Unwinding Sony

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Abstract

The dawning of the digital age has brought the Supreme Court’s Sony “staple article of commerce” doctrine to center stage in legal and policy discussions about the proper role and scope of copyright protection. The origins of this doctrine have always been somewhat obscure. Without reference to the text or the legislative history of the then-recently enacted overhaul of the copyright system, the Supreme Court adverted to patent law to determine the scope of indirect liability—a fundamental issue that would loom large in the subsequent shift from the analog to the digital distribution platform for content. A slim majority of the Supreme Court justified this interpretation of the Copyright Act of 1976 on the basis of a vague assertion of “historic kinship” between patent and copyright.

This Article scrutinizes that critical logical premise. Part I exhaustively reviews the litigation and correspondence of the justices to understand why the Court paid so little attention to the legislative materials while paying so much to the patent law. It finds that gaps in the information provided to the Court, in conjunction with the Justices’ unfamiliarity with copyright law generally and the Copyright Act of 1976 in particular, led the Court astray. Part II tests the “historic kinship” premise, finding that it cannot withstand scrutiny. Had the Court traced the origins of copyright and patent back to their sources, it would have seen that both areas of jurisprudence derive from a common wellspring: tort principles. Concerns about patent misuse and improper leveraging of monopoly power led the courts, and later Congress, to carve out an express safe...
harbor in patent law for sellers of "staple articles of commerce" - products suitable for substantial non-infringing uses. Part III demonstrates that the 1976 Copyright Act envisioned that courts would continue to use the traditional tort wellspring, informed by the distinctive challenges of copyright enforcement. That course of action would have brought the reasonable alternative design framework of products liability law into play. The Article shows that this approach almost certainly would have resulted in the same outcome that the Sony Court reached; but, of critical importance, it would have provided a more sound and dynamic jurisprudential framework for calibrating liability as new technologies develop.

INTRODUCTION

From its genesis following the invention of the printing press, copyright has evolved in tandem with technological progress. In the unrelenting process of adapting copyright law to technological advance, no case stands out more prominently than the Supreme Court’s 1984 decision in Sony Corporation of America v. Universal City Studios Inc.,1 in which the Court addressed copyright law’s treatment of reproduction of television broadcasts by households using Sony’s Betamax video cassette recorder (VCR). By the time the case reached a resolution, more than ten percent of American households owned VCRs. Most of them used the VCR to record shows for later viewing, a practice known as “time-shifting.” A 5-4 majority of the Court rendered two momentous holdings: first, time-shifting of broadcasts fell within the amorphous fair use defense; second, Sony Corporation (Sony), the device’s manufacturer, was not liable for contributory infringement because its device was capable of substantial non-infringing use — in this case, time-shifting and the recording of public domain programming and copyrighted broadcasts for which the proprietors did not object.

At the time, the Court’s fair use ruling attracted the bulk of attention.2 It meant that the large and growing proportion of American households shifting the time they watched their favorite shows were not violating copyright law. Yet, over time, the second part of the Court’s decision has taken on ever greater importance. By immunizing from contributory liability manufacturers of any

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technology that is "merely . . . capable of substantial noninfringing use," the holding has come to be viewed as the "Magna Carta" of both "product innovation" and the "technology age." "Consumer electronics and computer makers see [the Sony] ruling as having protected the development and sale of everything from Apple Computer's iPod to an ordinary PC." The Supreme Court's recent unquestioning reliance on Sony in addressing the challenges of the digital age in Metro-Goldwyn-Mayer Studios Inc. v. Grokster, Ltd. reinforces the significance of Sony's second holding.

Although Sony was the first Supreme Court decision to interpret the 1976 Copyright Act, it cited neither the statute nor legislative history to delineate the scope of contributory liability. Rather, on the basis of what it asserted as a "historic kinship between the patent and copyright law," the Court engrafted an express provision from the Patent Act of 1952 onto the Copyright Act of 1976. The provision, section 271(c) of the Patent Act, provides that "whoever offers to sell or sells within the United States . . . a material part of the [patented] invention, knowing the same to be especially made or especially adapted for use in an infringement of such patent, and not a staple article or commodity of commerce suitable for substantial noninfringing use, shall be liable as a contributory infringer." Given that the comprehensive reform of the Copyright Act of 1976 was the result of nearly two decades of deliberation, it seems astonishing for the "Magna Carta for the technology age" to be rooted not in that voluminous history but instead handed down in a contemporaneous judicial decision. When Congress adopted the Copyright Act, it could have easily turned to the 1952 Patent Act, where "both the concept of infringement and the concept of contributory infringement are expressly defined by statute."

Instead, the legislative history of the Copyright Act reveals that Congress

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3. 464 U.S. at 442.
10. Parloff, supra note 5.
rooted its considerations regarding contributory infringement elsewhere. This Article reveals why the Court chose that unconventional path and thereby places the *Sony* precedent in its proper legislative and jurisprudential perspective.

Although the Supreme Court handed down its *Sony* decision in 1984, the inquiry is especially timely now. *Sony’s* importation of patent law’s “staple article of commerce” doctrine, which immunizes from contributory liability manufacturers and distributors of devices capable of non-infringing uses, into the realm of copyright law has taken on ever greater importance with the dawning of the Internet age. Yet its critical logical premise—that a “historic kinship between the patent and copyright laws” supports engrafting the express indirect liability standard from one to the other—has never been scrutinized. If that premise proves historically and functionally inaccurate, then the support for the Court’s interpretation of indirect copyright liability in *Sony* falls away. With it collapses much of the support for the Court’s recent *Grokster* ruling. Sequel articles critically assess *Sony’s* legacy and the Supreme Court’s decision in *Grokster*. Part I begins with a comprehensive history of the *Sony* litigation to ascertain how the Supreme Court came to read an express provision of the Patent Act into the Copyright Act. It shows that the logical linchpin in the Court’s rationale for importing patent law in the Copyright Act of 1976 derived neither from careful statutory analysis nor from systematic jurisprudential research, but instead served as a post hoc rationalization for a particular policy preference. The decision suffered from significant gaps in information presented to the courts, compounded by the jurists’ unfamiliarity with either the newly enacted Copyright Act of 1976 or copyright liability jurisprudence in general. Part II then scrutinizes the historical claim supporting *Sony’s* indirect liability edifice, calling into question the Court’s decision to transplant a broad safe harbor from patent law into copyright law. Part III examines how indirect copyright liability should have been analyzed on the basis of first principles—interpreting the Copyright Act’s text and legislative history, as well as the jurisprudence of indirect copyright liability which Congress intended to perpetuate. This review reveals that Congress intended to preserve the traditional tort-based doctrines of indirect copyright liability. The Part concludes by analyzing how *Sony’s* indirect liability holding should have been resolved under such jurisprudence. Had it adhered to legislative intent, the Supreme Court could have reached largely the same result that it did in *Sony*.

13. See infra note 93 and accompanying text.
without importing a broad prospective safe harbor from patent law that threatens to undermine congressional intent in future cases.

I
REWINDING THE SONY LITIGATION

Though less than a quarter-century old, the *Sony* case arose in a completely different technological era. When the motion picture studios filed their complaint in November 1976, the compact disc (CD) was several years away from commercialization, and microcomputers were mere hobbyist toys. A digital revolution—in which millions of decentralized and largely anonymous Internet users could instantaneously reproduce and distribute perfect digital copies of sound recordings to millions of others—was still science fiction. By contrast, *Sony* concerned a new form of analog technology—a bulky and expensive device that could record television programming onto magnetic tape for later viewing. At the time, Sony’s Betamax device cost $1,400. It would be several years before markets for the sale or rental of prerecorded cassettes would emerge. Among the more revolutionary aspects of this device was that it allowed households to record a television show on one network while viewing another.

This feature, enabling the simultaneous viewing and taping of different shows, appears to have been the spark that ignited the litigation. VCR technology first came to the attention of Sidney Sheinberg, President of Universal City Studios, when Sony’s advertising firm sought permission to reference two popular Universal television series in a newspaper advertisement: “Now you don’t have to miss Kojak because you’re watching Columbo (or vice versa) . . . Betamax—It’s a Sony.” The advertising agency assumed that Universal would welcome a technology that allowed two of its television productions, appearing on rival networks during contemporaneous time slots, to be viewed by the same audience. But Universal refused to grant permission.

Instead of embracing the VCR, Universal became concerned about how this new consumer technology might affect one of its technology business ventures—a multi-million dollar, but still nascent, investment in videodisc technology. Videodisc promised to create a market for pre-recorded video content, much like phonorecords. As conceived at the time, however, videodisc technology would not have recording capability.

As a result, Universal sought to persuade Sony, with whom it had other business dealings, to drop its VCR business plans. When Sony declined, Universal sued for copyright infringement. With the exception of Disney, other major studios did not join the suit directly, although the Motion Picture Association of America (MPAA) and other content companies and

15. *See Fast Forward, supra* note 11, at 5.
organizations ultimately sided with Universal in amicus filings. Walt Disney Productions shared Universal’s concern about the VCR, although for different reasons. Disney had long profited from periodically taking its animation classics, such as Snow White and Sleeping Beauty, “from the vault” for the benefit of each new generation.\(^\text{17}\) Although only three of Disney’s feature length films had ever been licensed for television broadcast,\(^\text{18}\) Disney feared the VCR would interfere with its business of re-releasing classics as well as its other film rental business.

The contours of legal liability were sufficiently unclear that plaintiffs decided to sue not only Sony, its advertising company, and retail stores offering Sony’s Betamax, but also William Griffiths, a shill home taper, whom they agreed to shield from monetary damages.\(^\text{19}\) They filed in the Central District of California, home to Hollywood and many of the leading content companies. The case was assigned to Judge Warren Ferguson, a former state court jurist who had been appointed to the federal bench a decade earlier. Prior to Sony, Judge Ferguson had rendered but one published opinion in a copyright matter, and that was later reversed.\(^\text{20}\)

### A. The District Court Proceeding

*Sony* presented three complex, interrelated legal and factual questions: (1) whether households using the VCR to record television shows violated any of the copyright owners’ exclusive rights; (2) if so, whether manufacturers of such devices—as well as their advertising firms and retailers—could be held indirectly liable; and (3) if such liability were found, what remedies should apply to these various actors. The case presented significant litigation challenges. The Copyright Act had recently been comprehensively amended and courts had only just begun to interpret its many new provisions. Most notably, the fair use doctrine—which would figure prominently in assessing the direct liability of home users—was notoriously vague in both its procedural (burden of proof) and substantive elements.\(^\text{21}\) Furthermore, gathering evidence would be complicated, given that most VCRs were used in the privacy of users’ homes.

The plaintiffs hired Stephen Kroft, a litigator at an established Beverly Hills entertainment law firm who had cut his teeth on traditional copyright

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19. *Id.* at 436-37.
infringement and entertainment industry cases. Despite the technological aspects of this matter, Kroft saw the case in straightforward terms. He opened with a seemingly uncomplicated equation: "[t]he simple fact that Betamaxes were used to duplicate copyrighted works, along with the equally simple fact that Sony built and sold them for that purpose, added up to a simple case of copyright infringement." Four years later, he came back to this same theme in his opening argument to the Supreme Court: "Although the technology involved in this case makes the case more interesting than the normal copyright case, all that the case really involves is unauthorized and uncompensated copying of entire motion pictures . . . ."

Notwithstanding the many copyright intricacies involved in the case, Sony selected Dean Dunlavey, a general litigator with a hard-nosed reputation, as lead counsel. Dunlavey held a Ph.D. in nuclear chemistry and had significant experience litigating patents, but as a nonspecialist in copyright law, he came into the suit with a "lack of respect for the intellectual rigor" of this specialty. His patent law background would prove particularly valuable in persuading the trial court—and later the Supreme Court—to read the Patent Act’s "staple article of commerce" safe harbor into copyright law.

Both sides recognized early on that the trial would turn on application of the fair use doctrine. They focused on the character and nature of home copying and the harm that such activity causes to the television programming market. The studios’ lawyers sought to prove copying in several ways. By naming a shill home taper as defendant, they adduced direct testimony about VCR usage. In addition, they hired a private investigator to gather information from retail stores. They also sought to ascertain VCR usage through door-to-door canvassing of households. Over the defendants’ objection, Judge Ferguson allowed both parties to conduct telephone surveys. Universal’s survey of 805 households with VCRs revealed ownership of 32 videocassettes on average, far more than would be needed merely to time-shift programs given that tapes could be re-recorded. To the plaintiffs’ legal team, such ownership patterns indicated that households were creating home movie libraries, potentially harming the market for video rentals and sales. The studios also believed that viewers’ ability to skip commercials would adversely affect the amount

22. See FAST FORWARD, supra note 11, at 6.
23. Id. at 7-8.
24. Id. at 99.
27. FAST FORWARD, supra note 11, at 88.
29. Id. at 436-37.
30. Id. at 438-39.
31. Id.
advertisers would pay to sponsor television programming. Delayed viewing might also hurt the market for time-sensitive advertising. Given Sony’s knowledge and encouragement of consumers’ home copying through its advertisements, plaintiffs believed that they had enough to hold Sony liable.

Sony, on the other hand, could prevail by establishing that home copying did not violate the Copyright Act. It set out to establish that copyright owners for many broadcast programs consented to their shows being recorded on VCRs for later viewing. It obtained declarations from a range of content owners—from public television children’s shows (Mr. Rogers’ Neighborhood) to sports leagues (the National Hockey League, the National Football League)—endorsing time-shifting of their programming. Sony also sought to show that VCRs did not harm non-consenting copyright owners. It procured a survey of 1,000 households indicating that VCRs were used primarily for time-shifting, rather than to create libraries or eliminate commercials.\(^{32}\) Instead of harming copyright owners, Sony argued, VCRs expanded the television broadcasts’ audience and introduced opportunities for the rental and sale of television programming and films. Consequently, according to Sony, home copying fell within the fair use doctrine. Sony argued that the legislative history of the Sound Recording Act of 1971 implied that Congress had implicitly exempted home recording from liability.\(^{33}\)

Even if home copying of over-the-air television broadcasts were to violate copyright law, Sony had a second line of defense: VCR manufacturers did not bear indirect liability for their customers’ actions. Dunlavey built his argument around the larger public policy principle, reflected in the Patent Act, that intellectual property law should never stand in the way of products that have substantial non-infringing uses.

A five-week bench trial commenced in early 1979. From the outset, Judge Ferguson revealed discomfort with plaintiffs’ implicit assertion that the government should regulate the use of recording devices within the privacy of the home and skepticism that the VCR had caused or threatened any significant harm to copyright owners.\(^{34}\) Studio executives’ claims of impending doom rang hollow in the face of record profits at Universal and emerging new markets for content from VCR technology.\(^ {35}\) One of the studios’ key witnesses, the shill home taper Griffiths, reinforced Sony’s assertion that consumers used VCRs primarily for time-shifting and not for building home video libraries. Although acknowledging that he had initially purchased the Betamax in order to build a home video library, Griffiths testified that the costs of taping had

\(^{32}\) Id.

\(^{33}\) Id. at 443.

\(^{34}\) Universal City Studios, Inc. v. Sony Corp. of Am., 480 F. Supp. 429, 468 (C.D. Cal. 1979).

pushed him into using his machine principally for time-shifting.\textsuperscript{36}

In defending the case, Sony provided many examples of television programming for which copyright owners had consented to over-the-air taping, an internal media company study conducted by NBC downplaying the effects of home taping on content industry profits, and other public and private statements to like effect.\textsuperscript{37} Dunlavey closed by emphasizing that "[i]here never has been a case in history. . . . where the manufacturer of a machine with legitimate use was ever punished for some improper use made of the machine by a purchaser. . . ."\textsuperscript{38} He urged the court to look to patent law's "staple article of commerce" doctrine to decide whether the manufacturer of a consumer product should be held liable for the copyright infringement of downstream users outside of its control. He emphasized the many non-infringing uses of VCRs, from time-shifting television broadcasts to recording shows for which the copyright owners had freely consented.

Anticipating future controversies over rights management technology and even the broadcast flag,\textsuperscript{39} Kroft proffered an engineer to testify that Sony could easily and inexpensively redesign its VCR to record only programs authorized by the copyright owners.\textsuperscript{40} Judge Ferguson refused to allow the testimony, however, commenting that "some bright young entrepreneur, unconnected with Sony, is going to come up with a device to unjam the jam. And then we have a device to jam the unjamming of the jam, and we all end up like jelly."\textsuperscript{41}

Judge Ferguson began his 42-page opinion\textsuperscript{42} by quoting the Intellectual Property Clause of the U.S. Constitution—empowering Congress "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"—while at the same time emphasizing copyright's statutory limitations and balancing doctrines.\textsuperscript{44} With this preamble never far from the surface, Judge Ferguson proceeded to make detailed factual findings, interpret copyright law, and apply that law to the unprecedented issues before him.

\textsuperscript{36} Id. at 424 n.3.
\textsuperscript{37} See \textit{Fast Forward}, supra note 11, at 104.
\textsuperscript{38} Id. at 105.
\textsuperscript{39} The broadcast flag is a coded message sent in the data stream of a digital television program that indicates whether or not the content can be recorded. Television and movie producers have pressed Congress and the FCC to require that digital television receivers incorporate broadcast flag technology as a means to prevent unauthorized reproduction and distribution of copyrighted content. See Thomas S. Fletcher, Note, American Library Association \textit{v.} FCC: Charting the Future of Content Protection for Digital Television, 21 Berkeley Tech. L.J. 613 (2006).
\textsuperscript{40} See \textit{Fast Forward}, supra note 11, at 104.
\textsuperscript{41} Id. at 105.
\textsuperscript{42} Judge Ferguson amended the opinion, without altering the outcome, three months later. Universal City Studios, Inc \textit{v.} Sony Corp. of Am., 480 F. Supp. 429 (C.D. Cal. 1979).
\textsuperscript{43} U.S. Const. art. I, § 8, cl. 8.
\textsuperscript{44} 480 F. Supp. at 432.
On the issue of direct liability, Judge Ferguson concluded that home recordings of over-the-air broadcasts for personal use did not infringe copyrights in plaintiffs' works on two grounds: (1) implied immunity for home recording from the legislative history of the Sound Recording Act of 1971 and the Copyright Act of 1976, and (2) the fair use doctrine. Judge Ferguson found language from the House Report accompanying the 1971 sound recording legislation supporting an implied immunity. To this legislative history, he added a detailed application of the fair use defense to the home recording of over-the-air broadcasts, guided by the Supreme Court's direction to interpret the Copyright Act "in light of [its] basic purpose" when technological advancement renders "literal terms ambiguous." After reviewing the jurisprudential origins of fair use and its codification in the 1976 Act, Judge Ferguson focused on the fourth statutory fair use factor of whether home recording harmed actual or potential markets for the copyrighted works. Because plaintiffs "admitted that no actual harm to their copyrights has occurred to date" and their experts "admitted that they knew neither the year in which the predicted harm would occur nor the number of Betamax purchases which would cause harm," Judge Ferguson expressed reluctance to credit plaintiffs' predictions of imminent, substantial harm. Although VCR users recorded the entirety of highly expressive creative works without engaging in productive use (such as criticism or parody), Judge Ferguson downplayed these considerations in concluding that the home use of VCRs constituted fair use inasmuch as the works were broadcast without charge and the uses were both non-commercial and confined to the privacy of the user's homes.

Given this finding, the district court did not need to go further. If VCR users did not directly violate copyright law, then the suppliers of those products could not be held indirectly liable. Nonetheless, Judge Ferguson proceeded to address the indirect liability allegations. After reviewing the leading cases, Judge Ferguson observed that:

Plaintiffs' claims are unprecedented. Unlike the defendant in Gershwin, defendants here do not arrange for and direct the programming for the infringing activity. Unlike the defendants in Screen Gems I and II, defendants here do not sell or advertise the infringing work. Plaintiffs sue defendants because they manufacture, distribute, advertise and sell a product capable of a variety of uses,
some of them allegedly infringing.

Selling a staple article of commerce—e.g., a typewriter, a recorder, a camera, a photocopying machine—technically contributes to any infringing use subsequently made thereof, but this kind of “contribution,” if deemed sufficient as a basis for liability, would expand the theory beyond precedent and arguably beyond judicial management.

In patent law, manufacturers, distributors, retailers and advertisers of staple articles of commerce suitable for substantial noninfringing use cannot be held liable as contributory infringers. See 35 U.S.C. § 271(c); Aro Manufacturing Co. v. Convertible Top Co., 377 U.S. 476, 488-89 (1964); Henry v. A.B. Dick Co., 224 U.S. 1, 48 (1912). As the Court in Henry noted, to hold otherwise would “block the wheels of commerce.” Id.

Whether or not patent law has precedential value for copyright law and the Betamax is capable of “substantial” noninfringing use, the underlying rationale for the patent rule is significant. Commerce would indeed be hampered if manufacturers of staple items were held liable as contributory infringers whenever they “constructively” knew that some purchasers on some occasions would use their product for a purpose which a court later deemed, as a matter of first impression, to be an infringement.\(^5\)

Thus, the Patent Act’s “staple article of commerce” doctrine worked its way into copyright law without serious attention to either the history of copyright law or the text, structure, or legislative history of the 1976 Act. Largely on the basis of general policy considerations, Sony’s counsel pressed for the adoption of the patent law standard. Plaintiff’s counsel did little to rebut defendant’s policy arguments or to illuminate the roots of indirect copyright liability, proving that arguing for direct infringement and rebutting the fair use defense absorbed plaintiffs’ energies at trial. Kroft lacked experience in patent law and underestimated the intuitive force of defendant’s argument. By taking an extreme position—that mere knowledge and material contribution are enough to create indirect liability—Kroft lost the opportunity to draw upon copyright traditions to offer a more limited and balanced middle ground. He never provided the district court with a cohesive theory of indirect copyright liability.

Lacking grounding in copyright law himself while facing a complex new statute, Judge Ferguson had to grapple solo with challenging issues of direct

\(^5\) Universal City Studios, Inc. v. Sony Corp. of Am., 480 F. Supp. 429, 460-61 (C.D. Cal. 1979); see id. at 458-59 (“The videotape recorder, like a tape recorder, is a staple item of commerce. Its uses are varied. . . . There is no precedent for finding [Sony] liable for direct infringement.”).
liability, fair use, and remedies. At the same time, he was confronting an unprecedented issue in copyright history: whether, and under what circumstances, the manufacturer of a consumer product with both infringing and non-infringing purposes should be held liable for its customers' actions. Without any roadmap from counsel, Judge Ferguson grabbed for an analogous handhold in the Patent Act: the "staple article of commerce" doctrine.

The district court's decision fueled a burgeoning market for VCRs and ancillary products. During the litigation, other Japanese electronics manufacturers introduced a competing VCR standard (VHS). The effects of price competition greatly expanded the number of households purchasing VCRs. With this growing base of VCR-owning households, entrepreneurs and copyright owners saw an opportunity to license the right to sell pre-recorded videocassettes. Fox was the first major studio to authorize the sale of some of its catalog into the VCR marketplace. Makers of sexually explicit films were quick to recognize the advantages of distributing their products through mail-order and retail outlets, and the market for such works expanded rapidly. Soon video stores and video rental stores began to dot the landscape.

In spite of these marketplace changes, Universal and Disney decided to appeal. In conjunction with other studios, they also initiated a legislative effort to impose a levy on VCRs and blank tapes and to assert greater control over the video rental market by establishing a video rental right.

B. The Ninth Circuit Decision

The Sony case was assigned to a three-judge panel: Circuit Judges John Francis Kilkenny and William Cameron Canby, Jr. and District Judge William G. East, sitting by designation. Judge Kilkenny, who would write the panel's unanimous decision, had little experience with copyright law, albeit the most among the panelists. Appointed to the Ninth Circuit in 1969, Judge Kilkenny had written one prior copyright case opinion and participated in only three other reported copyright decisions prior to Sony. His prior copyright opinion was a short dissent in a case finding copyright protection in short phrases and

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51. See Video on Your Screen, THE ECONOMIST, May 26, 1979, at 122 (noting that Matsushita rejected Sony's Betamax format and that Matsushita's VHS format quickly became market leader).
56. See Runge v. Lee, 441 F.2d 579 (9th Cir. 1971) (reviewing copyright damage findings); Duchess Music Corp. v. Stern, 458 F.2d 1305 (9th Cir. 1972) (relating to impoundment and compulsory licensing provisions); United States v. Hamilton, 583 F.2d 448 (9th Cir. 1978) (relating to copyright protection for maps).
stocked images on greeting cards. Judge Kilkenny dissented because he did not believe that copyright’s long protection term should be granted “in a situation where neither infringement of text, nor infringement of art work can be found. On these facts, we should adhere to our historic philosophy requiring freedom of competition.”

Based on this tea leaf, Sony might have inferred he would be sympathetic to its position.

The other two panel members had no experience litigating or adjudicating copyright disputes. Judge Canby had only recently been appointed to the bench. Prior to serving on the Ninth Circuit, he had been a professor specializing in Indian law. Judge East had been a district judge since 1955, but sitting in Oregon gave him little opportunity to adjudicate copyright matters. He had never participated in a reported copyright case prior to Sony.

The Ninth Circuit appeal was argued in February 1981. On October 19, 1981, a day that would become known as “Sony’s Black Monday,” the panel reversed the lower court rulings. Much of the opinion addressed Judge Ferguson’s two-pronged direct infringement analysis: finding an implied statutory immunity for home recording and upholding fair use. To rebut the former prong, Judge Kilkenny offered a textual reading of the Copyright Act of 1976, noting that Congress’ specific exclusion of audiovisual works from several exemptions indicated that it did not intend implied immunities. In overriding the fair use determination, the Ninth Circuit interpreted the preamble to the fair use provision of the 1976 Act, as well as the case law, to limit reproductions to “productive” uses or other areas in which there is a “countervailing societal benefit.” The appellate court found that the nature of the copyrighted work and the substantiality of copying weighed against a fair use finding, obviating consideration of “the effect of the use upon the potential market for or value of the copyrighted work.”

With direct infringement established, indirect liability took on a much greater role. Nonetheless, Judge Kilkenny gave the issue short shrift. Without providing any analysis, he tacitly accepted that the “staple article of commerce” doctrine applied to copyright law, only to reject the lower court’s conclusion that the VCR qualified as a “staple article of commerce”:

Appellees’ analogy of videotape recorders to cameras or photocopiers may have substantial benefit for some purposes, but does not

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59. Universal City Studios v. Sony Corp. of Am., 659 F.2d 963 (9th Cir. 1981).
60. Id. at 966.
61. Id. at 971.
62. Id. at 973. The Ninth Circuit also noted that the lower court had failed to adequately appreciate that “[i]nstances of minor infringements, when multiplied many times, become in the aggregate a major inroad on copyright that must be prevented.” Id. at 974 n.14 (quoting S. REP. No. 94-473, at 65 (1976)).
even remotely raise copyright problems. Videotape recorders are manufactured, advertised, and sold for the primary purpose of reproducing television programming. Virtually all television programming is copyrighted material. Therefore, videotape recorders are not "suitable for substantial noninfringing use." That some copyright owners choose, for one reason or another, not to enforce their rights does not preclude those who legitimately choose to do so from protecting theirs.\footnote{Id. at 975 (footnote and citation omitted).}

In light of his detailed textualist reading of the Copyright Act to reject an implied home taping exemption, Judge Kilkenny’s tacit acceptance of reading a patent law exemption into copyright law seems surprising. Nonetheless, his narrow reading of the exemption and blithe refusal to consider home recording programs with the copyright owners' consent as relevant to the question of noninfringing use led the Ninth Circuit to find Sony indirectly liable. The opinion entirely overlooked the legitimacy of recording programs that are in the public domain or for which a fair use is made. It also paid scant attention to the district court’s detailed factual findings related to educational, sports, and religious programming. Thus, the Ninth Circuit’s opinion failed to provide any insight into the statutory or jurisprudential basis for reading the “staple article of commerce” doctrine into copyright law.

The Ninth Circuit’s reversal made national headlines.\footnote{See, e.g., Barnaby J. Feder, Private Videotaping of Copyrighted TV Ruled Infringement, N.Y. TIMES, Oct. 20, 1981, A1.} By October 1981, approximately 4 million VCRs were in use in the United States; video stores and rentals were taking off; videocassette tapes were widely available; and even mainstream studios were beginning to see profit opportunities from this new and rapidly growing content technology platform. The Ninth Circuit begrudgingly recognized that fashioning relief could be difficult and chose not to issue a permanent injunction. Rather, it remanded the choice of remedy.\footnote{See Universal City Studios v. Sony Corp. of Am., 659 F.2d 963, 976 (9th Cir. 1981).} Within weeks of the decision, Universal sued 42 other VCR manufacturers, distributors, and advertisers,\footnote{See Petition for Writ of Certiorari at 16, Sony, 464 U.S. 417, No. 81-1687, 1982 U.S. S. Ct. Briefs LEXIS 262 [hereinafter Petition].} thereby setting the stage for a Supreme Court challenge.

C. The Supreme Court Proceeding

1. Petitioning for Review

Sony’s Petition for Writ of Certiorari to reverse the Ninth Circuit
decision emphasized the widespread adoption of VCR technology and the dire economic consequences of outlawing it. It cited three principal errors: (1) failure to find an implied immunity for home recording; (2) misapplication of the fair use doctrine by limiting its scope to a narrow category of “productive” uses, thus overlooking the factual findings relating to the lack of harm to copyright owners from home taping; and (3) misapplication of the “staple article of commerce” defense.

Sony’s characterization of indirect liability foreshadowed how the “staple article of commerce” doctrine would become insinuated into copyright law. Citing patent law precedents and section 271(c) of the Patent Act, the Petition cleverly noted that “[i]ts Court has made it clear that the supplier of a staple article of commerce – viz., an item suitable for substantial non-infringing use – are not per se contributory infringers when an owner of the item uses it for direct patent infringement.” Specifically citing Kalem Co. v. Harper Brothers 70 for this proposition, Kalem was a 1911 decision in which Justice Holmes observed in dicta that if the plaintiffs had alleged indirect copyright infringement against the manufacturer of general purpose motion picture equipment, then “nice questions may arise.” The Court had no occasion to apply the principle in Kalem or any case since, but Sony had identified a jurisprudential pathway through which the Court could channel a patent defense into copyright law.

Respondents’ brief opposed certiorari on procedural and substantive grounds. Procedurally, the brief asserted that the case was not yet ripe for review because the Ninth Circuit had remanded the case for consideration of three unresolved affirmative defenses as well as relief. Respondents also pointed to draft legislation that, if passed, would have mooted the pending litigation. Substantively, Respondents defended the Ninth Circuit’s resolution as careful statutory interpretation and straightforward application of traditional copyright doctrines. With regard to indirect liability, Respondents suggested that the Ninth Circuit’s decision was “virtually identical to Kalem and Henry”—a gross oversimplification, not to mention an invitation to view copyright and patent indirect liability doctrines in pari materia. The brief concluded by arguing that the Ninth Circuit’s decision rejecting application of the “staple article of commerce” doctrine was consistent with prior patent law

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67. See id.
68. Id. at 39.
69. Id.
70. 222 U.S. 55 (1911).
71. Id. at 62.
73. See id. at 32.
decisions.\textsuperscript{74} Thus, in their opening salvo, Respondents did not even challenge the overlay of patent law's "staple article of commerce" doctrine onto a copyright case.\textsuperscript{75}

The Supreme Court granted certiorari on June 14, 1982 and scheduled the matter for argument in early 1983.\textsuperscript{76}

2. The Briefs

The Court's grant of certiorari fed a growing cottage industry of lobbyists and lawyers seeking to influence public and law enforcement policy associated with home recording technology. In addition to the parties to the dispute, the case attracted twenty-five amici, fourteen on behalf of Petitioners\textsuperscript{77} and eleven on behalf of Respondents.\textsuperscript{78} Although these filings generated a tremendous amount of heat, they cast little light on the statutory and jurisprudential propriety of reading patent law's "staple article of commerce" doctrine into copyright law.

Sony's opening brief framed the case as affording two paths for victory. Sony could prevail either by 1) establishing that its customers did not directly infringe copyright law when they recorded free off-the-air television programming for later viewing in the privacy of their homes; or 2) even if such activity did violate copyright law, by showing that the manufacturers of home recording technology did not bear indirect liability for that conduct because such technology offered substantial non-infringing uses.

With regard to the direct infringement question, Sony backed off its earlier position that the legislative history of the Copyright Act created an absolute implied immunity for home audio and television recording. Instead,

\textsuperscript{74} Id. at 32-34.
\textsuperscript{75} Similarly, amicus briefs opposing certiorari accepted (or at least tolerated) the applicability of the "staple article of commerce" doctrine and sought to distinguish the case from Aro and Henry. See, e.g., Brief Amicus Curiae of CBS, Inc. in Opposition to Certiorari, Sony v. Universal (October Term 1981) (May 10, 1982), 1982 U.S. S. Ct. Briefs LEXIS 543; Brief for MPAA as Amicus Curiae in Opposition to Certiorari, Sony Corp. of Am. v. Universal City Studios, Inc. (October Term 1981) (May 10, 1982), 1982 U.S. S. Ct. Briefs LEXIS 537.
\textsuperscript{76} Sony Corp. of Am. v. Universal City Studios, Inc., 457 U.S. 1116 (1982).
\textsuperscript{77} Amici curiae on behalf of Petitioners reflected both the range of businesses and consumer groups supporting unfettered distribution of VCR technology. The businesses represented were: VCR manufacturers, electronics retailers, advertisers, tape manufacturers, a supplier of magnetic particles used in videotape manufacturing, and the publisher of Video Review, a trade magazine for the emerging video industry. The consumer groups included the American Library Association, twelve state Attorneys General, and the Educators Ad Hoc Committee on Copyright Law—all supporting unfettered distribution of VCR technology.
\textsuperscript{78} Amici Curiae on behalf of Respondents brought together many traditional content industry organizations, from production to artists' representation: the Association of American Publishers, the Authors League of America, CBS, the Committee on Copyright and Literary Property of the Assoc. of the Bar of NY, Creators and Distributors of Programs, the International Alliance of Theatrical Stage Employees, the Motion Picture Association of America, the National Music Publishers Association, the Recording Industry Association of America, Volunteer Lawyers for the Arts, and the Writers', Screen Actors', and Directors' Guilds of America.
Sony incorporated this history into its broader fair use argument. Sony's fair use argument relied heavily upon the district court's four factual findings: that many content owners consented to copying, that television programming was broadcast free of charge, that VCRs were used predominantly for time-shifting and not to create home video libraries, and that copyright owners failed to show actual harm or a significant likelihood of prospective harm. Sony also criticized the Ninth Circuit's strict requirement that the use fit within a narrow range of "productive" uses.

On the issue of indirect liability, Sony asserted that "the manufacture, sale, and/or advertisement of a staple article of commerce (the VTR [video tape recorder]) per se should not constitute contributory infringement even if some home recordings were direct copyright infringement." After reviewing the district court's finding that the VCR is a "staple item of commerce" used to record free off-the-air broadcast, Sony set out to establish that patent law's "staple article of commerce" doctrine should be incorporated into copyright law:

Copyright infringement, like patent infringement, is a tort. A contributory infringer is a species of joint-tort-feasor, who is held liable because he has contributed with another to the causing of a single harm to the plaintiff. FN49 The question is—what must that "contribution" be?

One kind of potential "contribution" long recognized in patent law has been supplying the direct infringer of a "combination" patent with an "article" which is comprised of some, but less than all, of the "elements" of that combination—following which, the direct infringer adds the missing "elements" and thereby contemplates the infringing combination. After years of judicial and legislative consideration of such contribution and its corollaries—as early as Wallace v. Holmes, 29 F.Cas. 74 (No. 17,100) (C.C. Conn. 1871); as early as 35 U.S.C. § 271(c) (1952) and Dawson Chemical Co. v. Rohm & Haas Co., 448 U.S. 176 (1980)—the patent law today is that the supply of a "staple article of commerce suitable for substantial non-infringing use" does not, per se, constitute contributory infringement when a consumer uses that article of commodity for direct infringement. The definitions of the adjectives "staple" and "substantial" are not precise, FN50 but their combined requirements have been satisfied wherever there was any genuine and significant non-infringing use. Wherever the line is drawn, Betamax obviously would be well on the non-infringing side of it. The reason for such a doctrine is self-evident—any other conclusion

80. Id. at 62.
81. The quotation that follows comes from id. at 64. Note that the selective footnotes embedded into that passage, starting with FN49, derive from the numbering included in that brief.
would extend the patentee's monopoly beyond his patent claims and would "block the wheels of commerce." FN51

An analogous doctrine in copyright infringement was suggested by Justice Holmes in Kalem Co. v. Harper Bros., 222 U.S. 55, 62 (1911): FN52

"The most innocent objects ... may be used for unlawful purposes ..."

"In some cases where an ordinary article of commerce is sold nice questions may arise as to the point at which the seller becomes an accomplice in a subsequent illegal use by the buyer. It has been held that mere indifferent supposition or knowledge on the part of the seller that the buyer ... is contemplating such unlawful use is not enough to connect him [seller] with the possible unlawful consequences. ..."

In Kalem Co., "no such niceties [were] involved"—the "ordinary staple article of commerce" was a motion picture which, together with its exhibition, constituted an infringing dramatization of the copyrighted book "Ben Hur." However, no suggestion was made by the parties or the Court that the suppliers of the cameras and blank film, by which the motion picture was made, should even be contemplated as contributory infringers.

If supplying Betamax, per se, were to be held contributory infringement, then the supplier of every camera, typewriter, pen, Xerox machine, etc. used in copyright infringement likewise would be a contributory infringer. Such never has been, and should not now be made, the law.

FN51. Henry v. A.B. Dick Co., 224 U.S. 1, 48 (1912); overruled on other grounds by Motion Picture Patents Co. v. Universal Film Mfg., 243 U.S. 502, 518 (1917). Also, if a product is suitable for substantial non-infringing use, its supply per se cannot imply any knowledge, intent or inducement on the part of the supplier that the consumer will use it for an infringing purpose (Rupp & Wittgenfeld v. Elliott, 131 F. 730, 733 (6th Cir. 1904)).
FN52. Kalem Co. is the only Supreme Court case to consider the issue of copyright contributory infringement. Resolution of copyright infringement questions by resort to patent infringement analogies is well preceded—e.g., Sheldon v. Metro-Goldwyn-Mayer Corp., 309 U.S. 390 (1939); see 27 Iowa Law Review 250 (1942).

As this passage demonstrates, Sony subtly navigated between copyright's lack of direct precedent and patent law's clear and direct standard. Sony steered clear of the Copyright Act of 1976 and its legislative history, instead highlighting the logic supporting patent law's "staple article of commerce" safe
Several of the amicus briefs in support of the Petitioner focused on persuading the Supreme Court to recognize a “staple article of commerce” defense in copyright law. Some seemed to assume that copyright law recognized such a defense and directed their attention to whether the VCR is such an article.82 One forthrightly acknowledged the gap in copyright law, but urged the Court to adopt the patent rule in copyright cases nonetheless, to prevent contributory liability from “block[ing] the wheels of commerce.”83 Sears, Roebuck and Co. joined Sony in arguing for the cross-germination of intellectual property doctrines and suggested that the “staple article of commerce” safe harbor is a principle of general applicability across the intellectual property landscape.84

The pro-active approach of Sony and several of its amici towards solving the evident gaps in copyright’s direct and indirect infringement law contrasted sharply with plaintiffs’ “head in the sand” approach—which pretended that copyright precedent provided ready answers to all issues in the case.85 As a result, their brief did not so much respond to the practical solutions offered by Petitioners as defend the incomplete and conclusory reasoning of the Ninth Circuit.

Respondents devoted a substantial share of their brief to reinforcing the Ninth Circuit’s analysis of the fair use defense and rejection of an implied immunity for home video recording, drawing heavily upon the text and legislative history of the 1976 Copyright Act. They then began the indirect liability section of their brief by noting that “contributory infringement is the most important issue in this case,” averring that “[i]f petitioners are absolved of liability as contributory infringers, to obtain adequate relief respondents would be faced with the prospect of bringing suits against each of the millions of VTR owners who have copied respondents’ works, virtually an impossible task.”86

Turning to the law, Respondents invoked the traditional copyright test for contributory infringement—“one who, with knowledge of the infringing activity, induces, causes, or materially contributes to the infringing conduct of

82. See, e.g., Brief for Toshiba Corp. and Toshiba Am., Inc. as Amici Curiae in Support of Petitioners at 28, Sony Corp. of Am. v. Universal City Studios, Inc., 464 U.S. 417 (1982) (No. 81-1687), 1982 U.S. S. Ct. Briefs LEXIS 560 (“There is no question that VTRs are capable of substantial noninfringing uses.”).
86. Id. at 68.
They then highlighted factual findings showing that Sony knew that the Betamax was being used to record copyrighted works and that Sony induced infringement by "'exhort[ing]' Betamax purchasers to record 'favorite shows,' 'movies,' 'classic movies' and 'novels for television' and to 'build a library.'"\(^\text{88}\)

Respondents then addressed the "staple article of commerce" defense by labeling it "inapposite because it is found in the patent statute—not the copyright statute—and represents a legislative balance of competing considerations . . . unique [to patent law]."\(^\text{89}\) To their detriment, Respondents did not explain how the patent law differs from copyright law in ways that bore on the application of indirect liability to sellers of products that have both infringing and noninfringing uses. Instead, they focused on arguing that the VCR is not a "staple article of commerce" and does not have "substantial noninfringing uses."

In the final paragraph, Respondents touched on the issue that most vexed the district court—the problem of enjoining the manufacture and sale of dual use technologies:

Because VTRs are advertised and sold for the primary purpose of infringement, petitioners' additional claim that imposition of liability in this case would be tantamount to imposing liability on the suppliers of cameras, typewriters and Xerox machines is spurious. Unlike cameras, typewriters and Xerox machines, whose primary market is derived from non-infringing uses, there would be little, if any, market for VTRs if they could not be used for infringing purposes. Petitioners' unwillingness to devise a technological means of preventing copying of copyrighted works makes plain that without the ability to make unconsented copies of the copyrighted motion pictures owned by respondents and amici, there would be little if any market for VTRs.\(^\text{90}\)

The persuasiveness of this argument turned on the extent to which home copying was deemed legal, either as a matter of consent of copyright owners or as a matter of fair use. Moreover, the proposal that device manufacturers develop "technological means of preventing copying" appeared impractical given the state of technology in 1982.\(^\text{91}\)

Perhaps the most remarkable aspect of Respondents' brief is that it overlooked the text of the Copyright Act and its legislative history. It failed to mention that the 1976 Act expressly extended liability to those who

\(^{87}\) Gershwin Publ'g Corp. v. Columbia Artists Mgmt., Inc. 443 F.2d 1159, 1162 (2d Cir. 1971).

\(^{88}\) See Respondents' Brief, \textit{supra} note 85, at 70 (quoting specific factual findings).

\(^{89}\) \textit{Id.} at 33.

\(^{90}\) \textit{Id.} at 87 (citations omitted).

\(^{91}\) \textit{Id.}
“authorize”\textsuperscript{92} violation of the exclusive rights of copyright owners and that the specific legislative history relating to that provision commented that “[u]se of the phrase ‘to authorize’ is intended to avoid any questions as to the liability of contributory infringers.”\textsuperscript{93} Respondents also failed to cite a detailed study on indirect liability prepared as background for drafting of the comprehensive copyright reform legislation that became the 1976 Act.\textsuperscript{94} In sum, they failed to provide the Court with a coherent understanding of how the law of indirect liability developed and how it might be tailored to address the unprecedented concerns raised by the VCR.

Most of the amici supporting the studios focused predominantly or exclusively on the liability of home tapers. CBS conceded that copyright law recognized the “staple article of commerce” defense to contributory liability and argued only that the defense does not apply in this case because the defendants sold the VCR “with the intent and purpose that it would be used for” copyright infringement, citing patent law precedent.\textsuperscript{95} The MPAA took the most direct aim at the indirect liability issue, citing copyright’s exclusion of ideas and patent law’s protection of ideas and “the peculiar problem in patent law of control over components of a patented invention” as reasons for not extending patent law’s “staple article of commerce” rule into the copyright regime.\textsuperscript{96} Its argument, however, made little sense as copyright’s idea/expression dichotomy was irrelevant to the case. The MPAA’s component argument also missed the point. The issue did not concern the dissection of copyrights, but rather whether effective enforcement of copyrights in works that might be copied using VCRs justifies holding the maker of VCRs indirectly liable despite the fact that VCRs have some noninfringing uses.\textsuperscript{97}

In its reply brief, Sony seized on the studios’ acknowledgement that indirect liability is the “most important issue in the case.”\textsuperscript{98} It then launched a broadside against the content industries for seeking to block every major new technology—from radio and television to the VCR. Sony denied the feasibility

\begin{itemize}
\item \textsuperscript{92} 17 U.S.C. § 106 (2006).
\item \textsuperscript{93} H.R. REP. No. 94-1476, at 61 (1976).
\item \textsuperscript{94} See Alan Latman & William S. Tager, Study No. 25: Liability of Innocent Infringers of Copyrights (Jan. 1958) [hereinafter Study No. 25].
\item \textsuperscript{96} See Brief for Motion Picture Ass’n of America, Inc. as Amicus Curiae in Support of Respondents at 32-36, Sony Corp. of Am. v. Universal City Studios, Inc., 464 U.S. 417 (1982) (No. 81-1687), 1982 U.S. S. Ct. Briefs LEXIS 544.
\item \textsuperscript{97} As we develop elsewhere, the different purposes of patent (to promote technological advance) and copyright (to promote the arts) and, most importantly, enforcement differences between patent and copyright law justify a more cautious approach toward crafting a safe harbor for dual use technology under copyright law than under patent law. See Direct Analysis, supra note 14.
\end{itemize}
of developing a technological means to block recording of copyrighted works for which the owners withhold consent to home copying. It also cataloged the VCR’s many types of noninfringing uses.

3. Supreme Court Argument: Take One

The Court first heard the Sony case on January 18, 1983. By that time, VCRs could be found in more than five million U.S. households, approximately 6% of the total.99 The Court had not heard a copyright case since 1975,100 making Sony the first case to reach the Supreme Court applying the massive, newly enacted copyright law. No member of the Court had experience working in copyright law. In particular, Justice O’Connor, who would ultimately play a decisive role in swinging the Court from affirmance to reversal, served as a state legislator and jurist from 1969 until her appointment to the Supreme Court in September 1981. As Justice Blackmun would later comment, “we were all pretty ignorant of copyright law” at the time that the Sony case arose.101 Chief Justice Berger’s lack of familiarity with copyright law was evident during the argument:

Question: I should know, but I don’t, for example whether National Geographic Society programs are copyrighted by them. Since they’re educational, I would take a wild guess that they’d have no objection to their being copied for private use.

Mr. Dunlavey: I don’t disagree with that, and the –

Question: But they are copyrightable, aren’t they?

Mr. Dunlavey: They would be copyrightable, yes.  

Question: But not copyrighted, but perhaps not copyrighted?

Mr. Dunlavey: Perhaps not.

And then the stations that produce their programming and don’t bother to copyright it. . . .102

In that brief colloquy, the Chief Justice confused registration (which was not required for a work to be protected by copyright under either the 1909

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Act\textsuperscript{103} or the 1976 Act\textsuperscript{104}) with protectability, thereby betraying ignorance about the basic mechanism through which copyright law protection arose under either the 1909 Act (publication with proper notice)\textsuperscript{105} or the 1976 Act (fixation in a tangible medium of expression).\textsuperscript{106} Sony's counsel cleverly dodged disabusing him of his confusion, thereby reinforcing the error by suggesting that registration was required.

On behalf of Sony, Dean Dunlavey emphasized that the trial judge had deemed the VCR to be a "staple item of commerce," suitable for a variety of non-infringing uses,\textsuperscript{107} to which one of the justices asked whether the Court of Appeals had upset this finding. Dunlavey responded that "The Court of Appeals rolled over it like it wasn't even there."\textsuperscript{108} Shortly thereafter, a justice inquired whether the "staple article of commerce" doctrine was a patent law doctrine and if it had ever been "adapted . . . to the copyright area." Dunlavey responded:

The answer is yes, it has been alluded to in the copyright area, but it was a long time ago. It was Justice Holmes in the Kalem case, and he was confronted with a motion picture which had been made without authority of a copyrighted book called 'Ben Hur.' And nobody even questioned that the makers of the camera and the film were infringers, but there was a question as to whether the person who made the film was a contributory infringer when the person he gave it to exhibited it—exhibited it.

And Justice Holmes made a very terse but pointed comment at that there are lot of things in society that when you sell them they might be useable for a wrongful purpose, and you set your mind to inquiring when the man makes and sells that product, does he really have cause to know that it's going to be used for a wrongful purpose?

So the staple item concept came up. Justice Holmes said that if you have an indifferent supposition, that the buyer might be going to use your product for a wrongful purpose, that certainly does not suffice to make you a contributory infringer. . . .\textsuperscript{109}

In response to those comments about Kalem, Kroft characterized the Sony

\begin{itemize}
  \item \textsuperscript{104} Id. § 7.16[A][1].
  \item \textsuperscript{105} 17 U.S.C. § 10 (1909 Act, repealed).
  \item \textsuperscript{106} See 17 U.S.C. § 102(a) (2006).
  \item \textsuperscript{107} Transcript of Oral Argument at 9-10, Sony Corp. of Am. v. Universal City Studios, Inc., 464 U.S. 417 (1982) (No. 81-1687), 1983 U.S. Trans LEXIS.
  \item \textsuperscript{108} Id. at 9. The irony merits a postmodernist celebration: Dunlavey complained that "The Court of Appeals rolled over it like it wasn't even there" when, in fact, there was no "staple article of commerce" doctrine in copyright law; but by virtue of this very case, he succeeded in inserting it!
  \item \textsuperscript{109} Id. at 11-12.
\end{itemize}
case as no more than “unauthorized and uncompensated copying of entire motion pictures.” Several justices asked him whether home copying had ever been litigated; Kroft acknowledged that it had not. When asked about the district court’s finding that the VCR is a “staple item of commerce,” Kroft replied that:

It may have been a finding of fact, but it was an incomplete finding . . . of fact. Because if you analogize to the patent statute, which we strenuously resist, the patent statute requires that not only must the product be a so-called staple article of commerce, but it must be suitable for substantial non-infringing uses.

Kroft never addressed why it would be improper to analogize to the Patent Act. Somewhat later in the argument, however, Kroft invited the Court to consider importing the treatment of indirect liability from the trademark area, referencing the Supreme Court’s Inwood Laboratories decision issued at the end of the prior term. Toward the end of his argument, however, Kroft seemed to accept the Patent Act’s standard:

I think we should leave the staple article of commerce and the contributory infringement issue with this thought: I think that Petitioners conceded in their brief, and I believe it very clearly to be the law, that if there’s knowing contribution to the direct infringement involved here, you don’t ever have to reach the staple article of commerce argument. That was an approach approved by this Court in the Kalem Brothers [sic] case.

It’s exactly the approach that is followed in Section 271 of the patent statute, where very specifically the patent statute says that when a defendant causes, furthers, or urges the use of his product, which might otherwise be a staple, in an infringing way then he is liable for patent infringement under Section 271(b) even if you call that product a staple article.

4. Supreme Court Deliberations: No Resolution

At the conference three days after oral argument, a majority of the justices inclined to affirm the Ninth Circuit’s decision holding Sony liable for copyright infringement. Justices Marshall, Blackmun, and Rehnquist voted to affirm, believing that home taping violated copyright law. Although also leaning
toward affirmance, Justice Powell felt that home copying should be legal but
was unable to see a workable distinction between infringing and noninfringing
uses. Justice O'Connor expressed the view that she would exempt home
copying if she were a legislator, but because she did not believe that the
Copyright Act of 1976 could be interpreted to create such an exception, she
also leaned toward affirming, thus creating what appeared to be a majority.
Justice Stevens voted to reverse, believing that the Act should be read to allow
the making of single copies for private, personal use. Chief Justice Burger and
Justices Brennan and White were in the middle, believing that while time-
shifting was fair use, building home libraries of copyrighted works was unfair.116 As the senior justice in the apparent majority, Justice Marshall
assigned the opinion to Justice Blackmun.

A few days later, Justice Stevens wrote to Justice Blackmun, with copies
to the other justices, to express his view that Congress allowed private,
noncommercial home taping.117 He based this interpretation on Congress’
awareness of the common practice of home audio recording and its failure in
the Act to expressly prohibit such activities. Justice Stevens also reasoned that
Congress would not impose potentially “staggering liability” on home users
and manufacturers of new products under the Act’s statutory damage
provisions when no actual economic harm had been proven.

Justice Blackmun circulated his first draft on June 13, 1983,118 less than
two weeks before the close of the 1982 Term. He began his analysis with the
direct liability issue. He rejected the district court’s determination that
Congress had created an implied immunity for home copying, citing the fact
that Congress had enacted several specific statutory exemptions and limitations
that would have been superfluous if home copying were exempt. On the fair
use issue, Justice Blackmun placed the burden on defendants to prove absence
of harm in the context of “unproductive” uses.119 He concluded that time-
shifting should not be considered a productive use and that defendants had not
carried the burden of disproving even potential harm to the copyright owner’s
market. With regard to indirect liability, Justice Blackmun held that a product
manufacturer bore liability when it knew that infringement was taking place
and that the “most conspicuous purpose” of its product constituted copyright
infringement. The draft would have remanded the case for further consideration
of this issue, as well as the choice of remedies, suggesting imposition of


119. Id. at 26.
royalties as opposed to injunctive relief.

Sensing the volatility of the majority, Justice Stevens circulated his draft opinion on the same day Justice Blackmun’s draft was released. He articulated his view that the fair use provision of the 1976 Act, in conjunction with the apparent recognition of immunity for noncommercial home taping in the 1971 House Report, provided a safe harbor for private copying. He also questioned the feasibility of the court-imposed remedy in this context, favoring legislative action instead. Justice Stevens also circulated a memorandum responding directly to Justice Blackmun’s treatment of indirect liability, in which he substantially agreed with Blackmun’s stance. Justice Stevens, however, took a more favorable view of time-shifting, arguing that it serves the public interest by allowing viewers to see programming that they would otherwise miss. Lastly, he advocated a principle that Congress, and not the courts, should take the lead in adapting copyright law to address new technologies.

Justice Blackmun responded the next day, rebutting Justice Stevens’ reading of the Copyright Act to afford immunity for home copying and arguing that the 1976 Act should be construed to cover new technologies. Justice Blackmun further explained the importance of indirect liability in the case, noting that “[i]t is frequently impossible to recover from individual infringers, and it is precisely this fact that gave rise to the doctrine of contributory infringement.”

At that point, Justice Brennan offered a compromise. On the issue of direct infringement, he agreed with Justice Blackmun’s view that Congress did not intend to open a broad exemption for private, noncommercial copying, but he came down closer to Justice Stevens on application of the fair use doctrine. On the issue of indirect liability, Justice Brennan endorsed Justice Blackmun’s view that “Sony can be liable for contributory infringement only if the Betamax’s ‘most conspicuous purpose’ or ‘primary use’ is an infringing use.” But given the high proportion of non-infringing time-shifting uses of the VCR, Justice Brennan concluded that Sony could not be held liable for contributory infringement.

On June 15th, Chief Justice Burger announced that he would join Justice Stevens. That same day, Justice Blackmun circulated a revised opinion

120. First Draft, Memorandum of Associate Justice John Paul Stevens, Sony (No. 81-1687) (circulated June 13, 1983) (on file with author).
121. Id. at 20.
122. Memorandum from Associate Justice Harry A. Blackmun to the Conference (June 14, 1983) (on file with author).
123. Memorandum from Associate Justice William J. Brennan, Jr. to the Conference (June 14, 1983) (on file with author).
124. Id.
suggesting that the district court should consider imposing a compulsory licensing scheme as an alternative to injunctive relief.\textsuperscript{126} Shortly thereafter, Justices Marshall and Rehnquist indicated that they would join Blackmun's opinion.\textsuperscript{127} Justice O'Connor weighed in the next day, endorsing Justice Blackmun's view that the Copyright Act could not be interpreted to provide a general exemption for private copying but expressing discomfort with the opinion's disregard of the district court's findings that harm had not been established.\textsuperscript{128} Justice Blackmun responded later that day with several compromises, including one to remand for further factfinding on the issue of harm.\textsuperscript{129}

On June 17th, Justice White proposed merging the Stevens and Brennan approaches.\textsuperscript{130} Recognizing their split on aspects of direct liability as well as the fact that the studios were not seeking any remedy against home tapers, Justice White posited that a majority of justices unite around the idea that Sony was not liable for indirect infringement, leaving the issue of direct liability to another day.\textsuperscript{131} Justice Stevens readily agreed to this approach, shifting his focus to the indirect liability aspect of the case.\textsuperscript{132} Later that day, Justice Brennan indicated that he was on board with "reversing on contributory infringement grounds without deciding the question of the homeowners."\textsuperscript{133}

On June 18th, Justice O'Connor responded to Justice Blackmun's compromise proposals.\textsuperscript{134} Although questioning whether there was any value to further factfinding on the issue of harm, she indicated that she might be willing to support a remand if: (1) fair use was considered flexible enough to accommodate both productive and unproductive uses; (2) plaintiffs bore the burden of proof to show harm; and (3) the contributory infringement standard followed the patent standard.\textsuperscript{135} Justice O'Connor's explanation of her third

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\textsuperscript{128} Letter from Associate Justice Sandra Day O'Connor to Justice Harry A. Blackmun (June 16, 1983) (on file with author).

\textsuperscript{129} Letter from Justice Harry A. Blackmun to Associate Justice Sandra Day O'Connor (June 16, 1983) (on file with author).

\textsuperscript{130} Letter from Associate Justice Byron R. White to Associate Justice William J. Brennan, Jr. (June 17, 1983) (on file with author).

\textsuperscript{131} "If there were five votes to reverse as to Sony, the issue of the homeowner is hardly a pressing question." Letter from Associate Justice Byron R. White to Associate Justice William J. Brennan, Jr. at 1 (June 17, 1983) (on file with author).

\textsuperscript{132} Letter from Associate Justice John Paul Stevens to Associate Justice Byron R. White at 1 (June 17, 1983) (on file with author).

\textsuperscript{133} Letter from Associate Justice William J. Brennan, Jr. to Associate Justice Byron R. White at 1 (June 17, 1983) (on file with author).

\textsuperscript{134} Letter from Associate Justice Sandra Day O'Connor to Associate Justice Harry A. Blackmun (June 18, 1983) (on file with author).

\textsuperscript{135} Memorandum from Associate Justice Sandra Day O'Connor to Associate Justice Harry A. Blackmun (June 18, 1983) (on file with author).
point is particularly relevant to the genesis of the Sony "staple article of commerce" safe harbor in copyright law:

I had thought that the ‘staple article’ doctrine developed in order to limit the patent holder from depriving society of the good that comes from the existence of other enterprises that nevertheless frustrate the patent holder’s monopoly to some degree. I see no reason why we should not be similarly concerned with what the copyright holder does with his monopoly. If the videorecorder has substantial noninfringing uses, we should be reluctant to find vicarious liability.136

Justice Blackmun resolved to accommodate Justices O’Connor and Powell without undermining the support of Justices Marshall and Rehnquist.137 He was convinced that the Copyright Act of 1976 did not place copyright owners in the awkward position of having to prove actual harm in the face of new technologies. As a compromise, Blackmun’s third draft required that plaintiffs show “a reasonable possibility of harm.”138 While reiterating his opposition to importing patent law standards into copyright law, Justice Blackmun largely capitulated by raising the indirect liability standard to "whether virtually all of the copying amounts to infringement."139

Later that day, Justice O’Connor requested that several more changes be made before she joined Justice Blackmun’s opinion.140 First, she opposed language “that would ostensibly preclude a finding that any VTR copying (other than that which could be characterized as ‘productive use’) could be fair use.”141 She believed it should be possible for other uses, such as "timeshifting with all advertisements preserved," to be a fair use in the absence of any evidence of harm to the copyright owners.142 Second, O’Connor felt that Blackmun had improperly lightened the copyright owners’ burden to show actual or potential harm.143 Third, O’Connor preferred to leave open the question of whether the studios had met the harm standard and proposed instead that the district court be asked to apply the new standard without disapproving the findings already made. On the issue of indirect liability, she endorsed the trial court's finding that Sony did not induce infringement and pressed for adoption of the “staple article of commerce” defense in copyright cases, emphasizing that the standard should revolve around the question of

136. Id. at 2-3.
137. Letter from Associate Justice Harry A. Blackmun to Associate Justices Thurgood Marshall and William F. Rehnquist (June 20, 1983) (on file with author).
139. Id. at 26.
140. Letter from Associate Justice Sandra Day O’Connor to Associate Justice Harry A. Blackmun (June 21, 1983) (on file with author).
141. Id. at 1.
142. Id. at 1.
143. Id. at 2 (quoting 17 U.S.C. § 107 (adding commas)).
whether “the VTR [is] capable of substantial non-infringing uses.”

By this time, Justice O'Connor had come nearly 180 degrees in her
taking. She now considered time-shifting, the principal use of the VCR,
potentially within the bounds of fair use and endorsed a standard for indirect
liability that would immunize Sony if time-shifting were deemed fair use.
Nonetheless, Justice Blackmun indicated that he was willing to accommodate
all of O'Connor's conditions except the one relating to the burden of proof
under the fair use doctrine.

Meanwhile, Justice Stevens was reworking his draft along the lines
suggested by Justice White and toward Justice O'Connor's emerging views.
His draft expressly adopted patent law's "staple article of commerce" doctrine
as a defense to contributory liability in copyright law.

Justice O'Connor continued to pressure Justice Blackmun to increase the
showing of harm that copyright owners must satisfy even in the context of
nonproductive uses. But on June 28th Justice Blackmun declined to
accommodate Justice O'Connor's final demands. Justice Blackmun's
majority had splintered. Justice O'Connor wrote to Chief Justice Burger that
her views on the case were now closer to Justice Stevens' opinion. She also
wanted to have the case reargued the following term. Although leaning toward
Stevens' opinion, Justice White favored having the case reargued in the next
term in order to avoid a hasty decision. At the next day's conference, the
Court decided to have the case reargued in the 1983 Term on the basis of the
briefs already submitted.

5. Supreme Court Argument: Take Two

The case was reargued on October 3, 1983, the first day of the Supreme
Court's 1983 Term. By then, approximately 10% of U.S. households owned
VCRs. During the second round of questioning, Dunlavey continued to push
for adoption of the "staple article of commerce" safe harbor. Kroft still failed to

144. Id. at 3-4 (emphasis in original).
145. Letter from Associate Justice Harry A. Blackmun to Associate Justice Sandra Day
O'Connor (June 23, 1983) (on file with author).
146. Memorandum from Associate Justice John Paul Stevens to the Conference (June 23,
1983) (on file with author).
147. Letter from Associate Justice Sandra Day O'Connor to Associate Justice Harry A.
Blackmun (June 25, 1983) (on file with author).
148. Letter from Associate Justice Harry A. Blackmun to Associate Justice Sandra Day
O'Connor (June 28, 1983) (on file with author).
149. Letter from Associate Justice Sandra Day O'Connor to Chief Justice Warren Burger
(June 28, 1983) (on file with author).
150. Letter from Associate Justice Byron R. White to Chief Justice Warren Burger (June
152. See Transcript of Oral Argument at 2, Sony Corp. of Am. v. Universal City Studios,
offer the Court any persuasive arguments against importing patent law concepts to copyright law. Thus, the stage was set for the majority's adoption of the "staple article of commerce" standard.

Justice Rehnquist began the questioning by pushing Dunlavey on whether fair use was limited to productive uses. After some back-and-forth, Justice O'Connor asked whether the issue of fair use mattered to resolution of the case:

Question: Mr. Dunlavey, I suppose of course the Court doesn't have to resolve this question in order to resolve the contributory infringement question. The Court could resolve it as a means of getting to the contributory infringement question, but does it have to?

Mr. Dunlavey: Justice O'Connor, that's precisely right. There are two roads to Rome. You can say that there is direct infringement but nevertheless there was no contributory infringement or, as you have just suggested, you can say, whether or not there was direct infringement, and we bypass that question, there clearly was nothing that constitutes contributory infringement. So Your Honor is correct, you can resolve this case without resolving whether home use is infringement.

Dunlavey later elaborated on the justification for resolving the case in this manner.

[The "staple article of commerce" doctrine] is a transplant to a great extent from the copyright [sic] law, but it's also founded in common sense. If you make something that people can use for legitimate purposes, there is no legal justification in holding you responsible if somebody somewhere uses it for an improper purpose.

Soon after Universal's counsel began, Justice Stevens cut to the issue that had emerged in deliberations as the easiest way to resolve the case:

Question: Mr. Kroft, can I ask you a question about the staple article of commerce test? We don't have any precedent in the copyright field for what the test of that problem is. You rely on a precedent from the trademark field, and of course there is an analogy to the patent law. Do you think we should look to one of those two fields for precedent, and if so would you not look to the patent law? Why not?

Mr. Kroft: I do not think you should look to the patent law in this particular case because the patent law is a statute which was designed specifically to meet years of history in this Court dealing with certain patent problems, that is misuse and contributory infringement.

And it also deals, Justice Stevens, with the very peculiar attributes of patents. Patents are made up of a series of components which together, taken as a whole, end up being something that's protected as an

153. Id. at 4.
154. Id. at 7-8.
155. Id. at 14.
invention. And that’s not the case with copyrights.

In addition to that, I might add that the staple article of commerce doctrine in the patent field was developed to protect the sale of ordinary items, like paper and ink, dry ice, salt tablets. Those are the products that came out of the cases of this Court. But it was not designed to protect the sale of items designed specifically for infringement when the manufacturer and seller of that machine knew or had reason to know it would be used for infringement.\textsuperscript{156}

Kroft did little to explain why the Court should not look to patent law. Rather he argued that the “staple article of commerce” standard does not apply to products designed specifically to infringe.\textsuperscript{157}

Justice Stevens inquired further, asking whether Xerox would be vulnerable for indirect liability if users of Xerox machines made unauthorized copies of copyrighted works. Kroft sought to deflect the question by noting that the Xerox machine was initially sold for business applications and hence did not seriously implicate illegal uses.\textsuperscript{158} Justice Stevens pressed the analogy harder.

Question: But your view of the law is that as long as Xerox knows that there’s some illegal copying going on, Xerox is a contributory infringer?

Mr. Kroft: To be consistent, Your Honor, I’d have to say yes. Question: A rather extreme position.\textsuperscript{159}

This questioning revealed the hard line being taken by the studios and their inability to articulate any intermediate principle for limiting indirect copyright liability. They were unwilling to acknowledge that the VCR, as well as the Xerox machine, presented difficult and unprecedented issues for the law of indirect copyright liability. By failing to engage these issues, and inviting the Court to look to trademark law to resolve the case, the studios encouraged cross-germination of intellectual property law.

Although the studios encouraged the Court to rely on trademark law, trademark was less pertinent than patent law on the issue of indirect liability for manufacturers of dual use products. The dual use scenario had never arisen in trademark law and would have seemed far-fetched. Trademark law focuses on ensuring the integrity of the marketplace by protecting consumers against confusion as to the source of products. Thus, indirect trademark liability extends to those who encourage downstream retailers to mislead consumers into passing off their product as those of another.\textsuperscript{160} Similarly, one who

\begin{footnotesize}
\begin{enumerate}
\item[156.] Id. at 21-23.
\item[158.] See Transcript, supra note 152, at 23.
\item[159.] See id. at 23-24.
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knowingly acts for a trademark infringer—for example, by printing labels that it knows will be used on counterfeit goods—faces contributory trademark liability. Such trademark doctrines, however, have little relevance to the context of indirect liability for selling dual use technologies. An analogous situation would arise if a trademark owner sued the maker of plain paper that was used by an advertising company to produce labels for counterfeit goods. Trademark liability, however, did not extend that far.

D. The Supreme Court Opinions

The outcome of the case was sealed at the conference following reargument. Chief Justice Burger and Justices Brennan, White, Stevens, and O'Connor voted to reverse the Ninth Circuit outright. Chart 1 illustrates the process by which the Court ultimately reached a majority. Only Justice Marshall joined Justice Blackmun in voting to affirm. Justices Powell and Rehnquist voted to affirm on direct liability, but to remand on the issue of contributory liability. The majority opinion was assigned to Justice Stevens, with Justice Blackmun writing the dissent.


164. See Sony Story, supra note 116, at 379.
Justice Stevens soon circulated a slightly revised version of the draft that he had prepared at the end of the 1982 Term. That draft was built around Justice O'Connor's suggestion that the Court adopt the patent law standard. Lacking any clear signal from Congress, Justice Stevens grounded the EVOLUTION OF THE MAJORITY IN Sony v. Universal City Studios

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transplantation of patent law's express statutory safe harbor into the newly enacted Copyright Act of 1976 on what he declared a "historic kinship" between these two bodies of law. The final majority opinion would largely track the initial draft and attract four other votes: Chief Justice Burger and Justices White, Brennan, and O'Connor.

After briefly setting the stage, the first section of the opinion highlighted the unprecedented nature of the assertion of copyright liability against device manufacturers and distributors. The majority reviewed the case's complex factual background, emphasizing that time-shifting was the predominant use of the VCR. The Court noted that time-shifting "enlarges the television viewing audience" and that the studios "were unable to prove that the practice has impaired the commercial value of their copyrights or has created any likelihood of future harm." The majority concluded that "there is no basis in the Copyright Act upon which respondents can hold petitioners liable for distributing VTR's to the general public.”

The majority opinion then explained, in three principal sections, the basis for this conclusion. Due to the compromise brokered by Justices Brennan and White, the majority opinion inverted the conventional structure of infringement analysis—beginning with direct infringement and then turning, if necessary, to indirect liability. Part II framed the analysis by offering some general observations about the copyright system and how it has adapted to technological change. Part III then explained the logic for adopting patent law's "staple article of commerce" safe harbor as a defense to contributory copyright liability. Part IV then applied that standard, holding that Sony fell within the safe harbor because time shifting of television broadcasts, the principal use of VCRs, did not constitute copyright infringement.

i. Laying the Interpretive Foundation

Part II provided the interpretive background for the majority's decision. Justice Stevens introduced two principles. First, Congress, and not the courts, is best situated institutionally and constitutionally to address the challenges of new technology. Second, copyright law should be interpreted in light of its purpose of encouraging creativity.

Justice Stevens argued for a limited judicial role in adapting copyright law to new technologies. He noted that the Constitution assigned "the task of defining the scope of the limited monopoly" to Congress, implying a subsidiary role for the courts. Based upon a cursory reading of copyright history and considerations of comparative institutional competence, Justice Stevens stated

165. 464 U.S. at 421.
166. Id.
167. Id.
that the judiciary’s role should be particularly deferential to Congress in dealing with new technology. As historical support, he asserted that “as new [technological] developments have occurred . . ., it has been Congress that has fashioned the new rules that new technology made necessary.” He quoted an 1889 Supreme Court decision for the proposition that “[t]he remedies for infringement ‘are only those prescribed by Congress.’” Justice Stevens then suggested that “[t]he judiciary’s reluctance to expand the protections afforded by the copyright without explicit legislative guidance is a recurring theme,” citing cases dealing with cable television, player piano rolls, and photocopiers. The majority opinion reinforced its argument for a limited judicial role in adapting copyright law to new technologies by averting to Congress’ “constitutional authority” and “institutional ability to accommodate fully the varied permutations of competing interests that are inevitably implicated by . . . new technology.” While accurate, this observation overlooks the judiciary’s expertise in dealing with enforcement issues as well as the judiciary’s comparative advantage in responding quickly to new technological advances.

169. Id. at 430-31. While accurate with regard to new protections, this statement misapprehends the relatively general nature of the copyright system in place by the late nineteenth century. The 1790 Act was relatively limited in scope, extending protection to maps, charts, and books. See Section 1, Act of May 31, 1790, Ch. 15, 1 Stat. 124. As the law developed, courts did not have to wait for Congress to pass new legislation before applying copyright protections to new media. Instead, courts addressed many new technologies—such as photography, the phonograph, motion pictures, radio, television, and aspects of computer technology—before Congress explicitly regulated their copyright status. See, e.g., Buck v. Jewell-La Salle Realty Co., 283 U.S. 191, 196-98 (1931) (“Although the art of radio broadcasting was unknown at the time the Copyright Act of 1909 was passed, and the means of transmission and reception now employed are wholly unlike any then in use, it is not denied that such broadcasting may be within the scope of the act.”); “[N]othing in the Act circumscribes the meaning to be attributed to the term ‘performance,’ or prevents a single rendition of a copyrighted selection from resulting in more than one public performance for profit . . . While this may not have been possible before the development of radio broadcasting, the novelty of the means used does not lessen the duty of the courts to give full protection to the monopoly of public performance for profit which Congress has secured to the composer.” (footnotes and citations omitted).

170. 464 U.S. at 431 (quoting Thompson v. Hubbard, 131 U.S. 123, 151 (1889)). Again, the implication here seems to be that it is Congress and not the courts that have legitimacy in delineating the scope of copyright protection. Although true in a formal sense—courts may impose only those remedies provided for in the Copyright Act—this quotation has nothing to say about the role of the courts in delineating the scope of liability, in which the courts have long played an active role. As explained in Part III, infra, the Copyright Act has been largely silent on the scope of liability and courts have played the principal role in delineating the contours of copyright liability, including the recognition and demarcation of indirect copyright liability.

171. 464 U.S. at 431 (citing Teleprompter Corp. v. CBS, 415 U.S. 394 (1974)); Fortnightly Corp. v. United Artists, 392 U.S. 390 (1968); White-Smith Music Publ’g Co. v. Apollo Co., 209 U.S. 1 (1908); Williams & Wilkins v. United States, 487 F.2d 1345 (1973), aff’d by an equally divided court, 420 U.S. 376 (1975). These cases do not, however, provide a basis for interpreting the scope of indirect copyright liability narrowly. The first three are concerned with whether particular activities fit within a particular statutory provision. The fourth deals with the scope of fair use, a court-developed doctrine.

172. 464 U.S. at 431.
Justice Stevens completed the interpretive framework by invoking Justice Stewart's approach to resolving ambiguities in the copyright law: ""'[w]hen technological change has rendered [the Copyright Act's] literal terms ambiguous, the Copyright Act must be construed in light of'" its ""'ultimate aim . . . to stimulate artistic creativity for the general public good.'" 173 The import of this interpretive canon for Sony is hardly self-evident. It could be used to support interpretations that ensure that new technologies do not compromise the economic infrastructure undergirding the content industries. Justice Stevens, however, did not take this approach. He tipped his hand in the following paragraph, observing that copyright protection ""has never accorded the copyright owner complete control over all possible uses of his work."" 174 Although this observation was undeniably true, the connection between it and the Stewart quotation was unclear.

**ii. Adopting the Patent Law Standard**

Part III confronted the circumstances under which Sony ""should be held responsible"" for any direct infringement. First, the Court turned to the Copyright Act of 1976 and incorrectly concluded that it did not provide for indirect liability. The majority then concluded that this absence did not preclude imposing indirect copyright liability. After looking to past copyright cases involving indirect liability and finding them inapposite to the resolution of *Sony*, Justice Stevens turned to the Patent Act, based on a ""historic kinship"" between patent and copyright law. This recourse to the Patent Act was founded on a mistaken assumption about the extent of indirect copyright liability. Compounding this error, the Court chose to engraft the patent law ""staple article of commerce"" safe harbor onto copyright law. This bold move was inconsistent with both the Court's own interpretive framework and its traditional principles of statutory construction.

**a. The Majority's Analysis of Copyright Law**

The Court's analysis began at the correct starting point—the Copyright

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173. Id. at 432 (quoting Twentieth Century Music Corp. v. Aiken, 422 U.S. 151, 156 (1975)).
174. Id. at 432 (citing White-Smith Music Publ'g Co. v. Apollo Co., 209 U.S. 1, 19 (1908)). Closer inspection undermines this support. In *White-Smith*, the Supreme Court ruled that piano rolls did not constitute ""copies"" under then-applicable copyright law because they were not human-readable. The portion cited from *White-Smith* contains Justice Holmes' concurrence, commenting that ""the [Court's] result is to give to copyright less scope than its rational significance and the ground on which it is granted seem to me to demand."" *White-Smith*, 209 U.S. at 19. Moreover, the 1976 Act expressly overturned *White-Smith*. See H.R. REP. No. 94-1476, at 52 (1976). Justice Stevens further supports his assertion with a comparison citation to a patent law case, DeepSouth Packing Co. v. Laitram Corp., 406 U.S. 518, 530-31 (1972), which Congress would overrule shortly after *Sony*. See Patent Law Amendments Act of 1984, Pub. L. No. 98-622, Title I, § 101, 98 Stat. 3383; S. REP. No. 98-663 at 2 (describing legislation as reversing DeepSouth).
Act of 1976. Unfortunately, the Court misstated this source. According to Justice Stevens, “[t]he Copyright Act does not expressly render anyone liable for infringement committed by another.” But Section 106 extends liability not only to those who “do” acts that violate the rights of the copyright owner, but also to those who “authorize” such acts. The specific legislative history on section 106 confirms that use of the phrase “to authorize” is intended to avoid any questions as to the liability of contributory infringers. The legislative history confirms the continued validity of vicarious liability. Thus, the language of the Copyright Act and its legislative history establish that the Copyright Act does expressly render some actors liable for infringement committed by another.

Although Justice Stevens found that the Copyright Act did not specifically provide for indirect liability, he nonetheless concluded:

The absence of such express language in the copyright statute does not preclude the imposition of liability for copyright infringements on certain parties who have not themselves engaged in the infringing activity. For vicarious liability is imposed in virtually all areas of the law, and the concept of contributory infringement is merely a species of the broader problem of identifying the circumstances in which it is just to hold one individual accountable for the actions of another.

The Court’s logic is vague. If the Copyright Act does not provide for indirect liability, on what does the Court base this liability? Justice Stevens offered only the conclusory observation that “vicarious liability is imposed in virtually all areas of the law.”

Justice Stevens then distinguished prior indirect copyright liability cases. He properly observed that Kalem Co. v. Harper Brothers, although containing some broad language about the scope of indirect liability, does not provide controlling precedent:

The producer in Kalem did not merely provide the “means” to accomplish an infringing activity; the producer supplied the work itself, albeit in a new medium of expression. Sony in the instant case does not supply Betamax consumers with respondents’ works; respondents do. . . . The Betamax can be used to make authorized or unauthorized uses of copyrighted works, but the range of its potential use is much broader than the particular infringing use of the film Ben

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176. “[T]he owner of copyright under this title has the exclusive rights to do and to authorize any of the following . . . .” 17 U.S.C. § 106 (2006).
177. H.R. REP. No. 94-1476, at 61.
178. Id. at 159-60.
179. 464 U.S. at 435 (footnote omitted).
180. 222 U.S. 55 (1911).
Justice Stevens derived from *Kalem*, as well as from lower court cases, a limiting principle in indirect copyright liability jurisprudence:

[The presence of] an ongoing relationship between the direct infringer and the contributory infringer at the time the infringing conduct occurred. In such cases, as in other situations in which the imposition of vicarious liability is manifestly just, the “contributory” infringer was in a position to control the use of copyrighted works by others and had authorized the use without permission from the copyright owner.\(^{182}\)

The Court then noted that this case “plainly does not fall in that category,”\(^{183}\) observing that any contact between Sony and a Betamax user ends at the time of sale. It further noted the absence of evidence indicating that any of the home tapers “were influenced or encouraged by [Sony’s] advertisements.”\(^{184}\)

**b. The Majority’s Embrace of the “Staple Article of Commerce” Doctrine**

After determining that past copyright cases did not provide a basis for imposing vicarious liability on Sony, Justice Stevens turned to the Patent Act:

If vicarious liability is to be imposed on Sony in this case, it must rest on the fact that it has sold equipment with constructive knowledge of the fact that its customers may use that equipment to make unauthorized copies of copyrighted material. There is no precedent in the law of copyright for the imposition of vicarious liability on such a theory. The closest analogy is provided by the patent law cases to which it is appropriate to refer because of the historic kinship between patent law and copyright law.FN19

FN19 E.g., United States v. Paramount Pictures, Inc., 334 U.S., at 158; Fox Film Corp. v. Doyal, 286 U.S., at 131; *Wheaton v. Peters*, 8 Pet. 591, 657-658 (1834). The two areas of the law, naturally, are not identical twins, and we exercise the caution which we have expressed in the past in applying doctrine formulated in one area to the other. See generally, *Mazer v. Stein*, 347 U.S. 201, 217-218 (1954); Bobbs-Merrill Co. v. Straus, 210 U.S., at 345.\(^{185}\)

This passage serves as the linchpin for the majority’s engrafting the Patent Act’s “staple article of commerce” safe harbor onto the Copyright Act. Before turning to the majority’s use of the Patent Act, the premise underlying this
critical paragraph warrants scrutiny.

This key paragraph was based on an assertion that emerged from thin air: that the only possible basis for holding Sony liable for indirect infringement was “constructive knowledge of the fact that its customers may use that equipment to make unauthorized copies of copyrighted material.” In fact, the jurisprudence of indirect copyright liability would have supported several possible theories of indirect liability. It was well-established, prior to Sony, that copyright infringement, whether direct or indirect, is a strict liability offense. In order for indirect liability to attach, an employer need not know that its employees have committed infringement, nor does a dance hall owner need to know that its facility is used by independent contractors who infringe the works of others. In addition, the Court might have based liability on Sony’s control over the downstream use of its technology through its design of the product. In any event, Justice Stevens’ premise is not grounded in copyright jurisprudence.

Justice Stevens then stated that “[t]here is no precedent in the law of copyright for the imposition of vicarious liability” on the seller of equipment for acts committed by consumers. He then turned to patent law to resolve the Sony case: “The closest analogy is provided by the patent law cases to which it is appropriate to refer because of the historic kinship between patent law and copyright law.” The majority opinion then explained the Patent Act’s framework for dealing with technologies that serve both infringing and noninfringing purposes: “Unless a commodity ‘has no use except through practice of the patented method,’ . . . the patentee has no right to claim that its distribution constitutes contributory infringement.” A different rule, the Court noted, would “block the wheels of commerce.” Recognizing substantive differences between the patent and copyright laws, the Court nonetheless adopted the patent law standard:

The sale of copying equipment, like the sale of other articles of commerce, does not constitute contributory infringement if the product is widely used for legitimate, unobjectionable purposes. Indeed, it need merely be capable of substantial noninfringing uses.

The Court’s adoption of a broad and specific safe harbor from another
statute seems hasty and cavalier in light of its prior statements about deference to Congress, the importance of prudence in adapting copyright law to new technology, and reliance on the touchstone of "stimul[ing] artistic creativity for the general public good" "[w]hen technological change has rendered [the Copyright Act's] literal terms ambiguous." 9

It is all the more remarkable in view of the Court's unexplained departure from its own traditional methods of statutory construction of intellectual property statutes and statutes generally. 195
Not only did the Court fail to examine the Copyright Act's language and legislative history closely, it also failed to follow the traditional approach of using of prior statutes as an interpretive tool, as discussed next.

c. The Majority's Flawed Statutory Construction

When construing statutes, the Court normally reviews statutory text and pertinent legislative history carefully. Chief Justice Burger reinforced this responsibility in interpreting the Patent Act four years earlier, cautioning that courts "should not read into the patent laws limitations and conditions which the legislature has not expressed." 196 That same year, the Court showed due deference to Congress, painstakingly parsing the text, legislative history, and jurisprudence of patent law in determining legislative intent with regard to indirect patent liability. 197 In that case, unlike Sony, the lower court decisions and the parties' briefs fully exposed the statute and legislative history. 198

The absence of such material in the record meant that the Supreme Court was left to its own devices to solve the puzzle of the Sony case. As Justice Blackmun would later remark, the Court's job is much easier when it can rely heavily on the parties to learn and understand the details of complex cases. 199
In areas where the Supreme Court has substantial experience—such as constitutional law—or where the issues depend on less complex background, it is well-situated to make decisions. But the Supreme Court's first encounter

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194. Id. at 432 (quoting Twentieth Century Music Corp. v. Aiken, 422 U.S. 151, 156 (1975)).
199. I think it means a lot to the Court when one leaves the bench after [a case] was well argued and every base, so to speak, was covered. You know the Court then has all the arguments before it and need not do its own separate research in the thought that some vital issue might have been left uncovered.
with the complex and comprehensive Copyright Act of 1976 did not fit this pattern.

In addition to ignoring statutory text and legislative history, the *Sony* majority departed from general, well-established principles of statutory construction in its use of the Patent Act to determine the scope of indirect liability under the Copyright Act. In looking to other statutes for guidance in interpreting a later-enacted statute, the Court's usual inference is that the presence of an exclusionary provision in a prior enactment shows that Congress knew how to draft the exclusion. Therefore, the absence of such a provision in a later-enacted statute in the same or a related field tends to show that Congress did not intend to adopt the exclusion.\(^{200}\) Although such evidence is not conclusive, the Supreme Court has long considered it to be significant in divining congressional intent.\(^{201}\) The weight given such evidence is a mark of respect for the legislature's primacy in the lawmaking arena.

Other Supreme Court decisions rendered during *Sony*'s time-frame highlight the uncharacteristic nature of the *Sony* majority's approach to statutory construction. In a case heard eight days after the final *Sony* argument, and rendered about a month after the *Sony* ruling, the Supreme Court confronted whether a Bankruptcy Code exemption for executory contracts should be interpreted broadly to include collective-bargaining agreements.\(^{202}\) In declining to expand the exemption, the Court observed that "Obviously, Congress knew how to draft an exclusion for collective-bargaining agreements when it wanted to; its failure to do so in this instance indicates that Congress intended that § 365(a) apply to all collective-bargaining agreements covered by the NLRA."\(^{203}\) Similarly, in a case argued two days after *Sony* and decided two months earlier,\(^{204}\) the Court reasoned that "[h]ad Congress intended to restrict [RICO] § 1963(a)(1) to an interest in an enterprise, it presumably would have done so expressly as it did in the immediately following subsection (a)(2)."\(^{205}\) And in a decision from the prior term, the Court observed that "[w]hen Congress wished to limit an element of recovery in a patent infringement action, it said so explicitly."\(^{206}\) Although the inference that "Congress knew how to draft such a provision" is most clear when the provision appears in the

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200. Chicago v. Envtl. Def. Fund, 511 U.S. 328, 338 (1994) (stating that where there is evidence that Congress "knew how to draft a[n] . . . exemption," one should not be read into a statute).

201. *See*, *e.g.*, St. Martin Evangelical Lutheran Church v. South Dakota, 451 U.S. 772, 784 n.14 (1981) ("Congress knew how to limit expressly an exemption to the place of employment or the type of work performed."); Univs. Research Ass'n, Inc. v. Coutu, 450 U.S. 754, 773 (1981) (noting that Section "3 of the Act demonstrates that in this context, as in others, 'when Congress wished to provide a private damages remedy, it knew how to do so and did so expressly.'").


203. *Id.* at 522-23; *see also* Keene Corp. v. United States, 508 U.S. 200, 208 (1993).


205. *Id.* at 23.

same statute, as in these examples, the Supreme Court has not limited the inference so woodenly.207 Following this logic, the Court would have been on firm footing in inferring from the presence of the “staple article of commerce” safe harbor in the Patent Act of 1952 that Congress knew how to draft such a provision and would have included one in the Copyright Act if it had wished to enact a staple article safe harbor for copyright law.

The Sony majority sidestepped this conventional logic based on a purported “historic kinship” between copyright and patent law. But its failure to acknowledge the issue (and the traditional implication of silence in one statute in the face of an explicit provision in another) is astonishing. It is striking that the Court would make such an intrepid reading of a recently enacted, comprehensive statute without any effort to explain how this interpretation comported with its larger statutory construction jurisprudence.

iii. Applying the “Staple Article of Commerce” Doctrine

With this new rule in place, the Court turned its attention to direct infringement. This task was vastly simplified inasmuch as the Court “need[ed] [to] only consider whether on the basis of the facts as found by the District Court a significant number of [the uses of the Betamax] would be noninfringing.”208 The Court had little difficulty holding that standard satisfied. The use of the Betamax to time-shift programming for which consent was found, such as sports and religious programming and some public broadcasting, constituted noninfringing use. Furthermore, the Court determined that time-shifting of publicly broadcast copyrighted works for private, noncommercial viewing enlarged the total viewing audience for such works and thus fell within the bounds of fair use. Together, such uses of the Betamax easily surpassed the threshold for substantial noninfringing use. Consequently, the Betamax qualified for the “staple article of commerce” safe harbor.209

iv. Concluding Remarks

The majority concluded by referring back to the division of authority between Congress and the courts. Returning to the theme that first captured his imagination, Justice Stevens stated:

One may search the Copyright Act in vain for any sign that the elected representatives of the millions of people who watch television every day have made it unlawful to copy a program for later viewing at home, or have enacted a flat prohibition against the sale of machines that make such copying possible.

209. Id. at 456.
It may well be that Congress will take a fresh look at this new technology, just as it so often has examined other innovations in the past. But it is not our job to apply laws that have not yet been written.\textsuperscript{210}

Ironically, the Court apparently searched neither the Copyright Act nor its legislative history for what Congress did have to say about indirect copyright liability. The Court also failed to apprehend the history of the judiciary’s role in adapting copyright law in the face of new technologies. It also ignored the fundamental principle it invoked at the outset: that the Constitution assigned "the task of defining the scope of the limited monopoly" to Congress, implying a subsidiary role for the courts.\textsuperscript{211} By transplanting a specific statutory safe harbor from Title 35 into the recently revised Title 17, the majority could hardly have been more legislative and less judicial.

\textbf{E. Justice Blackmun’s Dissent}

Joined by Justices Marshall, Powell, and Rehnquist, Justice Blackmun filed a lengthy dissent based on his draft majority opinion. Justice Blackmun downplayed the extent to which the case was unprecedented and emphasized that the comprehensive reform of copyright law completed in 1976 was intended to provide a general framework for addressing old as well as new technologies.\textsuperscript{212} He asserted that Congress did not intend to create a home copying exception by implication and he rejected the majority’s conclusion that unauthorized home taping of copyrighted works constituted fair use.

Justice Blackmun pointed to the legislative history of the Copyright Act to support his view that “Congress intended to retain judicial doctrines of contributory infringement,” despite the short shrift paid to the concept within the Act itself.\textsuperscript{213} However, while Blackmun noted that the 1976 Act did exempt from liability “persons who, while not participating directly in any infringing activity, could otherwise be charged with contributory infringement,” it is surprising that he did not call specific attention to the most obvious example, namely section 106’s use of the phrase “to authorize” in order to bring the concept of contributory infringement directly into the Copyright Act.\textsuperscript{214} Further, although the dissent’s citations to the Senate and House Reports invoke that intent, Justice Blackmun overlooked the specific passages indicating Congress’ aim to perpetuate vicarious liability.\textsuperscript{215}

\textsuperscript{210} Id.
\textsuperscript{211} Id. at 429.
\textsuperscript{212} Id. at 457 (Blackmun, J., dissenting).
\textsuperscript{213} Id. at 486 (citing S. REP No. 94-57 (1975); H.R. REP. No. 94-61 (1975)).
\textsuperscript{215} See H.R. REP. No. 94-1476, at 159-60.
While Justice Blackmun acknowledged that “many of the concerns underlying the ‘staple article of commerce’ doctrine are present in copyright law,” he rejected the majority’s “wholesale” importation of patent law’s “staple article of commerce” doctrine, noting it was “based in part on considerations irrelevant to the field of copyright.” He explained that “[d]espite their common constitutional source, patent and copyright protections have not developed in parallel fashion, and this Court in copyright cases in the past has borrowed patent concepts only sparingly.”

In keeping with the evolving doctrines of indirect copyright liability, Justice Blackmun proposed an alternative to the radical transplantation approach followed by the majority, in the process drawing a distinction based on a product’s primary purpose. “If a significant portion of the product’s use is noninfringing,” he wrote, “the manufacturers and sellers cannot be held contributorily liable for the product’s infringing uses. If virtually all of the product’s use, however, is to infringe, contributory liability may be imposed . . .”

Justice Blackmun would have denied fair use. Because to him, the proportion of infringing VCR usage remained open, Justice Blackmun would have remanded the case for additional fact finding. Nonetheless, if one accepts (as we do) the Sony majority’s conclusion that time-shifting of over-the-air broadcasts constitutes fair use, then it follows that, under Justice Blackmun’s logic, “a significant portion of the product’s use is noninfringing,” meaning that the defendants should escape liability.

F. Sony’s Implications Today: Grokster

Over the intervening decades, Sony’s fair use resolution has proven salutary and its indirect liability holding has been largely a sleeper. But that status changed dramatically in 2005, when a unanimous Supreme Court in Grokster used Sony’s indirect liability ruling as the Rosetta Stone for the digital age. It therefore becomes essential to focus on the largely ignored aspect of Sony’s majority ruling: Does a “historic kinship” between patent and copyright law warrant reading patent law’s “staple article of commerce” doctrine into copyright law?

216. Sony, 464 U.S. at 491.
217. Id.
218. Id. (citing Bobbs-Merrill Co. v. Straus, 210 U.S. 339, 345-46 (1908)).
219. 464 U.S. at 491-92 (emphasis in original; internal citation omitted).
221. Id. at 492-93.
II
TESTING THE “HISTORIC KINSHIP” RATIONALE

The logic of importing patent law’s “staple article of commerce” doctrine rests on the critical inference that courts may look to patent law to address analogous issues in copyright law because of the “historic kinship” between the two fields. If that stepping-stone crumbles, then the basis for importing patent law into this copyright case collapses. Although instances may exist for which such importation might be appropriate, Sony is not such an example.

Sony’s lead counsel first introduced the idea of importing patent law’s “staple article of commerce” doctrine into copyright law in the district court. Sensing the unprecedented nature of the plaintiffs’ assertion of liability, facing a complex, recently enacted statute and even more daunting jurisprudence, and lacking experience adjudicating copyright disputes, Judge Ferguson found the suggestion enticing. Plaintiffs provided little guidance on how indirect liability fit into the 1976 Act, and did not help the court trace the roots of indirect liability in copyright jurisprudence. Their efforts to root assertions of liability squarely within precedent did not resonate with Judge Ferguson, leading him to reach for a patent law handhold based solely on policy grounds. The Ninth Circuit added no grist to this mill, rejecting the “staple article of commerce” doctrine on factual grounds.

As set forth at length above, the grand compromise that produced the Supreme Court majority did not turn on analytic review of the statute, its legislative history, or copyright jurisprudence. Rather, it reflected a policy determination pushed by Justice O’Connor that copyright law should follow the patent law model. The task was left to Justice Stevens, who had himself favored an alternative manner of resolving the case, to come up with a rationale for importing patent law.

This section addresses whether Justice Stevens’ inference of a “historic kinship” holds up to statutory and jurisprudential scrutiny. It begins by assessing the authorities on which the Court relied. It then examines the statutory basis for the claim of “historic kinship.”

A. Case Authority

The Court cites several cases to support its holding that a “historic kinship” exists between copyright and patent law in the area of indirect liability. However, none of the three principal cases—United States v. Paramount Pictures, Fox Film Corp. v. Doyal, and Wheaton v.

224. 464 U.S. at 439 n.19.
Peters,—involved interpretation of the Copyright Act. Nor do they shed light on the interpretation of copyright liability.

The first two cases deal with the "asset" nature of copyrights, not the contours of copyright protection. Neither supports the application of patent law to determine the scope of copyright liability. Given that insofar as they constitute an "asset" in a proprietor's portfolio there is little to separate copyrights from patents, it is not surprising that the Court would look to analogous assets in resolving these cases.

*Paramount Pictures, Inc.* was an antitrust suit under the Sherman Act charging studios with monopolizing the production of motion pictures. The Court found that, insofar as antitrust law is concerned with leveraging one asset to extend control into other markets, copyrights and patents stand on the same footing.

*Fox* was a tax case, testing whether copyrights, being instrumentalities of the United States, were subject to the power of state authorities to collect taxes on gross receipts of royalties. The unsurprising conclusion was that "royalties from copyrights stand in the same position as royalties from the use of patent rights."

*Wheaton v. Peters* is perhaps weaker still as a basis of reading patent doctrine into the copyright statute. In the cited portion of that case, the Court reasoned that a lack of common law perpetual-patent protection militated towards the conclusion that the common law of copyright lacked such perpetual protection as well. Even accepting that the uncodified common law of patents is directly analogous to the uncodified common law of copyright, the value of the comparison disappears when Congress affirmatively acts to displace the common law. In other words, once Congress has positively acted to incorporate features A, B, and C into the Copyright Act, and features P, Q, and R into the Patent Act, it is no longer sensible to reason analogically from one domain to the other.

Counsel for both sides in *Wheaton* spent a great deal of time comparing and contrasting patents and copyrights. The Court's conclusion is noteworthy:

No one can deny that when the legislature are about to vest an exclusive right in an author or an inventor, they have the power to prescribe the conditions on which such right shall be enjoyed; and that no one can avail himself of such right who does not substantially comply with the requisitions of the law. . . . If any difference shall be made, as it respects a strict conformity to the law, it would seem to be

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228. 334 U.S. 131, 140 (1948).
229. "The copyright law, like the patent statutes, makes reward to the owner a secondary consideration." *Id.* at 158.
230. 286 U.S. 123, 126 (1932).
231. *Id.* at 131.
more reasonable to make the requirement of the author, rather than the inventor.\footnote{233}

That holding undercuts \textit{Sony}'s later overlay of the patent statute on top of the copyright statute. For, while treating patent and copyright law alike, the Court held that this could be done only in "a strict conformity to the law" by which Congress enacted them.

The dissent in \textit{Wheaton} even more forcefully rejected the argued equation of the two bodies of law. Acknowledging that "it has been argued . . . the rights of authors and inventors were considered as standing on the same footing," the dissent maintained that "when congress came to execute this power by legislation, the subjects are kept distinct, and very different provisions are made respecting them."\footnote{234}

The bottom line is that it scarcely follows from common law congruence that when Congress departs from the common law by enacting a particular patent statute, that legislation furnishes the template for the wholly different enactment of a copyright statute.\footnote{235}

It still remains possible, however, that while \textit{Sony}'s citations themselves are insufficient, other cases may exist "in which the Court borrowed patent concepts in copyright cases."\footnote{236} Supporters of that viewpoint adduce four other cases: the bankruptcy case of In re Patient Educ. Media, Inc., the Supreme Court's cases of Kalem Co. v. Harper Brothers and Henry v. A. B. Dick Co., and the Fourth Circuit's case of Lasercomb Am., Inc. v. Reynolds.\footnote{237} The first arises under bankruptcy law's treatment of executory contracts, equating copyright licenses and patent licenses\footnote{238} for purposes of treatment under a particular section of the Bankruptcy Act.\footnote{239} That case is of a piece with the asset cases previously encountered construing tax and antitrust law; it provides no support for the notion that internal provisions of copyright law may be deduced from their patent counterparts.

The next two cases involved a citation in passing: The Supreme Court's patent case, \textit{Kalem}, contains a single sentence drawing on the logic of the

Court's own previous copyright case, Henry.\(^{239}\) Finally, Lasercomb reasoned by analogy to patent law that a misuse defense must be latent in the law of copyright.\(^{240}\)

But such cross-overs, being pandemic in the law, do not support any historic kinship. For instance, Bernstein v. U.S. Dept. of State\(^{241}\) resolved causes of action under the Arms Export Control Act\(^{242}\) and the International Traffic in Arms Regulations\(^{243}\) by construing the Copyright Act.\(^{244}\) It scarcely follows that a historic kinship exists between the Arms Export Control Act and copyright law such that future constructions of the former should take place by reference to the latter. Rather, the particular facts posed made Bernstein's reference sensible;\(^{245}\) only subsequent cases arising under the Arms Export Control Act that present a factual posture parallel to Bernstein's should follow its example of referring to the Copyright Act.

This rule of construction, of course, must be broadened beyond simply the Arms Export Control Act. For instance, one could find copyright cases that invoke concerns drawn from domains as diverse as the Hatch-Waxman Amendments, to the Federal Food, Drug, and Cosmetic Act,\(^{246}\) to state worker's compensation regulations.\(^{247}\) Inasmuch as the law is a seamless web, a given copyright case, under the right circumstances, could equally reason from any other legal doctrine—right up to state law regulating "the price of intoxicating liquors."\(^{248}\) But it hardly follows that specific statutes implementing Hatch-Waxman, worker's compensation, liquor prices, and the rest should be imported as the template for future constructions of the

\(^{239}\) "It may also be inferred where its most conspicuous use is one which will cooperate in an infringement when sale to such user is invoked by advertisement. Kalem Co. v. Harper Brothers, decided at this term, 222 U.S. 55." Henry v. A. B. Dick Co., 224 U.S. 1, 48-49 (1912).

\(^{240}\) See Lasercomb Am., Inc. v. Reynolds, 911 F.2d 970, 978 (4th Cir. 1990).


\(^{243}\) 22 C.F.R. §§ 120.2-30 (1994).

\(^{244}\) 922 F. Supp. at 1436.

\(^{245}\) The issue was whether Bernstein could publish an academic paper in English entitled "The Snuffle Encryption System," and in source code written in "C." Id. at 1429. In reaching its conclusion, the court discussed copyright law's treatment of functional works expressed in computer code.


\(^{248}\) The quotation emerges from an early Supreme Court copyright case: It has been held that mere indifferent supposition or knowledge on the part of the seller that the buyer of spirituous liquor is contemplating such unlawful use is not enough to connect him with the possible unlawful consequences, but that if the sale was made with a view to the illegal resale the price could not be recovered. Kalem Co. v. Harper Bros., 222 U.S. 55, 62 (1911) (citations omitted). As support, Justice Holmes' opinion cites to two earlier cases that he wrote for the Supreme Judicial Court of Massachusetts under the law of that commonwealth regulating "the price of intoxicating liquors." Id. (citing Graves v. Johnson, 179 Mass. 53 (1901) and Graves v. Johnson, 156 Mass. 211 (1892)).
Copyright Act.

A frank examination of the case law that pre-dates adoption of the 1976 Act debunks the notion that any historic kinship warranted interpretation of copyright liability through the patent lens. But some may argue that when Congress overhauled copyright law in 1976, it may have had patent law in mind as the default scheme. It is to that investigation that we next turn.

B. Historic Kinship in Crafting the 1976 Act?

I. The Different Types of Copyright—Non-Copyright Interaction in Statutory Construction

An exhaustive review\(^{249}\) shows that Congress explicitly modeled its copyright handiwork with reference to patent law in several broad strokes. It explicitly drew on patent law to craft miscellaneous features of copyright law which survived to enactment (catalogued below as Category 1). In addition, Congress explicitly drew on patent law in several other miscellaneous regards which failed to survive to enactment (Category 2). Even more pointedly, it cited patent doctrine in several regards as the template that it did not wish to adopt (Category 3). Finally, Congress explicitly drew on non-patent bodies of law in other instances to craft other features of copyright law (Category 4).

i. Category 1—Explicitly Drawing on Patent Law

Congress drew explicitly on the patent law in four sections of the 1976 Copyright Act.

(1) Section 205(f)\(^{250}\) mandates a recodification provision for conflicting transfers, modeled on the three-month grace period contained in patent law, 35 U.S.C. § 261.\(^{251}\)


Of course, the legislative history of the 1976 Act also consists of endless studies and testimony offered to Congress. See, e.g., STUDY NO. 25, supra note 94. Those sources have not been exhaustively examined for current purposes.


\(^{251}\) REG. REP., supra note 249, at 97.
(2) Section 204(b)(2)\textsuperscript{252} adopts provisions requiring acknowledgment abroad before an authorized consular officer. Congress adopted, as part of the copyright law in that regard, provisions similar to those found in patent law, again 35 U.S.C. § 261.\textsuperscript{253}

(3) Section 508 provides generally for a procedure under which the clerks of the Federal courts are to notify the Copyright Office of the filing of actions, patterned to some extent after a similar provision in the patent law, 35 U.S.C. § 290.\textsuperscript{254}

(4) Section 602(b)\textsuperscript{255} "authorizes the Secretary of the Treasury to establish a procedure for notifying copyright owners of importations that may be infringing."\textsuperscript{256} This provision is patterned after a Treasury Regulation dealing with patents (29 Fed. Reg. 4720), which "would enable copyright owners to obtain the information needed to institute court proceedings, whether the copies or phonorecords in question are excluded or allowed entry."\textsuperscript{257}

\textit{ii. Category 2—Unenacted Features Drawing on Patent Law}

Two draft provisions of the Copyright Act, which were never passed into law, had patent law origins.

(1) The Senate Bill contained elaborate features protecting designs, thus drawing extensive commentary about the relationship between that feature of copyright law and the cognate field of design patent.\textsuperscript{258}

(2) The Register of Copyright suggested, drawing on experience with Government-owned patents, to "permit the copyrighting of Government publications . . ."\textsuperscript{259}

\textit{iii. Category 3—Differentiating From Patent Law}

Congress specifically distinguished copyright law from patent in two instances.

(1) Section 410(a)\textsuperscript{260} perpetuates the basic distinction between copyrights and patents that "a claim to copyright is not examined for basic validity before a certificate is issued."\textsuperscript{261}

\begin{itemize}
\item \textsuperscript{252} 17 U.S.C. § 204(b)(2) (2006).
\item \textsuperscript{253} REG. REP., supra note 249, at 95.
\item \textsuperscript{254} REG. SUPP. REP., supra note 249, at 140; see S. REP., supra note 249, at 146; H. REP., supra note 249, at 164.
\item \textsuperscript{255} 17 U.S.C. § 602(b) (2006).
\item \textsuperscript{256} REG. SUPP. REP., supra note 249, at 150.
\item \textsuperscript{257} Id.
\item \textsuperscript{258} S. REP., supra note 249, at 53, 161; SECOND REG. SUPP. REP., supra note 249, at 186-95.
\item \textsuperscript{259} REG. REP., supra note 249, at 132.
\item \textsuperscript{260} 17 U.S.C. § 602(b) (2006).
\item \textsuperscript{261} S. REP., supra note 249, at 139; H. REP., supra note 249, at 157.
\end{itemize}
(2) Congress rejected a proposal as part of the 1976 Act’s work-made-for-hire provision, “by screenwriters and composers for motion pictures . . . for the recognition of something similar to the ‘shop right’ doctrine of patent law.”

iv. Category 4—Explicitly Drawing on Sources Other than Patent Law

Congress modeled three provisions of the Copyright Act after provisions of federal statutes other than patent law.

(1) Section 101 of the 1976 Act enacts a work-made-for-hire provision drawn from the common law of agency.

(2) Section 505 allows for the award of attorneys’ fees, in “virtually identical language” with the Civil Rights Act of 1964.

(3) Section 201(a) demonstrates Congress’ intent to keep in place the common law of tenancy as applied to jointly owned copyrights.

v. Category 5—Cross-Overs

Congress drew on multiple federal intellectual property statutes in at least one context. Specifically, in the predecessor 1909 Copyright Act (brought forward to the 1976 Act as well), Congress provided for the award of an infringer’s profits based on both trademark and patent law.

2. Application of the “Category” Model in the Case Law

With such a disparate history, courts must interpret the Copyright Act with a good deal of circumspection. Each doctrine must be evaluated against the backdrop in which it developed. Reference to patent law, therefore, will at times be apropos and at other times wholly inapposite.

For example, reference to both trademark and patent law is appropriate if...
the matter under investigation is the feature cited above as a "Category 5". Indeed, precisely this realization undergirded Sheldon v. Metro Goldwyn Pictures Corp,\textsuperscript{271} a Supreme Court case that questioned how to measure the infringer's profits for purposes of the 1909 Act. The Court examined the legislative history of the precise provision of the 1909 Act under examination, and found that "[i]n passing the Copyright Act, the apparent intention of Congress was to assimilate the remedy with respect to the recovery of profits to that already recognized in patent cases."\textsuperscript{272}

Construction by analogy to the patent law is proper to the extent that the provision under examination is one that was drawn from patent law. For purposes of the 1976 Act the only provisions which fit this bill are those listed above as "Category 1" laws.

In contrast, to the extent that Congress has differentiated between copyright and patent law, "Category 3" provisions deserve the opposite treatment. Past Supreme Court copyright cases manifest this methodology, for example, by citing the fundamental distinction between patents established by examination in the Patent Office versus automatically registered copyrights.\textsuperscript{273} "To give to the author of the book an exclusive property in the art described therein, when no examination of its novelty has ever been officially made, would be a surprise and a fraud upon the public. That is the province of letters-patent, not of copyright."\textsuperscript{274}

Indeed, \textit{Sony} itself recognized that phenomenon by conceding that "the two areas of the law, naturally, are not identical twins."\textsuperscript{275} The cited cases go

\textsuperscript{271} 309 U.S. 390 (1940).
\textsuperscript{272} \textit{Id.} at 400. The Court cited to the legislative history of the 1909 Act:
Section 25 deals with the matter of civil remedies for infringement of a copyright. . . . The provision that the copyright proprietor may have such damages as well as the profits which the infringer shall have made is substantially the same provision found in section 4921 of the Revised Statutes relating to remedies for the infringement of patents. The courts have usually construed that to mean that the owner of the patent might have one or the other, whichever was the greater. As such a provision was found both in the trade-mark and patent laws, the committee felt that it might be properly included in the copyright laws.
\textit{Id.} at 400-01 (citing H.R. REP. No. 2222, 60th Cong., 2d sess., at 15); see also S. REP. No. 1108, 60th Cong., 2d sess., at 15.
\textsuperscript{273} Burrow-Giles Lithographic Co. v. Sarony, 111 U.S. 53, 59-60 (1884) ("Our copyright system has no such provision for previous examination by a proper tribunal as to the originality of the book, map, or other matter offered for copyright. A deposit of two copies of the article or work with the Librarian of Congress, with the name of the author and its title page, is all that is necessary to secure a copyright. It is, therefore, much more important that when the supposed author sues for a violation of his copyright, the existence of those facts of originality, of intellectual production, of thought, and conception on the part of the author should be proved, than in the case of a patent right.").
\textsuperscript{274} Baker v. Selden, 101 U.S. 99, 102 (1879) ("The copyright of a book on book-keeping cannot secure the exclusive right to make, sell, and use account-books prepared upon the plan set forth in such book. Whether the art might or might not have been patented, is a question which is not before us. It was not patented, and is open and free to the use of the public."); Mazer v. Stein, 347 U.S. 201, 217-218 (1954) (amplifying Baker v. Selden).
quite a bit further than simply negating twinship. One holds that "there are
differences between the patent and copyright statutes in the extent of the
protection granted by them." That sentiment, recognizing the need to refrain
from mapping one area of law onto the other, is more representative of the
early patent and copyright jurisprudence than Sony's later remarks to the
contrary.

Plainly, the same consideration also applies to "Category 2" provisions—
that is, to the extent that an interpretation arises under a provision that Congress
did not legislate, it must be rejected.

Moving to "Category 4" examples, the implicated body of law is the one
that should be scrutinized. For example, as the Supreme Court has recognized
in the context of copyright cases arising under the 1976 Act, the proper source
for interpreting its work-for-hire provision is the Restatement of Agency.

In sum, the foregoing typology reveals that a "Category 1" item in the
copyright laws should be interpreted by analogy to patent law. All other items
should not be so construed. Which brings us back to Sony. Did the matter there
under examination fit into "Category 1"? By no means. The question of
secondary liability fits into its own niche in the law, which the legislative
history specifically declined to alter from established case law. The
following section traces those roots.

III
RE-RECORDING SONY

As the foregoing has established, Sony's treatment of indirect copyright
liability rests on a faulty foundation. A slim majority of the Supreme Court
imported patent law's "staple article of commerce" doctrine into copyright law
not on the basis of first principles—a careful reading of the statute,
consideration of its legislative history, and systematic review of copyright
jurisprudence—but rather through a process of post hoc rationalization and
questionable interpretation of copyright history and doctrine. Whether or not
one believes that the Sony "staple article of commerce" doctrine represents the
best policy solution for evaluating indirect copyright liability, it seems doubtful
that any intent to adopt such a standard can be fairly ascribed to Congress. The
Court substituted a legislative judgment for judicial reasoning.

This section examines how indirect copyright liability should have been
applied to Sony on the basis of first principles, beginning with the 1976 Act,
looking backwards through the case law, and examining the evolution of the
doctrine of indirect liability. This review reveals a historic relationship driving

276. Id.; Bobbs-Merrill Co., 210 U.S. at 345.
278. See H. REP., supra note 249, at 61, 159-60.
the evolution of copyright liability. Yet it is not a kinship with patent law, as *Sony* contends, but rather a common wellspring nourishing both copyright and patent law: tort law.\(^{279}\) For nearly two centuries, courts have looked to tort principles in determining the contours of copyright liability. And in the area of indirect copyright liability, courts have adapted those doctrines to specific copyright concerns—most notably the challenges of enforcement. With those precepts in mind, we suggest how the *Sony* Court should have resolved the issue of indirect liability in the case.

\textit{A. Indirect Copyright Liability and the 1976 Act}

The Copyright Act of 1976 was the culmination of nearly two decades of studies, hearings, and negotiations to update, harmonize, and rationalize copyright protection, spurred by the recognition that “significant developments in technology and communications had rendered the 1909 Act obsolete.”\(^{280}\) Several issues dominated (and delayed) the reform process—including the shift from a dual term structure (with renewal) to a unitary term, codification of fair use, the protection of sound recordings, and the treatment of juke boxes and cable television.

By contrast, the principal participants in the legislative process did not consider the contours of copyright liability to need reform; accordingly, liability standards attracted relatively little attention during the deliberations. This is not to say that liability standards or, for our purposes, indirect liability doctrines, were ignored. One of the 34 studies prepared under the auspices of the Library of Congress reviewed the history of indirect liability in the United States, evaluated the present law and underlying problems, surveyed foreign laws, and discussed legislative proposals.\(^{281}\) The expert commentators, however, did not believe that the provisions were in need of significant reform\(^ {282}\) and the resulting proposal on liability\(^ {283}\)—which survived the legislative process without significant change—preserved existing liability standards.\(^ {284}\)

Intent on retaining the process and principles of infringement analysis

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279. See Dawson Chem. Co. v. Rohm & Haas Co., 448 U.S. 176, 186 n.7 (1980) (recognizing that contributory patent infringement has long been governed by principles of tort law) (citing Thomson-Houston Elec. Co. v. Ohio Brass Co., 80 F. 712, 721 (6th Cir. 1897) (“An infringement of a patent is a tort analogous to trespass or trespass on the case. From the earliest times, all who take part in a trespass, either by actual participation therein or by aiding and abetting it, have been held to be jointly and severally liable for the injury inflicted.”)).


281. See STUDY NO. 25, supra note 94.

282. See COMMENTS AND VIEWS SUBMITTED TO THE COPYRIGHT OFFICE ON LIABILITY OF INNOCENT INFRINGERS OF COPYRIGHTS appended to STUDY NO. 25, supra note 94.


284. See 17 U.S.C. § 405(b) (2006); STUDY NO. 25, supra note 94, at 158.
developed over time by judicial decisions, Congress chose a terse formulation of the infringement standard: “Anyone who violates any of the exclusive rights of the copyright owner as provided by sections 106 through 118 or who imports copies or phonorecords into the United States in violation of section 602, is an infringer of the copyright or right of the author, as the case may be.”

The extensive legislative history underlying the 1976 Act refers specifically to the law of torts in clarifying that “where the work was infringed by two or more joint tort feasors, the bill would make them jointly and severally liable . . . .” More references to tort law undergird the 1976 Act’s remedial provisions. These references cement the proposition that tort doctrine furnishes the background law for determining what circumstances render someone liable for infringement and, if liable, the scope of remedies.

The legislative history makes two direct references to indirect liability standards, both of which support the continuation of then-existing doctrines and their further refinement through judicial decisions. In explaining the general scope of copyright, the House Report recognizes contributory liability:

The exclusive rights accorded to a copyright owner under section 106 are ‘to do and to authorize’ any of the activities specified in the five numbered clauses. Use of the phrase ‘to authorize’ is intended to avoid any questions as to the liability of contributory infringers. For example, a person who lawfully acquires an authorized copy of a motion picture would be an infringer if he or she engages in the business of renting it to others for purposes of unauthorized public performance.

In discussing infringement, the House Report explains:

Vicarious Liability for Infringing Performances

The committee has considered and rejected an amendment to this section intended to exempt the proprietors of an establishment, such as a ballroom or night club, from liability for copyright infringement committed by an independent contractor, such as an orchestra laeder [sic]. A well-established principle of copyright law is that a person who violates any of the exclusive rights of the copyright owner is an infringer, including persons who can be considered related or vicarious infringers. To be held a related or vicarious infringer in the case of performing rights, a defendant


287. “The remedies available against copyright infringers include those comparable to the remedies usually accorded for torts in general . . . .” Reg. Rep., supra note 249, at 73 (citation omitted).

must either actively operate or supervise the operation of the place wherein the performances occur, or control the content of the infringing program, and expect commercial gain from the operation and either direct or indirect benefit from the infringing performance. The committee has decided that no justification exists for changing existing law, and causing a significant erosion of the public performance right.289

That excerpt shows legislative intent to preserve the principles of vicarious liability that had developed through the courts under prior law under the 1976 Act. The next section examines these principles.

B. The Origins and Traditions of Indirect Copyright Liability

1. History of Copyright Liability

The Framers of the U.S. Constitution granted Congress authority to protect copyrights and patents.290 One of the first enactments of the new Congress was the Copyright Act of 1790.291 Because that first copyright statute, like other legislative enactments of the early American Republic, was highly terse, explication of the contours of copyright liability fell to the courts.

Courts looked to principles of tort law in delineating the contours of copyright liability. As stated in the 1869 ruling in Lawrence v. Dana, "Rights secured by copyright are property within the meaning of the law of copyright, and whoever invades that property beyond the privilege conceded to subsequent authors commits a tort . . . ."292 Later cases also reflect this understanding. In 1923, the Second Circuit observed that "infringement of a copyright is a tort."293 Then-Judge Benjamin Cardozo remarked a year later, "The author who suffers infringement of his copyright . . . may count upon the infringement as a tort, and seek redress under the statute by action in the federal courts."294 Thus, courts looked to the law of torts as the wellspring for determining the boundaries of copyright liability.295

2. Development of Indirect Copyright Liability Standards

Building upon the tort foundation of direct copyright liability, early

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289. Id. at 159-60.
290. U.S. CONST. art. 1, § 8, cl. 8.
291. Act of May 31, 1790, Ch. 15, 1 Stat. 124.
293. Ted Brown Music Co. v. Fowler, 290 F. 751, 754 (2d Cir. 1923).
copyright cases naturally looked to tort principles in recognizing and delineating third party liability. Tort law has long imposed liability upon some persons in particular relations with the direct tortfeasor. The doctrine of respondeat superior -- "let the master answer" for the torts of servants and slaves -- has ancient roots in the law and was well developed in Anglo-American law by the 19th century. One late 19th century treatise stated, "It is universally conceded that the principal is liable for all torts which he commands or ratifies." Furthermore:

It is almost universally conceded that the principal is liable for all torts committed by an agent in the course of the employment and for the principal's benefit, although the principal neither commanded nor ratified the tort. This rests on the principle... that where one chooses to manage his affairs through an agent he is bound to see that the affairs are managed with due regard to the safety of others.

In addition to employer liability for the acts of employees, tort law has long imposed joint and several liability on those who act in concert to commit tortious harm and those who aid, abet, or encourage such harm.

To the extent that parallel issues arose in early copyright cases, courts imposed liability accordingly. In Fishel v. Lueckel, an owner of copyrights in graphical works brought suit against a purchaser of such works who sought to have them reproduced by a photogravure company. The defendants sought to defeat liability on the ground that they did not "print or publish" the copyrighted works themselves and therefore could not be held liable under the terms of the Copyright Act. Invoking tort principles, the court had little difficulty extending liability to those who authorize copyright violations:

The evidence shows that the defendants bought the pictures from the complainants, furnished them to the photogravure company, ordered the copies made, and gave general directions as to how the work

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299. Id. § 149(2).
300. Prosser and Keeton on the Law of Torts § 46 (1984) ("The original meaning of 'joint tort' was that of vicarious liability for concerted action. All persons who acted in concert to commit a trespass, in pursuance of a common design, were held liable for the entire result... Express agreement is not necessary, and all that is required is that there be a tacit understanding...").
301. See Restatement (Second) of Torts § 876(b) (1965); Dobbs, supra note 296, at 934 ("One who aids, abets or encourages a tort need not participate in it to be liable, but the aid or encouragement must be substantial.").
302. 53 F. 499 (S.D.N.Y. 1892).
303. Photogravure can be characterized as the photocopying technology of its day—from the 1850s through the early part of the 20th century. See The Photogravure Printing Process, http://www.curtis-collection.com/process.html.
should be done. They are therefore liable as joint tort feasors.\textsuperscript{304}

In a case brought against a photographer, photogravure company, and distributor of unauthorized reproductions of a copyrighted work, the Second Circuit extended liability to everyone in the causal chain, applying well-established tort principles in the process: "This action [under the Copyright Act] is to recover damages for infringement against the appellant and the other defendant as joint and several tort-feasors."\textsuperscript{305} All three sets of actors were "united in infringing."\textsuperscript{306} Another Second Circuit case explained that "[t]he joinder of these parties [the publisher, binder, and seller of book] as defendants proceeds upon the theory that infringement of a copyright is a tort, and that all persons concerned therein are jointly and severally liable."\textsuperscript{307}

Notwithstanding the fact that neither the Copyright Act of 1909 nor its predecessor acts expressly imposed indirect liability,\textsuperscript{308} treatise writers recognized that copyright liability extended well beyond direct infringers under general tort principles:

What persons are liable for infringement? Generally speaking, all those who have participated in it, whether they knew of the copyright or not. The printer, the publisher, the distributor of the infringing work all are liable, not only jointly, but severally, since copyright infringement is a tort and each person who has a share in it is liable to the full extent of the damages suffered by the copyright proprietor.\textsuperscript{309}

From the late 19th century through the passage of the 1976 Act, courts developed the law of indirect copyright liability based upon general tort principles. During this time period, distinct copyright doctrines of respondeat superior, vicarious liability, and contributory liability (including inducement) emerged.

\textsuperscript{304} Fishel, 53 F. at 500.
\textsuperscript{305} Gross v. Van Dyke Gravure Co., 230 F. 412, 414 (2d Cir. 1916).
\textsuperscript{306} Id.
\textsuperscript{307} American Code Co. v. Bensigner, 282 F. 829, 834 (2d Cir. 1922).
\textsuperscript{308} The first federal copyright act, passed in 1790, provided simply that "any person or persons who shall print or publish any manuscript, without the consent and approbation of the author or proprietor thereof... shall be liable to suffer and pay to the said author or proprietor all damages occasioned by such injury..." Act of May 31, 1790, ch. 15, sec. 6. The Act did not provide a formal definition of infringement. General revisions in 1831 and 1870, and 1909 did not elaborate on the infringement standard. See H. COMMITTEE PRINT, 89th CONG., 1ST SESS., COPYRIGHT LAW REVISION PART 6, SUPPLEMENTARY REPORT OF THE REGISTER OF COPYRIGHTS ON THE GENERAL REVISION OF THE U.S. COPYRIGHT LAW: 1965 REVISION BILL (May 1965), at 131 ("It seems strange, though not very serious, that the present law lacks any statement or definition of what constitutes an infringement.").
\textsuperscript{309} Richard C. De Wolf, An Outline of Copyright Law 161 (1925). There is a single sentence on the matter in Arthur W. Weil, American Copyright Law 455 (1917) ("Anyone who participates in an infringement is liable to the copyright proprietor of such infringement."). As authority, that work cites Baschet v. London Illustrated Standard Co., 1 Ch. 63 (1900); Belford v. Scribner, 144 U.S. 488 (1892); Greene v. Bishop, 10 F. Cas. 1128 (C.C.D. Mass. 1858) (No. 5,763); Stevens v. Gladding 30 F. Cas. 981 (C.C.D. RI 1854) (No. 18,249).
i. Respondeat Superior

By the late nineteenth century, courts readily applied the doctrine of respondeat superior in copyright cases. In McDonald v. Hearst, the owner of a map copyright sued a newspaper for publishing the work. The publisher defended on the ground that the infringing material was inserted without his knowledge or consent. The court had no difficulty overruling the demurer:

The argument to the contrary is rested mainly upon the general principle that the master is civilly liable to respond in damages for the wrongful act of his servant committed in the transaction of the business which he was employed by the master to do, although the particular act complained of may have been done without express authority from him, or even against his orders. This principle of law is so well settled that no authorities need be cited in its support.

A related fact pattern in the early cases involved infringement in compilation entries such as directories and law digests. Courts held that parties other than the agent who physically committed copyright infringement could nonetheless be held liable, even if the employer had instructed the compilers not to infringe copyrights.

Later copyright cases applied the doctrine of respondeat superior to theater owners who employed others to perform music. In M. Witmark & Sons v. Calloway, a music publisher brought suit against a theater owner who employed a person to select copyrighted music to be publicly performed on a player piano. The court held the owner liable, even though the employee's acts may have been done against orders.

ii. Vicarious Liability

The tort doctrine of vicarious liability arose to deal with the situation in which third parties exercise control over or motivate the actions of others and

310. 95 F. 656 (D.C. Cal. 1899).
311. Id. at 657.
313. See Trow Directory, Printing & Bookbinding Co. v. Boyd, 97 F. 586, 587 (C.C.S.D.N.Y. 1899) ("[S]everal of the canvassers employed by the defendant disobeyed the instructions given to them, and made up their returns largely from the complainant's publication, instead of from their own investigations. Of course, for their acts the defendant is responsible, whatever instructions he may have given").
315. 22 F.2d 412 (E.D. Tenn. 1927).
316. Id. at 414.
stand to benefit from such activities. This tort doctrine placed various limits on such liability, such as the general rule that immunized principals from liability for the acts of independent contractors. Over time, however, courts carved significant exceptions into these limits, refusing to confer immunity on employers of independent contractors where the employer can be shown to have acted negligently or sought to delegate duties that the law imposes on the employer.

Dance halls created one of the first common scenarios in which third party benefits arose in the copyright field. Such halls were often leased out for events such as weddings at which independent bands performed copyrighted musical compositions. Detecting and suing the direct infringers presented significant logistical problems. As a result, music publishers targeted dance hall owners. Notwithstanding the independent contractor status of the direct infringers, courts held the dance hall owners liable for the infringing acts:

[T]he owner of a dance hall at whose place copyrighted musical compositions are played in violation of the rights of the copyright holder is liable, if the playing be for the profit of the proprietor of the dance hall. And this is so even though the orchestra be employed under a contract that would ordinarily make it an independent contractor.

Over the next five decades, many courts followed and expanded this holding.

The Supreme Court gave its imprimatur to such indirect liability in Buck v. Jewell-La Salle Realty Co. During the early days of commercial radio, an ASCAP member brought suit against the company that operated the La Salle Hotel in Kansas City, which maintained a master radio receiving set wired to each of the public and private rooms. The hotel had no public performance license for musical compositions. Recognizing the liability of the hotel owner to be an issue of first impression, the district court held that reception of a radio broadcast was not a “performance” under the 1909 Act and therefore the hotel had not infringed.

On appeal, the hotel defended this interpretation on the ground that “since the transmitting of a musical composition by a commercial broadcasting station is a public performance for profit, control of the initial radio rendition exhausts

317. See Restatement (Second) of Agency § 2 (1958).
318. Id. § 219 (1958).
319. Id. § 2.
320. See Restatement (Second) of Torts §§ 410-29 (1965).
321. Dreamland Ball Room v. Shapiro, Bernstein & Co., 36 F.2d 354 (7th Cir. 1929).
323. 283 U.S. 191 (1931).
324. See Buck v. Duncan, 32 F.2d 366 (W.D. Mo. 1929).
the monopolies conferred . . . .” Writing for the unanimous Court, Justice Brandeis rejected the analogy to the first sale doctrine on the ground that, although “control of the sale of copies is not permitted by the Act, a monopoly is expressly granted of all public performances for profit.” To the argument that “there can be but one actual performance each time a copyrighted selection” is broadcast, Justice Brandeis found that “nothing in the act circumscribes the meaning to be attributed to the term ‘performance.’” The defendant further contended that the acts of the hotel company were not a performance because “the operator of a radio receiving set cannot render at will a performance of any composition, but must accept whatever program is transmitted during the broadcasting period.” Justice Brandeis responded that intent is not an element of copyright infringement, citing with approval the dance hall cases:

One who hires an orchestra for a public performance for profit is not relieved from a charge of infringement merely because he does not select the particular program to be played. Similarly, when he tunes in on a broadcasting station, for his own commercial purposes, he necessarily assumes the risk that in so doing he may infringe the performing rights of another.

Still, the expansion of copyright liability to ensnare those who merely profit indirectly was not unbounded. A Second Circuit panel ruled that a landlord and leasing agent did not participate in the copyright infringement that took place without their knowledge at a leased booth on Coney Island. But when the leased premises consisted of an entertainment hall, or one where “music was furnished and used by the orchestra for the purpose of inducing the public to patronize the establishment and pay for the entertainment in the purchase of food and drink,” liability attached.

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325. 283 U.S. at 197.
326. Id. (footnote omitted). In the accompanying footnote, the Court observed that “even if the broadcasting constituted an infringement, there would be no question of contributory infringement.” Id. at n.4.
327. Id. at 197-98.
328. Id. at 198 (citations omitted).
329. Id. at 198.
333. Buck v. Jewell-La Salle Realty Co., 283 U.S. 191, 198 (1931); see also Buck v. Pettijohn, 34 F. Supp. 968 (E.D. Tenn. 1940) (“The defendant is liable in damages for the wrongful act of the orchestra, although he may not have authorized or knew that this composition
Later cases established that landlords could not escape indirect copyright liability merely by turning a blind eye to infringing activity. These cases imposed a duty on landlords to supervise the activities of their lessees. In Shapiro, Bernstein & Co. v. H.L. Green Co., the owner of a chain of twenty-three department stores leased a record concession to the direct infringer, who manufactured and sold bootleg recordings of copyrighted musical compositions. The concessionaire lease based the rental charge on the lessee’s gross revenues. Notwithstanding the lease context and the direct infringer’s independent contractor status, the court expanded indirect copyright liability to reach the profit participant:

Many of the elements which have given rise to the doctrine of respondeat superior may also be evident in factual settings other than that of a technical employer-employee relationship. When the right and ability to supervise coalesce with an obvious and direct financial interest in the exploitation of copyrighted materials—even in the absence of actual knowledge that the copyright monopoly is being impaired—the purposes of copyright law may be best effectuated by the imposition of liability upon the beneficiary of that exploitation.\(^3\)

As explained in a subsequent Second Circuit opinion, the “policies of the copyright law would be best effectuated if [lessee] Green were held liable, even in the absence of actual knowledge that the copyright monopoly was being impaired, for its failure to police the conduct of the primary infringer.”\(^3\)

iii. Contributory Liability

The application of contributory liability in copyright cases can be traced back to Harper v. Shoppell.\(^3\) Harper’s Weekly, a popular illustrated newspaper, acquired the rights to a “cut” for use in illustrating its March 1873 editions. The defendant Shoppell purchased a copy of the cut from a third party and made an electrotype plate, which he then sold to the New York Illustrated Times. The New York Illustrated Times used the electrotype for an image in its September 1882 edition. Under principles of copyright law applicable at the time, making a single copy of the illustration did not clearly constitute infringement.\(^3\) Therefore, the court considered the circumstances under which Shoppell’s activities would constitute contributory infringement and concluded

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\(^3\) 316 F.2d 304 (2d Cir. 1963).
\(^3\) 316 F.2d at 307 (citations omitted).
\(^3\) Gershwin Publ’g Corp. v. Columbia Artists Mgmt, 443 F.2d 1159, 1162 (2d Cir. 1971).
\(^3\) 28 F. 613 (C.C.S.D.N.Y. Sept. 8, 1886); 26 F. 519 (C.C.S.D.N.Y. Feb. 6, 1886).
\(^3\) Harper’s Weekly had registered copyright in the entire newspaper and not each individual contribution to the collective work. As such, the threshold for infringement of an individual element of the newspaper was higher. 26 F. 519 at 520.
that the party providing the plate, "knowing at the time . . . that it would be
used by the purchaser for printing . . . is to be regarded as having sanctioned the
appropriation of the plaintiffs' copyrighted matter, and occupies the position of
a party acting in concert with the purchaser who printed and published it, and is
responsible with him as a joint tort-feasor."339

The U.S. Supreme Court recognized contributory copyright infringement
in 1908.340 Publisher Charles Scribner & Sons brought suit against retail
merchant R. H. Macy & Company to enjoin the selling of Scribner's
copyrighted books below the resale prices specified by the American
Publishers' Association. The Supreme Court considered whether Macy's "had
induced and persuaded sundry jobbers and dealers who had obtained
copyrighted books from the complainants to deliver the same to the defendant
for sale at retail at less than the prices fixed by the complainants, and in
violation of the agreement upon which the books were obtained . . . ."341
Although ultimately upholding the determinations below that plaintiffs had
failed to adduce satisfactory proof of inducement, the Supreme Court's
consideration of the matter reveals its acceptance of contributory (and
inducement) liability as a part of copyright's liability regime.

The Supreme Court again recognized the applicability of contributory
liability in copyright law three years later in Kalem Co. v. Harper Brothers.342
Defendant had prepared a motion picture based upon the plaintiff's copyrighted
novel, Ben Hur, without authorization. Because then-applicable copyright law
barred only the dramatization of the copyrighted work,343 direct copyright
liability could only be asserted against those who publicly performed the work.
Therefore, the copyright owner proceeded against the makers of the
unauthorized film under a contributory infringement theory:

The defendant not only expected but invoked by advertisement the use
of its films for dramatic reproduction of the story. That was the most
conspicuous purpose for which they could be used and the one for
which especially they were made. If the defendant did not contribute to
the infringement it is impossible to do so except by taking part in the
final act. It is liable on principles recognized in every part of the
law.344

After that ruling, the law of contributory copyright liability did not further
develop to any significant extent until the 1960s. In Screen Gems-Columbia v.

339. 28 F. at 615.
341. Id. at 355.
342. 222 U.S. 55, 62-63 (1911).
343. See Rev. Stat., § 4952, as amended by the Act of March 3, 1891, c. 565, 26 Stat
1106.
344. 222 U.S. at 62-63.
Mark-Fi Records,\(^{345}\) music publishers sued the direct infringer, a counterfeit record manufacturer (a fly-by-night outfit called Mark-Fi Records). They also targeted several other entities that contributed to the infringement: Mark-Fi's advertising agency, the radio stations that broadcast advertisements for the counterfeit records, and the company that packaged and mailed the illegal goods. The case focused on the latter defendants because the plaintiffs were unable to serve process on the elusive Mark-Fi. Judge Weinfeld looked to tort law to delineate the contours of indirect copyright liability:

Since infringement constitutes a tort, common law concepts of tort liability are relevant in fixing the scope of the statutory copyright remedy, and the basic common law doctrine that one who knowingly participates in or furthers a tortious act is jointly and severally liable with the prime tortfeasor is applicable in suits arising under the Copyright Act.\(^{346}\)

In rendering the various indirect actors liable, Judge Weinfeld took note of the economic realities of enforcing copyright law:

Record piracy is not of recent origin. Since the early 1950's it has been a recognized and well publicized evil in the industry. Its existence was noted by our own Court of Appeals almost ten years ago. Plaintiffs point out that the practice has taken on a particular form—that usually it is carried on by small unreliable operators of dubious financial background who stay in business only long enough to reap their ill-gotten gains and disappear when legal action against them appears imminent.\(^{347}\)

The Second Circuit further delineated the standards for contributory copyright liability five years later in Gershwin Publ'g Corp. v. Columbia Artists Mgt.\(^{348}\) ASCAP brought a copyright infringement action against Columbia Artists Management, Inc., (CAMI), a large management company that represented and booked shows for performing artists and organized a network of local community organizations to sponsor shows featuring its artists. At the time of the litigation, CAMI was booking approximately 3,000 events per year. It earned a percentage of its artists' revenues, as well as an additional percentage for performances at concerts hosted by CAMI-affiliated community organizations. The court succinctly captured the elements of contributory copyright liability: "one who, with knowledge of the infringing activity, induces, causes or materially contributes to the infringing conduct of

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346. Id. at 403.
347. Id. at 404 (citation omitted).
348. 443 F.2d 1159 (2d Cir. 1971).
another, may be held liable as a ‘contributory’ infringer.” In view of CAMI’s knowledge of infringing activity—performance of copyrighted musical compositions by its artists at events that it sponsored—the Second Circuit had little difficulty affirming the district court’s liability judgment. This reinforced and broadened the copyright policy, recognized in Shapiro, Bernstein & Co. v. H.L. Green Co., of imposing liability on actors who profit from infringing activity and are well placed to police such activities.

Thus, the law of indirect copyright liability was relatively well developed and firmly established by the 1970s, just as Congress was completing its comprehensive reform of copyright law. Over the course of nearly a century, courts had drawn on the principles of tort liability and the policies of the copyright system to weave a sophisticated web of indirect liability doctrines to address the distinctive challenges of enforcing copyright law. In calibrating indirect liability to new contexts, the 1976 Act perpetuated both the previous doctrines that had developed as well as the general approach of incremental application of general tort principles.

C. Applying Tort Law Principles to Sony’s Betamax Technology

Sony was a difficult case because it raised questions that went beyond existing precedents. As a general purpose device, the VCR could be used for both infringing and innocent uses. The studios hoped that a mechanical application of the contributory liability standard—“one who, with knowledge of the infringing activity, induces, causes, or materially contributes to the infringing conduct of another”—could ensnare Sony. But to do so would have required exegesis of the “nice questions” left unresolved in Kalem. It would also have jeopardized the Xerox machine, as Sony’s counsel was forced to acknowledge during oral argument. Manufacturers of cameras and typewriters would not have been far behind.

The Supreme Court solved the problem by importing a broad safe harbor from patent law into copyright law. Had the Supreme Court appreciated the text and legislative history of the 1976 Act, as well as the rich copyright jurisprudence that it intended to perpetuate, it would have recognized the need to look to tort principles and copyright policies in addressing the unprecedented questions raised.

1. Tort Law—General Principles

Recognition that indirect copyright liability derives from tort law

349. Id. at 1162.
350. 316 F.2d 304 (2d Cir. 1963).
351. See 443 F.2d at 1162.
352. Id.
353. 222 U.S. at 62.
principles does not so much provide a mandated solution to the problem of indirect copyright liability as it provides a framework for adapting the law of copyright liability to new technologies and other challenges. As noted in the leading tort treatise, "[i]n so broad a field, where so many different types of individual interests are involved, and they may be invaded by so many kinds of conduct, it is not easy to find any single guiding principle which determines when such compensation is to be paid . . . ." 355 At its core, tort law seeks to impose liability on conduct that is "socially unreasonable." 356 More contemporary treatments speak in terms of least cost avoiders, efficient risk bearing, and optimal deterrence, 357 but the basic logic remains the same. Drawing upon centuries of experience, tort law serves as the default framework for balancing conflicting social interactions. Its doctrines reflect a dynamism driven by changes in social conditions, technology, and institutions. 358

This notion of unreasonableness—the balancing of claims where multiple legitimate interests collide—provides the key to resolving the questions raised by Sony. But before addressing specific notions of unreasonableness, it is useful to trace the general contours of tort law.

Figure 1 represents tort law principles along three principal dimensions: (1) the intention/knowledge of the alleged tortfeasor; (2) the net balance of utility and harm; and (3) the extent to which the alleged tortfeasor can control the harmful activity, whether through supervision of direct tortfeasors, design of contributory technology, or other means. At the intersection of all three axes, the putative tortfeasor has engaged in an activity that causes substantial harm with no redeeming value (x axis) by acting with the specific intention of causing harm (y axis) which could have been easily prevented through supervision or precautions by others (z axis). In this circumstance, the direct tortfeasor would be liable, as would those in a position to supervise, control, or prevent the tortious activity. Moving out from the center, the shaded area indicates where tort principles still continue to dictate liability. But as one radiates progressively outward from the intersection of the axes, the case for liability weakens against both the direct actor, and, along the z-axis, those in a position to control or prevent harm.

355. PROSSER AND KEETON ON TORTS, supra note 300, at 6.
356. Id.
i. Intention/Knowledge

With regard to the vertical (y) axis, tort law generally distinguishes between those actors who intend to cause harm and those who engage in activities for purposes other than to cause harm, but who cause harm nonetheless. The law of intentional torts imposes strict liability on those who act for the purpose of causing harm (or who intentionally assist those seeking to cause harm). Thus, the liability zone would extend in all directions at or below the “intent” boundary. The definition of intent is broad enough to encompass those who know with substantial certainty that their conduct will cause specific harm to an identifiable person or class of people.

Moving up the intentionality axis toward generalized knowledge that some harm might result, tort law shifts from strict liability to a negligence standard—did the defendant take reasonable precautions under the

359. See Restatement (Second) of Torts: Battery § 13 (1965).
360. See id. Negligence § 281.
361. See id. Intent § 8A (defining intent).
circumstances to prevent an unreasonable risk of harm? When actors do not intend to cause harm, tort doctrine incorporates various limitations such as a legal duty, breach of that duty, and a reasonably close causal relationship between the actions and the harm ("proximate cause").

**ii. Utility/Harm Balance**

The horizontal (x) axis relates to the net balance of utility and harm. Many social activities cause harm, but simultaneously yield substantial utility. The balancing of societal interests has been most fully developed in the context of the tort of nuisance, in which wide ranging interests can be implicated. Neighboring land owners each have the right to use and enjoy their land. When their land uses conflict, tort law's nuisance standards provide a default regime in the absence of specific zoning or other governmental restrictions, such as environmental regulation. The Restatement (Second) of Torts defines a private nuisance as a substantial invasion of another's use and enjoyment of land that is either (1) "intentional and unreasonable" or (2) "unintentional and otherwise actionable under the rules controlling liability for negligent or reckless conduct, or for abnormally dangerous conditions or activities." Intentional conduct is unreasonable if the "gravity of the harm outweighs the utility of the actor's conduct." In assessing the "gravity of harm," courts consider the extent and character of the harm involved, the social value which the law attaches to the type of use or enjoyment invaded, and the responsibility of the person harmed to avoid the harm. In turn, the utility of the conduct is based upon the social value which the law attaches to the primary purpose of the conduct, whether it is impracticable to prevent or avoid the invasion, and whether it is impracticable to maintain the activity if the alleged tortfeasor is required to bear the cost of compensating for the invasion.

Unintentional conduct is actionable if it is "negligent or reckless," or involves "abnormally dangerous conditions or activities." As noted above, a defendant is negligent if he or she does not conform to a standard of conduct that protects others from unreasonable risks. Reasonableness turns on a balancing of the probability and gravity of the risk against the social utility of the conduct generating it. A defendant is strictly liable for harm resulting from

362. See id. NEGLIGENCE DEFINED § 282.
363. See id. STATEMENT OF THE ELEMENTS OF A CAUSE OF ACTION FOR NEGLIGENCE § 281.
364. Id. § 822.
365. RESTATEMENT (SECOND) OF TORTS § 826(a) (1965).
366. See id. § 827 (factors in determining gravity of harm).
367. See id. § 828 (factors in determining the utility of conduct). Even if the utility of the defendant's conduct outweighs the gravity of the harm, the conduct is "unreasonable" if the harm "is serious and the financial burden of compensating for this and similar harm to others would not make the continuation of the conduct not feasible." Id. § 826(b).
368. Id. § 822.
abnormally dangerous activities.\textsuperscript{369}

In this way, nuisance law provides a sophisticated balancing framework that considers social costs and benefits as well as the range of alternatives for avoiding harm while achieving the benefits of the disputed conduct. Tort law's treatment of the automobile provides another useful illustration of the balancing of utility and harm. Automobile transportation produces substantial social utility while causing various types of harm—ranging from accidents to air pollution. Apart from automotive safety and environmental regulation, automobile manufacturers do not generally bear responsibility for the accidental and more generalized harm inevitably caused by their products. The general benefits of automobile transportation are believed to outweigh these harms, such that car manufacturers are responsible only for product defects that unreasonably result in accidents. That brings us to the third principal dimension of tort liability.

\textit{iii. Control/Design}

The orthogonal z axis in Figure 1 comes most significantly into play when a person who profits from an activity can indirectly affect the likelihood and degree of harm. Thus, someone who profits from activities that cause harm and is in a good position to supervise those activities can be held responsible in various contexts. The doctrine of respondeat superior reflects this principle. Employers bear responsibility for the actions of their employees to the extent that their employees cause harm while acting within the scope of their employment. As discussed earlier, courts have expanded this doctrine to impose liability on those who employ independent contractors where the hiring party is negligent in selecting, instructing, and supervising; where the hiring party delegates duties for which it remains legally responsible; and in various circumstances involving the hiring party's control of the premises on which the contractor conducts its activities.\textsuperscript{370}

Products liability law addresses another aspect of the control/design dimension. Product manufacturers can reduce harm through better design, quality control in manufacturing and testing, and the instructions that they provide for use of their products. Legal sanction for defective products can be traced back to as early as the thirteenth century with the imposition of criminal liability for those who supplied contaminated food and drink.\textsuperscript{371} With the onset of the industrial revolution, courts in many states began subjecting sellers of defective products to liability under negligence and implied warranty principles.\textsuperscript{372} Early twentieth century courts extended this liability upstream to

\textsuperscript{369} This doctrine traces its origin to Rylands v. Fletcher, 3 L.R.E. & 1. App. 330 (H.L. 1868).
\textsuperscript{370} See Restatement (Second) of Torts §§ 410-429 (1965).
\textsuperscript{371} See Restatement (Third) of Torts: Prod. Liab. § 1 comment a (1998).
hold product manufacturers liable for the foreseeable consequences of defective products. By the early 1960s, courts had greatly expanded and refined the reach of products liability:

[Courts] recognized that a commercial seller of any product having a manufacturing defect should be liable in tort for harm caused by the defect regardless of the plaintiff's ability to maintain a traditional negligence or warranty action. Liability attached even if the manufacturer's quality control in producing the defective product was reasonable. A plaintiff was not required to be in direct privity with the defendant seller to bring an action.

Under the most recent codification, a product is defective in design when the foreseeable risks of harm posed by the product could have been reduced or avoided by the adoption of a reasonable alternative design by the seller or other distributor, or a predecessor in the commercial chain of distribution, and the omission of the alternative design renders the product not reasonably safe. Imposing upstream liability for unreasonable risks creates valuable ongoing incentives to prevent and reduce harm. The risk of downstream liability encourages manufacturers to take appropriate precautions. It also reduces the consumption of unreasonably risky products by increasing their cost, making them less competitive in the marketplace.

2. Tort Law – Indirect Liability

From these general principles and doctrines of tort law, three bases of indirect liability emerge: (i) joint liability; (ii) agency/enterprise liability; and (iii) defect/design/failure to warn liability (products liability).

i. Joint Liability

Following the vertical axis of Figure 1, tort law imposes contributory liability for concerted action that causes harm. Tort law also imposes liability upon those who order or induce commission of a tort under circumstances in which the inducing party knows or should know that the acts encouraged would be tortious if committed by himself or herself. Indirect liability also extends to those who permit such acts on their premises or with use of their instrumentalities.

375. Id. § 2.
377. Restatement (Second) of Torts § 876, cmt. a (1979).
378. Id. § 877(a).
379. Id. § 877(b).
ii. Agency/Enterprise Liability

Pursuant to the z-axis, tort law also extends liability to an independent contractors’ employer who fails to exercise reasonable care and/or has a non-delegable duty of care in three situations: (1) negligence of the employer—where the employer fails to exercise due care in hiring by not providing appropriate instructions, furnishing with appropriate equipment, or appropriately supervising the activities of the contractor, thus giving rise to a foreseeable harm, (2) non-delegable duty—where statute, contract, or the common law impose a legal duty, a person subject to that duty may not evade liability through delegating responsibility to an independent contractor, and (3) control of premises—where the possessor of land fails to exercise reasonable care to prevent harm to those outside the land, or where the employer knows or has reason to know that the work conducted by the independent contractor is likely to involve a trespass upon another’s land or the creation of a nuisance. These various exceptions allocate the risk of harmful activities to the party or parties best situated to avoid the harm and spread the costs more equitably and efficiently. Thus, agency/enterprise liability is typically not premised on intent or knowledge, but rather on the goals of spreading social costs and encouraging efficient levels of supervision.

iii. Products Liability

The products liability branch of indirect tort liability also relates to the z-axis—the ability to prevent harm through upstream choices. Tort law has long recognized that the cause of harm can be remote from its locus. A defective bolt in an automobile braking system can cause harm long after it is made and many miles down the road. By imposing liability on the manufacturer, the law forces automobile equipment manufacturers, as well as those who inspect the product along the way, to internalize the harm at the most efficacious point in time.

Products liability doctrine reaches further upstream than quality control in the manufacturing process. Courts also impose liability for defects in the design of products. A bolt may be properly manufactured, yet suffer from a substandard design. Judgments regarding alternative designs, however, are inherently speculative. Courts have recognized that any standard must balance a range of factors and that liability for a defective design therefore interacts

380. See Prosser and Keeton on Torts, supra note 300, at § 71; Restatement (Second) of Agency § 2 (1958); Restatement (Second) of Torts §§ 410-29 (1965).
381. See Restatement (Second) of Torts §§ 410-15 (1965).
382. Id. §§ 416-29.
383. See Restatement (Second) of Agency § 414A (1965).
384. Id. § 427B.
with the utility-harm continuum (the x-axis in Figure 1).

Products are not defective merely because they are dangerous.\textsuperscript{386} Automobiles that could travel no more than 20 miles per hour would undoubtedly reduce the number and severity of accidents, but not without substantial social cost. Design defectiveness entails a multi-faceted balancing of risk and utility,\textsuperscript{387} including the magnitude and probability of the foreseeable risks of harm, the instructions and warnings accompanying the product, the nature and strength of consumer expectations regarding the product, production costs of alternative designs, and the attributes of the alternative design (product longevity, maintenance, repair, and aesthetics).\textsuperscript{388}

The undue burden on product manufacturers of proving the appropriateness of their own designs led courts to require plaintiffs to establish the feasibility, at the time of manufacture, of a reasonable alternative design that would have reduced the foreseeable risks of harm.\textsuperscript{389} In this way, the legal standard has an evolving dynamic quality, with the threshold for precaution rising with technological advance.\textsuperscript{390}

3. The Role of Tort Law Principles in Shaping Indirect Copyright Liability

This exposition of tort doctrine reveals the logic of indirect copyright law. During the decades before Sony, courts looked to general tort principles to develop the law of indirect copyright liability. The various copyright doctrines fall into the first two branches of indirect tort liability, i.e. joint liability and agency/enterprise liability.

\textit{i. Joint Liability}

Fishel v. Luekel,\textsuperscript{391} exemplifies liability imputed to joint tortfeasors.\textsuperscript{392} Although defendants did not themselves “print or publish” the protected works, they directly participated in the illegal activity with intent and knowledge and were, therefore, liable. Similarly, in Gross v. Van Dyke Gravure Co.,\textsuperscript{393} the Second Circuit extended liability to everyone in the causal chain of infringing

\textsuperscript{386} The Restatement recognizes, however, the “possibility that product sellers may be subject to liability even absent a reasonable alternative design when the product design is manifestly unreasonable.” See Restatement (Third) of Torts: Prod. Liab. § 2 cmts. b, c (1998); see also id. § 2 cmt. c.


\textsuperscript{389} See 1 S. Stuart Madden, Products Liability 299 (2d ed. 1988) (“[T]he majority rule posits that plaintiff cannot establish a prima facie case of defective design without evidence of a technologically feasible, and practicable, alternative to defendant’s product that was available at the time of manufacture.”).


\textsuperscript{391} 53 F. 499 (S.D.N.Y. 1892).

\textsuperscript{392} See Restatement (Second) of Torts § 877(a) (1979).

\textsuperscript{393} 230 F. 412, 414 (2d Cir. 1916).
activity. Another Second Circuit case explained that "[t]he joinder of these parties [publisher, binder, and seller of book] as defendants proceeds upon the theory that infringement of a copyright is a tort, and that all persons concerned therein are jointly and severally liable." 394 Using the framework of Figure 1, these cases all fit near the bottom of the vertical (intentionality) axis. Each defendant knowingly and directly participated in tortious activity, thus becoming subject to strict liability.

The contributory copyright liability cases also fit into this category. Although involving less direct participation than that of the defendants in Fishel v. Luekel, these cases reflect how activities known to promote copyright infringement give rise to liability in and of themselves, even in the absence of affirmative intent. Thus, making an electrotype plate and selling it to a publisher, as in Harper v. Shoppell, 395 falls within the ambit of joint tort liability. The defendant knew when selling the plate that the purchaser would use it for printing the newspaper and hence "is to be regarded as having sanctioned the appropriation of the plaintiffs' copyrighted matter, and occupies the position of a party acting in concert with the purchaser who printed and published it, and is responsible with him as a joint tort-feasor." 396

The various other cases of contributory copyright liability feature an intent/knowledge element as well as some form of concerted participation, even if only in aiding, abetting, or encouraging the infringing act. Thus, acts of inducement fall within the joint liability theory. 397 In Kalem Co. v. Harper Brothers, 398 defendants knowingly encouraged dramatization of the copyrighted work through public display of the film. The Supreme Court noted that one need not "tak[e] part in the final act" of infringement in order to be held liable. 399

The more recent contributory cases spell out these elements directly: "one who, with knowledge of the infringing activity, induces, causes or materially contributes to the infringing conduct of another, may be held liable as a 'contributory' infringer." 400 Contribution without concerted activity of some kind is insufficient. Plaintiffs in Sony sought to press this doctrine beyond its inherent boundaries by suggesting that contribution is enough to infringe copyright indirectly. 401 This fallacy was exposed by the defendants’ and Justice

395. 28 F. 613 (C.C.S.D.N.Y. Sept. 8, 1886); 26 F. 519 (C.C. S.D.N.Y. Feb. 6, 1886).
396. 28 F. at 613.
398. 222 U.S. 55, 62-63 (1911).
399. Id. at 62-63.
401. Plaintiffs also asserted that Sony had engaged in acts of inducement. See supra text accompanying note 88. Yet, fearing that Judge Ferguson's rejection of the inducement theory might be upheld, they pushed a "mere contribution" theory as an alternative.
Stevens' observation that mere contribution would mean that suppliers of typewriters, photocopiers, and cameras would be liable merely if their goods were used for infringement.  

**ii. Agency/Enterprise Liability**

The remaining categories of indirect copyright liability case law—respondeat superior and vicarious liability—fit into the agency/enterprise branch of indirect tort liability. The respondeat superior copyright cases apply the well-settled principle that an employer is responsible for the tortious acts of his or her employees occurring within the scope of employment. Such liability encourages the employer to take proper care in the selection, training, and supervision of employees. It also spreads the losses of infringing activity more equitably and efficiently, imposing the costs on the party who stands to benefit from the illegal activity, and ameliorating the problems that can arise when the direct actor is judgment-proof.

The dance hall and hotel cases fall within this branch of tort law as well. The imposition of liability upon the owner of the dance hall reflected the same considerations as the exceptions that courts carved into the employer/independent contractor immunity rule. The dance hall owners exercised discretion in their choice of contractors and their instructions. They controlled the premises in which the infringing acts occurred. And the activity in question—performing music to audiences—involves a substantial risk of infringement of the public performance right in copyrighted musical compositions. Audiences preferred to dance to familiar music, much of which is protected by copyright. Dance hall owners profited from use of their facilities and faced a drop in demand if they scrupulously enforced compliance with copyright law. Thus, imposing liability served the functions of the agency/enterprise branch of indirect tort liability.

Such cases can be understood to take into consideration more generally the distinctive challenges of the copyright system, notably enforcement costs. Without the ability to pursue dance halls and hotels as third party infringers, copyright owners would encounter great difficulty in protecting their rights. The only recourse would be to proceed against individual performers. An early British case, referenced by an American case, addressed this issue directly in a lawsuit against the proprietor of a dance hall who had hired an independent

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402. See supra text accompanying notes 90 & 159.

403. The dance hall cases also can be characterized under tort law's contributory liability jurisprudence. Tort law imposes liability on those who "permit" another to "to act upon [their] premises or with [their] instrumentalities, knowing or having reason to know that the other is acting or will act tortiously." See Restatement (Second) of Torts § 877(a) (1979).


contractor to "to sing whatever songs he liked."\textsuperscript{406} Lord Coleridge asked, "Why not sue the man who gives the representation and sings the song?" Counsel answered, "He may not be worth suing."\textsuperscript{407} The British court held the proprietor of the music hall liable. American courts adopted this approach, even in cases in which there was less evidence of tacit inducement. As the cases recognized, dance hall owners are well placed to supervise such activities. They were, in the rubric of later tort scholarship, the least cost avoiders.\textsuperscript{408} The effect of this expansion of indirect copyright liability did not spell the end of dance halls or of public radio broadcasts in hotels; rather, it fostered a market for blanket licensing of musical compositions to dance halls and other establishments.\textsuperscript{409}

As reflected in the traditional landlord cases, the scope of vicarious copyright liability was not unbounded. When the costs of supervision were disproportionate to the benefits of enforcement, the usual independent contractor rule applied. Monitoring general rental units for compliance with copyright law was not considered cost-justified, whereas supervising dance halls and public hotel spaces was. Figure 2 illustrates how the dance hall and traditional landlord scenarios fall within the overall tort framework. The ability to control the activity might well be the same, but the intentionality in the landlord case is lower and the balance of utility and harm (without supervision) is higher, pushing the traditional landlord scenario outside of the liability zone.

\begin{flushright}
\textsuperscript{406} Monohan v. Taylor, (1886) 2 Times Law Rep. 685, 685 (L.B. Div.).
\textsuperscript{407} Id.
\textsuperscript{408} See Calabresi, supra note 357.
\end{flushright}
More recent copyright cases have expanded the doctrine further, expressly bringing in concepts of extended liability from modern tort scholarship:

The enterprise and the person profiting from it are better able than either the innocent injured plaintiff or the person whose act caused the loss to distribute the costs and to shift them to others who have profited from the enterprise. In addition, placing responsibility for the loss on the enterprise has the added benefit of creating a greater incentive for the enterprise to police its operations carefully to avoid unnecessary losses. 410

The Ninth Circuit endorsed this expansive approach to vicarious copyright liability in Fonovisa v. Cherry Auction, 411 reversing dismissal of a suit against a swap meet operator alleging indirect liability for an independent vendor’s sale of bootleg recordings. 412

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411. 76 F.3d 259 (9th Cir. 1996).
412. See also Hard Rock Cafe Licensing Corp. v. Concession Serv., Inc., 955 F.2d 1143 (7th Cir. 1992).
iii. Products Liability

Historically, the products liability branch of tort law has not played a role in copyright cases. But Sony furnishes the vehicle to consider the counterfactual: how would those concepts map onto sale of a VCR? The exercise unfolds below, in the context of imagining what would have happened had the studios been allowed to pursue theories that Sony should have redesigned its product to include features along the lines of commercial squelchers or broadcast flags.

4. Applying Tort Law Principles to the Sony Case

By overlooking the text and legislative background of the Copyright Act of 1976, and setting forth a flawed theory of copyright (and patent) history, the Supreme Court sidestepped the implications of tort law principles. Yet tort principles would have provided a rich body of logic for developing a sound default structure for addressing the issues presented. Based on the foregoing, the plaintiff studios had two potential theories of indirect copyright liability: (1) that Sony had induced infringement through affirmative acts (such as advertising how the Betamax could be used to commit infringement) in combination with the provision of the means for committing such acts; and (2) that a reasonable alternative design for the VCR was available that could have afforded much of the utility of the Sony Betamax with substantially lower risk of infringement.

i. Contributory Liability (Inducement) Theory

As alluded to above, the plaintiffs tried to fit Sony into the joint liability category. But the argument that Sony acted "in concert" with home tapers was a stretch. The next best hope was an encouragement or inducement theory. Both theories, however, required Sony to know or have reason to know that home taping was illegal. Given the uncertainty surrounding the contours of fair use, it seems doubtful that this element could have been established. Even if the knowledge element could have been proven, substantial encouragement of tortious activity was also necessary. To succeed on that theory, plaintiffs would have needed to produce evidence that Sony had substantially encouraged or induced infringement, not merely that Sony had supplied a device that could


414. See Restatement (Second) of Torts § 876 cmt. d (1979) ("The assistance of or participation by the defendant may be so slight that he is not liable for the act of the other "). As we explore in Direct Analysis, supra note 14, the studios’ lawyers might have prevailed on the expansive inducement theory under the Supreme Court’s later ruling in Metro-Goldwyn-Mayer
be used illegally. Judge Ferguson found that Sony’s allegedly inducing acts—advertisements playing up the Betamax’s abilities to record classic films and to create libraries—did not induce material reliance.415

Even if plaintiffs had prevailed on this theory, their victory would have been pyrrhic. All newcomer device manufacturers would be able to act free of exposure under this infringement theory, so long as they refrained from engaging in the type of advertising campaign that ensnared Sony.

ii. Reasonable Alternative Design Theory

Although it is unlikely to have succeeded under the facts of Sony, nonetheless recognition and explication of a design defect theory would have provided a sound framework for future applications of indirect copyright liability. Plaintiffs sought to pursue a design defect theory through testimony that Sony could have designed its VCR to record only programs broadcast with authorization to make copies.416 Putting aside technical and logistical details, such evidence would have been relevant to proving the availability of an alternate design. The key questions would remain: Was the design “available”? Did the reduction in risk of harm outweigh the loss in utility?

To explore these questions, Table 1 sketches a range of possible design changes that would alter the risk-utility balance: (1) disable the record function entirely; (2) disable the fast forward function; (3) ban the use of remote control devices to activate the VCR (or, at least, the fast forward function); (4) prevent a home taper from “squelching” commercials; and (5) implement technology that would allow copying of only those broadcasts for which copying is authorized by the copyright owner(s).

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415. See Universal City Studios, Inc. v. Sony Corp. of Am., 480 F. Supp. 429, 460 (1979) ("[T]here was no evidence that any of the copies made by Griffiths or the other individual witnesses in this suit were influenced or encouraged by [Sony's] advertisements.").

416. See Fast Forward, supra note 11, at 105.
### Table 1: Hypothetical VCR Design Changes

<table>
<thead>
<tr>
<th>Design Change</th>
<th>Feasible?</th>
<th>Effect on Copyright Owners</th>
<th>Effect on Legitimate Interests of Users</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disable recording function</td>
<td>Yes</td>
<td>Eliminates infringing uses</td>
<td>Eliminates noninfringing uses</td>
</tr>
<tr>
<td>Disable fast forward function</td>
<td>Yes</td>
<td>Eliminates skipping of commercials, which largely eliminates lost advertising revenue</td>
<td>Diminishes convenience; prevents users from customizing their viewing experience, particularly with regard to uses that do not infringe copyright (e.g., by skipping ahead in their home video of last summer’s vacation to emphasize highlights)</td>
</tr>
<tr>
<td>Ban remote control devices</td>
<td>Yes</td>
<td>Reduces skipping of commercials, which diminishes loss of potential advertising revenue</td>
<td>Diminishes convenience; prevents users from customizing their viewing experience, particularly with regard to uses that do not infringe copyright</td>
</tr>
<tr>
<td>Disable commercial squelching</td>
<td>No</td>
<td>Eliminates wholesale deletion of commercials, thereby reducing the potential loss of advertising revenue</td>
<td>If keyed to a vertical blanking interval that is used only to distinguish commercials from the rest of a broadcast signal, then no loss.</td>
</tr>
<tr>
<td>Implement technology that would allow copying of only those broadcasts for which home recording is authorized</td>
<td>Doubtful; and likely to be prone to circumvention</td>
<td>Eliminates infringing uses if successful</td>
<td>Limits some fair uses of unauthorized content; could raise costs of devices</td>
</tr>
</tbody>
</table>

#### a. Feasibility

The first three design alternatives all appear to have been feasible when the Betamax was manufactured. Each involves disabling functions separable from the device’s other functions. Although third-party vendors could have supplied add-on devices to re-enable those functions, such activities would lie beyond Sony’s responsibility. Sony would be liable therefore only if it manufactured its VCR in a “manifestly unreasonable” manner, an unlikely scenario. The fourth design alternative invokes a technology that did not ripen until years after VCRs became a fixture. Sony scarcely can be criticized when first manufacturing its Betamax for delaying its product until such innovations occurred.

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Turning to the fifth design alternative—what is now referred to as the broadcast flag—\(^{418}\) it does not appear to have been reasonably available when Betamaxes were manufactured or, for that matter, during trial or appeals. Even today, questions surround the availability and implementation of such a system, and whether it could be easily circumvented.\(^{419}\) Nonetheless, with proper recognition of tort law principles, Judge Ferguson should have allowed testimony by a qualified expert as to the feasibility of such a design alternative. From today’s vantage point, his off-the-cuff conclusion—that “some bright young engineer, unconnected with Sony, is going to come up with a device to unjam the jam”\(^{420}\)—appears to be exactly correct. Still, given the tort principles at issue, plaintiffs should have been afforded a reasonable opportunity to develop such evidence, as unlikely as their success seems in retrospect.

b. Risk-Utility Balance

Only the first three alternatives in Table I were technologically feasible when Sony designed and manufactured Betamaxes. Accordingly, only those three survive the first stage of analysis.

Turning to the second stage, the studios would have been hard pressed to establish that the risk-utility trade-off supported any of those three potential alternative designs. This balance, in turn, depended on the extent to which VCR users engaged in infringing uses. Under the Supreme Court’s ultimate finding that time-shifting—the principal use of the VCR—was not infringing, disabling the recording function would have had substantial adverse impact on the legitimate interests of VCR users with concomitantly little reduction in cognizable harm to copyright owners. Less drastic measures—such as disabling the fast forward function or banning remote devices—might have had some salutary effect on copyright owners, but would have exerted significant adverse effects on the legitimate interests of users.\(^{421}\) The net social effects of such restrictions would have been less than compelling.\(^{422}\) Had it been extant, the “broadcast flag” option might well have offered a potentially better net social

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418. See Fletcher, supra note 39, at 617.
419. See id. at 618 (discussing the “analog hole”).
420. See FAST FORWARD, supra note 11, at 105.
421. Note that Justice O’Connor seemed concerned about the commercial skipping effect. She objected to language in Justice Blackmun’s draft opinion that would effectively exclude non-productive uses from fair use. In particular, she wanted to “open up the possibility that certain VTR use, e.g., timeshifting with all advertisements preserved, may be fair use because it generates de minimis harm.” Letter from Associate Justice Sandra Day O’Connor to Associate Justice Harry A. Blackmun, at 1 (June 21, 1983) (emphasis added).
balance. However, given the findings on harm and the Supreme Court’s ultimate ruling on fair use, requiring the adoption of that alternative design would have offered only modest net benefits.

In sum, it seems that the Court would have determined, based on the record, that plaintiffs’ hypothetical “reasonable alternative design” theory was incapable of being sustained. Alternatively, the Court could have remanded the case for a new trial under the proper legal test, i.e., applying appropriate tort principles. For the reasons canvassed above, it seems highly unlikely that plaintiffs could have met their burden under pertinent tort principles.

Either way, the Betamax would have remained available in the marketplace. As reflected in Figure 3, the facts fell outside the range of tort-based liability. Sony did not engage in concerted conduct with direct infringers. There were no reasonable alternative designs, nothing that could sufficiently reduce the risks of infringement without also leading to an unacceptable reduction in legitimate uses of the Betamax device.
It follows that Sony would not have come out differently had the Supreme Court applied tort principles instead of adverting to patent law. So why all the fuss—why rehash an old case, if the end result remains the same under proper tort principles, no less than under inapplicable patent doctrine? Because Sony has led the law of indirect copyright liability astray. The Court’s failure to apply tort principles has unnecessarily distorted the incentives of technology developers by holding out a broad safe harbor. By applying tort law standards, the Court would have been faithful to congressional intent and would have created a more flexible framework for addressing the challenges of new technology. Careful application of these principles would have also provided a limited immunity for technology companies while fostering dynamic incentives with content industries.

The possibility of such upstream liability creates worthwhile incentives for reducing infringement. As in product liability law, product manufacturers will have to consider the broader effects of their products. At the same time, such liability could have a chilling effect on the development of new

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423. See Yen, supra note 413, at 844 (observing that “[t]he conflicts between Aimster and Sony exemplify the problems that arise because the law of third party copyright liability is too clumsy to support a sophisticated analysis of the peer-to-peer puzzle”).

424. See Picker, supra note 4.
technology with great social utility. But here again, tort law's thresholds for liability (concerning remoteness of harm) and its reasonableness standards provide a balancing framework for determining the scope of liability – both the extent of direct liability as well as the exposure for upstream product suppliers. Courts could shift the burden of this liability by requiring copyright owners to prove the availability of feasible alternative technologies that would not reduce net social utility.

Tort law principles would have allowed the studios to argue for compensation even if the utility of the VCR, however designed, outweighed its harm. As noted above, nuisance law provides for compensation if the harm “is serious and the financial burden of compensating for this and similar harm to others would not make the continuation of the conduct not feasible.” Nonetheless, the studios could not have plausibly met this burden. They proffered little credible evidence of harm. Furthermore, the costs of putting in place a fair compensatory mechanism would have been great and might have jeopardized the VCR business.

The concern of expansive liability standards discouraging nascent technologies should not be underestimated. Certainly, the specter of large statutory damage awards exists and would be exacerbated by a broader scope of copyright liability. The solution for this problem, however, is for Congress to revisit the damage provisions of the Copyright Act and possibly other issues for the digital age. Congress needs to take up such questions and consider the full range of institutional regimes available to guide copyright as technology advances.

**CONCLUSIONS**

The dawning of the digital age has brought the Supreme Court’s *Sony* decision to center stage in legal and policy discussions about the proper role and scope of copyright protection. To the computer and consumer electronics industries, *Sony* represents a safe harbor for innovation – a Magna Carta for the digital age. To the content industries, *Sony* remains an Achilles heel, threatening their business models, key assets, and incentives to invest in new projects.

The *Sony* majority reached two resolutions—one that home users of VCR devices were engaging in fair use by recording over-the-air broadcasts, and the

427. *Restatement (Second) of Torts* § 826(b).
429. See *supra* note 4.
other that Sony could not be held liable for copyright infringement that may have occurred through the instrumentality of Betamaxes. In our estimation, both rulings represent the proper legal resolution on the facts presented.

But on the indirect liability issue, the Court was right for the wrong reason. Lacking clear guidance on the Copyright Act’s liability regime, the Court took an unconventional approach to interpreting a recently enacted, comprehensive statute. Without carefully examining the statutory text, legislative history, or rich jurisprudential backdrop of the Copyright Act, a slim majority imported patent law’s indirect liability standard based on a superficial, and ultimately misleading, assertion of “historic kinship” between the patent and copyright regimes.

In the pursuit of the proper touchstone for understanding indirect copyright liability, this Article has traced copyright law’s “staple article of commerce” safe harbor. The investigation has shown that this doctrine rests not on statutory or jurisprudential bedrock, but instead on the advocacy of a patent lawyer litigating a copyright case before a series of jurists with little grounding in either field. This archaeology reveals the limitations of generalist courts dealing with highly complex and specialized bodies of law, as well as the realist short-cuts that courts sometimes make to reach a particular result. Lawyers for the studios put little energy into providing the courts with thorough understanding of the field. Instead, they hitched their litigation wagon to a few quotations from inapplicable cases. Without much help from the lawyers and faced with a daunting new statute, the district court “and later a majority of the Supreme Court” reached for a tantalizing patent law handhold. With the release of the correspondence of the justices surrounding this case, we can confirm that the deliberations involved little consideration of legislative materials or systematic analysis of copyright jurisprudence, but instead displayed considerable jockeying to build a five-member coalition to shield Sony from liability.

A thorough review of the Copyright Act of 1976 dispels the historic kinship premise. Congress intended courts to continue to look to tort principles in developing the contours of copyright liability. The Supreme Court should have looked to tort law principles, and in particular the “reasonable alternative design” jurisprudence, in delineating the contours of liability in Sony. Even though that process would almost certainly have resulted in the same outcome, it would have provided a sounder and more dynamic jurisprudential framework for calibrating liability as new technologies develop.

Although courts and commentators continue to pay lip service to the Sony “staple article of commerce” doctrine, the practical reality lies closer to the reasonable alternative design standard that the Supreme Court should have followed.430 As with “the” Magna Carta, the words in the doctrine and their

practical effect diverge.\textsuperscript{431} In the case of the \textit{Sony} doctrine, the divergence derives from the Supreme Court's misguided importation of a patent law standard into the Copyright Act of 1976. The coherence of indirect copyright liability can be restored by returning to first principles of statutory construction.\textsuperscript{432}

\textsuperscript{431} See J.C. Holt, \textit{Magna Carta}, (1992). Professor Jessica Litman has remarked on this analogy. See Litman, \textit{supra} note 5, at 951 (suggesting that the Sony "staple article of commerce" doctrine, like the Magna Carta was of greater symbolic than practical value).

\textsuperscript{432} See Direct Analysis, \textit{supra} note 14.