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The Case for a Specialized Copyright Court: Eliminating the Jurisdictional Advantage

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The Case for a Specialized Copyright Court: Eliminating the Jurisdictional Advantage

by

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&
DONALD E. BIEDERMAN**

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Introduction

Many of those who specialize in copyright law have become increasingly dismayed by the degree to which the outcome of copyright cases depends upon the venue in which an action is brought. Beyond this, copyright is a highly specialized and technical body of law, and some of its aspects seem to us to be the sort that would be best handled by specialized judges. The authors concede that copyright cases can be just as fact-intensive as other types of cases, that the current conventional wisdom concentrates upon downsizing the federal government, and that current political positions in the area of the judiciary are such that the creation of yet another court is totally unlikely. Yet, the authors believe that the national nature of the copyright industries and the highly technical legal doctrines which are so central to copyright law support the notion that copyright cases should be handled by a single court of nationwide jurisdiction, and that more of the decisions on the issues should be made by judges rather than juries. These measures are necessary in order that uniformity in the handling of copyright cases can be achieved.¹

In this article, the authors discuss the history of existing specialized courts as well as a number of areas in which the underlying legal concepts are applied inconsistently or are sufficiently elusive enough that they should be dealt with by courts rather than juries. In addition, examples are given which demonstrate that the current system of copyright adjudication works poorly.

The authors then recommend the creation of a national copyright court that follows the model of the Court of Appeals for the Federal Circuit as the vehicle through which uniformity of treatment could be achieved; hopefully, at a far lower cost than is presently the case.²

1. Actually, the authors would prefer that decisions on all copyright issues be made by judges. This, however, would probably cause a major Seventh Amendment problem, especially in light of the recent Supreme Court decision in Feltner v. Columbia Pictures Television, Inc., 521 U.S. 1151 (1998), 118 S.Ct. 30 (1998).

2. It should be noted that a similar argument could be advanced with respect to trademark cases under the Lanham Act. 15 U.S.C. §§ 1051-1127. This article, however, is limited to the problem with respect to copyright cases.
I

The Main Battlefields of Copyright

A. Jurisdiction and the Onrushing Internet

1. Exclusive Subject Matter Jurisdiction

The district courts have original jurisdiction over any civil action arising under the copyright laws, and such jurisdiction is exclusive to the state courts. This was not always the case; as Patry points out, the Copyright Act of 1790 made no such provision. The 1819 Act required diversity and a $500 minimum amount in controversy, and general federal jurisdiction (again with a $500 minimum) was not enacted until 1875. Exclusive federal jurisdiction was not the rule until 1873. Although issues still arise as to whether particular cases "arise under" the Copyright Act or are more properly considered contract disputes, the bottom line, according to Patry, is that "state courts lack experience in dealing with copyright matters, while federal courts are well-equipped to interpret 'contracts.'" Clearly—at least in theory—the idea is to achieve a single, uniform interpretation of federal law. Of course, as we note below, there is a vast difference between theory and practice in this area.

2. Personal Jurisdiction and Venue

Personal jurisdiction over nonresident defendants in copyright cases will be determined under the "long-arm" statute of the proposed forum state. Venue in copyright actions is appropriate "in the district in which the defendant or his agent resides or may be found." In the case of an agent, there must be "sufficient contacts to be 'found' in the

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5. See generally 2 PATRY, supra note 4, at 1065-75; GOLDSTEIN, supra note 3, at § 13.2.1.

6. 2 PATRY, supra note 4, at 1074.

7. See generally GOLDSTEIN, supra note 3, at § 13.3.2.

district where the plaintiff seeks to lay venue,\textsuperscript{9} and a defendant is generally "found" "in any district in which personal jurisdiction may be obtained over him."\textsuperscript{10} Basically, "jurisdiction is relatively more concerned with fairness and venue than with inconvenience."\textsuperscript{11}

The onrushing presence of the Internet has the potential to muddy these waters considerably. In his article, \textit{The Coming Tidal Wave of Copyright Issues on the Internet},\textsuperscript{12} David L. Hayes lists no less than seven points in the Internet transmission process at which copies of a work are made (in addition to the copy which may end up on the recipient computer's hard disk).\textsuperscript{13} So copies may be made in a variety of different places. Will jurisdiction lie in all those places? D.C. Toedt III has formulated the issue thusly:

"A question that seems likely to arise repeatedly is whether operating a Web site that can be accessed from anywhere in the world served by the Internet constitutes the 'minimum contacts' required to confer personal jurisdiction in a remote forum. The answer thus far is uncertain."\textsuperscript{14}

By way of illustration, Toedt cites four cases, two of which (\textit{Bensusan Restaurant Corp. v. King}\textsuperscript{15} and \textit{IDS Life Ins. Co. v. SunAmerica, Inc.}\textsuperscript{16}) have rejected attempts to found jurisdiction in a remote forum upon defendant's Internet activities, and two of which (\textit{CompuServe, Inc. v. Patterson}\textsuperscript{17} and \textit{Minnesota v. Granite Gate Resorts, Inc.}\textsuperscript{18}) have upheld

\begin{footnotesize}
10. \textit{Id.}
13. These being: (1) transmitting computer modem, (2) receiving computer modem, (3) router, (4) receiving computer (in RAM, or random access memory), (5) Web browser, (6) video compression chip, (7) video display board. \textit{See Hayes, supra} note 12, Part I at page 3.
17. 89 F.3d 1257 (6th Cir. 1996).
\end{footnotesize}
jurisdiction. While none of these cases involved copyright issues, they nonetheless raise concerns for those in copyright-oriented industries. Bensusan, for example, involved two restaurants by the name of "The Blue Note," one in New York City and one in Columbia, Missouri. The New York Blue Note sued the Columbia Blue Note for trademark infringement; however, jurisdiction would not lie simply because the Columbia Blue Note Web site was "accessible in New York [and] defendant could have foreseen that the site was able to be viewed in New York and [could have] taken steps to restrict access to [its] site only to users in a certain geographic region . . . [F]ailure to avert that consequence is not sufficient to establish personal jurisdiction." In Granite Gate, on the other hand, the website (which was being pursued by the Minnesota Attorney General for allegedly deceptive trade practices, false advertising and consumer fraud) actively advertised and promoted gambling activities, and the subscriber agreement permitted Granite Gate to bring suit in its home state; the combination of proactive behavior and contractual forum selection were sufficient to bring the defendant within the ambit of Minnesota's long-arm statute. According to Toedt, the court's holding "seems to indicate that the Web site alone was sufficient to establish jurisdiction."

The implications for copyright-oriented industries are enormous. Virtually every film studio, record company and music publishing company maintains a Web site which it uses to advertise its properties. Record companies, for example, upload biographical materials, photographs, reviews and other promotional items, as well as excerpts from their artists' recordings. If the record company is subject to being sued for infringement of the exclusive right of reproduction in any state in which a copy of material transmitted over the company's Web site happens to be made or for infringement of the exclusive rights of public performance or display


21. See generally Hayes, supra note 12.

22. Electronic transmission can involve issues concerning the rights of
wherever the transmission happens to be received, is the traditional "minimum contacts" standard enunciated in the *International Shoe* case still meaningful? Stuckey cites the approach of *Plus System, Inc. v. New England Network, Inc.* as "a sensible way to analyze electronic commerce with a forum state. With online services in particular, the focus should not be on the method of communication or contact, but rather on the activity that can be conducted via the service, and how that activity affects relevant parties in the forum state."

Although the law in this area is still developing, the potential explosion of jurisdictional possibilities makes more poignant the need for a more uniform, nationwide interpretation of the laws on copyright.

**B. The Basics of Infringement Actions**

Copyright infringement requires a substantial copying of protectible expression. There is no monopoly in an idea, only in the expression of that idea. Moreover, if an author's
expression of an idea consists of elements which are insufficiently original to be protectible, the copying of those elements will not support an infringement action. What could be simpler?

Unfortunately, deliberate copying is hard to prove, since those who copy deliberately tend to make an effort to cover their tracks. More commonly, copying is proven by circumstantial evidence, and the concepts of access and substantial similarity are crucial in this area. "Access" is defined as a reasonable opportunity to have had contact with the allegedly infringed materials, and "substantial similarity" is found through the application of the "extrinsic" and "intrinsic" tests. If the similarity between the earlier work and the later work is great enough, less evidence of access is required in order to sustain an infringement action.

30. In the *Feist* case, the Supreme Court rejected the "sweat of the brow" test, holding that the copying of names from one telephone book to another did not constitute infringement because of the lack of protectible expression in the first book. *Feist*, 499 U.S. at 364.


32. See Shaw v. Lindheim, 919 F.2d 1353 (9th Cir. 1990) (describes tests as "objective" and "subjective"); Sid & Marty Krofft Television Productions, Inc. v. McDonald's Corp., 562 F.2d 1157 (9th Cir. 1977); *Goldstein*, supra note 3, at § 7.3.2. Under the "extrinsic" test, the two works are compared from a technical standpoint, e.g., commonality of notes in two songs, while the "intrinsic" test depends upon the reaction of the audience to the two works. However, the matter is far from simple. The courts have characterized the evaluation process in a dizzying variety of ways. See *Nimmer*, supra note 28, § 13.03[E].

33. This is the "inverse ratio rule." See generally *Nimmer*, supra note 28, § 13.03[D]; *Goldstein*, supra note 3, at § 7.2.1.1. A recent opinion by Chief Judge Richard Posner of the Seventh Circuit, in *Ty, Inc. v. GMA Accessories, Inc.*, 132 F.3d 1167 (7th Cir. 1997), both illustrates the application of this rule and the dangers of having copyright cases come before judges without (apparently) extensive experience in the field. After warning that (notwithstanding the Court's decision in *Selle v. Gibb*) "a similarity that is so close as to be highly unlikely to have been an accident of independent creation is evidence of access" *Id.* at 1170. Judge Posner states that "two works may be strikingly similar—may in fact be identical—not because one is copied from the other but because both are copies of the same thing in the public domain." *Id.* (Emphasis supplied.) He goes on to make repeated references to prior art "in the public domain." *Id.* This might lead the uninitiated observer to conclude that the defense of common theme or source is available only where the earlier work is in the public domain. However, as anyone with reasonable familiarity with infringement matters knows, prior art analysis more often turns up examples of similarities to *prior copyrighted works* than to public domain works, at least in the area of claims of infringement with respect to musical compositions. For example, in the *Papathanassiou* (Vangells) action discussed below, although the
C. Access

Comprehension of this concept can be elusive. A finding of infringement requires proof that the infringer came into contact with the infringed material, or that the infringer had a reasonable opportunity to do so. Back in the early 1980s, for example, a woman residing in one of the western states brought an infringement action against Warner Bros. Music, claiming that Vangelis' theme for the film "Chariots of Fire" (released in 1980, and the winner of the Academy Award for best picture) infringed plaintiff's composition. To prove that plaintiff's claim was valid, the complaint stated, she would prove that after composing her work, she locked it in her desk at home and neither showed it to, nor played it for, anyone! Clearly, in this case, plaintiff and her counsel did not understand the essential elements in an infringement action, because Vangelis could definitely not have had access to the plaintiff's work. As between Vangelis and the plaintiff, Vangelis' work was clearly the product of independent creation, a complete defense to a copyright infringement action.

For many years, or so it seems, most of the nation's important copyright cases arose in the U.S. District Court for the Southern District of New York, and were heard by a relatively small number of district judges. In effect, they functioned as a sort of national copyright court. However, as the years have passed, this has changed. Even in New York City and Los Angeles, copyright cases are often heard by judges who appear to have little familiarity with copyright law, and the results show it. At the same time, the costs of defending copyright actions have escalated because cases

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musicologists turned up a vast number of examples of prior art (some under copyright, some in the public domain), the one which particularly seemed to catch the fancy of Mr. Justice Whitford was a copyrighted "bubble gum" song *Wake Up!*, which had been released on records in the 1960s, and which had been written by Vangelis. Under Judge Posner's analysis, this song—being in copyright—would have been an inappropriate example of prior art, even though it was composed by Vangelis himself, because it was not in the public domain.

34. Mr. Biederman's employer, which has since merged into the present-day Warner/Chappell Music, Inc.

35. This is not the case in patent law. If one were to produce an invention covered by the claims of a patent held by another, without ever having seen the patented invention or the patent itself, or without knowledge whatsoever of the patent, she would still be an infringer. See 35 U.S.C. § 102(a).
which would once have ended in summary judgment now increasingly go to trial, and on to appeal.\textsuperscript{36}

Many cases have discussed access in recent years. In a distressing number of cases, lower courts have allowed cases to go to juries where access was extremely attenuated, and these juries have returned plaintiffs' verdicts, which have then been reversed on appeal. For example, in \textit{Selle v. Gibb},\textsuperscript{37} access was based upon the plaintiff's submission of a tape to an individual employed in the distribution arm of a record company, the presumption being that the tape made its way up the record company chain of command and then to the artist who created and recorded the allegedly infringing song. The first part of the scenario— the submission of a (usually unsolicited) tape to a low-level employee of a music publisher or a record company (or simply to someone located in the same city as the music publisher or the record company) — is a very common occurrence. As anyone experienced in these industries knows, the second part is not. In \textit{Selle}, the Seventh Circuit upheld the trial judge's decision to grant judgment \textit{n.o.v.} in favor of the defendant, being unwilling to make the immense leap of faith which a contrary decision would have required. In \textit{Jason v. Fonda},\textsuperscript{38} the claim of access was based upon the sale of several hundred copies of a book by the plaintiff in the general geographical region in which the defendant lived.\textsuperscript{39} By now, one would think, the courts would have settled upon some minimum threshold of evidence which would have to be established before the issue of access would be required to be submitted to a jury, but

\textsuperscript{36} For example, a typical per-claim deductible applicable to musical compositions under a 1983 errors-and-omissions insurance policy would have been in the neighborhood of \$10,000, whereas in 1998, the deductible is likely to be in the neighborhood of \$250,000. This is directly traceable to the steady increase in defense costs for such actions. "Errors-and-omissions" insurance protects music publishers (and others) against damages, attorneys' fees, and court costs in cases involving copyright and trademark infringement, invasions of privacy, misappropriation of publicity rights, and similar matters. Intentional torts are not covered, nor are production costs and/or profits lost by the insured.

\textsuperscript{37} 741 F.2d 896 (7th Cir. 1984). It is of course important to note, as Goldstein observes, that the court also rested its decision upon evidence of independent creation of the second work. See \textit{GOLDSTEIN, supra} note 3, at § 7.2.2.

\textsuperscript{38} 526 F. Supp. 774 (C.D.Cal. 1981), aff'd, 698 F.2d 966 (9th Cir. 1982).

\textsuperscript{39} \textit{See id.} at 777.
this is not the case.

In the case of *Three Boys Music v. Michael Bolton*, for example, a Los Angeles jury found access— and a motion for judgment *n.o.v.* was denied— on the basis of the following set of facts:

— In 1966, when Michael Bolton and his co-writer, Andy Goldmark, were, respectively, 13 and 16 years old, and residing in New Haven, Connecticut, *plaintiff*s song, “Love Is A Wonderful Thing,” which had been recorded by the Isley Brothers was released as a single, and appeared on the weekly Billboard “Bubbling Under the Hot 100” chart on one occasion;

— The basis for the Billboard chart listing was airplay on four radio stations in medium-sized markets, none of which was a “clear channel” station having a wide listening area. None of these stations was within three hundred miles of New Haven.

— There was no evidence of any record sales, nor was there any evidence of performing rights royalties payments from BMI.

— Bolton and Goldmark’s song of the same name was released on Bolton’s album *Time, Love and Tenderness* in 1991, to considerable acclaim and corresponding sales, following which, plaintiff’s song was released on an album for the first time.

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40. No. DC# CV-92-01177 LGB. (C.D. Cal.). Warner/Chappell Music, Inc., Mr. Biederman’s employer, is a defendant in this action which, at this writing, is on appeal to the 9th Circuit, Nos. 97-55150, 55154, 44198 and 56032, and was scheduled for argument on Oct. 5, 1999.

41. See Brief for Appellant at 17, Three Boys Music v. Michael Bolton, No. DC# CV-92-01177 LGB. (C.D. Cal.).

42. See id.

43. See id.


45. Over 10 million copies worldwide. See Excerpted Record at 398, Three Boys Music v. Michael Bolton, No. DC# CV-92-01177 LGB. (C.D. Cal.).

46. See Brief for Appellant at 27, Three Boys Music v. Michael Bolton, No.
At the trial of the copyright infringement action brought by plaintiff in Los Angeles, the producer of a PBS television series—a segment of which had included a performance of plaintiff's song—testified that "it was played on all of the public broadcasting systems throughout the country," which was clearly hearsay. In addition, TV Guide logs for the year during which the show aired demonstrated that the show was never seen on any PBS station in the State of Connecticut. Further, Bruce "Cousin Brucie" Morrow, a leading disc jockey in the New York area during the same period, was among several experts who testified that they had never played or heard the recording of the plaintiff's song. A third disc jockey testified that the plaintiff's song would have been played at the New York station for which he worked because that station played "all the new songs." However, this disc jockey did not state affirmatively that he had played plaintiff's song and evidence demonstrated that this disc jockey's tenure at the New York station began a year after plaintiff's song came out on record, which would hardly have qualified it as a "new song."

Bolton has been quite vocal throughout his career in professing his admiration for a number of outstanding African-American musicians and vocalists. Indeed, he has recorded his own versions of a number of songs (such as "When A Man Loves A Woman") which have been made famous by these artists. The wife of plaintiff Ronnie Isley testified to being introduced to Bolton at a meeting between the Isleys and Bolton backstage at a Lou Rawls United Negro College Fund benefit. At that meeting, she said Bolton stated that he was a great admirer of the Isley Brothers and that he had "a lot of almost all of the Isley's [sic] catalog." Bolton

47. Excerpted Record at 413, Three Boys Music v. Michael Bolton, No. DC# CV-92-01177 LGB. (C.D. Cal.).
48. See Brief for Appellant at 19, Three Boys Music v. Michael Bolton, No. DC# CV-92-01177 LGB. (C.D. Cal.).
49. See Brief for Appellant at 36-38, Three Boys Music v. Michael Bolton, No. DC# CV-92-01177 LGB. (C.D. Cal.). For example, Lamont Dozier, who had worked with the Isley Brothers for many years, testified that he never heard the Isley song until it was played to him over the telephone during trial preparations. See Excerpted Record at 357.
50. See Brief for Appellant at 20-21, Three Boys Music v. Michael Bolton, No. DC# CV-92-01177 LGB. (C.D. Cal.).
51. Excerpted Record at 286, 317-19, Three Boys Music v. Michael Bolton,
denied having made such a statement.

— Ronnie Isley testified that the Isley Brothers played his song frequently in concert during the 1980's and 1990's as part of a medley. However, Chris Jasper, a cousin, who played in every concert with the band between 1971 and 1984, testified that he had never played or heard of Isley's song. Similar testimony came from legendary producer Lamont Dozier, who produced many of the Isley Brothers' albums during the years following the release of the Isley Brothers recording. In any case, Bolton denied having ever attended an Isley Brothers concert.

Despite what can be characterized charitably as the exceeding skimpiness of the evidence described above, defendant's motion for summary judgment was denied, the matter went to trial, and a Los Angeles jury found for the plaintiff. But just as many people have speculated as to whether the O.J. Simpson criminal action would have resulted in an acquittal had the trial been held on the west side of Los Angeles, a number of people with whom the authors have discussed the Bolton case have speculated that the result might well have been decided the other way had the matter been tried in a different venue.

But it is not simply a matter of a "homer" jury. It is also a matter of who is presiding over the case. A prominent artist/songwriter such as Michael Jackson, Lionel Richie, or The Artist Formerly Known as Prince, in such artist/songwriter's heyday, was often sued for copyright...
infringement a half dozen times or more per year.\textsuperscript{57} The typical scenario is that of an amateur songwriter who has sent demo tapes\textsuperscript{58} to a variety of persons or entities who are then accused of having passed these tapes on to the target artist/songwriter. This was the scenario in \textit{Selle v. Gibb},\textsuperscript{59} which was heard fifteen years ago, and, while the authors are unaware of any statistical analysis on this point, it appears to the authors that the overwhelming number of music copyright infringement cases—indeed, it seems like almost all of them—are based upon this extraordinarily strained theory of access.\textsuperscript{60} And yet almost any theory of access, however outlandish, is allowed to consume the courts’ time—as well as hundreds of thousands of dollars in defense costs.

The English entertainment industry has an old saying: “Hits bring writs.” In other words, when a work is successful, people come out of the woodwork. However, in the U.K., by contrast to the U.S., there appears to the authors to be far fewer copyright infringement cases per capita than in the U.S.

\textsuperscript{57} Some years ago, Lionel Richie was sued by a number of plaintiffs, each of whom claimed that a single song by Richie infringed their individual copyrights. Richie’s attorney, Jay L. Cooper, suggested at a Practicing Law Institute music publishing symposium, at which Mr. Biederman was a panelist, that since obviously it would be all but impossible for all of the plaintiffs to prevail, the most efficient way of deciding the matter would be to hold a tennis tournament, and the winner would be allowed to proceed with his case against Richie. Mr. Cooper, a respected veteran of more than thirty years of practice in the recording and music publishing industries was of course speaking “tounge-in-cheek.” Nevertheless, the comment has a certain pragmatic appeal.

\textsuperscript{58} A “demo tape” is a recording of a song which is circulated for the purpose of securing a recording deal and/or a songwriting contract.

\textsuperscript{59} 741 F.2d 896 (7th Cir. 1984).

or, in any event, far fewer that last long enough to garner a
great deal of attention. Perhaps this is due to the "English
Rule," under which the losing party pays the winning party's
court costs and attorneys' fees, and perhaps it is also due—at
least in part—to the manner in which such cases arise
and are dealt with in the U.K. For one thing, since virtually
all such cases involve defendants based in London, they are
heard in the High Court, located on the Strand. There is no
jury in a copyright infringement case. For many years, such
cases were routinely referred to Mr. Justice Whitford, who
was himself an experienced musician. Whitford brought to
the bench a wealth of musical knowledge, knowledge of
copyright law, and experience in similar cases.

In one such case, heard by Mr. Justice Whitford in 1987,
EMI Music Publishing Limited v. Papathanasiou, a young
Greek composer by the name of Logarides claimed that
Vangelis' theme for Chariots of Fire had been plagiarized by
Vangelis from Logarides' theme for the 1975 Greek television
series City of Violets. Logarides testified (as did Logarides' 
former girlfriend) that he had visited Vangelis at his London
home/studio and played his theme for Vangelis. In fact, 
Logarides said that such meetings (and playings) had taken

61. Of course, under section 505 of the Copyright Act, the court can award
costs and fees to the prevailing party, regardless of whether it is the plaintiff or
Court in Fogerty v. Fantasy, Inc., 510 U.S. 517 (1994), however, an award of
costs and fees to a successful defendant was virtually unknown. Emboldened
by the Supreme Court's clear admonition that costs were to be awarded on an
even-handed basis (and not simply where the plaintiff's case was frivolously
brought), successful defendants swung into action to seek costs, only to be
turned back by judges who failed or refused to take seriously the Supreme
Court's admonition. Thus, in a number of instances, fees were denied to
successful defendants at the trial level. Despite a number of appellate reversals
of negative fee decisions, it appears that the point is getting across very slowly.
and Part II J, infra.

62. In England and in the countries of continental Europe, there generally
are no juries in civil cases—juries are usually reserved for criminal trials.

63. Ch. 1985 E No. 2163.

64. This, of course, was an entirely different case from the case discussed
earlier in this article. Vangelis and his publishers were sued many times over
"Chariots," never successfully—a common phenomenon when it comes to
hugely famous and profitable songs and themes.

65. See Trial Transcript, Day One at 22, EMI Music Publishing Limited v.
Papathanasiou, Ch. 1985 E No. 2163.
place more than once.\textsuperscript{66} Vangelis did not deny this. However, Mr. Justice Whitford's long experience with such matters convinced him that Vangelis, a prolific and hardworking composer, would hardly have had Logarides' theme in mind after five years, even though he had not denied having heard it.\textsuperscript{67} How would Mr. Justice Whitford have ruled on a motion for summary judgment in the \textit{Three Boys Music} case? We will never know.\textsuperscript{68} However, the judge in the actual case, Lourdes Baird — a former U.S. Attorney in Los Angeles, who had been on the bench only a few years — denied such a motion.\textsuperscript{69}

\textbf{D. Substantial (Probative) Similarity}

This is an area of major complexity which contributes greatly to the costs of bringing and defending copyright infringement actions. There are two tests: the "extrinsic" test, which relies upon expert analysis of the elements of the two works to determine whether there is substantial similarity between them; and the "intrinsic" test, in which similarity or the lack thereof is determined by the reactions of a reasonable audience of persons to whom the works would normally be directed.\textsuperscript{70} The cases talk of the "total concept and feel" of the works compared, i.e., to their effect upon an "ordinary observer or audience,"\textsuperscript{71} but the makeup of the "target audience" is likely to vary dramatically depending upon the location of the court. It is safe to say that a jury in

\begin{itemize}
\item \textsuperscript{66} \textit{See id.} at 24-26.
\item \textsuperscript{67} \textit{See id.}
\item \textsuperscript{68} We wouldn't know even if the case had arisen in London, since Mr. Justice Whitford retired some years ago.
\item \textsuperscript{69} Excerpted Record at 3, \textit{Three Boys Music} v. Michael Bolton, No. DC# CV-92-01177 LGB. (C.D. Cal.).
\item \textsuperscript{70} \textit{See} \textit{Sid & Marty Krofft Television Productions, Inc.} v. McDonald's Corp., 562 F.2d 1157, 1164 (9th Cir. 1977).
\item \textsuperscript{71} In other words, to the reaction of an audience of the type toward which the work is directed. \textit{See Dawson} v. \textit{Hinson Music, Inc.}, 905 F.2d 731 (4th Cir.), \textit{cert. denied}, 498 U.S. 981 (1990). \textit{See generally} \textit{Nimmer}, \textit{supra} note 28, \S 13.03[E][1]. Nimmer cautions that this test is the creation of the lower federal judiciary, and may not be in accord with the Supreme Court's views. \textit{See id.} "[P]laintiff must show that audiences will perceive substantial similarities between the defendant's work and plaintiff's protected expression" \textit{Goldshtein}, \textit{supra} note 3, at \S 7.2.2. Nimmer is highly critical of the "total concept and feel," audience-oriented approach, which, he says, "threatens to subvert the very essence of copyright, namely, the protection of original expression." \textit{Nimmer}, \textit{supra} note 28, \S 13.03[A][1][c]. In Nimmer's view, "it would seem preferable . . . to discard the audience test." \textit{Id.} \S 13.03[E][1][b].
\end{itemize}
Los Angeles or San Francisco is not going to have the same “ears” as a jury in Spokane or Duluth. In the authors’ opinion, these tests should be applied by the court rather than the jury.

1. Extrinsic Test

Under the “extrinsic” test, musicologists are usually retained by each side to compare and analyze the two works. In the authors’ experience, it is not difficult to find musicologists to support any party’s position, however outlandish. In some instances, works do indeed share elements in common, but in many instances these common elements either derive from a common source and/or are generic “building blocks” and therefore unprotectible. By the same token, if two works are independently created, one cannot infringe the other.

These common elements can be presented in chart form. One early example of this is described in Louis Nizer’s My Life In Court, in which a basic chart was combined with an acetate overlay so that the jury could see the points at which the two works were identical. However, it is commonplace to state that one reason why so many works share common elements is the very nature of popular music. Popular music follows well-traveled roads. For many years, literally

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72. The use of expert analysis has been approved in a long line of cases beginning with Arnstein v. Porter, 154 F.2d 464 (2d Cir. 1946). See also Sid & Marty Kroff, 562 F.2d at 1164.

73. A classic opinion in this area is that of Judge Learned Hand in Nichols v. Universal Pictures Corp., 45 F.2d 119 (2d Cir. 1930). See generally GOLDSTEIN, supra note 3, § 7.3.1.1.

74. Even in the presence of “probative similarity” (a substitute—and, in Nimmer’s view, appropriately so—for “substantial similarity” coined by the late Professor Alan Latman) and evidence of access, a defendant may prevail if the trier of fact determines that the two works have been created independently of one another, and such conclusion will be upheld unless there is no other reasonable explanation for the similarity than copying. See NIMMER, supra note 28, § 13.01[B]. Where plaintiff has made out a prima facie case of substantial copying of protected matter, defendant has the burden of producing evidence of independent creation (or other defenses.) See NIMMER, supra note 28, § 12.11[D]. However, because of the doctrine of “subconscious copying” enunciated in ABKCO Music, Inc. v. Harrisongs Music, Ltd., 722 F.2d 988, 998 (2d Cir. 1983), defendant in such cases will have “the substantial burden of proving a negative.” GOLDSTEIN § 7.2.2 (citing Herbert Rosenthal Jewelry Corp. v. Kalpakian, 446 F.2d 738 [9th Cir. 1971]).

thousands of popular songs used the A-A-B-A format, in which the basic theme was reiterated twice (quite commonly with variations in the second iteration), followed by a "bridge" or "release" (as the B theme was often called) followed by a third iteration of the A theme (again, with frequent variations, including a conclusion). In addition, much popular music employs familiar and readily identifiable chord progressions such as I, IV, V and IIIm, V, I, VIIm.76 Many songs have been based upon similar lyric themes.76

While some musicologists specialize in popular music and have the knowledge (and the databases) to undertake prior-art searches and comparisons, others do not. Frequently, when the latter situation pertains, and indeed, in some cases where the musicologist is in fact a specialist in popular music, it is not uncommon to see in the expert's report a flat statement to the effect that the similarities between the two works are such that it is likely that one was copied from the other.77

In such cases, the result may depend more upon the personality of the expert and his/her ability to express him/herself in laymen's terms than upon the actual similarities or dissimilarities between the two works. While the authors are not so naive as to think that this is never the case in other areas of the law, the authors believe that it is too frequently the case in copyright infringement cases.

2. Intrinsic Test

In Dawson v. Hinshaw Music, Inc.80, the issue involved two arrangements of the gospel work "Ezekiel Saw De Wheel."

76. For example, both "Louie, Louie" and "Twist And Shout" employ the I, IV, V sequence.

77. Examples of the IIIm, V, I VIIm progression include (but are certainly not limited to) "I've Got You Under My Skin," "By the Time I Get To Phoenix," and the theme from "M.A.S.H."

78. For example, in the Three Boys v. Bolton case, defendants' search of Copyright Office records disclosed more than 125 songs entitled "Love Is A Wonderful Thing." See U.S.D.C. Central District of California Case No. DC# CV-92-01177-LGB. Legendary songwriters Arthur Schwartz and Howard Dietz wrote an enduringly and extremely popular song entitled "Dancing in the Dark." Many years later, so did Bruce Springsteen.

79. Indeed, the authors have seen reports which state flatly that in the musicologists' opinion, one work was copied from the other.

80. 905 F.2d 731 at 732 (4th Cir. 1990), 1990 CCH Copyright Law Decis. ¶ 26,590.
According to the court, the matter was to be resolved in this manner:

[In order to succeed with his infringement claim, the] plaintiff must establish substantial similarity of both the ideas of the two works and the expression of those ideas. [Citations omitted.] It is well established that expert testimony is admissible for proof under the first prong which courts have referred to as “extrinsic” or “objective” inquiry. [Citations omitted.] The district court accordingly admitted expert testimony on [plaintiff’s] proof that the idea of [defendant’s] work was substantially similar to the idea of [plaintiff’s] work. The court concluded that “the pattern, theme and organization of [plaintiff’s] arrangement is unique among any other arrangement of this spiritual.” The court further found that there are substantial similarities between [plaintiff’s] and [defendant’s] arrangements regarding this unique pattern. The district court therefore found for [plaintiff] on the first prong of the substantial similarity inquiry... However, the district court ruled against [plaintiff] on the second prong of the substantial similarity inquiry, holding that [plaintiff] had not [satisfied]... the ordinary observer test, sometimes referred to as an “intrinsic” or “subjective” test, inquiring into the “total concept and feel” of the works without the aid of expert testimony. [Citations omitted.] More specifically, the court interpreted the ordinary observer test to be an ordinary lay observer test, which imposed upon [plaintiff] the obligation to prove to a lay observer that the expression of ideas in the works was substantially similar. Other than the expert testimony... the only evidence on substantial similarity was the sheet music of the two arrangements. [Plaintiff] had not presented recordings of performances of the two arrangements. The district court found that, as an ordinary lay observer, with nothing before him other than the sheet music, he could not determine that the two works were similar.81

The Fourth Circuit, however, took a different view. The “ordinary observer” test “require[s] orientation of the ordinary observer test to the works’ intended audience, permitting an ordinary lay observer characterization of the test only where the lay public fairly represents the works’ intended audience.”82 Citing *Arnstein v. Porter*,83 which looked to the reaction of the audience for which popular music is composed, the Fourth Circuit determined that the “lay audience” standard would not apply where works were

81. Id., at 732-33.
82. Id., at 733.
83. 154 F.2d 464 (2d Cir. 1946).
directed at a more narrowly focussed audience (e.g., gospel fans). Citing Whelan Associates v. Jaslow Dental Laboratory,\textsuperscript{84} the court stated that "only a reckless indifference to common sense would lead a court to embrace a doctrine that requires a copyright case to turn on the opinion of someone who is ignorant of the relevant differences and similarities between the two works."\textsuperscript{85} Therefore, the matter had to be decided by reference to the "intended audience," not to the "lay observer."\textsuperscript{86}

While inexperienced and/or naive jurors may be misled by the personalities and/or public speaking abilities of expert musicologists, the "home court advantage" is, in our opinion, more likely to be a factor in the application of the intrinsic test. This test is sufficiently amorphous to have caused considerable headscratching among legal experts,\textsuperscript{87} and it is hardly naive to fear that "local community standards" may come into play, especially where the plaintiff (typically, a local amateur writer) is suing the distant infringer (typically, a company owned by one of the conglomerates which dominate the music and recording industries in the United States).\textsuperscript{88}

But such determinations should not depend upon the vagaries of venue. Rather, they should have a national scope, so that the outcome is uniform whether the action is brought in Portland, Maine or Portland, Oregon.

Another example of the lack of judicial expertise which leads us to argue for the creation of a national copyright court can be found in the case of Agee v. Paramount Pictures

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\textsuperscript{84} 797 F.2d 1222 (3d. Cir. 1986), cert. denied, 479 U.S. 1031 (1987).
\textsuperscript{85} Hinshaw, 905 F.2d at 735.
\textsuperscript{86} Arnstein, 154 F.2d 464 (2d. Cir. 1946).
\textsuperscript{87} See Nimmer, supra note 28, n. 55.
\textsuperscript{88} For example, until a 1997 spin-off, EMI Music was owned by Thorn Industries-EMI, a U.K. multinational. Warner/Chappell Music, Inc. (like its sister record companies, Warner Bros. Records, Elektra/Asylum Records, and Atlantic Records) is a unit of Time Warner Inc. Sony Music is part of Sony Corporation of America, which, in turn is part of Sony of Japan, an industrial giant. MCA Music and Universal Records are part of the group of entertainment entities owned by Canadian conglomerate Seagrams. Universal has just acquired PolyGram Music and PolyGram Records (along with A&M, Island, Mercury, and Motown Records) from Philips, a Dutch multinational, thereby creating the world's largest record company and one of the world's three largest music publishing companies. Lastly, BMG Music and BMG Records are owned by Bertelsmann of Germany.
Corporation," a decision by Judge Motley which held that there is no right of "synchronization" under the Copyright Act. In that case, film clips from old Laurel & Hardy films (embodying recordings owned by the plaintiff) were used to enliven an episode of "Entertainment Tonight." Ignoring decades of industry practice, going back to the introduction of sound into films in the late 1920s, under which those who wished to utilize previously-created material in subsequent productions were required to obtain licenses to do so from the owners of copyright in the underlying works, Judge Motley stated:

Reviewing the legislative history of §144 [of the Copyright Act of 1976] and its predecessor in the Sound Recording Act of 1971, it is evident that Congress' intention in granting the exclusive right of reproduction was to prevent the unauthorized duplication of commercial sound recordings, i.e., record piracy, which was causing substantial losses in the record industry. [Citations omitted.] . . . Considering the language of the Copyright Act and its underlying history, the court finds that to confer a synchronization right on plaintiff in this case would extend his rights far beyond what Congress intended . . . [T]he mere process of synchronizing a sound recording to a video image alone does not infringe plaintiff's rights to commercially reproduce his recordings.

Once again, longstanding industry custom and usage counted for naught. True, the Second Circuit reversed, but—as we noted earlier—not before the parties had incurred what must have been substantial additional expense.

II

The Epidemic of Intercircuit Splits of Copyright Authority

As shown above, the lack of experience and familiarity with copyright issues on the part of federal district court judges coupled with the unpredictability and biases of juries

90. See 59 F.3d 317 (2d Cir. 1995).
91. 853 F. Supp. at 778.
92. See Kidd & Coch, Patents and Jury Trials, 2 J. of Proprietary Rights 17 (1990) ("Jurors do not evaluate cases on the facts alone, but assess facts based upon their own attitudes, values, prejudices, and emotions."); see also Parke-Davis & Co. v. H.K. Mulford Co., 189 F.95 at 115 (S.D.N.Y. 1911) (Judge Learned Hand) ("I cannot stop without calling attention to the extraordinary condition of the law which makes it possible for a man without any knowledge
leads to frustrating and contradictory results at the district court level. Specialized copyright courts, similar to bankruptcy and tax courts, would certainly help to alleviate the problem. However, problems of inconsistency are not limited to the district courts.

Although "federal statutes are generally intended to have uniform nationwide application,"93 the federal circuit courts of appeals are inconsistent when it comes to interpreting the Copyright Act of 1976.94 There is, or has been, disagreement regarding almost every possible doctrine covered under federal copyright law from threshold issues of originality and ownership to infringement and damages. Some of these intercircuit disagreements have been resolved by the Supreme Court.95 Others have been resolved by Congress.96 Many of the differences—often polar disagreements—still remain unresolved and will inevitably lead to forum shopping. The outcome of a case should not depend upon the jurisdiction in which the suit is initiated; it should be a function of the law. It should be noted that even in those cases that have been resolved by either the Supreme Court or Congress, there was

94. 17 U.S.C. § 101 et seq. As is also shown in the discussion of "publication," infra, the circuit courts are in disagreement over issues remaining under the 1909 Act as well.
95. See, e.g., Quality King Dist., Inc. v. L'Anza Research Int'l. Inc., —U.S.—, 118 S.Ct. 1125, (holding that the first-sale doctrine under section 109 of the Act extinguishes the importation right); Feltner v. Columbia Pictures Television, Inc., 118 S. Ct. 30 (1998) (holding that there is a right to a jury trial in cases involving statutory damages under section 504); Community for Creative Non-Violence v. Reid, 490 U.S. 730 (1989) (resolving disagreement over the "works made for hire" doctrine); Stewart v. Abend, 495 U.S.207 (1990) (resolving disagreement regarding the renewal term and derivative works); Fogerty v. Fantasy Inc., 510 U.S. 517 (1994) (resolving intercircuit disagreement regarding the awarding of attorneys' fees). In Lotus v. Borland, 516 U.S. 233 (1995), reh'g denied 561 U.S. 1167, the Supreme Court affirmed in a 4-4 decision the First Circuit decision below regarding the copyrightability of a computer programs menu hierarchy. Because the decision was 4-4, the Court, in essence, failed to adjudicate the matter.
96. See, e.g., Public Law 105-80 (Nov. 13, 1997). 111 Stat. 1529, amending section 303 of the Copyright Act of 1976 to provide that the sale of phonograph records prior to January 1, 1978 shall not constitute a publication of the underlying musical compositions embodied therein. In response to the split between the Second Circuit in Rosette v. Rainbo Record Mfg. Corp., 546 F.2d 461 (2d Cir. 1976) and the Ninth Circuit in La Cienega Music Co. v. ZZ Top., 53 F.3d 950 (9th Cir. 1995).
still a period of uncertainty—often a substantial period—and potential harm from forum shopping prior to the final resolution, in addition to the expenditure of untold thousands in legal fees. The existence of a single specialized copyright appellate forum would have brought about earlier closure to many of these issues, and would have expedited the formation of a uniform body of copyright law upon which all parties could rely.

The following are examples of some of the extreme inter-circuit disagreements among the federal appellate courts regarding copyright.

A. Originality of Compilations

1. Yellow Pages

In 1991, the Supreme Court decided *Feist Publications, Inc. v. Rural Telephone Service Co.*, 97 and held that the telephone white pages, a compilation of pre-existing data, was not protected by copyright because of a lack of sufficient originality. Justice O'Connor based her opinion largely on constitutional grounds, claiming that the word “author” in Article I, section 8, clause 8 of the United States Constitution inherently included the concept of originality. Based upon the analysis, she concluded that neither Congress nor the courts has the authority under Article I of the Constitution to allow for the protection of unoriginal works. 99 Because a telephone white pages directory is merely an exhaustive alphabetical listing, it is not “original” and therefore it is not protectable.

The holding in *Feist*, however, has been interpreted by

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98. “To promote the Progress of Science and the useful Arts by securing for limited times for Authors and Inventors the exclusive Right to their respective Writings and Discoveries.” U.S. CONST. art. I, § 8, cl. 8.

99. Justice O’Connor’s reasoning in *Feist* has been incorporated into many of the “joint-authorship” cases such as *Childress v. Taylor*, infra., by requiring all of the collaborating authors of “joint works” to contribute independently copyrightable subject matter. One of the authors, Professor Landau, questions Justice O’Connor’s reasoning. The words, “inventors and their discoveries” appear in the same clause of the U.S. Constitution, yet there is not one patent case that requires each inventor to contribute “independently patentable” subject matter to a “joint invention.” In addition, there is also not one case that holds that the word “inventor” in the Constitution inherently includes “patentable.”
many as being quite narrow; telephone white pages may not be protected. Courts have differed with respect to other compilations, including, interestingly enough, the telephone "Yellow Pages."\footnote{100}

Shortly after \textit{Feist}, the Court of Appeals for the Second Circuit in \textit{Key Publications, Inc. v. Chinatown Today Publishing Enterprises},\footnote{101} upheld the copyright in the selection, arrangement, and coordination of the factual data within the yellow pages in question in that case. The court held that the selection of different categories in which to include the listings, and the arrangement of the specific listings within the categories themselves displayed sufficient originality to be protected under the copyright laws.

Just two years later, however, the Court of Appeals for the Eleventh Circuit, in \textit{BellSouth Advertising & Publishing Corp. v. Donnelly Information Publishing, Inc.},\footnote{102} held that the arrangement, selection, and coordination of the information in the specific yellow pages in question did not evidence the requisite originality necessary for protection. The Eleventh Circuit thus denied protection to the very elements to which the Second Circuit granted protection in \textit{Key Publications}. What makes the BellSouth case especially interesting is that the Eleventh Circuit's decision was its second in the case. The court had decided the case with exactly the opposite outcome two years earlier,\footnote{103} vacated its own opinion,\footnote{104} and then decided the case \textit{en banc} with an outcome that was the polar opposite of its earlier opinion.

There is now a complete intercircuit split of authority


101. 945 F.2d 509 (2d Cir. 1991).


104. See \textit{BellSouth Advertising & Publishing Corp. v. Donnelly Information Publishing, Inc.}, 977 F.2d 1435 (11th Cir. 1992).}
with regard to what, if anything, in the Yellow Pages may be protected under the copyright laws. For some unexplained reason, the Supreme Court denied the petition for certiorari, despite the clearly established intercircuit split.105

2. Originality in West Reporters

There is also a current split of authority between the Eighth and the Second Circuits regarding the copyrightability of the West Reporters and, more specifically, the internal pagination within the opinions.

In *West Publishing Company v. Mead Data Central, Inc.*,106 the use of WEST's "star pagination" within opinions contained in the LEXIS databases was at issue. LEXIS, in its opinions, included, along with page references to LEXIS, the internal pagination107 of the corresponding WEST Reporters. WEST sued Mead Data, the company that owned LEXIS at the time, for copyright infringement, claiming that the pagination was protected and that LEXIS's behavior was an "appropriation of WEST's comprehensive arrangement of case reports in violation of the Copyright Act of 1976."108 The basis of the claim was that copyright law protects arrangements of pre-existing material if originality is found in the selection, arrangement, and organization. LEXIS countered with the defense that there was nothing original regarding the arrangement.109 It should be noted that there is no copyright

105. See *BellSouth Advertising and Pub. Corp. v. Donnelly Information Pub., Inc.*, 510 U.S. 1101 (1994). Of course, the court generally does not explain the reasons behind its denial of certiorari. We, therefore, do not know why certiorari was denied. It is thought, however, that the Supreme Court simply did not want to decide another telephone book/compilation case so soon after it had decided *Feist*. Other compilation cases have indicated similar confusion in the circuit courts. See, e.g., *CCC Info. Services Inc. v. MacLean Hunter Market Reports, Inc.*, 44 F.3d 61 (2d. Cir. 1994), *cert. denied*, 516 U.S. 817 (1995) (protecting list of used car prices); *Warren Publishing, Inc. v. Microdos Data Corp.*, 115 F.3d. 1509 (11th Cir. 1997) (denying protection to a directory of areas served by cable systems); See also Ethan L. Wood, *Copyrighting the Yellow Pages: Finding Originality in Factual Compilations*, 78 MINN. L. REV. 1319 (1994).


107. WEST stipulated that reference to the first page of an opinion would not be infringement. This is a rather interesting argument, for is not the first page of a case within a volume also determined by the selection, organization, and arrangement of all of the other cases in the volume, or in the series of volumes for that matter?

108. 799 F.2d at 1219.

109. LEXIS had not copied any of the headnotes, key numbers, or
protection for the specific words of the opinions as taken from the court, for works of U.S. government employees are denied protection pursuant to section 105 of the Act.\footnote{See 17 U.S.C. § 105. While the express language of section 105 refers to works of US government employees, in general the proposition has also been extended to the exact language of opinions generated by state courts, as well.}

The court affirmed the preliminary injunction granted by the district court below in favor of \textit{WEST}.\footnote{See \textit{West Publishing Co. v. Mead Data Central, Inc.}, 616 F. Supp. 1571 (E.D. Minn. 1985).} In arriving at its decision, the Eighth Circuit first noted that under the Act, a “compilation” is defined as “a work formed by the collection and assembling of pre-existing materials or of data that are selected, coordinated, or arranged in such way that constitutes that the resulting work as a whole constitutes an original work of authorship.”\footnote{799 F.2d at 1224 (citing 17 U.S.C. § 101).} The court analogized, “[a]n original arrangement of opinions in a case reporter, no less that a compilation and arrangement of Shakespeare’s sonnets, can qualify for copyright protection.”\footnote{Id.} The court found initial support for its position in the case of \textit{Callaghan v. Myers},\footnote{128 U.S. 617 (1888).} which held that an original arrangement of opinions is copyrightable whenever it is the “product of labor, talent or judgment.”\footnote{Id.}

After getting past the threshold question of whether there is a \textit{per se} rule prohibiting the extension of copyright protection to collections of opinions in general, the court then turned to whether the specific subject matter in question was sufficiently original to support copyright protection. The court found that “originality” was present based upon the fact that \textit{WEST} would first choose which opinions to publish. Then, after deciding which opinions to publish, \textit{WEST} decided in which books to place the opinions. Further selection was necessary with respect to the placement of specific opinions introductory material in the \textit{WEST} versions of the opinions. The copying of these elements would have been infringement.

\begin{itemize}
  \item \textbf{110.} See 17 U.S.C. § 105. While the express language of section 105 refers to works of US government employees, in general the proposition has also been extended to the exact language of opinions generated by state courts, as well.
  \item \textbf{111.} See \textit{West Publishing Co. v. Mead Data Central, Inc.}, 616 F. Supp. 1571 (E.D. Minn. 1985).
  \item \textbf{112.} 799 F.2d at 1224 (citing 17 U.S.C. § 101).
  \item \textbf{113.} \textit{Id.}
  \item \textbf{114.} 128 U.S. 617 (1888).
  \item \textbf{115.} \textit{Id.} It should be noted that the \textit{Callaghan} opinion long preceded the Supreme Court’s \textit{Feist} opinion, in which the Court expressly rejected the “sweat of the brow” theory of copyright protection. \textit{Matthew Bender & Company v. West Publishing Co.}, 158 F.3d 693 (2d Cir. 1998) was decided after \textit{Feist}, which may partly explain the difference in opinion between the Second and Eighth Circuits on this issue.
\end{itemize}
in the specific volumes.\textsuperscript{116} The court held that the specific Reporters were sufficiently original to be protected by copyright, and that by including the internal page references to the WEST Reporters, LEXIS had infringed.\textsuperscript{117}

In 1996, West's "home court," the District of Minnesota in \textit{Oasis Publishing Co. v. West Publishing Co.}, again held that West had a copyrightable interest in its Reporters and pagination contained therein.\textsuperscript{118} The parties settled and there is no appellate decision.

In contrast, in \textit{Matthew Bender & Co. v. West Publishing Co.},\textsuperscript{119} the Second Circuit reached a contrary opinion regarding whether the arrangement of cases in the WEST Reporters was sufficiently original to warrant copyright protection. In that case, Matthew Bender & Company brought an action for a declaratory judgment in the Southern District of New York, asking the court to rule that the inclusion of WEST star pagination in its CD-ROM compilations of judicial opinions did not infringe any of WEST's copyrights. Hyperlaw, a company that was marketing redacted versions of opinions taken from the WEST database, intervened. The district court granted summary judgment in Bender's favor. The Second Circuit affirmed. The holding related to Hyperlaw's redacted version appeared in another opinion, and is discussed, \textit{infra}.

As threshold matter, the court noted that protection in a compilation "extends only to the material contributed by the author, not to preexisting material."\textsuperscript{120} The court further explained that because there is no protection in the exact language of the opinions as released by the courts themselves, there would be no claim to infringement for reproducing the pre-existing material. In addressing what, if

\begin{itemize}
  \item \textsuperscript{116} See 799 F.2d at 1229.
  \item \textsuperscript{117} An interesting argument could have been raised that the way in which WEST presented the cases was really a system or an idea unprotectible under section 102(b). Using federal cases as an example, all cases from the district courts appear in the Federal Supplements (currently F. Supp2d.), the circuit court cases appear in the Federal Reporters, (currently F.3d), and all opinions from the Supreme Court appear in the Supreme Court Reporter (S. Ct.). In addition, the cases are arranged within by jurisdiction and date. Under the "idea/expression merger," if the "idea" is to create books with cases arranged by court and date, then many of the reporters would look the same. There would be a limited number of ways in which to express the idea.
  \item \textsuperscript{118} 924 F. Supp. 918 (D. Minn. 1996).
  \item \textsuperscript{119} 158 F.3d 693 (2d Cir. 1998).
  \item \textsuperscript{120} 158 F.3d at 698 (quoting 17 U.S.C. § 103 (1996)).
\end{itemize}
anything, was protected, the court cited *Feist* for the proposition that the "sweat of the brow" theory of copyright protection was dead.\(^{121}\) The court further cited *Feist* as authority for requiring that the work possess "at least some minimal degree of creativity."\(^{122}\)

The court disagreed with WEST's contention that the numbers and pagination of the works were protected. WEST's "pagination of its volumes — i.e., the insertion of page breaks and the assignment of page numbers is determined by an automatic computer program and West does not claim that there is anything original or creative in the process."\(^{123}\) Therefore, based upon the lack of any originality or creativity in the creation of the numbers, there was no copyright protection in the pagination. Therefore, Bender did not infringe.

The same day, the Second Circuit came out with its opinion regarding the Hyperlaw redacted versions of the WEST opinions.\(^{124}\) At issue in this portion of the case was whether material that West *did* contribute within the opinions, such as "i) the arrangement of prefatory information, such as parties, court, and date of decision; ii) selection and arrangement of attorney information; iii) the arrangement of information relating to the subsequent procedural developments; and iv) the selection of parallel and alternative citations" was sufficiently original to warrant protection.\(^{125}\) The court addressed each in turn, and held that the elements that Hyperlaw sought to copy were not sufficiently original to warrant protection.

The issue is bound to go to the Supreme Court soon for resolution, for the exact same subject matter is being treated differently by two jurisdictions.

\(^{121}\) Id. at 699. Note that in *West Publishing Co. v. Mead Data Central*, the Eighth Circuit had endorsed the "sweat of the brow" theory. *See* 616 F. Supp. 1571 (E.D. Minn. 1985).

\(^{122}\) Id. (citing *Feist*, 499 U.S. 340, 348 (1991)).

\(^{123}\) 158 F.3d at 699. Note that in *Mead Data Central*, the court found the selection and arrangements to be protected. *See* 616 F. Supp. 1571.

\(^{124}\) *See* Matthew Bender & Co. v. West Publishing Co., 158 F.3d 674 (2d Cir. 1998).

\(^{125}\) Id. at 678.
B. Derivative Works

Section 101 of the Copyright Act defines a "derivative work" as follows:

A "derivative work" is a work based upon one or more preexisting works, such as a translation, musical arrangement, dramatization, fictionalization, motion picture version, sound recording, art reproduction, abridgment, condensation, or any other form in which a work may be recast, transformed, or adapted. A work consisting of editorial revisions, annotations, elaborations, or other modifications which, as a whole, represent an original work of authorship, is a "derivative work."\(^\text{126}\)

Although the definition seems to be relatively simple — make a changed version of something and you have created a derivative work — courts have had much difficulty in establishing and implementing a standard for determining whether a new work is a "derivative work." Different cases have set different standards, but all are vague and difficult to follow.\(^\text{127}\) As a result, there are no reliable guidelines for the courts to follow.\(^\text{128}\) The required quantum of originality has been variously defined as a "substantial, but not merely trivial" originality,\(^\text{129}\) a "distinguishable variation,"\(^\text{130}\) a "minimal element of creativity over and above the requirement of independent effort,"\(^\text{131}\) or a "very modest grade of originality."\(^\text{132}\) The cases appear to be fact-specific and sometimes result oriented.\(^\text{133}\) In fact, Judge Learned Hand stated that in the area of copyright, "[d]ecisions must . . . inevitably be ad hoc."\(^\text{134}\)

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127. See Durham Indus. v. Tomy Corp., 630 F.2d 905, 911 (2d Cir. 1980) (even a "modest degree of originality" is enough); L. Batlin, Inc. v. Snyder, 536 F.2d 486, 490-91 (2d. Cir. 1976) (originality requires "true artistic skill" and a recognizable contribution of the author).
129. Chamberlain v. Uris Sales Corp., 150 F.2d 512, 513 (2d Cir. 1945).
131. Batlin, 536 F.2d at 490 (quoting 1 M. NIMMER, THE LAW OF COPYRIGHT § 10.2 at 36 (1975)).
134. Peter Pan Fabrics v. Martin Weiner Corp., 274 F.2d 487, 489 (2d Cir.}
In *Lee v. A.R.T. Co.*,\(^{135}\) the Seventh Circuit dealt with the issue of whether the mounting of works of art on a different medium constituted copyright infringement based upon the unauthorized creation of a derivative work. In this case, the allegedly infringing derivative works were artworks mounted on ceramic tiles. While this specific fact pattern — the mounting of art on ceramic tiles — was an issue of first impression in the Seventh Circuit, it had been dealt with in the Ninth Circuit. In both *Munoz v. Albuquerque A.R.T. Co.*,\(^{136}\) and *Mirage Editions, Inc. v. Albuquerque A.R.T. Co.*,\(^{137}\) the Ninth Circuit had held that such modifications were unauthorized "derivative works" and therefore did infringe under Section 106(2) of the 1976 Copyright Act.

The Seventh Circuit, in contrast, directly disagreed with the Ninth Circuit and held that the mounting merely changed the work in which the artist's work was displayed and did not amount to an "original work of authorship." The court stated: "No one believes that a museum violates Section 106(2) [exclusive right to make a derivative work] every time it changes the frame of a painting still under copyright, although the choice of frame or glazing affects the impression the art conveys . . . ."\(^{138}\)

The A.R.T. cases are especially good examples to illustrate the absurdity of the system in that they involved the exact same facts. Does it make any sense that a remounted art work is an infringing unauthorized derivative work in the Ninth Circuit but not in the Seventh? There is now an active intercircuit split between the Ninth and the Seventh Circuits regarding whether a remounted artwork is a "derivative work."

With the enactment of the Copyright Act of 1976 and the termination provisions and corresponding "derivative works exceptions," the understanding of what is and what is not a derivative work is becoming especially important. Under Section 304 of the Copyright Act of 1976, for works published or registered between 1909 and 1977, the grant may be terminated during a five year window beginning at the end of

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\(^{135}\) 125 F.3d 580 (7th Cir. 1997)

\(^{136}\) 38 F.3d 1218 (9th Cir. 1994)

\(^{137}\) 856 F.2d 1341 (9th Cir. 1998)

\(^{138}\) Lee v. A.R.T., 125 F.3d 580, 581 (7th Cir. 1997).
the 56th year after copyright protection was secured. Under Section 203 of the 1976 Act, for works created after January 1, 1978, a grant may be terminated during a five year window between the 35th and 40th years after the grant. Both of these provisions are effective despite language in the original grant to the contrary. Therefore, one who has licensed or assigned his or her work to another may recapture all of the rights to the work from the grantee, subject to the "derivative works exception." The "derivative works exception" allows one to continue to commercially exploit derivative works made under the authority of the original grant. Therefore, whether the changes that the grantee has made to the work fall within the legal definition of a derivative work is dispositive on the issue of whether the grantee has any economic interest left at all. If the grantee has created a derivative work, the grantee still has some rights and consequently an income stream from the work. If the changes do not rise to the level of a derivative work, all of the grantee's interest in and to the work end upon termination.

This was illustrated in the case of Woods v. Bourne. In

139. The duration of works created between 1909 and 1977 was established by the provisions of the 1909 Act. Under the Act, there are two distinct terms of copyright protection. Initially, both terms were for twenty-eight years. In 1978, when the Copyright Act of 1976 took effect the second term was increased by nineteen years to forty-seven years for a total of seventy-five years of possible protection. In order to receive the benefits of the second term of copyright, a renewal application had to have been filed during the last year of the first term. The failure to file for renewal caused the work to fall into the public domain. In July of 1992, Congress provided that the renewal would become automatic. Failure to file no longer resulted in having the work dedicated to the public. In October of 1998, President Clinton signed the Sonny Bono Copyright Term Extension Act into law. See Pub. L. No. 105-298, 112 Stat. 2827. The Sonny Bono Copyright Term Extension Act increased the term of protection by twenty years for works created after January 1, 1978, the term of copyright protection is now "life of the author plus seventy years thereafter." For "works made for hire", "anonymous works", and "pseudonymous works", the term of protection is now either 95 years from publication or 120 years from creation, whichever comes first. The term of protection was also extended for works created prior to the effective date of the 1976 Act. The renewal term for pre-1978 works was extended by twenty years to 67 years, thereby giving total protection to those works of 95 years. See id.

140. 60 F.3d 978 (2d Cir. 1995). For a discussion of derivative works and musical arrangements, see Jeffery Brandstetter, The Lone Arranger: Have the Courts Unfairly Singled Out Musical Arrangements By Denying Them Protection as Derivative Works?, 15 ENTERTAINMENT & SPORTS LAWYER (ABA) 1 (Spring 1997); see also, Robert C. Osterberg, The Use of Derivative Works After Copyright Termination: Does Woods v. Bourne Expose a Quagmire?, 43 INT'L.
that case, the Second Circuit affirmed the district court's
decision denying derivative work status to piano and vocal
versions of "When the Red Red Robin Goes Bob Bob Bobbin'
Along," which were based upon the composer's lead sheet.
The court held that to qualify as a derivative work, "there
must be such things as unusual vocal treatment, additional
lyrics of consequences, unusual altered harmonies, novel
sequential uses of themes, or something of substance added
which makes the piece to some extent a new work." The
court did not find such "original" contributions in the specific
musical arrangement in question. Based upon that holding,
all of the grantee's rights in and to the work were
extinguished based upon the termination by the grantor. It
should be noted that the court arrived at its holding despite
the fact that in section 101's definition of "derivative work,"
"musical arrangements" are listed as illustrated examples.

In contrast, in Tempo Music v. Morris, a dispute
between the estates of Duke Ellington and Billy Strayhorn
regarding royalties over the song, "Satin Doll," the district
court denied summary judgment and held that there were
material issues of fact as to whether the addition of
"harmony" was sufficiently original to warrant protection.
Although both of these cases are from the same appellate
jurisdiction, as opposed to different ones, they nonetheless
illustrate the problems inherent from a lack of guidance from
a central, authoritative copyright court.

C. Publication and Sound Recordings

The Ninth Circuit's decision in La Cienega Music v. ZZ
Top and the subsequent denial of certiorari by the Supreme
Court created a chaotic situation which threatened the

141. Woods v. Bourne 60 F.3d at 990.
143. As an aside, the issue of musical arrangements, or the addition of
harmony, is not all that different form a foreign language translation, or, more
recently colorization of black-and-white motion pictures. If colorized movies are
sufficiently original, then why not new arrangements of songs? For a discussion
of the ambiguous "originality" standard in copyright cases, See Michael Landau,
The Colorization of Black-and-White Motion Pictures: A Grey Area in the Law, 22
144. 53 F.3d 950 (9th Cir. 1995).
viability of the existing music publishing industry until Congress enacted an amendment to the Copyright Act of 1976 in the closing days of the 1997 legislative session.\footnote{146}

La Cienega Music brought an action for copyright infringement in the Central District of California against star recording group ZZ Top and its record label, Warner Bros. The defense was based upon the distribution of phonograph records prior to 1978 without including a copyright notice on the label or on the packaging. Judge Pfaelzer ruled that such an omission cast the work, which had been recorded, into the public domain.\footnote{147} On appeal, the Ninth Circuit affirmed the issue.\footnote{148}

For some forty years, the music publishing industry had operated in good faith on the understanding that phonograph recordings did not constitute "copies" within the meaning of the Copyright Act of 1909, a position that found support in the position of the Copyright Office, which refused to accept phonograph records for registration,\footnote{149} in a prominent law review article\footnote{150} by Professor Benjamin Kaplan of Harvard Law School, a recognized expert in copyright, and in the 1976 decision of the Second Circuit in Rosette v. Rainbo.\footnote{151}

Now, for the first time, courts in a circuit that was located in a major music publishing center\footnote{152} held to the contrary.

\footnote{146. In November of 1997, President Clinton signed Pub. L. No. 105-80, creating a new Section 303(b). Section 303(b) provides as follows: "The distribution before January 1, 1978, of a phonorecord shall not for any purpose constitute a publication of the musical work embodied therein." Pub. L. No. 105-80, 111 Stat. 1529.}
\footnote{147. See La Cienega Music, 53 F.3d at 950.}
\footnote{148. See id. Actually, the Ninth Circuit held that there were two ways in which the works could have fallen into the public domain. The songs contained on sound recordings without copyright notice fell into the public domain upon release of the recordings. Songs on recordings with notice would have fallen into the public domain for failure to make a timely renewal. See id., see also, Michael Landau, Copyright, Sounds Recordings, Musical Compositions and Publication, (Chapter 9) in ANTHONY ASKEW & ELIZABETH JACOBS, 1998 WILEY INTELLECTUAL PROPERTY LAW UPDATE (Aspen 1998).}
\footnote{149. See 37 C.F.R. 202.8 (repealed when 1976 Act took effect).}
\footnote{150. See Benjamin Kaplan, Publication in Copyright Law, 103 U. Pa. L. Rev. 469 (1955).}
\footnote{151. 546 F.2d. 461 (2d Cir. 1976).}
\footnote{152. The same issue arose in 1997 in Mayhew v. Gusto Records, Inc., 960 F. Supp. 1302 (M.D. Tenn. 1997). The district court expressly rejected Rosette and followed the reasoning of the Ninth Circuit in La Cienega. The court also relied upon a pre-La Cienega unpublished opinion from the Sixth Circuit involving the same defendant, Leeds Music Corp. v. Gusto Records, Inc., 601 F.2d 589 (Table),
The Supreme Court, for reasons of its own, (the denial of
certiorari was, as is virtually always the case,\textsuperscript{153} not
accompanied by an opinion or statement of the reasons for
denial) declined to review an obvious conflict between the
decisions of the Second Circuit and the Ninth Circuit.

After \textit{La Cienega}, a typical response to the question of
what to do subsequent to that case was: "Sue in New York." Success or failure would have to depend on the outcome of a
race to the courthouse.

An intense lobbying effort in Congress resulted in the
passage of Public Law 105-80 that effectively overruled \textit{La
Cienega} and averted a catastrophe for the music publishing
industry. But should a legitimate industry have been made to
struggle through a cliffhanger like this in the first place? While the customs and usages of a specific industry obviously
should not override the law, surely forty years of uniform
practice followed by an entire industry acting in good faith on
the basis of the position of the Copyright Office and leading
academics should carry considerable weight. Judges of a
national copyright court might well bring to the resolution of
such issues a sensibility that local district judges may lack,
dealing as they must with a wide variety of legal issues and
facing an era of political partisanship which has resulted in
dozens of vacancies and overwhelming caseloads.

\section*{D. Rights During the Renewal Term}

1. \textit{Scope of Rights During the Renewal Term}

Another issue that caused confusion among the circuit
courts was the scope of rights during the renewal term.\textsuperscript{154}
Under the Copyright Act of 1909, there were initially two

\textsuperscript{153} See \textit{La Cienega Music Co. v. ZZ Top}, 516 U.S. 927 (1995)

\textsuperscript{154} This is an issue that related to works created under the Copyright Act of
1909. For works created after the effective date of the Copyright Act of 1976
(January 1, 1978), the duration of copyright consists of "the life of the author
and fifty years after the author's death." (17 U.S.C. \S 302). The renewal problem
has, therefore, been eliminated for works created under the 1976 Act, for there
is a unitary term, not an initial term plus a renewal term. On October 28, 1998,
as a result of the Sonny Bono Copyright Term Extension Act (Pub. L. No. 105-298) the term of protection was extended by twenty years. See Pub. L. No. 105-298, 112 Stat. 2827.
terms of copyright, an initial term of twenty-eight years and a second term, referred to as the "renewal term" of another twenty-eight years. The renewal term was held to "[create] a new estate . . . and the new estate is clear of all rights, interests or licenses granted under the original copyright." Therefore, if one had rights to the work in the first term, but had not been expressly granted rights to the renewal term, use of the copyrighted material in the renewal term would infringe. The issue in question was the following:

When the author of a copyrighted story has assigned the motion picture rights and consented to the assignee's securing a copyright on the motion picture versions . . . does the purchaser who has made a film and obtained a derivative copyright . . . thereon infringe the copyright in the [underlying] story if he authorizes the performance of a copyrighted film after the author has died and a copyright on the underlying story has been renewed by the statutory successor under 17 U.S.C. § 24? Prior to the resolution of this issue by the Supreme Court, in Stewart v. Abend, there had been a disagreement between the Second Circuit and the Ninth Circuit.

In Rohauer v. Killiam Shows, Inc., the Second Circuit's case, Edith Maude Hull, the author of a novel, "The Son of the Sheik," assigned the motion picture rights to the book in 1925 to the party who later produced the famous silent movie, "The Son of the Sheik," starring the screen idol of the day, Rudolf Valentino. The motion picture received its own

155. The renewal term was extended by nineteen years to forty-seven years when the 1976 Act took effect. As a result of the Sonny Bono Copyright Term Extension Act, Pub. L. No. 105-298, effective in relevant part as of October 28, 1998, the renewal term was extended by another twenty years to sixty-seven years. See 17 U.S.C. § 304(a). One still, however, had to actively file for renewal in order to take advantage of the additional years of protection provided by the renewal term. In June of 1992, the requirement of filing for the renewal term was eliminated, making copyright renewal automatic. See Pub. L. 102-307, 106 Stat. 264. Although filing is not mandatory, there are still some advantages to filing a renewal form. See 17 U.S.C. § 304(a)(2)(B).

156. G. Ricordi & Co. v. Paramount Pictures Inc., 189 F.2d 469, 471 (2d Cir. 1951), cf., P.C. Films Corp. v. MGM/UA Home Video Inc., 138 F.3d 453 (2d Cir. 1998) (holding that a license executed during the first term and containing the words "rights to copyright renewals" gave the licensee rights during the second term; the court distinguished agreements which were silent as to duration and, therefore, expired upon the end of the first term).


159. 551 F.2d 484, 485-86 (2d Cir. 1977).

160. See id.
copyright through registration in 1926. The copyright in the film was renewed in 1954 and subsequently assigned to the defendant in the action, Killiam.\textsuperscript{161}

The author died in 1943. The underlying story was renewed by the statutory successor in 1954, Edith Hull's daughter.\textsuperscript{162} In 1965, Hull's daughter assigned all of her "right, title, and interest (if any) in and to the motion picture and television rights of every kind and character throughout the world and in all languages" to the story.\textsuperscript{163} As statutory successor, Ms. Hull's daughter rightfully owned all of the copyrights in the second term. The issue in dispute was whether Killiam could continue to exploit the derivative motion picture in the renewal term.

In allowing defendant to continue to market and exploit the film in the renewal, despite the fact that Killiam did not own the copyrights, the court engaged in the weighing of "policy considerations," such as the amount of "contributions literary, musical and economic"\textsuperscript{164} made by the creator of the motion picture, often "as great or greater than [those of] the original author."\textsuperscript{165} The court considered as well that the original author could have protected his or her family by limiting the term of the assignment.\textsuperscript{166} The court also considered the language in the newly passed sections 203 and 304 of the 1976 Act,\textsuperscript{167} which give certain rights to creators of derivative works after their licenses or assignments have been terminated by the grantor.\textsuperscript{168} After

\textsuperscript{161} See id.
\textsuperscript{162} If the original author died prior to the end of the first term, the renewal rights would vest with the statutory successor, usually a close relative, under a detailed scheme provided for in Section 24 of the Copyright Act of 1909. Section 24 provided in pertinent part as follows: "[T]he widow, widower, or children, if the author be not living, . . . shall be entitled to a renewal and extension of the copyright in such work for a further term of twenty-eight years when application for such renewal and extension shall have been made to the copyright office and duly registered therein within one year prior to the expiration of the original term of copyright." 17 U.S.C. § 24 (1909).
\textsuperscript{163} Rohauer, 551 F.2d at 486.
\textsuperscript{164} Id. at 493.
\textsuperscript{165} Id.
\textsuperscript{166} See id. at 494.
\textsuperscript{168} As is pointed out in Stewart v. Abend, 495 U.S. 207, 223-225 (1990), the Rohauer analysis of sections 203 and 304 is incorrect. These sections deal with the right of makers of derivative works after the termination of a grant, not rights during the renewal term.
balancing all of the above factors, the court held in favor of the defendant.

In Abend v. MCA, the Ninth Circuit case, a similar dispute arose regarding Alfred Hitchcock's Rear Window, starring James Stewart and Grace Kelly. Cornell Woolrich wrote a short story entitled, It Had to be Murder, first published in 1942 in Dime Detective Magazine. In 1945, Woolrich assigned the motion picture rights to the story to DeSylva Productions who later assigned the work to Stewart and Hitchcock for $10,000. In 1954, Paramount Pictures produced and distributed Rear Window, the motion picture derivative work of It Had to be Murder.

Woolrich died in 1968 without a surviving spouse or child. He left his copyrights in trust with Chase Manhattan Bank for the benefit of Columbia University. Chase Manhattan rightfully renewed the copyrights pursuant to section 24. Chase Manhattan then sold the rights to Sheldon Abend for $650 plus 10% of the proceeds from the commercial exploitation in all forms of the story. Upon receiving the rights, Abend contacted Stewart, Hitchcock and MCA and informed them that he owned the copyrights. Despite this, the film was licensed by the defendants to ABC for television broadcast. Abend filed suit in the Southern District of New York. The case settled, with respect to past and current infringement, for $25,000.

Shortly thereafter, the Second Circuit, the appellate court of the jurisdiction in which the first (and settled) lawsuit was brought, decided Rohauer v. Killiam. In light of the decision in Killiam, MCA and Stewart decided to re-release the motion picture for both major theatrical release and video. This time, Abend went to the federal courts in California, a jurisdiction in which the Second Circuit's Rohauer decision was not binding. The district court granted summary judgment in favor of the defendants. This was reversed by the Ninth

170. Abend, 863 F.2d at 1467.
171. Id.
172. Id.
173. Id. at 1468.
174. Id.
175. Id.
Circuit on appeal.\textsuperscript{176}

In reaching its decision, holding that Stewart and MCA did not have any rights whatsoever in the renewal term, and therefore infringed, the court looked at the legislative history, the statutory language, and a Supreme Court case, \textit{Miller Music Corp. v. Charles N. Daniels, Inc.},\textsuperscript{177} that was "virtually ignored" by the \textit{Rohauer} court.\textsuperscript{178} The court held that "statutory successors to renewal copyrights take free and clear of all purported assignments of the renewal right when the author dies before effecting renewal."\textsuperscript{179} Therefore, the holder of the motion picture rights during the second term was Abend and not Stewart/MCA. The court downplayed \textit{Rohauer}'s "equities" and "policy" considerations and held that the defendants had infringed.\textsuperscript{180} The Supreme Court granted \textit{certiorari} in order to resolve the split between \textit{Rohauer} and \textit{Abend}.\textsuperscript{181}

The Supreme Court affirmed the Ninth Circuit's holding in favor of Abend and clarified what was an admittedly tricky area of the law. The court reinforced the notion that any assignee's rights to a renewal term are merely "expectancy" interests, contingent upon the survival of the author. If the author does not survive through the first term, then the rights, including the rights to the renewal term, go to the statutory successor. In addition, the court clarified the provisions in sections 203 and 304 of the 1976 Act, by noting that those provisions dealt only with rights after the termination of a grant, not during renewal.\textsuperscript{182} Those sections were conspicuously silent with respect to derivative work rights in the renewal term.

\textsuperscript{176} Id.  
\textsuperscript{177} 362 U.S. 373 (1960).  
\textsuperscript{178} 863 F.2d at 1474.  
\textsuperscript{179} See id. at n. 8.  
\textsuperscript{180} See id. at 1465.  
\textsuperscript{181} \textit{Stewart v. Abend}, 493 U.S. 807 (1989) (granting \textit{certiorari}).  
\textsuperscript{182} Under section 203(a), a grant made on or after 1978 may be terminated during a five year period after the thirty-fifth (35th) year following the grant, provided that certain notice formalities are followed. 17 U.S.C. § 203(a) (1994). Under section 304(c)(3), a grant made prior to January 1, 1978 may be terminated "at any time during a period of five years beginning at the end of fifty-six years from the date copyright was originally secured, or beginning January 1, 1978, whichever is later." 17 U.S.C. § 304(c)(3) (1994). Again, certain formalities must be met. See 17 U.S.C.§ 304(c)(4) (1994).
Although ultimately resolved—albeit after an enormous expenditure of time and money—by the Supreme Court, Stewart v. Abend is precisely the type of case that illustrates the dire need for a single, central, copyright court. It is the classic situation where the outcome of a case is a function of the jurisdiction in which it is brought. It is also a reminder of the view, "If you don’t like the result you got here, go sue them somewhere else!"\(^{183}\)

2. Timing of the Death of the Author

Even though the Supreme Court clarified the rights to the renewal period in Stewart v. Abend\(^{184}\) and held that an assignee holds only an "expectancy" interest in the renewal term contingent upon the author’s survival, there was still some question under case law regarding the effect of the timing of the death of the original copyright holder. In Marascalco v. Fantasy, Inc.,\(^{185}\) the Ninth Circuit held that the assignee’s rights to the renewal period are effective only if the author survives into the renewal period. Therefore, under Marascalco, if the author/assignor was alive when he made a timely renewal application, but died in the period between the filing of the renewal application and the beginning of the renewal period, the rights would vest with the author/assignor’s heirs or estate and not with the assignee.

In contrast, in Frederick Music Co. v. Sickler\(^{186}\) and Carter v. Goodman Group Music Publishers\(^{187}\), the Southern District of New York held that survival until the beginning of the twenty-eighth year of the initial term of copyright protection was sufficient.

The timing problem was ultimately resolved by Congress in 1992 when it amended Section 302(a)(2)(B). "If renewal is secured by 'voluntary' application and registration in the 28th year, then ownership in the renewal vests at that time (to be

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184. 495 U.S. 207 (1990), discussed supra at Part D1.
185. 953 F.2d 496 (9th Cir. 1991).
enjoyed in the 29th year and thereafter). . . . If, however, the renewal is effected not voluntarily, but 'automatically' by virtue of the statutory amendment, then the renewal term will not vest until the last day of the 28th year.\textsuperscript{188}

E. Works Made for Hire

1. What is a Work Made for Hire Under Section 101(1)

A "work made for hire" is defined under the 1976 Act as either a "work prepared by an employee within the scope of his or her employment" or a work produced by an independent contractor that falls into one of nine specifically enumerated categories, provided that the parties agreed in a written instrument that the work is to be a "work made for hire."\textsuperscript{189}

Because, in many situations, the parties either worked without a written agreement or under agreements which were silent with respect to copyright ownership, the key work in the statute was the word "employee." Prior to the Supreme Court's decision in \textit{Community For Creative Non-Violence v. Reid}\textsuperscript{190} courts had different interpretations of the statute and different definitions for the term "employee." The definition of "employee" was, in essence, dispositive. If the artist or author was considered to be an "employee," he or she would not have any rights in and to the work as a matter of law under Section 101(1) of the Act. If the artist or author were not an

\begin{itemize}
\item \textsuperscript{189} 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 specially ordered or commissioned for use as a contribution to a collective work, as a part of 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. For the purpose of the foregoing sentence, a "supplementary work" is a work prepared for publication as a secondary adjunct to a work by another author for the purpose of introducing, concluding, illustrating, explaining, revising, commenting upon, or assisting in the use of the other work, such as forewords, afterwards, pictorial illustrations, maps, charts, tables, editorial notes, musical arrangements, answer material for tests, bibliographies, appendixes, and indexes, and an "instructional text" is a literary, pictorial, or graphic work prepared for publication and with the purpose of use in systematic instructional activities.
\item \textsuperscript{190} 490 U.S. 730 (1989).
\end{itemize}
“employee,” (and there was not any written instrument transferring any of the rights to the paying party) then all rights would vest with the creative party.

The controlling case in the Second Circuit regarding “employees” under the “works made for hire” doctrine was Aldon Accessories Ltd. v. Speigel, Inc. The Second Circuit held that the dispositive factor was whether or not the party commissioning the work exercised “supervision and control” over the party creating the work. If so, then the party paying for the work was the statutory “author” and, therefore, the beneficiary of the exclusive rights under Section 106 of the 1976 Act. Only a minimal amount of “supervision and control” was required. Because in most situations, the party commissioning a work exercised supervision and control to at least some degree, the copyrights to many, if not most, commissioned works would end up belonging to the paying party. This same “supervision and control standard” was followed by the Seventh Circuit in a computer software case, Evans Newton, Inc. v. Chicago System Software.

In the late 1980s, however, an inter-circuit split of authority developed regarding the definition of “employee.” The Fifth Circuit, in Easter Seal for Crippled Children and Adults of Louisiana, Inc. v. Playboy Enterprises, held that an “employee” for purposes of Section 101 of the Act was one who was the commissioning party’s “servant” or “agent” under the standards enunciated in the Restatement of Agency §220, and not simply one who was supervised and controlled by the paying party. In Easter Seal, the independent contractors—in this case film-makers—were not “employees” and therefore owned the rights to the work in question. The Fifth Circuit’s test was later followed by the D.C. Circuit in Community for Creative Non-Violence v. Reid.

In 1989, the Ninth Circuit developed yet a different standard in Dumas v. Gommerman, a case involving rights

191. 738 F.2d 548 (2d Cir. 1984).
192. 793 F.2d 889 (7th Cir. 1986).
193. 815 F.2d 323, (5th Cir. 1987) (The Easter Seal case dealt with whether an independent film crew or the party paying for the assignment owned the rights to “outtakes” from film footage of Mardi Gras in New Orleans.)
194. See id.
196. 865 F.2d 1093 (9th Cir. 1989).
to artworks created by Patrick Nagel in connection with an advertising campaign. In that case, the Ninth Circuit employed a literal interpretation of the statute and held that "employee" for purposes of the Act was only a "formal salaried employee."

Therefore, prior to the resolution by the Supreme Court, three distinct standards for determining who was an "employee" existed: 1) the "supervision and control standard" followed by the Second and Seventh Circuits; 2) the "agency" test followed by the Fifth Circuit and the D.C. Circuit; and 3) the "formal salaried employee" test followed by the Ninth Circuit.

In deciding Community for Creative Non-Violence v. Reid, the Supreme Court affirmed the agency law approach of the D.C. Circuit in the opinion below and the Fifth Circuit in Easter Seal Society for Crippled Children & Adults, Inc. v. Playboy Enterprise. The Court expressly rejected both the "actual supervision and control" test of Aldon Accessories Ltd. v. Spiegel, and Evans Newton, Inc. v. Chicago Systems Software, and the "formal salaried employee" test of Dumas v. Gommerman.

In reaching its determination under agency law, the court considered the following factors: the skill required; the source of the 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 extent 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 employee benefits; and the tax treatment of the hired party. The case was remanded to the district court for a

198. 815 F.2d 323 (5th Cir. 1987).
199. 738 F.2d 548 (2d Cir. 1984).
200. 793 F.2d 889 (7th Cir. 1986).
201. 865 F.2d 1093 (9th Cir. 1989).
202. See RESTATEMENT (SECOND) OF AGENCY § 220(2) (1984 App.) (setting forth a non-exhaustive list of factors relevant to determining whether a hired party is an employee). No one of these factors is determinative. In subsequent "work made for hire" cases, the factors have been specifically referred to as the "Reid factors."
determination of the "joint works" issue and, after being submitted to mediation, the parties settled.\textsuperscript{203}

It is interesting to note that earlier in the dispute, the Supreme Court had the opportunity to review the issue but denied \textit{certiorari}, thereby exacerbating the problem by delaying the time that it took for resolution. The split was especially confusing with respect to works that were distributed nationwide. If a work is distributed nationwide, personal jurisdiction would probably be proper in any place in which the work is sold.\textsuperscript{204} Therefore, prior to the resolution of the issue by the Supreme Court in \textit{C.C.N.V. v. Reid}, if a work was created by an truly freelance independent contractor pursuant to some direction and control from the paying party, the copyrights to the work would belong to the paying party as a "work made for hire" in the Second and Seventh Circuits, and would belong solely to the independent contractor in the Ninth, Fifth, and D.C. Circuits.

After \textit{C.C.N.V. v. Reid}, under the facts stated above, the rights would belong to the creative parties, in the absence of an agreement to the contrary.

\textsuperscript{203} The district court submitted the case to mediation, which resulted in a consent judgement entered on January 7, 1991, awarding certain rights to each of the parties. CCNV was awarded sole ownership of the physical statue. James Earl Reid was to be the "author." Reid was granted the exclusive right to make three-dimensional reproductions of the statue. Both CCNV and Reid were awarded the right to make two-dimensional reproductions. Reid was forbidden to include the base or the inscription in his reproductions, and CCNV was required to give Reid credit as the sculptor in its reproductions. Each party would be the sole beneficiary of any commercial exploitation of its own reproductions. A later dispute arose when Reid was denied access to the physical statue when he wanted to make reproductions. The court held that Reid had an "implied easement of necessity" in order to make molds of the statue. \textit{See} Copyright L. (CCH) § 26,860 (D.D.C. Oct. 15, 1991). For a discussion of the "works made for hire" doctrine, \textit{see generally}, Marci A. Hamilton, \textit{Commissioned Works as Works Made For Hire Under the 1976 Copyright Act: Misinterpretation and Injustice}, 135 U. Pa. L. Rev. 1281 (1987); Michael B. Landau, "Works Made for Hire" After Community for Creative Non-Violence v. Reid: The Need For Statutory Reform and the Importance of Contracts, 9 CARDOZO ARTS & ENT. L.J. 107 (1990); Robert Penchina, \textit{The Creative Commissioner: Commissioned Works Under the Copyright Act of 1976}, 62 N.Y.U. L. Rev. 373 (1987).

\textsuperscript{204} \textit{See}, e.g., Keeton v. Hustler Magazine, Inc. 465 U.S. 770 (1984) (distribution of magazines into forum state sufficient to satisfy constitutional "due process" jurisdictional concerns). Keeton v. Hustler was actually a defamation case, but it is useful precedent for the proposition that jurisdiction would be proper in any jurisdiction in which the work is sold.
2. Timing and Sufficiency of the Writing Under Section 101(2)

In addition to the previous conflict regarding who is an "employee" for purposes of the "work made for hire" doctrine under section 101(1), another split of authority exists regarding the sufficiency and timing of the writing under section 101(2). In Schiller & Schmidt v. Nordicso Corp., the Seventh Circuit held that in order for a work to be classified as a "work made for hire," the written agreement must be signed prior to the time of creation of the work. The agreement may not be signed as a convenient afterthought to give the commissioning party authorship rights.

However, the issue has recently been considered in other jurisdictions as well. In Magnuson v. Video Yesteryear the Ninth Circuit held that a subsequent writing may indeed satisfy the writing requirement of §204 of the Copyright Act, provided that the writing reflects the true intent of the parties and there is no dispute between the parties as to the terms. The court held, in essence, that it is the meeting of the minds of the parties, and not reduction to writing, that must be contemporaneous.

F. Joint Works

The 1976 Act defines a joint work as one "prepared by two or more authors with the intention that their contributions be merged into inseparable or interdependent parts of a unitary whole." Despite this seemingly straightforward language, there is currently a split between the Second and Seventh Circuits on the one hand and the Third Circuit on the other regarding the requirements necessary for a work to be a "joint work."

In Childress v. Taylor, a case involving a play about the African-American comedienne "Moms Mabley," the Second

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205. 969 F.2d 410 (7th Cir. 1992).
206. 85 F.3d 1424 (9th Cir. 1996).
209. 945 F.2d 500 (2d Cir. 1991).
Circuit held that in order for a work to be a "joint work," two requirements must be met. First, the contributions of each party involved must be "original;" and second, the parties must have intended to be joint authors. The court based its holding that "originality" is required in large part upon Justice O'Connor's holding in *Feist*.

Despite the fact that most cases held that "intent" meant just what the statute said, "intention that their contributions be merged into inseparable or interdependent parts of a unitary whole," the Second Circuit held that it was more "in the spirit of copyright" to require an intent to be joint authors. In *Childress*, because the parties—an actress and a playwright—could not agree on copyright ownership of the play upon which they worked together, the court found that the intent prong was not satisfied; therefore, the resultant work was not a "joint work." By concentrating on the "intent" prong, the court felt that it did not have to address whether the actresses' contributions were independently copyrightable.

*Childress* was followed in a 1998 Second Circuit case, *Thomson v. Larson*, which involved joint authorship claims to the successful, award-winning, Broadway musical, "*RENT*". In *Thomson*, the New York Theatre Workshop ("NYTW"), a non-profit theatre company in the East Village hired Lynn Thomson, a professor of playwriting at NYU, to assist with clarifying the storyline of the musical. Thomson was to be paid the sum of $2,000 "in full consideration of the services to be rendered." Thomson was to "provide dramaturgical assistance and research to the playwright and director" and would also receive billing credit in the show as "Dramaturg." The contract was silent with respect to copyright ownership.

In rejecting Thomson's joint authorship claim, the Second

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210. 147 F.3d. 195 (2d. Cir. 1998).
212. 147 F.3d at 197.
213. See id.
214. See id. (The lack of written agreement also works against any "work made for hire" claim that the Larson estate might have had.)
Circuit held that Larson "never regarded himself as a joint author with Mr. Thomson." Therefore, the Childress intent requirement was not met.\(^{215}\)

In Erickson v. Trinity Theatre, Inc.,\(^{216}\) also involving a playwright and an actress, the Seventh Circuit followed the two-pronged test articulated above in Childress. The court held that the actors were not "joint authors" of the plays, and affirmed the district court's injunction of performances of the plays or displays of videotapes of the plays. It was clear from the facts of the case that the playwright and the actors did not share the "intent" to be joint authors. Regarding the copyrightability of the contributions issue, the court followed the lead articulated by Professor Paul Goldstein\(^{217}\) and followed by the Second Circuit—that the individual contributions of collaborators must themselves be independently copyrightable.

We agree with the Childress court's observation that the copyrightability test "strikes an appropriate balance in the domains of both copyright and contract law." 945 F.2d at 507. Section 201(b) of the Act allows any person to contract with another to create a work and endow the employer with authorship status under the Act. 17 U.S.C. § 201(b). A contributor of uncopyrightable ideas may also protect her rights to compensation under the Act by contract. Section 201(d) of the Act provides in part that any of the exclusive ownership rights comprised in a copyright may be transferred from the person who satisfied the requirements for obtaining the copyright to one who contracts for such rights. 17 U.S.C. § 201(d). Thus, anyone who contributes to the creation of a work either as patron, employer, or contributor of ideas, has the opportunity to share in the profits produced by the work through an appropriate contractual arrangement.\(^{218}\)

The court continues its analysis of the requirement of independent copyrightability:

In order for the plays to be joint works under the Act, Trinity also must show that actors' contributions to Ms.

\(^{215}\) See id. at 202-204. The court did not address whether Mr. Thomson could have a copyright infringement claim against the estate for use of her copyrightable contributions because the issue was not raised before the district sitting below.

\(^{216}\) 13 F.3d 1061 (7th Cir. 1994).

\(^{217}\) It should be noted that the two major treatises on copyright law, authored respectively by Goldstein and Nimmer, take diametrically opposing views regarding the requirements for a joint work.

\(^{218}\) Erickson v. Trinity Theater, 13 F.3d at 1071.
Erickson’s work could have been independently copyrighted. Trinity cannot establish this requirement for any of the above works. The actors, on the whole, could not identify specific contributions that they had made to Ms. Erickson’s works. Even when Michael Osborne was able to do so, the contributions that he identified were not independently copyrightable. Ideas, refinements, and suggestions, standing alone, are not the subjects of copyrights. Consequently, Trinity cannot establish the two necessary elements of the copyrightability test and its claims must fail. Trinity cannot establish joint authorship to the plays at issue.

While the Second Circuit and the Seventh Circuit are in concert regarding the standards for the formation of a “joint work,” other courts have seen the matter differently. The Third Circuit, for example, in Andrien v. Southern Ocean County Chamber of Commerce, rejected the requirement articulated in both Childress and Erickson that each author or collaborator contribute material that is independently copyrightable. The court cited the Nimmer treatise for the proposition that joint authors need not make independently copyrightable contributions.

G. Scope of Protection for Computer Programs

The area of copyright law that has probably caused the most disagreement among the appellate courts is that of the scope of copyright protection for computer programs.

219. Id. at 1072-73.
220. 973 F.2d 132 (3d Cir. 1991).
221. See id. at 136, citing 1 M. Nimmer & D. Nimmer, Nimmer on Copyright 6.07 at 6-18.2 (joint authors need not make independently copyrightable contributions); See also Community for Creative Non-Violence v. Reid, 846 F.2d 1485, 1497 (D.C. Cir. 1998) (dicta), aff’d, 490 U.S. 730 (1989). The fact that the Supreme Court hinted strongly in dicta that the parties in the Reid case were joint authors leads one to believe that the standards articulated in both Childress and Erickson are wrong with respect to intent to be joint owners, yet that is what they ultimately became as a result of mediation after the Supreme Court remanded the case for consideration of that issue.
222. For discussions of the scope of protection for computer programs, see generally, Pamela Samuelson, Randall Davis, et al, A Manifesto Concerning the Legal Protection of Computer Programs, 94 COLUM. L. REV. 2308 (1994); Steven R. Englund, Idea, Process, or Protected Expression?: Determining the Scope of Copyright Protection of the Structure of Computer Programs, 88 MICH. L. REV. 866, 867-73 (1990); Peter S. Menell, An Analysis of the Scope of Copyright Protection for Application Programs, 41 STAN. L. REV. 1045, 1051-57 (1989); Mark T. Kretschmer, Note, Copyright Protection For Software Architecture: Just Say No!, 1988 COLUM. BUS. L. REV. 823, 824-27 (1988); Peter G. Spivack, Does Form Follow Function? The Idea/Expression Dichotomy In Copyright Protection of
Depending upon which circuit one follows, the protection runs from extreme\(^{223}\) to almost non-existent.\(^{224}\) The following are summaries of cases illustrating the different standards articulated by some of the various appellate courts in computer software cases.

In *Whelan Assocs., Inc. v. Jaslow Dental Lab, Inc.*,\(^{225}\) the developer of a custom computer program for dental laboratory record keeping brought a copyright infringement action against another dental lab as a result of the development and use of another program with a similar purpose, yet with different code. The court, as a threshold issue, had to decide whether a program that utilized different code to achieve a similar purpose could legally infringe. It answered in the affirmative, holding that the non-literal elements, such as the structure, sequence, and organization of a program itself, could be protected by copyright.

In determining the proper scope of the protection in light of the idea/expression doctrine,\(^{226}\) the court held that the unprotectible “idea” was “a computerized program for operating a dental laboratory”.\(^{227}\) The protectible expression

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225. 797 F.2d 1222 (3d Cir. 1986).


227. *Whelan*, 797 F.2d at 1238.
was held to be "the particular means chosen" for achieving that purpose. The defendant's program operated in a similar manner and had a similar structure, sequence, and organization of the routines and subroutines in the program, the Third Circuit held that the defendant's program infringed. Whelan's protection is by far the greatest, for it holds that computer programs that do substantially the same thing, albeit with different code, potentially infringe.

In Computer Assoc. Int'l, Inc. v. Altai, Inc., the plaintiff brought an infringement action against a competitor that allegedly had infringed on its "ADAPTER" program. The defendant in the case did have access to the original program, but had created another version in a "clean room," so that the newly developed competing program did not contain any of the plaintiff's code. Therefore, as in Whelan, literal or code infringement was not an issue in the case.

The Second Circuit also held that the non-literal elements of the program were protected. The Second Circuit, however, developed a more thorough test for non-literal infringement than did the Whelan court. The test applied is the "Abstraction-Filtration-Comparison" test. The first step, "Abstraction," deals with separating the "idea" from the "expression." "At the lowest level of abstraction, a computer program may be thought of as a set of individual instructions organized into a hierarchy of modules." At the highest level of abstraction one is left with "nothing but the ultimate function of the program."

The second step, "Filtration," involves filtering out the non-protectible elements from those that are deserving of

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228. Id.
229. The court is almost applying the "doctrinal of equivalents" analysis followed in patent cases at the time. Under the "doctrinal of equivalents," if the accused device "performs substantially the same function in substantially the same way to bring about substantially the same result," it infringes. See Graver Tank & Mfg. Co., Inc. v. Linde Air Products Co., 309 U.S. 605, 607 (1950). Graver Tank has since been clarified by the Supreme Court in Warner-Jenkinson Co v. Hilton Davis Chemical Co., 520 U.S. 17, 117 S.Ct. 1040 (1997).
230. 982 F. 2d 693 (2d Cir. 1992).
231. The ADAPTER program is essentially a translator program that allows the main program to run on computers with different operating systems. See Computer Associates, 982 F.2d at 698.
232. See id. at 705.
233. Id. at 707.
234. Id.
protection. One first looks at the various levels of abstraction to determine which are ideas and which are expression. Ideas are then removed as being unprotectible. The other elements are filtered out, such as "elements dictated by efficiency," "elements dictated by external factors," and "elements taken from the public domain." When all of the unprotectible elements are taken out, then what is left is a "core of protectible expression ... a golden nugget." The court then compares this "golden nugget" to determine whether the defendant copied any aspect of this remaining protectable expression. If the defendant's program is substantially similar to the "golden nugget" of the plaintiff's program, infringement will be found. In this case, the court found that there was no infringement.

It is evident from the mode of analysis described above that it will be much more difficult to prove infringement under the Computer Associates logic than under that of Whelan. The Computer Associates approach, however, has its own flaws. It is well established copyright law that unprotectible elements may be combined in a way that gives protection to the resultant compilation. For example, we can use another area of copyrightable subject matter, namely art, to illustrate the problem. If an artist desires to make a collage entirely from pieces of public domain photographs, the resultant collage is protected. If another artist copies the first artist's collage, she should be seen to infringe. By applying the Computer Associates approach, however, all of the public domain material would have been filtered out, leaving absolutely no "golden nugget" to compare to the defendant's copied work.

In Apple Computer, Inc. v. Microsoft Corp., the plaintiff claimed that the defendant's Graphical User Interface ("GUI") used in Windows infringed the copyright on the GUI from the Macintosh and its predecessor the Lisa computer. For anyone who has seen or used both operating systems, the visual similarities are obvious.

The court first held that many of the elements in question
were covered by an earlier cross-license between Apple and Microsoft. With respect to the other elements, the court applied its own version of dissecting the remaining elements. The court held the use of windows, the use of icons, the manipulation of icons, and the desktop metaphor were merely ideas, and therefore not protectible by copyright. The court also held that many elements of Apple's GUI, such as moving files to the "Trash" instead of hitting a "delete" key, were merely "functional," and also not protected. After eliminating most of the elements as either functional or covered by license, the court held that Apple had a "thin" copyright and could prove infringement only if "the works as a whole were 'virtually identical.'"  

In Lotus Development Corp. v. Borland Int'l, Inc., Lotus alleged that Borland's "Quattro" had infringed the menu structure and hierarchy used by Lotus in its spreadsheet software, Lotus 1-2-3. At the time, the Lotus spreadsheet program was the market leader. When Borland developed Quattro, they wanted their program to be as user friendly as possible. In doing this, they copied "the words and structure of Lotus' menu command hierarchy." Doing so enabled Lotus users to be able to operate Quattro without expending too much training or learning time. None of the underlying computer code was taken. The court examined the Computer Associates "Abstraction-Filtration-Comparison" test and decided that in this case it was "inapplicable" because, in the court's view, the case did not involve "non-literal" copying, but rather the "literal copying of the Lotus menu command hierarchy."  

240. Apple took the position that the license to Microsoft allowed Microsoft to use only the GUI as it appeared in Windows 1.0, not to make changes to future versions that would be more similar to the Macintosh GUI. The judge rejected this argument. See id. at 1440.
241. See id. at 1443-44.
242. Id. at 1444.
243. See id.
244. 49 F.3d 807 (1st Cir. 1995), affirmed by an equally divided court, 516 U.S. 233 (1995); see also, Pamela Samuelson, Computer Programs, User Interfaces and Section 102(b) of the Copyright Act of 1976: A Critique of Lotus v. Paperback, 6 HIGH TECH L. J. 209 (1992).
245. Id. at 810.
246. See id.
247. Id. at 814.
Therefore, the issue before the court was whether or not the menu command hierarchy was "copyrightable subject matter." 248

The court rejected Lotus' claim that the menu structure and hierarchy could be protected by analogizing the commands to "buttons on a VCR." 249

When a Lotus 1-2-3 user chooses a command, either by highlighting it on the screen or by typing its first letter, he or she effectively pushes a button. Highlighting the "Print" command on the screen, or typing the letter "P," is analogous to pressing a VCR button labeled "Play." 250

The court continued, holding that the menu hierarchy is an uncopyrightable "method of operation" under section 102(b) of the Copyright Act, 251 instead of protectible expression. 252 As a "method of operation," Borland was free to build upon it or use it for its own purposes. 253

When the case went to the Supreme Court as Lotus Development Corp. v. Borland Int'l, Inc., 254 many copyright attorneys were anxiously awaiting the decision in order to gain some guidance regarding how the Supreme Court viewed the scope and applicability of computer programs. 255

248. Id. at 813.
249. Id. at 817.
250. Id.
252. See id. at 818.
253. The notion that the hierarchy is a method of operation is troubling for several reasons. First, the First Circuit seems to be second-guessing Congress. In the late 1970's, Congress appointed the Commission on New Technological Uses ("CONTU") to investigate the issue of computer programs and make recommendations to Congress as to how they should be protected. As a result of the CONTU findings, Congress amended the Copyright Act to specifically provide protection for computer programs, and to create exemptions from infringement for certain uses. Section 101 now includes the following definition for "computer programs": "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." 17 U.S.C. § 101 (1996).

Under the analysis of the First Circuit, it appears as though a "computer program," as defined by Congress, would always be a "method of operation." In addition, to use an extreme example, couldn't one argue that musical notation would be a method of operation? The notes on paper tell you which keys to press, which strings to pluck, which holes to cover, etc. How is that different from pressing "P" to tell the computer to print a document?

255. The Supreme Court had been presented with other petitions for certiorari regarding the scope of protection for programs in the past but had denied them. See, e.g., Apple Computer Inc. v. Microsoft Corp., 513 U.S. 1184
Unfortunately, there was still no ultimate resolution of the issue, for the court was divided and affirmed the decision by the First Circuit below in two sentences. The entire opinion from the Supreme Court reads “[t]he judgment of the United States Court of Appeals for the First Circuit is affirmed by an equally divided Court. Justice Stevens took no part in the consideration or decision of this case.”

By affirming the decision below without opinion, the Court left everyone “in the dark” regarding their thinking as to what should and what should not be protected. There is still no real consensus with respect to copyright and computer programs. There is confusion in the industry, and a resultant movement toward attempting to get patent protection for software. Had there been a specialized appellate forum for copyright cases, there would have been some guidance from a single voice years ago.

H. Scope of the Importation Right Under Section 602

The Supreme Court recently decided Quality King Dist. v. L’Anza Research Int’l, and resolved an intercircuit split over whether the right to control unauthorized importation of infringing goods under Section 602 of the Copyright Act is extinguished under Section 109’s “first sale” doctrine. Prior to the Supreme Court’s resolution of the case, an intercircuit split of authority had developed between the Ninth Circuit and the Third Circuit. The Ninth Circuit, in L’Anza Research Int’l, held that the first sale doctrine only applied to sales that were made in the United States. In L’Anza Research Int’l, because the sale occurred outside of the country, the copyright holder had the right to prevent importation. In contrast, the Third Circuit, in Sebastian Int’l, Inc. v. Consumer Contacts, Ltd., held that the first sale doctrine does extinguish the right to prevent importation, and the country of the first sale is not relevant to the inquiry.

In March of 1998, the Supreme Court reversed the Ninth Circuit’s decision and followed the logic of Sebastian, holding that the first sale applies to all sales, even importation:

257. See id.
259. 847 F.2d 1093 (3d Cir. 1988).
After the first sale of a copyrighted item "lawfully made under this title," any subsequent purchaser, whether from a domestic or from a foreign reseller, is obviously an "owner" of that item. Read literally, § 109(a) unambiguously states that such an owner "is entitled, without the authority of the copyright owner, to sell" that item. Moreover, since § 602(a) merely provides that unauthorized importation is an infringement of an exclusive right "under section 106," and since that limited right does not encompass resales by lawful owners, the literal text of § 602(a) is simply inapplicable to both domestic and foreign owners of L'anza's products who decide to import them and resell them in the United States. 260

The Supreme Court goes on to discuss the interdependence of the Copyright Act's provisions and the intentions of Congress regarding fair use interpretations:

Of even greater importance is the fact that the § 106 rights are subject not only to the first sale defense in § 109(a), but also to all of the other provisions of "sections 107 through 120." If § 602(a) functioned independently, none of those sections would limit its coverage. For example, the "fair use" defense embodied in § 107 would be unavailable to importers if § 602(a) created a separate right not subject to the limitations on the § 106(3) distribution right. Under L'anza's interpretation of the Act, it presumably would be unlawful for a distributor to import copies of a British newspaper that contained a book review quoting excerpts from an American novel protected by a United States copyright. Given the importance of the fair use defense to publishers of scholarly works, as well as to publishers of periodicals, it is difficult to believe that Congress intended to impose an absolute ban on the importation of all such works containing any copying of material protected by a United States copyright. 261

I. Right to a Jury Trial in Cases Involving Statutory Damages

On September 29, 1998, the Supreme Court decided in Feltner v. Columbia Pictures Television, Inc. 262 that section 504(c) permits or requires a jury trial in actions for statutory damages for copyright infringement. The Ninth Circuit below in Columbia Pictures Television v. Krypton Broadcasting of Birmingham 263 held that there was no right to a jury trial in a copyright infringement action on the issue of statutory

261. Id. at 1133.
263. 106 F.3d 284 (9th Cir. 1997).
damages. In contrast, however, the Eighth Circuit, in *Cass County Music Co. v. C.H.L.R., Inc.*, 264 and in *Gnossos Music v. Mitken, Inc.* 265 had held that the Seventh Amendment of the U.S. Constitution requires a jury trial on the issue of statutory damages. The dispute centered around the following language in Section 504(c): If statutory damages have been elected and defendant is found to have infringed, damages are to be awarded "in a sum of not less than $500 or more than $20,000 as the court considers just." Regarding increased damages for willful infringement, "if the court finds that infringement was committed willfully, the court in its discretion may increase the award of statutory damages to a sum of not more than $100,000." Some courts viewed the language referring to the court as requiring the entire issue of statutory damages to be for the bench. Others interpreted the section as allowing the jury to determine the initial amount of statutory damages, which the judge, in his or her discretion, could raise in cases of willfulness.

On March 31, 1998, in a decision by Justice Thomas, the Supreme Court reversed the Ninth Circuit. The Court held that despite the fact the Copyright Act itself does not expressly grant the right to have a jury assess statutory damages, the Seventh Amendment of the United States Constitution provides a plaintiff with the right to a jury trial on all issues pertinent to award of statutory damages in copyright infringement action, including the actual amount of statutory damages itself.

The Court arrived at this holding despite the fact that the statutory section that covers statutory damages, section 504(c) 266 specifically uses the word "the court." In fact, the Court admitted that "[t]he word 'court' in this context appears to mean judge, not jury .... In fact, the other remedies provisions of the Copyright Act use the term 'court' in contexts generally thought to confer authority on a judge, rather than a jury." 267 Justice Thomas noted that the

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264. 88 F.3d 635 (8th Cir. 1996).
265. 653 F.2d 117 (4th Cir. 1991).
267. See, e.g., § 502 ("... court ... may ... grant temporary and final injunctions"); § 503(a) ("the court may order the impounding ... of all copies of phonorecords"); § 505 ("the court in its discretion may allow the full recovery of full costs" of litigation and "the court may award a reasonable attorney's fee").
provision regarding actual damages and the infringer's profits does not mention the word "court." Notwithstanding the lack of express statutory authority, the Court determined that, owing to the legal and not equitable nature of damages in a copyright case, the Seventh Amendment dictated that the jury determine all damages, actual or statutory.\textsuperscript{268}

This is a strange interpretation. In most cases, issues related to infringement and actual damages were tried to the jury. If the plaintiff elected to be awarded statutory damages, then after the jury had determined there was infringement, the judge would assess damages, "as the court considers just."\textsuperscript{269} Allowing a jury to determine statutory damages will add more unpredictability to an already uncertain area of the law, especially because statutory damages do not require any proof of actual market harm. This will undoubtedly increase the hazards faced by defendants forced to litigate in the home jurisdictions of those who believe that their copyrights have been infringed, and who are able to assume the mantle of the "little guy" going up against the "corporate monolith."

J. Attorneys' Fees

Prior to the resolution of the issue by the Supreme Court in 1994, the Circuit Courts were split regarding the award of attorneys' fees to prevailing defendants. Section 505 of the Copyright Act of 1976, states that "In any civil action under this title, the court in its discretion may allow the recovery of full costs by or against any party . . . . [T]he court may also award a reasonable attorney's fee to the prevailing party as part of the costs."\textsuperscript{270} (emphasis added). The plain language of the statute does not distinguish between prevailing plaintiffs and prevailing defendants.

Cases in the Court of Appeals for the Ninth Circuit have established a finding of bad faith as a prerequisite for a grant of fees.\textsuperscript{271} Most recently, the Ninth Circuit in \textit{Fantasy, Inc. v.}

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\item \textsuperscript{17} U. S. C. §§ 502, 503, 505 (1996).
\item \textsuperscript{268} See \textit{Feltner}, 118 S.Ct. at 1288.
\item \textsuperscript{269} 18 U.S.C. § 504(c) (1996).
\item \textsuperscript{270} 17 U.S.C. § 505 (1996).
\item \textsuperscript{271} See, e.g., \textit{Cooling Systems and Flexibles, Inc. v. Stuart Radiator, Inc.}, 777 F.2d 485, 493 (9th Cir. 1985); \textit{Jartech, Inc. v. Clancy}, 666 F.2d 403, 407 (9th Cir. 1982).
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Fogerty,\textsuperscript{272} maintained this “bad faith” standard.

The Court of Appeals for the Eleventh Circuit took a less restrictive position. In \textit{Original Appalachian Artworks, Inc. v. Toy Loft, Inc.},\textsuperscript{273} the court concluded that “a showing of bad faith or frivolity” was not required for an award. The “only preconditions . . . [are] that the party receiving the fee be the ‘prevailing party’ and that the fee be reasonable.”\textsuperscript{274}

The decisions of other courts of appeals fell somewhere between these two extremes. In \textit{Eisenschiml v. Fawcett Publications, Inc.},\textsuperscript{275} the Seventh Circuit reversed an award in favor of the defendant where the plaintiff had presented “a very close question.” More recently that court found no abuse of discretion in a fee assessment where “there was abundant evidence that the infringement was willful.”\textsuperscript{276} The Third Circuit took an “even handed” approach, and awarded fees to both prevailing plaintiffs and defendants.\textsuperscript{277}

The Court of Appeals for the Second Circuit shifted its standards over the years. In \textit{Edward B. Marks Music Corp. v. Continental Record Co.},\textsuperscript{278} that court denied fees to a defendant, noting that the litigation “was not vexatious but involved a novel question of statutory interpretation.” The court also found “no basis for questioning the good faith of the plaintiff.”\textsuperscript{279} A divided panel affirmed an imposition of fees in \textit{Mailer v. RKO Teleradio Pictures, Inc.},\textsuperscript{280} where the district court had found that although the plaintiff technically “had a legal argument,” his claim was “unreasonable” and the court questioned whether it “was good as a matter of conscience.” The Second Circuit adopted a double standard in \textit{Diamond v. Am-Law Publishing Corp.},\textsuperscript{281} deciding that prevailing plaintiffs generally should receive attorney’s fees, but a defendant should recover only if the plaintiffs claims are “objectively

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\item \textsuperscript{272} 984 F.2d 1524 (9th Cir. 1993).
\item \textsuperscript{273} 684 F.2d 821, 832 (11th Cir. 1982).
\item \textsuperscript{274} \textit{id.} at 832.
\item \textsuperscript{275} 246 F.2d 598, 604 (7th Cir. 1957).
\item \textsuperscript{276} Taylor v. Meirick, 712 F.2d 1112, 1122 (7th Cir. 1983).
\item \textsuperscript{277} \textit{See, e.g.}, Lieb v. Topstone Ind., 788 F.2d 151 (3d Cir. 1986).
\item \textsuperscript{278} 222 F.2d 488, 493 (2d Cir. 1955).
\item \textsuperscript{279} \textit{id.}
\item \textsuperscript{280} 332 F.2d 747, 749 (2d Cir. 1964).
\item \textsuperscript{281} 745 F.2d 142 (2d Cir. 1984).
\end{itemize}
without arguable merit." Subjective bad faith as a prerequisite was held to be unnecessary. The court based its newly found need for differentiation on a public policy to discourage infringement and to encourage plaintiffs to press "colorable" copyright claims. The Second Circuit maintained this "double standard" approach, granting fees to prevailing defendants only if "plaintiff's claims were objectively without arguable merit or baseless, frivolous, or brought in bad faith."

The Supreme Court resolved the issue in *Fogerty, Inc. v. Fantasy,* and followed the party-neutral approach set forth by the Third Circuit in *Leib v. Topstone.*

### III

**The Court Of Appeals for the Federal Circuit as a Model of a Specialized Intellectual Property Appellate Court.**

A model for a specialized appellate forum for the resolution of copyright disputes may be based upon the Court of Appeals for the Federal Circuit (hereinafter "Federal Circuit"), which now hears all patent appeals, regardless of the district court in which the dispute originated. Whether a case was filed in the Northern District of Georgia or the Central District of California, it is adjudicated by the Federal Circuit on appeal.

The Federal Circuit was created pursuant to the Federal Courts Improvement Act of 1982 ("FCIA"), by combining the Court of Customs and Patent Appeals ("C.C.P.A") and the Courts of Claims. The Federal Circuit now hears all patent appeals, both from the regional district courts and from the

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282. *Id.* at 148.
283. To the same effect, see *Grosset & Dunlap, Inc. v. Gulf & Western Corp.*, 534 F. Supp. 606 (S.D.N.Y. 1982).
286. 788 F.2d 151 (3d Cir. 1986)
SPECIALIZED COPYRIGHT COURT

United States Patent and Trademark Office ("PTO"). This ameliorated the problem commented upon by the Supreme Court in *Graham v. John Deere Co.*, 288 in which the Supreme Court noted, "[w]e have observed a notorious difference between the standards applied by the Patent Office and by the courts."289

By being the single appellate forum with judges knowledgeable in one specific substantive area of the law, the Federal Circuit resolved many of the earlier splits and helped to solidify and clarify the much disagreed upon and complicated area of patent law. Shortly after the formation of the Federal Circuit, many of the early patent jury trial verdicts were reversed and remanded back to the district courts, 290 as exemplified by four cases decided in 1984 by the newly created court.

The consistency and predictability of the Federal Circuit has made patent jury trials possible and worthwhile. Before the formation of the Federal Circuit, the regional circuit courts were extremely divergent in their attitudes toward upholding the validity of patents. For example, in the 1940s and 1950s, the Fifth Circuit upheld patents as valid and infringed twice as often as the Seventh Circuit, and eight times more often than the Second Circuit.291 "It was no wonder that forum shopping was rampant, and that a request to transfer a patent action from Texas, in the Fifth Circuit, to Illinois, in the Seventh Circuit would be bitterly fought in both circuits, and ultimately in the Supreme Court."292

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289. Most appeals from the PTO are related to either patentability or priority of ownership. The Federal Circuit also has exclusive jurisdiction over trademark appeals from the PTO (28 U.S.C. § 1295 (a)(1)), appeals from final decisions of the Court of International Trade, and final orders for the International Trade Commission ("USITC") (28 U.S.C. § 1295(a)(5)-(6) and other cases).
291. Dreyfus, supra note 287, at 7 (citing Cooch, *The Standard of Invention in the Courts* in DYNAMICS OF THE PATENT SYSTEM 34, 56-59 (1960)).
disparity of standards among circuits and the resultant uncertainty made it effectively "impossible to adequately counsel technology users or developers." Now, the substantive patent law issues are determined solely by the Federal Circuit.

The strong lead of the Federal Circuit has also enabled district courts to apply the law more evenly and "correctly", and contributed to the increase in jury trials. The parties can predict the law that will be applied by the court, so there is less need to rely on the appellate process to make certain that the law is correctly applied. This can be seen in the declining reversal rate of district court decisions by the Federal Circuit. Statistics available from the Administrative Office of the United States Courts indicate that in 1985 only 44% of all appeals were affirmed. By 1987, the Federal Circuit affirmed 74% of all district court decisions before it. In 1988, this figure increased to 78%. During 1989 and 1990, the Federal Circuit affirmed 79% of all district court decisions. In 1990 and 1991, the percentage of cases affirmed decreased a bit. But, the reversal rate is still significantly lower than it was prior to the creation of the Federal Circuit. As legal standards became more certain and predictable, plaintiffs have become more willing to trust their cases to jury verdicts.

The advantage of having one forum decide all substantive issues in patent appeals is readily apparent. It became

permits transfer in the interest of justice, to district that lacked jurisdiction, even though he was willing to waive the objection.)

293. Id. at 7.


300. Some of the benefits of the specialized court, according to Professor Dreyfus, are precision, accuracy, sensitivity to policy, synthesis, and efficiency.
possible, over time, to have a uniform body of patent precedent develop, and the Federal Circuit moved quickly to bring cohesiveness to the patent law.\textsuperscript{301} For example, in its early years, the Federal Circuit clarified the requirements for finding "anticipation"\textsuperscript{302} by requiring that every element of the claimed invention be described in a single prior art reference.\textsuperscript{303} The Federal Circuit has also clarified the requirements for proving "obviousness" under section 103, by placing additional emphasis on objective indicia or secondary considerations, such as commercial success, failure by others, evidence of copying and the willingness of others to take licenses.\textsuperscript{304} In addition, the Federal Circuit has, over

Dreyfus, \textit{supra} note 287, at 8-25.

301. It should be noted that nothing is perfect. There have been patent law doctrines, such as the "doctrine of equivalents" that have caused some disagreement within the Federal Circuit itself. For example, it took the Supreme Court to resolve whether under the "doctrine of equivalents" infringement can be found if the accused device as a whole "performs substantially the same function in substantially the same way to bring about substantially the same result," Perkin-Elmer Corp. v. Computervision Corp., 732 F.2d 888 (Fed. Cir. 1984); \textit{see also}, Perkin-Elmer Corp. v. Westinghouse Electric Corp., 822 F. 2d 1528 (Fed. Cir. 1987), or if there must be identity or equivalence found with respect to each element in the claim of the patent at issue. See Pennwalt Corporation v. Durand-Wayland, Inc. 833 F.2d 931 (Fed. Cir. 1987). The Supreme Court, in Warner-Jenkinson Co., v. Hilton Davis Chemical Co., 117 S.Ct. 1040 (1997) affirmed the "element-by-element" standard. In addition, the Supreme Court was called upon to determine whether claim construction was solely for the district court judge, or was within the province of the trial jury. In \textit{Markman v. Westview Instruments, Inc.}, 517 U.S. 370 (1996), the Court held that claim construction, an issue of law, was exclusively for the judge, and that construction by the jury was reversible error. In \textit{Pfaff v. Wells Electronics, Inc.}, U.S., 119 E. Ct. 304 (1998), the Supreme Court settled the issue of when an invention has been placed "on sale" for purposes of section 102(b) of the Patent Act (35 U.S.C. § 102(b)). The Court held that there did not have to be a physical reduction to practice to trigger the "on-sale bar." Drawings and descriptions of the invention that were sufficiently specific to enable a person skilled in the art to practice the invention satisfied the statutory provision.

302. 35 U.S.C. §§ 102(a)-(g).

303. \textit{See}, e.g., Studiengesellschaft Kohle mbh v. Dart Indus., Inc., 726 F.2d, 724 (Fed. Cir. 1984); Connell v. Sears, Roebuck & Co., 722 F.2d 1542, 1548 (Fed. Cir. 1983). Prior to the formation of the Federal Circuit, it was held that there could still be anticipation, with less than complete identity in the prior art, if someone with skill could fill in the gap. \textit{See}, e.g., Amphenol Corp. v. General Time Corp., 397 F.2d 431, 438 (7th Cir. 1968).

time, clarified the types of patentable subject matter under section 101 to include living organisms, computer programs, and business methods. The statutory bars set forth in section 102 have been given more definitive interpretations, including the scope of the “on sale bar,” and when a use is for strictly experimental purposes. The court has also set forth clearly the standards necessary to prove “inequitable conduct” (formerly referred to as “fraud upon the Patent Office”) on the part of the patent holder.

As a result of a coherent body of precedent established by the Federal Circuit, forum shopping has been reduced dramatically. It is now based upon convenience, as opposed to being based upon preferential substantive treatment. It should also be noted that researching and writing a brief in a

(Fed. Cir. 1987).


306. See, e.g., State Street Bank & Trust Co. v. Signature Financial Group, Inc., 149 F.3d 1368 (Fed. Cir. 1998), In re Alappat, 33 F.3d 1526 (Fed. Cir. 1994); In re Beauregard, 53 F.3d 1583 (Fed. Cir. 1995)

307. See State Street Bank, 149 F.3d at 1368.

308. 35 U.S.C. §§ 102(a) - (g) (1996).

309. See 3D Systems, Inc. v. Aarotech Laboratories, Inc., 160 F.3d 1373 (Fed. Cir. 1998) (an “offer to sell” under Section 271 is not treated as equivalent to “on sale” under Section 102(b)); C.R. Bard, Inc. v. M3 Systems, Inc. 157 F. 3d 1340 (Fed. Cir. 1998) (“anticipation” bar to patentability does not arise from the sale of one’s own invention).

310. See, e.g., TP Laboratories, Inc. v. Professional Positioners, Inc. 724 F.2d 965 (Fed. Cir. 1984); Lough v. Brunswick Corp., 86 F.3d. 1113 (Fed. Cir. 1996) (citing TP Laboratories).


312. See Remarks of Hon. Helen Wilson Nels, Chief Judge, United States Court of Appeals for the Federal Circuit, Federal Circuit Bar Association and American Bar Association Tenth Anniversary Celebration of the United States Court of Appeals for the Federal Circuit, 2 FED. CIR. BAR J. 297, 301 (1992). There may also be some minor forum shopping based upon whether or not it is perceived that certain district courts may be more favorable with respect to fees or interest rates on prejudgement interest.
patent infringement litigation is now straightforward; one cites to Federal Circuit precedent, for it is binding on all district courts with respect to patent law substantive issues.

In addition, because there are no longer any inter-circuit splits of authority, very few patent cases go to the Supreme Court. The few that have in the last several years have resolved an inherent statutory ambiguity, \(^{313}\) the scope of federal preemption, \(^{314}\) whether claim construction was an issue for the judge or jury, \(^{315}\) a clarification of the judicially created “doctrine of equivalents,” \(^{316}\) and whether an invention must be physically “reduced to practice” in order to trigger the “on-sale bar.” \(^{317}\) When one searches for the subsequent history of patent cases, one is faced with a sea of cert. denied citations.

The small number of patent cases that the Supreme Court accepts also says that the Court gives its imprimatur to

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315. See Markman v. Westview Instruments, Inc., 517 U.S. 370 (1996) (holding that claim construction is an issue for the judge and is reviewable de novo on appeal).


the Federal Circuit, and its approval to the single appellate system. The Supreme Court, by routinely refusing to grant certiorari is, in essence, saying to the Federal Circuit, "you decide the cases; we trust your judgment."

The Federal Circuit's authority and resultant consistency have also promoted the use of jury trials. The Federal Circuit has made it clear that the statutory presumption of validity of an issued patent,318 once readily discarded by district courts, now rules the day: "The presumption is never annihilated, destroyed, or even weakened," regardless of what facts are of record.319

The Federal Circuit has also provided guidance with respect to the proper burdens that must be met by the respective parties in infringement litigation. All parties who challenge the validity of a patent, whether on grounds of "anticipation," "obviousness," or Section 112 grounds, such as "best mode" or "enablement,"320 must prove invalidity by "clear and convincing evidence."321 Parties attempting to invalidate a patent must also prove invalidity with respect to each claim.322 Finding only one claim invalid does not "knock-out" the entire patent. The Federal Circuit has gone so far as to say that "claims should be so construed, if possible, as to sustain their validity."323

A party attempting to render a patent unenforceable due to inequitable conduct also has the burden of proof by "clear

319. ACS Hospital Systems, Inc. v. Montefiore Hospital, 732 F.2d 1572, 1574-75 (Fed. Cir. 1984); See also Lindemann Maschinenfabrik GmbH v. American Hoist & Derrick Co., 730 F. 2d 1452, 1459 (Fed. Cir. 1984) (presumption of validity cannot "vanish"). A disapproved instruction in Park Rubber erroneously told the jury that under certain circumstance, "the presumption of validity disappears." Park Rubber, 749 F.2d at 722. This was an all too common approach in district courts before the influence of the Federal Circuit was felt.
321. Jones v. Hardy, 727 F. 2d 1524, 1528 (Fed. Cir. 1984); Alco Standard Corp. v. Tennessee Valley Authority, 808 F.2d 1490 (Fed. Cir. 1986) (citing Jones); National Presto Industries v. West Bend Co., 76 F. 3d 1185 (Fed. Cir. 1996); Rockwell International Corp. v. United States, 147 F.3d 1358 (Fed. Cir. 1998).
322. 35 U.S.C. § 282; See also Jones, 727 F.2d at 1528
and convincing evidence.\textsuperscript{324} The burden of proving inequitable conduct has increased dramatically in recent years, as will be discussed later.\textsuperscript{325} The Federal Circuit has also raised the level of deference owed to the patent examiners in determining validity;\textsuperscript{326} however, the burden on patent holders to prove infringement is only by a preponderance of the evidence. The above actions have led many to believe that the Federal Circuit is pro-patentee.

The clarifications in the law and the pro-patentee environment has led to an increase in patent cases brought in recent years.\textsuperscript{327} Parties with strong patents and a knowledge that there is a uniform body of law, not one that varies from circuit to circuit, are more encouraged to go after alleged infringers. The Federal Circuit has actually created a legal atmosphere that encourages the enforcement of intellectual property rights.\textsuperscript{328} In addition, a strong body of uniform law has led to a decrease in the number of appeals from jury trials.\textsuperscript{329}

As one commentator noted discussing the success of the Federal Circuit on its tenth anniversary:

It is a model that can be studied and perhaps adapted to other fields to ward off the Tower of Babel effect, the growing threat to doctrinal coherence posed by ever increasing appellate caseloads and judgeships. This court takes the concept of appellate subject matter organization out of the realm of pure theory by providing a living, functioning example of the concept in operation. It is a concept that I believe will play an important part in the future design of the judiciary . . . The Federal Circuit is not just another appellate court. It is a bright new star in the

\textsuperscript{325} See Northern Telecom, Inc. v. Datapoint Corp., 908 F.2d 931, 939 (Fed. Cir. 1990).
\textsuperscript{326} See American Hoist & Derrick Co. v. Sowa & Sons, Inc., 725 F.2d 1350, 1359-60 (Fed. Cir. 1984).
\textsuperscript{327} This is seen in the increase of the Federal Circuit's docket in its earlier years. The Federal Circuit heard 18,502 appeals in 1987, 19,178 appeals in 1988, 19,332 appeals in 1989, and 21,161 appeals in 1990. See authorities cited supra notes 104-108. These statistics include appeals in all of the cases heard by the Federal Circuit, not just patent cases.
\textsuperscript{328} A study of all Federal Circuit damage awards during the first ten years of the court confirmed that the Federal Circuit was, indeed pro-patentee at that time. The author predicts a trend, however, toward's the court being somewhat less pro-patentee in the future. See Jarosz, supra note 299.
\textsuperscript{329} See id. at. 30 (note table accompanying text).
judicial firmament. It has a significance and potential influence in the American legal order well beyond the management of its own immediate business. It is the potential source of inspiration for creative judicial architects for the future.  

Although a specialized court is not perfect, as illustrated by the handful of Supreme Court decisions in the last decade which have either clarified or reconciled certain Federal Circuit panel decisions, it is infinitely preferable to the current system of major disagreement — often polar disagreement — among the circuits on almost every copyright related issue. Copyright Law would benefit immensely from having cases decided by a tribunal comprised of judges experienced in the subject matter, and the consequent formation of a coherent body of law. Copyright Law would also benefit from having a single forum decide appeals from the Copyright Office. This would eliminate the problem of one jurisdiction — in a case appealing a decision from the Copyright Office — holding that the subject matter in question is sufficiently “original”, and another jurisdiction, in an infringement action, holding that the subject matter lacks “originality.” A single appellate forum for all actions would promote the goals of consistency, efficiency, and most important, guidance and predictability.


The need for a specialized court for copyright matters is supported by provisions of the newly passed "Fairness in Music Licensing Act," contained in Title II of Pub. L. No 105-298.\(^{332}\) The Fairness in Music Licensing Act created a provisions for "determining reasonable license fees for individual proprietors."\(^ {333}\) Under Section 512, if an individual business proprietor claims that a performing rights society's (e.g. ASCAP, BMI, SESAC) rates are unreasonable, the proprietor may initiate a proceeding for a determination of a reasonable license rate. Jurisdiction will lie in "the judicial district of a district court with jurisdiction over the applicable consent decree"\(^ {334}\) or in the seat of that place of holding court of a district court that is the seat of the Federal circuit (other than the Court of Appeals for the Federal Circuit) in which the proprietor's establishment is located.\(^ {335}\) The choice of court is at the proprietor's "election."\(^ {336}\) Pursuant to the new Section 512(3) "such proceeding shall be held before the judge of the court with jurisdiction over the consent decree governing the performing rights society. At the discretion of the court, the proceeding shall be held before a special master or magistrate judge appointed by such judge. Should that consent decree provide for the appointment of an advisor or advisors to the court for any purpose, any such advisor shall be the special master so named by the court." Under the statute, there will be only one district court in each circuit that can hear cases. All of the proceedings, however, regardless of location, or whether heard by the judge of the court with jurisdiction over the consent decree or an


333. See 17 U.S.C § 512 (1998). It should be noted that the Digital Millennium Copyright Act (Pub. L. No 105-300) enacted within one day of Pub. L. No 105-298, also created a new section 512 of the Copyright Act, called "Limitations on liability relating to material online." (17 U.S.C. § 512). Evidently, Congress did not cross-check between Bills to notice numbering errors. At the time that this article was written, no action had been taken to change the nomenclature of the new provisions.

334. The Southern District of New York currently has jurisdiction of a consent decree regarding the performance rights societies.


336. See id.
appointed special master or magistrate judge, will be under
the discretion and ultimate approval of what is in essence, a
"rate court" judge in the jurisdiction over the consent decree,
currently the Southern District of New York. By creating this
scheme, Congress is saying, albeit in a limited way, that there
should be some consistency and more centralized handling of
copyright matters. It's a step in the right direction.

IV
Conclusion

For too long now, the U.S. copyright-oriented industries
have been subjected to actions brought by plaintiff's counsel
(who, in many cases, appear to have little or no experience in
copyright matters) before judges who have similarly skimpy
experience in this area of the law. Copyright should, insofar
as possible, be uniform throughout the country. However,
there is no escaping the specter of the "home court
advantage" available to a plaintiff who can catch an allegedly
infringing defendant in the plaintiff's own district, or the
advantage given to a plaintiff who files in a "friendly"
jurisdiction. Given the national distribution patterns which
prevail, as well as the growth of the Internet, obtaining local
jurisdiction is rarely a problem. As we have seen, there is a
tremendous disparity between the circuits in all manner of
copyright cases. Add to this the factors of contingent fees and
the continuing reluctance of courts to award successful fees
and/or Rule 11 sanctions to successful defendants, and you
have a mix which is calculated to give in-house counsel
nightmares. We believe that fairness and efficiency warrant
the creation of a special copyright court. Ideally, this should
be established at the trial level as well as the appellate level,
to achieve the truly national treatment which copyright
deserves. At the very least, however, a specialized copyright
appellate forum is essential.