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Note

RECENT DEVELOPMENTS IN COPYRIGHT LAW

Susan B. Bruning^a Kara L. Dunham^{aa}

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*132 I. Introduction

Copyright cases decided in the past several months have dealt with a wide variety of issues, from determining the copyright term for *Bambi* to defining the protectable elements of a computer program collection. Selected cases from volumes 38 and 39 of the Bureau of National Affairs, *United States Patent Quarterly*, Second Series, are highlighted below.

II. Scope of Protection

A. Copyrightability of Wooden Dolls

In *Country Kids ‘N City Slicks Inc. v. Sheen*,¹ the Tenth Circuit reviewed the copyrightable nature of certain elements embodied in wooden dolls.² The court applied the “abstraction-filtration-comparison” test to assess whether the defendants’ product was substantially similar to the protectable elements of the plaintiff’s product.³ This test, originally developed for use in assessing copyright infringement claims involving computer software,⁴ had not been used previously by the Tenth Circuit outside of the realm of computer programs.

The district court applied the “abstraction” step of the test by separating the ideas and basic utilitarian functions from the particular expression of the plaintiff’s work.⁵ It then applied the “filtration” step by separating from the work all non-protectable components.⁶ Finally, it applied the “comparison” step by comparing the remaining protected elements to the defendant’s work to determine whether the two works are substantially similar.⁷ The court determined that the wooden form of the traditional paper doll constitutes a non-protectable idea.⁸ It then concluded that, to the extent that the size and shape of the plaintiff’s dolls were not “inherent in the *133 idea of a wooden paper doll,” they were typical public domain paper doll features that are not protectable.⁹ Ease of manufacture of plaintiff’s doll design and the adaptability of the poses and shapes to attaching garments were highlighted by the court as utilitarian aspects, supporting its affirmation of the district court’s holding that the medium, form, and poses of the dolls were not copyrightable and therefore not the proper subjects of comparison for assessing substantial similarity between the works.¹⁰

The Tenth Circuit disagreed, however, with the district court’s interpretation of the “ordinary observer” test to determine whether the plaintiff’s and the defendants’ works were substantially similar.¹¹ Rejecting the district court’s conclusions that a finding of substantial similarity requires that the defendant’s work be a “virtual copy” of the plaintiff’s, and that an ordinary observer would “confuse” the two works, the Tenth Circuit stated that the proper test is whether “the accused work is sufficiently similar that an ordinary observer would conclude that the defendant unlawfully appropriated the plaintiff’s protectable expression by taking material of *substance and value*.”¹² The court remanded the case to the district court for a comparison of the defendants’ dolls with the protectable features of the plaintiff’s dolls.¹³

B. Copyrightability of Literary and Film Elements

In *Arden v. Columbia Pictures Industries, Inc.*,¹⁴ the Southern District Court of New York examined the protectability of various elements contained in a novel, *One Fine Day* (“the novel”), to determine whether a film, *Groundhog Day* (“the film”), infringed upon plaintiff’s copyright in the novel. Both the novel and the film dealt with a story where the main character was forced to relive the same day time and time again.¹⁵ After providing an exhaustive recitation of each work’s story line and plot, the court stated that the test to determine copyright infringement consists of two parts: first, establishing whether the plaintiff holds a valid copyright in the work; and second, establishing whether the defendant copied the protected elements of the plaintiff’s work.¹⁶ To assess substantial similarity between the plaintiff’s protected elements and the defendant’s work, the court applied the Second Circuit’s “ordinary *134 observer” test for assessing “whether an average lay observer would recognize the alleged copy as having been appropriated from the copyrighted work.”¹⁷ In a situation involving a film and literary work, the court indicated that it may also be appropriate to compare the “total concept and feel” of the works at issue.¹⁸

Concluding that the only similarities between the novel and the film were insubstantial or pertained to non-copyrightable stock themes (*scenes a faire*, which do not amount to protectable expression),¹⁹ the court determined the following:

1. the moods of the works differed and, consequently, the works differed in terms of “total concept and feel”;²⁰
2. the concepts or ideas of characters, the conscious under-development of certain characters and the use of similar plot devices, constituted literary devices that could not be copyrighted;²¹
3. the pace of the novel was slower than that of the film;²²
4. the settings of the two works were markedly different;²³
5. any similarities in the sequence of events (such as repeating a day) were incidental to ideas or themes and were thus unprotected;²⁴ and
6. certain specific elements appearing in both works were expressed differently and were necessary aspects of the idea of repeating a day, thus constituting unprotected *scenes a faire*.²⁵

The court determined that while similarities existed between the works at issue, none constituted actionable, protectable expression.²⁶ Consequently, defendant’s motion for summary judgment on the copyright infringement claim was granted.²⁷

*135 C. Copyrightability of Musical “Motives”

Michael Jackson, Lionel Richie and Rod Temperton found themselves defending claims asserted in a copyright infringement and Racketeering Influenced and Corrupt Organizations (RICO) action brought by Robert Smith and Reynaud Jones.²⁸ In *Smith v. Jackson*,²⁹ the plaintiffs asserted that the defendants misappropriated numerous “motives” from the plaintiffs’ registered songs and included them in songs by one or more of the defendants.³⁰ A motive refers to a “short musical phrase, usually composed of only a few notes.”³¹ At the lower court level, all but three of the plaintiff’s claims were found by the court to be unprotected *scenes a faire*--the motives were so common that they were not protectable expressions.³² The court granted defendants’ motion for summary judgment on those claims, and the plaintiffs appealed to the Ninth Circuit.³³

The Ninth Circuit articulated its two-part, “extrinsic/intrinsic” test to determine whether the works at issue bore substantial similarity.³⁴ First, an “extrinsic” inquiry was conducted to determine whether the works “share d a similarity of ideas and expression based on external, objective criteria.”³⁵ When such similarity is found, an “intrinsic” inquiry must be conducted to determine “whether an ‘ordinary, reasonable observer’ would find substantial similarity of expression of the shared idea.”³⁶ In analyzing the “extrinsic” test, the court acknowledged that it is appropriate to consider expert testimony and an analytical dissection of the work.³⁷ It is at this level that a motion for summary judgment is to be determined.³⁸ The “intrinsic” test requires subjective assessment by the jury, and such an inquiry need not be conducted if the claim of similarity fails at the extrinsic inquiry level. When conducting the “extrinsic” analysis, the court stated that the Ninth Circuit applies the “Inverse

Ratio Rule” to determine the proper standard of proof for substantial similarity.³⁹ This rule examines the level of access to the allegedly infringed work *136 in order to determine the level of similarity required to find copyright infringement.⁴⁰ If the plaintiff proves a high degree of access to its work, then the court may accept a lower standard of proof to show substantial similarity.⁴¹ Conversely, the inability to establish access would require that the plaintiff prove a “striking similarity” between the works at issue.⁴² Although the “Inverse Ratio Rule” was questioned in an earlier Ninth Circuit case,⁴³ its viability in the circuit was later reaffirmed.⁴⁴

Rejecting the plaintiff’s argument that the “presumption of originality” provided by a certificate of copyright registration applies to the question of whether certain motives constitute *scenes a faire*, the court indicated that the certificate provides a rebuttable presumption only as to the validity of the plaintiff’s ownership claims in copyrightable elements of the work.⁴⁵ The presumption accorded by a registration certificate is inapplicable to a determination of whether certain elements are copyrightable.⁴⁶ Similarly, the court stated that proof of access is irrelevant to a determination of whether similarity is due to unprotected *scenes a faire* elements.⁴⁷

D. Copyrightability of Computer Programs

In *Fonar Corp. v. Magnetic Resonance Plus Inc.*,⁴⁸ the court determined that the plaintiff failed to establish a valid copyright claim to its computer program, despite registration of the work.⁴⁹ The plaintiff registered a series of computer programs, divisible into three “modules,” as a single unpublished collection under 37 C.F.R. § 202.3,⁵⁰ and only filed the first 29 pages of the first module and the last 34 pages of the third module as the deposit copy.⁵¹ The court acknowledged that 37 C.F.R. § 202.20(c)(2)(vii)(A) permits the deposit of the first and last twenty-five *137 pages of a computer program as part of its registration.⁵² However, the court pointed out that the plaintiff’s “collection” contained numerous individual computer programs, and agreed with the defendants’ assertion that “plaintiff’s mass filing of the source code as a single collection without sufficient identifying materials failed to identify the works that are the subject of the copyright.”⁵³ Finding that the plaintiff offered only the “most elusive of definitions” and failed to provide documentation to narrow and clarify the situation,⁵⁴ the court found as a matter of law that the plaintiff failed to “reveal the substance of the protected work”⁵⁵ and thereby failed to support its copyright claims in the work.⁵⁶ The court stated that the plaintiff was required to “set forth the specific portions of its work that it claims are entitled to copyright protection”⁵⁷ as part of its response to the defendants’ summary judgment motion.⁵⁸ Focusing on the highly functional nature of computer programs, the court called for careful scrutiny of a claim of copyright in elements of software “to insure that protection is not extended beyond the purposes of the statute and that injunctive relief is narrowly crafted and concise.”⁵⁹

E. Merger of Idea and Expression

In *Hart v. Dan Chase Taxidermy Supply Co.*,⁶⁰ the Second Circuit dealt with the issue of whether an idea inevitably merges with its expression and whether it should be viewed in the context of an infringement inquiry or in the context of a copyrightability inquiry.⁶¹ The district court’s judgment was vacated and remanded on the Second Circuit Court’s belief that a determination should be made only after hearing evidence about substantial similarity.⁶²

The court followed the reasoning in *Kregos v. Associated Press*,⁶³ which explains the doctrine of merger as *138 the fundamental copyright principle that only the expression of an idea and not the idea itself is protectable has produced a corollary maxim that even expression is not protected in those instances where there is only one or so few ways of expression would effectively accord protection to the idea itself.⁶⁴

The court then explained that it preferred to examine the issue of whether an idea inevitably merges with its expression in the context of an infringement inquiry rather than ability to be copyrighted.⁶⁵ An infringement inquiry enables the court to have all the contested forms of expression before it in evaluating the difference between the expression and the idea.⁶⁶

III. Notice and Registration

A. Misleading Notice and Innocent Infringement/Delivery to Single School Constitutes Public “Distribution”

In *Bagdadi v. Nazar*,⁶⁷ the Ninth Circuit examined the “innocent infringement” defense asserted by a language school licensee of the plaintiff, Linguex International Ltd., and by purported sub-licensees of Linguex, including Nazar.⁶⁸ At issue was an instruction video created by the plaintiff at the request of the school. The plaintiff placed a copyright notice on the video: “Copyright 1984 by Linguex International Limited, All Rights Reserved.”⁶⁹ The school sent a copyright release form to the plaintiff, who objected to certain provisions and returned a revised version to the school.⁷⁰ The release was never finalized, nor was the copyright registered by either party.⁷¹ The school subsequently sold copies of the video to other language schools, and it granted a license to a third party to reproduce and sell the video.⁷² After seeing an infomercial containing a clip from the video, the plaintiff registered the copyright in the video and instituted suit.⁷³

The plaintiff claimed that Linguex held only an exclusive license to use the video for classroom instruction, and that the plaintiff remained the owner of all other *139 copyright rights in the video.⁷⁴ Noting that the rights embodied in a copyright are divisible,⁷⁵ the court focused its examination on the defendants’ argument that even if the plaintiff retained copyright ownership in the video, the defendants were entitled to summary judgment based on a defense of “innocent infringement” under 17 U.S.C. § 406(a).⁷⁶ Section 406(a) provides a defense in certain instances to infringement of a publicly distributed work whose copyright notice indicates a person other than the actual copyright owner.⁷⁷ A person who proves that he or she was misled by the notice and acted in good faith under a purported transfer or license the person named in the notice may assert such a defense to avoid liability for infringement.⁷⁸

Turning to the plaintiff’s assertion that the video was not “publicly distributed,” and hence that the “innocent infringement” defense was inapplicable, the court found that the video was publicly distributed when the plaintiff provided it to the school for classroom use.⁷⁹ Acknowledging that “public distribution” is equivalent to “publication” for copyright purposes, the court found that the plaintiff’s delivery of the video to Linguex constituted “publication” under 17 U.S.C. § 101 as a distribution of copies to a *group of persons* for the purpose of *public performance*.⁸⁰ The Ninth Circuit noted that “no courts have decided the issue of whether a single entity comprised of multiple people constitutes a ‘group of persons’ within the meaning of the statute.”⁸¹ Nonetheless, the court agreed with the district court’s finding that the Linguex school consisted of “multiple teachers and students,” and that the school was “open to members of the public” who elected to enroll there.⁸² Thus, the school qualified as a “group of persons” for purposes of the Copyright Act.⁸³ Additionally, the court concluded that, because (1) the school was open to the public, and (2) the video was intended to be performed for students in a classroom setting, the video was provided by the plaintiff to the school for the purpose of “public performance.”⁸⁴

*140 The court also rejected the plaintiff’s argument that the copy of the video provided by Linguex to a third party was not a copy “publicly distributed by authority of the copyright owner,” as required by section 406(a) of the Copyright Act.⁸⁵ The court concluded that the authorization required by section 406(a) applied to the *initial* public distribution of the work to Linguex rather than to any subsequent distributions of the work to other parties.⁸⁶ Finally, the court found that the notice in the video was specific and unambiguous, stating that Linguex, and not the plaintiff, reserved “all rights” under copyright in the work.⁸⁷ Thus, the third party sub-licensee at issue acted reasonably when he was misled by the notice.⁸⁸ Determining, however, that Linguex was in a much better position than the third party sub-licensees to know the nature of the parties’ rights under the original licensing arrangement, the court remanded to the district court the plaintiff’s claims against Linguex, while upholding the summary judgment granted with respect to the sub-licensee defendant, Nazar.⁸⁹

B. Omission of Notice

In *Hardwick Airmasters, Inc. v. Lennox Industries, Inc.*,⁹⁰ the Eighth Circuit determined that the plaintiff’s copyright in certain printed materials was invalidated due to his failure to include a copyright notice on copies of a work first published in 1988.⁹¹ Under section 405(a) of the Copyright Act, a work first published without a proper copyright notice prior to March 1, 1989 did not receive copyright protection unless (1) the owner of the work made a reasonable effort to add the notice to all copies distributed after discovery of the omission, and (2) the work was registered within five years after publication.⁹² The court affirmed the district court’s instruction to the jury, which stated that a copyright owner who intentionally omits a copyright notice is considered by law to have discovered the omission “no later than the time when he believed that his rights may have been infringed.”⁹³ The plaintiff failed to attempt to cure the notice defect until more than a year after he filed suit *141 against the defendant for copyright infringement.⁹⁴ Thus, the court found that the plaintiff failed to act in a timely fashion to correct the notice deficiency.⁹⁵

C. Lack of Copyright Notice on First “Bambi” Publication in Germany Did Not Cause Book to Fall Into Public

Domain

The Ninth Circuit came to the defense of an aging Bambi in *Twin Books Corp. v. Walt Disney Co.*⁹⁶ The plaintiff asserted that the classic story entitled *Bambi, A Life in the Woods* fell into the public domain in 1951 after its initial 1923 publication in Germany without a proper copyright notice.⁹⁷ The author, an Austrian citizen named Felix Salten, re-published the work in Germany in 1926 with a proper United States copyright notice.⁹⁸ The copyright in the work was registered in the United States in early 1927 and renewed thereafter by the author's heir in 1954.⁹⁹ In 1936, the author and his publisher assigned certain rights in the work to Walt Disney.¹⁰⁰ The author's daughter and heir, Anna Salten Wyler, executed certain agreements with the defendant, and after her death her husband and children assigned their rights in the work to the plaintiff.¹⁰¹ The defendant Walt Disney Co. asserted that copyright in the work commenced in 1923, and consequently that the 1954 renewal (filed more than 28 years after the original publication date) was untimely.¹⁰²

The court confirmed that the 1909 Copyright Act applied to the work at issue.¹⁰³ Under that act, an unpublished work was protected until published or until it qualified for protection under the Federal copyright laws.¹⁰⁴ An author could secure 28 years of Federal copyright protection in a work by publishing the work with proper notice, after which time protection could be renewed for an additional 28 years by proper filing prior to expiration of the initial term.¹⁰⁵ The court stated that under the 1909 Act, a work had to bear a proper copyright notice in order to secure *142 U.S. copyright protection.¹⁰⁶ The court acknowledged a "long-standing axiom" in the United States that U.S. copyright law has no extraterritorial effect.¹⁰⁷ Because German law apparently did not invalidate the copyright in the work due to its initial publication without notice, the work could subsequently attain protection under U.S. copyright law by its publication in 1926 with proper notice.¹⁰⁸ Thus, the court found that the copyright in the work commenced in 1926, and that the 1954 renewal was timely.¹⁰⁹ The case was remanded to the district court for further proceedings consistent with the opinion.¹¹⁰

IV. Ownership and Term

A. Formation of License/Ability to Rescind

In *Fosson v. Palace (Waterland), Ltd.*,¹¹¹ the Ninth Circuit reviewed a claim for statutory damages resulting from a purported delay in paying a license fee.¹¹² The defendants, producers of a film entitled *Waterland* ("the film"), approached the plaintiff songwriter with an offer to license the right to use one of the plaintiff's songs, *Picture of Your Daddy* ("the song") in the film. The plaintiff signed the defendants' written synchronization license, providing that if the defendants used the song in the film, they would pay the plaintiff \$1,250 and provide the plaintiff with a music cue sheet so he could receive performance royalties through his performance rights society.¹¹³ The agreement also limited remedies in case of a breach to actions at law and prohibited termination or rescission of the contract.¹¹⁴ The song was used in the film. But the film subsequently went into receivership, and the defendants failed to tender the license fee until after the plaintiff had sent a letter demanding an increased fee of \$10,000 in the event of further delay.¹¹⁵

The plaintiff attacked the validity of the synchronization license by claiming that (1) the license was a mere continuing offer or option, revocable by the plaintiff prior to acceptance or receipt of consideration, and (2) the entire agreement was void *143 for lack of consideration.¹¹⁶ The court rejected both arguments.¹¹⁷ First, the court stated that under California law, the producers of the film rather than the plaintiff were the offering party.¹¹⁸ Consequently, the plaintiff/offeree had no power to revoke. The court also found that the plaintiff's signing the license agreement manifested his assent to the terms of the offer, constituting acceptance of the offer.¹¹⁹ Second, the court determined that the obligations imposed on the parties under the agreement constituted valid consideration to support the synchronization agreement.¹²⁰ Although the producers had the "discretion and control" to decide whether to use the song in the film, the express obligations assumed by the producers if the song was used (and the implied obligations of the producers to "act fairly and protect the plaintiff's rights and benefits under the contract") provided sufficient consideration to support the agreement.¹²¹

The court also upheld the district court's finding that the plaintiff waived his right to rescind the agreement and therefore found that the plaintiff could not sustain an action for copyright infringement based on the song's inclusion in the film.¹²² The court acknowledged its recognition of the general rule applied in other circuits that "once a non-breaching party to an express copyright license obtains and exercises a right of rescission by virtue of a material breach of the agreement, any further distribution of the copyrighted material would constitute infringement."¹²³ Because the plaintiff read and understood the clear and unambiguous written waiver of rescission rights, the court found as a matter of law that the plaintiff had relinquished his right to rescind or terminate the agreement and thus could not recover for copyright infringement.¹²⁴

B. Joint Authorship

In *Papa's-June Music Inc. v. McLean*,¹²⁵ the plaintiff company, owned by Harry Connick, Jr., sued the defendant over ownership and control of certain songs on a record album entitled *She* ("the album").¹²⁶ Over the course of several years, *144 the defendant sent Connick poems which Connick revised, set to music, and performed on various albums.¹²⁷ The parties initially worked under an oral agreement but later entered into a co-publishing agreement for certain of their joint works.¹²⁸ Under the co-publishing agreement, the plaintiff received 70% of the royalties and the exclusive rights to license and publicly perform the works, while the defendant retained a 30% royalty interest in the works.¹²⁹ The parties did not enter into a written agreement governing the poems sent by the defendant to the plaintiff and used to create the songs on the album.¹³⁰

The plaintiff asserted, among other things, that the writing requirement of Section 204(a) of the Copyright Act does not apply to a transfer of copyright interests between joint authors.¹³¹ The Copyright Act presumes that absent a writing signed by the transferor of an interest, each joint author owns an equal, undivided interest in the copyright and retains an independent right to use or license the joint work.¹³² Citing the Copyright Act's definition of a "joint work" as "a work prepared by two or more authors with the intention that their contributions be merged into inseparable or interdependent parts of a unitary whole,"¹³³ the court found that the plaintiff's complaint itself demonstrated that the two parties jointly authored the works at issue.¹³⁴ The court indicated that Section 204 ensures that a "creator will not inadvertently give away his copyright and forces the party who wants to use the copyright to negotiate with the creator to determine precisely what rights are being transferred and at what price."¹³⁵ Finding that the plaintiff put forth no authority for the proposition that transfers between joint owners are exempt from the requirements of Section 204(a), and noting that nothing in the language of the Copyright Act suggests such a distinction, the court held that the writing requirement of Section 204(a) applies to transfers between joint authors.¹³⁶ However, because the court concluded that an agreement between the parties concerning royalties "does not constitute a 'transfer of copyright ownership' within the meaning of 17 U.S.C. § 101,"¹³⁷ the court granted the plaintiff thirty days to amend its complaint to *145 assert a good faith allegation that the parties had an enforceable agreement concerning the division of royalties.¹³⁸

C. Work for Hire

In *Roeslin v. District of Columbia*,¹³⁹ the District Court of the District of Columbia found that a computer program created by plaintiff employed by the defendant was created within the scope of his employment.¹⁴⁰ The Restatement (Second) of Agency at § 228, which the Supreme Court cited in *Community for Non-Violence v. Reid*,¹⁴¹ states that an employer must establish the following factors to prove an employee created a work within a work for hire situation:

(1) Conduct of a servant is within the scope of employment if, but only if:

(a) it is within the kind he is employed to perform;

(b) it occurs substantially within the authorized time and space limits; [and]

(c) it is actuated, at least in part, by a purpose to serve the master.¹⁴²

The court in *Roselin* applied this test and held that the plaintiff, as a labor economist, was not employed to create works like the program, and that creation of the program was not incidental to his duties. Second, although plaintiff tested modules of the program at work, a substantial proportion of the creating of the program took place outside the office and on the plaintiff's own free time.¹⁴³ Finally, the plaintiff was not motivated by the purpose to create the program to serve the employer.¹⁴⁴ Instead, the plaintiff created the program to create job opportunities for himself and to prove it could be done.¹⁴⁵

*146 V. Infringement

A. Substantial Similarity/De Minimus Copying

In *Woods v. Universal City Studios Inc.*,¹⁴⁶ the district court granted the plaintiff's motion for a preliminary injunction in his

suit for copyright infringement of his illustration against the motion picture *12 Monkeys*.¹⁴⁷ The defendant asserted that because the infringing footage constituted less than five minutes in a 130 minute movie, the infringement was *de minimus*.¹⁴⁸ However, the court explained that whether an infringement is *de minimus* depends on “the amount taken without authorization from the infringed work, and not by the characteristics of the infringing work.”¹⁴⁹ The court concluded that the defendant copied substantial portions of the plaintiff’s illustration, noting that the movie copied the illustration in “striking detail.”¹⁵⁰

B. Substantial Similarity/*Scenes a Faire*

In *Williams v. Crichton*,¹⁵¹ the plaintiff claimed that the defendant’s book *Jurassic Park* and the movie based upon the book infringed upon children’s stories written by the plaintiff.¹⁵² In assessing infringement, the Second Circuit stated that “consideration of the total concept and feel of a work, rather than specific inquiry into plot and character development, is especially appropriate in an infringement action involving children’s works, because children’s works are often less complex than those aimed at an adult audience.”¹⁵³ The court compared the “total concept and feel of the two works” and determined that there was substantial difference.¹⁵⁴

Second, the court examined specific similarities in theme, setting, character, time sequence, plot, and pace.¹⁵⁵ It determined that “any similarity in the theme of the parties’ works relates to the unprotectable idea of a dinosaur zoo.”¹⁵⁶ As to the *147 setting, the court determined that although similar, the settings constituted *scenes a faire* that come from unprotectable ideas and are, therefore, uncopyrightable.¹⁵⁷

The characters in both the plaintiff’s book and defendant’s works were similar, but the court concluded that this similarity did not amount to infringement.¹⁵⁸ The court found that the characters in the plaintiff’s book were less developed than the defendant’s characters.¹⁵⁹ It also looked at the characters’ motivations, skills, credentials, and interpersonal relationships, and it found no substantial similarity between the characters.¹⁶⁰

Lastly, the court examined the time sequence, pace, and plot of the works and found no infringement.¹⁶¹ A finding of substantial similarity can be supported only if a lay observer would consider the works as a whole substantially similar to one another.¹⁶² When one observes the elements of plaintiff’s books and defendant’s works, “a lay observer would not find substantial similarities between the protectable material of these works.”¹⁶³

C. “Ordinary Observer” Test/“More Discerning” Test

In *Singer v. Citibank N.A.*,¹⁶⁴ the Southern District Court of New York found affirmatively on the questions of access to plaintiff’s copyrighted work and substantial similarity.¹⁶⁵ However, by using the “more discerning” test rather than the “ordinary observer” test, the court found that the elements of the works that were similar were not plaintiff’s creative or original depictions of elements of the work in question.¹⁶⁶ Citing *Knitwaves, Inc. v. Lollytogs Ltd.*,¹⁶⁷ which recognized that when comparing an infringing work to a copyrighted work one may use either the “ordinary observer” test or the “more discerning” test, the court asserted that where a work has both protectable and unprotectable elements, one should apply the “more *148 discerning” test.¹⁶⁸ The court stated that “w here we compare products that contain both protectable and unprotectable elements, our inspection must be ‘more discerning’; we must attempt to extract the unprotectable elements from our consideration and ask whether the *protectable elements, standing alone*, are substantially similar.”¹⁶⁹ The court explained that one must prove that plaintiff’s particular means of expressing an idea were used in defendant’s piece and not just an expression of the same idea.¹⁷⁰ The court noted that “t he means of expression are the ‘artistic’ aspects of a work; the ‘mechanical’ or ‘utilitarian’ features are not protectable.”¹⁷¹

D. Fair Use of Arrangement of Information

In *Oasis Publishing Co. v. West Publishing Co.*,¹⁷² the District Court of Minnesota applied the traditional factors of determining fair use of a copyright and found that no fair use exception was supportable in this instance--that Oasis’ proposed star pagination was not a fair use of West’s arrangement.¹⁷³ In determining whether Oasis’ proposed copying of West’s internal pagination constituted fair use, the court considered the four Section 107 factors: (1) the purpose and character of the use, including whether the use is commercial or instead for nonprofit educational purposes; (2) the nature of the copyrighted work; (3) the amount and substantiality of the portion used in relation to the work as a whole; and (4) the

effect of the use on the potential market for or value of the copyrighted work.¹⁷⁴

The court performed a step-by-step analysis of fair use by first examining Oasis' purpose of the use.¹⁷⁵ Oasis argued that the uses were education, scholarship, and research.¹⁷⁶ However, the court pointed out that the first factor also requires weighing whether the educational use would be commercial or noncommercial.¹⁷⁷ *149 The court found that "while Oasis' product may be used for education or research, the product is to be for *profit* educational use, not *nonprofit* educational use."¹⁷⁸

Second, the court examined the nature of the copyrighted work.¹⁷⁹ At issue was the arrangement of a compilation.¹⁸⁰ The court held that "while the nature of a compilation might in some instances make it more vulnerable to fair use copying ... the facts of this case do not support a finding of fair use."¹⁸¹

Third, the court examined "whether the amount and substantiality of the portion used in relation to the work as a whole [were] ... reasonable in relation to the purpose of the copying."¹⁸² This factor requires consideration of quality and importance of the material used.¹⁸³ Oasis argued that it needed to copy West's internal pages in order to replace West products on the market.¹⁸⁴ The court found this reasoning improper to justify a finding of fair use.¹⁸⁵

Finally, the court examined the fourth factor,--often considered the most important factor in a determination of fair use--focusing on the effect on the potential market or value of the copyrighted material.¹⁸⁶ The court quoted *Sony Corp. of America v. Universal City Studios, Inc.*,¹⁸⁷ stating that: "As a general rule, where the use is for commercial gain, the likelihood of damaging the prior work's market position is presumed."¹⁸⁸ The exception to this presumption is where the work is transformative, as in a parody.¹⁸⁹ Thus the issue becomes whether the material is more a direct copying or a transformation of West's material.¹⁹⁰ The court found that Oasis' CD-ROM duplication of West's arrangement was copying rather than transformation, and the court presumed market harm to West.¹⁹¹

*150 VI. Remedies and Procedures

A. Calculation of Actual Damages and Defendant's Profits

In *Banff Ltd. v. Express Inc.*,¹⁹² the jury determined that the defendant infringed the plaintiff's copyright in a sweater design.¹⁹³ Although not challenging the finding of infringement, the defendant appealed the actual damages and profits awarded to the plaintiff.¹⁹⁴

With respect to the damages award, the court granted the defendant's motion for new trial based on a determination that the jury's finding that the plaintiff suffered actual damages was "seriously erroneous" and contrary to the "weight of evidence."¹⁹⁵ The court cited section 504(b) of the Copyright Act¹⁹⁶ as contemplating that actual damages should be awarded only "where there is a causal connection between the infringement and the copyright owner's losses."¹⁹⁷ The sweater sold by the defendant, made of different and less expensive materials than plaintiff's, was found by the court not to be a comparable product to the plaintiff's.¹⁹⁸ The plaintiff's sweaters were sold at a minimum wholesale price that exceeded the defendant's highest retail price offered to the public.¹⁹⁹ In addition, pointing out that the plaintiff sold about 400 sweaters during the same period that the defendant purchased more than 39,000 sweaters, the court found little evidence to support the plaintiff's contention that it could have supplied the defendant with the sweaters it needed to meet the volume and timeliness of its demand.²⁰⁰ As a result, rather than the defendant depriving the plaintiff of sales it would have otherwise made, the court concluded that the plaintiff would never have made the profits awarded "but for the Defendant's infringing conduct."²⁰¹ Consequently, the court called the award of actual damages "an undeserved windfall."²⁰²

*151 The court denied the defendant's motion for new trial on the issue of calculating the amount of the defendant's profits awarded to the plaintiff.²⁰³ Pursuant to section 504(b) of the Copyright Act, the prevailing plaintiff is entitled to "any profits of the infringer that are attributable to the infringement and are not taken into account in computing actual damages."²⁰⁴ The defendant bears the burden of proving direct expenses associated with the manufacture and sale of the infringing product, as well as any indirect expenses associated with overhead that assisted in the production of the infringing item.²⁰⁵ The court recognized that a defendant may deduct from its profits a fraction of each cost incurred "based on the proportion of infringing sales to the company's total sales."²⁰⁶ However, the court also acknowledged the validity of the plaintiff's proposed "incremental" approach to computing deductible expenses, which supports the notion that "overhead which does not assist in the production of the infringement should not be credited to the infringer; that which does, should be."²⁰⁷ The court ruled that

the jury was not unreasonable in finding that the defendant failed to carry its burden of proof.²⁰⁸ Thus, the court affirmed the district court's ruling on this issue.²⁰⁹

B. Statutory Damages/Attorney's Fees and Costs

In *Canaan Music Inc. v. Skaros Restaurant Inc.*,²¹⁰ the plaintiffs moved for summary judgment in their copyright infringement suit against a restaurant and its proprietor for publicly performing three of the plaintiff's compositions without permission.²¹¹ The defendants failed to respond to the motion, and the motion was granted.²¹² The court approved the requested award of statutory damages in the amount of \$1,500 per song, as well as attorney's fees and costs in the amount of \$4,980.00.²¹³ In addition, the court permanently enjoined the defendants from infringing the songs at issue.²¹⁴ Acknowledging its broad discretion in setting the *152 amount of statutory damages within the parameters set by the Copyright Act,²¹⁵ the court articulated the following objectives to be served by awarding such damages: (1) to compensate for lost profits and unauthorized use of the work, and (2) to deter "the infringer and others similarly situated from acting or continuing to act in like manner."²¹⁶ In awarding attorney's fees, the court reduced the fee by \$355 attributable to attorney and paralegal time spent preparing a motion that was "never filed in this Court and neither addressed nor justified by the plaintiffs' current submission."²¹⁷

C. Statutory Damages for Willful Infringement

In *Spencer Promotions Inc. v. 5th Quarter Enterprises Inc.*²¹⁸, statutory damages were awarded to a plaintiff in a copyright infringement suit based on the unauthorized transmission of a prizefight telecast.²¹⁹ The defendants displayed the plaintiffs' prizefight telecast without having first obtained a closed-circuit commercial license to intercept, receive, exhibit or publicly perform the telecast. The court stated that a plaintiff may establish a *prima facie* case of willful copyright infringement allowing an award of statutory damages up to \$100,000 if the plaintiff can prove that a defendant "was aware, or should have been aware, that its activities were infringing."²²⁰ However, the court cautioned that a court should engage in "some proportionality analysis" in order to determine the appropriate damage amount under the circumstances.²²¹

In the case at issue, the court reduced the statutory damage award from the plaintiffs' requested amount of \$100,000 (the maximum allowable by statute) to \$25,000.²²² Finding that the violation was willful, the court nonetheless noted that it was a single violation, and that the unpaid license fee amount coupled with the profits the defendants likely earned from the infringement were significantly less than the maximum award.²²³ In addition, the court awarded attorney's fees and costs, citing section 505 of the Copyright Act as supporting the recovery of full costs *153 and reasonable attorney's fees by the prevailing party.²²⁴ In justifying an award of statutory damages, the court remarked on the difficulty of detecting each occasion of infringement by the defendants and the impracticality of determining lost subscribers and associated revenues as a result.²²⁵ The court also asserted that the defendants' actions impaired the plaintiffs' "commercial credibility" and thereby injured their ability to enjoy growth and profitability through the production and distribution of future programming.²²⁶

D. Copyright Misuse Defense

In *DSC Communications Inc. v. DGI Technologies Inc.*,²²⁷ the Fifth Circuit upheld the district court's grant of a preliminary injunction enjoining the defendant from making removable copies of the plaintiff's software.²²⁸ The plaintiff requested that the injunction be increased in scope to apply to all copies, whether or not removable, made by the defendant. The plaintiff is a manufacturer of telephone switches and compatible microprocessor cards and sought to prevent any competitor from downloading a copy of its switch operating system onto the memory of a microprocessor card.²²⁹ The defendant asserted that any competing microprocessor card must be compatible with the plaintiff's switch, and that the only way to test for compatibility is to copy the switch's operating system onto the card.²³⁰ The defendant claimed that the plaintiff's attempt to prevent such activity amounted to copyright misuse by gaining patent-like monopoly over their unpatented microprocessor cards.²³¹ Acknowledging that the copyright misuse defense "forbids the use of the copyright to secure an exclusive right or limited monopoly not granted by the Copyright Office,"²³² the court held that the district court did not abuse its discretion in implicitly holding that DGI may prevail on its affirmative defense of copyright misuse.²³³

***154 E. Accounting for Royalties**

In *Goodman v. Lee*,²³⁴ the Fifth Circuit reviewed the law applicable to accounting claims by a joint author in a musical composition.²³⁵ After determining that under Federal law the plaintiff was a joint author of the song *Let The Good Times Roll*, the court stated that the plaintiff's claim for an accounting of royalties from the defendants is a right of co-ownership governed by state, not Federal, law.²³⁶ The court then found that under Louisiana law, a co-owner has ten years from its demand for an accounting to bring an action against the other co-owner.²³⁷ However, the other author, Leonard Lee, died in 1976, and the plaintiff failed under Louisiana law to join the succession representative of Lee's estate.²³⁸ Her recovery was therefore limited to royalties accrued by Lee's heirs after his death.²³⁹ The court also applied Louisiana law in awarding pre-judgment interest on the royalties from 1976, the time when the defendants' began receiving royalties.²⁴⁰

Footnotes

^a Susan B. Bruning, P.C., Dallas, Texas.

^{aa} J.D., Texas Wesleyan School of Law, Dallas, Texas; M.C.L., Tulane Law School, New Orleans, Louisiana.

¹ 77 F.3d 1280, 38 U.S.P.Q.2d (BNA) 1017 (10th Cir. 1996).

² *Id.* at 1282, 38 U.S.P.Q.2d at 1018.

³ *Id.* at 1284, 38 U.S.P.Q.2d at 1020.

⁴ *See Autoskill, Inc. v. Nat'l Educ. Support Sys., Inc.*, 994 F.2d 1476, 26 U.S.P.Q.2d (BNA) 1828 (10th Cir.), *cert. denied*, 114 S. Ct. 307 (1993); *Gates Rubber Co. v. Bando Chem. Indus., Ltd.*, 9 F.3d 823, 832, 28 U.S.P.Q.2d (BNA) 1503 (10th Cir. 1993).

⁵ *Country Kids*, 77 F.3d at 1284-85, 38 U.S.P.Q.2d at 1020.

⁶ *Id.* at 1285, 38 U.S.P.Q.2d at 1020.

⁷ *Id.*

⁸ *Id.* at 1286, 38 U.S.P.Q.2d at 1021.

⁹ *Id.* at 1287, 38 U.S.P.Q.2d at 1021-22.

¹⁰ *Id.* at 1287, 38 U.S.P.Q.2d at 1022.

¹¹ *Id.* at 1288, 38 U.S.P.Q.2d at 1022.

¹² *Id.* (emphasis added).

¹³ *Id.* at 1289, 38 U.S.P.Q.2d at 1023.

¹⁴ 908 F. Supp. 1248, 38 U.S.P.Q.2d (BNA) 1104 (S.D.N.Y. 1995).

15 *Id.* at 1249, 38 U.S.P.Q.2d at 1105.

16 *Id.* at 1257, 38 U.S.P.Q.2d at 1112.

17 *Id.* at 1258, 38 U.S.P.Q.2d at 1112.

18 *Id.* at 1258, 38 U.S.P.Q.2d at 1113.

19 *Id.* at 1259, 38 U.S.P.Q.2d at 1113.

20 *Id.* at 1260, 38 U.S.P.Q.2d at 1115.

21 *Id.* at 1261, 38 U.S.P.Q.2d at 1115.

22 *Id.*

23 *Id.* at 1262, 38 U.S.P.Q.2d at 1116.

24 *Id.*

25 *Id.* at 1262-63, 38 U.S.P.Q.2d at 1116-17.

26 *Id.* at 1263, 38 U.S.P.Q.2d at 1117.

27 *Id.*

28 *Smith v. Jackson*, 84 F.3d 1213, 39 U.S.P.Q.2d (BNA) 1026 (9th Cir. 1996)

29 *Id.* at 1216, 39 U.S.P.Q.2d at 1027.

30 *Id.*, 39 U.S.P.Q.2d at 1027-28.

31 *Id.* at 1216 n.1, 39 U.S.P.Q.2d at 1028 n.1.

32 *Id.* at 1216 n.3, 39 U.S.P.Q.2d at 1028 n.3.

33 *Id.* at 1217, 39 U.S.P.Q.2d at 1028.

34 *Id.* at 1218, 39 U.S.P.Q.2d 1029 (citing *Apple Computer, Inc. v. Microsoft Corp.*, 35 F.3d 1435, 1442, 32 U.S.P.Q.2d 1086, 1092 (9th Cir. 1994), *cert. denied*, 115 S. Ct. 1176 (1995)).

35 *Jackson*, 84 F.3d at 1218, 39 U.S.P.Q.2d at 1029.

36 *Id.*

37 *Id.*, 39 U.S.P.Q.2d at 1031.

38 *Id.*

39 *Id.*

40 *Id.* at 1219 n.5, 39 U.S.P.Q.2d at 1030 n.5.

41 *Id.* at 1219, 39 U.S.P.Q.2d at 1029-30.

42 *Id.* at 1220, 39 U.S.P.Q.2d at 1031.

43 *Id.* at 1218 n.5, 39 U.S.P.Q.2d at 1030 n.5 (citing *Aliotti v. Dakin & Co.*, 831 F.2d 898, 902, 4 U.S.P.Q.2d (BNA) 1869, 1871 (9th Cir. 1987)).

44 *Id.* (citing *Shaw v. Lindheim*, 919 F.2d 1353, 1355, 15 U.S.P.Q.2d (BNA) 1516, 1518 (9th Cir. 1990)).

45 *Jackson*, 84 F.3d at 1219, 39 U.S.P.Q.2d at 1030.

46 *Id.*

47 *Id.* at 1220, 39 U.S.P.Q.2d at 1031.

48 920 F. Supp. 508, 39 U.S.P.Q.2d (BNA) 1294 (S.D.N.Y. 1996).

49 *Id.* at 510, 39 U.S.P.Q.2d at 1295.

50 *Id.* at 517, 39 U.S.P.Q.2d at 1301.

51 *Id.* at 518 n.18, 39 U.S.P.Q.2d at 1032 n.18.

52 *Id.* at 518, 39 U.S.P.Q.2d at 1301.

53 *Id.*

54 *Id.* at 516, 39 U.S.P.Q.2d at 1300.

55 *Id.* at 510, 39 U.S.P.Q.2d at 1295.

56 *Id.* at 518, 39 U.S.P.Q.2d at 1302.

57 *Id.* at 515, 39 U.S.P.Q.2d at 1299.

58 *Id.*

59 *Id.* at 516, 39 U.S.P.Q.2d at 1300.

60 86 F.3d 320, 39 U.S.P.Q.2d (BNA) 1310 (2d Cir. 1996).

61 *Id.* at 322, 39 U.S.P.Q.2d at 1312.

62 *Id.* at 323, 39 U.S.P.Q.2d at 1313.

63 937 F.2d 700, 19 U.S.P.Q.2d (BNA) 1161 (2d Cir. 1991).

64 *Id.* at 705, 19 U.S.P.Q.2d at 1165.

65 *Hart*, 86 F.3d at 322, 39 U.S.P.Q.2d at 1312.

66 *Id.*

67 84 F.3d 1194, 38 U.S.P.Q.2d (BNA) 1900 (9th Cir. 1996).

68 *Id.* at 1196, 38 U.S.P.Q.2d at 1901.

69 *Id.*

70 *Id.*

71 *Id.* at 1197, 38 U.S.P.Q.2d at 1901.

72 *Id.*, 38 U.S.P.Q.2d at 1902.

73 *Id.*

74 *Id.*

75 *Id.* (citing 17 U.S.C. § 201(d)(2) (1994) (“Any of the exclusive rights comprised in a copyright ... may be transferred ... and owned separately ... ”)).

76 *Bagdadi*, 84 F.3d at 1197-98, 38 U.S.P.Q.2d at 1902.

77 71 U.S.C. § 406(a) (1976).

78 *Bagdadi*, 84 F.3d 1198, 38 U.S.P.Q.2d at 1902.

79 *Id.* at 1199, 38 U.S.P.Q.2d at 1903.

80 *Id.* at 1198, 38 U.S.P.Q.2d at 1902-03 (emphasis added).

81 *Id.*, 38 U.S.P.Q.2d at 1903.

82 *Id.* at 1199, 38 U.S.P.Q.2d at 1903.

83 *Id.*

84 *Id.*

85 *Id.* at 1200, 38 U.S.P.Q.2d at 1904.

86 *Id.*

87 *Id.* at 1201, 38 U.S.P.Q.2d at 1905.

88 *Id.*

89 *Id.* at 1201-02, 38 U.S.P.Q.2d at 1905-06.

90 78 F.3d 1332, 38 U.S.P.Q.2d (BNA) 1140 (8th Cir. 1996).

91 *Id.* at 1337, 38 U.S.P.Q.2d at 1144.

92 *Id.* at 1335, 38 U.S.P.Q.2d at 1142 (citing 17 U.S.C. § 405(a) (1994)).

93 *Id.* at 1335-36, 38 U.S.P.Q.2d at 1143.

94 *Id.* at 1334, 38 U.S.P.Q.2d at 1142.

95 *Id.* at 1337, 38 U.S.P.Q.2d at 1144.

96 83 F.3d 1162, 38 U.S.P.Q.2d (BNA) 1847 (9th Cir. 1996).

97 *Id.* at 1164, 38 U.S.P.Q.2d at 1848.

98 *Id.*

99 *Id.*

100 *Id.*

101 *Id.*

102 *Id.* at 1167, 38 U.S.P.Q.2d at 1851.

103 *Id.* at 1165, 38 U.S.P.Q.2d at 1849.

104 *Id.* (citing *Roy Export Co. Establishment of Vaduz, Leichtenstein v. Columbia Broad. Sys., Inc.*, 672 F.2d 1095, 1101, 215 U.S.P.Q. (BNA) 289, 294 (2d Cir. 1982)).

105 *Twin Books*, 83 F.3d at 1165, 38 U.S.P.Q.2d at 1849.

106 *Id.* at 1165-66, 38 U.S.P.Q.2d 1850 (citing MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT § 7.02(C)(1)(1996)).

107 *Id.* at 1167, 38 U.S.P.Q.2d at 1851.

108 *Id.*

109 *Id.* at 1168, 38 U.S.P.Q.2d at 1852.

110 *Id.*

111 78 F.3d 1448, 38 U.S.P.Q.2d (BNA) 1196 (9th Cir. 1996).

112 *Id.* at 1450, 38 U.S.P.Q.2d at 1197.

113 *Id.* at 1450-51, 38 U.S.P.Q.2d at 1197.

114 *Id.* at 1451, 38 U.S.P.Q.2d at 1198.

115 *Id.*

116 *Id.* at 1452, 38 U.S.P.Q.2d at 1199.

117 *Id.*

118 *Id.* at 1453, 38 U.S.P.Q.2d at 1200.

119 *Id.*

120 *Id.*

121 *Id.* at 1454, 38 U.S.P.Q.2d at 1201.

122 *Id.* at 1455, 38 U.S.P.Q.2d at 1201.

123 *Id.* (citing *Rano v. Sipa Press, Inc.*, 987 F.2d 580, 586, 26 U.S.P.Q.2d (BNA) 1051, 1054-55 (9th Cir. 1993)).

124 *Id.*, 38 U.S.P.Q.2d at 1202.

125 921 F. Supp. 1154, 39 U.S.P.Q.2d (BNA) 1124 (S.D.N.Y. 1996).

126 *Id.* at 1155, 39 U.S.P.Q.2d at 1125.

127 *Id.* at 1156, 39 U.S.P.Q.2d at 1126.

128 *Id.* at 1158, 39 U.S.P.Q.2d at 1127.

129 *Id.* at 1155, 39 U.S.P.Q.2d at 1125.

130 *Id.*

131 *Id.* at 1157, 39 U.S.P.Q.2d 1126.

132 *Id.* at 1158, 39 U.S.P.Q.2d at 1127 (citing 17 U.S.C. § 201(a) (1988)).

133 *Id.* at 1157, 39 U.S.P.Q.2d 1126 (citing 17 U.S.C. § 101 (1988 & Supp. 1993)).

134 *Id.*, 39 U.S.P.Q.2d at 1127.

135 *Id.* at 1158, 39 U.S.P.Q.2d at 1127 (citing *Effects Associates, Inc. v. Cohen*, 908 F.2d 555, 557, 15 U.S.P.Q.2d (BNA) 1559, 1560 (9th Cir. 1990)).

136 *Papa's-June*, 921 F. Supp. at 1158, 39 U.S.P.Q.2d at 1127.

137 *Id.* at 1160, 39 U.S.P.Q.2d 1129.

138 *Id.*

139 921 F. Supp. 793, 38 U.S.P.Q.2d (BNA) 1906 (D.D.C. 1995).

140 *Id.* at 799, 38 U.S.P.Q.2d at 1910.

141 490 U.S. 730, 740, 10 U.S.P.Q.2d (BNA) 1985, 1990 (1989).

142 RESTATEMENT (SECOND) OF AGENCY § 228 (1958).

143 *Id.* at 798, 38 U.S.P.Q.2d at 1910.

144 *Id.*

145 *Id.*, *See also* *Cramer v. Crestar Financial Corp.*, 38 U.S.P.Q.2d (BNA) 1684 (4th Cir. 1995), Unpublished Opinion (plaintiff motivated in part, to serve master by proving it could be done); *Miller v. CP Chemicals, Inc.*, 808 F. Supp. 1238 (D. S.C. 1992), (plaintiff motivated to create program to increase efficiency in the work place thereby serving the master); *Avtec Systems, Inc. v. Peiffer*, 38 U.S.P.Q.2d (BNA) 1922 (4th Cir. 1995) Unpublished Opinion (defendant was not motivated to serve plaintiff's interests at time programming was fixed in tangible medium).

146 920 F. Supp. 62, 38 U.S.P.Q.2d (BNA) 1790 (S.D.N.Y. 1996).

147 *Id.* at 65, 38 U.S.P.Q.2d at 1793.

148 *Id.*, 38 U.S.P.Q.2d at 1792.

149 *Id.*

150 *Id.* at 64, 38 U.S.P.Q.2d at 1792.

151 84 F.3d 581, 38 U.S.P.Q.2d (BNA) 1810 (2d Cir. 1996).

152 *Id.* at 582, 38 U.S.P.Q.2d at 1811.

153 *Id.* at 589, 38 U.S.P.Q.2d at 1817.

154 *Id.*

155 *Id.* at 588, 38 U.S.P.Q.2d at 1817.

156 *Id.* at 589, 38 U.S.P.Q.2d at 1817.

157 *Id.*

158 *Id.*

159 *Id.*

160 *Id.*

161 *Id.* at 589, 38 U.S.P.Q.2d at 1818.

162 *Id.* at 590, 38 U.S.P.Q.2d at 1818; *See also* Walker v. Time Life Films, 784 F.2d 44, 50 (2nd Cir. 1986), 784 F.2d at 50; Burroughs v. Metro-Goldwyn-Mayer, Inc. 683 F.2d 610, 624, 215 U.S.P.Q. (BNA) 495 (2d Cir. 1982).

163 *Williams*, 84 F.3d at 590, 38 U.S.P.Q.2d at 1818.

164 39 U.S.P.Q.2d (BNA) 1110 (S.D.N.Y. 1996).

165 *Id.* at 1114.

166 *Id.* at 1112, 1114.

167 71 F.3d 996, 1003, 36 U.S.P.Q.2d (BNA) 1737, 1742 (2d Cir. 1995).

168 *Singer*, 39 U.S.P.Q.2d at 1114 (citing *Knitwaves*, 71 F.3d at 1002, 36 U.S.P.Q.2d at 1741).

169 *Singer*, 39 U.S.P.Q.2d at 1114 (quoting *Fisher-Price, Inc. v. Well-Made Toy Mfg., Corp.*, 25 F.3d 119, 123, 30 U.S.P.Q.2d (BNA) 1954, 1957 (2d Cir. 1994)).

170 *Id.* at 1002.

171 *Singer*, at 1114 (quoting *Knitwaves*, 71 F.3d at 1002, 36 U.S.P.Q.2d at 1741).

172 924 F. Supp 918, 39 U.S.P.Q.2d (BNA) 1271 (D. Minn. 1996).

173 *Id.* at 926-27, 39 U.S.P.Q.2d at 1278-79. Fair use might include such things as reproductions for criticism, comment, news reporting, teaching, scholarship, or research. *Id.* at 926, 39 U.S.P.Q.2d at 1278.

174 17 U.S.C. § 107 (1994); *Oasis*, 924 F. Supp at 926, 39 U.S.P.Q. at 1278.

175 *Oasis*, 924 F. Supp at 926, 39 U.S.P.Q.2d at 1278.

176 *Id.*

177 *Id.*

178 *Id.*

179 *Id.* at 927, 39 U.S.P.Q.2d at 1279.

180 *Id.*

181 *Id.* at 928, 39 U.S.P.Q.2d at 1279.

182 *Id.* (citing *Campbell v. Acuff-Rose Music, Inc.*, 114 S. Ct. 1164, 1175, 29 U.S.P.Q.2d (BNA) 1961, 1968 (1994)).

183 *Oasis*, 924 F.Supp. at 928, 39 U.S.P.Q.2d at 1279.

184 *Id.*

185 *Id.* at 928, 39 U.S.P.Q.2d 1279-80.

186 *Id.* at 928, 39 U.S.P.Q.2d at 1280.

187 464 U.S. 417, 220 U.S.P.Q. (BNA) 665 (1984).

188 *Oasis*, 924 F. Supp. at 928, 39 U.S.P.Q.2d at 1280 (quoting *Sony*, 464 U.S. at 450-51, 220 U.S.P.Q. at 695).

189 *Oasis*, 924 F. Supp. at 928, 39 U.S.P.Q.2d at 1280.

190 *Id.*

191 *Id.* at 928-29, 39 U.S.P.Q.2d at 1280.

192 38 U.S.P.Q.2d (BNA) 1024 (S.D.N.Y. 1995).

193 *Id.* at 1025.

194 *Id.*

195 *Id.* at 1027.

196 *Id.*, Section 504(b) of the Copyright Act of 1976, as amended (the “Copyright Act”) provides that a successful plaintiff may recover “the actual damages suffered by him or her as a result of the infringement.” 17 U.S.C. § 504(b)(1994).

197 *Id.*

198 *Id.* at 1028.

199 *Id.* at 1027.

200 *Id.*

201 *Id.* at 1028.

202 *Id.*

203 *Id.* at 1029.

204 17 U.S.C. § 504(b)(1994).

205 *Banff*, 38 U.S.P.Q.2d, at 1028.

206 *Id.*

207 *Id.* (citing *Sheldon v. Metro-Goldwyn Pictures Corp.*, 106 F.2d 45, 54, 42 U.S.P.Q. (BNA) 540, 557 (2d. Cir., 1939)).

208 *Banff*, 38 U.S.P.Q.2d, at 1028.

209 *Id.* at 1029.

210 38 U.S.P.Q.2d (BNA) 1446 (W.D.N.Y. 1995).

211 *Id.* at 1447.

212 *Id.* at 1447-48.

213 *Id.* at 1448.

214 *Id.*

215 17 U.S.C. § 504(c) (1994) sets the range of statutory damages at \$500 to \$20,000, and, in the case of willful infringement, up to \$100,000, per work infringed.

216 *Canaan Music*, 38 U.S.P.Q.2d at 1448, (citing *F.W. Woolworth Co. v. Contemporary Arts, Inc.*, 344 U.S. 228, 233, 95 U.S.P.Q. (BNA) 396, 398 (1952)).

217 *Canaan Music*, 38 U.S.P.Q.2d at 1448.

218 38 U.S.P.Q.2d (BNA) 1893 (N.D. Cal. 1996).

219 *Id.* at 1894.

220 *Id.* at 1897 (citing *Hearst Corp. v. Stark*, 639 F. Supp. 970, 979-80, 230 U.S.P.Q. (BNA) 401, 407 (N.D. Cal. 1986)).

221 *Spenser*, 38 U.S.P.Q.2d at 1897.

222 *Id.*

223 *Id.*

224 *Id.* (citing 17 U.S.C. § 505 (1994)).

225 *Id.* at 1896-97.

226 *Id.* at 1897.

227 81 F.3d 597, 38 U.S.P.Q.2d (BNA) 1699 (5th Cir. 1996).

228 *Id.* at 598, 38 U.S.P.Q.2d at 1700.

229 *Id.* at 599, 38 U.S.P.Q.2d at 1700-01.

230 *Id.* at 601, 38 U.S.P.Q.2d at 1703.

231 *Id.*

232 *Id.* (quoting *Lasercomb Am., Inc. v. Reynolds*, 911 F.2d 970, 977, 15 U.S.P.Q.2d (BNA) 1846, 1852 (4th Cir. 1990)).

233 *DSC Communications*, 81 F.3d at 601, 38 U.S.P.Q.2d at 1703.

234 78 F.3d 1007, 38 U.S.P.Q.2d (BNA) 1355 (5th Cir. 1996).

235 *Id.* at 1009, 38 U.S.P.Q.2d at 1356.

236 *Id.* at 1012, 38 U.S.P.Q.2d at 1358-59.

237 *Id.* at 1013, 38 U.S.P.Q.2d at 1359.

238 *Id.*

239 *Id.*

240 *Id.* at 1014, 38 U.S.P.Q.2d at 1360.