

THE VALUE OF THE COPYRIGHT CLAUSE IN CONSTRUCTION OF COPYRIGHT LAW*

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The present law in the United States governing copyright is essentially that enacted when Congress consolidated all federal copyright statutes in 1909.¹ Largely because of unanticipated developments,²

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1. The 1909 Act provides: "Any person entitled thereto, upon complying with the provisions of this title, shall have the exclusive right:

- (a) To print, reprint, publish, copy, and vend the copyrighted work;
- (b) To translate the copyrighted work into other languages or dialects, or make any other version thereof, if it be a literary work; to dramatize it if it be a nondramatic work; to convert it into a novel or other nondramatic work if it be a drama; to arrange or adapt it if it be a musical work; to complete, execute, and finish it if it be a model or design for a work of art;
- (c) To deliver, authorize the delivery of, read, or present the copyrighted work in public for profit if it be a lecture, sermon, address or similar production, or other nondramatic literary work; to make or procure the making of any transcription or record thereof by or from which, in whole or in part, it may in any manner or by any method be exhibited, delivered, presented, produced, or reproduced; and to play or perform it in public for profit, and to exhibit, represent, produce, or reproduce it in any manner or by any method whatsoever. . . .
- (d) To perform or represent the copyrighted work publicly if it be a drama or, if it be a dramatic work and not reproduced in copies for sale, to vend any manuscript or any record whatsoever thereof; to make or to procure the making of any transcription or record thereof by or from which, in whole or in part, it may in any manner or by any method be exhibited, performed, represented, produced, or reproduced; and to exhibit, perform, represent, produce, or reproduce it in any manner or by any method whatsoever; and
- (e) To perform the copyrighted work publicly for profit if it be a musical composition; and for the purpose of public performance for profit, and for the purposes set forth in subsection (a) hereof, to make any arrangement or setting of it or of the melody of it in any system of notation or any form of record in which the thought of an author may be recorded and from which it may be read or reproduced. . . .

. . . .
(f) To reproduce and distribute to the public by sale or other transfer of ownership, or by rental, lease, or lending, reproductions of the copyrighted work if it be a sound recording . . . " 17 U.S.C.A. § 1 (1952), *as amended* (Supp. 1974).

2. Section 5 of the Copyright Act of 1909 provided a list of 11 categories of pro-

complete revision of copyright law has been under study by Congress since 1955, but legislative proposals have not yet been enacted into law.³ Typical of the history of such legislation is the most recent bill proposing general revision of copyright law, Senate bill 1361.⁴ To date it has passed the Senate, but its future in the House is uncertain.⁵ As a result of congressional failure to keep copyright law abreast of developments in communication technology, courts have been required in an increasing number of recent cases to apply the old law to these new developments for which there is no express provision. In order to shape remedies to new and unique legal problems by reference to established principles of law a court may apply the Copyright Act to:

new situations not anticipated by Congress, if, fairly construed, such situations come within its intent and meaning. . . . While statutes should not be stretched to apply to new situations not fairly within their scope, they should not be so narrowly construed as to permit their evasion because of changing habits due to new inventions and discoveries.⁶

Because the normal jurisprudential tools such as the words of an

tected works. In 1912 protection was extended to motion pictures, and in 1971 sound recordings were included. For general history of section 5, see *Goldstein v. California*, 412 U.S. 546, 562-63 n.17 (1972).

It currently provides: "The application for registration shall specify to which of the following classes the work in which copyright is claimed belongs:

- (a) Books, including composite and cyclopedic works, directories, gazetteers, and other compilations.
- (b) Periodicals, including newspapers.
- (c) Lectures, sermons, addresses (prepared for oral delivery).
- (d) Dramatic or dramatico-musical compositions.
- (e) Musical compositions.
- (f) Maps.
- (g) Works of art; models or designs for works of art.
- (h) Reproductions of a work of art.
- (i) Drawings or plastic works of a scientific or technical character.
- (j) Photographs.
- (k) Prints and pictorial illustrations including prints or labels used for articles of merchandise.
- (l) Motion-picture photoplays.
- (m) Motion pictures other than photoplays.
- (n) Sound recordings.

"The above specifications shall not be held to limit the subject matter of copyright as defined in section 4 of this title, nor shall any error in classification invalidate or impair the copyright protection secured under this title." 17 U.S.C.A. § 5 (1952), *as amended* (Supp. 1974).

3. See S. REP. No. 93-983, 93d Cong., 2d Sess. 101 (1974).

4. S. 1361, 93d Cong., 2d Sess. (1974).

5. For some of the history of attempts to revise the 1909 Act, see *Fortnightly Corp. v. United Artists Television, Inc.*, 392 U.S. 390, 396 n.17 (1968).

6. *Jerome H. Remick & Co. v. American Automobile Accessories Co.*, 5 F.2d 411 6th Cir., *cert. denied*, 269 U.S. 556 (1925),

act, legislative history, and precedent are only minimally helpful,⁷ this note will suggest that rules are needed to guide the courts in applying the body of copyright law to disputes arising out of the continuing flow of unanticipated developments. For illustrative purposes, three recent unanticipated developments will be reviewed: (1) taping of phonograph albums, (2) interception by community antenna television (CATV) of broadcasts by licensed stations of copyrighted motion pictures, and (3) photocopying of articles in copyrighted medical journals. It will be shown that current judicial analysis is inconsistent from case to case, and that results in a given factual situation are therefore unpredictable.⁸

Further, this note will draw attention to the value of the copyright clause in construction of copyright law.⁹ The language of the copyright clause implies standards to guide courts applying copyright law to new technological developments where no express legislative provision indicates congressional intent in the matter. A set of rules of construction will be proposed and applied to the three illustrative situations reviewed in this note, and the advantages they offer over the various methods of analysis currently used by the courts will be pointed out.

The Current Need for Guidelines

There is currently no way to predict what standards the courts will use in analyzing a given unanticipated development. The Court in *Goldstein v. California*¹⁰ considered whether the Constitution's grant of legislative power to Congress implied that the 1909 Act occupied the field, and its decision hinged on whether copyright protection of sound recordings is necessarily a matter of national import. In *Fortnightly Corp. v. United Artist Television, Inc.*¹¹ and *Teleprompter Corp. v. Columbia Broadcasting System, Inc.*¹² the focus for applying established law was on analogy—whether CATV has more in common

7. See *Fortnightly Corp. v. United Artists Television, Inc.*, 392 U.S. 390, 403 (1968) (Fortas, J., dissenting).

8. These developments have been treated individually in previous articles, e.g., Note, *Copyright Protection of Sound Recordings*, 23 DRAKE L. REV. 449 (1974); *The Sound Recording Act of 1971: An End to Piracy on the High C's?* 40 GEO. WASH. L. REV. 964 (1972); Note, *Copyrights—Radio and Television—Cable Television Operator Subject to Liability for Copyright Infringement When Distant Signals are Imported*, 87 HARV. L. REV. 665 (1974); *Copyright Law and Library Photocopying: Striking a Balance Between Profit Incentive and the Free Dissemination of Research Information*, 48 IND. L.J. 503 (1973); Note, *Cable Television and Copyright Royalties*, 83 YALE L.J. 554 (1974).

9. The copyright clause is in article I, section 8 of the Constitution.

10. 412 U.S. 546 (1972).

11. 392 U.S. 390 (1968).

12. 415 U.S. 394 (1974).

with the antenna on a home television set or the broadcast antennas of a television station. Finally, the decision by the United States Court of Claims in *Williams & Wilkins Co. v. United States*,¹³ currently pending before the United States Supreme Court on a petition for certiorari, looks to the court-created doctrine of "fair use" and turns on whether photocopying constitutes such a use.

Guidelines are also needed because no clear rules govern the assignment of the burden of proof between a plaintiff copyright holder and defendant copyright infringer. There are competing considerations as to who should bear the burden. On one side of the balance, progress is promoted by providing economic incentive to writers and publishers, and a creative individual is entitled to protection against unauthorized interference with his intellectual property.¹⁴ Argument therefore can be made that copyright protection should be presumed merited and valid, and that a defendant copyright infringer should have the burden to justify his use. On the other side of the balance, there is no constitutional obligation as such to extend copyright protection, so that "in the absence of such public benefit the grant of a copyright monopoly to individuals would be unjustified."¹⁵ Thus, it can be argued with equal facility that copyright protection should be presumed unwarranted, and that a plaintiff copyright holder should be assigned the burden of justifying copyright protection.

If there is a presumption in favor of copyright protection, or if the defendant copyright infringer is required to justify his use, it is more likely that copyright protection will be extended. Conversely, it is less likely that copyright protection will be extended when there is a presumption against the desirability of copyright, or when the plaintiff copyright holder has the burden of justifying copyright protection.

13. 172 U.S.P.Q. 670 (Ct. Cl. 1972); *rev'd*, 487 F.2d 1345 (Ct. Cl. 1973), *cert. granted*, 417 U.S. 907 (1974).

14. "The public good fully coincides in both cases (authors' and inventors') with the claims of individuals." THE FEDERALIST No. 43, at 279 (Mod. Lib. Ed. 1941) (J. Madison). "[E]ncouragement of individual effort by personal gain is the best way to advance public welfare through the talents of authors and inventors . . ." Mazer v. Stein, 347 U.S. 201, 219 (1954). See generally Tyerman, *The Economic Rationale for Copyright Protection For Published Books: A Reply To Professor Breyer*, 18 U.C.L.A. L. REV. 1100 (1971) [hereinafter cited as Tyerman].

15. 1 M. NIMMER, NIMMER ON COPYRIGHT § 3.1 (1974) [hereinafter cited as 1 or 2 NIMMER]. The House Committee which recommended the 1909 Act felt that copyright was "[n]ot primarily for the benefit of the author, but primarily for the benefit of the public." H.R. REP. No. 2222, 60th Cong., 2d Sess., 7 (1909). "[C]ourts in passing upon particular claims of infringement must occasionally subordinate the copyright holder's interest in a maximum financial return to the greater public interest in the development of art, science, and industry." *Williams & Wilkins Co. v. United States*, 487 F.2d 1345, 1352 (Ct. Cl. 1973), quoting from *Berlin v. E.C. Publications, Inc.*, 329 F.2d 541, 544 (2d Cir. 1964).

The history of *Williams & Wilkins Co. v. United States*¹⁶ illustrates how judges differ concerning the assignment of the burden of proof, and how this affects the outcome of a case. At trial, Commissioner Davis assumed that copyright protection is valid, and that the defendant infringer has the burden to justify photocopying of articles in copyrighted medical journals without compensating the plaintiff copyright holder. He concluded that the defendant infringer failed to meet this burden and should therefore be held liable. In contrast, when the United States Court of Claims reviewed the decision,¹⁷ it reasoned that the plaintiff copyright holder has the burden to justify interference with dissemination of medical information. The court concluded that the plaintiff copyright holder failed to meet this burden, reversed the decision of the trial court, and denied the plaintiff's petition.

Creators and users of copyrighted materials need to know the applicable standards so that they can proceed confidently in their respective activities. There are important interests at stake in each case, including the rights of authors and composers, the economic and business relationships of publishers, and the future progress of science and the arts. Such interests should not be left to chance; guidelines are clearly needed to give consistency to the method of analysis used in decisions and to the assignment of the burden of proof between plaintiff and defendant.

The Constitutional Guidelines

The copyright clause of the United States Constitution provides:

The Congress shall have Power . . .

To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries . . . [and]

To make all Laws which shall be necessary and proper for carrying into Execution the foregoing Powers¹⁸

Precisely what the founding fathers intended when they wrote the copyright clause is not known.¹⁹ However, the express provision for copyright in the Constitution is a good indication that copyright was considered an important and valuable property right.²⁰

The copyright clause must be taken into account when formulating rules to guide courts required to apply copyright law to unanticipated

16. 172 U.S.P.Q. at 679.

17. 487 F.2d at 1353-54, 1358-59.

18. U.S. CONST. art. I, § 8.

19. The committee that considered the copyright clause at the Federal Convention of 1787 was conducted in secret. 1 NIMMER, *supra* note 15, at § 1.1.

20. See *Mazer v. Stein*, 347 U.S. 201, 219 (1954).

developments, principally because it is the sole section in the Constitution expressly concerned with the important interests at stake. The copyright clause sets forth the purpose for all copyright law, namely, to promote progress in science and the arts. Because the copyright clause defines the legislative power of Congress in this area, copyright protection which Congress creates and the courts sustain must be framed and interpreted to pursue that purpose.

Conflict can exist between the first half of the copyright clause, "To promote the Progress of Science and useful Arts," and the second half, "by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries." While the grant of copyright protection is one way to promote progress in science and the arts, it is not the only way.²¹ For example, the dissemination of information to the public also contributes to progress. In an analogue to the tension that exists between the free exercise clause and the establishment clause of the First Amendment of the United States Constitution, it "may often not be possible to promote the former without offending the latter."²²

Questions arise when there is conflict between the promotion of progress in science and the arts and the promotion of private interests of authors and inventors. Nimmer comments that the phrase "To promote the Progress of Science and useful Arts" is not a "rigid standard" against which every copyright act must be measured.²³ However, it is fundamental to constitutional construction that no language in the Constitution is redundant or meaningless.²⁴ There is no authority to ignore the first half of the copyright clause. The author therefore proposes that the language of the copyright clause requires a general principle of copyright law construction that *the primary obligation of a court should be to arrive at a decision which furthers the goal of copyright law, to promote progress in science and the arts.*

As a consequence of such a principle, it would become incumbent upon a court to consider all elements in each case in order to determine the best way to promote progress. These elements would include the facts of a given unanticipated development, the asserted interests in support of extension of copyright protection, and the constitutional and

21. The phrase "to promote" has been defined as synonymous with phrases such as "to stimulate," "to encourage," or "to induce." *Goldstein v. California*, 412 U.S. 546, 555 n.10 (1972).

22. *Committee for Public Educ. and Religious Liberty v. Nyquist*, 413 U.S. 756, 788 (1973). See also Comment, *Copyright and the First Amendment: A Gathering Storm*, 19 COPYRIGHT L. SYMP. 43 (1969); *Williams & Wilkins Co. v. United States*, 487 F.2d 1345, 1352 (Ct. Cl. 1973).

23. 1 NIMMER, *supra* note 15, at § 3.

24. See *Holmes v. Jennison*, 39 U.S. (14 Pet.) 540, 570-71 (1840).

societal importance of the interests adversely affected if copyright protection were extended.²⁵ A court confronted with a new technological development for which there is no express provision should not plead lack of legislative guidance and automatically refuse to extend copyright protection, nor should it grant copyright protection indiscriminately. Neither posture adequately protects the important interests at stake, especially where the new situation comes fairly within the intent and meaning of the existing copyright law, though outside its specific terms.

As to assigning the burden of proof, the author proposes that the language of the copyright clause implies that *a court should require the copyright holder to establish a prima facie case that the defendant is an infringer*. When the copyright holder has shown his ownership and the defendant's unlicensed copying, *the defendant should then be held liable unless he can show that progress in science and the arts would be curtailed by copyright protection*.

It is reasonable to require a plaintiff copyright holder to establish a prima facie case that the defendant is an infringer. The mere fact that a certificate has been issued by the Register of Copyrights is not basis for automatic conclusion that copyright protection is warranted in any given case, because the Copyright Office functions primarily as an office of record,²⁶ and does not scrutinize applications or copies to determine questions of originality or authorship.²⁷

According to Nimmer, traditionally a copyright holder has established a prima facie case of infringement when the following eight elements of ownership and copying have been shown: (1) there was some relationship between the author and the plaintiff so as to constitute the plaintiff a valid copyright claimant; (2) the work was original with the author; (3) the citizenship status of the author was such as to permit a claim of copyright; (4) the subject matter was suitable for copyright; (5) there was proper affixation of the copyright notice on published copies of the work in question on the title page or some other reasonably conspicuous place; (6) a certificate of registration had been obtained from the Copyright Office; (7) the defendant had access to the work in question; and (8) there is a substantial similarity between

25. For an analogous formula in the context of due process and equal protection, see *San Antonio Independent School Dist. v. Rodriguez*, 411 U.S. 1, 98-99 (1973) (dissenting opinion by Mr. Justice Marshall, with whom Mr. Justice Douglas concurred).

26. 17 U.S.C.A. § 209 (1952) provides for the issuance of a certificate of registration, upon payment of a fee, to the person recorded as a claimant of the copyright. The certificate should note, inter alia, the author, title and publication date, and will be prima facie evidence in court of these facts.

27. M. NICHOLSON, *A MANUAL OF COPYRIGHT PRACTICE FOR WRITERS, PUBLISHERS, AND AGENTS* 10-11 (2d ed. 1956) [hereinafter cited as NICHOLSON].

the work of the plaintiff and that of the defendant.²⁸

After such a showing, it seems reasonable to place the burden on the defendant to prove that copyright protection should be withdrawn in the specific instance of activity by the defendant. In order to break through the shield, the defendant should be required to show by a preponderance of evidence that (1) progress in science and the arts will be promoted by denial of copyright protection and that (2) the resultant benefits outweigh any possible inhibition of progress in science or the arts as a result of denying the plaintiff copyright holder the royalty income.

Illustrative Recent Cases

Audio Pirates

The retail sale of unauthorized tape recordings gave rise to the conflict in *Goldstein v. California*.²⁹ Tape and record "pirates" purchased from retail distributors a single tape or long-playing phonograph record of a popular musical performance they wished to duplicate. Multiple copies were then made and sold, labeled with the same title as the original, and with the name of the performing artist; the label clearly stated that there was no relationship with the producer of the

28. 2 NIMMER, *supra* note 15, §§ 141, 141.1, 141.2. "The Copyright Act nowhere expressly invokes the requirement of originality. However, the courts have uniformly inferred the requirement from the fact that copyright protection may only be claimed by 'authors' or their successors in interest. It is reasoned that since an author is . . . 'the creator, originator' it follows that a work is not the product of an author unless the work is original." 1 NIMMER, *supra* note 15, at § 10. NICHOLSON, *supra* note 27, at 15, lists the following works that have been denied copyright protection: "titles of books, magazines, series, radio programs or any other titles (though they are sometimes protected at common law); names, pen names, trade names, business names (sometimes protected at common law or by patent); calendars having no text or pictures; conventional and stock figures; games, dolls, toys, primarily for use, not 'perusal' (but explanatory material accompanying them may be copyrighted as a 'book'); dances unless they are dramatic in character (as a ballet or dance pantomime; published descriptions of dances may be copyrighted as a 'book'); laws and opinions of courts; legal forms, without original matter; slogans, mottoes, 'wisecracks,' and gags (but a slogan or title may be a trade mark, protected at common law or by patent); blank books, record books, checks, journal books, index cards, or other material designed for physical use rather than perusal; ideas, plots, themes, theories, opinions, apart from their literary expression (sometimes protected at common law); price lists, railway tickets, and time tables; standardized expressions, clauses, phrases; mere 'aggregation' of old material, as opposed to a 'compilation'; systems, schemes, methods, plans; immoral, seditious, or piratical works; news, facts, works in the public domain, government publications; works on which copyright has expired; works still in copyright in other countries but that have been published and sold in the United States without notice; works with fatally improper copyright notices." (punctuation added).

29. 412 U.S. 546 (1972).

original sound recording.³⁰ The cost to the owner of original production of some of the recordings at issue exceeded \$100,000, yet the cost to the pirates was minimal, limited to the purchase price of the sound recording from a retail distributor and the relatively low costs of duplication. The pirates made no payment to the copyright holder such as a royalty or license fee, nor to the artists, nor to the agents of the artists.

The pirates were prosecuted in California, a state whose sound studios constituted an important local economic resource³¹ and whose law made it a misdemeanor to transfer any performance fixed on a tape or record onto other records or tapes with the intent of selling the duplicates without the permission of the copyright holder.³² The acts of piracy at issue occurred before 1971, the year that the Copyright Act of 1909 was amended to extend copyright protection to sound recordings.³³

The pirates in *Goldstein* argued that the state law was invalid as it conflicted with the copyright clause by granting a copyright of unlimited duration. Secondly, the state law was assertedly invalid under the supremacy clause, because Congress intended to establish a uniform law of nationwide scope.³⁴ Finally, the pirates argued that the Copyright Act's grant of power to the states to protect unpublished materials could not be applied to these materials since they had been published.

30. For details on the mechanics of tape piracy, see *Tape Indus. Ass'n. of America v. Younger*, 316 F. Supp. 340, 342-43 (C.D. Cal. 1970), *appeal dismissed*, 401 U.S. 902 (1971).

31. Nashville, New York, and Los Angeles are national centers of recording studio activity.

32. "(a) Every person is guilty of a misdemeanor who: (1) Knowingly and willfully transfers or causes to be transferred any sounds recorded on a phonograph record . . . tape . . . or other article on which sounds are recorded, with intent to sell or cause to be sold . . . such article on which sounds are so transferred, without the consent of the owner. . . ." CAL. PEN. CODE § 653h (West 1970).

33. See note 2 *supra*.

34. The pirates emphasized the language of 17 U.S.C.A. §§ 4 and 5 as evidencing an intent by Congress to make these the exclusive areas to which the copyright might apply. Section 4 provides: "The works for which copyright may be secured under this title shall include all the writings of an author." Section 5 lists other types of copyrightable material (see note 2 *supra*). In addition to alleging that Congress had so occupied the field of copyright as to preempt state action, the pirates argued that the United States Supreme Court had recognized a congressional intent to establish such a scheme in two decisions, *Sears Roebuck & Co. v. Stiffel Co.*, 376 U.S. 225 (1964) and *Compco Corp. v. Day-Brite Lighting Inc.*, 376 U.S. 234 (1964). *Sears* held that an injunction could not be obtained under the state unfair competition law for a "pole lamp" where design and mechanical patent had been denied for want of invention. *Compco* held a state unfair competition law invalid for conflict with federal patent law, where the state law protected a design on a lighting fixture that was not entitled to a design patent.

The Court's Analysis

The United States Supreme Court rejected these arguments and held that the state law was valid, using the following analysis. Since tape recording is a development of the last three decades the 1909 Act does not address the present problem, and until *Goldstein* was heard no decision had dealt with the construction of congressional silence in the context of copyright law. The general principles for determining the power of states to legislate in the face of congressional silence have been developed in cases concerned with the commerce clause.³⁵ The Court took note of these rules, and concluded that the nature of copyright presented no barrier to the states' legislating coordinate copyright protection since some of the "subject matter to which the copyright clause is addressed may . . . be of purely local importance and not worthy of national attention or protection"³⁶ A nation-wide interest in sound recordings requiring an inference that state power to grant copyright should be relinquished to exclusive federal control could not be discerned. The argument that the copyright clause per se preempts state law concerned with copyright was therefore concluded to be invalid.

The Court found that the scheme set forth in the Copyright Act did not "occupy the field" because no section made an express statement concerning sound recordings. *Sears, Roebuck & Co. v. Stiffel Co.*³⁷ and *Compco Corp. v. Day-Brite Lighting, Inc.*³⁸ did contain language to the effect that the silence of Congress should be taken to "reflect a judgment that free competition should prevail" in the context of copyright law.³⁹ However, *Sears* and *Compco* were at bottom patent law cases, and the Court reasoned that the rule of those cases should be limited to correspond with their facts. Therefore, the argument that federal policy preempted state law giving copyright protection to sound recordings was held to be invalid.

The Guideline Analysis

If the proposed guidelines are used, the analysis proceeds differently. The starting point is the same: it is first noted that Congress in 1909 did not envision the scope of the modern record industry, or the tape recorder technology that currently exists, and it is therefore not surprising that there is no express provision in the 1909 Act con-

35. *Cooley v. Board of Wardens*, 53 U.S. (12 How.) 299, 319-20 (1851); *Gibbons v. Ogden*, 22 U.S. (9 Wheat.) 1, 195 (1824).

36. 412 U.S. at 558.

37. 376 U.S. at 230-31.

38. 376 U.S. at 237.

39. *Goldstein v. California*, 412 U.S. 546, 577-78 (1972) (Marshall, J., dissenting).

cerned with tape piracy. However, tape piracy is a development that fairly comes within the scope of the Copyright Act. The "Writings" requirement in the copyright clause has been liberally construed,⁴⁰ and a sound recording has been held to be a writing in a constitutional sense even though it is not visually perceptible.⁴¹ Similarly, the "Science and useful Arts" phrase is not a limitation;⁴² the fact that a work is likely to amuse rather than instruct does not render it incapable of copyright protection.⁴³ Even a work such as a rock-and-roll record satisfies the "useful" requirement if its merit is sufficient to cause an unauthorized person to attempt to duplicate it.

The act itself leaves room for state law to protect works prior to publication,⁴⁴ but that does not imply that state laws concerned with published works are preempted. There is no need for preemption so long as the state law merely facilitates the accomplishment of the goal of federal copyright protection, namely, the promotion of progress in science and the arts. Of course, that determination must be on a case by case basis.

All eight points required for a *prima facie* case appear to be satisfied. There seems to have been no question that the original record producers in *Goldstein* have satisfactory ownership status,⁴⁵ and it seems clear that the pirates "copied."⁴⁶ Thus, a *prima facie* case exists that the pirates are infringers, and should be held liable unless they can show by a preponderance of evidence that progress in science and the arts would be promoted to a greater extent without copyright protection of sound recordings.

The total market for a modern "hit" record is large, but limited in time. Unauthorized duplication by pirates does allow a wider dissemination of music at a lower cost. However, owning and playing a tape is a quasi luxury; there may be less public interest at stake compelling dissemination of low cost hit records than that arguing in favor of the dissemination of news.⁴⁷ In addition, the investment of capital and

40. See *Reiss v. National Quotation Bureau*, 276 F. 717, 719 (S.D.N.Y. 1921); 1 NIMMER, *supra* note 15, at § 8.1.

41. See *Capitol Records Inc. v. Mercury Records Corp.*, 221 F.2d 657 (2d Cir. 1955); *Shaab v. Kleindienst*, 345 F. Supp. 589 (D.D.C. 1972).

42. 1 NIMMER, *supra* note 15, at § 3.2.

43. See *Bleistein v. Donaldson Lithographing Co.*, 188 U.S. 239 (1903).

44. "Nothing in this title shall be construed to annul or limit the right of the author or proprietor of an unpublished work, at common law or in equity, to prevent the copying, publication, or use of such unpublished work without his consent, and to obtain damages therefor." 17 U.S.C.A. § 2 (1952).

45. 412 U.S. at 548.

46. *Id.* at 549.

47. See *International News Service v. Associated Press*, 248 U.S. 215, 250 (1918) (Brandeis, J., dissenting).

labor by the original producer is large and with a relatively small investment the pirates ride on the coattails of the original producer. If there is no copyright protection, and if a pirate is able to reach the buyers first, he will reap profits that fairly belong to the original producer, and will undermine the possibility of financial success for the original producer.

The facts suggest that the pirates wanted the lion's share of the profits while the lion's share of the work was done by the original producer. It is unclear how progress in science and the arts would be promoted by such a situation. Since the pirates fail to carry their burden of proof, deference should be given to the traditional notion that progress will be promoted by copyright protection and economic incentive for the original producers of a work. Thus, it may be concluded that the state law at issue promotes progress in music, and the congressional silence about sound recordings may be fairly construed to allow such a state law.

The Court's Analysis Versus The Guidelines

The analysis using the guidelines suggested by the copyright clause and the Court's analysis both lead to the conclusion that the state law at issue is valid. The main difference is that the guidelines look directly to the language of the copyright clause to learn how congressional silence should be construed, while the Court first looks to rules derived in cases concerned with the commerce clause for guidance on how to construe congressional silence in the context of copyright law.

The approach of the Court on the issue of whether the copyright clause per se pre-empted the state law shows that sound rules of construction in one context can be successfully used to meet new problems. However, the Court's treatment of *Sears* and *Compco* was not entirely satisfactory. These cases did suggest that state laws concerned with copyright would be held invalid, even if the Court felt that such a policy had no basis in the facts of those cases, and that such a policy would be inappropriate. The fact that the Court in *Goldstein* found it necessary to limit *Sears* and *Compco* confirms the desirability of guidelines that give consistency and predictability from decision to decision.

Community Antenna Television

Issues involved in reception and retransmission by community antenna television (CATV) of broadcasts by licensed stations of copyrighted motion pictures are raised in *Fortnightly Corp. v. United Artists Television, Inc.*⁴⁸ and *Teleprompter Corp. v. Columbia Broadcasting*

48. 392 U.S. 390 (1968).

*System, Inc.*⁴⁹ The Fortnightly Corporation owned and operated a system of antennas in an area within the normal range of signals from five surrounding television stations.⁵⁰ However, most of the residents in that area were unable to receive broadcasts because of interference by hilly terrain. The Fortnightly antennas were larger than ordinary rooftop antennas and were erected on hills. The system amplified the signals received, converted them to a different frequency in order to maintain and improve strength, and carried the signals via cable to the home television sets of subscribers. The viewer could then select programs from the five stations by turning the knob on his television set. The Fortnightly CATV system did not originate any programs, nor did it edit or alter any of the programs received. The CATV system was operated for profit, and the source of revenue was a flat monthly fee-for-service charge to subscribers. The CATV system did not attempt to make additional income by substituting its own set of advertisers in the time slots allotted.

United Artists Television, Inc., had sold licenses to broadcast several copyrighted motion pictures to the five television stations. The Fortnightly CATV system received and transmitted these broadcasts without permission of United Artists or the broadcasting station. United Artists charged that Fortnightly thereby infringed the exclusive right of United Artists under section 1(c) of the Copyright Act to perform nondramatic literary works in public for profit, and its exclusive right under section 1(d) to perform dramatic works publicly.⁵¹ CATV countered by focusing on the meaning of the word "perform" and claiming that it had not performed at all.

The Teleprompter CATV system was similar to that in *Fortnightly* to the extent that it was a passive conduit to the viewer of the broadcasts received.⁵² However, the distance of transmission was much greater in *Teleprompter* than in *Fortnightly*, and the ultimate viewer in *Teleprompter* was located beyond the normal range of television signals from the originating station.⁵³

In addition, Teleprompter CATV had diversified. It had begun

49. 415 U.S. 394 (1974).

50. The Fortnightly CATV system was able to pick up signals from a station 82 miles away. The curvature of the earth gives rise to natural boundaries to television markets, because television waves travel in straight lines. Reception by an ordinary rooftop antenna becomes impossible beyond a certain distance from the originating source.

51. 17 U.S.C.A. § 1 (1952), as amended (Supp. 1974) (text quoted in note 1 *supra*).

52. In some of the systems at issue, point-to-point microwave was used in combination with cable transmission. 415 U.S. at 408.

53. In some of the systems at issue, the distance between the point of original transmission and ultimate viewer was greater than 450 miles. *Id.* at 400.

to originate programs wholly independent of the intercepted transmissions and had begun to form an interconnecting network with other CATV systems. Through this network, distribution rights to the originated programs were resold. It was also selling advertising time, but only on the originated programs.

The Court's Analysis

In both *Fortnightly* and *Teleprompter*, the United State Supreme Court reasoned that not all uses of copyrighted works constitute an infringement; only those uses enumerated in Section 1 of the Copyright Act are reserved to the copyright holder.⁵⁴ Thus, if a CATV system has not "performed" the copyrighted motion pictures, then it has not put those films to a use enumerated in section 1, and should not be held liable for copyright infringement.

In both *Fortnightly* and *Teleprompter*, the Court concluded that the CATV had not "performed" the films at issue. Under its analysis in *Fortnightly*, television requires activity by viewers as well as broadcasters.⁵⁵ The viewer must provide equipment to convert electronic signals into audible sound and visible images. The Court therefore concluded that it was reasonable to define the term "perform" functionally, saying that it is broadcasters, not viewers, who perform. As the Court explained in *Teleprompter*:

When a television broadcaster transmits a program, it has made public for simultaneous viewing and hearing the contents of that program. The privilege of receiving the broadcast electronic signals and of converting them into the sights and sounds of the program inheres in all members of the public who have the means of doing so.⁵⁶

It follows from this functional definition of the term "perform" that copyright protection depends on whether a given CATV system functions on the broadcaster's or the viewer's side of the line in the total process of broadcasting and receiving. The Court in *Fortnightly* concluded that the *Fortnightly* CATV system functioned as a well-located antenna with an efficient connection to the viewer's television set that enhanced the viewer's capacity to receive the broadcaster's signals.⁵⁷ The reception and rechanneling of the signals for simultaneous

54. "The Copyright Act does not give a copyright holder control over all uses of his copyrighted work. Instead, § 1 of the Act enumerates several 'rights' that are made 'exclusive' to the holder of the copyright." *Fortnightly Corp. v. United Artists Television, Inc.*, 392 U.S. 390, 393-94 (1968). "Use" is not the same as "infringement," and use short of infringement is to be encouraged. *Id.* at 393 n.8. See B. KAPLAN, AN UNHURRIED VIEW OF COPYRIGHT 57 (1967); 1 NIMMER, *supra* note 15, at § 100.

55. 392 U.S. at 397-98.

56. 415 U.S. at 408.

57. 392 U.S. at 399.

viewing by Fortnightly was therefore deemed to be essentially a viewer function; and, in the absence of "performance," there was no copyright infringement.

The same conclusion was drawn in *Teleprompter*.⁵⁸ Argument that transmission by Teleprompter CATV miles beyond the normal range of broadcast signals converted the CATV into a "performer" was rejected. Argument that CATV had become a "broadcaster" as a result of its diversified activities was also rejected, because Teleprompter had been careful to keep its original programs, interconnecting arrangements, and sale of advertising time independent of the copyrighted motion pictures received and transmitted. Thus, the Teleprompter CATV system continued to function on the viewer's side of the line with respect to the copyrighted works at issue, and there was no copyright infringement.

Finally, argument that Teleprompter interfered with the ability of copyright holders to extract recompense for their creativity and labor was rejected. Television advertisers, and not television viewers, are the source of funds from which copyright holders are paid; and since advertisers typically pay a fee based on an estimate of the expected number and character of the viewers who watch the program, the Court concluded that a copyright holder should be able to demand a greater fee calculated on the basis of the size of the direct broadcast market augmented by the size of the CATV market.

The Guideline Analysis

Using the proposed guidelines, analysis of the facts reveals that radio was in its infancy in 1909, and that television had not even been invented.⁵⁹ The 1909 Act makes no express provision for CATV, but the subject of CATV interception of broadcasts from licensed stations of copyrighted motion pictures fairly comes within the scope of that law. The "Writings" requirement in the copyright clause is not a limitation, because a motion picture film has been held to be a writing in a constitutional sense.⁶⁰ Similarly, the "Science and useful Arts" phrase is not a limitation. The fact that the CATV systems desired to receive and transmit broadcasts of the copyrighted films is sufficient to satisfy the "useful" requirement.⁶¹

All eight points required for a prima facie case appear to be satisfied. There seems to be no question in the CATV cases that the plain-

58. 415 U.S. at 408.

59. *Fortnightly Corp. v. United Artists Television, Inc.*, 392 U.S. 390, 395-96 (1968).

60. *Kalem Co. v. Harper Bros.*, 222 U.S. 55 (1911).

61. See *Bleistein v. Donaldson Lithographing Co.*, 188 U.S. 239, 249 (1903); 1 NIMMER, *supra* note 15, at § 3.2.

tiff copyright holders have valid ownership status. There is also no question that the defendant CATV systems "copy," in view of the fact that the CATV systems (1) have access to the signals from the licensed broadcaster, and (2) provide viewers with films substantially similar to those of the copyright holders. Thus, a prima facie case exists that the CATV systems are infringers. The CATV companies should therefore be held liable unless they can show by a preponderance of evidence that progress in science and the arts would be promoted to a greater extent without copyright protection.

Watching films on television is another example of a quasi luxury; there is no public interest at stake compelling free dissemination of them analogous to the public interest in dissemination of news.⁶² The facts suggest that the CATV plaintiffs desired to receive and transmit broadcasts of the copyrighted films for their own profit, and it is not clear whether progress in science and the arts would be promoted thereby.

It may therefore be concluded that (1) the CATV systems fail to carry the burden of proof that progress in science and the arts would be promoted to a greater extent without copyright protection, (2) deference should be given to the traditional notion that progress will be promoted by copyright protection and economic incentive, and (3) in contrast to the technical definition used in the analysis by the Court, the CATV systems may be fairly said to "perform" the copyrighted films, and should be held liable for copyright infringement.

The Court's Analysis Versus The Guidelines

The conclusion following the guidelines is the opposite of that reached by the Court. Under the guidelines, copyright protection is extended; under the Court's approach, copyright protection is denied. The difference between the two approaches is clear. In construing the word "perform," the guidelines focus on whether progress in science and the arts would be promoted to a greater extent without copyright protection, while the Court focuses solely on whether the CATV system at issue functions as a broadcaster or as a viewer.

The guidelines approach seems more attractive for several reasons. As stated previously, there is no great public interest compelling free dissemination of films, analogous to the need for free communication of news.⁶³

Secondly, the Court's economic analysis is not entirely satisfactory.

62. *Cf. International News Service v. Associated Press*, 248 U.S. 215, 234-36 (1918).

63. See notes 128 and 134 *infra*.

For example, the Court in *Teleprompter* predicted that advertisers would be willing to pay greater fees to broadcasters because of the increase in audience resulting from distant CATV transmission.⁶⁴ However, some advertisers aim at local viewers to a considerable extent and would not be willing to pay more, because they would not derive significant benefit from CATV carriage of sponsored programs outside the station's normal service area.⁶⁵

Finally, prior to *Fortnightly*, *Buck v. Jewell-LaSalle Realty Co.*⁶⁶ was the settled law on the subject of copyright infringement and secondary transmissions. In that case, decided in 1931, a hotel had received on its master radio set a copyrighted song that had been broadcast without the permission of the copyright holder. The hotel had then transmitted the song to all the public and private rooms of the hotel by means of speakers. Argument that copyright protection should be limited to the initial radio rendition was rejected, the broadcast by the hotel was held to constitute a "performance," and the hotel was held liable for copyright infringement.

The facts of *Buck* are not significantly different from those in *Fortnightly*, except that the primary transmission was not licensed in *Buck*. Given the conclusion of the Court in *Buck* that the hotel was liable for infringement, the conclusion that the *Fortnightly* CATV is not liable comes as a surprise, even though the Court appears to reconcile the two cases. In contrast, *Buck* would appear to be good law under the guidelines, for reasons similar to those considered in analysis of *Fortnightly* and *Teleprompter*, and the guidelines would therefore seem advantageous to the extent that they facilitate predictability from decision to decision.

Photocopying

Rapid and inexpensive photocopying became available after 1960. Photocopying of articles in medical journals soon became a widespread practice for many reasons.⁶⁷ Medical researchers found that they could save time, in comparison to that required to make a hand copy or to request a copy from the publisher.⁶⁸ Medical libraries found that they

64. 415 U.S. at 411.

65. *Id.* at 420 n.5 (Douglas, J., dissenting).

66. 283 U.S. 191 (1931).

67. *See Williams & Wilkins Co. v. United States*, 487 F.2d 1345, 1379-80 (Ct. Cl. 1973).

68. There is a difference of opinion as to the availability of back issues from publishers. The majority in *Williams & Wilkins Co.* states that the plaintiff does not attempt to keep a stock of back issues, and instead refers requests for reprints to the author of the article. *Id.* at 1357 n.17. The dissenting opinion states that the publisher forwards requests for out-of-print articles to the Institute of Scientific Information, which is licensed by plaintiff to make copies. *Id.* at 1370.

could increase the total circulation of information and reduce costs replacing vandalized pages and lost volumes.⁶⁹ Medical practitioners and students found that they could easily have information on the most recent developments for permanent reference in their personal files. It is generally conceded that medical science and practice would be seriously hurt if photocopying of articles in medical journals were discontinued.⁷⁰

The work of the physicians and other scientists engaged in medical research has been supported in large part by "conditional gifts," annual grants made by the Department of Health, Education, and Welfare on the basis of research proposals submitted by prospective grantees.⁷¹ Modern research requires a sizeable outlay for laboratory space, sophisticated equipment, and specialists,⁷² and federal grants for 1973 totaled nearly one billion dollars.⁷³ In comparison with the economic support, the time, and the intellectual and physical labor required to produce a scientific work, the cost of typesetting an article and its subsequent packaging is relatively minor.

The world of medical research is not immune from the pressures of "publish or perish," and while publication may not be of immediate monetary benefit to the researchers who author the articles, it is crucial to their long term professional and economic opportunities. The quality of articles approved by the editorial board of one journal may be substantially different from that accepted by another, and there is considerable competition to get manuscripts accepted and published by leading journals. Private publishers currently provide dissemination of 95 percent of medical research articles, and customarily bear the expense of screening, editing, publishing, and disseminating; it is rare for a researcher to publish results at his own expense.⁷⁴

The 1909 Act contains no express provision concerning photocopying. The Library of Congress at that time freely permitted photographing of copyrighted articles, and over the next three decades placed no restrictions on photo-duplication.⁷⁵ A "gentlemen's agree-

69. Henry, *Copyright, Public Policy, and Information Technology*, 183 *SCIENCE* 384, 389 (1974).

70. *Williams & Wilkins Co. v. United States*, 487 F.2d 1345, 1356 (Ct. Cl. 1973).

71. *Williams & Wilkins Co. v. United States*, 172 U.S.P.Q. 670, 683 (Ct. Cl. 1972).

72. *See The Photocopy Conundrum*, 222 J.A.M.A. 211, 212 (1972).

73. In fiscal year 1973, NIH made 11,317 research grants and awards, exclusive of grants for scientific evaluation purposes. The value of these grants totaled \$815,194,484. U.S. NATIONAL INSTITUTES OF HEALTH, PUBLIC HEALTH SERVICE GRANTS AND AWARDS, Part I, at 1 (1973).

74. *See Williams & Wilkins Co. v. United States*, 172 U.S.P.Q. 670, 676 (Ct. Cl. 1972).

75. *See Williams & Wilkins Co. v. United States*, 487 F.2d 1345, 1351 (Ct. Cl. 1973).

ment" to prevent abuse of photocopying was drafted in 1935 between the now defunct National Association of Book Publishers and the Joint Committee on Materials for Research (representing libraries with photocopying equipment).⁷⁶ The book publishers promised not to bring suit for copyright infringement against library photocopying so long as the photocopying was without profit to the libraries, and the amount copied was insubstantial. Photocopying was still relatively expensive and infrequently used at the time this agreement was drafted, and no periodical publishers were represented.

The issues involved in photocopying articles from copyrighted medical journals were raised in *Williams & Wilkins Co. v. United States*.⁷⁷ A publisher of several medical journals, Williams & Wilkins Company brought suit for copyright infringement under 28 U.S.C. § 1498(b)⁷⁸ and 17 U.S.C. § 1(a)⁷⁹ against the National Institutes of Health (NIH) and the National Library of Medicine (NLM). The NIH is the principal medical research organization of the United States government, and it runs a photocopy service for the benefit of its research staff.⁸⁰ On request, a researcher is furnished with a photocopy of a desired article in the NIH library. These photocopies are usually kept by the researcher in his private files for future reference.

The NLM, a repository of much of the world's medical literature, operated an "inter-library loan" program, where it would furnish requesting libraries with photocopies of desired articles free of charge and on a no-return basis. About twelve percent of the NLM inter-library loan requests came from private or commercial organizations such as drug companies. The loan policy of NLM concerning journal articles was consistent with the General Interlibrary Code, self-imposed regulations similar to those in the "gentlemen's agreement" of 1935, and followed by all libraries which cooperated in the inter-library loan program. For example, the NLM would provide only one photocopy of a particular article per request, and would not photocopy an entire journal. Each article reproduced by NLM was marked, "This is a single photostatic copy made by the National Library of Medicine for pur-

76. The agreement read in part: "A library . . . owning books or periodical volumes in which copyright still subsists may make and deliver a single photographic reproduction . . . of a part thereof to a scholar representing in writing that he desires such reproduction in lieu of loan of such publication or in place of manual transcription and solely for the purposes of research. . . ." *Id.* at 1355-56.

77. 487 F.2d 1345 (Ct. Cl. 1973).

78. 28 U.S.C. § 1498(b) (1970) permits an action to be brought against the United States for copyright infringement and provides recovery of "reasonable and entire compensation" as the exclusive remedy.

79. 17 U.S.C.A. § 1(a) (1952). See text in note 1 *supra*.

80. 487 F.2d at 1347-48.

poses of study or research in lieu of lending the original.”⁸¹ The extent to which NIH and NLM enforced their self-imposed rules to limit abuse of photocopying was a matter of controversy.⁸² At any rate, the photocopying by NIH and NLM exceeded the output of many small publishing companies. In 1970 NIH copied 85,744 articles, NLM copied 93,746, and the length of an average journal article was ten pages.⁸³

The articles that give rise to suit had appeared in journals with notice of copyright in the name of Williams & Wilkins Company at the front. In some instances, there was also notice of copyright in the name of the plaintiff publisher at the beginning of an article.⁸⁴ Certificates of copyright registration had been issued by the Register of Copyrights to the Williams & Wilkins Company after compliance with the requisite statutory requirements. It was the policy of the federal government prior to 1965 not to reserve any rights in copyrighted publications stemming from grant funded research.⁸⁵ However, this policy was modified on July 1, 1965. After that date, grantees were still free to arrange for publication and copyright without approval of the government, but the government reserved a license free of royalty to reproduce, publish, and use any such publication.⁸⁶ The articles at issue were the product of research funded by government grants prior to July 1, 1965.

Most of the revenue of Williams & Wilkins Company came from subscription sales, and only a small part came from advertisers. The profit realized varied from \$1,000 to \$7,000 annually. In 1967 NLM monitored the photocopying of Williams & Wilkins Company journals for ninety days. If NLM had been required to pay royalties, the addi-

81. *Id.* at 1348.

82. The majority in *Williams & Wilkins Co.* adopted the view that “[b]oth libraries have declared and enforced reasonably strict limitations which, to our mind, keep the duplication within appropriate confines. . . . Though exceptions are made, they do not appear to be excessive, unwarranted, or irrational.” *Id.* at 1354. However, Chief Judge Cowen, dissenting, stated, “[t]he findings of fact show the exceptions are routinely granted by the defendant’s libraries, that there is no way to enforce most of the limitations

[T]he libraries will duplicate the same article over and over again, even for the same user, within a short space of time.” *Id.* at 1365-66.

83. *Id.* at 1348.

84. Each article in a journal is protected if the entire issue is protected. *Id.* at 1349-50 n.6. “The copyright provided by this title shall protect all the copyrightable component parts of the work copyrighted The copyright upon composite works or periodicals shall give to the proprietor thereof all the rights in respect thereto which he would have if each part were individually copyrighted under this title.” 17 U.S.C.A. § 3 (1952).

85. *Williams & Wilkins Co. v. United States*, 172 U.S.P.Q. 670, 683-84 (Ct. Cl. 1972).

86. *Id.* at 684-85.

tional annual income to the plaintiff publisher would have been \$1,000 to \$1,200, assuming that the period monitored was representative.⁸⁷

As plaintiff, Williams & Wilkins Company stressed that there is a limited and static market for the material in medical journals; that the costs of publication continually increase; that if subscription prices are raised to reflect increased costs, there is incentive to obtain the material by photocopying and to discontinue subscriptions; and that, eventually, profit from publication would become non-existent because of the combination of rising costs, fewer subscriptions, and more photocopying.⁸⁸ Publishers would have to discontinue publication or become increasingly dependent on government subsidy. As a solution Williams & Wilkins Company proposed to establish a licensing system with a minimum of red tape which would not interfere with the dissemination of information, but would ensure that the publisher could continue to make articles available in the future. There were obvious costs in the transaction of photocopying which were being paid such as those of the copying equipment, the paper and electricity to run the machines, the stamps to mail the copies, the salaries of the workers who do the copying, and the salaries of the librarians who supervise the copying. Williams & Wilkins Company thought that publishers who made the articles being duplicated were equally deserving, and should be paid a fair and reasonable royalty.

The Analysis by the Court of Claims

Commissioner James F. Davis of the United States Court of Claims was the first to hear the case, and concluded that the government should be held liable for wholesale copying and copyright infringement.⁸⁹ On appeal, the United States Court of Claims arrived at the opposite conclusion in a four to three decision.⁹⁰ The court reasoned that, despite the practices of NIH and NLM, the plaintiff publisher was making a profit, and therefore could not show that it was being or would be substantially harmed. To the contrary, there was a risk that medicine and medical research might be injured if copyright protection was extended, because library photocopying and dissemination of information would probably be impeded. In the interim, until there was a legislative solution to the problem of accommodating the interests of science with those of publishers, the court concluded that

87. *Williams & Wilkins Co. v. United States*, 487 F.2d 1345, 1369, 1371 (Ct. Cl. 1973).

88. These points have also been aired in Congress. See, e.g., *Hearings on S. 1361 Before the Subcomm. on Patents, Trademarks, and Copyrights of the Senate Comm. on the Judiciary*, 93d Cong., 1st Sess., 155-57 (1973) [hereinafter referred to as *Hearings*].

89. *Williams & Wilkins Co. v. United States*, 172 U.S.P.Q. 670 (Ct. Cl. 1972).

90. *Williams & Wilkins Co. v. United States*, 487 F.2d 1345 (Ct. Cl. 1973).

risk of such harm should not be placed upon science and medicine. The photocopying by NIH and NLM therefore constituted a "fair use," and those organizations were not liable for copyright infringement.

The Guideline Analysis

Alternatively, analysis under the proposed guidelines would recognize that, as late as 1935, photocopying posed no substantial threat to the potential market for copyrighted works, because it was a cumbersome, expensive and little used means of duplication. It is therefore not surprising that the 1909 Act has no express provision to deal with the rapid, cheap and large scale photocopying that exists today.

There is no question that NIH and NLM "copy" within the meaning of the copyright law, since they have access to the copyrighted works at issue and provide researchers with a work substantially similar to the articles published by the copyright holder. However, the subject matter of articles in copyrighted medical journals has much in common with works that have been denied copyright protection such as news, facts, works in the public domain, government publications, and works designed for practical use rather than perusal.⁹¹ The essence of a medical article is often a case history, a photograph, or a table of numbers that any competent researcher should be able to produce, even though the results to some extent are a function of the ingenuity and persistence of the researcher, and even though each article has some uniqueness of expression.⁹² There is a strong public interest compelling free dissemination of medical articles; information used in treatment of patients by physicians is not a quasi luxury analogous to records and movies, and the research leading to the articles has been heavily supported by public funds. Taking these factors into consideration, medical articles seem to be a subject on the borderline of appropriateness for copyright protection. However, Congress has expressly included periodicals in its list of protected works, and the express policy of the government is that recipients of research funds are free to make arrangements for publication and copyright as desired.⁹³ It therefore must be concluded that articles in medical journals are an appropriate subject for copyright protection, and a *prima facie* case that NIH and NLM are infringers has been established.⁹⁴

91. See note 28 *supra*.

92. See Goldstein, *The Private Consumption of Public Goods: A Comment on Williams & Wilkins Co. v. United States*, 21 BULL. COPYRIGHT SOC'Y U.S.A. 204, 208 (1974).

93. 17 U.S.C.A. § 5(b) (1952). See text at note 2 *supra*.

94. See note 84 *supra*. For the purposes of the case, the court of claims assumed without deciding that the plaintiff publisher was the proper copyright owner and entitled to sue. The defendants NIH and NLM contested the publisher's claim to be the copy-

It seems clear that the defendants NIH and NLM would save money if there were denial of copyright protection. There would be no need to pay copyright royalties; the administrative costs and the practical inconvenience of a licensing system would be avoided;⁹⁵ and more photocopying would allow overall reduction in the cost of subscription to medical journals, together with reduction in the cost of replacing vandalized pages and lost volumes.⁹⁶ The defendants NIH and NLM are government organizations with finite budgets, and it is reasonable to assume that any money saved by photocopying will be expended to promote progress in science; for example, in the case of NIH, by support of research, and in the case of NLM, by the acquisition of additional books and journals needed by researchers. Thus, there is a substantial showing that progress in science will be promoted by denying copyright protection and the defendants NIH and NLM successfully pass the first hurdle that the defendants in *Goldstein*, *Fortnightly*, and *Teleprompter* were unable to overcome.

The amount of damage sustained by Williams & Wilkins Company if copyright protection were to be denied is open to speculation. If royalties had been paid, the \$1,000 additional annual income predicted in 1967 seems small in the sense that the profits of the enterprise would still be marginal, and it is unlikely that the amount of royalty income would be sufficient to save the plaintiff publisher from bankruptcy assuming that costs continue to rise. In addition, even if copyright protection were to be extended and a licensing system established, there is no doubt that NIH and NLM have the right to copy, without royalty payment to publishers, articles stemming from awards granted after July 1, 1965.⁹⁷ A large part of medical research today is supported by government grants, and data show that eighty-five percent of the material photocopied by libraries in the United States is less than five years old.⁹⁸ Thus, because of facts peculiar to the case, it is possible that the major portion of copying by NIH and NLM will soon be royalty free, and the damage, if any, to the plaintiff will progressively become de minimis.

However, a precise determination of the damages to the plaintiff

right "proprietor," on the ground that the individual authors of the articles were the owners, and that they had not assigned their rights to the plaintiff publisher. *Williams & Wilkins Co. v. United States*, 487 F.2d 1345, 1349 (Ct. Cl. 1973).

95. See Breyer, *The Uneasy Case For Copyright: A Study of Copyright in Books, Photocopies, and Computer Programs*, 84 HARV. L. REV. 281, 332 (1970).

96. Henry, *Copyright, Public Policy, and Information Technology*, 183 Science 384, 388-89 (1974).

97. *Williams & Wilkins Co. v. United States*, 172 U.S.P.Q. 670, 683 (Ct. Cl. 1972).

98. *Id.* at 685.

publisher is not critical to the case. Rather, the key question is the amount of damage sustained by progress in science if the plaintiff is denied the royalty income that otherwise would have accrued. Williams & Wilkins Company has predicted that if copyright protection were to be denied, publishers will find it necessary either to discontinue publication or become dependent on government subsidy.⁹⁹ The implication is that either possibility would be detrimental to progress in science. However, the federal government currently underwrites many non-profit scientific journals,¹⁰⁰ and it does not seem likely that the government would invest a large amount of money in a research project and then be unwilling to pay the relatively small amount required to cover publication of the results. Thus, even if the plaintiff publisher goes out of business, scientific publishing and progress will go on. Similarly, it is unclear how dependence on government subsidy will lead to hampering of progress in science, unless it is hypothesized that the government will abuse its economic power and attempt to control ideas. However, any danger of such abuse is present whether copyright protection is extended or denied, because the government has ample opportunity to control ideas in research when it initially selects the proposed projects to be awarded government support.

To summarize, defendants NIH and NLM can show that (1) denial of copyright would benefit progress in science, and (2) progress in science would not be hampered even if Williams & Wilkins Company went out of business. Thus, the resultant benefits outweigh any injury to progress in science by the denial of copyright royalty income to the plaintiff publisher. NIH and NLM have met their burden of proof, and therefore should not be held liable for copyright infringement.

Of course, the practice of library photocopying is not limited to the field of medical research; rather, it is common to the full range of printed materials, be they academic or popular. Potential infringers in other areas should take heed that the defendants under the guidelines are presumed liable until the defendants can show by a preponderance of evidence that they are not. It is therefore wise for the potential infringer to exercise self-restraint, because the result might well go against the defendant whose activity is not closely analogous to that of NIH and NLM.

The Court's Analysis Versus The Guidelines

Both the analysis of the court of claims and the analysis under the proposed guidelines lead to the conclusion that copyright protection

99. See note 87 *supra*.

100. Henry, *Copyright, Public Policy, and Information Technology*, 183 *SCIENCE* 384, 389 (1974).

should be denied. Insofar as it maintains the status quo during the period before Congress enacts a solution, such a conclusion seems reasonable.¹⁰¹

It is hazardous to predict what the United States Supreme Court will do with *Williams & Wilkins Co. v. United States* on the basis of cases such as *Goldstein*, *Fortnightly*, and *Teleprompter*, because of the difference in the nature of the interests at stake and the methods of analysis used. The courts have seemingly extended or refused copyright protection by noting which party is more "deserving." The recording pirates in *Goldstein* seemed particularly undeserving of the opportunity to use another's work without compensation to the original author. If copyright protection had not been granted in that case, the pirates would have been able to acquire a major share of the possible profits without sharing in the original costs of production. In contrast, the *Fortnightly* and *Teleprompter* copyright holders failed to generate much sympathy, because television advertisers, and not television viewers, are the source of funds from which copyright holders are paid. The copyright holders possibly could have negotiated a greater fee to be paid by the advertisers, based on the number of viewers added to the broadcast market by CATV. Therefore the Court does not extend copyright protection. The Williams & Wilkins Company also fails to generate sympathy, because it profits from work largely supported by government funds,¹⁰² and because any damage to the plaintiff publisher will progressively become de minimis with the passage of time. The United States Supreme Court therefore might conclude that copyright protection should be denied, the same result reached under the analysis of the Court of Claims and the guidelines.

It is worthwhile re-emphasizing that the allocation of the burden of proof in *Williams & Wilkins Company v. United States* controls the outcome of the case to a considerable extent. The Court of Claims puts the burden of proof on the plaintiff publisher to show that photocopying in the context of NIH and NLM is not a fair use. Nimmer strongly criticizes the court, on the ground that a plaintiff does not have to prove actual damages in order to make out a case for infringement, and failure to do so in the usual case merely gives rise to the minimum

101. See note 106 *infra*.

102. "In addition to the fact that government funds substantially support medical research projects that produce the articles to be published, it should be noted that medical researchers often become aware of the need to obtain an article by use of the INDEX MEDICUS, a medical periodical bibliography service compiled by NLM. The INDEX MEDICUS is a sufficiently important means of 'advertising' and attracting subscribers that Williams & Wilkins Company agreed to await the final decision of the United States Supreme Court before instituting a licensing system, after a threat by NLM to retaliate by not listing Williams & Wilkinson journals in the INDEX MEDICUS." *Hearings, supra* note 88, at 157-59.

statutory damages liability.¹⁰³ The guidelines agree that the burden of proof should be on the defendant concerning damages; however, they direct the focus to the amount of injury to progress in science and the arts, rather than the amount of economic injury *per se* sustained by a given plaintiff as a result of denial of copyright. To a considerable extent, the same factors are considered under the proposed guidelines and the amorphous doctrine of fair use. The guideline approach is attractive in that it provides a constitutional basis for the allocation of a positive burden of proof between the plaintiff and defendant.

Conclusions and Recommendations

There are important interests at stake in copyright law, including the rights of authors and composers, the economic and business relations of publishers, patterns of information usage and dissemination, and the future progress of science and the arts. It seems inevitable that there will continue to be technological advances as there have been in the past. It is therefore desirable for legislators and judges to study carefully how copyright law should be applied to developments unanticipated when the law is written.

It has been the principal thesis of this note that rules are needed to guide courts applying copyright law to new situations, that such guidelines would give consistency and predictability from decision to decision in the method of analysis used and the allocation and nature of the burden of proof, enabling creators and users of copyrighted materials to make reasonable plans accordingly, and that the language of the Copyright Clause implies certain standards to guide courts in applying copyright law to new technological developments. It is therefore recommended that the law be revised to provide guidelines for courts applying it to future developments unanticipated today, and that, until Congress makes an express provision on the subject, judges confronted with a new development should structure their analyses to conform with the standards suggested by the copyright clause: (1) the primary obligation of a court should be to arrive at a decision that furthers the goal of copyright law, namely, the promotion of progress in science and the arts; (2) a court should require the copyright holder to establish a *prima facie* case that the defendant is an infringer; (3) when a copyright holder has shown his ownership and the defendant's unlicensed copying, the defendant should then be held liable unless he can show that progress in science and the arts would be curtailed by copyright protection.

103. 1 NIMMER, *supra* note 15, at § 145. See also *Macmillan Co. v. King*, 223 F. 862 (D. Mass. 1914).

Postscript

Senate Bill 1361 is the product of twenty years of deliberation by Congress concerning complete revision of copyright law.¹⁰⁴ Several provisions are worthy of notice, either because they indicate the reaction of the Senate to past judicial resolution of unanticipated developments or because they set forth legislative solutions that will modify future judicial analysis. Thus, there are sections that provide in detail for the three unanticipated developments that have been reviewed in this note, namely, sound recordings (section 114),¹⁰⁵ CATV (section 111),¹⁰⁶ and reproduction by libraries (section 108).¹⁰⁷

Section 301 provides that all state laws concerned with copyright are to be preempted.¹⁰⁸ Such legislation by Congress is of interest in

104. See note 4 *supra*.

105. "(a) The exclusive rights of the owner of copyright in a sound recording to reproduce and perform it are limited to the rights to duplicate the sound recording in the form of phonorecords or copies of audiovisual works that directly or indirectly recapture the actual sounds fixed in the recording, and to perform those actual sounds." S. 1361, 93d Cong., 2d Sess. § 114 (1974).

106. "[S]econdary transmission to the public by a cable system of a primary transmission made by a broadcast station licensed by the Federal Communications Commission and embodying a performance or display of a work shall be subject to compulsory licensing. . . ." S. 1361, 93d Cong., 2 Sess. § 111(c)(1) (1974). "[T]he secondary transmission to the public by a cable system of a primary transmission made by a broadcast station licensed by the Federal Communications Commission and embodying a performance or display of a work is actionable as an act of infringement. . . ." S. 1361, 93d Cong., 2d Sess., § 111(c)(2) (1974).

107. "[I]t is not an infringement of copyright for a library or archives . . . to reproduce no more than one copy or phonorecord of a work, or distribute such copy or phonorecord, under the conditions specified by this section and if:

(1) The reproduction or distribution is made without any purpose of direct or indirect commercial advantage; and

(2) The collections of the library or archives are (i) open to the public, or (ii) available not only to researchers affiliated with the library or archives or with the institution of which it is a part, but also to other persons doing research in a specialized field,

(3) The reproduction or distribution of the work includes a notice of copyright." S. 1361, 93d Cong., 2d Sess., § 108(a) (1974).

108. "(a) On and after January 1, 1975, all rights in the nature of copyright . . . whether published or unpublished, are governed exclusively by this title. Thereafter, no person is entitled to copyright, literary property rights, or any equivalent legal or equitable right in any such work under the common law or statutes of any State.

(b) Nothing in this title annuls or limits any rights or remedies under the common law or statutes of any State with respect to:

(1) unpublished material . . . ;

(2) any cause of action arising from undertakings commenced before January 1, 1975;

(3) activities violating rights that are not equivalent to any of the exclusive rights within the general scope of copyright" S. 1361, 93d Cong., 2d Sess. § 301 (1974).

relation to *Goldstein* because it would nullify the effect of the pronouncement in *Goldstein*:

The clause of the Constitution granting to Congress the power to issue copyrights does not provide that such power shall vest exclusively in the Federal Government. Nor does the Constitution expressly provide that such power shall not be exercised by the States.¹⁰⁹

If section 301 becomes law and the Court is confronted again with a situation similar to *Goldstein*, it is likely that the Court would emphasize that it was dealing with the bare Constitution in *Goldstein* without direct word from Congress, and that Congress can exercise its granted power to create laws of national scope preempting state action in the area of copyright.¹¹⁰

Section 111(a)(1) suggests legislative dissatisfaction with the judicial solution in *Buck v. Jewell-LaSalle Realty*,¹¹¹ because where the Court held the hotel liable, the section indicates that secondary transmission by a hotel of a primary transmission is not an infringement of copyright.¹¹²

In contrast to the decision of the Court in *Fortnightly* and *Teleprompter*, section 111(c) indicates the Senate's conclusion that the public interest would be best served if every CATV system makes some copyright payment.¹¹³ Similarly, to the extent that section 108 reflects the current state of mind, it would appear that the Senate agrees that the public interest would be best served if libraries are allowed to make a single photocopy of an article without having to pay a fee to the copyright holder, so long as the reproduction is for a noncommercial use.¹¹⁴

Section 107 gives statutory basis for "fair use,"¹¹⁵ and attempts to

109. *Goldstein v. California*, 412 U.S. 546, 553 (1972).

110. *Id.* at 571.

111. 283 U.S. 191 (1931).

112. "The secondary transmission of a primary transmission embodying a performance or display of a work is not an infringement of copyright if:

(1) the secondary transmission is not made by a cable system, and consists entirely of the relaying, by the management of a hotel, apartment house, or similar establishment, of signals transmitted by a broadcast station licensed by the Federal Communications Commission, within the local service area of such station, to the private lodgings of guests or residents of such establishment, and no direct charge is made to see or hear the secondary transmission. . . ." S. 1361, 93d Cong., 2d Sess. § 111(a)(1) (1974).

113. See note 107 *supra*. "Every cable system should make some copyright payment." S. REP. NO. 983, 93d Cong., 2d Sess. 133 (1974).

114. See note 107 *supra*.

115. "[T]he fair use of a copyrighted work, including such use by reproduction in copies or phonorecords or by any other means specified by that section, for purposes such as criticism, comment, news reporting, teaching, scholarship, or research, is not an infringement of copyright. In determining whether the use made of a work in any par-

set forth the factors presently considered in determining whether the use made of a work in any particular case is fair.¹¹⁶ Substantially the same issues are considered under section 107 and under the proposed guidelines, but the section does not give guidance on the assignment of the burden of proof. The history of *Williams & Wilkins Company v. United States*¹¹⁷ suggests that it would be desirable to amend section 107 to clarify how the burden of proof should be allocated between plaintiff and defendant.

Particularly commendable is Title II of S. 1361, which creates a Commission on New Technological Uses of Copyrighted Works to study and make recommendations on new copyright problems such as those raised by computers and other information storage and retrieval systems.¹¹⁸ However, the Commission's charter terminates after three years. Unless the Commission suggests to Congress a set of workable rules to guide courts dealing with unanticipated situations and Congress enacts those rules, copyright law will continue to be inadequate in the future. It would therefore appear prudent to revise S. 1361 now in order to incorporate the standards suggested by the copyright clause and provide guidelines for courts applying copyright law to future developments unanticipated today.

ticular case is a fair use the factors to be considered shall include:

- (1) the purpose and character of the use;
- (2) the nature of the copyrighted work;
- (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and
- (4) the effect of the use upon the potential market for or value of the copyrighted work. S. 1361, 93d Cong., 2d Sess. § 107 (1974).

116. See S. REP. NO. 946, 93d Cong., 2d Sess. 116 (1974).

117. 172 U.S.P.Q. 670 (Ct. Cl. 1972), *rev'd*, 487 F.2d 1345 (Ct. Cl. 1973), *cert. granted*, 417 U.S. 907 (1974).

118. "(a) There is hereby created in the Library of Congress a National Commission on New Technological Uses of Copyrighted Works (hereafter called the Commission).

(b) The purpose of the Commission is to study and compile data on:

- (1) the reproduction and use of copyrighted works of authorship—
 - (A) in conjunction with automatic systems capable of storing, processing, retrieving, and transferring information; and
 - (B) by various forms of machine reproduction, not including reproduction by or at the request of instructors for use in face-to-face teaching activities; and
- (2) the creation of new works by the application or intervention of such automatic systems or machine reproduction.

(c) The Commission shall make recommendations as to such changes in copyright law or procedures that may be necessary to assure for such purposes access to copyrighted works, and to provide recognition of the rights of copyright owners." S. 1361, 93d Cong., 2d Sess. § 201 (1974).

