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Recent Development

**RECENT DEVELOPMENTS IN COPYRIGHT LAW**

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## **\*82 I. Introduction**

This article reviews selected copyright cases reported in the United States Patent Law Quarterly, Second Series, Volume 41, Number 5, through Volume 43, Number 8. It also summarizes key proposed legislation under consideration during the time period covered by those reports.

The surveyed cases range from the sublime--a case concerning purported celestial authorship--to the mundane--a case involving a book of trivia about *Seinfeld*, the popular television comedy that professes to be about "absolutely nothing." Within this broad spectrum, the cases touch upon several pressing and perennially unresolved issues in copyright law. These issues include, among others, the availability of protection for case reports, compilations, and maps; parallel imports and the first sale doctrine; Internet provider liability for user infringements; the applicability of fair use to mixed parody and satire and to unauthorized rebroadcasts of news footage; the preemption of state protection for noncopyrightable data; and the award of attorneys' fees to prevailing defendants. The proposed legislation centers on applying copyright law in the digital network environment, in part seeking to implement the recently adopted WIPO Copyright Treaty.

## **II. Copyrightability**

### **A. "Channeled" Authorship**

In *Urantia Foundation v. Kristen Maaherra*,<sup>1</sup> the Ninth Circuit faced a novel dispute involving "channeled" authorship. Both parties believed that the subject work, the *Urantia Book*, was authored by celestial beings and transcribed, compiled, and

collected by mortals upon its revelation through a human medium.<sup>2</sup> The defendant conceded copying but insisted that there could be no valid copyright in the \*83 work because it lacked the requisite human creativity and therefore did not constitute a “work of authorship” within the meaning of the Copyright Act.<sup>3</sup> The court agreed that “it is not the creations of divine beings that the copyright laws were intended to protect, and that in this case some element of human creativity must have occurred in order for the Book to be copyrightable.”<sup>4</sup> In a deft maneuver, the court then found that the plaintiff’s predecessors had in fact contributed that creativity; by choosing and formulating questions that were posed to the human medium for the purported divine revelation, the plaintiff’s predecessors had effectively selected particular revelations and materially contributed to the work’s structure, arrangement, and organization.<sup>5</sup> The court ruled that this original selection and arrangement did amount to a work of human authorship susceptible to copyright protection.<sup>6</sup> The court’s ruling might have ramifications for the question of the copyrightability of computer-generated works, where the selection and arrangement of the work’s material can sometimes be ascribed to human programmers.<sup>7</sup>

## B. Case Reports

In two separate decisions, the United States District Court for the Southern District of New York held that the principal elements of West Publishing’s (West) case law reporters are not copyrightable. In the first decision, which was issued from the bench without written opinion in November 1996, the court ruled that West’s compilation copyright does not extend to its case reporter page numbers and therefore is not infringed by a CD-ROM case law publisher’s use of those numbers for “star pagination.”<sup>8</sup> That ruling directly conflicts with a 1996 decision of the Minnesota district court, *Oasis Publishing Co. v. West Publishing Co.*,<sup>9</sup> upholding West’s copyright in its pagination.

In the second decision,<sup>10</sup> the same New York court ruled that West has no copyright in the changes West makes to case opinions before publishing the opinions in its reporters. The court found that West adds parallel citations, modifies the case \*84 caption to conform to its style, adds information regarding the attorneys for the parties and the subsequent history of the case, and sometimes makes corrections and fills in blanks within the text of the opinions.<sup>11</sup> The court applied the standard for originality in a derivative work set forth in *L. Batlin & Son, Inc. v. Snyder*.<sup>12</sup> Despite West’s additions, the court held that the changes did not constitute a “substantial variation” from the underlying public domain opinions and thus did not represent sufficient creative effort, either separately or in combination, to warrant copyright protection.<sup>13</sup>

## C. Compilations

Continuing the broad reading of *Feist Publications, Inc. v. Rural Telephone Service Co.*<sup>14</sup> that it enunciated in *BellSouth Advertising & Publishing Corp. v. Donnelley Information Publishing, Inc.*,<sup>15</sup> the Eleventh Circuit ruled, over a vigorous dissent, that the portion of a directory of cable television systems copied by the defendant lacked sufficient creativity to qualify for copyright protection for the compilation.<sup>16</sup> The plaintiff listed alphabetically all communities receiving cable television service in the United States. For those communities served by multiplecommunity cable systems, the plaintiff’s directory denoted one community as the “principal” community. The directory then set forth all information regarding the multiple-community cable system in the entry for the “principal” community served by that system. Entries for nonprincipal communities simply provided a cross-reference to the entry for the principal community. The plaintiff’s identification of principal communities distinguished its directory from prior cable television directories.<sup>17</sup>

At issue was whether the selection of the principal communities was creative and thus protectible. The plaintiff-appellee did not contest the district court’s holding that the directory’s arrangement lacked sufficient creativity to qualify for copyright protection.<sup>18</sup> The Eleventh Circuit found insufficient creativity in that selection, in part because the directory selected every community listed by the Federal Communications Commission in its list of cable systems (albeit identifying \*85 certain of those communities as “principal” communities), and in part because the plaintiff relied on cable operators to determine which communities to identify as principal communities.<sup>19</sup>

However, in addition to insisting that the plaintiff’s selection of principal communities did exhibit the modicum of creativity required under *Feist*,<sup>20</sup> the dissent sought to distinguish *BellSouth*, noting that the decision has drawn considerable criticism and strongly implying that it should be confined to its facts.<sup>21</sup>

## D. Maps

In *Alexandria Drafting Co. v. Amsterdam*,<sup>22</sup> a case applying the *Feist* standard to maps, the defendant admitted copying certain elements of the plaintiff's map, including fictitious roads designed to capture unwary cartographic plagiarists. Nevertheless, the United States District Court for the Eastern District of Pennsylvania found for the defendant on the grounds that the copied elements were uncopyrightable. The court conceded that, under *Feist*, maps may enjoy "thin" protection as compilations, given cartographer creativity in determining such factors as the level of detail, thickness of lines, color scheme, and whether to include unnamed or private roads.<sup>23</sup> The court also recognized that maps might enjoy a somewhat greater scope of protection if viewed as pictorial works, as maps are categorized in the Copyright Act.<sup>24</sup> Appearing to apply a "thin" scope of protection, however, the court emphasized that while the map as a whole might enjoy protection, the copyright does not necessarily extend to its individual elements.<sup>25</sup>

In particular, the court found that the plaintiff's fictitious roads were uncopyrightable.<sup>26</sup> In so doing, it cited precedent denying copyright protection to "false facts," based in part on the idea that to accord protection to "false facts" interspersed with actual facts would chill the fully permissible copying of the actual facts.<sup>27</sup> It also found that the plaintiff's positioning of symbols and street alignments \*86 were uncopyrightable efforts to depict facts as accurately as possible.<sup>28</sup> In this regard, the court declined to find copyrightable creativity in slight departures from the actual grid, noting that such departures merely reflected fallibility in cartographic technique, not creative choice.<sup>29</sup>

## E. Government Adoption

In *Practice Management Information Corp. v. American Medical Association*,<sup>30</sup> the plaintiff, a publisher of medical books, brought an action seeking a declaratory judgment of copyright invalidity in the defendant AMA's reference book, *Physician's Current Procedural Technology* (CPT), which identifies more than 6000 medical procedures and assigns to each procedure a numerical code for use by physicians and others to identify particular medical procedures.<sup>31</sup> Beginning in 1983, the Health Care Financing Administration (HCFA), an agency of the federal government, has published notices in the Federal Register incorporating the CPT in HCFA's Common Procedure Coding System and has issued regulations requiring applicants for Medicaid reimbursement to use the CPT nomenclature.<sup>32</sup> As a result, the plaintiff argued, the CPT effectively became federal law and, given the due process requirement of free access to the law, had necessarily entered the public domain.<sup>33</sup> The Ninth Circuit rejected the plaintiff's argument. In so doing, it joined with the First Circuit and its decision in *Building Officials and Code Administration v. Code Technology, Inc.*,<sup>34</sup> and the Second Circuit and its decision in *CCC Information Services v. MacLean Hunter Market Reports*,<sup>35</sup> both of which declined to hold invalid the copyright in works adopted by state governments as law.<sup>36</sup>

The court conceded that "the due process requirement of free access to the law ... may be relevant."<sup>37</sup> It insisted, however, that such requirement "does not justify termination of the AMA's copyright," because 1) there was no evidence that the AMA sought or has any incentive to restrict access to the CPT and 2) should the AMA ever do so, copiers would have available a number of remedies short of invalidating the AMA's copyright, including fair use, due process defenses, and \*87 judicially imposed compulsory licenses.<sup>38</sup> The court also distinguished cases, such as that of the AMA in which the government adopts a privately created work, from cases holding judicial opinions uncopyrightable:

The copyright system's goal of promoting the arts and sciences by granting temporary monopolies to copyright holders was not at stake in *Banks* [a leading nineteenth-century case holding judicial opinions uncopyrightable] because judges' salaries provided adequate incentive to write opinions. In contrast, copyrightability of the CPT provides the economic incentive for the AMA to produce and maintain the CPT. "To vitiate copyright, in such circumstances, could, without adequate justification, prove destructive of the copyright interest, in encouraging creativity," a matter of particular significance in this context because of "the increasing trend toward state and federal adoptions of model codes."<sup>39</sup>

## F. Athletic Events

In *National Basketball Association v. Motorola, Inc.*,<sup>40</sup> the defendants marketed a paging device that displays updated game scores and other information about professional basketball games in progress. While much of the Second Circuit's opinion concerns the preemption of the National Basketball Association's (NBA) state law misappropriation claim as discussed below, the court also dispensed with the NBA's claim of copyright infringement, holding first that athletic events, such as NBA games, are not copyrightable, although broadcasts of such events may be protected.<sup>41</sup> Sport events, the court reasoned, "are not 'authored' in any common sense of the word ... . Unlike movies, plays, television programs, or operas, athletic

events are competitive and have no underlying script.”<sup>42</sup> Indeed, the court speculated, if sports events, formations, and plays could be copyrighted, that would seriously impair future competition since athletes might then be precluded from engaging in like performances.<sup>43</sup> While case law is scarce on the issue of whether organized events themselves are copyrightable, the court continued, those authorities that do speak to the issue,<sup>44</sup> together with reasoned analysis and the legislative \*88 history of the Copyright Act of 1976, strongly weigh against copyrightability.<sup>45</sup>

The court then held that the defendants’ transmissions of data regarding NBA games in progress do not infringe the NBA’s copyright in broadcasts of the games.<sup>46</sup> The NBA’s copyright, the court emphasized, extends only to the expression or description of the games that constitutes the broadcast; it does not extend to facts that the broadcasts may present.<sup>47</sup> The court concluded that because the defendants had reproduced “only factual information culled from the broadcasts and none of the copyrightable expression of the games, they did not infringe the copyright of the broadcasts.”<sup>48</sup>

### III. Infringement

#### A. Substantial Similarity; Fictional “Facts”

*Castle Rock Entertainment v. Carol Publishing Group, Inc.*<sup>49</sup> arose from the defendants’ publication of *The Seinfeld Aptitude Test*, a book of trivia concerning the plaintiff’s popular television comedy, *Seinfeld*. In granting the plaintiff’s motion for summary judgment on the issue of copyright infringement, the United States District Court for the Southern District of New York found substantial similarity as a matter of law, holding that substantial similarity will lie whenever the defendant has appropriated protected material without consent or privilege.<sup>50</sup> The court found that the defendants had unlawfully appropriated the plaintiff’s protected material not only by quoting dialogue from the *Seinfeld* show, but also in that the correct answers to each of the 643 questions posed in the book reflected “information derived from *Seinfeld* episodes.”<sup>51</sup>

The court rejected the defendants’ argument that such information constitutes unprotected facts: “The facts depicted in a *Seinfeld* episode ... are quite unlike the facts depicted in a biography, historical text, or compilation. *Seinfeld* is fiction; both the ‘facts’ in the various *Seinfeld* episodes, and the expression of those facts, are plaintiff’s creation.”<sup>52</sup> Had the defendants’ book merely posed questions about the program as a historical phenomenon, such as who acts in the program or who directs \*89 or produces it, then, the court stated, defendants would have permissibly reported uncopyrightable fact.<sup>53</sup> Since, however, the defendants had appropriated fictional “facts” that constituted the plaintiff’s copyrightable expression, the defendants had infringed the plaintiff’s copyright absent a finding of privilege, such as fair use.<sup>54</sup>

#### B. Computer Software

The Second Circuit ruled, in *Softel, Inc. v. Dragon Medical & Scientific Communications, Inc.*,<sup>55</sup> that similarities in computer program architecture can support a copyright infringement claim even when many or all of the design elements that make up that architecture are not protectible when considered at a lower level of abstraction.<sup>56</sup> Applying the abstraction-filtration-comparison method of analysis, the district court had filtered out every element of the plaintiff’s program and had thus concluded that it was unnecessary to proceed to the comparison stage.<sup>57</sup> The Second Circuit held, however, that infringement may lie in the substantial similarity in overall architecture or structure even if every element has been filtered out as unprotectible.<sup>58</sup> In so holding, the court likened a computer program to a compilation, which may enjoy copyright protection by virtue of its creative selection and arrangement even if its constituent elements do not.<sup>59</sup> It also invoked *Computer Associates International, Inc. v. Altai, Inc.*,<sup>60</sup> which, after enunciating and applying the abstraction-filtration-comparison test, had proceeded to examine whether the program’s organizational structure was itself copyrightable and infringed.<sup>61</sup>

#### C. Electronic Bulletin Board Operator Liability

In a much discussed 1994 decision, the United States District Court for the Northern District of California had preliminarily enjoined the copying of the plaintiff Sega Enterprise’s (Sega) computer games by way of an electronic bulletin board \*90 (BBS) operated by the defendants.<sup>62</sup> In its more recent decision,<sup>63</sup> the court granted Sega’s motion for summary judgment regarding the defendants’ liability for copyright infringement, trademark infringement, and unfair competition, and permanently enjoined further copying of Sega’s games.<sup>64</sup> In so doing, the court sought to clarify certain controversial aspects

of its preliminary injunction ruling.

The defendant BBS operator Chad Sherman admitted that BBS users were allowed, with his knowledge, to upload and download Sega games, but maintained that such copying constituted fair use, a claim that the court rejected.<sup>65</sup> In its preliminary injunction ruling, the court had suggested that Sherman was directly liable for the users' copying, noting that by facilitating such copying, Sherman had in effect publicly distributed Sega's games without Sega's authorization.<sup>66</sup> In its summary judgment/permanent injunction ruling, the court found, however, that Sherman was not directly liable for such copying.<sup>67</sup> In so finding, the court found persuasive and applicable the holding in *Religious Technology Center v. Netcom On-Line Communication Services, Inc.*,<sup>68</sup> that an Internet provider is not directly liable for subscriber copying even where the provider has knowledge of potential infringement by its subscribers.<sup>69</sup> Following *Netcom*, the court reasoned that holding Internet providers directly liable for subscriber copying "could lead to the liability of countless parties whose role in the infringement is nothing more than setting up and operating a system that is necessary for functioning of the Internet."<sup>70</sup> As the court recognized, Sherman's actions were more participatory than those of the *Netcom* defendants; Sherman actively encouraged his BBS users to copy.<sup>71</sup> Nevertheless, the court ruled that because Sherman had not directly caused the copying, he could not be liable for direct infringement.<sup>72</sup>

The court proceeded to find Sherman liable for contributory infringement, **\*91** however.<sup>73</sup> Following *Fonovisa, Inc. v. Cherry Auction, Inc.*,<sup>74</sup> it set forth a two-part test for contributory infringement. In order to be held liable for contributory infringement, the defendant must have (1) known of the infringing activity and (2) induced, caused, or materially contributed to such activity.<sup>75</sup> The court held that the test was met in the instant case because Sherman knew of, actively encouraged, and, indeed, profited from his BBS users' copying of Sega's games and provided the site and facilities for such infringing activity.<sup>76</sup>

#### **IV. Fair Use**

##### **A. Parody/Satire**

In *Dr. Seuss Enterprises, L.P. v. Penguin Books USA, Inc.*,<sup>77</sup> the Ninth Circuit held that the defendant's comic use of the plaintiff's work constituted neither a parody nor a fair use. The defendants published a biting refrain on the O.J. Simpson trial entitled *The Cat NOT in the Hat!*, which was written in the same poetic meter and whimsical style as Dr. Seuss's *The Cat in the Hat* and which repeatedly used the image of the copyrighted Cat in the Hat character and the character's Hat.<sup>78</sup> In denying the defendants' claim of fair use, the court held that the use was a satire, not a parody, because it focused on the Simpson trial rather than commenting on the Dr. Seuss original.<sup>79</sup> As a result, the court posited, the defendants' use did not enjoy the favored treatment given to parody in fair use analysis.<sup>80</sup> The court arguably adopted a narrow reading of the Supreme Court's decision in *Campbell v. Acuff-Rose Music, Inc.*<sup>81</sup> There, the Supreme Court accorded Campbell's partly satiric, partly parodic song favorable treatment in its fair use analysis because the song "reasonably could be perceived as commenting on the original or criticizing it, to some degree."<sup>82</sup>

##### **\*92 B. News**

In *Los Angeles News Service v. KCAL-TV Channel 9*,<sup>83</sup> the plaintiff-appellant Los Angeles News Service (LANS) had filmed the Reginald Denny beating from its helicopter. Although LANS had generally licensed its videotape to the media, the defendant KCAL-TV (KCAL) broadcast portions of the tape without a license.<sup>84</sup> The district court granted KCAL's motion for summary judgment on the grounds of fair use.<sup>85</sup> In so holding, the district court found that the Denny videotape contained unique and newsworthy footage of considerable public interest and that LANS had failed to identify any lost license opportunities resulting from the KCAL broadcasts.<sup>86</sup> The Ninth Circuit reversed and remanded, holding that a trier of fact could reasonably conclude that fair use did not apply.<sup>87</sup> It emphasized that LANS is in the business of selling its raw footage to television news producers and that if KCAL and others were able to broadcast that footage without paying for it, LANS's creative incentive would be adversely affected.<sup>88</sup> In the court's view, that market harm, coupled with the fact that KCAL stood to profit from the exploitation of copyrighted material without paying the customary price, may well outweigh the news reporting and public interest aspects of KCAL's use.<sup>89</sup>

##### **C. Transformative Use**

In *Castle Rock Entertainment v. Carol Publishing Group, Inc.*,<sup>90</sup> which is discussed above, the United States District Court for the Southern District of New York granted the plaintiff's motion for summary judgment for copyright infringement arising from the defendants' publication of a book of trivia concerning the plaintiff's popular television comedy, *Seinfeld*. In rejecting the defendants' claim of fair use, the court applied the four factors set forth in Section 107 of the Copyright Act: (1) the purpose and character of the use, (2) the nature of the copyrighted work, (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole, and (4) the effect of the use upon the potential market for or value of the copyrighted work.<sup>91</sup>

\*93 The court held that the first factor worked to the defendants' advantage. The defendants' book, the court found, constituted a transformative work that exhibited "a rather creative and original way in which to capitalize upon the development of a 'T.V. culture' in our society."<sup>92</sup> The court emphasized, however, that although the transformative character of the defendants' work weighed in favor of fair use, the initial advantage could be outweighed by the remaining three factors.<sup>93</sup> It found as well that the defendants' initial advantage must be tempered, "if only slightly," by the fact that their book was a commercial endeavor.<sup>94</sup> Although the court hastened to cite the Supreme Court's rejection of the notion that commerciality brings a presumption of unfairness,<sup>95</sup> it opined that the Copyright Act's preference for nonprofit educational uses over commercial uses bears some weight nonetheless.<sup>96</sup>

Given the fictional and creative nature of the *Seinfeld* show, the defendants conceded that the second factor weighed against fair use.<sup>97</sup>

With regard to the third factor, the court ruled that even if the defendants were correct in their claim that they had copied only 3.6% of the *Seinfeld* episode most referenced in the book, the defendants had appropriated the most significant elements of the *Seinfeld* program and had made them the most important elements of their book.<sup>98</sup> The court insisted that its determination that the defendants' book "is substantially similar to *Seinfeld* 'so as to be prima facie infringing should suffice for a determination that the third fair use factor favors the plaintiff.'"<sup>99</sup> In so holding, the court correctly recognized that its conflation of the third factor with the standard for determining substantial similarity means that the third factor will always count against the defendant, since fair use analysis comes into play only after a finding of substantial similarity.<sup>100</sup> Rather than concluding from this, however, that the third factor cannot in fact be coterminous with substantial similarity, the court merely held that a finding that the third factor favors the plaintiff is not dispositive of the defendants' claim of fair use.<sup>101</sup>

\*94 The court characterized the fourth factor of market effect as "undoubtedly the single most important element of fair use,"<sup>102</sup> spurning recent suggestions by the Supreme Court in *Campbell v. Acuff-Rose Music, Inc.*,<sup>103</sup> and the Second Circuit in *American Geophysical Union v. Texaco Inc.*,<sup>104</sup> that all four factors are to be treated on equal footing.<sup>105</sup> The court emphasized as well that the proper inquiry concerns the "potential market" for the plaintiff's work, including the potential market for as yet nonexistent derivative works: "In other words, the court must consider not only whether SAT the defendants' trivia book detracts from interest in *Seinfeld*, or even whether SAT occupies markets that plaintiff intends to enter; the analysis is whether SAT occupies derivative markets that plaintiff may potentially enter."<sup>106</sup> The court granted that the "market for potential derivative uses includes only those that creators of original works would in general develop or license others to develop," and thus would not encompass parody or criticism.<sup>107</sup> It held, however, that the market for a *Seinfeld* trivia game, which neither criticizes nor parodies the program, is one that should be left to the plaintiff's exclusive control. In so holding, the court stated further that the potential markets inquiry should not be affected by the prospect that the plaintiff will choose to leave the derivative market in question unsatisfied.<sup>108</sup> A copyright holder, the court insisted, is entitled to exercise its control over derivative markets for a copyrighted work by refraining from inundating those markets, just as artists may express themselves by deciding not only what to create, but also what not to create.<sup>109</sup>

## V. Registration

Reversing the district court's grant of summary judgment in favor of the defendant, the Second Circuit ruled in *Fonar Corp. v. Domenick*<sup>110</sup> that the plaintiff's Copyright Office certificate of copyright registration was sufficient to afford the plaintiff a presumption of copyright validity. Copyright Office regulations provide that a person applying to register a computer program need not deposit the program's full text; it is sufficient to submit the first and last twenty-five \*95 pages of the human-readable source code.<sup>111</sup> Although the plaintiff's software consisted of numerous subprograms, the plaintiff had submitted to the Copyright Office only the first twenty-nine and the last thirty-four pages of the entire program.<sup>112</sup> The defendant contended, and the district court accepted, that this submission was insufficient to identify the program's subprograms, and thus, the registration certificate did not give rise to a presumption of copyright validity.<sup>113</sup> The Second

Circuit held, however, that absent a showing that the plaintiff defrauded or made a deliberate misrepresentation to the Copyright Office, the Copyright Office's acceptance of the plaintiff's deposit and its issuance of the copyright registration certificate does give rise to a presumption of validity.<sup>114</sup> The court emphasized that a presumption of regularity and appropriateness in filing is ordinarily subsumed in the presumption of validity that attaches to the registration certificate.<sup>115</sup>

## VI. Importation and First Sale Doctrine

In *Quality King Distributors, Inc. v. L'anza Research International, Inc.*,<sup>116</sup> the Supreme Court granted certiorari to review a Ninth Circuit decision involving the applicability of the first sale doctrine to the right to block infringing imports under Section 602(a)<sup>117</sup> of the Copyright Act. In this and other cases, the Ninth Circuit has held that the first sale doctrine does not prevent infringement liability under Section 602(a) for the unauthorized importation of U.S. copyrighted goods, even where the U.S. copyright owner has previously distributed the goods to a foreign purchaser and the importer has lawfully acquired the goods.<sup>118</sup> Previous Ninth Circuit decisions have held that the first sale doctrine is inapplicable to foreign manufactured goods;<sup>119</sup> *L'anza* extended that rule to U.S. manufactured goods that were exported \*96 and then re-imported into the United States.<sup>120</sup> In contrast, in *Sebastian International, Inc. v. Consumer Contacts (PTY), Ltd.*,<sup>121</sup> the Third Circuit held that Section 602(a) does *not* give the copyright owner the right to prevent the unauthorized importation of goods that have previously been distributed under the authority of the copyright owner.<sup>122</sup> This conflict between circuits, as well as a potential inconsistency between the Ninth Circuit's position on the applicability of the first sale doctrine to Section 602(a) and trademark law regarding parallel imports, may have been factors in the Supreme Court's decision to review the Ninth Circuit decision.

## VII. Preemption

In *National Basketball Association v. Motorola, Inc.*,<sup>123</sup> discussed above, the district court had enjoined the defendants from transmitting scores or other data about National Basketball Association (NBA) games in progress on the grounds that such transmissions constitute a misappropriation of "hot news" that is the property of the NBA. The Second Circuit vacated the injunction and ordered that the NBA's misappropriation claim be dismissed.<sup>124</sup> After upholding the district court's rejection of the NBA's claim of copyright infringement as discussed above, the court held that the NBA's state-law misappropriation claim was preempted under Section 301 of the Copyright Act.<sup>125</sup>

Section 301 provides that a state claim will be preempted if it meets both the copyright subject matter and the general scope or the equivalent rights requirements set forth in that section.<sup>126</sup> The Second Circuit ruled that both the broadcasts and the games met Section 301's copyright subject matter requirement, and that in extending copyright protection only to broadcasts and not to underlying events, Congress intended that the latter be in the public domain.<sup>127</sup> The court then turned to the general scope requirement, noting that a state-law claim will survive preemption only if it contains an "extra element" beyond that required to make out a claim for copyright infringement.<sup>128</sup> The court held that a "hot-news" misappropriation claim concerning material within the realm of copyright will survive preemption only if it \*97 contains the extra elements of (1) time-sensitive value of factual information, (2) free-riding by a defendant, and (3) a threat to the very existence of the product or service provided by plaintiff.<sup>129</sup> The court then concluded that the latter two elements were absent in the NBA's misappropriation claim, because the defendants expend their own resources to collect and transmit factual information about NBA games and because the defendants' use of pagers to transmit real-time information about NBA games does not directly compete with NBA games or broadcasts.<sup>130</sup>

## VIII. Transfers

In *Broadcast Music, Inc. v. Hirsch*,<sup>131</sup> a case involving competing claims to a songwriter's royalty income, the Ninth Circuit held that an assignment of royalties does not constitute a "transfer of copyright ownership" under the Copyright Act and thus, the Act's provision regarding the priority given to conflicting transfers was not applicable.<sup>132</sup> In 1989, the songwriter assigned to the appellants his rights to receive future royalty income from Broadcast Music, Inc. (BMI). Subsequently, the Internal Revenue Service (IRS) recorded notices of tax liens against the songwriter's royalty income. Section 205(d) of the Copyright Act provides that as between two conflicting transfers, the later transfer prevails if it is recorded first.<sup>133</sup> Because the appellants failed to record their royalty assignment and federal law exempts the IRS from the recording requirement, the IRS asserted that its subsequent lien enjoyed priority. The Ninth Circuit rejected the IRS's argument, holding Section 205 inapplicable to transactions, including assignments of royalty income, that do not constitute a transfer of copyright



ownership.<sup>134</sup> Applying state law, the court held that the songwriter's royalty assignment was effective upon his execution of the notice of assignment and thus preceded the IRS lien.<sup>135</sup>

## **IX. Attorneys' Fees**

Courts continue to have difficulty applying the "evenhanded" approach to awarding attorneys' fees to prevailing copyright litigants, which the Supreme Court mandated in its 1994 decision in *Fogerty v. Fantasy, Inc.*<sup>136</sup> In *Fogerty*, the Court \*98 expressly disapproved of the practice in some circuits of awarding fees to prevailing defendants only upon a showing of the plaintiff's frivolousness or bad faith.<sup>137</sup> At the same time, the Court rejected the argument that the "British Rule" requiring fees for the winner as a matter course should be adopted.<sup>138</sup> Instead, the Court sought to carve out a middle position, under which "p prevailing plaintiffs and prevailing defendants are to be treated alike, but attorney's fees are to be awarded to prevailing parties only as a matter of the court's discretion."<sup>139</sup> The Court then identified a number of factors that courts may consider in exercising such discretion, so long as they are applied evenhandedly between prevailing plaintiffs and defendants: "frivolousness, motivation, objective unreasonableness (both in the factual and in the legal components of the case) and the need in particular circumstances to advance considerations of compensation and deterrence."<sup>140</sup>

In *Edwards v. Red Farm Studio Co.*,<sup>141</sup> the First Circuit overturned the district court's refusal to award attorneys' fees to the prevailing defendant. The district court, concluded the First Circuit, had based that refusal on the grounds that the plaintiff's claim was neither frivolous nor in bad faith--factors which, under *Fogerty*, are no longer the sole factors to be considered.<sup>142</sup> Based on the record before it, the court found that the plaintiff's claim was at the least "highly unreasonable" and that the district court's failure to award defendant attorney's fees thus constituted an abuse of discretion.<sup>143</sup> In so holding, the court stressed *Fogerty*'s recognition of "the important role played by copyright defendants'--preventing copyright owners from restricting rightful publications."<sup>144</sup>

Similarly, in *FASA Corp. v. Playmates Toys, Inc.*,<sup>145</sup> the Seventh Circuit vacated and remanded the district court's denial of the defendant's motion for attorneys' fees because the district court appeared to rely entirely on the grounds that the plaintiff's claim was not in bad faith and that the case was not exceptional.<sup>146</sup> In so doing, the court emphasized the difference between the respective standards for \*99 granting attorney's fees under the Lanham Act and the Copyright Act.<sup>147</sup> The Lanham Act provides that the court may award attorney fees to the prevailing party only in "exceptional cases."<sup>148</sup> The Copyright Act, however, leaves the award of attorneys' fees to the court's discretion,<sup>149</sup> and under *Fogerty* neither bad faith nor an exceptional case is required for such an award.<sup>150</sup>

## **X. Copyright Misuse**

As noted above, in *Practice Management Information Corp. v. American Medical Association*,<sup>151</sup> the Ninth Circuit held that federal regulations requiring the use of the American Medical Association's (AMA) reference book, *Physician's Current Procedural Technology* (CPT), did not disqualify the work from copyright protection.<sup>152</sup> However, the Ninth Circuit did find for the declaratory relief plaintiff Practice Management on the issue of copyright misuse, holding that the AMA had misused its copyright by licensing the CPT to the Health Care Financing Administration (HCFA) in exchange for HCFA's agreement not to use a competing system.<sup>153</sup> In so holding, the court rejected the AMA's argument that it was HCFA, not the AMA, who wished to require use of a single code.<sup>154</sup> Likewise, the court was unpersuaded by the AMA's claim that copyright misuse requires establishment of an antitrust violation.<sup>155</sup> Given its finding of copyright misuse, the court remanded for entry of judgment in favor of the plaintiff.<sup>156</sup>

## **XI. Proposed Legislation**

### **A. WIPO Copyright Treaties Implementation Act**

A diplomatic conference held in Geneva in December 1996 under the auspices of the World Intellectual Property Organization (WIPO) adopted a copyright treaty designed to bring international copyright law into the digital age. The WIPO \*100 Copyright Treaty,<sup>157</sup> which constitutes a special agreement under the Berne Convention for the Protection of Literary and Artistic Works,<sup>158</sup> provides that computer programs constitute literary works under the Berne Convention and requires contracting states to prohibit tampering with rights management information and to enact measures that would, in certain

circumstances, prevent the use of devices that circumvent anti-copying technology.<sup>159</sup> The conference also adopted the WIPO Performances and Phonograms Treaty,<sup>160</sup> which grants rights to performers and producers of sound recordings.

The Administration has prepared draft legislation to implement the WIPO Copyright Treaty and the WIPO Performances and Phonograms Treaty as a prelude to Senate ratification of the treaties. The principal substantive provisions of the bills (House Bill 2281<sup>161</sup> and Senate Bill 1121<sup>162</sup>) would proscribe the circumvention of, or the manufacture, import, or sale of any technology, service, or device primarily designed for the purpose of circumventing, a technological protection measure that effectively controls access to a work that is protected by copyright.<sup>163</sup> The bills would also prohibit the removal of copyright management information that accompanies copies of a work protected by copyright.<sup>164</sup> The provision regarding devices that can be used to circumvent access control technology goes beyond that which is required by the WIPO Copyright Treaty. It has accordingly provoked considerable opposition and, as discussed below, a counter legislative proposal entitled the “Digital Copyright Clarification and Technology Education Act of 1997.”

#### **\*101 B. On-Line Copyright Liability Limitation Act<sup>165</sup>**

This bill provides that a person shall not be liable for the infringing acts of another based solely on transmitting or otherwise providing access to material on-line, unless that person participates in, receives a financial benefit from, encourages, or knows of the infringing activity in a manner specified in the proposed legislation.<sup>166</sup> The bill also provides that a person shall not be liable for removing or blocking access to on-line material in response to information that said material is infringing.<sup>167</sup>

#### **C. Digital Copyright Clarification and Technology Education Act of 1997<sup>168</sup>**

This bill would effectively create a somewhat broader exemption from on-line service provider liability for infringing transmissions than would the On-Line Copyright Liability Limitation Act.<sup>169</sup> The bill would do so principally by affording service providers with greater protection against spurious infringement claims.<sup>170</sup> In addition, in contrast to the proposed WIPO Copyright Treaties Implementation Act,<sup>171</sup> this bill would prohibit only the actual circumvention of anti-copying technology where that circumvention would facilitate or constitute a copyright infringement; it would not prohibit the distribution of devices that could be used for such circumvention.<sup>172</sup>

#### **D. The Copyright Term Extension Act 1997**

Similar to legislation that failed to be voted out of committee in the last Congress, this proposed act (House Bill 604 and Senate Bill 505) would add an additional 20 years to the copyright term.<sup>173</sup>

#### **E. Mass-Market Licenses**

For a number of years, a committee of the National Conference of **\*102** Commissioners on Uniform State Laws (NCCUSL) has been preparing a draft Article 2B, a proposed addition to the Uniform Commercial Code (UCC) intended to govern the licensing of information products and computer software. In its current form, draft UCC Section 2B-308 would place few substantive limits on the terms of shrinkwrap, web-site access, and other “mass-market” information-product licenses, so long as “the party agrees, including by manifesting assent, to the mass-market license before or in connection with the initial performance, use of or access to, the information.”<sup>174</sup> However, in an 86-83 vote, the delegates at the American Law Institute’s (ALI) May 20th annual meeting approved a motion providing that the licensing of information products must be consistent with the Copyright Act.<sup>175</sup> In particular, the motion calls for an amendment to the draft of UCC Section 2B-308 that would provide that a term in a mass-market license that is inconsistent with the Copyright Act’s definition of copyrightable subject matter or with its limitations on exclusive rights cannot become a part of the contract.<sup>176</sup> It is as yet uncertain what effect the ALI motion will have on the Article 2B drafting process. In recent years, proposed additions and amendments to the Uniform Commercial Code and other model state laws have been approved by both the NCCUSL and ALI before distribution to state governments for possible enactment.

#### Footnotes

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1 114 F.3d 955, 43 U.S.P.Q.2d (BNA) 1001 (9th Cir. 1997).

2 *Id.* at 957, 43 U.S.P.Q.2d at 1002-03.

3 *Id.* at 958, 43 U.S.P.Q.2d at 1003; *see* 17 U.S.C. § 102 (1994).

4 114 F.3d at 958, 43 U.S.P.Q.2d at 1004.

5 *Id.* at 959, 43 U.S.P.Q.2d at 1004.

6 *Id.*

7 For a general discussion of the issue of copyright protection for computer-generated works, see Arthur R. Miller, *Copyright Protection for Computer Programs, Databases, and Computer-Generated Works: Is Anything New Since CONTU?*, 106 HARV. L. REV. 977, 1046-72 (1993).

8 *See* *Matthew Bender & Co. v. West Publishing Co.*, 41 U.S.P.Q.2d (BNA) 1321, 1330 (S.D.N.Y. 1996) (describing bench ruling).

9 924 F. Supp. 918, 39 U.S.P.Q.2d (BNA) 1271 (D. Minn. 1996).

10 *Matthew Bender & Co. v. West Publishing Co.*, 42 U.S.P.Q.2d (BNA) 1930 (S.D.N.Y. 1997).

11 *Id.* at 1933-34.

12 *Id.* at 1933 (citing *L. Batlin & Son, Inc. v. Snyder*, 536 F.2d 486, 189 U.S.P.Q. (BNA) 753 (2d Cir. 1976) (en banc)).

13 *Id.*

14 499 U.S. 340, 18 U.S.P.Q.2d (BNA) 1275 (1991).

15 999 F.2d 1436, 28 U.S.P.Q.2d (BNA) 1001 (11th Cir. 1993) (en banc).

16 *Warren Publishing, Inc. v. Microdos Data Corp.*, 115 F.3d 1509, 43 U.S.P.Q.2d (BNA) 1065 (11th Cir. 1997).

17 *Id.* at 1520, 43 U.S.P.Q.2d at 1074.

18 *Id.* at 1516, 43 U.S.P.Q.2d at 1070.

19 *Id.* at 1519-20, 43 U.S.P.Q.2d at 1072-74.

20 *Id.* at 1525-31, 43 U.S.P.Q.2d at 1076-81 (Godbold, J., dissenting).

21 *Id.* at 1528-29, 43 U.S.P.Q.2d at 1081-82 (Godbold, J., dissenting).

22 43 U.S.P.Q.2d (BNA) 1247 (E.D. Pa. 1997).

23 *Id.* at 1253.

24 *Id.*; *see* 17 U.S.C. § 102(a)(5) (1994).

25 43 U.S.P.Q.2d at 1253.

26 *Id.*

27 *Id.* (citing *Nester's Map & Guide Corp. v. Hagstrom Map Co.*, 796 F. Supp. 729, 733, 23 U.S.P.Q.2d (BNA) 1749, 1752 (E.D.N.Y. 1992)).

28 *Id.*

29 *Id.* at 1254.

30 121 F.3d 516, 43 U.S.P.Q.2d (BNA) 1611 (9th Cir. 1997).

31 *Id.* at 517-18, 43 U.S.P.Q.2d at 1612-13.

32 *Id.* at 518, 43 U.S.P.Q.2d at 1613.

33 *Id.*

34 628 F.2d 730, 207 U.S.P.Q. (BNA) 81 (1st Cir. 1980).

35 44 F.3d 61, 33 U.S.P.Q.2d (BNA) 1183 (2d Cir. 1994).

36 121 F.3d at 519-20, 43 U.S.P.Q.2d at 1614-15.

37 *Id.* at 519, 43 U.S.P.Q.2d at 1614.

38 *Id.*

39 *Id.* at 518, 43 U.S.P.Q.2d at 1613 (quoting from 1 MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT § 5.06[C], at 5-92 (1996) [hereinafter NIMMER ON COPYRIGHT]).

40 105 F.3d 841, 41 U.S.P.Q.2d (BNA) 1585 (2d Cir. 1997).

41 *Id.* at 846-47, 41 U.S.P.Q.2d at 1589-90.

42 *Id.* at 846, 41 U.S.P.Q.2d at 1590.

43 *Id.*

44 The authorities cited by the court are 1 NIMMER ON COPYRIGHT, *supra* note 39, § 2.09[F], at 2-170.1, and Production Contractors, Inc. v. WGN Continental Broad. Co., 622 F. Supp. 1500, 228 U.S.P.Q. (BNA) 604 (N.D. Ill. 1985) (parade is not a work of authorship entitled to protection).

45 105 F.3d at 847, 41 U.S.P.Q.2d at 1590.

46 *Id.* at 847, 41 U.S.P.Q.2d at 1591.

47 *Id.*

48 *Id.*

49 955 F. Supp. 260, 42 U.S.P.Q.2d (BNA) 1336 (S.D.N.Y. 1997).

50 *Id.* at 265, 42 U.S.P.Q.2d at 1340.

51 *Id.* at 264, 42 U.S.P.Q.2d at 1340.

52 *Id.* at 266, 42 U.S.P.Q.2d at 1341.

53 *Id.* It is a fundamental copyright-law precept that copyright does not extend to facts that “do not owe their origin to an act of authorship.” *Id.* (quoting *Feist Publications, Inc. v. Rural Telephone Serv. Co.*, 499 U.S. 341, 347, 18 U.S.P.Q.2d (BNA) 1275, 1278(1991)).

54 *Id.* at 265-66, 42 U.S.P.Q.2d at 1340-41.

55 118 F.3d 955, 43 U.S.P.Q.2d (BNA) 1385 (2d Cir. 1997).

56 *Id.* at 963, 43 U.S.P.Q.2d at 1391.

57 *Id.* at 967, 43 U.S.P.Q.2d at 1394.

58 *Id.* at 963, 43 U.S.P.Q.2d at 1391.

59 *Id.* at 964, 43 U.S.P.Q.2d at 1391-92.

60 982 F.2d 693 (2d Cir. 1992).

61 118 F.3d at 963, 43 U.S.P.Q.2d at 1391. In *Computer Associates*, the court found that the program's organizational structure was standard and nonoriginal, and thus not copyrightable. 982 F.2d at 714-15.

62 *Sega Enters. Ltd. v. Maphia*, 857 F. Supp. 679, 690, 30 U.S.P.Q.2d (BNA) 1921, 1929-30 (N.D. Cal. 1994). For criticism of that decision, see Niva Elkin-Koren, *Copyright Law and Social Dialogue on the Information Superhighway: The Case Against Copyright Liability of Bulletin Board Operators*, 13 CARDOZO ARTS & ENT. L.J. 345 (1995).

63 *Sega Enters. Ltd. v. Maphia*, 948 F. Supp. 923, 41 U.S.P.Q.2d (BNA) 1705 (N.D. Cal. 1996).

64 *Id.* at 941, 41 U.S.P.Q.2d at 1720.

65 *Id.* at 936, 41 U.S.P.Q.2d at 1715.

66 857 F. Supp. at 690, 30 U.S.P.Q.2d at 1929-30.

67 948 F. Supp. at 932, 41 U.S.P.Q.2d at 1712.

68 907 F. Supp. 1361, 37 U.S.P.Q.2d (BNA) 1545 (N.D. Cal. 1995).

69 *Id.* at 1368-73, 37 U.S.P.Q.2d at 1550-53.

70 948 F. Supp. at 932, 41 U.S.P.Q.2d at 1712 (quoting *Netcom*, 907 F. Supp. at 1372, 37 U.S.P.Q.2d at 1553).

71 *Id.*

72 *Id.*

73 *Id.*

74 76 F.3d 259, 264, 37 U.S.P.Q.2d (BNA) 1590, 1594 (9th Cir. 1996).

75 948 F. Supp. at 933, 41 U.S.P.Q.2d at 1712-13.

76 *Id.*

77 109 F.3d 1394, 42 U.S.P.Q.2d (BNA) 1184 (9th Cir. 1997).

78 *Id.* at 1397, 42 U.S.P.Q.2d at 1189-91.

79 *Id.*

80 *Id.*

81 510 U.S. 569, 29 U.S.P.Q.2d (BNA) 1961 (1994).

82 *Id.* at 583, 29 U.S.P.Q.2d at 1967.

83 108 F.3d 1119, 42 U.S.P.Q.2d (BNA) 1080 (9th Cir. 1997).

84 *Id.* at 1123, 42 U.S.P.Q.2d at 1083.

85 *Id.* at 1120, 42 U.S.P.Q.2d at 1083.

86 *Id.* at 1120, 42 U.S.P.Q.2d at 1082.

87 *Id.* at 1123, 42 U.S.P.Q.2d at 1083.

88 *Id.*

89 *Id.*

90 955 F. Supp. 260, 42 U.S.P.Q.2d (BNA) 1336 (S.D.N.Y. 1997).

91 *Id.* at 267, 42 U.S.P.Q.2d at 1342 (citing 17 U.S.C. § 107 (1994)).

92 *Id.* at 268, 42 U.S.P.Q.2d at 1343.

93 *Id.*

94 *Id.* at 269, 42 U.S.P.Q.2d at 1343.

95 *Id.* (quoting *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 584, 29 U.S.P.Q.2d (BNA) 1961, 1967 (1994)).

96 *Id.*

97 *Id.* at 269, 42 U.S.P.Q.2d at 1344.

98 *Id.* at 269-70, 42 U.S.P.Q.2d at 1344.

99 *Id.* (quoting *Twin Peaks Prods., Inc. v. Publications Int'l, Ltd.*, 996 F.2d 1366, 1377, 27 U.S.P.Q.2d (BNA) 1001, 1008 (2d Cir. 1993)).

100 *Id.* at 270, 42 U.S.P.Q.2d at 1345.

101 *Id.*

102 *Id.* (quoting *Harper & Row Publishers v. Nation Enters.*, 471 U.S. 539, 566, 225 U.S.P.Q. (BNA) 1073, 1083 (1985)).

103 510 U.S. 560. 590 n.21, 29 U.S.P.Q.2d (BNA) 1961, 1970 n.21 (1994).

104 60 F.3d 913, 926, 35 U.S.P.Q.2d (BNA) 1513, 1524 (2d Cir. 1994).

105 955 F. Supp. at 270-71 n.5, 42 U.S.P.Q.2d at 1345 n.5 (declining to adopt the Second Circuit's dicta).

106 *Id.* at 271, 42 U.S.P.Q.2d at 1345.

107 *Id.* at 271, 42 U.S.P.Q.2d at 1346.

108 *Id.*

109 *Id.* (citing *Harper & Row Publishers v. Nation Enters.*, 471 U.S. 539, 559, 225 U.S.P.Q.(BNA) 1073, 1080 (1985)).

110 105 F.3d 99, 41 U.S.P.Q.2d (BNA) 1496 (2d Cir. 1997).

111 37 C.F.R. § 202.20(c)(2)(vii)(1997).

112 105 F.3d at 105, 41 U.S.P.Q.2d at 1502.

113 *Id.*

114 *Id.* at 106, 41 U.S.P.Q.2d at 1502.

115 *Id.*

116 117 S. Ct. 2406 (1997).

117 17 U.S.C. § 602(a)(1994).



118 The case in which certiorari has been granted is *L'anza Research International, Inc. v. Quality King Distributors, Inc.*, 98 F.3d 1109, 40 U.S.P.Q.2d (BNA) 1385 (9th Cir. 1996). The Ninth Circuit's decision is adroitly summarized in Jeff A. McDaniel, *Recent Copyright Case Law Developments*, 5 TEXAS INT. PROP. L. J. 293, 295-97 (1997).

119 *Parfums Givenchy, Inc. v. Drug Emporium, Inc.*, 38 F.3d 477, 480-81, 32 U.S.P.Q.2d (BNA) 1512, 1515 (9th Cir. 1994), *cert. denied*, 514 U.S. 1004 (1995); *BMG Music v. Perez*, 952 F.2d 318, 319, 21 U.S.P.Q.2d (BNA) 1315, 1317 (9th Cir. 1991).

120 98 F.3d at 1111, 40 U.S.P.Q.2d at 1386.

121 847 F.2d 1093, 7 U.S.P.Q.2d (BNA) 1077 (3d Cir. 1988).

122 *Id.* at 1096, 7 U.S.P.Q.2d at 1079.

123 105 F.3d 841, 41 U.S.P.Q.2d (BNA) 1585 (2d Cir. 1997).

124 *Id.* at 855, 41 U.S.P.Q.2d at 1598.

125 *Id.* at 851, 41 U.S.P.Q.2d at 1595 (citing 17 U.S.C. § 301 (1994)).

126 17 U.S.C. § 301.

127 105 F.3d at 849, 41 U.S.P.Q.2d at 1592-93.

128 *Id.* at 850, 41 U.S.P.Q.2d at 1593.

129 *Id.* at 853, 41 U.S.P.Q.2d at 1596.

130 *Id.* at 853-54, 41 U.S.P.Q.2d at 1596-97.

131 104 F.3d 1163, 41 U.S.P.Q.2d (BNA) 1373 (9th Cir. 1997).

132 *Id.* at 1166-67, 41 U.S.P.Q.2d at 1375-76.

133 17 U.S.C. § 205(d) (1994).

134 104 F.3d at 1166-67, 41 U.S.P.Q.2d at 1375-76.

135 *Id.* at 1167-78, 41 U.S.P.Q.2d at 1376-77.

136 510 U.S. 517, 29 U.S.P.Q.2d (BNA) 1881 (1994).

137 *Id.* at 531-32, 29 U.S.P.Q.2d at 1887-88.

138 *Id.* at 533, 29 U.S.P.Q.2d at 1888.

139 *Id.* at 534, 29 U.S.P.Q.2d at 1888.

140 *Id.* at 534 n.19, 29 U.S.P.Q.2d at 1889 n.19 (quoting *Lieb v. Topstone Indus., Inc.*, 788 F.2d 151, 156, 229 U.S.P.Q. (BNA) 426, 429 (3d Cir. 1986)).

141 109 F.3d 80, 42 U.S.P.Q.2d (BNA) 1315 (1st Cir. 1997).

142 *Id.* at 82, 42 U.S.P.Q.2d at 1316.

143 *Id.* at 83, 42 U.S.P.Q.2d at 1317.

144 *Id.* (quoting *Fogerty*, 510 U.S. at 532 n.18, 29 U.S.P.Q.2d at 1889 n.18).

145 108 F.3d 140, 41 U.S.P.Q.2d (BNA) 2015 (7th Cir. 1997).

146 *Id.* at 142, 41 U.S.P.Q.2d at 2017.

147 *Id.* at 142-44, 41 U.S.P.Q.2d at 2017-18.

148 15 U.S.C.A. § 1117 (West Supp. 1997).

149 17 U.S.C. § 505 (1994).

150 *Id.* at 531-32, 29 U.S.P.Q.2d at 1887-88.

151 121 F.3d 516, 43 U.S.P.Q.2d (BNA) 1611 (9th Cir. 1997).

152 *See supra*, p. 86.

153 *Id.* at 520, 43 U.S.P.Q.2d at 1615.

154 *Id.* at 521, 43 U.S.P.Q.2d at 1615.

155 *Id.* at 521, 43 U.S.P.Q.2d at 1615-16.

156 *Id.* at 521, 43 U.S.P.Q.2d at 1616.

157 World Intellectual Property Organization: Copyright Treaty, *adopted* Dec. 30, 1996, S. TREATY DOC. NO. 105-17 (1996), 36 I.L.M. 65 [hereinafter WIPO Copyright Treaty]. The Senate Treaty Document reproduces the text of the treaty. The treaty has been transmitted to the Senate as of July 28, 1997. S. TREATY DOC. NO. 105-17 at III.

158 Berne Convention for the Protection of Literary and Artistic Works of September 9, 1886, *done* July 24, 1971, S. TREATY DOC. NO. 99-27 (1986), 828 U.N.T.S. 221.

159 WIPO Copyright Treaty, *supra* note 157, arts. 4 (computer software), 11 (anti-copying circumvention), 12 (electronic rights management).

160 World Intellectual Property Organization: Performances and Phonograms Treaty, *adopted* Dec. 20, 1996, S. TREATY DOC. NO. 105-17 (1996), 36 I.L.M. 76 [hereinafter WIPO Performances and Phonograms Treaty]. Like the WIPO Copyright Treaty, this treaty has been transmitted to the Senate. S. TREATY DOC. NO. 105-17 at III.

161 H.R. 2281, 105th Cong. (1997).

162 S. 1121, 105th Cong. (1997).

163 *See* H.R. 2281; S. 1121.

164 *See* H.R. 2281; S. 1121.

165 On-Line Copyright Liability Limitation Act, H.R. 2180, 105th Cong. (1997).

166 *Id.*

167 *Id.*

168 Digital Copyright Clarification and Technology Education Act of 1997, S. 1146, 105th Cong. (1997).

169 H.R. 2180.

170 S. 1146.

171 H.R. 2281, 105th Cong. (1997); S. 1121, 105th Cong. (1997).

172 S. 1146.

173 H.R. 604, 105th Cong. (1997); S. 505, 105th Cong. (1997).

<sup>174</sup> National Conference of Commissioners of Uniform State Laws, *Uniform Commercial Code Article 2b: Licenses, With Notes* (visited November 18, 1997) < <http://www.law.upenn.edu/library/ulc/ulc.htm>>. The most recent draft, the September 25, 1997 draft, has modified the draft UCC Article 2b by moving the material in Section 2B-308 and thereby eliminating that section. *Id.* Thus, the material quoted above in the text can actually be found in Section 2B-306 in modified form. *Id.*

<sup>175</sup> *ALI Votes that New UCC Provision Must be Consistent with Copyright Act*, 54 Pat. Trademark & Copyright J. (BNA) 92, 93 (May 29, 1997).

<sup>176</sup> *Id.*