Copyright Law

Protection of ideas
(by Federal or State Trademark Law, Unfair Competition (State or Common Law), Deceptive Trade Practices, State Trade Secret, etc.)

Right to Publicity
(by State or Common law)

Droit de Suite
(by State law, e.g. California)

Visual Artists Rights Act (17 U.S.C. § 106A) / 'Moral Rights'
(and Lanham § 43(a), Unfair Competition, Uniform Deceptive Trade Practices, Defamation)

Copyright
(Copyright Act of 1976; 17 U.S.C. §§ 101)

Contracts
(State law (shrink wrap licenses, etc..)

Anti-Circumvention Legislation
(Federal Law (DMCA))

I. Scope of Copyright Protection

"Congress shall have Power … to promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries; …" (U.S. Const. Art. I Sec. 8)

A. Copyright protection

Copyright protection subsists in

- **Original ("originating from author")**
  "Original … means only that the work was independently created by the author (as opposed to copied from other works)…" (*Feist*)
- **works of authorship**
  Generally 'Work of authorship' means that the creation must have at least "a modicum of creativity." "The requisite level of creativity is extremely low; even a slight amount will suffice." (*Feist*). No artistic value necessary (*Bleistein*, Circus advertisement, *Sarony*, Picture of O. Wilde)
  For compilations and derivative works the level of creativity has to be somewhat higher than for 'originals:'
  Derivative Works: "[T]o support a copyright there must be at least some substantial variation, not merely a trivial variation such as might occur in the translation to a different medium" (e.g. when the variations come only from making it simpler and cheaper). (*Batlin*: Uncle Sam banks [no ©]) But "all that is needed … is that the 'author' contributed something more than a 'merely trivial' variation, something recognizable 'his own.'" (*Bell*: mezzotints of old masters [©]) See also *Durham*: wind up Disney figures [no ©], *Gracen*: Oz collectors' plates [no ©], *Alva Studios*: Hand of God [©], *St. Laurent*: Mondrian design [no ©], *Bridgeman*: photographs of paintings [no ©].
  Compilations: "[T]hree distinct elements … to be met for a work to qualify as a copyrightable compilation: (1) the collection and assembly of pre-existing material, facts, or data; (2) the selection, coordination, or arrangement of those materials; (3) the creation, by virtue of the particular selection, coordination, or arrangement, of an 'original' work of authorship." (*Feist*: white pages [no ©]) See also *BellSouth*: yellow pages [no ©], *Key Pub*: 'specially selected' yellow pages [©]. No protection for "sweat of the brow" (i.e. invested hard work).
- **fixed in any tangible medium of expression**

A work is "fixed" in a tangible medium of expression (now known or later developed, from which they can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device) when its embodiment in a copy or phonorecord, by or under the authority of the author, is sufficiently permanent or stable to permit it to be perceived, reproduced, or otherwise communicated for a period of more than transitory duration. A work consisting of sounds, images, or both, that are being transmitted, is "fixed" for purposes of this title if a fixation of the work is being made simultaneously with its transmission. . However, pure talk/speech/performance is not fixed. Fixation must only be minimal, RAM is enough.
An unauthorized fixation will not qualify a work for copyright protection.
State law or common law copyright could protect works that are not fixed (*Zacchini,* Human Cannonball

B. Limits Copyright Protection:

In no case does copyright protection for an original work of authorship extend to any

***idea, fact, procedure, process, system, method of operation, concept, principle, or discovery*, regardless of the form in which it is described, explained, illustrated, or embodied in such work.**

Generally: "[P]rotection is given only to the expression of [an] idea – not the idea itself." (*Mazer*) 'Merger doctrine': But if there is "only one form of expression [or] at best only a limited number [of possible expressions], [then] it does not seem accurate … that any particular form of expression [should be copyrighted]. We cannot recognize copyright as a game of chess in which the public can be checkmated." (*Morrissey*) Under the 'doctrine of merger' "copyright protection will be denied to even some *expressions* of ideas if the idea behind the expression is such that it can be expressed only in a very limited number of ways. (Far-fetched or impractical ways should not be considered.) The doctrine is designed to prevent an author from monopolizing an idea by copyrighting a few expressions of it." (*Toro Co.*) The more concrete an idea is, the more likely is a 'merger' of idea and expression thereof.
Blank Forms: Blank forms (such as time cards, graph paper, account books, diaries, blank checks, order forms, etc.) and similar works designed to record rather than to

convey information cannot be protected by copyright. A form that includes lengthy instructions will be likely to qualify for copyright.

Commercial Design/Useful Articles: The design of a useful article shall be copyrightable only if such designs incorporates pictorial, graphic, or sculptural features that can be identified separately form, and are capable of existing independently of, the utilitarian aspects of the article, i.e. the useful article must contain some elements that, physically or conceptually can be identified as separable from the utilitarian aspects of the article. If adoption of the design features was influenced by utilitarian considerations, then the features are "inextricably intertwined" with the utilitarian function and are not conceptually separable and as such not copyrightable. See also *Mazer*: Statuette as lamp base [©], *Kieselstein*: Belt buckle [©], *Esquire*: Outdoor lamp [no ©], *Barnhart*: Display forms [no ©], *Brandir*: Bicycle racks [no ©]. (Keep in mind 'design patents': ornamental, novel and non-obvious.)

Governmental Works: Copyright protection is not available for any work of the U.S. Government, but the Government is not precluded form receiving and holding copyrights transferred to it by assignment, bequest, or otherwise.

Morality: Copyright protection can be obtained even for obscene or immoral works, there's no exception.

C. Special Categories of Works of Authorship (statutory list and more):

(1) Literary Works;

Fiction

Nonfiction

(2) Characters;

A character is entitled to separate copyright protection if the character is distinctly delineated (character constitutes copyrightable expression, rather than merely an idea).The character must be more than just a 'type' (e.g. 'Falstaff' type, stock character) and must be drawn in considerable detail.

When a combination of characters, rather than just one character, is taken from a work, there is a greater likelihood that the court will find that copyrightable expression was taken. See *Rocky*: combination of script "idea" and actors expression creates highly delineated characters, interrelationship and development of the characters etc.

(3) Musical Works, Including any Accompanying Words;
(4) Dramatic Works, Including any Accompanying Music;
(5) Pantomimes and Choreographic Works;
(6) Pictorial, Graphic, and Sculptural Works;
Primary problem lies in determining the protection to be afforded to design elements incorporated into useful articles (see above).
While unauthorized duplication of plans for a useful article constitutes infringement, unauthorized use of a lawful copy of copyrighted plans to build the useful article (e.g. an automobile) depicted in the plans generally does not constitute an infringement of the plans (exception: architectural works!). But transforming other types of pictorial, graphic, and sculptural works from a two-dimensional medium to a three-dimensional medium (e.g. making a statue based on a photograph) will be considered as infringement (as long as substantially similar).
(7) Motion Pictures and Other Audiovisual Works;
(8) Sound Recordings;
The sound recording copyright is separate from any copyright that may exist in the work (such as literary or musical composition) that is the subject of the recording. Protects only against copying of this particular recording, not against independent recording of same song (the latter might be actionable under the composer's copyright.
(9) Architectural Works;
An 'architectural work' is the design of a building as embodied in any tangible medium of expression (e.g. a building, architectural plans, or drawings). It includes the overall form as well as the interior architecture (exception: 'individual standard features').
A building thus is a 'useful article' that qualifies for copyright protection and is not subject to the 'physical or conceptual separability' test. However, architectural works have to meet the requirements as 'original works of authorship': there have to be some original design elements (which mustn't be functionally required).
(10) Computer Programs, and
A computer program is a set of statements or instructions to be used directly or indirectly in a computer in order to bring about a certain result. Both source code and object code are protected by copyright (*Apple v. Franklin)*. Additionally, both application programs and operating system programs can be protected by copyright (but especially for OS be careful about 'merger', because there may be just one way how a operating system should work that is the most efficient one).
Also the structure of a program (overall structure, overall flow) can be protected by copyright (the non-literal elements of a program). The 'abstraction-filtration' test:

(1) Initially, in a manner that resembles reverse engineering, one should dissect the program's structure and isolate each level of abstraction contained within it. This process begins with the code and ends with an articulation of the program's ultimate function. At low level of abstraction, a program's structure may be very complex. At the highest level it is trivial. (2) For each structural element at each level of abstraction must be determined whether it constitutes an 'idea', is required in order to perform the program's function efficiently ('merger'!), is required by external factors, or was taken from the public domain. The remaining is protectable.

A program's user interface (screen display) can be evaluated as audiovisual work but may face problems of originality, or 'merger' or 'blank form' status (similar to the buttons on the VCR). See *Borland*: Lotus menu command hierarchy [no © because method of operation].

(11) Compilations and Derivative works.

The subject matter of copyright includes compilations and derivative works (for copyrightability see above). The copyright in a compilation or derivative work extends only to the material contributed by the author of such work, as distinguished from the preexisting material employed in the work, and does not imply any exclusive right in the preexisting material. The copyright in such work is independent of, and does not affect or enlarge the scope, duration, ownership, or subsistence of, any copyright protection in the preexisting material.

II. The Exclusive Rights of Copyright

A. Exlusive Rights under § 106

The owner of copyright has the exclusive rights to do and to authorize any of the following:

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

(6) in the case of sound recordings, to perform the copyrighted work publicly by means of a digital audio transmission.

B. Performing Rights Organizations/Compulsory licensing

US does not have a collective rights management, unlike many European states. To limited extent, there are similar institutions.

- ASCAP (American Society of Composers, Authors and Publishers), a non profit organization limited to musical compositions
- BMI (Broadcast Music, Inc.), corporation, owned by the radio broadcast industry.
- SESAC (Society of Composers, Authors and Publishers)
- Compulsory licenses: § 115: When phonorecords of a nondramatic musical work have been distributed to the public in the United States under the authority of the copyright owner

III. Infringement

A. Infringement of the exclusive Right to Reproduce, § 106(1)

1. Arnstein/Porter Test

Prong 1: Is there Copying (extrinsic test/objective analysis) [help of experts possible] ***(Arnstein/Sheldon)***

In the extrinsic test, the *court* looks at all elements of a work: idea and expression.

a) Direct Evidence

Defendant admits to have copied the expression

b) Circumstancial Evidence

(1) access

Work available to the public/specifically available to the defendant. Even subconscious copying is actionable, if there was access (*Bolton)*. If there is striking similarity, then no specific evidence of access needed, presumption of access.

(2) substantial similarity

- Dissection:
  Initially, one should dissect the work's structure and isolate each level of abstraction contained within it (e.g. . idea, theme, style, perspective, colors, etc.).. This process begins with the literal expression and ends with an articulation of the work's ultimate 'idea'.

At low level of abstraction, a work's structure may be very complex. At the highest level it is trivial.

- Filter out uncopyrightable elements:
  i.e. Similarities in expression dictated by idea (*Krofft*), functional element ("conceptual separability"), public domain works. The problem is to determine how much of the copied material is protectible expression and how much is idea. Generally, the more detail the defendant copied, the more likely it is that he took copyrightable expression. Note: Selection/Arrangement of non-© elements can also be protectable (unlike in the case of computer programs, *Altai).*
- Comparison
  Once the court has sifted out all elements which are ideas or public domain, it may compare the copyrightable rest with the defendant's work"

Prong 2: Unlawful/improper appropriation (intrinsic test/subjective analysis)
[only ordinary lay observer]
If there is "copying" under the first prong of the Arnstein/Porter test, *a jury* (ordinary lay observer) will have to decide whether defendant took the "total concept and feel" of the plantiff's work (*Steinberg, Roth Greeting Cards),* i.e. Defendant misappropriates the fundamental essence or structure of the plaintiff's work (*Nichols*). In this part of the analysis, the question whether there was access is no longer relevant. .). If the copyrightable elements are substantially similar: "No plagiarist can be excused by showing how much of his work he did not pirate.

2. Characters and fictional works

When dissecting (Prong 1), one must analyze whether the elements of the work are highly abstract (idea) or concrete (expression). E.g. are the characters in a play highly individual/concrete or are they stereotypes/stock characters? In order to be protected characters need to be highly individual (the more developed a character is, the more likely ©. 'Scenes a faire' are not ©. (*Nichols* ["Irish Rose", no infringment], *Sheldon* [Petty Lynton, infringement]
The following components can be compared for <u>fictional works</u>] (easy to compare the concrete components, difficult the abstract ones): *plot, tone, characters, theme, mis en scene, settings, blocking, metaphors, motivation, scenery, pace, relationships, costumes, dialogue*, etc.

The following components can be compared for characters: *costume/cloth (color), gender, capabilities, language (jargon), background/origin, counterparts, target/audience, occupation, neighborhood, social status, weaknesses, personality, race, supporting characters*, etc.

3. Infringement in case of Nonfiction Works

"[F]actual information is in the public domain. … [Mere I]nterpretation of historical fact [and their chronological order], whether or not originated with [the author], is not protected by … copyright…" (*Hoehling*: Hindenburg [no infingement because only the facts taken]). See also *Nash*: Dillinger survived? [no infringement because only facts taken], *Toksvig*: Andersen biography [infringement because translations of letters and structure taken], *Landsberg*: Scrabble game handbook [no infringement because of merger].

4. Music

Not only the copying of the entire piece of music establishes infringement, also the copying of a part, the chorus, the introduction, and the underlying melody or theme etc. can be infringing.

5. Sound Recordings

The exclusive right of reproduction is limited to physical duplication and excludes mere imitation of a sound recording (e.g. one can make without infringing the original recording a imitation of a Beatles Song that sounds similar to the original [assumed one has the right to perform the Song]).

6. Visual Works

Movies: *montage style, camera angle, hairstyle, make up, background, jewelry*, etc.
Photographs and paintings: *style, perspective, way of depicting houses, writing style, colors*

7. Computer programs

Infringing are similar codes (as literary works). But also the non-literal elements can be infringing:
The 'abstraction-filtration-comparison' test: (1) Initially, in a manner that resembles reverse engineering, one should dissect the program's structure and isolate each level of abstraction contained within it. This process begins with the code and ends with an articulation of the program's ultimate function. At low level of abstraction, a program's structure may be very complex. At the highest level it is trivial. (2) For each structural element at each level of abstraction must be determined whether it constitutes an 'idea', is required in order to perform the program's function

efficiently ('merger'!), is required by external factors, or was taken from the public domain. The remaining is protectable expression. Note: unlike as for other works, a computer program cannot be protectable due to selection and arrangement. (3) "At this point, the court's substantial similarity inquiry focuses on whether the defendant copied any aspect of this protected expression, as well as an assessment of the copied portion' relative importance with respect to the plaintiff's overall program" (*Computer Associates*).
A program's user interface (screen display) can be evaluated as audiovisual work but may face problems of originality, or 'merger' or 'blank form' status (similar to the buttons on the VCR). See *Borland*: Lotus menu command hierarchy [no © because method of operation] and *Apple Computer*: Windows screen display/GUI [no infringement because only not ©able elements (merger!) taken].

B. Infringement by preparing Derivative Works, § 106(2)

- A derivative work is a work based upon one or more preexisting works. To constitute an infringement, the work must incorporate a portion of the copyrighted work in some concrete and tangible form (RAM is enough, c.f. *MAI).* A detailed commentary on a work or a musical work inspired by a novel would not be infringing.
- To infringe, the incorporated parts of the copyrighted work must be substantial similar to the copyrighted work (e.g. not infringing is sampling which alters a copyrighted work in a way that it is not recognizable as the used work any more).
- See *A.R.T.*: notecards and lithographs mounted on ceramic tiles [no infringement because no derivative works because no alteration of the original work, similar to framing pictures, *see,* however, 9th Circuit with different holding], *Nintendo*: temporary changes in the Nintendo game by Game Genie [no derivative work because just temporary changes (and one had to buy the Nintendo cartridge anyway – no influence on the market)], *Midway*: speed-up chip in a computer game [derivative work because it replaced the original chip].
- Framing in Computer most likely a infringement of the right to prepare a derivative works (*MAI*)

C. Infringement of Distribution Rights, §106(3)

- The right to distribute means to have the right to control the first public distribution of an authorized copy or phonorecord of the work, whether by sale, gift, loan, publication or some rental or lease arrangement.
- First sale doctrine (§109). The owner of a particular *copy,* or any person authorized by such owner, is entitled to sell or otherwise dispose of the

possession of that copy. Fist sale doctrine only limits the *distribution* right. Exceptions: *sound recordings* of music, and *computer programs* may not be subject to rentals. A owner of a copy may also "display that copy publicly, either directly or by the projection of no more than one image at a time." Industry tries to avoid application of first sale doctrine by "licencing" instead of selling (c.f. songs in iTunes or software).

'Parallel' importation: In accordance with the 'first sale' doctrine, no infringement to re-import a copy manufactured in the U.S. into the US (*Quality King*). However, it might be infringement if importing authorized copy that was manufactured abroad (not yet decided by court, c.f. Ginsburg in *Quality King).* .

D. Infringement of Performance Rights, § 106(4)

1. Definition of "to perform"

To perform a work means to recite, render, play, dance, or act it, either directly or by means of any device or process or, in the case of a motion picture or other audiovisual work, to show its images in any sequence or to make the sounds accompanying it audible (§101)

2. Infringement

- Only if performed publicly (§ 101)
- Only if literary, musical, dramatic, and choreographic works, pantomimes, and motion pictures and other audiovisual works, not in case of sound recordings
- No infringement if only passive, e.g. by putting up CATV antenna (*Fortnightly)*
- Exemptions under §110 (e.g. single receiving apparatus of a kind commonly used in private homes or receptions by small businesses/food/drink establishments, homestyle exemption, § 110(5)).

3. The Performing Rights Organizations

See Chapter II.B

E. Infringement of Display Rights, § 106(5).

- To display a work means to show a copy of it, either directly or by means of a film, slide, television image, or any other device or process or, in the case of a motion picture or other audiovisual work, to show individual images nonsequentially.
- Only infringement if displayed "publicly" (§ 101)

- Only if literary, musical, dramatic, and choreographic works, pantomimes, and pictorial, graphic, or sculptural works, including the individual images of a motion picture or other audiovisual work
- For limitations of the rights see 17 U.S.C. § 110 .

F. Infringement of Right to Perform Sound Recordings by Means of Digital Audio Transmission

Applies in case of webstreaming, etc.

IV. Fair use

If somebody infringes a copyright, this may still be allowed under the fair use doctrine. (But keep in mind: with permisson by the copyright owner you can do everything – so ask first for permission before you decide to rely on fair use.)
The doctrine of fair use allows to avoid rigid application of the copyright law when this would seem to be unfair or would have a chilling effect on creativity or the production and dissemination of works to the public – which copyright meant to foster.
"… [But T]he First Amendment protection already [is] embodied in the Copyright Act's distinction between copyrightable expression and uncopyrightable facts and ideas, and the latitude for scholarship and comment traditionally afforded by fair use, …" (*Harper & Row*). Another argument for fair use could be derived from the theory of 'Network economics': a certain amount of 'infringing' should be allowed, because it increases the value of the whole system [e.g. people share records of a band and increase thereby its popularity and its sale of different goods like t-shirts, posters, etc.], but there's also a point where the market is going to be destroyed.

A. Four factors and their application

The four factors are not intended to be exclusive (while addressing the four factors courts often build in other factors into one of them instead of establishing a new factor). And none of the four factors is conclusive. Always mention exactly as what a work is used, what it is (e.g. biographie, historical work, letters, etc.).

1. Purpose and character of the use

- Commercial or noncommercial use
  A use is commercial, if the user stood to profit economically from exploiting the copyrighted material without paying the customary price. Commercial use is less

likely to deemed fair use than a use for noncommercial purposes. In case of a "parody", the fact that use is commercial is not relevant.
The productivity of the defendant's use ('transformative' use), i.e. productive instead of sheer mechanical copying. . The question is, whether defendant added his own creativity to the material he took from the plaintiff (*Harper/Row, Accuff-Rose)*, thus adding to the overall stock of useful works and benefiting the public.
The more transformative, the less the significance of other factors.

- Private or public use. There is, however no "private use" exception as such in US copyright law.
- Consuming use (time-shifting, *Sony*) or competing use (copying course material/packets)
- Incidental use
  An incidental use is more likely to be excused as fair.
- The propriety of the defendant's conduct from a moral standpoint
  If defendant did not act in good faith, this weights against giving him the benefit of the fair use defense.
- Reasonable and Customary Practice?
- News

2. the nature of the copyrighted work (content and/or format)

- Is the work at the core of copyright's protective purpose?, e.g. fictional works, in contrast to factual works or compilations.
- Published or unpublished
  The published or unpublished status of a work is highly important; because the right of first publication is an important right to an author (*Harper-Row, Salinger)*

3. the substantiality of the portion used in relation to the copyrighted work as a hole

- Quantity of the copied portions (e.g. %)
- Quality (importance) of the copied portions
- 'Heart' of the work taken (*Harper & Row).* ?
- More copied than necessary for the defendant's legitimate purposes

4. the <u>potential harm</u> on the <u>potential</u> market for or value of the copyrighted work

- Does the defendant's work perform different a function from the plaintiff's?
  While this factor considers <u>potential harm</u> to the plaintiff's <u>actual or potential market</u>, proof of actual harm will be particularly persuasive to a court. (Note: even if copyright owner itself does not plan to expand in a certain market itself,

he/she might do so by licencing, e.g. selling news to subjects of this news report (*Pacific)* A different function of the work may as well be hurting a potential market.) The markets include only those that creators of works would in general develop or license others to develop. No unlikely potential markets.

5. Other factors

a) Parody?

Parodies are a useful and productive. (There may be a tension between 17 U.S.C. § 106A(a)(2) and the right to parody!)

- Parody of the copyrighted work
  The defendant's purpose should be a parody of plaintiff's work. (i.e. imitating the characteristic style of an author or a work for comic effect or ridicule) Mere satire (i.e. assailing prevalent follies/vices through irony, i.e. a comment on state of society). is not enough. (What about the famous word by the German writer Kurt Tucholsky: "Satire darf alles." Unfortunately he was neither legislator nor judge.)
- The amount of copyrighted material taken
  A parody must copy enough to conjure up the original and make the object of its critical commentary recognizable. Thus, a parody sometimes must take even the 'heart' of a work.
- The effect on the plaintiff's market
  A parody in general serves a different purpose than the serious work it parodies; thus it does not serve as a market substitute for it. (Is that always true: what, when the parody is 'better' (e.g. more popular) than the original?). A parody can be commercial in nature.

b) Other factors for fair use? (some already included in the four factors above)

- Character of the user
- Wealth of the user
- Public benefit of the use
- Age of the used work
- Duration of the use
- Format of the use
- Number of use/number of copies
- Spontaneity of the use
- Involved rights
- Use by individual/group/company

- Value of the used work (easy to calculate for manufactured items [e.g. books], much harder for information [how much is a certain information worth for somebody who takes it])

c) Reverse engineering of computer programs

Reverse engineering (decompilation) may be excused as fair use when it is the only way of gaining access to unprotected ideas and functional elements embodied in the object code, and the defendant has a legitimate interest in gaining such access to those ideas and elements (e.g. make a program compatible to another).

d) Library and educational copying

- Library copying (see 17 U.S.C. § 108)
- Classroom copying (see 17 U.S.C. § 107): With regard to multiple copies for classroom use, the Guidelines specify that making multiple copies will constitute a fair use if no more than one copy is made per student, each copy contains a notice of copyright, and the copying meets specified tests for brevity, spontaneity (inspiration and decision to use the work and moment of use are close in time), and cumulative effect (only for one class, only one poem out of a compilation, etc.).

V. Works Made for Hire and Joint Works

A. Works Made for Hire (17 U.S.C. § 101 def. 'work made for hire')

§ 201: In the case of a work made for hire, the employer or other person for whom the work was prepared is considered the author (..) and owns all of the rights comprised in the copyright.

1. Work made by employee

17 U.S.C. § 101(1): "A work prepared by an employee within the scope of his or her employment". The term 'employee' in 101(1) means the relationship defined by general common law agency. To determine whether a hired party is an employee under the general common law of agency, one has to consider the hiring party's right to control the manner and means by which the product is accomplished. Factors relevant to this inquiry are (*Reid*):

- the skill required;
- the source of instrumentalities and tools;
- the location of the work;
- the duration of the relationship between the parties;

- whether the hiring party has the right to assign additional projects to the hired party;
- the extend of the hired party's discretion over when and how long to work;
- the method of payment;
- the hired party's role in hiring and paying assistants;
- whether the work is part of the regular business of the hiring party;
- whether the hiring party is in business;
- the provision of employment benefits;
- and the tax treatment of the hired party.

But even for an employee, a work is for hire only when created within the scope of the employment (usually defined very broadly in employment contracts)..

2. Commissioned Work

§ 101(2): A work made for hire can be one of the works listed in 101(2) specially ordered or commissioned, if the parties expressly agree in a written instrument signed by them that the work shall be considered a work made for hire (regardless the relationship between them).

B. Joint Works

§ 101 : A joint work is a work prepared by two or more authors with the
1) intention at the time of creation that their contributions be merged into inseparable or interdependent parts of a unitary whole. The parties are not required to work at the same time, or even that they know one another.
2) each author to make a copyrightable contribution to the joint work (*Ashton-Tate)*
If the quality and quantity of all the parties' contributions are great (*Childess)*, it is more likely that all the parties intended to collaborate as joint authors in making a joint work.
Consequences: The two authors are tenants in common, i.e. both have an independent right to license, etc, with an obligation to account for profits to the other party.

VI. The Infringer

A. Direct Infringemer

1. Wilful Infringer

2. "Innocent" Infringer

'Innocent' may take several forms. The copying may be unconscious. Or the defendant may in good faith believe that the use does not infringe. Or it may be

unaware of the infringing activities of a related party. Such 'innocence' does not excuse the infringement (but it may have a impact on the infringement as a criminal offense: see 17 U.S.C. § 506).

B. Indirect Infringement

1. Contributory Infringer

Somebody is liable for contributory infringement if

- there is direct infringement, and inducement (*Grokster)*
  OR
- knowledge by the indirect infringer of the infringing activity (Willfull blindness will substitute for knowledge (*In re Aimster)* and
- material contribution. The indirect infringer provides the means to accomplish the infringing activity, and the means do not have a material noninfringing use (e.g. video recorder in *Sony*).

In some courts, an ongoing relationship between the direct infringer and the contributory infringer at the time the infringing conduct occurs is the basis to establish contributory infringement.

2. Vicarious Infringer

Somebody is liable for vicarious infringement, if the indirect fringer has

- right and ability to supervise (actively supervise the operation of the place wherein the performances occur, e.g. a dancehall owner)), or control the content of the infringing program, and
- obvious and direct financial interest (expect commercial gain from the operation and either direct or indirect benefit from the infringing performance). The borderline is somewhere between the landlord (who is not liable for what its tenants do) and the dancehall owner (how is responsible for the infringing performance by the dancehall band).

3. Inducement

4. Safe Harbor for ISP

The DMCA creates "safe harbor" for internet service providers. The limitations are based on the following four categories of conduct by a service provider: 1. Transitory communications; 2. System caching; 3. Storage of information on systems or networks at direction of users; and 4. Information location tools. Each limitation entails a complete bar on monetary damages, and restricts the availability of

injunctive relief in various respects. Safe harbor is subject to certain conditions, e.g. an internet policy by the ISP to take down infringing websites once notified by the copyright owner..

VII. Jurisdiction and Remedies

A. Jurisdiction

1. Jurisdiction of Federal and State Courts

Federal courts have jurisdiction when an issue arises under copyright law. State courts have jurisdiction when the issues concern state law (e.g. issue arises under contract law, wills, etc.). If the issue of copyright ownership, license, enforcement of a license, etc. arises out of a contract, will, etc., the lawsuit has to be brought in state court. When the issue of ownership arises out of the question whether a valid copyright exists to begin with, then federal court has jurisdiction. In the case of mixed issues, federal courts have jurisdiction, when there's a genuine issue concerning federal copyright law.

2. State immunity

The 11th amendment prohibits suit in federal court brought by an individual against a state without its consent. This does not bar suits for prospective injunctive relief against state officials to force compliance with federal law (*Seminole Tribe*).
The federal government has waived its own immunity for patent and copyright infringement. The remedy, however, is limited to compensation of damages, a plaintiff cannot enjoin the infringement.

3. Standing to Sue

A lawsuit can be brought in court by the copyright owner, the exclusive licensee, and a beneficial owner.

B. Remedies

1. Actual Damages and Profits

Criteria to look at to calculate the actual damage:

- decrease in market value of the copyrighted work
- consideration normally received by the copyright owner for similar uses
- lost profits on lost sales (ever sale made by the infringer a lost sale by the owner?)

The copyright owner is not limited to an award of damages. He may in addition receive any profits of the infringer that are attributable to the infringement and are not

taken into account already in calculating the actual damages. From the infringer's profits can be deducted: labor, material, income taxes [?], 'overhead' [?]. And the profits need to be apportioned because in many cases the infringer sells not the unaltered work but e.g. a derivative work, which include some parts of his own. The court must make an award, which by no possibility shall be too small.

2. Statutory Damages

The Copyright Act gives copyright the copyright owner an election: In place of damages and profits the copyright owner may elect to recover 'statutory damages' between $500 and $20,000 (in the case of willful [knowledge of infringement or reckless disregard of the right] infringement: $100,000). Because in some cases the actual damages and profits may be minimal (or hard to proof), or other effects of the infringement are substantial.

3. Injunctive Relief

Injunctive relief, both preliminary and permanent, is authorized in 17 U.S.C. § 502. Where the plaintiff has made a prima facie case in regard to the existence of the copyright and its infringement, a temporary injunction will be issued. When a prima facie case for copyright infringement has been made, plaintiffs are entitled to a preliminary injunction without a detailed showing of danger of irreparable harm.

4. The Right to Trial by Jury

When the plaintiff in an infringement action seeks actual damages, either party is entitled, upon demand, to a jury. Conversely, if the plaintiff seeks only an injunction, the action is 'equitable', and there is no right to a jury.

5. Impoundment and Disposition

The court in an infringement action has discretion to order the impoundment of infringing copies and related articles.

6. Costs and Attorney's Fees

The court, in its discretion, may award costs and attorney's fees. Factors for it are: frivolousness, motivation, objective unreasonableness, need in particular circumstances, deterrence.

7. Criminal Infringement

Willful copyright infringement done for purposes of commercial advantage or private financial gain is a criminal offense.

VIII. Moral Rights and Publicity Rights

A. Moral Rights

(1) VARA: 17 U.S.C. § 106A

VARA provides a limited scope of moral rights and only for works of visual art (with a lot of additional exceptions). Important note: these rights protect the physical item, not the copyright. The author (as long as he lives) shall have the right

- to claim authorship;
- to prevent the use of her name for works which she did not create;
- prevent her name for a work in case of its distortion, mutilation, or other modification which would be prejudicial to her honor or reputation;
- prevent any intentional distortion, mutilation, or other modification of the work, which would be prejudicial to her honor or reputation;
- prevent any (intentional or grossly negligent) destruction of a work of recognized stature.

(2) Other means to protect 'moral rights' (applicable besides § 106A)

1. Passing off/Palming off (Lanham Act § 43(a), unfair competition, Uniform Deceptive Trade Practices)

Passing off occurs when the defendant makes some form of false representation that tends to cause consumers to believe that the defendant's business, goods or services come from or are sponsored by or affiliated with the plaintiff (e.g. to paste somebody else's name on the own product; to put somebody's name on a works he didn't create).
'reverse passing off', which means to remove somebody's name form a product (which is supposed to have the same economical effect). See *Dastarm* (not claiming the orginal authors of the footage from WWII), *Montoro*: removing plaintiff's name from the credits list of a movie.

2. Contracts

If the author license the use of a work but retains all rights of alteration, etc., he may prevent other parties form changes which he does not like (see *Gilliam*: mutilation of Monty Python's programs).
But to have contractual protection of 'moral rights', they have to be in the contract; publishers always try to get as much rights from the authors as possible (question of bargaining power).

3. State laws

Some states have 'moral rights' statutes, which provide by and large the protection of the Berne Convention.

4. Droit de Suite

Some states know a 'droit de suite' right, which allows the artist to share in the proceeds of subsequent resales of the work.

B. Publicity and Privacy

Besides the right to privacy (tort protection of personal interest [no benefit] of ordinary persons: voice, face, etc.), courts developed a right to publicity (protection of transferable economic interests [economic benefit] of 'public persons'). The right to publicity gives the individual a form of property right in its name, likeness, personality, and other aspects of identity. This right is even licensable, etc.
The right to publicity is violated by unauthorized exploitation of the plaintiff's identity through use of its name or likeness for commercial purposes. It must be clear that the defendant has invoked the plaintiff's identity.
Ways in which the plaintiff's identity may be appropriated:

- use of plaintiff's nickname (*Hirsch*: 'Crazylegs' for shaving crème for women's legs)
- use of cartoon images (*Ali*: drawing of Muhammad Ali in a magazine [Parody?]
- use of a phrase associated with the plaintiff (*Carson*: Here's Johnny Portable Toilets)
- use of impersonators (*Midler*: impersonator of Bette Midler sang a song in a commercial)
- use of other devices: important is the overall impression, "[i]t is not important *how* the defendant has appropriated the plaintiff's identity, but *whether* the defendant has done so." (*White*: an ad which depicted a robot, clothed like White in the show 'Wheel of fortune', in a similar show set.)

Test: (1) use of somebody's identity, (2) to defendant's advantage (commercially or otherwise), (3) lack of consent, and (4) resulting injury.
After the White decision every commercially related invocation of a celebrity's identity can be seen as appropriation of its publicity right. Are parodies of famous people still possible (what about parodies in commercials?). First Amendment concerns (free speech).

IX. Compensation for Ideas

The 'law of undeveloped ideas' is a accumulation of state common-law decisions addressing a claimed right to compensation for a defendant's unauthorized use of the plaintiff's idea. There are basically five theories:

(1) The Express Contract Theory

Express contracts to pay for an idea have been enforced. However, some courts have added an additional requirement to the traditional offer, acceptance and consideration requirements of contract law: before the contract to pay will be enforced the plaintiff must demonstrate that the idea at issue was 'novel' (original to the author and/or innovative and creative in nature) and 'concrete' (reduced to a tangible form and/or fully developed).

(2) The Contract-Implied-in-Fact Theory

Courts have found and enforced contracts to pay for ideas based on the parties' actions and surrounding circumstances, which indicate that they intended to make a binding contract to pay, even though they did not expressly say so.

The courts may also consider factors such as: (1) whether the defendant has paid for such ideas in the past; (2) whether the plaintiff customarily has been paid for his ideas; and (3) whether there is an industry custom of paying for such ideas. However, most of them do not find and enforce such a contract if the idea was not novel and concrete.

(3) The Contract-Implied-in-Law Theory

A contract implied in law (or 'quasi-contract') is not upon the intentions of the parties, but on a court's finding of unjust enrichment – that the defendant received a benefit for which equity and justice require him to pay. Likewise, most of them do not find and enforce such a contract if the idea was not novel and concrete.

(4) The Confidential Relationship Theory

Some courts have found a right to recover for an idea if, when the plaintiff revealed her idea to the defendant, the parties were in a confidential relationship in which the plaintiff reposed trust and confidence in the defendant's good faith. Courts also tend here to add the requirements of 'novelty' and 'concreteness'.

(5) The Property Theory

Some have suggested that a novel, concrete idea is a form of personal property. A plaintiff should be able to recover for unauthorized taking or use of such an idea in the same manner that he could recover for the taking or use of any other item of personal property.

Treating Idea Claims as Claims for the Value of Service Rendered

The only issue should be whether there is a legal or equitable basis for requiring payment for the service of disclosing the idea and the fair market value of the service performed. Courts have done this, but generally only with regard to claims by professional idea people, like advertising agents, designers, television screen writers, etc.