Copyright's Staple Article of Commerce Doctrine: Patently Misguided

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Recommended Citation
COPYRIGHT'S "STAPLE ARTICLE OF COMMERCE" DOCTRINE: PATENTLY MISGUIDED—THE 35TH ANNUAL BRACE LECTURE

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I. BRACE

Donald Brace was born in 1883, the same year in which U.S. copyright first confronted the new technologies. The issue in Brace's natal year was the innovation of photography; the specific question presented for resolution was whether that new mechanical methodology could attract copyright protection. The court answered affirmatively. The first words of Drone on Copyright, the standard treatise then hot off the press, crystallize this area of law at that stage of its development:

MEANINGLESS, inconsistent, and inadequate statutory provisions, ambiguous, erroneous, and conflicting decisions cover the law of copyright with doubt, difficulties, and confusion.2
Brace died in 1955, the year in which I was born. It is my great honor these fifty years later to deliver the memorial lecture for the man whom T.S. Eliot memorialized, "No American publisher was better known or better liked in the literary world of my generation."

Of course, it is inevitable that Brace's name would appear in the annals of copyright case names, as Harcourt, Brace & Co. was inexorably drawn into litigation. Although the publishing house was founded in 1919, the first reported case listing it as a litigant was not decided until the same time that this lecture series was founded. That case also dealt with new technologies, this time of the computer age: "Are printed answer sheets, created for use in conjunction with student achievement and intelligence tests and designed to be corrected by optical scanning machines, the proper subject of copyright?" The court answered that question in the affirmative.

II. GROKSTER AND SONY

As we gather in 2005, the Supreme Court has recently added the latest landmark case confronting the overlap between copyright and technology. The culprit is Metro-Goldwyn-Mayer Studios, Inc. v. Grokster, Ltd. But it is necessary to take a broader perspective. Grokster is a redo of a case from two decades earlier — Sony Betamax.

and often interpreted by those who, however learned in other branches, have had but a limited knowledge of the law of copyright.

Id.

3 For more on T.S. Eliot in the annals of copyright, see David Nimmer, The Moral Imperative Against Plagiarism (Without a Moral Right Against Reverse Passing Off), 54 DEPAUL L. REV. 1, 64 (2004).

4 16 BULL. COPYR. SOC'Y iv (1969). The quotation comes from the obituary that T.S. Eliot wrote for the London Press, which is quoted by the grant inaugurating a "New Series of Annual Lectures on Copyright Law to Honor Publisher." Eliot continued with these observations about Donald Brace:

His English friends will remember his keen sense of humour, which, expressed in his very slow and deliberate speech, was at times irresistibly droll. And they will remember most gratefully the confidence which he inspired as a publisher, by his combination of Yankee shrewdness, loyalty to his authors' interests, and sweetness of temper.

Id.


7 Id. at 518

8 Id. at 524.

9 125 S. Ct. 2764 (2005).

The issue posed in both cases was that of responsibility — if copyright infringement occurred, which actors would be held liable. That issue bloomed late in the law of copyright. *Drone on Copyright* is illustrative. What does that great treatise have to say about direct liability versus indirect liability? Little to nothing.\textsuperscript{11} The issue, insofar as it bears a copyright tincture, appears not to have crystallized sufficiently to be addressed.\textsuperscript{12} Indeed, as late as 1963, the Second Circuit\textsuperscript{13} explained that “courts have had to trace, case by case,\textsuperscript{14} a pattern of business relationships

\textsuperscript{11} Likewise skirting the question who is the infringing party is V.A. Cohen, *The Law of Copyright* (London 1896). But some time later, a treatise on copyright law devoted precisely one sentence to the issue: “Anyone who participates in an infringement is liable to the copyright proprietor for such infringement.” Arthur W. Weil, *American Copyright Law* 455 (1917).

\textsuperscript{12} It is worth adding that Drone used the word “piracy” interchangeably with “infringement.” *Drone*, supra note 2, at 383. He further explained, “the legislature has not defined piracy, or indicated how far a person may lawfully go in appropriating results of another’s labors.” *Id.* That phenomenon continued long thereafter.

As is well known, the Courts have steadfastly refused to define fraud lest human ingenuity should devise fraudulent schemes which would not fall within such definitions. Influenced doubtless by similar considerations as well as the impracticability of framing a comprehensive definition, the Courts have refused to attempt to define infringement, but have instead dealt with each case that has arisen, on its own facts. The rules of law involved appear often to hover on the metaphysical; the facts frequently are of the utmost difficulty.

*Weil*, supra note 11, at 385-86. To the same effect: “The Copyright Act nowhere defines infringement and the courts have been reluctant to do so, except under the limitations of the particular facts of the case they were deciding.” Richard C. De Wolf, *An Outline of Copyright Law* 140 (1925).

\textsuperscript{13} Judge Kaufman used these opening lines to introduce a dispute about who bears responsibility for copyright infringement:

This action for copyright infringement presents us with a picture all too familiar in copyright litigation: a legal problem vexing in its difficulty, a dearth of squarely applicable precedents, a business setting so common that the dearth of precedents seems inexplicable, and an almost complete absence of guidance from the terms of the Copyright Act.

Shapiro, Bernstein & Co. v. H.L. Green Co., 316 F.2d 304, 305 (2d Cir. 1963).

\textsuperscript{14} *Shapiro v. Green* turns to secondary sources. *Id.* at 308 (citing Letter from Melville B. Nimmer to the Copyright Office, in *Study No. 25 Prepared for the Subcommittee on Patents, Trademarks, and Copyrights of the Senate Comm. on the Judiciary, 86th Cong., 2nd Sess.* 169 (Sen. Comm. Print 1960) (Alan Latman & William S. Tager, ‘Liability of Innocent Infringers of Copyrights’)). Given that *Study No. 25* is devoted to determining the scope of responsibility for infringement committed by another, other decisions of like vintage similarly cite it when determining the proper scope of secondary liability. *See Platt & Munk Co. v. Republic Graphics,*
which would render one person liable for the infringing conduct of another.\textsuperscript{15}

Let's take a retrospective look, starting in 1976. That was the year that Disney and Universal filed a complaint for copyright infringement against Sony Corp. for its VTR.\textsuperscript{16} It was also the year that Congress completely revised the 1909 Act. Thus, when the case finally went to trial, the new law governed.\textsuperscript{17}

To get our bearings, let's talk about the Brace Lecture in 1976.\textsuperscript{18} It was delivered, fittingly enough, by the Register of Copyrights. Barbara Ringer began by praising Donald Brace for his astuteness in securing the copyright to \textit{Animal Farm}.\textsuperscript{19} Having conjured up George Orwell, she couldn't resist invoking his other great work, \textit{1984};\textsuperscript{20} so she burnished her crystal ball to look far forward to that distant date.\textsuperscript{21}

\textsuperscript{15} \textit{Shapiro v. Green}, 316 F.2d at 307. The opinion notes that "the normal agency rule of respondeat superior applies to copyright infringement by a servant within the scope of his employment." \textit{Id.} A panoply of legal doctrines may rise to the fore here. "Realistically, the courts have not drawn a rigid line between the strict cases of agency, and those of independent contract, license, and lease." \textit{Id.}

\textsuperscript{16} For the first reported decision, see Universal City Studios, Inc. v. Sony Corp. of Am., 429 F. Supp. 407 (C.D. Cal. 1977).

\textsuperscript{17} \textit{See} Universal City Studios, Inc. v. Sony Corp. of Am., 480 F. Supp. 429 (C.D. Cal. 1979).

\textsuperscript{18} These remarks draw extensively on the early Brace history. Nonetheless, it bears confession that not every lecture could be profitably mined. The only enduring lesson from one is its quotation of Rep. Basil Whitener's cogent opposition on the House floor (April 6, 1967) to the pending copyright revision bill:

\begin{quote}
\textit{My Baby Does the Hanky-Panky}
My Baby Does the Hanky-Panky
My Baby Does the Hanky-Panky
My Baby Does the Hanky-Panky
My Baby Does the Hanky-Panky
\end{quote}


\textsuperscript{20} \textit{Id.} at 300.

\textsuperscript{21} Her views were not, shall we say, optimistic:

\begin{quote}
Despite the cynicism and alienation that we see everywhere today, most people still welcome each technological "advance" as some sort of mira-
Little did she realize that it would take the *Sony Betamax* case all those years to wend its way through the district court, up to the Ninth Circuit, through oral argument to no less than two sessions of the Supreme Court, finally to result in a 5–4 divided opinion issued in the year 1984.

So let us now transport ourselves forward to 1984, on the eve of the Court’s decision. How was the case to be decided? We need a contemporaneous guide to lead us through these back-channels. Forgive me if I turn to Melville B. Nimmer, who also happened to be the very first Brace lecturer in 1970. How did Prof. Nimmer characterize the case when it was *sub judice*? He deemed it on the razor’s edge of copyright law.

cle and rush to buy and use it for purposes that, if pressed, they might have trouble articulating. Yet, unless I misjudge the signs, there is a growing realization that all this machinery has done less than nothing to improve human life; the more voracious our craving for technological advance, the more individual people suffer. Instead of fostering perfection in the arts and the creation of masterpieces, the communications revolution has already maimed a number of traditional forms of expression and is destroying our standards, our ability, and our desire to judge our own culture.

*Id.* at 302.

22 “We granted certiorari, 457 U.S. 1116 (1982); since we had not completed our study of the case last Term, we ordered reargument, 463 U.S. 1226 (1983).” *Sony*, 464 U.S. at 421.

23 Melville B. Nimmer, *Copyright vs. The First Amendment*—The Inaugural Donald C. Brace Memorial Lecture in Copyright Law, 17 BULL. COPYR. SOC’Y 255 (1970). My father’s ruminations on that event were more apropos of the predecessor unanimous Supreme Court case than the current one. See Eldred v. Ashcroft, 537 U.S. 186 (2003). On the subject of term extension, which *Eldred* validated, he could be styled a proleptic dissenter from the Court’s ultimate vindication of copyright extension:

It can hardly be argued that an author’s creativity is encouraged by such an extension. As to the work for which the term is extended, since it has already been created it is meaningless to speak of encouraging its creation.

17 BULL. COPYR. SOC’Y at 270. See Lawrence Lessig, *Copyright’s First Amendment*, 48 UCLA L. REV. 1057, 1069 (2001) (“what I found most striking about the reaction to the arguments that we made in *Eldred* was that if we were nuts, if our arguments betrayed ignorance about what copyright meant, if we were advancing a fundamentally illegitimate view of the nature of Congress’s power, then so too was Melville Nimmer nuts, thirty years ago”).

24 Subsequent Brace lectures have returned to the theme of the First Amendment. For instance, Dean McKay referred to the movie *Carnal Knowledge* as having been found obscene in Georgia. Robert B. McKay, *One Nation, Divisible – With Pornography for Some* – The Fourth Donald C. Brace Memorial Lecture on Copyright Law, 21 BULL. COPYRIGHT SOC’Y 73, 73 (1973). Having reviewed the film recently with 2005 eyes, I can assure my Atlanta friends that it would scarcely draw an “R” rating today.
Sony was a case confronting a technology whose "primary use . . . for most owners was 'time-shifting'". Of that time-shifting, much was authorized, and the unauthorized segment was ultimately determined to be fair use. So, the primary utilization of that technology did not even implicate any question of copyright infringement. Indeed, the only reason, it would seem, that the Supreme Court in that case had to agonize over liability standards, direct and indirect, was because of the non-primary use of videotapes. "Both [parties'] surveys also showed, however, that a substantial number of interviewees had accumulated libraries of tapes." In Sony, the copyright owners invited home users to view their television programs for free, viewers made copies of those programs primarily for one-time later viewing (time-shifting) and subsequent erasing, but on occasion also for repeated viewing (librarying). Before the ruling issued, those facts were on the razor's edge of copyright law. So how did the Supreme Court tackle this issue? Oddly, considering that this case presented the Court with its first opportunity to construe the recently enacted comprehensive statute covering the field, it turned instead to a different body of federal law:

The Copyright Act does not expressly render anyone liable for infringement committed by another. In contrast, the Patent Act expressly brands anyone who "actively induces infringement of a patent" as an infringer, 35 U.S.C. § 271(b), and further imposes liability on certain individuals labeled "contributory infringers," § 271(c). 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 prob-

25 464 U.S. at 423.
26 One of the earlier Brace lecturers encapsulated fair use through paraphrasing the Gospel According to St. John:
     In the beginning was the Word, and the Word was God, and the Word was with God, and never shall the Word be copied without compensation save by those in whom hath entered the Holy Spirit of the First Amendment or who have duly taken unto themselves the sacrament of fair use.
28 An evaluation of the accuracy of that claim must await another day. See Peter Menell & David Nimmer, A Direct Analysis of Indirect Copyright Liability (forthcoming).
lem of identifying the circumstances in which it is just to hold one individual accountable for the actions of another.\textsuperscript{29}

Despite the turn from copyright law to patent law, that excerpt itself shows that the Court recognized the problem under investigation to be "a species of the broader problem." The Court could have embroidered upon its just-stated proposition that vicarious liability is cognizable "in virtually all areas of the law" by invoking general principles of liability. But instead, it compounded its methodology of interpreting copyright law through a patent filter:

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.\textsuperscript{30} 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.\textsuperscript{19}

\textsuperscript{19} 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. [¶] We have consistently rejected the proposition that a similar kinship exists between copyright law and trademark law, and in the process of doing so have recognized the basic similarities between copyrights and patents. The Trade-Mark Cases, 100 U.S. 82, 91-92 (1879); see also United Drug Co. v. Theodore Rectanus Co., 248 U.S. 90, 97 (1918) (trademark right "has little or no analogy" to copyright or patent); McLean v. Fleming, 96 U.S. 245, 254 (1878); Canal Co. v. Clark, 13 Wall. 311, 322 (1872). Given the fundamental differences between copyright law and trademark law, in this copyright case we do not look to the standard for contributory infringement set forth in Inwood Laboratories, Inc. v. Ives Laboratories, Inc., 456 U.S. 844, 854-855 (1982), which was crafted for application in trademark cases.\textsuperscript{31}

\textsuperscript{29} 464 U.S. at 434-35.

\textsuperscript{30} An evaluation of the accuracy of this claim, too, must await that other day. See Peter Menell & David Nimmer, Unwinding Sony (forthcoming). For an initial foray, see note 90 infra.

\textsuperscript{31} Id. at 439-40 & n.19. See note 80 infra.
III. HISTORIC KINSHIP

The "historic kinship" between patent and copyright law that the Court posited in 1984 has set the tone since, leading to the Court's 2005 resolution in Grokster. Just as Sony imported section 271(c) from the patent statute into copyright law, the end result in 2005 was to import section 271(b).32

The Grokster Court's reliance on Sony is surprising. For the peer-to-peer networks at issue in that latter case allowed listeners at home to obtain musical recordings. In 2005, the evidence did not show that most users simply listened to the subject recording once and then erased them. Rather, it showed "librarying" to be the norm. Moreover, even as to onetime listening, Grokster's facts were vastly different from Sony's. Unlike the freely broadcast shows at issue in Sony, the recordings at issue in Grokster were not ones which the copyright owners had invited home users to hear for free. That free availability calls to mind the tale that Donald Brace's partner33 told in the name of George Bernard Shaw "in respect of Count Leo Tolstoy's having put into the public domain the copyrights to his works as a gesture of his love for mankind. The sale of Tolstoy's books failed immediately, Shaw said, and it went all to prove that the public does not prize that for which it does not pay."34 The music plaintiffs were all too aware of that phenomenon as they filed suit for copyright infringement, complaining that the public was increasingly failing to prize that for which it does not pay.

Yet when it came time to resolve Grokster, how did the Court proceed? Its opinion is notable for a case construing application of the Copyright Act, inasmuch as its citations to that Act are essentially nil,35 as are

32 "Compare 35 U.S.C. § 271(b) (active inducement liability), with § 271(c) (contributory liability for distribution of a product not 'suitable for substantial noninfringing use')." 125 S. Ct at 2783 (Ginsburg, J., concurring)
33 In its later history, Harcourt, Brace & World, Inc. was renamed Harcourt Brace Jovanovich, Inc.
35 When first invoking the governing statute, the Court includes its general citation: "A group of copyright holders sued Grokster and StreamCast for... violation of the Copyright Act, 17 U.S.C. § 101 et seq. (2000 ed. and Supp. II)." 125 S. Ct. at 2771. The opinion contains no more references to the Act. One concurrence references the Act en passant: The price of a wrong guess — even if it involves a good-faith effort to assess technical and commercial viability — could be large statutory damages (not less than $ 750 and up to $ 30,000 per infringed work). 17 U.S.C. § 504(c)(1). The additional risk and uncertainty would mean a consequent additional chill of technological development.
ld. at 2793 (Breyer, J., concurring) (emphasis original).
its citations to the Copyright Act's legislative history. Instead, Grokster treated Sony as binding authority. Just as that 1984 case had adopted patent law's staple-article doctrine, Grokster adopted patent law's inducement standard. In stark contrast to its failure to cite the Copyright Act, Grokster's citation to the Patent Act are lavish.

As will be developed more fully in a later article, Sony's superficial treatment of the indirect liability must be viewed in the wider context that that case raised, in the first instance, a hotly contested question of fair use; by contrast, indirect liability occupied center stage in the Grokster litigation. Plaintiffs had presented overwhelming evidence of rampant, unauthorized distribution of copyrighted works using the peer-to-peer software distributed by the defendants. Rather than peering more deeply into the Copyright Act and its rich traditions, the Grokster Court offered a few unsubstantiated policy arguments in the process of validating Sony's staple

36 The contrast is striking with the predecessor unanimous Supreme Court. See note 23 supra. In Eldred v. Ashcroft, the Court cited to a variety of sources — House hearings; the House and Senate Report of the 1998 amendment to the Copyright Act there under scrutiny; statements of individual senators on the bill; and testimony from the Register of Copyrights and various songwriters to the Senate. See 537 U.S. 186, 206 n.11, 207, 207 nn.14 & 15, 210 n.16 (2003). In fact, the majority criticized Justice Breyer (who dissented in Eldred) for “his selection of scattered statements from individual members of Congress,” thereby slighting “the authoritative source for finding the Legislature’s intent [namely] the Committee Reports on the bill.” Id. at 210 n.16.

Justice Breyer is no stranger to this domain; his tenure piece is cited extensively in the second Brace Lecture. See Stephen Breyer, The Uneasy Case for Copyright: A Study in Copyright of Books, Photocopies and Computer Programs, 84 Harv. L. Rev. 281 (1970). The reviews on that occasion were less than positive:

It is almost impossible to believe that these statements were intended to be taken seriously, and did not constitute a jest made with tongue in cheek. They not only display a lack of familiarity with the origins and development of the copyright system in the United States, but also a disregard of the more enlightened view of copyright prevalent throughout the civilized world. His disparagement of authors and other creators of literary and artistic creations and of those who have participated in the revision program is evidence of a failure to appreciate the value and importance of the Copyright System to a free society of free human beings. John Schulman, The Battle of the Books Revived — Copyright Law Revision in the Year 1971. The Second Donald C. Brace Memorial Lecture on Copyright Law, 18 Bull. Copyr. Soc’y 397, 412-15 (1971).

38 See id. § 271(b).
39 See 125 S. Ct. at 2777 (citing 35 U.S.C. § 271(c)); id. at 2779 n.10 (citing 35 U.S.C. §§ 271(b), 271(c)); id. at 2783 (Ginsburg, J., concurring) (citing 35 U.S.C. §§ 271(b), 271(c)).
40 See Menell & Nimmer, note 30 supra.
article of commerce doctrine as a form of *stare decisis*. Furthermore, the Court made no effort to examine the history since the *Sony* decision of substantial amendments to the Copyright Act confronting the challenges of protecting copyrighted works in the digital age, to see what light they might shed on Congressional intent. In sum, *Grokster* resolved the most crucial issue affecting copyright law in the digital age by following a pre-digital era case that itself rested on the dubious premise that patent law furnishes the template for construing the copyright statute, given the "historic kinship" between the two bodies of law.

This article focuses on that premise. Just how real is *Sony*'s posited "historic kinship between patent law and copyright law"?

### A. Historic Kinship Before Adoption of 1976 Act?

We begin by scrutinizing the authorities on which *Sony* relied. On investigation, it emerges that none involved interpretation of the Copyright Act. *United States v. Paramount Pictures, Inc.* was an antitrust suit under section 4 of the Sherman Act charging studios with monopolizing the production of motion pictures. Insofar as antitrust law is concerned, it is not surprising that copyrights and patents stand on the same footing. *Fox Film Corp. v. Doyal* 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 not surprising conclusion was that "royalties from copyrights stand in the same position as royalties from the use of patent rights." The parallelism in those two cases for purposes of construing federal antitrust doctrine and state taxing authority scarcely shows that when, by contrast, the task at hand is to construe the internal provisions of the Copyright Act, one should use as a primary tool of interpretation the different provisions of

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41 This subject will be treated more fully in Menell & Nimmer, note 28 *supra*. Suffice it to say for now that the Audio Home Recording Act, passed in 1992, amends the Copyright Act to create liability for distribution of the next generation of devices from Sony Corp., namely digital audio tape recorders. *See 17 U.S.C. § 1001 et seq. (2000); see generally 2 NIMMER ON COPYRIGHT § 8B.01[B].* Later the Digital Millennium Copyright Act pushed the Copyright Act even further in the direction of banning products that can be used at times to violate copyrights and other times for non-infringing purposes. *See 17 U.S.C. § 1201 (2000); see generally 3 NIMMER ON COPYRIGHT § 12A.19[B].* For a further comment, see note 91 *infra.*

42 464 U.S. at 439 n.19.

43 334 U.S. 131, 140 (1948).

44 "The copyright law, like the patent statutes, makes reward to the owner a secondary consideration." *Id.* at 158.

45 286 U.S. 123, 126 (1932).

46 *Id.* at 131.
the Patent Act. Thus, these two cases fail to show that it is appropriate, as a general matter, to erect copyright conclusions on a patent foundation.

Wheaton v. Peters is perhaps weaker still. 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 likewise lacked such perpetual protection. So far so good — absent any Congressional action, one can reason from the common law of patents to the common law of copyrights. But when Congress affirmatively acts, the affinity disappears. Actually, counsel for both sides in Wheaton v. Peters spent a great deal of time comparing and contrasting patents and copyrights. The Court’s conclusion of two centuries past is noteworthy:

[Copyright], as has been shown, does not exist at common law — it originated, if at all, under the acts of congress. 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. [4] This principle is familiar, as it regards patent rights; and it is the same in relation to the copyright of a book. If any difference shall be made, as it respects a strict conformity to the law, it would seem to be more reasonable to make the requirement of the author, rather than the inventor. [48]

That excerpt demonstrates that the Court treated patent and copyright law alike — each requiring “a strict conformity to the law” by which Congress enacted them. Properly understood, that holding undercuts Sony’s later overlay of the patent statute on top of the copyright statute. The dissent in

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48 Id. at 663-40. A twenty-first century case decided that there is no Seventh Amendment right to jury trial in a copyright case seeking only an injunction, by invoking the historic kinship with patent law and looking to how the issue had been resolved in the patent context. See Taylor Corp. v. Four Seasons Greetings, LLC, 403 F.3d 958, 969 (8th Cir. 2005). That approach is congruent with Wheaton v. Peters’ search for the common law roots of copyright by looking at their commonality with patent law roots. Yet it stands in contrast with a much more recent Supreme Court case. In Feltner v. Columbia Pictures Television, Inc., the Supreme Court’s searching investigation determined that the Seventh Amendment allowed for damages in copyright cases at common law to be determined by judges or juries. 523 U.S. 340 (1998). In so ruling, the Court cited to a host of early copyright cases. See id. at 353 (citing Hudson & Goodwin v. Patten, 1 Root at 134 (Conn. 1789); Coryell v. Colbaugh, 1 N.J.L. 77 (1791)). By contrast, Justice Thomas’ opinion never even mentioned patent law.
Wheaton v. Peters even more forcefully rejects the argued equation of the two bodies of law.

It has been argued at the bar, that as the promotion of the progress of science and the useful arts, is here united in the same clause in the constitution, the rights of authors and inventors were considered as standing on the same footing; but this, I think, is a non sequitur. This article is to be construed distributively, and must have been so understood; for when congress came to execute this power by legislation, the subjects are kept distinct, and very different provisions are made respecting them. 49

The bottom line is that it scarcely follows from common law congruence that when Congress enacts a particular patent statute, that legislation furnishes the template for the wholly different enactment of a copyright statute. 50

Yet before rejecting the "historic kinship," more deliberation is in order. Perhaps Sony's inadequate citations are merely clumsy, inartfully standing for a well-entrenched phenomenon. In other words, maybe there are a wealth of cases "in which the Court borrowed patent concepts in copyright cases," 51 but Sony neglected to cite them. Supporters of that viewpoint adduce three additional cases. 52 One such case arises under bankruptcy law's treatment of executory contracts, equating for purposes of treatment under a particular section of the Bankruptcy Act 53 copyright licenses and patent licenses. 54 That case is of a piece with the cases previously encountered construing tax and antitrust law; it provides no support

49 33 U.S. (8 Pet.) at 684 (Thompson, J., dissenting).
50 In Wheaton v. Peters, the Court considered the relationship between common law patent and common law copyright. Though the latter realm has almost disappeared in the interim, it remains in limited domains, such as sound recordings fixed before February 15, 1972. In that context, an analog to Wheaton v. Peters arose recently, examining as a matter of history the evolution of copyright and patent common law. See Capitol Records, Inc. v. Naxos of Am., Inc., 830 N.E.2d 250, 254-55 (N.Y. 2005).
52 Id. (also citing United States v. Paramount Pictures, Inc., 334 U.S. 131 (1948) and Fox Film Corp. v. Doyal, 286 U.S. 123 (1932)).
for the notion that internal provisions of copyright law may be deduced from their patent counterparts.

The other two cases that those supporters adduce each involve a citation in passing: One patent case contains a single sentence drawing on the logic of a previous copyright case, and one copyright case reasons by analogy to patent law that a misuse defense must be latent in the law of copyright. But such cross-overs, being pandemic in the law, cannot prove any “historic kinship.” For instance, Bernstein v. U.S. Dept. of State resolves causes of action under the Arms Export Control Act and the International Traffic in Arms Regulations by construing the Copyright Act. It scarcely follows that a historic kinship between the Arms Export Control Act and copyright law mandates that all future constructions of the former take place by reference to the latter. Rather, the particular facts posed made Bernstein’s reference sensible, but only subsequent cases under the Arms Export Control Act that arise in 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-ality.
Waxman Amendments to the Federal Food, Drug, and Cosmetic Act\textsuperscript{62} to state worker’s compensation regulations\textsuperscript{63} to Fourth Amendment protection against intrusions in one’s own home.\textsuperscript{64} 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.”\textsuperscript{65} 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 all future constructions of the Copyright Act.

The foregoing investigation of the case law pre-dating adoption of the 1976 Act debunks the notion that any historic kinship warrants interpretation of copyright doctrine through a patent filter. But the possibility remains that, when Congress engaged in a full-scale overhaul of copyright law in 1976, it may have had patent law in mind as the default scheme in the background. We turn next to that possibility.

B. Historic Kinship in Crafting the 1976 Act?

An exhaustive review\textsuperscript{66} shows that Congress explicitly modeled its handiwork with reference to patent law in several broad strokes: It explic-
itly 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). The taxonomy follows.

Category 1 – Explicitly Drawing on Patent Law

- Congress added a recordation provision for conflicting transfers, modeled on the three-month grace period contained in patent law.\(^6^7\)
- With respect to acknowledgment abroad before an authorized consular officer, Congress adopted, as part of the copyright law, provisions similar to those found in patent law.\(^6^8\)
- "Section 508 of the bill, which is patterned to some extent after a similar provision in the patent law, 35 U.S.C. § 290, provides generally for a procedure under which the clerks of the Federal courts are to notify the Copyright Office of the filing of actions under the bill and of their final disposition, and the Copyright Office would make these notifications a part of its public records."\(^6^9\)
- "The last sentence of section 602(b) authorizes the Secretary of the Treasury to establish a procedure for notifying copyright owners of importations that may be infringing. This provision, which is patterned after a recent Treasury Regulation dealing with patents (29 Fed. Reg. 4720), would enable copy-

\(^6^7\) REG. REP. at 97.
\(^6^8\) Id. at 95.
\(^6^9\) REG. SUPP. REP. at 140; see S. REP. at 146; H. REP. at 164.
right owners to obtain the information needed to institute court proceedings, whether the copies or phonorecords in question are excluded or allowed entry."70

**Category 2 – Unenacted Features Drawing on Patent Law**

- The bill passed by the Senate 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.71
- There was a suggestion, drawing on experience with Government-owned patents, to "permit the copyrighting of Government publications . . . ."72

**Category 3 – Differentiating From Patent Law**

- Congress continued the basic distinction between copyrights and patents that "a claim to copyright is not examined for basic validity before a certificate is issued."73
- 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."74

**Category 4 – Explicitly Drawing on Other Law**75

- The 1976 Act’s work-made-for-hire provision, as ultimately enacted,76 draws from the common law of agency.77
- The provision allowing for the award of attorneys’ fees contains "virtually identical language" with the Civil Rights Act of 1964.78

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70 REG. SUPP. REP. at 150.
71 S. REP. at 53, 161; SECOND REG. SUPP. REP. at 186-95.
72 REG. REP. at 132.
73 S. REP. at 139; H. REP. at 157.
74 S. REP. at 104; H. REP. at 121.
75 Within this category, the examples are illustrative, not exhaustive.
76 The distinction here is with the unenacted proposal to model the work-made-for-hire provision after patent law's "shop rights" doctrine, discussed above in Category 3.
77 "Congress' intent to incorporate the agency law definition is suggested by § 101(1)'s use of the term, 'scope of employment,' a widely used term of art in agency law." Cmty. for Creative Non-Violence v. Reid, 490 U.S. 730, 740 (1989). See note 15 supra.
• Congress intended to keep in place the common law of tenancy in common as to jointly owned copyrights.  

**Category 5 – Cross-Overs**

• Reverting to the predecessor 1909 Copyright Act, Congress modeled its provision for the award of an infringer’s profits on both trademark and patent law.

With such a disparate history, courts must interpret the Copyright Act with a good deal of circumspection. Each doctrine must be evaluated in light of the backdrop against 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 in Category 5. Indeed, precisely this realization undergirded a Supreme Court case posing the question how to measure the infringer’s profits for purposes of the 1909 Act. The decision in question examined the legislative history of the precise provision of the 1909 Act under examination:

In 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. Not only is there no suggestion that Congress intended that the award of profits should be governed by a different principle in copyright cases but the contrary is clearly indicated by the committee reports on the bill. As to § 25 (b) the House Committee said:

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

79 “The bill, like the present statute, is silent as to the rights of co-owners of a copyright to use and authorize the use of the copyrighted work, thus leaving in effect the court decisions which generally treat co-owners of copyright as tenants-in-common.” _REG. SUPP. REP._ at xx, 66. _See SECOND REG. SUPP. REP._ at 297.

80 The same footnote from _Sony_ that seeks to prove an “historic kinship between patent law and copyright law” notes that the Court has “consistently rejected the proposition that a similar kinship exists between copyright law and trademark law.” 464 U.S. at 439 n.19. _See_ text accompanying note 31 _supra_. Yet the excerpt just cited shows that, in this particular instance, that kinship does exist.

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.\textsuperscript{82}

That example also illustrates how to treat Category 1 noted above. It proves that construction by analogy to the patent law is exactly the right course — to the extent that the provision under examination is one that was drawn from patent law. For purposes of the 1976 Act, the possibilities include:

- the just-cited provision for award of profits, tracing back to the 1909 Act;
- the three-month grace period for conflicting transfers;
- acknowledgment abroad before an authorized consular officer;
- notification of the Copyright Office of the filing of infringement actions; and
- Treasury Department procedures for notifying copyright owners of infringing importations.

As to each of those enumerated matters, Congress derived the provision in question from cognate features of patent law. Accordingly, it would be appropriate to consult patent law in order to determine the scope of those exact provisions of copyright law.

By contrast, Category 3 deserves the opposite treatment. To the extent that Congress has differentiated between copyright and patent law, then far from any historic kinship mandating their construction \textit{in pari materia}, the opposite pertains. Past Supreme Court copyright cases manifest that methodology too, citing the fundamental distinction between patents established by examination in the Patent Office versus automatically registered copyrights\textsuperscript{83} and more fundamentally noting the need to keep the two doctrines distinct:


\textsuperscript{83} 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.

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. The claim to an invention or discovery of an art or manufacture must be subjected to the examination of the Patent Office before an exclusive right therein can be obtained; and it can only be secured by a patent from the government.84

Indeed, Sony itself recognized that phenomenon by conceding that "the two areas of the law, naturally, are not identical twins."85 In fact, one of the cases that it cites for that proposition goes quite a bit further than simply negating twinship:

If we were to follow the course taken in the argument, and discuss the rights of a patentee, under letters patent, and then, by analogy, apply the conclusions to copyrights, we might greatly embarrass the consideration of a case under letters patent, when one of that character shall be presented to this court. \([\text{[9]}\] \) We may say in passing, disclaiming any intention to indicate our views as to what would be the rights of parties in circumstances similar to the present case under the patent laws, that there are differences between the patent and copyright statutes in the extent of the protection granted by them.86

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.87

84 Baker v. Selden, 101 U.S. 99, 102 (1879) ("The copyright of a book on bookkeeping 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, 217-18 (1954) (amplifying Baker v. Selden).


86 Id. at 345.

87 The Court's conclusion in 1908 followed its traditional model of construing the Copyright Act on its own merits.

We therefore approach the consideration of this question as a new one in this court, and one that involves the extent of the protection which is given by the copyright statutes of the United States to the owner of a copyright under the facts disclosed in this record. Recent cases in this court have affirmed the proposition that copyright property under the Federal law is wholly statutory, and depends upon the right created under the acts of Congress passed in pursuance of the authority conferred under Article I, § 8, of the Federal Constitution: "To promote the progress of
So much for Category 3. Plainly, the same consideration applies to Category 2 — that is, to the extent that an interpretation arises under a provision that Congress chose not to legislate, it must be rejected.

Moving finally to Category 4, 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.\textsuperscript{88}

In sum, therefore, 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 instead into its own niche in the law.

Turning directly to that niche, the legislative history for the current Act specifically declined to alter the standards for indirect liability from established case law:

\begin{quote}
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 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.\textsuperscript{89}
\end{quote}


\textsuperscript{89} H. Rep. at 159-60. The same report also addresses the other species of secondary 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
In short, when the subject matter under discussion is the question of indirect liability, such as exercised by the Supreme Court in both *Sony* and *Grokster*, Congress passed the 1976 Act with the stated intent of preserving existing case law.\(^9\) Inasmuch as no pre-1976 historic kinship between patent and copyright law warranted exalting the former’s standards for indirect liability as a guide to the latter’s, nothing about enactment of the new law in 1976 altered the situation.

**IV. BRACING FOR THE FUTURE**

What has this progression shown? When the 1976 Act was brand new, the Supreme Court’s first construction of it occurred not on its own merits, but instead by positing the need to import provisions from a different Act supposedly connected to copyright by an “historic kinship.” At that time, the Court imported section 271(c) of the Patent Act into copyright doctrine. When the Supreme Court’s most recent copyright case arose, it followed the precedent of that former ruling to import section 271(b) of the Patent Act into copyright doctrine.

It is ironic for *Grokster*, a case alleging digital infringement under the Copyright Act, to proceed by way of citation not to that Act as multiply amended over the decades, but instead to its own *Sony* precedent confronting alleged analog infringement under the Copyright Act prior to those amendments.\(^9\) The irony is heightened when one reflects that *Sony* 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.

*Id.* at 61.

\(^9\) The passage from *Sony* under this article’s microscope is the following: 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.

464 U.S. at 439-40. The bulk of the article has focused on the last sentence; as much attention could equally focus on the accuracy of the two predecessor sentences. See Menell & Nimmer, note 28 supra. For the nonce, the considerations adduced in the previous footnote show that the current Act does indeed embody precedent for both vicarious liability and contributory infringement, the latter of which incorporates a knowledge element.

\(^9\) The few amendments to the Copyright Act that pre-dated *Sony* were of no moment to the question of indirect liability. See David Nimmer, *Codifying Copyright Comprehensively*, 51 UCLA L. REV. 1233, 1300-01 (2004). By contrast, the very next amendment barred record rentals, meaning that it
itself construed the Copyright Act not on its own merits, but instead based on an historically flawed proposition of kinship. Without quarreling that Grokster represents the appropriate resolution of its facts as does Sony of its own facts, both decisions go much further. For they cement into copyright law twin requirements drawn from a statutory scheme that stands apart from copyright law.

We would like to conclude with a radical proposal: When it comes time to resolve cases arising under the Copyright Act, it is appropriate to construe the Copyright Act. Unfortunately, to reach that state as to the question of indirect liability under the Copyright Act will require significant retreat from where Sony and Grokster have taken us. Though the latter decision is still brand new, it is not premature to question its direction.

inaugurated the trend of banning a service that can be used at times to violate copyrights and other times for non-infringing purposes. Id. at 1301. See note 41 supra.
PART II

MEYER MEMORIAL LECTURE