

# Copyright Infringement (United States)

Jonathan I. Feil  
Simburg, Ketter, Sheppard & Purdy, LLP  
Seattle, Washington, United States

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## Introduction

Under United States copyright law,<sup>1</sup> copyright infringement consists of “violat[ing] any of the exclusive rights of the copyright owner”, importing unauthorized copies of copyrighted works into the United States, or exporting them from the United States.<sup>2</sup>

The United States is generally regarded as providing strict protection of the rights of intellectual property owners. On the other hand, no United States agency has a general mandate to bring enforcement actions for copyrights.<sup>3</sup> Copyright enforcement is primarily left for copyright holders to pursue in court through a civil action. However, “criminal copyright infringement, including infringement without monetary gain, is investigated by the [Federal Bureau of Investigation] and is punishable by fines and federal imprisonment” in a prosecution brought by the United States Justice Department.<sup>4</sup>

In recent years, United States courts have grappled with significant issues in copyright law, including copyrightability of useful articles, fair use, contracts and licensing, the meaning of “substantial similarity”,

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1 In this article, “copyright law” refers to the general body of United States law governing copyright. “Copyright Act” refers to the Copyright Act of 1976 and its amendments, codified in Title 17 of the United States Code. See Copyright Law of the United States and Related Laws Contained in Title 17 of the United States Code (December 2016), United States Copyright Office Circular Number 92, see <https://www.copyright.gov/title17/title17.pdf>.

2 17 United States Code, Section 501(a). As a formal matter, the statute distinguishes between “copies” and “phonorecords” (17 United States Code, Section 101) in defining material objects in which works eligible for copyright may be fixed, perceived, reproduced, or otherwise communicated. In this article, the term “copies” will be used to refer to either or both.

3 Furchtgott-Roth, *The Asymmetric Enforcement of Federal Copyright Laws* (2014), see <https://www.hudson.org/research/10301-the-asymmetric-enforcement-of-federal-copyright-laws>.

4 Department of Justice Federal Property Management Regulations, 41 Code of Federal Regulations, Section 128-1.5009(e)(2); 17 United States Code, Section 506.

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contributory liability, and how works become public domain. New technologies for creating and distributing content and international commerce have been prime influences in shaping United States copyright law.

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## Legal Basis for Copyright Protection in the United States

### Federal Copyright Legislation

Copyright law in the United States is entirely a matter of national (federal) law and administration. The power to enact copyright legislation was expressly granted to Congress in the United States Constitution: “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”.<sup>5</sup>

The Copyright Act of 1976 (the “1976 Act”),<sup>6</sup> which took effect on 1 January 1978, provides the basic framework for the current copyright law, and expressly preempts all state laws that grant the same or “equivalent” rights as the federal law, whether or not those state laws conflict with federal law.<sup>7</sup> There have been 70 amendments since its enactment on 19 October 1976. The most important amendments have involved new technologies and international harmonization:

- (1) Computer Software Copyright Act of 1980, providing the framework for protection of computer programs;<sup>8</sup>

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<sup>5</sup> United States Constitution, Article I, Section 8.

<sup>6</sup> Pub. L. Number 94-553, 90 Stat. 2541.

<sup>7</sup> 17 United States Code, Section 301(a); Myers, *Principles of Intellectual Property Law* (3d Ed., 2017), at pp. 154 and 155. *Maloney vs. T3Media Inc.*, 853 F.3d 1004 (9th Cir., 2017) (athletes’ state law right of publicity claim against licensing of photographs for non-commercial art use preempted by Copyright Law).

<sup>8</sup> Pub. L. Number 96-517, 94 Stat. 3015. Unable to agree on the proper scope or application of copyright law to computer programs in the 1976 Act, Congress created a National Commission on New Technological Uses of Copyrighted Works (CONTU) to study the issues and report. The 1980 amendments incorporate most of the recommendations of the CONTU Final Report, specifically (i) defining “computer program” as a “set of statements or instructions to be used directly or indirectly in a computer in order to bring about a certain result” and (ii) providing that it is not an infringement for the owner of a copy of a computer program to make copies or adaptations needed in utilizing the program on a machine or copies for archival purposes.

- (2) Semiconductor Chip Protection Act of 1984, providing design protection for semiconductor chips;<sup>9</sup>
- (3) Berne Convention Implementation Act of 1988, implementing United States accession to the Berne Convention for the Protection of Literary and Artistic Works;<sup>10</sup>
- (4) Visual Artists Rights Act of 1990 (Visual Artists Rights Act), protecting, consistent with Article 6 *bis* of the Berne Convention, the “moral rights” of attribution and integrity to paintings, drawings, prints, sculptures, and still photographic images produced for exhibition only and existing in single copies or limited editions;<sup>11</sup>
- (5) Architectural Works Copyright Protection Act (1990), providing explicit copyright protection for original designs of architecture in virtually any form, including plans, drawings, and buildings themselves;<sup>12</sup>
- (6) Uruguay Round Agreements Act (1994), restoring United States copyright to certain foreign works that were in the public domain in the United States but protected by copyright in their countries of origin;<sup>13</sup>
- (7) No Electronic Theft (NET) Act (1997), removing from criminal copyright infringement the requirement that the infringement was for the purpose of “commercial advantage or private financial gain”;<sup>14</sup>
- (8) Sonny Bono Copyright Term Extension Act (1998), extending the term of copyright protection for most works to life plus 70 years;<sup>15</sup>
- (9) Digital Millennium Copyright Act (1998), exempting from copyright infringement liability Internet and other online service providers that follow prescribed “safe harbor” guidelines, criminalizing the circumvention of copy-prevention, digital rights management, and access control systems, and heightening the penalties for copyright infringement on the Internet;<sup>16</sup>

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9 Pub. L. Number 98-620, Title III, 98 Stat. 3335, at p. 3347 (adding 17 United States Code Chapter 9).

10 Pub. L. Number 100-568, 102 Stat. 2853.

11 Pub. L. Number 101-650, 104 Stat. 5089, at p. 5128.

12 Title VII of the Judicial Improvements Act of 1990, Pub. L. Number 101-650, 104 Stat. 5089, at p. 5133.

13 Pub. L. Number 103-465, 108 Stat. 4809, at p. 4973.

14 Pub. L. Number 105-147, 111 Stat. 2678.

15 Title I of Pub. L. Number 105-298, 112 Stat. 2827.

16 Pub. L. Number 105-304, 112 Stat. 2860.

- (10) Fraudulent Online Identity Sanctions Act (2004), criminalizing the knowing provision of false contact information for domain names used in connection with copyright infringement;<sup>17</sup> and
- (11) Artists' Rights and Theft Prevention Act (2005) authorizing criminal penalties for unauthorized recording of motion pictures.<sup>18</sup>

### **United States Copyright Office**

The United States Copyright Office, a department within the Library of Congress (not part of the Executive Branch), is responsible for administering the registration of copyrights, recordation of title and licenses, a number of statutory licensing provisions, and other aspects of the United States copyright law.

The Register of Copyrights also is the principal advisor to Congress on national and international copyright matters.<sup>19</sup> The Copyright Office does not, however, have authority to take action directly against copyright infringement.

### **Protection of Foreign Works**

The United States offers considerable protection to foreign works under international copyright treaties and conventions. It is a member of the two principal international copyright conventions, the Berne Convention for the Protection of Literary and Artistic Works (Berne Convention)<sup>20</sup> and the Universal Copyright Convention.<sup>21</sup> Works that are not subject to these conventions may be protected under bilateral agreements between

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<sup>17</sup> Pub. L. Number 108-482, 118 Stat. 3912 and 3916.

<sup>18</sup> Pub. L. Number 109-9, 119 Stat. 218.

<sup>19</sup> Overview of the Copyright Office, <https://www.copyright.gov/about/>.

<sup>20</sup> Berne Convention Implementation Act of 1988, Pub. L. Number 100-568, 102 Stat. 2853, full text on the United States Copyright Office website, see <https://copyright.gov/title17/92appk.pdf>. Berne Convention full text on the official WIPO website, see [http://www.wipo.int/treaties/en/text.jsp?file\\_id=283698](http://www.wipo.int/treaties/en/text.jsp?file_id=283698). Under United States copyright law, no right or interest in a work eligible for copyright protection may be claimed specifically under the Berne Convention, but only by the implementing provisions in the Copyright Act. 17 United States Code, Section 104(c).

<sup>21</sup> 17 United States Code, Section 104(b)(2); Universal Copyright Convention as revised at Paris on 24 July 1971, with Appendix Declaration relating to Article XVII and Resolution concerning Article XI 1971, full text on UNESCO website, see [http://portal.unesco.org/en/ev.php-URL\\_ID=15241&URL\\_DO=DO\\_TOPIC&URL\\_SECTION=201.html](http://portal.unesco.org/en/ev.php-URL_ID=15241&URL_DO=DO_TOPIC&URL_SECTION=201.html).

the United States and other countries, and may be protected in other countries under specific provisions of the country's national laws.<sup>22</sup>

Since almost all countries are either members or aspiring members of the World Trade Organization (WTO) and are thus conforming to the Agreement on Trade-Related Aspects of Intellectual Property Rights Agreement (TRIPS),<sup>23</sup> the Universal Copyright Convention has lost significance. TRIPS sets down minimum standards for the regulation by national governments of many forms of intellectual property as applied to nationals of other WTO member nations.

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## Elements of Copyright Infringement

Two basic elements must be proven to establish copyright infringement:

- (1) Ownership of a valid copyright; and
- (2) Activity by the defendant that violates any of the copyright owner's exclusive rights respecting the work.<sup>24</sup>

Most copyright claims are asserted against the direct infringer — the writer or composer who copies portions of another's work, the unlicensed publisher of a copyrighted work, the YouTube channel that uploads a copyrighted movie. To establish the defendant's liability for direct infringement, the plaintiff must show that the defendant was the cause of the infringement.<sup>25</sup>

A limited liability entity will not protect the individual tortfeasor who commits direct infringement as an officer, employee, or agent from liability, even without piercing the corporate veil or alleging alter ego liability. Direct copyright infringement is generally a strict liability tort.

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<sup>22</sup> United States Copyright Office, Circular Number 38A, see <https://www.copyright.gov/circs/circ38a.pdf>.

<sup>23</sup> TRIPS Agreement, as amended on 23 January 2017, full text on WIPO website, see [https://www.wto.org/english/docs\\_e/legal\\_e/31bis\\_trips\\_01\\_e.htm](https://www.wto.org/english/docs_e/legal_e/31bis_trips_01_e.htm).

<sup>24</sup> *Feist Publications vs. Rural Telephone Service Co.*, 499 U.S. 340, at p. 361 (1991). The word “copying” is “shorthand” for the various activities that may infringe a copyright owner's exclusive rights. *Range Rd. Music, Inc. vs. E. Coast Foods, Inc.*, 668 F.3d 1148, at pp. 1153 and 1154 (9th Cir., 2012).

<sup>25</sup> *Perfect 10, Inc. vs. Giganews, Inc.*, 847 F.3d 657, at p. 666 (9th Cir.) *cert. denied*, 138 S.Ct. 504 (2017) (“where it is clear that infringement has occurred, courts must determine who is close enough to the [infringing] event to be considered the most important cause”).

There is no requirement on the plaintiff to show how the defendant behaved intentionally, recklessly, or even negligently.<sup>26</sup>

A defendant also may be secondarily liable for acts that lead to copyright infringement by another. Copyright law allows imposition of vicarious liability “when the defendant profits directly from the infringement and has a right and ability to supervise the direct infringer, even if the defendant initially lacks knowledge of the infringement”.<sup>27</sup> A defendant may be liable for contributory infringement engaged in by another based on knowledge or reason to know of the infringing activity and intentionally inducing or materially contributing to that infringing activity.<sup>28</sup>

Sale of a device, product, or service that has the potential to infringe may constitute contributory infringement — even if the device is capable of substantial non-infringing use — if the defendant’s intent to induce the infringing activity is shown by clear expression of that intent or other affirmative steps to encourage.<sup>29</sup>

Whether breach of a copyright license is actionable as copyright infringement turns on whether the provision breached is a condition of the license or a mere covenant. The licensor will have a breach of contract claim, not a copyright infringement claim, for breach of a mere covenant but, if the nature of the licensee’s violation consists of failure to satisfy a condition to the license grant, rights dependent upon satisfaction of such condition have not been effectively licensed and, therefore, use by the licensee is without authority and may constitute infringement of copyright.<sup>30</sup>

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26 Goldstein, *Goldstein On Copyright*, Volume 2, Section 8.1, Note 1 (3rd ed., 2014); Goold, “Is Copyright Infringement a Strict Liability Tort?”, 30 *Berkeley Tech. L.J.* 305 (2015), see <http://scholarship.law.berkeley.edu/btlj/ol30/iss1/7>.

27 *Metro-Goldwyn-Mayer Studios Inc. vs. Grokster, Ltd.*, 545 U.S. 913, 930 n.9 (2005); *Ellison vs. Robertson*, 357 F.3d 1072, at p. 1076 (9th Cir., 2004) (“A defendant is vicariously liable for copyright infringement if he enjoys a direct financial benefit from another’s infringing activity and has the right and ability to supervise the infringing activity.”).

28 *Perfect 10, Inc. vs. Giganews, Inc.*, 847 F.3d 657, at pp. 671 and 672 (9th Cir.); *cert. denied*, 138 S.Ct. 504 (2017); *MDY Indus., LLC vs. Blizzard Entm’t, Inc.*, 629 F.3d 928, at pp. 937 and 938 (9th Cir., 2010), amended and superseded on denial of reh’g, 2011 WL 538748 (9th Cir., 17 February 2011).

29 *Compare Metro-Goldwyn-Mayer Studios Inc. vs. Grokster, Ltd.*, 545 U.S. 913, at p. 939 (2005) with *Sony Corp. of Am. vs. Universal City Studios, Inc.*, 464 U.S. 417, at p. 442 (1984).

30 *Jacobsen vs. Katzer*, 535 F.3d 1373, at p. 1380 (Fed. Cir., 2008) (applying doctrine to open course software licensing); *Sun Microsystems, Inc., vs. Microsoft Corp.*, 188 F.3d 1115, at p. 1121 (9th Cir., 1999).



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## Rights Covered by Copyright in the United States

### Exclusive Rights of Owner of Copyrighted Work

The copyright owner of a work protected by United States copyright law possesses the exclusive right, personally or through licensees, to:

- (1) Reproduce the work;
- (2) Prepare derivative works based on the work;
- (3) Distribute copies of the work to the public;
- (4) Perform the work publicly; and
- (5) Display the copyrighted work publicly.<sup>31</sup>

The right to reproduce copies of the work is often the most important right to the copyright owner. Indeed, it is the oldest right under British copyright law.<sup>32</sup> No one other than the copyright owner may make or authorize copies of the work. It is not necessary that the entire original work be copied for an infringement of the reproduction right to occur. All that is necessary is that the copying be substantial and material<sup>33</sup> and not trivial or *de minimis*.<sup>34</sup> This can be a highly subjective question and depend on the nature of the work.

“Not all copying constitutes infringement, however . . . [T]he substantial similarity analysis must focus on similarity of expression, i.e., material susceptible of copyright protection . . . [I]n an action for infringement, it must be determined both whether the similarities between the works are substantial from the point of view of the lay observer and whether those similarities involve copyrightable material.”<sup>35</sup>

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<sup>31</sup> 17 United States Code, Section 106.

<sup>32</sup> Act for the Encouragement of Learning, by Vesting the Copies of Printed Books in the Authors or Purchasers of Such Copies, during the Times therein mentioned (Statute of Anne or Copyright Act of 1710), 8 Ann., c. 21.

<sup>33</sup> *Harper & Row Publishers Inc. vs. Nation Enterprises*, 471 U.S. 539 (1985) (300 words of verbatim quotes from unpublished memoir).

<sup>34</sup> *Newton vs. Diamond*, 388 F.3d 1189, at pp. 1192 and 1193 (9th Cir., 2004) (use is considered *de minimis* “if it is so meager and fragmentary that the average audience would not recognize the appropriation”).

<sup>35</sup> *Oravec vs. Sunny Isles Luxury Ventures, L.C.*, 527 F.3d 1218, at p. 1224 (11th Cir., 2008).

The right to prepare derivative works overlaps somewhat with the reproduction right. Under copyright law, a derivative work is “a work based upon one or more preexisting works” and includes translations, musical arrangements, dramatizations, motion pictures, art reproductions, and abridgments — any “form in which a work may be recast, transformed, or adapted”.<sup>36</sup> Like the reproduction right, a substantial and material, rather than a trivial or *de minimis*, portion of the copyright-protected content must be used, and the purpose and amount of transformation may determine whether the derivative work constitutes an infringement.<sup>37</sup>

The distribution right grants to the copyright holder the exclusive right to make the work available to the public by sale, rental, lease, or lending. In addition to entitling the copyright holder to prevent the distribution of unauthorized copies, it allows the copyright holder to control the first publication and distribution of the work. The exclusive distribution right extends to importing or exporting copies “without the authority of the owner of copyright”.<sup>38</sup> The distribution right is limited, however, by the “first sale doctrine” (see text, below).

Under United States copyright law, the public performance right applies only to literary, musical, dramatic, audiovisual, choreographic works, pantomimes, and motion pictures.<sup>39</sup> A performance is considered “public” when the work is performed in a “place open to the public or at a place where a substantial number of persons outside of a normal circle of a family and its social acquaintances is gathered”, or if it is transmitted to multiple locations, such as through television, radio, or digital audio transmission (notably, Internet streaming).<sup>40</sup> Since computer programs are considered literary and also many audiovisual works, the public performance right applies to software. However, other than publicly available video games,<sup>41</sup> the performance right in software has not been developed.

Like the public performance right, the public display right is limited to certain works, namely, literary, musical, dramatic, choreographic, pictorial, graphical, and sculptural works, pantomimes, and still images

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<sup>36</sup> 17 United States Code, Section 101.

<sup>37</sup> *Campbell vs. Acuff-Rose Music Inc.*, 510 U.S. 560 (1984) (repeated use of bass riff and theme was substantial and material, and not *de minimis*, but potential “fair use” as parody).

<sup>38</sup> 17 United States Code, Section 602(a), (b).

<sup>39</sup> 17 United States Code, Section 106(4).

<sup>40</sup> 17 United States Code, Section 101.

<sup>41</sup> *Midway Mfg. Co. vs. Artic Intern., Inc.*, 704 F.2d 1009 (7th Cir.), *cert denied*, 464 U.S. 823 (1983).



from motion pictures and other audio visual works.<sup>42</sup> Whether a work is displayed “publicly” applies the same definition as the public performance right.<sup>43</sup>

### Protections for Particular Classes of Works

Since December 1990, the Architectural Works Copyright Protection Act<sup>44</sup> has boosted copyright protection for architects, by treating constructed buildings, along with architectural plans, models, or drawings, as “architectural works” whose copyright is capable of infringement<sup>45</sup> — such as by constructing a building by copying another building or violating a licensing condition on the number of houses that can be built from proprietary home designs and plans.<sup>46</sup>

United States copyright law does not include an overall recognition or protection of “moral rights”.<sup>47</sup> However, the Visual Artists Rights Act,<sup>48</sup> passed in 1990, amends United States copyright law to protect the moral rights of the creators of certain works of visual art, consistent with Article 6 *bis* of the Berne Convention.

The Visual Artists Rights Act provides additional and independent protections to authors of works of visual art. A work of visual art is defined to include “a painting, drawing, print, or sculpture, existing in a single copy” or in a limited edition. The definition specifically excludes a number of works that are otherwise copyrightable, including motion pictures and other audiovisual works, books, posters, periodicals, works made for hire, and merchandising, advertising, promotional, or packaging materials.<sup>49</sup>

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<sup>42</sup> 17 United States Code, Section 106(5).

<sup>43</sup> 17 United States Code, Section 101.

<sup>44</sup> Title VII of the Judicial Improvements Act of 1990, Pub. L. Number 101-650, 104 Stat. 5089, at p. 5133.

<sup>45</sup> United States Copyright Office, Circular Number 41 (see <https://www.copyright.gov/circs/circ41.pdf>).

<sup>46</sup> *Kipp Flores Architects LLC vs. Mid-Continent Casualty Company*, 852 F.3d 405, at p. 407 (5th Cir., 2017).

<sup>47</sup> Moral rights generally refer to “rights of a spiritual, non-economic and personal nature” that exist “independently of an artist’s copyright in his work” and “spring from a belief that an artist in the process of creation injects his spirit into the work and that the artist’s personality, as well as the integrity of the work, should therefore be protected and preserved”. *Carter vs. Helmsley-Spear, Inc.*, 71 F.3d 77, at p. 81 (2d Cir., 1995), *cert. denied*, 517 U.S. 1208 (1996).

<sup>48</sup> Pub. L. Number 101-650, 104 Stat. 5089, at p. 5128; 17 United States Code, Section 106A.

<sup>49</sup> 17 United States Code, Section 101.

The “rubric of moral rights encompasses many varieties of rights, but the two most widely recognized are attribution and integrity”.<sup>50</sup> The Visual Artists Rights Act provides that, in addition to the exclusive rights generally provided to works of visual art by copyright law, the author of a work of visual art has the right to:

- (1) Claim authorship of that work (attribution); and
- (2) Prevent the use of his name as the author of any work of visual art which he did not create (integrity), including the rights to prevent the use of his name as the author of the work of visual art in the event of a distortion, mutilation, or other modification of the work which would be prejudicial to his honor or reputation; prevent any intentional distortion, mutilation, or other modification of that work which would be prejudicial to his honor or reputation; and prevent intentional or grossly negligent destruction of a work of recognized stature.<sup>51</sup>

Electronic media receives specific protection under the Digital Millennium Copyright Act against “circumvent[ing] a technological measure that effectively controls access to a [copyrighted] work”. Circumvention means “to decrypt an encrypted work . . . without the authority of the copyright owner”.<sup>52</sup> The federal courts are in conflict over whether an “infringement nexus” is required, i.e., that the plaintiff must show that circumventing the technology infringes or facilitates infringement of the plaintiff’s copyright.<sup>53</sup>

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## Works That Copyright Protects

### Works Eligible for Copyright Protection

Under United States copyright law, the categories of works expressly eligible for protection include literary works; musical works, including any accompanying words; dramatic works, including any accompanying

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<sup>50</sup> *Massachusetts Museum of Contemporary Art Foundation Inc. vs. Buchel*, 593 F.3d 38, at pp. 47 and 48 (1st Cir., 2010).

<sup>51</sup> 17 United States Code, Section 106A(a).

<sup>52</sup> 17 United States Code, Section 1201(a).

<sup>53</sup> Compare *MDY Industries, LLC vs. Blizzard Entertainment, Inc.*, 629 F.3d 92 (9th Cir., 2010) (no infringement nexus required) with *Chamberlain Group, Inc. vs. Skylink Techs., Inc.*, 381 F.3d 1178 (Fed. Cir., 2004) (infringement nexus required).

music; pantomimes and choreographic works; pictorial, graphic, and sculptural works; motion pictures and other audiovisual works; sound recordings; and architectural works.<sup>54</sup>

These works are eligible for protection while unpublished, a provision of significance to biographers drawing from personal correspondence.<sup>55</sup> The topography of semiconductor chips and vessel hull and deck designs are eligible for protection under special provisions of the United States copyright law.<sup>56</sup> In general, computer programs, website and website content, and computer databases and compilations of data are eligible for protection as “literary works”.<sup>57</sup>

Derivative works that add new original copyrightable authorship to a preexisting copyrightable work are themselves copyrightable. Compilations of data or compilations of preexisting works may also be copyrightable if the materials are selected, coordinated, or arranged in such a way that the resulting work as a whole constitutes a new work.<sup>58</sup>

Works that are specifically ineligible for copyright protection include ideas, methods, and systems; recipes; names, titles, and short phrases; typeface, fonts, and lettering (although computer code to create typeface designs is copyrightable); blank forms; familiar symbols and designs;<sup>59</sup> and works that have not been fixed in a tangible form.

An exception for unrecorded music performances prohibits “bootleg” recordings of live musical performances, even when there was no other fixation of the work.<sup>60</sup> The design of a useful article can be protected under copyright “only to the extent that [the] design incorporates pictorial, graphic, or sculptural features that can be identified separately from, and are capable of existing independently of, the utilitarian aspects of the article.”<sup>61</sup>

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<sup>54</sup> 17 United States Code, Section 102(a).

<sup>55</sup> 17 United States Code, Section 104.

<sup>56</sup> 17 United States Code Chapter 9 and Section 1301; Copyright Office Circular Number 100, see <https://www.copyright.gov/circs/circ100.pdf>.

<sup>57</sup> Copyright Office Circular Numbers 61, 65, and 66, see <https://www.copyright.gov/circs/>.

<sup>58</sup> 17 United States Code, Section 103; Copyright Office Circular Number 14, see <https://www.copyright.gov/circs/circ14.pdf>.

<sup>59</sup> Copyright Office Circular Number 33, see <https://www.copyright.gov/circs/circ33.pdf>.

<sup>60</sup> 17 United States Code, Section 1101, added by the Uruguay Round Agreements Act (1994), Pub. L. Number 103-465, 108 Stat. 4809, at p. 4973.

<sup>61</sup> 17 United States Code, Section 101; *Star Athletica, LLC vs. Varsity Brands, Inc.*, 137 S.Ct. 1002 (2017) (surface decorations on cheerleading uniforms separable from utilitarian aspects of useful article, and therefore eligible for copyright protection).

The distinction between ideas (unprotected) and expression (protected) is particularly significant in assessing the protection of “non-literal” components of a computer program, including the program’s sequence, structure, organization, and user interface. An “abstraction-filtration-comparison” test was initially formulated by the 2nd Circuit and has been expressly adopted by several other circuits, for assessing whether the non-literal elements of a computer program constitute expression protectable by copyright. Under this test, the court first breaks down the allegedly infringed program into its constituent structural parts. In the filtration step, the court sifts out all non-protectable material, including expression that is necessarily incidental to unprotectable ideas. In the final step, the court compares the remaining creative expression for substantial similarity with the allegedly infringing program.<sup>62</sup>

### Originality

The originality requirement in United States copyright law is a “low bar”.<sup>63</sup> Copyrightable originality requires only “independent creation” by the author “plus a modicum of creativity”. The degree of creativity required is “minimal”; the requirement is that the work possess “some creative spark, no matter how crude, humble or obvious”.<sup>64</sup>

The United States has not adopted the “stamp of the author’s personality” (*l’empreinte de la personnalité d’auteur*) standard prevalent in the European Union, or applied the German copyright law approach of applying a higher threshold of creativity to certain subject matter.<sup>65</sup>

### National Origin

Published works that are first published in the United States or in a country with which the United States has a copyright treaty, or that are created by a citizen or domiciliary of a country with which the United States has a copyright treaty, are protected by United States copyright law. All works that are unpublished, regardless of the nationality of the author, also are protected in the United States.

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<sup>62</sup> *Oracle America, Inc. vs. Google Inc.*, 750 F.3d 1339, at pp. 1357 and 1358 (Fed. Cir., 2014), *cert. denied*, 135 S.Ct. 2887 (2015).

<sup>63</sup> *Home Legend, LLC vs. Mannington Mills, Inc.*, 784 F.3d 1404, at p. 1409 (11th Cir.), *cert denied*, 136 S.Ct. 232 (2015).

<sup>64</sup> *Feist Publ’ns vs. Rural Tel. Serv. Co., Inc.*, 499 U.S. 340, at p. 345 (1991).

<sup>65</sup> Outfield and Suthersanen, *Global Intellectual Property Law*, at p. 82 (2008); Hick, *Artistic License: The Philosophical Problems of Copyright and Appropriation*, 61 (2017).

## Restored Works

The Uruguay Round Agreements Act (1994) restores United States copyright to certain foreign works that were in the public domain in the United States but protected by copyright in their countries of origin. The beneficiaries of restored copyright are mainly works that became public domain for failure to comply with formalities previously imposed by United States law.

Although copyright is restored automatically in eligible works, the Act requires the owner of a restored work to notify “reliance parties” (persons relying on the public domain status of the work), directly or through a filing with the Copyright Office, if the owner of the rights in a restored work plans to enforce those rights.<sup>66</sup>

## Duration of Copyright

The United States Constitution restricts copyright protection to “limited [t]imes”.<sup>67</sup> After the term ends, whether by expiration or otherwise, the work enters the “public domain” and is no longer protected by copyright.

The provisions of copyright law dealing with duration are complex. Different standards apply depending on whether federal statutory copyright protection was secured before or after 1 January 1978, the date the Copyright Act of 1976 took effect. In addition, several amendments enacted since 1 January 1978 affect duration.<sup>68</sup> The Copyright Information Center of the Cornell University Library publishes an annually updated copyright duration chart.<sup>69</sup> The most significant points, as of 1 January 2018 are:

For works published after 2002, the term of copyright in the United States is 70 years after the death of the author and 95 years from publication for works of corporate authorship (works made for hire). This term applies to United States works (registered or first published in the United States) and eligible foreign works (published in countries that are

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<sup>66</sup> 17 United States Code, Sections 104A and 109, and Chapter 11; Copyright Office Circular Number 38B, see <https://www.copyright.gov/circs/circ38b.pdf>.

<sup>67</sup> United States Constitution, Article I, Section 8. *Eldred vs. Ashcroft*, 537 U.S. 186 (2003) (upholding the 1998 Sonny Bono Copyright Term Extension Act as not exceeding the constitutional boundary).

<sup>68</sup> Copyright Office Circular Number 15A, see <https://www.copyright.gov/circs/circ15a.pdf>.

<sup>69</sup> Copyright Information Center of the Cornell University Library, Copyright Term and the Public Domain in the United States as of 1 January 2018, see <https://copyright.cornell.edu/publicdomain>.

signatories to the Berne Convention or other copyright treaties, works first published outside the United States by foreign nationals, or United States citizens living abroad). For United States works, the maximum term is 120 years from creation.

Works that are in the public domain due to copyright expiration include works published before 1923, unpublished works of authors who died before 1948, anonymous and pseudonymous works, works made for hire (corporate authorship), and works created before 1898 when the death date of the author is not known. For works published between 1923 and 2002, calculating the term is more complex. The terms for works registered or first published in the United States are:

- (1) Works published between 1923 and 1989 and following the formalities required at the time (copyright notice, registration, and/or renewal) have a copyright term of 70 years after the death of the author; for works of corporate authorship, the duration is 95 years from publication or 120 years from creation (whichever expires first).
- (2) Works published from 1 March 1989 through 2002 have a copyright term of 70 years after the death of the author; for works of corporate authorship, 95 years from publication or 120 years from creation (whichever expires first); if created before 1978, the duration is the greater of the above term or 31 December 2047.

For works first published outside the United States by foreign nationals or United States citizens living abroad, the duration is calculated as follows:

- (1) For works published in the United States less than 30 days after publication abroad, the United States publication chart should be used to determine duration;
- (2) For works published between 1923 and 1977 and complying with United States formalities (notice and renewal) or solely published abroad and not in the public domain in their home country, a term of 95 years after publication date applies; and
- (3) For works published between 1978 and 2002 in Berne signatory countries, there is a copyright term of 70 years after the death of the author, 95 years from publication for works of corporate authorship, or 31 December 2047, whichever is longest.

This is a simplified description. There are numerous additional rules and special cases, depending on the category of work, circumstances of publication (or non-publication), and country of origin.



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## Ownership of Copyright

### When Copyright Exists

Copyright protection subsists in “original works of authorship” when created and “fixed in any tangible medium of expression . . . from which they can be perceived, reproduced, or otherwise communicated”.<sup>70</sup>

An author “copyrights” a work by creating it. Notice and registration confirm the copyright owner’s rights and maximize the owner’s protections and remedies against potential copyright infringers, but neither is required to create or own a copyright.

### Who Owns Copyright

Copyright ownership vests in the author or authors of the work. The authors of a joint work are co-owners of copyright in the work. However, in the case of a “work made for hire”, the employer or other person for whom the work was prepared is considered the author and owner of the copyright, absent an express signed written instrument providing otherwise.<sup>71</sup>

A “work prepared by an employee within the scope of his or her employment” is automatically a work made for hire by operation of law.<sup>72</sup> The copyright law also lists specific categories of works that are “works made for hire” if the parties “expressly agree in a written instrument signed by them that the work shall be considered a work made for hire”.<sup>73</sup> A “work for hire agreement” does not establish ownership in the hiring party except for these specific categories of work. However, ownership of a copyright “may be transferred in whole or in part by any means of conveyance or by operation of law”.<sup>74</sup>

A transfer of ownership other than by operation of law is only valid if there is “an instrument of conveyance, or a note or memorandum of the transfer . . . in writing and signed by the owner of the rights

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<sup>70</sup> 17 United States Code, Section 102(a).

<sup>71</sup> 17 United States Code, Section 201(a) and (b).

<sup>72</sup> 17 United States Code, Section 101; *Community for Creative Non-Violence vs. Reid*, 490 U.S. 730 (1989) (general common law agency principles decide whether individual is “employee” or independent contractor for copyright ownership purposes).

<sup>73</sup> 17 United States Code, Section 101.

<sup>74</sup> 17 United States Code, Section 201(d).

conveyed or such owner's duly authorized agent".<sup>75</sup> The document does not have to be notarized or otherwise officially authenticated, but doing so makes proving the transfer easier as "*prima facie* evidence of the execution of the transfer".<sup>76</sup> Transfers of copyright ownership or other documents pertaining to a copyright may be recorded in the Copyright Office.<sup>77</sup> Recording is not mandatory, but is valuable in proving ownership if contested in litigation.

Under certain circumstances, United States copyright law allows authors or their heirs to terminate after thirty-five years an agreement that transferred or licensed the author's copyright to a third party. To terminate a grant, the author or the author's heirs must serve an advance written "notice of termination" on the grantee or the grantee's successor-in-interest and must record a copy of that notice with the Copyright Office and pay the required filing fee.<sup>78</sup>

Copyright in separate contributions to collective works is owned by the contributing author, as distinct from ownership of the collective work itself. Copyright in the collective work is a limited right, granting "only the privilege of reproducing and distributing the contribution as part of that particular collective work, any revision of that collective work, and any later collective work in the same series".<sup>79</sup>

### Copyright Notice

Copyright notice is a statement placed on copies of a work to inform the public that someone is claiming ownership of it. Use of a copyright notice is the responsibility of the copyright owner and publisher. Permission from, or registration with, the Copyright Office is not required.<sup>80</sup> A notice consists of three elements that generally appear as a single continuous statement:

- (1) The copyright symbol © (or ® for sound recordings) or the word "copyright" or abbreviation "copr.";
- (2) The year of first publication of the work; and
- (3) The name of the copyright owner (© 2017 John Doe).<sup>81</sup>

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<sup>75</sup> 17 United States Code, Section 204(a).

<sup>76</sup> 17 United States Code, Section 204(b).

<sup>77</sup> 17 United States Code, Section 205.

<sup>78</sup> 17 United States Code, Section 203; Copyright Office Circular Number 1, see <https://www.copyright.gov/circs/circ01.pdf>.

<sup>79</sup> 17 United States Code, Section 201(c).

<sup>80</sup> Copyright Officer Circular Number 3, see <https://www.copyright.gov/circs/circ03.pdf>.

<sup>81</sup> 17 United States Code, Section 401(b); Copyright Office Circular Number 3.

Copyright notice is optional, except for United States works published before 1 March 1989.<sup>82</sup> However, using a copyright notice makes potential users aware that copyright is claimed in the work and, in the case of a published work, may prevent defendants in a copyright infringement action from attempting to limit their liability for damages or injunctive relief based on an innocent infringement defense.<sup>83</sup>

“All rights reserved”, once used as a formality indicating that the copyright owner reserves all the rights provided by copyright law, no longer has any legal effect in any jurisdiction. Its frequent usage, however, has led to the use of “No rights reserved” or “Some rights reserved” ostensibly to disclaim or partially disclaim copyright protection.

Because nothing in United States copyright law specifies how to abandon copyright, these notices are ambiguous as a way for authors to dedicate their works to the public domain, and relying on them is risky. Organizations such as Creative Commons, Open Source Initiative, and Free Software Foundation have developed notices to guide authors who wish to share their work on open terms.<sup>84</sup> The resulting legal tools and standards are popular, widely used, and have strong communities. Open source licenses have been enforced by courts.<sup>85</sup>

## Copyright Registration

Registering a claim to copyright with the Copyright Office is not mandatory. Besides establishing a public record of a copyright claim, however, registration offers several statutory advantages:

- (1) Registration is necessary for works of United States origin before an infringement suit may be filed in court;<sup>86</sup>
- (2) Registration establishes *prima facie* evidence of the validity of the copyright and facts stated in the certificate when registration is made before or within five years of publication;<sup>87</sup>

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<sup>82</sup> 17 United States Code, Section 405(a); Copyright Office Circular Number 3.

<sup>83</sup> 17 United States Code, Section 405(b); Copyright Office Circular Number 3.

<sup>84</sup> CC0 1.0 Universal Public Domain Dedication, see <https://creativecommons.org/publicdomain/zero/1.0/legalcode>; Open Source Initiative Licenses and Standards, see <https://opensource.org/licenses>; Free Software Licensing and Compliance, see <http://www.fsf.org/licensing>.

<sup>85</sup> *Jacobsen vs. Katzer*, 535 F.3d 1373 (Fed. Cir., 2008); *Artifex Software Inc. vs. Hancorn Inc.*, 2017 WL 1477373 (N.D. Calif., 25 April 2017), 2017 WL 4005508 (N.D. Calif., 12 September 2017).

<sup>86</sup> 17 United States Code, Section 411.

<sup>87</sup> 17 United States Code, Section 410.

- (3) When registration is made prior to infringement or within three months after publication of a work, a copyright owner is eligible for statutory damages, attorney's fees, and costs;<sup>88</sup> and
- (4) Registration permits a copyright owner to establish a record with the United States Customs and Border Protection for protection against the importation of infringing copies. The Customs and Border Protection records unregistered copyrights, valid for a limited period (mainly to cover the period while an application to register is pending with the Copyright Office) through its Intellectual Property Rights Electronic Recordation System.<sup>89</sup>

Registration can be made at any time within the life of the copyright. A copyright registered before publication does not need to be re-registered when the work is published, although the published edition may be registered, if desired.<sup>90</sup>

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## Affirmative Defenses to Infringement

### Fair Use

Fair use is a legal doctrine that permits the unlicensed use of copyright-protected works in certain circumstances. Section 107 of the Copyright Act provides the statutory framework for determining whether something is a fair use and identifies certain types of limited and "transformative" uses, such as criticism, comment, news reporting, teaching, scholarship, and research, as examples of activities that may qualify as fair use.<sup>91</sup>

Because such uses can be done without permission from the copyright owner, fair use is considered a defense against a claim of copyright infringement. The fair use defense is highly subjective and fact-specific,

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<sup>88</sup> 17 United States Code, Section 412.

<sup>89</sup> 19 Code of Federal Regulations, Part 133, Subpart D; CPB Intellectual Property Rights e-Recordation Application (see <https://iprr.cbp.gov/>).

<sup>90</sup> Copyright Office Circular Number 1, see <https://www.copyright.gov/circs/circ01.pdf>. Circular Number 2, see <https://www.copyright.gov/circs/circ02.pdf>.

<sup>91</sup> 17 United States Code, Section 107; United States Copyright Office Fair Use Index, More Information on Fair Use, see <https://www.copyright.gov/fair-use/more-info.html>. The Fair Use Index provides searchable summaries of major fair use decisions.

even at the Supreme Court level.<sup>92</sup> The history of copyright law abounds with battles between rights holders and new technologies for distributing content.<sup>93</sup>

Advances in digitization and Internet technologies have spurred public and private attempts to preserve a digital record of “the nation’s memory”<sup>94</sup> and provide online access to digital copies of library, museum, and archive collections. Despite the absence of enabling legislation, there have been several independent attempts to make both orphan works and larger book collections available to the public under the “fair use” defense.

The most notable collections for online full-text searches and access to book content are the Google Books Library Project<sup>95</sup> — an effort to scan every book in the world — and its partnership with the Hathi Trust Digital Library at the University of Michigan.<sup>96</sup> Beginning with Michigan’s collection in 2004, and making further arrangements with Harvard, Stanford, Oxford, the New York Public Library, and dozens of other library systems, Google had scanned approximately 25-million books at an estimated cost of US \$400-million.

Google then delivered digital copies to participating libraries, created an electronic database of books, and made text available on the Google Books website for online searching through the use of “snippets”, a few sentences of the search term in context.<sup>97</sup>

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92 *Sony Corp. of America vs. Universal City Studios, Inc.*, 464 U.S. 417, at pp. 454–456 (1984) (finding use of video recorder for “time-shifting” of home television watching to be fair use, and therefore copying device manufacturers not liable for copyright infringement, because video recorder was capable of “substantial noninfringing uses”); *MGM Studios, Inc. vs. Grokster, Ltd.*, 545 U.S. 913 (2005) (peer-to-peer file sharing companies potentially liable for resulting acts of infringement by third parties).

93 Somers, “Torching the Modern-Day Library of Alexandria”, *The Atlantic* (20 April 2017), see <https://www.theatlantic.com/technology/archive/2017/04/the-tragedy-of-google-books/523320>; Wu, “Copyright’s Communications Policy”, 103 *Mich. L. Rev.* 278 (2004), see <http://repository.law.umich.edu/mlr/vol103/iss2/2>.

94 Library of Congress, *American Memory, Mission and History*, see <http://memory.loc.gov/ammem/about/index.html>.

95 Google, Inc., *Google Books Library Project — An Enhanced Card Catalog of the World’s Books*, see <https://books.google.com/intl/en/googlebooks/library/>. Google Books also collects content from publishers and authors cooperatively through its Google Books Partner Program, see <https://books.google.com/intl/en/googlebooks/partners>.

96 Howard, “What Happened to Google’s Effort to Scan Millions of University Library Books?”, *Edsurge* (10 August 2017), see <https://www.edsurge.com/news/2017-08-10-what-happened-to-google-s-effort-to-scan-millions-of-university-library-books>.

97 *Authors Guild, Inc. vs. Google, Inc.*, 804 F.3d 202, at p. 207 (2d Cir., 2015), *cert. denied*, 136 S.Ct. 1658 (2016); Somers, “Torching the Modern-Day Library of Alexandria”,

Google did not obtain permission from the copyright holders for use of their copyrighted works. The ensuing legal saga, lasting more than ten years, was initiated in September 2005 as a class action by the Authors Guild and American Society of Media Photographers, along with representative authors and photographers, and joined in April 2010 by groups of photographers and graphic artists for use of their work in the Google Books Project.

A settlement agreement filed with the United States District Court in September 2009 was rejected in March 2011 on a number of grounds, including antitrust and international law concerns. In November 2013, the district judge granted summary judgment to Google on fair use grounds, which was affirmed by the United States Court of Appeals for the Second Circuit in October 2015. In April 2016, the United States Supreme Court declined to review the Court of Appeals' decision.

The Second Circuit held in favor of Google on each of the four fair use factors in Section 107 of the Copyright Act, noting at the outset that the ultimate goal of copyright is to benefit the public and expand knowledge and understanding. In particular, the court found Google's use of copyrighted works in a database "highly transformative" and that such use necessitated the complete copying of the works. The court noted that Google provides only discontinuous, tiny fragments at a time, amounting to no more than sixteen per cent of a book. Lastly, the court found that Google's use would not have a "meaningful or significant effect" on the copyrighted works' market, even if the snippet function might cause some loss in sales.<sup>98</sup>

## First Sale

After the first sale or distribution of a copy, "the owner of a particular copy . . . lawfully made" under United States copyright law can sell or otherwise dispose of that copy without the authority of the copyright

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(footnote 97 continued from previous page)

*The Atlantic* (20 April 2017), see <https://www.theatlantic.com/technology/archive/2017/04/the-tragedy-of-google-books/523320>; Wu, "Copyright's Communications Policy", 103 *Mich. L. Rev.* 278 (2004), see <http://repository.law.umich.edu/mlr/vol103/iss2/2>; Google, Inc., *Google Books Library Project — An Enhanced Card Catalog of the World's Books — Common Questions*, see <https://www.google.com/googlebooks/common.html> (explanation of snippets).

<sup>98</sup> *Authors Guild, Inc. vs. Google, Inc.*, 804 F.3d 202 (2d Cir., 2015), *cert. denied*, 136 S.Ct. 1658 (2016).



holder.<sup>99</sup> The first sale doctrine also limits the right to prevent importing or exporting copies “without the authority of the owner of copyright”.<sup>100</sup>

Lawfully made copies purchased abroad can be imported to the United States and disposed of as freely as copies purchased in the United States. In 2013, the Supreme Court extended this rule beyond copies initially manufactured in the United States (and then sent abroad and sold) to copies manufactured abroad by or under the authority of the copyright holder.<sup>101</sup> This decision was commercially significant to publishers who sought to segment their market by producing cheaper editions for sale in other countries.

The first sale doctrine does not apply to a person who possesses a copy of the copyrighted work without owning it, however, such as a licensee. Whether the transferee of a copy is an owner or licensee has been problematic in cases involving software and digital media.

Possessing software as a licensee rather than as an owner of the copy also prevents the software user from invoking the “essential step doctrine” that allows the “owner of a copy of a computer program” to make “another copy or adaptation” of the program “as an essential step in the utilization” of the program “in conjunction with a machine” or “for archival purposes only”.<sup>102</sup> The Ninth Circuit has established a well-accepted test under which “a software user is a licensee rather than an owner of a copy where the copyright owner (1) specifies that the user is granted a license; (2) significantly restricts the user’s ability to transfer the software; and (3) imposes notable use restrictions”.<sup>103</sup>

### **Public Domain, Abandonment, and Orphan Works**

In addition to expiration of the copyright term, a copyright owner may deliberately place it in the public domain. Express dedication to the public domain is rare. Inadvertent public domain status — with potentially

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<sup>99</sup> 17 United States Code, Section 109(a). Congress has enacted several limitations to the first sale doctrine, including a prohibition on the rental of software and musical recordings. 17 United States Code, Section 109(b).

<sup>100</sup> 17 United States Code, Section 602(a), (b).

<sup>101</sup> *Kirtsaeng vs. John Wiley & Sons, Inc.*, 568 U.S. 519 (2013).

<sup>102</sup> 17 United States Code, Section 117(a). The “adaptation” right has become nearly vestigial with the standardization of computer platforms.

<sup>103</sup> *Vernor vs. Autodesk, Inc.*, 621 F.3d 1102, at p. 1111 (9th Cir., 2010), *cert. denied* 565 U.S. 820 (2011); *UMG Recordings, Inc. vs. Augusto*, 628 F.3d 1175 (9th Cir., 2011) (“Promotional Use Only — Not for Sale” label did not create license where copyright owner dispatched promotional CDs without any prior arrangement as to the copies and without any attempt to track recipients’ use or disposition).

momentous consequence — also can occur when the record of copyright ownership and transfer cannot be proved in court.<sup>104</sup>

Copyright investigations are frequently not conclusive, especially for registrations and records prior to 1 January 1978, which are not searchable in the Copyright Office's online catalog.<sup>105</sup> Sometimes, the creator of the work is not the copyright owner and does not have authority to control the copyright. Locating copyright owners is further complicated because the United States has an “opt-out” copyright system in which registration of copyright and recording of transfers are optional.<sup>106</sup> In addition, copyright law provides conditions under which authors can terminate previous transfers or licenses of their copyrights.<sup>107</sup>

Works published in 1923 or after (as well as unpublished works created in 1898 or after or by authors who died in 1948 or after) remain presumptively protected by copyright. However, significant numbers of these works are no longer commercially valuable to the copyright owner and have not been published or otherwise exploited for many years.

Generally termed “orphan works”, often no owner can be located and, as such, there is no feasible way for persons who wish to use part or all of the work, including libraries and archives, to make the works available without the risk of a putative owner later appearing and suing.<sup>108</sup> Despite several Copyright Office studies and various legislative proposals, as of 2017, Congress has not passed any across-the-board legislation tackling the orphan works problem.<sup>109</sup>

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<sup>104</sup> *Maya vs. Warner/Chappell Music Inc.*, 131 F.Supp.3d 975 (C.D. Calif. 2015) (longtime licensor lacked a valid copyright in the lyrics to “Happy Birthday” after court found that it could not establish who authored the lyrics and whether that author properly transferred any rights). Following this decision, Warner Music Group agreed to refund US \$14 million in licensing fees it previously charged filmmakers and others for using the song. Sisario, “Details of ‘Happy Birthday’ Copyright Settlement Revealed”, *New York Times* (9 February 2016), see <https://www.nytimes.com/2016/02/10/business/media/details-of-happy-birthday-copyright-settlement-revealed.html>.

<sup>105</sup> Copyright Office Circular Number 22, see <https://www.copyright.gov/circs/circ22.pdf>; Copyright Office Circular Number 23, see <https://www.copyright.gov/circs/circ23.pdf>. The online catalog is at <http://www.copyright.gov/records>.

<sup>106</sup> 17 United States Code, Sections 204 and 408. Registration of copyright and recording of transfer are, however, often necessary to enforce the copyright in court.

<sup>107</sup> 17 United States Code, Section 203.

<sup>108</sup> Urban, “How Fair Use Can Help Solve the Orphan Works Problem”, 27 *Berkeley Tech. L. J.* 1379, at p. 1382 (2012), see <https://scholarship.law.berkeley.edu/facpubs/2199/>.

<sup>109</sup> United States Copyright Office, *Orphan Works and Mass Digitization* (2015), see <https://www.copyright.gov/orphan/reports/orphan-works2015.pdf>. Under a 2005 amendment, the copyright law grants libraries and archives limited privileges to make copies of certain orphan works. 17 United States Code, Section 108(h).

## License

“Uses of the copyrighted work that stay within the scope of a ... license are immunized from infringement suits.”<sup>110</sup> An exclusive license must be in writing.<sup>111</sup> This requirement does not apply, however, to non-exclusive licenses where ownership of the copyright is not transferred. “A copyright owner may grant such non-exclusive licenses orally, or they may be implied from conduct which indicates the owner’s intent to allow a licensee to use the work.”<sup>112</sup>

## Digital Millennium Copyright Act Safe Harbor

The “safe harbor” provision of the Digital Millennium Copyright Act limits the liability of online service providers for copyright infringement that occurs “by reason of the storage at the direction of a user of material that resides on a system or network controlled or operated by or for the service provider”.<sup>113</sup>

To qualify for protection, a party must meet a set of threshold criteria. The party must in fact be a “service provider”, defined as “a provider of online services or network access, or the operator of facilities therefor”. A service provider must satisfy certain “conditions of eligibility”, including the adoption and reasonable implementation of a “repeat infringer” policy that “provides for the termination in appropriate circumstances of subscribers and account holders of the service provider’s system or network”. Finally, a qualifying service provider must accommodate “standard technical measures” that are “used by copyright owners to identify or protect copyrighted works”.<sup>114</sup>

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<sup>110</sup> *John G. Danielson, Inc. vs. Winchester-Conant Props., Inc.*, 322 F.3d 26, at p. 40 (1st Cir., 2003) (internal citation omitted).

<sup>111</sup> 17 United States Code, Section 204(a).

<sup>112</sup> *John G. Danielson, Inc. vs. Winchester-Conant Props., Inc.*, 322 F.3d 26, at p. 40 (1st Cir., 2003); *United States Auto Parts Network, Inc. vs. Parts Geek, LLC*, 692 F.3d 1009, at pp. 1019 and 1020 (9th Cir., 2012) (reversing grant of summary judgment because reasonable jury could find implied license).

<sup>113</sup> 17 United States Code, Section 512(c). Title II of the Digital Millennium Copyright Act established a series of four “safe harbors” that allow qualifying service providers to limit their liability for claims of copyright infringement based on (a) “transitory digital network communications”, (b) “system caching”, (c) “information residing on systems or networks at [the] direction of users”, and (d) “information location tools”. 17 United States Code, Section 512(a)–(d). Subsection (c) is by far the most pivotal to the explosive growth of social media since the Digital Millennium Copyright Act was enacted in 1998.

<sup>114</sup> 17 United States Code, Section 512(i)(1)(A), (i)(1)(B), (i)(2), and (k)(1)(B). *Viacom Intern Inc. vs. YouTube Inc.*, 676 F.3d 19, at p. 27 (2d Cir., 2012).

Once satisfying the threshold criteria, a service provider must satisfy the requirements of a particular safe harbor. The safe harbor for Section 512(c), which covers infringement claims that arise “by reason of the storage at the direction of a user of material that resides on a system or network controlled or operated by or for the service provider” will apply if the service provider:

- (1) Does not have actual knowledge that the material or an activity using the material on the system or network is infringing;
- (2) In the absence of such actual knowledge, is not aware of facts or circumstances from which infringing activity is apparent; or
- (3) Upon obtaining such knowledge or awareness, acts expeditiously to remove or disable access to the material;
- (4) Does not receive a financial benefit directly attributable to the infringing activity, in a case in which the service provider has the right and ability to control such activity; and
- (5) Upon notification of claimed infringement responds expeditiously to remove or disable access to the material that is claimed to be infringing or to be the subject of infringing activity.<sup>115</sup>

This final item requires service providers to “designate [ ] an agent to receive notifications of claimed infringement”, and specifies the components of a proper notification to that agent, commonly known as a “takedown notice”.<sup>116</sup> Accordingly, actual knowledge of infringing material, awareness of facts or circumstances that make infringing activity apparent, or receipt of a proper takedown notice will each trigger an obligation to expeditiously remove the infringing material.<sup>117</sup>

A service provider that fulfills these requirements “shall not be liable for monetary relief, . . . injunctive or other equitable relief [except in limited circumstances, mainly designed to terminating the accounts of subscribers who commit repeated infringements] for infringement of copyright by reason of the storage at the direction of a user of material

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<sup>115</sup> 17 United States Code, Section 512(c)(1)(A)–(C). *Viacom Intern Inc. vs. YouTube Inc.*, 676 F.3d 19, at p. 27 (2d Cir., 2012).

<sup>116</sup> 17 United States Code, Section 512(c)(3)(A). The target of a takedown notice may file a counter-notice. 17 United States Code, Section 512(g). Material misrepresentations by the copyright holder in the takedown notice may subject the copyright owner to liability, even nominal damages, for injury incurred as a result of the misrepresentation. *Lenz vs. Universal Music Corp.*, 815 F.3d 1145 (9th Cir., 2015) (requiring subjective good faith belief by copyright holder that content posted on Internet site was not fair use).

<sup>117</sup> 17 United States Code, Section 512(c)(2) and (3). *Viacom Intern Inc. vs. YouTube Inc.*, 676 F.3d 19, at pp. 27 and 28 (2d Cir., 2012).

that resides on a system or network controlled or operated by or for the service provider”.<sup>118</sup>

The bounds of the Digital Millennium Copyright Act safe harbor were tested in the *Viacom vs. YouTube* litigation, in which Viacom, joined by copyright owner class plaintiffs, argued that YouTube lost its safe harbor by engaging in “brazen” and “massive” copyright infringement that knowingly and intentionally allowed and induced users to upload and view hundreds of thousands of infringing videos.

After several court rulings that largely upheld YouTube’s reliance on the Digital Millennium Copyright Act safe harbor provisions, the case settled in March 2014, shortly before oral argument on a second appeal. No money changed hands. However, YouTube instituted more proactive technology to identify and disable suspected infringing context.<sup>119</sup>

### Copyright Misuse

Copyright misuse forbids the use of a copyright to secure an exclusive right or limited monopoly not granted by copyright law.<sup>120</sup> The purpose of the defense is to prevent copyright holders “from leveraging their limited monopoly to allow them control of areas outside the monopoly”.<sup>121</sup>

The contours of this defense are still being defined because courts do not need to address the issue when there is an unsuccessful claim for copyright infringement.<sup>122</sup>

### Statute of Limitations

Copyright infringement has a statute of limitations of “three years after the claim accrued”.<sup>123</sup> However, copyright follows a separate-accrual rule: “when a defendant commits successive violations, the statute of

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<sup>118</sup> 17 United States Code, Section 512(c)(1).

<sup>119</sup> Stempel, “Google, Viacom Settle Landmark YouTube Lawsuit”, *Reuters*, see <https://www.reuters.com/article/us-google-viacom-lawsuit/google-viacom-settle-landmark-youtube-lawsuit-idUSBREA2H11220140318>.

<sup>120</sup> *Practice Management Information Corp. vs. American Medical Ass’n*, 121 F.3d 516, at p. 520 (9th Cir., 1997).

<sup>121</sup> *Apple Inc. vs. Psystar Corp.*, 658 F.3d 1150, at p. 1157 (9th Cir., 2011).

<sup>122</sup> *MDY Indus., LLC vs. Blizzard Entm’t, Inc.*, 629 F.3d 928, at p. 941 (9th Cir., 2010) (declining to address copyright misuse issue because there was no infringement).

<sup>123</sup> 17 United States Code, Section 507(b).

limitations runs separately from each violation . . . . [E]ach infringing act starts a new limitations period”.<sup>124</sup>

In a 2014 decision, the United States Supreme Court ruled that the equitable defense of laches (unreasonable delay in bringing suit) did not displace the copyright statute of limitations, although the plaintiff’s delay and defendant’s reliance on that delay would be relevant “in determining appropriate injunctive relief and assessing profits”.<sup>125</sup>

### Extraterritoriality

United States copyright law reaches only “domestic conduct”.<sup>126</sup> However, domestic conduct may have a long reach in applying United States law to activities commenced outside the United States which result in domestic conduct, such as copies manufactured abroad but imported, distributed, acquired, or further reproduced in the United States.<sup>127</sup>

Similarly, the “act of state doctrine”, which bars United States courts from adjudicating the legality of a foreign sovereign’s public acts, does not provide a “first sale” defense unless the copies made abroad were “lawfully made under this title”, i.e., the United States copyright law.<sup>128</sup>

### Sovereign Immunity

The Copyright Remedy Clarification Act, enacted in 1990,<sup>129</sup> attempts to abrogate the sovereign immunity of states for copyright infringement:

“Any State, any instrumentality of a State, and any officer or employee of a State or instrumentality of a State acting in his official capacity, may not be immune, under the Eleventh Amendment of the Constitution of the United States or under any

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<sup>124</sup> *Petrella vs. Metro-Goldwyn-Mayer Inc.*, 134 S.Ct. 1962, at p. 1969 (2014).

<sup>125</sup> *Petrella vs. Metro-Goldwyn-Mayer Inc.*, 134 S.Ct. 1962, at p. 1978 (2014).

<sup>126</sup> *Geophysical Service Inc. vs. TGS-NOPEC Geophysical Co*, 850 F.3d 785, at pp. 790 and 791 (5th Cir., 2017).

<sup>127</sup> *Geophysical Service Inc. vs. TGS-NOPEC Geophysical Co*, 850 F.3d 785, at pp. 797 and 798 (5th Cir., 2017); *Kirtsaeng vs. John Wiley & Sons, Inc.*, 568 U.S. 519 (2013).

<sup>128</sup> *Geophysical Service Inc. vs. TGS-NOPEC Geophysical Co*, 850 F.3d 785, at pp. 795 and 796 (5th Cir., 2017).

<sup>129</sup> Pub. L. Number 101-553, 104 Stat. 2749.



other doctrine of sovereign immunity, from suit in Federal Court by any person, including any governmental or non-governmental entity, for a violation of any of the exclusive rights of a copyright owner . . . under this title.”<sup>130</sup>

The Copyright Remedy Clarification Act has been struck down as unconstitutional by district and appellate courts in the 1st, 2nd, 4th, 5th, 6th, 9th, and 11th Circuits. In these cases, the courts held that the 11th Amendment of the United States Constitution prohibits Congress from using its Article I powers to abrogate state sovereign immunity. To date, no court has enforced the Copyright Remedy Clarification Act against a state.<sup>131</sup>

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## Remedies for Infringement

Federal district courts have exclusive subject matter jurisdiction over copyright cases, along with jurisdiction of any civil action asserting a claim of unfair competition when joined with a substantial and related claim under the copyright law.<sup>132</sup> Potential remedies for copyright infringement available to the copyright owner or exclusive licensee include (a) “temporary and final injunctions . . . to prevent or restrain infringement”,<sup>133</sup> (b) impounding and disposition of infringing articles,<sup>134</sup> (c) actual damages and any additional profits of the infringer,<sup>135</sup> (d) “statutory damages”,<sup>136</sup> (e) “additional damages” in certain cases,<sup>137</sup>

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<sup>130</sup> 17 United States Code 511(a).

<sup>131</sup> *Chaves vs. Arte Public Press*, 204 F.3d 601 (5th Cir., 2000), *Salerno vs. City Univ. of N.Y.*, 191 F.Supp.2d 352 (S.D.N.Y. 2001); *Hairston vs. N.C. Agricultural and Technical State University*, 2005 WL 2136923 (M.D.N.C. 5 August 2005); *Marketing Information Masters vs. The Trustees of the California State University*, 552 F.Supp.2d 1088 (S.D. Cal., 2008); *Romero vs. California Dept. of Transportation*, 2009 WL 650629 (C.D. Cal., 12 March 2009); *Jacobs vs. Memphis Convention and Visitors Bureau*, 710 F. Supp.2d 663 (W.D. Tenn., 2010); *Parker vs. Dufreshne*, 2010 WL 2671578 (W.D. La., 18 May 2010); *Whipple vs. Utah*, 2011 WL 4368568 (D. Utah, 25 August 2011); *National Association of Boards of Pharmacy vs. University of Georgia*, 633 F.3d 1297 (11th Cir., 2011); *Coyle vs. University of Kentucky*, 2 F.Supp.3d 1014 (E.D.Ky.), appeal dismissed (6th Circ. 14-5401, 15 July 2014).

<sup>132</sup> 28 United States Code, Section 1338(a).

<sup>133</sup> 17 United States Code, Section 502(a) and (b).

<sup>134</sup> 17 United States Code, Section 503.

<sup>135</sup> 17 United States Code, Section 504(a).

<sup>136</sup> 17 United States Code, Section 504(c).

<sup>137</sup> 17 United States Code, Section 504(d).

(f) court costs and attorney's fees,<sup>138</sup> and (g) seizure and forfeiture of infringing articles excluded from import into the United States.<sup>139</sup>

Following the United States Supreme Court's 2006 *eBay* decision,<sup>140</sup> federal courts have reversed the longstanding standard for preliminary injunctions that when a plaintiff was likely to prevail on the merits in a copyright case, a detailed showing of irreparable harm was not needed because such injury could normally be presumed when a copyright was infringed. Although *eBay* involved the propriety of a permanent injunction after a finding of patent infringement, Courts of Appeals have held that *eBay* applies with equal force to preliminary injunctions that are issued for alleged copyright infringement.

Accordingly, when a plaintiff seeks a preliminary injunction in a copyright case, a court may not presume that the plaintiff will suffer irreparable harm. For a preliminary injunction to be granted in a copyright case: (a) the plaintiff must demonstrate either likelihood of success on the merits or sufficiently serious questions regarding merits to make them fair ground for litigation and the balance of hardships tipping decidedly in plaintiff's favor; (b) the plaintiff must demonstrate a likelihood that it will suffer irreparable injury in absence of an injunction; (c) the balance of hardships between the plaintiff and the defendant must tip in plaintiff's favor; and (d) the court must ensure that public interest will not be disserved by issuance of a preliminary injunction.<sup>141</sup>

Section 504(b) of the Copyright Act provides that the copyright owner is entitled to recover the actual damages suffered as a result of the infringement, as well as any profits of the infringer that are attributable to the infringement and that are not taken into account in computing the actual damages.<sup>142</sup> The "actual damages must be suffered as a result of the infringement, and recoverable profits must be attributable to the infringement".<sup>143</sup> In establishing the infringer's profits, the copyright owner is required to present proof only of the infringer's gross revenue, and the infringer is required to prove the deductible expenses and the elements of profit attributable to factors other than the copyrighted work.<sup>144</sup>

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<sup>138</sup> 17 United States Code, Section 505.

<sup>139</sup> 17 United States Code, Section 603; 19 Code of Federal Regulations, Section 133.43 (administrative procedure on suspicion of infringing copies).

<sup>140</sup> *eBay, Inc. vs. MercExchange, L.L.C.*, 547 U.S. 388 (2006).

<sup>141</sup> *Salinger vs. Colting*, 607 F.3d 68 (2d Cir., 2010).

<sup>142</sup> 17 United States Code, Section 504(b).

<sup>143</sup> *Polar Bear Prods., Inc. vs. Timex Corp.*, 384 F.3d 700, at p. 708 (9th Cir., 2004).

<sup>144</sup> 17 United States Code, Section 504(b).

“Statutory damages” may be a potent weapon where actual damages are small or it is difficult to prove by a preponderance of the evidence. The plaintiff may “elect, at any time before final judgment is rendered” whether to seek actual or statutory damages. If the copyright owner elects to recover statutory damages, the owner cannot also recover actual damages.<sup>145</sup>

In the absence of a finding of willful infringement, the amount that may be awarded as statutory damages is not less than US \$750, nor more than US \$30,000, for each work that was infringed. However, statutory damages may be reduced to as little as US \$200 for each work infringed if the infringement is shown to have been innocent. In a case where the copyright owner obtains a finding that the infringement was willful, an amount as much as US \$150,000 for each work willfully infringed may be awarded.<sup>146</sup>

Because the multiplier for statutory damages is the number of works infringed, threats of statutory damages have been potent weapons in illegal file sharing cases.<sup>147</sup> Statutory damages are only available if the copyright owner has registered copyright in the work prior to infringement or within three months after publication of the work.<sup>148</sup>

Awarding attorney’s fees is discretionary. Among the “several non-exclusive factors” to guide the court are “frivolousness, motivation, objective unreasonableness and the need in particular circumstances to advance considerations of compensation and deterrence”. These factors are exercised in an evenhanded manner with respect to prevailing plaintiffs and prevailing defendants.<sup>149</sup>

The Supreme Court has also endorsed an “objective-reasonableness approach” — putting substantial weight on the reasonableness of a losing party’s position.<sup>150</sup> As with statutory damages, attorney’s fees are

<sup>145</sup> 17 United States Code, Section 504(c).

<sup>146</sup> 17 United States Code, Section 504(c)(1); *Derek Andrew, Inc. vs. Poof Apparel Corp.*, 528 F.3d 696, at p. 699 (9th Cir., 2008); *L.A. News Serv. vs. Reuters Television Int’l*, 149 F.3d 987, at p. 995 (9th Cir., 1998).

<sup>147</sup> See *Capitol Records, Inc. vs. Thomas-Rasset*, 692 F.3d 899 (8th Cir., 2012) (statutory damages award of US \$222,000 for willful infringement sustained against individual for making recordings available for distribution to public through online media distribution system). After winning this case and settling many others out of court, the Recording Industry Association of America adjusted its anti-piracy strategy largely to stop suing individual downloaders. Holpuch, “Minnesota Woman to Pay US \$220,000 Fine for 24 Illegally Downloaded Songs, *The Guardian* (11 September 2012), see <https://www.theguardian.com/technology/2012/sep/11/minnesota-woman-songs-illegally-downloaded>.

<sup>148</sup> 17 United States Code, Section 412.

<sup>149</sup> *Fogerty vs. Fantasy, Inc.*, 510 U.S. 517 (1994).

<sup>150</sup> *Kirtsaeng vs. John Wiley & Sons, Inc.*, 136 S.Ct. 1979 (2016).

available to the prevailing party only if the copyright owner has registered copyright in the work prior to infringement or within three months after publication of the work.<sup>151</sup>

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<sup>151</sup> 17 United States Code, Section 412. The courts have not addressed the paradox that a defendant's entitlement to attorney's fees may depend on whether the plaintiff registered its copyright within this period.