case, irrespective of a transfer being established under section 93, or the fulfillment of the specified formal thresholds of the CFC.