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## BOOK REVIEW

### IS COPYRIGHT REFORM POSSIBLE?

COPYFRAUD AND OTHER ABUSES OF INTELLECTUAL PROPERTY LAW. By Jason Mazzone. Stanford, Cal.: Stanford University Press. 2011. Pp. xiii, 295. \$27.95.

HOW TO FIX COPYRIGHT. By William Patry. New York, N.Y.: Oxford University Press. 2012. Pp. x, 323. \$21.95.

*Reviewed by Pamela Samuelson\**

Copyright law has taken quite a beating in the legal literature in the past decade or so.<sup>1</sup> Complaints have been legion that copyright industry groups and corporate copyright owners have sought and too often obtained extremely strong and overly long copyright protections that interfere with downstream creative endeavors and legitimate consumer expectations.<sup>2</sup> Two recent contributions to this literature are William Patry's *How to Fix Copyright* and Professor Jason Mazzone's *Copyfraud and Other Abuses of Intellectual Property Law*.

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<sup>1</sup> See generally, e.g., CHRISTINA BOHANNAN & HERBERT HOVENKAMP, CREATION WITHOUT RESTRAINT (2012); JAMES BOYLE, THE PUBLIC DOMAIN (2008); WILLIAM W. FISHER III, PROMISES TO KEEP (2004); LAWRENCE LESSIG, REMIX (2008); JESSICA LITMAN, DIGITAL COPYRIGHT (2001); KEMBREW MCLEOD, FREEDOM OF EXPRESSION (2007); KEMBREW MCLEOD & PETER DICOLA, CREATIVE LICENSE (2011); NEIL WEINSTOCK NETANEL, COPYRIGHT'S PARADOX (2008); JOHN TEHRANIAN, INFRINGEMENT NATION (2011); SIVA VAIDHYANATHAN, COPYRIGHTS AND COPYWRONGS (2001). I confess to having contributed to this literature. See generally Pamela Samuelson et al., *The Copyright Principles Project: Directions for Reform*, 25 BERKELEY TECH. L.J. 1175 (2010) [hereinafter Samuelson et al., *CPP Report*]; Pamela Samuelson, Leary Lecture, *Preliminary Thoughts on Copyright Reform*, 2007 UTAH L. REV. 551 [hereinafter Samuelson, *Preliminary Thoughts*]. There is, moreover, interest in copyright reform outside the United States. See generally, e.g., COMITÉ DES SAGES, THE NEW RENAISSANCE (2011), available at [http://ec.europa.eu/information\\_society/activities/digital\\_libraries/doc/refgroup/final\\_report\\_cds.pdf](http://ec.europa.eu/information_society/activities/digital_libraries/doc/refgroup/final_report_cds.pdf); CHRISTIAN ENGSTRÖM & RICK FALKVINGE, THE CASE FOR COPYRIGHT REFORM (2012), available at <http://www.copyrightreform.eu>; IAN HARGREAVES, DIGITAL OPPORTUNITY: A REVIEW OF INTELLECTUAL PROPERTY AND GROWTH (2011), available at <http://www.ipa.gov.uk/ipreview-finalreport.pdf>; WITTEM GRP., EUROPEAN COPYRIGHT CODE (2010), available at <http://www.copyrightcode.eu>.

<sup>2</sup> See, e.g., LESSIG, *supra* note 1, at 18 ("The extreme of regulation that copyright law has become makes it difficult, and sometimes impossible, for a wide range of creativity that any free society . . . would allow to exist, legally.")

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Although Patry and Mazzone agree on the need for reforms to counteract or deter overreaching by copyright owners, they make substantially different recommendations about how copyright ills should be cured. Patry is mainly concerned with articulating principles that should be used to recraft copyright law (for example, making it “technology neutral” (pp. 46–47) and demanding evidence to support any expansion in the scope of protection (pp. 54–56)), whereas Mazzone mainly wants to sanction those who claim copyright in public domain materials and those who attempt to thwart the exercise of fair and other lawful uses of copyrighted works (for example, through license restrictions (pp. 27–29) or digital locks (pp. 69–70)).

Each book makes powerful arguments and offers important insights. Patry, for instance, does a lively job debunking copyright industry claims about the “losses” it sustains from “piracy” and about the economic significance of the industry as a job creator (pp. 61–70). He also draws upon insights from the field of cultural economics to explain why copyright law does not accomplish the oft-stated objective of promoting creative work as effectively as is commonly assumed (pp. 14–29). Mazzone offers a dazzling array of examples of the multifarious ways that people and firms in a wide variety of settings assert entitlements beyond what copyright law provides.<sup>3</sup> He considers these unwarranted claims of rights to be a form of fraud (“copyfraud,” to be specific) for which new penalties need to be devised (p. 168).

As much as I admire these books, their agendas for reform are incomplete. Patry’s is incomplete in three respects: first, it does not flesh out specific details about the substantive recommended reforms; second, it does not discuss how such reforms might be accomplished; and third, it does not consider a sufficiently wide range of needed reforms. This book is, however, a valuable contribution to the copyright reform literature, as it provides a rich explanation about how and why copyright policymaking has become dysfunctional. One cannot fix a law if one does not recognize the complex problems that beset it. As a former staffer in the Copyright Office and in Congress, Patry is keenly aware of the political economy difficulties likely to attend any serious effort to bring about comprehensive copyright reform through legislation. Yet readers of his book will want to know how Patry thinks these problems can be overcome so that the major reforms he recommends — shortening the duration of copyright terms (ch. 8), requiring copyright owners to comply with registration requirements or other

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<sup>3</sup> For example, publishers have sometimes put copyright notices on obviously public domain documents such as the U.S. Constitution and the Federalist Papers (pp. 1, 9). Even nonprofit actors such as museums commit copyfraud, Mazzone contends, when they put copyright notices on posters and greeting cards featuring the works of artists such as Claude Monet (p. 2).

formalities (ch. 9), and establishing a compensation scheme for non-commercial peer-to-peer file sharing (ch. 7) — could be accomplished.

The recommendations in Mazzone's book are both more specific and more idealistic than those in Patry's. However, by focusing on copyfraud issues, Mazzone does not explore the more pervasive malaise to which copyright law is now subject. I began exploring this malaise in a previous article, *Preliminary Thoughts on Copyright Reform*,<sup>4</sup> which argued for a substantial overhaul of U.S. copyright law. *Preliminary Thoughts* acknowledged the political economy problems likely to impede any effort to move forward with a copyright reform agenda.<sup>5</sup> Yet it suggested that contemplating the contours of a meaningful reform agenda was nonetheless worthwhile.<sup>6</sup> Reform cannot happen if no one begins to consider what a better approach would look like.

To further explore the possibilities, I convened a group of twenty copyright professionals who met regularly between 2007 and 2010 to consider various ways in which copyright law might be reformed. The group's report, *The Copyright Principles Project: Directions for Reform*, recommended consideration of twenty-five reforms.<sup>7</sup> Like Patry, the Copyright Principles Project (CPP) recommended reinvigorating copyright formalities, such as registration of copyright claims.<sup>8</sup> Like Mazzone, the CPP considered reforms to copyright's preemption doctrine: publishers' contractual efforts to override fair use and other copyright privileges would be scrutinized to determine if they conflicted with copyright purposes, in which case such restrictions would be preempted and therefore unenforceable.<sup>9</sup> The CPP Report also explored several other types of desirable reform measures not considered in Patry's or Mazzone's book, including the need for copyright owners

<sup>4</sup> Samuelson, *Preliminary Thoughts*, *supra* note 1.

<sup>5</sup> *Id.* at 556.

<sup>6</sup> *Id.* at 556–57.

<sup>7</sup> Samuelson et al., *CPP Report*, *supra* note 1, at 1197–1245. There were divergent opinions on a number of recommendations the group considered, yet all twenty-five reforms discussed in the report commanded enough support from the group to be included in the final document.

<sup>8</sup> *Id.* at 1198–1202. The CPP did not consider a shorter duration for copyright terms or adoption of a compensation scheme to enable noncommercial file sharing, as *How to Fix Copyright* does. This was not because these reforms were deemed undesirable, but because CPP members included representatives of major copyright industry firms, *see id.* at 1180, who were unlikely to support such proposals. Some members of the CPP have, however, supported such measures. *See, e.g.*, Jessica Litman, *Sharing and Stealing*, 27 HASTINGS COMM. & ENT. L.J. 1, 40 (2004) (recommending such a compensation scheme); Samuelson, *Preliminary Thoughts*, *supra* note 1, at 566 (proposing a shortened copyright term); *see also* Christopher Sprigman, *Reform(aliz)ing Copyright*, 57 STAN. L. REV. 485, 519–28 (2004) (discussing positive functions of copyright renewal by comparison with automatic life-plus models).

<sup>9</sup> Samuelson et al., *CPP Report*, *supra* note 1, at 1235–38.

to show commercial harm to establish infringement,<sup>10</sup> limits on liability for personal uses of protected works,<sup>11</sup> refinement of copyright infringement tests,<sup>12</sup> development of guidelines for statutory damage awards,<sup>13</sup> and greater use of damage awards in lieu of injunctive relief in copyright cases.<sup>14</sup>

Considering the scope that a comprehensive copyright reform movement would entail, it is understandable that no one work of manageable length could successfully cover all the nuances and ramifications involved. Careful thought on copyright reform by scholars and experts such as Patry, Mazzone, and members of the CPP provides illuminating first steps. The next step is to critically explore these proposals in order to hone efforts toward the realization of reform. Part I examines three important legislative changes recommended in *How to Fix Copyright*. It explains why the major copyright reforms Patry proposes are desirable, but also why they may be difficult to accomplish in the near future. Part II turns to *Copyfraud* to consider several reforms Mazzone recommends. It contends that there may be other effective ways to respond to the copyfraud problems he identifies. Part III considers some substantive reform proposals beyond those recommended in these two books, as well as several modes and venues through which copyright reform can be achieved. It observes that some reforms are already happening through private ordering and the evolution of social norms, although the scale of these reforms currently remains modest. The most promising way to work toward more comprehensive copyright reform would be for an entity such as the American Law Institute (ALI) to articulate principles for a well-balanced and public-spirited copyright regime, as the ALI has done for numerous other legal regimes.<sup>15</sup>

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<sup>10</sup> *Id.* at 1209–14.

<sup>11</sup> *Id.* at 1229–32.

<sup>12</sup> *Id.* at 1215–16.

<sup>13</sup> *Id.* at 1220–21.

<sup>14</sup> *Id.* at 1223–26.

<sup>15</sup> *See, e.g.*, RESTATEMENT (THIRD) OF UNFAIR COMPETITION (1995). The ALI is a non-profit organization founded in 1923 whose members include judges, lawyers, and law professors. It produces publications that aim “to clarify, modernize, and otherwise improve the law.” *ALI Overview*, A.L.I., <http://www.ali.org/index.cfm?fuseaction=about.overview> (last visited Dec. 1, 2012). Those publications fall into one of three general categories: Restatements of the Law, which reflect the present state of law in specific areas; Principles of the Law, which present exemplary law in a particular area perceived to be in need of reform; and model statutes and other projects. *Institute Projects*, A.L.I., <http://www.ali.org/index.cfm?fuseaction=about.instituteprojects> (last visited Dec. 1, 2012).

## I. PATRY'S PROPOSALS FOR LEGISLATIVE REFORM

Among the recommendations in *How to Fix Copyright* are proposals for three significant legislative changes to U.S. copyright law.<sup>16</sup> First, Patry recommends shortening the duration of copyright terms (pp. 189–201). Second, he recommends imposing certain obligations on those who want copyright protection to give more notice about their claims, such as registration of their works or placement of copyright notices on published copies of the works (pp. 203–09).<sup>17</sup> Third, Patry recommends adopting a compensation scheme to enable noncommercial uses of copyrighted works by file sharers (pp. 177–88).<sup>18</sup> Although these changes are desirable, none will be easy to accomplish in the near- or even medium-term future.

## A. Shorter Copyright Terms

Patry recommends a substantial shortening of the duration of copyrights (pp. 189–201). In this respect, he is not alone.<sup>19</sup> Nor is he alone in yearning for a legal regime under which copyright terms must be renewed by registering renewal claims with the Copyright Office (pp. 204–09),<sup>20</sup> as U.S. law required until the effective date of the Copyright Act of 1976<sup>21</sup> (“the 1976 Act”).

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<sup>16</sup> Patry makes several other recommendations in the book. For instance, he recommends greater recognition that “piracy” is a market problem, not a legal problem (p. 141), that stronger laws do not necessarily bring about the deterrence proponents expect (pp. 173–76), and that fair use should be applied more flexibly (p. 227). He also supports a more limited derivative work right (pp. 99–103) and an international treaty to enable greater access to print-disabled persons (p. 10). I have chosen to focus on the three reforms detailed in this Review for two principal reasons: first, because these reforms would have the most significant impacts on how copyright law operates; and second, because Patry devotes more sustained attention to these three reforms than to others, many of which are mentioned in passing. Among the most specific reform recommendations Patry makes are those aimed at improving the governance of collecting societies (pp. 182–83). Such societies should, he thinks, be “required to maintain free, publicly accessible online databases of which works they claim the right to administer, as well as contact information for the rights holders sufficient to permit users to contact the rights holders directly” (p. 182). There should also be a time limit, he thinks, on how long societies can hold on to monies owed to foreign rightsholders (p. 182). These recommendations seem sound, but are of less relevance to an American than a European audience given how few collecting societies exist in the United States and how narrow the scope of their licensing authority is.

<sup>17</sup> See also, e.g., STEF VAN GOMPEL, FORMALITIES IN COPYRIGHT LAW: AN ANALYSIS OF THEIR HISTORY, RATIONALES AND POSSIBLE FUTURE (2011) (discussing the various formalities requirements that have existed in copyright law).

<sup>18</sup> In this recommendation, Patry is in good company. See, e.g., FISHER, *supra* note 1, at 199–258; Neil Weinstock Netanel, *Impose a Noncommercial Use Levy to Allow Free Peer-to-Peer File Sharing*, 17 HARV. J.L. & TECH. 1, 35–58 (2003).

<sup>19</sup> See, e.g., LAWRENCE LESSIG, FREE CULTURE 292 (2004).

<sup>20</sup> See, e.g., Sprigman, *supra* note 8, at 554–68.

<sup>21</sup> Pub. L. No. 94-553, 90 Stat. 2541 (codified as amended at 17 U.S.C. §§ 101–810 (2006)).

Under the Copyright Act of 1909,<sup>22</sup> copyrights lasted for twenty-eight years and were renewable only once for another twenty-eight-year term. The 1976 Act changed the way the law calculated copyright terms. For individual authors, copyright would last for the life of the author plus fifty years,<sup>23</sup> and for corporate-authored or anonymous works, copyright terms were set at seventy-five years from the first publication.<sup>24</sup>

The reason Congress altered copyright terms in 1976 was not because economic studies had shown that longer or unitary terms were necessary to provide adequate incentives for authors to be creative. The main reason for the switch was to conform U.S. law to the international mandatory minimum established by the Berne Convention for the Protection of Literary and Artistic Works.<sup>25</sup> U.S. copyright industries argued that they should be eligible for the same long term in the United States as they enjoyed elsewhere.<sup>26</sup> In addition, it seemed likely that the United States would eventually want to join the Berne Convention, as indeed it did in 1989.<sup>27</sup> Because of the upward trajectory of U.S. copyright industry exports,<sup>28</sup> it was apparent that the United States would need to become a member of the Berne Convention in order to have influence in international copyright policymaking circles.<sup>29</sup> Support for copyright duration changes also came from own-

<sup>22</sup> Pub. L. No. 60-349, § 23, 35 Stat. 1075, 1080 (repealed 1976).

<sup>23</sup> Copyright Act of 1976 § 302(a) (amended 1998).

<sup>24</sup> *Id.* § 302(c) (amended 1998). Under the 1976 Act, § 302(c) provided 100 years of protection to unpublished works by such authors. *Id.*

<sup>25</sup> Berne Convention for the Protection of Literary and Artistic Works art. 7, *adopted* Sept. 9, 1886, S. TREATY DOC. NO. 99-27, 1161 U.N.T.S. 3 (amended Sept. 28, 1979) [hereinafter Berne Convention]; see H.R. REP. NO. 94-1476, at 135 (1976) ("Without this change, the possibility of future United States adherence to the Berne Copyright Union would evaporate . . .").

<sup>26</sup> See, e.g., *Copyright Law Revision: Hearings on H.R. 4347, H.R. 5680, H.R. 6831, H.R. 6835 Before Subcomm. No. 3 of the H. Comm. on the Judiciary*, 89th Cong. 233 (1965) (statement of Leon Kellman, Gen. Counsel, Am. Guild of Authors & Composers). Indeed, concerted efforts toward Berne conformance began little more than a decade after passage of the 1909 copyright revision. See, e.g., JAMES J. GUIGAN, JR., STUDY NO. 30: DURATION OF COPYRIGHT, in STAFF OF S. COMM. ON THE JUDICIARY, 86TH CONG., COPYRIGHT LAW REVISION: STUDIES NOS. 29-31, at 53, 62-70 (Comm. Print 1961).

<sup>27</sup> Berne Convention Implementation Act of 1988, Pub. L. No. 100-568, 102 Stat. 2853.

<sup>28</sup> See, e.g., ABE A. GOLDMAN, STUDY NO. 1: THE HISTORY OF U.S.A. COPYRIGHT LAW REVISION FROM 1901 TO 1954, in STAFF OF S. COMM. ON THE JUDICIARY, 86TH CONG., COPYRIGHT LAW REVISION: STUDIES NOS. 1-4, at ix, 4 (Comm. Print 1960) ("After the First World War, the growing market for American works abroad emphasized the shortcomings in our international copyright relations and gave impetus to a broad movement to have the United States adhere to . . . the Berne Convention . . ."); Jessica Litman, *Copyright and Information Policy*, LAW & CONTEMP. PROBS., Spring 1992, at 185, 188 n.23 ("Thus, a century-long effort to persuade the United States to join the Berne Convention . . . finally succeeded when proponents couched their arguments in the language of foreign trade.").

<sup>29</sup> See H.R. REP. NO. 100-609, at 7 (1988); S. REP. NO. 100-352, at 2-4 (1988), *reprinted in* 1988 U.S.C.A.N. 3706, 3707-09.

ers of existing copyrights who stood to benefit from the extra nineteen years Congress intended to tack onto those copyrights to approximate the life-plus-fifty-year term for future works as part of the overall legislative package.<sup>30</sup>

In 1998 Congress once again extended copyright terms by enacting the Sonny Bono Copyright Term Extension Act<sup>31</sup> (CTEA). This legislation was, in part, a response to a twenty-year extension of copyright terms in the European Union.<sup>32</sup> But a more powerful objective of the CTEA was to preserve copyrights in Mickey Mouse and other valuable intellectual properties from the 1920s whose terms were about to expire.<sup>33</sup> The entertainment industry lobbied hard and successfully to persuade Congress to tack on another twenty years to existing copyright terms as well as to grant the longer copyright terms for newly created works.<sup>34</sup>

Among those who supported constitutional challenges to the CTEA was a set of prominent economists, including Nobel Prize winners.<sup>35</sup> The economists explained in an amicus brief that the economic case for copyright term extension was extremely weak. It was logically infeasible for a twenty-year term extension to provide incentives to create works that were already in existence.<sup>36</sup> Even applied prospectively, the CTEA could have no more than negligible incentive effects on authors contemplating whether to create new works.<sup>37</sup> Despite the

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<sup>30</sup> See Copyright Act of 1976, Pub. L. No. 94-553, § 304, 90 Stat. 2541, 2573-76 (1976) (codified as amended at 17 U.S.C. § 304 (2006)); H.R. REP. NO. 94-1476, at 139 (1976).

<sup>31</sup> Pub. L. No. 105-298, § 102(b), (d), 112 Stat. 2827, 2827-28 (1998) (codified at 17 U.S.C. § 302(a) (2006)).

<sup>32</sup> Council Directive 93/98, Harmonizing the Term of Protection of Copyright and Certain Related Rights, 1993 O.J. (L 290) 9 (EC) (repealed and replaced by Directive 2006/116, 2006 O.J. (L 372) 12 (EU)). The 2006 Directive was amended in 2011 to extend the term of protection for performers and sound recordings to seventy years. See Directive 2011/77, 2011 O.J. (L 265) 1 (EU).

<sup>33</sup> LESSIG, *supra* note 19, at 220; Lawrence Lessig, Op-Ed., *Protecting Mickey Mouse at Art's Expense*, N.Y. TIMES, Jan. 18, 2003, at A17, available at <http://www.nytimes.com/2003/01/18/opinion/protecting-mickey-mouse-at-art-s-expense.html>.

<sup>34</sup> LESSIG, *supra* note 19, at 218.

<sup>35</sup> Brief of George A. Akerlof et al. as Amici Curiae in Support of Petitioners, *Eldred v. Ashcroft*, 537 U.S. 186 (2003) (No. 01-618) [hereinafter Economists' Brief]. Of the seventeen economists who signed the brief, five (George Akerlof, Kenneth Arrow, James Buchanan, Ronald Coase, and Milton Friedman) are Nobel Prize winners. *Id.* at 1a. In addition to *Eldred*, another constitutional suit challenging the CTEA was *Kahle v. Ashcroft*, No. C-04-1127 MMC, 2004 WL 2663157 (N.D. Cal. Nov. 19, 2004), *aff'd sub nom.* *Kahle v. Gonzales*, 487 F.3d 697 (9th Cir. 2007).

<sup>36</sup> Economists' Brief, *supra* note 35, at 2 ("The term extension for *existing* works makes no significant contribution to an author's economic incentive to create, since in this case the additional compensation was granted after the relevant investment had already been made."); see also *id.* at 9 ("For those remaining works where post-creation investments might be thought a significant factor, a twenty-year copyright extension will tend to have little or no incremental effect.")

<sup>37</sup> *Id.* at 5-7.

economic irrationality of the CTEA, the U.S. Supreme Court deferred to Congress's judgment on the change in copyright terms.<sup>38</sup>

Patry mentions the economists' brief when discussing his recommendation to shorten the duration of copyrights (p. 200). If Congress adopted evidence-based copyright policymaking,<sup>39</sup> as Patry thinks it should (pp. 54–55), copyright terms would be considerably shorter than they are today (pp. 200–01). The overwhelming majority of copyrighted works, such as books and films, have relatively short commercial lives (if they have any at all),<sup>40</sup> and copyright terms should reflect this reality (pp. 104–05, 200–01). Excessively long terms, Patry notes, impose transaction costs on others, provide windfalls to rightsholders, and inhibit the creation of new works based upon expression from earlier works (pp. 189–201).

Given Patry's commitment to evidence-based copyright policymaking (pp. 52–56), it is understandable that he does not propose how much shorter copyright terms should be. It would have been helpful, though, if he had discussed how he would recommend overcoming the political economy obstacles to achieving this objective. Powerful copyright industry groups would almost certainly oppose any legislative effort to shorten copyright terms. The United States has, moreover, committed itself by treaty to the life-plus-fifty-year Berne minimum term.<sup>41</sup> This minimum term is also required by the Agreement on Trade-Related Intellectual Property Rights<sup>42</sup> (TRIPs), to which the United States is bound as a member of the World Trade Organization (WTO). Thus, the prospects for legislation to shorten the duration of copyrights seem exceedingly dim, at least in the near future and probably beyond that.

The Berne and TRIPs treaties would not, however, forbid adoption of certain measures that could mitigate problems caused by excessive copyright terms. The United States could, for instance, decide to shorten copyright durations for U.S. authors without violating international treaty obligations. The U.S. fair use doctrine could enable reuses of in-copyright works that have become "orphans" either because their owners are unknown or because the owners cannot be found af-

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<sup>38</sup> *Eldred*, 537 U.S. at 204–08.

<sup>39</sup> According to Patry, much of current copyright law is "based on rhetoric and faith" rather than empirical data (p. 50); such evidence could guide policymakers to create truly effective laws (p. 51).

<sup>40</sup> *Eldred*, 537 U.S. at 248 (Breyer, J., dissenting) ("[O]nly about 2% of copyrights between 55 and 75 years old retain commercial value . . .").

<sup>41</sup> Berne Convention, *supra* note 25, art. 7(1).

<sup>42</sup> Agreement on Trade-Related Aspects of Intellectual Property Rights art. 9(1), Apr. 15, 1994, Marrakesh Agreement Establishing the World Trade Organization, Annex 1C, 108 Stat. 4809, 1869 U.N.T.S. 299 [hereinafter TRIPs].

ter a reasonably diligent search.<sup>43</sup> Legislation could also limit damage awards and injunctions against those who in good faith believed the reused works were orphans.<sup>44</sup> Patry is among the commentators who have argued that fair use should enable reuses of commercially inactive works in the later years of their copyright terms, even if the works are not orphans.<sup>45</sup> It might also be possible to use tax incentives to encourage rightsholders to dedicate in-copyright but out-of-commerce works to the public domain.<sup>46</sup>

### B. Reinstatement of Formalities

*How to Fix Copyright* also calls for legislation to restore to U.S. copyright law certain obligations on the part of copyright owners to claim rights in their works in order to enjoy the benefits of the law's protections (pp. 203–09).<sup>47</sup> Historically, obligations such as placing copyright notices on publicly disseminated copies of protected works and registering copyright claims have been known as “formalities.”<sup>48</sup>

The United States has a long history of requiring authors to opt in to the copyright regime through formalities. During the last decades of the eighteenth and throughout the nineteenth century, U.S. copyright law required claimants to register claims and give notice as well.<sup>49</sup> Notice requirements were strengthened in 1802 by requiring that each copy of a published work bear a proper copyright notice, lest the claim of copyright be forfeited.<sup>50</sup> The 1909 Act dropped the registration re-

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<sup>43</sup> See, e.g., Jennifer M. Urban, *How Fair Use Can Help Solve the Orphan Works Problem*, 27 BERKELEY TECH. L.J. (forthcoming 2013), available at <http://ssrn.com/abstract=2089526>.

<sup>44</sup> U.S. COPYRIGHT OFFICE, REPORT ON ORPHAN WORKS 98, 115 (2006) [hereinafter REPORT ON ORPHAN WORKS].

<sup>45</sup> See, e.g., William F. Patry & Richard A. Posner, *Fair Use and Statutory Reform in the Wake of Eldred*, 92 CALIF. L. REV. 1639, 1650–52 (2004); see also Justin Hughes, *Fair Use Across Time*, 50 UCLA L. REV. 775, 799 (2003); Joseph P. Liu, *Copyright and Time: A Proposal*, 101 MICH. L. REV. 409, 411–12 (2002).

<sup>46</sup> See, e.g., Edward Lee, *Copyright, Death, and Taxes*, 47 WAKE FOREST L. REV. 1, 3–4 (2012) (proposing tax as a policy lever for copyright).

<sup>47</sup> For similar recommendations, see, for example, VAN GOMPEL, *supra* note 17, at 290–92; Samuelson et al., *CPP Report*, *supra* note 1, at 1198–1202; Sprigman, *supra* note 8, at 554–56.

<sup>48</sup> VAN GOMPEL, *supra* note 17, at 12; Sprigman, *supra* note 8, at 541.

<sup>49</sup> Act of May 31, 1790, ch. 15, § 3, 1 Stat. 124, 125 (repealed 1831); *Wheaton v. Peters*, 33 U.S. (8 Pet.) 591, 662–65 (1834) (analyzing the formalities provisions in the Copyright Act of 1790 and Copyright Act of 1802 and concluding that “[a]ll the conditions are important: . . . their performance is essential to a perfect title”); see also BENJAMIN KAPLAN, STUDY NO. 17: THE REGISTRATION OF COPYRIGHT, in STAFF OF S. COMM. ON THE JUDICIARY, 86TH CONG., COPYRIGHT LAW REVISION: STUDIES NOS. 17–19, at ix (Comm. Print 1960) (surveying U.S. copyright formalities, 1790–1905).

<sup>50</sup> See Act of Apr. 29, 1802, ch. 36, § 1, 2 Stat. 171, 171 (repealed 1831).

quirement as a precondition for an initial term of copyright protection but required registration for a renewal term.<sup>51</sup>

Under the 1976 Act, copyright notices still needed to be put on published copies of protected works, although the law allowed rightsholders to cure some inadvertent omissions of notice.<sup>52</sup> Registration remained important under the 1976 Act because only registered copyright owners could bring infringement suits in federal court and certain remedies were available only to prompt registrants.<sup>53</sup> But because of the unitary copyright term granted by the 1976 Act, renewal registration became unnecessary for works created after the law's effective date.<sup>54</sup> Moreover, in 1992 Congress relieved authors of works published between January 1, 1964 and December 31, 1977 from the obligation to file for renewal certificates.<sup>55</sup>

It was not until 1989 that the United States finally dropped the notice-on-copies requirement.<sup>56</sup> While it retained the registration-to-sue requirement for U.S. authors, it eliminated this requirement for non-U.S. authors.<sup>57</sup> These changes had to be made to enable the United States to join the Berne Convention, which provides that “[t]he enjoyment and the exercise of . . . rights shall not be subject to any formality.”<sup>58</sup>

Although some commentators cheered as U.S. copyright formalities withered away in the late twentieth century,<sup>59</sup> others have come to regard the shift from an opt-in copyright regime, which relies on formalities, to an opt-out regime, under which rights attach automatically and last for nearly a century, as having imposed more burdens than bene-

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<sup>51</sup> See Copyright Act of 1909, Pub. L. No. 60-349, §§ 10, 23-24, 35 Stat. 1075, 1078, 1080-81 (repealed 1976).

<sup>52</sup> See Copyright Act of 1976, Pub. L. No. 94-553, § 405, 90 Stat. 2541, 2578 (codified as amended at 17 U.S.C. § 405 (2006)).

<sup>53</sup> See 17 U.S.C. §§ 411, 412 (2006).

<sup>54</sup> See Copyright Act of 1976 § 302; see also H.R. REP. NO. 94-1476, at 134 (1976) (describing a renewal provision as “inappropriate and unnecessary” under the new unitary term).

<sup>55</sup> See Copyright Amendments Act of 1992, Pub. L. No. 102-307, sec. 102(a), § 304(a), 106 Stat. 264, 264.

<sup>56</sup> See Berne Convention Implementation Act of 1988, Pub. L. No. 100-568, sec. 7, §§ 401-406, 102 Stat. 2853, 2857-59. The no-notice rule applied only to works published on or after March 1, 1989, the date the Berne Convention entered into force with respect to the United States. *Id.* sec. 13. Although notice on copies is no longer required as a precondition of protection, it is still advisable in the United States because it affects the remedies available if infringement occurs. See *id.* sec. 7 (adding 17 U.S.C. § 401(d)). Because many works initially created under the 1909 Act were still subject to renewal terms, Congress was persuaded in 1992 to make registration automatic for works created after 1963. See Copyright Amendments Act of 1992, sec. 102, § 304(a), 106 Stat. at 266.

<sup>57</sup> See Berne Convention Implementation Act, sec. 9, § 411(a), 102 Stat. at 2859.

<sup>58</sup> Berne Convention, *supra* note 25, art. 5(2).

<sup>59</sup> See, e.g., Arthur Levine, *The End of Formalities: No More Second-Class Copyright Owners*, 13 CARDOZO ARTS & ENT. L.J. 553, 556-57 (1995).

fits on society.<sup>60</sup> Patry concurs in the judgment that formalities serve important societal purposes and recommends their reinstatement as a way to fix copyright (pp. 208–09).

The recommendation to reinstate formalities would have been more persuasive if the book had said more about which formalities to restore and what consequences should flow from compliance or non-compliance, or at least what kind of research needs to be done to design the contours of a new formalities regime. Also helpful would have been some discussion of how the goal of reinstating formalities might be achieved, given the Berne constraint. While Patry suggests that “a comprehensive approach to formalities requires a revision to treaties, including the Berne Convention” (p. 209), he does not examine the practical or political obstacles to such an approach.<sup>61</sup> He might have gone on to say that technological advances have now made it possible to design a “register once, register everywhere” regime, which means that the practical obstacles to registration as a formality are now surmountable.<sup>62</sup> Of course, nothing in Berne forbids a national legislature from imposing formality requirements on its own nationals; it just cannot impose them on foreign nationals.<sup>63</sup> Although Patry encourages nations to find ways to reintroduce formalities within the context of Berne (pp. 207, 209), he does not consider any means in particular or their consequences. For example, there is some risk that different national implementations of formalities would lead to noninteroperable registries that would increase information search costs instead of reducing them.

Like Patry’s book, the CPP Report recommends reinvigoration of copyright formalities.<sup>64</sup> It offers some detailed ideas about the role that formalities might play in a reformed copyright system. Registrants might, for instance, be entitled to a broader set of rights as well as a broader array of remedies than nonregistrants.<sup>65</sup> The CPP Report suggests that the Copyright Office might become a standard-setter for private registries that might serve different authorial communities.<sup>66</sup> This report, like Patry’s book, does not fully design a new formalities regime, but points to some features that might usefully be included in such a system.

Patry’s proposal to restore formalities in U.S. copyright law may enjoy greater support from copyright industry groups than his recom-

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<sup>60</sup> See, e.g., Sprigman, *supra* note 8, at 514–16.

<sup>61</sup> See VAN GOMPEL, *supra* note 17, at 155–57.

<sup>62</sup> See, e.g., Sprigman, *supra* note 8, at 546–47.

<sup>63</sup> *Id.* at 542.

<sup>64</sup> Samuelson et al., *CPP Report*, *supra* note 1, at 1198–1202.

<sup>65</sup> *Id.* at 1200–01.

<sup>66</sup> *Id.* at 1203–05.

mentation to shorten copyright terms.<sup>67</sup> Many major copyright industry players already register claims of copyright and put notices on copies distributed to the public. As long as registration is simple and cheap, individual authors should not find it onerous. In the past, a failure to register or give notice of claims consigned published works to the public domain (pp. 203–04), but formalities regimes need not be so confiscatory. A baseline of protection akin to a Creative Commons NC license might provide protection to unregistered works.<sup>68</sup>

The benefits of restoring formalities would be numerous. First, it would provide much-needed information about works for which authors truly want copyright protections.<sup>69</sup> Second, it would likely facilitate licensing.<sup>70</sup> Third, it would breed more respect for copyright law because the current law's promiscuous ubiquity — under which even grocery lists, emails, and mobile phone photos are automatically protected for seven decades past their authors' lives — runs counter to common sense and is economically unnecessary and inefficient.<sup>71</sup> In today's world, in which — as Patry observes (p. 204) — the number of creators has greatly increased, formalities allow those authors who wish to signal their desire for such protection to do so and allow those authors who choose not to comply with formalities to enable freer uses.

Fortunately, interest in restoration of formalities is growing, not only in the United States but also internationally.<sup>72</sup> There is thus some reason to be optimistic that this reform of copyright law will come about in time.

### C. Compensation Instead of Exclusivity

One of the book's major complaints about copyright today is that it is too often characterized as a property right, which implies that "owners" have the right to exercise exclusive dominion over protected works (pp. 177–78). Rightsholders should be actively concerned about finding ways to get compensated for others' uses of their works rather

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<sup>67</sup> The CPP included representatives from several copyright industry groups; they, along with other CPP members, expressed strong interest in restoring formalities. *See id.* at 1199.

<sup>68</sup> *See, e.g.*, Sprigman, *supra* note 8, at 557–68 (considering how unregistered works might be treated).

<sup>69</sup> Samuelson et al., *CPP Report*, *supra* note 1, at 1200–01.

<sup>70</sup> *Id.* at 1201.

<sup>71</sup> *Id.* at 1198–99.

<sup>72</sup> *See, e.g.*, COMITÉ DES SAGES, *supra* note 1; HARGREAVES, *supra* note 1. The University of Amsterdam's Institute for Information Law hosted an international gathering of scholars to discuss reinvigoration of copyright formalities in July 2012. *Post-Graduate Legal Education: International Copyright Law*, INST. FOR INFO. LAW, <http://www.ivir.nl/courses/icl/icl-programme.html> (last visited Dec. 1, 2012). A follow-on conference hosted by the Berkeley Center for Law and Technology will be held on April 18–19, 2013. *April 2013 Copyright Formalities: Reform(alizing) Copyright for the Internet Age?*, BERKELEY LAW, <http://www.law.berkeley.edu/formalities.htm> (last visited Dec. 1, 2012).

than trying to exercise a measure of control over their works, which is infeasible in digital networked environments (pp. 179–80).

*How to Fix Copyright* identifies four ways in which copyright owners can be compensated (p. 180). The first, which is touched on only briefly, is through receiving payments as a result of one-to-one contract negotiations, as is common in copyright industries. A second is through statutorily created compulsory licenses for particular types of works and uses. The recording industry has been a beneficiary of such a license scheme that authorizes the re-recording of musical compositions for a statutorily fixed fee.<sup>73</sup> A third is through levies imposed on recording media. The Audio Home Recording Act<sup>74</sup> (AHRA), for instance, created a levy regime on digital audiotape machines and tapes, the proceeds from which were to be allocated to appropriate rights-holders by the Copyright Royalty Tribunal.<sup>75</sup> A fourth option is through collective licensing.<sup>76</sup> In many countries, collecting societies issue licenses to users who wish to make certain kinds of uses of certain kinds of works (for example, to license public performances of music in bars and restaurants).<sup>77</sup> The society collects money from users and then pays out to members some share of the revenues collected.

After noting that the recording industry's lawsuits against 30,000 individual file sharers had failed to put an end to file sharing practices (p. 179), Patry suggests that the industry should support a scheme through which it could get compensated for uses that file sharers are making of its works rather than trying to stop this activity (pp. 179–80). Patry does not directly say whether he is endorsing compulsory licensing, a levy regime, or collective licensing as the best approach. With regard to collective licensing, it is not immediately apparent which collecting society could undertake this function or how file sharers could obtain a license from this society. Levies or a compulsory li-

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<sup>73</sup> 17 U.S.C. § 115 (2006); see *Section 115 of the Copyright Act: In Need of an Update?: Hearing Before the Subcomm. on Courts, the Internet, & Intellectual Prop. of the H. Comm. on the Judiciary*, 108th Cong. 5 (2004) (statement of Marybeth Peters, Register of Copyrights) (characterizing the § 115 compulsory license system as creating “a strong and vibrant music industry which continues to flourish to this day”).

<sup>74</sup> Audio Home Recording Act of 1992, Pub. L. No. 102-563, 106 Stat. 4237 (codified as amended at 17 U.S.C. §§ 1003–1007).

<sup>75</sup> *Id.* § 2 (codified as amended at 17 U.S.C. § 1007). The role of the Copyright Royalty Tribunal has been subsumed and modified by the Copyright Royalty Judges under the Copyright Royalty and Distribution Reform Act of 2004, Pub. L. No. 108-419, 118 Stat. 2341.

<sup>76</sup> See generally Daniel Gervais, *Keynote: The Landscape of Collective Management Schemes*, 34 COLUM. J.L. & ARTS 591 (2011).

<sup>77</sup> See, e.g., Stanley M. Besen et al., *An Economic Analysis of Copyright Collectives*, 78 VA. L. REV. 383, 385 (1992), cited in Patry (p. 181); see also Gervais, *supra* note 76, at 591–92 (describing collective organizations generally).

cense might be a more efficient way to deal with the file sharing problem than collective licensing.<sup>78</sup>

It is striking how reluctant the recording industry has been to embrace proposals for a compulsory license or levies to provide it with compensation for noncommercial file sharing and similar activities. Patry is right that a compensation scheme would be a better option for this industry than lawsuits against individual file sharers, but industry leaders have yet to embrace such a regime as a solution to the file sharing problem. Industry leaders seem intent instead on putting ever greater pressure on intermediaries, such as internet service providers (ISPs), to detect and thwart file sharing.<sup>79</sup>

## II. MAZZONE'S PROPOSALS FOR LEGISLATIVE REFORM

While Patry recommends substantive and structural changes to the copyright law regime, early in *Copyfraud* Mazzone opines that the problem with copyright today lies not in its structure and substance but in its use and manipulation by certain market actors (pp. viii–ix). What is wrong is that some unscrupulous persons and organizations are claiming copyrights in public domain works and some greedy copyright owners are actively trying to thwart fair and other lawful uses of copyrighted works (pp. viii–x).<sup>80</sup>

Mazzone devotes the first seven chapters to explaining the copyfraud concept and documenting the frequency with which these copyfrauds have been occurring.<sup>81</sup> He is disturbed by demands that users pay license fees for making photocopies, for example, of the *Federalist Papers* (p. 23), which have been in the public domain for more than two centuries, and by printed warnings that no part can be copied without the express written permission of the publisher (p. 27), which disregard fair use. He also finds distressing technical and contractual restrictions on lawful uses of copyrighted works (pp. 81–84,

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<sup>78</sup> A number of commentators have proposed levies or compulsory licenses as a way to compensate copyright owners for noncommercial file sharing. See, e.g., Glynn S. Lunney Jr., *The Death of Copyright: Digital Technology, Private Copying, and the Digital Millennium Copyright Act*, 87 VA. L. REV. 813, 852–53 (2001).

<sup>79</sup> See, e.g., Annemarie Bridy, *Graduated Response and the Turn to Private Ordering in Online Copyright Enforcement*, 89 OR. L. REV. 81, 81 (2010) (stating that in 2008 the RIAA shifted to a strategy that “eschews litigation and statutory mandates in favor of voluntary cooperation between rights owners and Internet access providers”). See also Gigi Sohn, *What's Going on with the Copyright Alert System?*, PUB. KNOWLEDGE POL'Y BLOG (Aug. 7, 2012), <http://www.publicknowledge.org/blog/whats-going-copyright-alert-system>.

<sup>80</sup> Mazzone is not the only scholar to have called for reforms to deter unwarranted copyright claims in public domain works. See, e.g., Paul J. Heald, *Payment Demands for Spurious Copyrights: Four Causes of Action*, 1 J. INTELL. PROP. L. 259 (1994); John Tehranian, *Curbing Copyblight*, 14 VAND. J. ENT. & TECH. L. 993 (2012).

<sup>81</sup> Chapter Seven involves overreaching with regard to trademark law, which is beyond the scope of this Review.

96–100). The last three chapters describe the many recommendations Mazzone makes for legislative reforms so that copyfraud is properly punished and deterred.

In an era in which public confidence in Congress appears to be at an all-time low, it is heartening to know that a legal academic such as Mazzone can place so much faith in Congress's caring enough about the public domain and fair use to enact the reforms for which he argues in *Copyfraud*. Much as I share his concerns about abusive copyright claims and admire his courage in imagining a world in which his solutions would be welcomed by legislators, I suggest in this Part that more modest measures would be more likely to achieve his goals. Mazzone's recommendations fall into two broad categories: those that tinker with existing laws, and those that would substantially alter the dynamics of copyright protection and copyfraud. In this Part, I first suggest that his more modest recommendations, while helpful, would be best achieved through the courts rather than through his preferred vehicle of legislative action; second, I offer some critiques of and concerns about his more radical proposals.

#### A. Proposed Reforms of Existing Law

While *Copyfraud* anticipates that the legislative system will deal with copyright abuse, I suggest that the judicial system may prove a more effective venue for some reforms that Mazzone recommends. *Copyfraud* proposes, for instance, that Congress revise U.S. copyright statutory damage rules so that legitimate fair users will feel freer to engage in lawful (if edgy) uses of copyrighted works (pp. 201–03).<sup>82</sup> Under current law, a successful copyright claimant can opt for an award of statutory damages instead of actual damages.<sup>83</sup> The normal range for statutory damage awards is between \$750 and \$150,000 per infringed work.<sup>84</sup> Mazzone believes that the risk of substantial statutory damage liability has undue chilling effects on users (pp. 202–03). Imagine, for instance, a town historical society that owned a set of 100 historically significant photographs by an unknown photographer from the 1960s, which it wanted to post on its website. Even if the society firmly believed doing so would be fair use, it might well refrain from posting the photographs online because of its potential exposure to a

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<sup>82</sup> For an in-depth examination of statutory damages in copyright law, see Pamela Samuelson & Tara Wheatland, *Statutory Damages in U.S. Copyright Law: A Remedy in Need of Reform*, 51 WM. & MARY L. REV. 439 (2009). The CPP Report was similarly concerned about excessive statutory damages. See Samuelson et al., *CPP Report*, *supra* note 1, at 1220–21.

<sup>83</sup> 17 U.S.C. § 504(c)(1) (2006).

<sup>84</sup> *Id.* § 504(c)(1)–(2).

statutory damage award that could send it into bankruptcy.<sup>85</sup> Mazzone would have Congress limit statutory damages for noncommercial infringements (p. 203).

Reform of copyright's statutory damages provision would be a very good idea.<sup>86</sup> However, Congress seems unlikely to reform it as Mazzone recommends, given that copyright industry groups favor statutory damages awards precisely because of their deterrent (that is, in

terrorem) effects.<sup>87</sup> A more feasible way to reform statutory damages would be to persuade judges to adopt guidelines to ensure that statutory damages awards are "just," as the statute says they should be.<sup>88</sup> In many cases, this approach would mean awarding an amount that approximates actual damages, and in some cases, courts have done just that.<sup>89</sup>

Another reform recommended in *Copyfraud* concerns contractual and technical measures aimed at overriding lawful uses of public domain or copyrighted works.<sup>90</sup> The book recommends that Congress enact legislation to forbid contractual overrides to fair use (for example, anti-reverse engineering clauses in software licenses) so that such restrictions would be null and void (pp. 114–15). Mazzone would similarly have Congress amend laws outlawing circumvention of technical protection measures (TPMs), which are used to protect copyrighted

<sup>85</sup> This risk is not as trivial as it might seem. See, e.g., *Macklin v. Mueck*, No. 00-14092-CIV-MOORE, 2005 U.S. Dist. LEXIS 18026, at \*4 (S.D. Fla. Jan. 28, 2005) (awarding \$300,000 to a Florida prisoner for unauthorized posting of two poems on a poetry website).

<sup>86</sup> See Samuelson & Wheatland, *supra* note 82, at 497–510.

<sup>87</sup> The recording industry, for instance, thinks that high statutory damages awards are important to deter infringement. See, e.g., Plaintiffs' Memorandum of Points and Authorities at 25–26, *Sony BMG Music Entm't v. Tenenbaum*, No. 07-cv-11446-RWZ, 2012 WL 3639053, at \*3 (D. Mass. Aug. 23, 2012), available at [http://beckermanlegal.com/Lawyer\\_Copyright\\_Internet\\_Law/sony\\_tenenbaum\\_120127RIAMemo.pdf](http://beckermanlegal.com/Lawyer_Copyright_Internet_Law/sony_tenenbaum_120127RIAMemo.pdf). Leading copyright industry groups are, in fact, trying to export U.S.-style statutory damages rules. See, e.g., INT'L INTELLECTUAL PROP. ALLIANCE, 2010 SPECIAL 301 REPORT ON COPYRIGHT PROTECTION AND ENFORCEMENT: ARGENTINA 1 (2010), available at <http://www.iipa.com/rbc/2010/2010SPEC301ARGENTINA.pdf> (complaining that Argentina is not doing enough to deter infringement, in part because it lacks a statutory damages remedy).

<sup>88</sup> 17 U.S.C. § 504(c)(1); see Samuelson & Wheatland, *supra* note 82, at 501–08 (proposing judicial guidelines for statutory damages awards).

<sup>89</sup> See, e.g., Samuelson & Wheatland, *supra* note 82, at 476 (citing cases in which statutory damages awards approximated actual damages).

<sup>90</sup> Mazzone assumes that the public has an affirmative right to engage in fair and other privileged uses, but does not engage in a sustained analysis of the rationale for this assertion. Fair use is sometimes characterized as an affirmative defense to charges of copyright infringement rather than as a user right. See, e.g., *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 590 (1994) (characterizing fair use as an affirmative defense). Yet some regard fair use as an interest that rightsholders should be able to contract around. See, e.g., Raymond T. Nimmer, *Breaking Barriers: The Relation Between Contract and Intellectual Property Law*, 13 BERKELEY TECH. L.J. 827, 880–86 (1998).

works, so that circumvention for fair use purposes or for purposes of accessing public domain materials would be lawful (p. 93).

Given the failure of previous legislative efforts to limit contractual overrides to fair use and to enable circumvention for fair use purposes,<sup>91</sup> *Copyfraud*'s proposals are admirably idealistic, yet unrealistic. As with statutory damages reform, a more viable way to accomplish these objectives would be to persuade courts to treat contractual restrictions on fair use and other privileged uses as unenforceable on public policy grounds.<sup>92</sup> Mazzone might also find comfort in plausible interpretations of the anticircumvention rules under which circumvention for fair use and other public interest purposes is already lawful.<sup>93</sup> A complete ban on contractual or technical overrides to privileged uses may be overbroad.<sup>94</sup>

*Copyfraud* also recommends that Congress amend fair use to make it lawful to take samples from existing sound recordings to make new recordings (p. 65),<sup>95</sup> but if Congress truly cared about creative sampling of sound recordings as fair use, it would probably have already taken action, given how well known the problem is. The book further recommends that initial purchasers of digital copies of or access rights to copyrighted works should have the right to transfer that copy or access right (p. 135), which would allow purchasers to resell these copies,

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<sup>91</sup> See, e.g., Benefit Authors Without Limiting Advancement or Net Consumer Expectations (BALANCE) Act of 2003, H.R. 1066, 108th Cong. (2003); Digital Media Consumers' Rights Act of 2003 (DMCRA), H.R. 107, 108th Cong. (2003). Representative Rick Boucher, who sponsored DMCRA, introduced a similar bill in 2005 as well as the Freedom and Innovation Revitalizing U.S. Entrepreneurship Act (FAIR USE Act) in 2007. See H.R. 1201, 109th Cong. (2005); H.R. 1201, 110th Cong. (2007).

<sup>92</sup> Mazzone discusses Professor Christina Bohannon's proposal to make unenforceable the use of contracts to override fair use but regards this solution as insufficient (pp. 113–14). The CPP Report offers a test for preemption of contract provisions that curtail acts privileged under copyright law. See Samuelson et al., *CPP Report*, *supra* note 1, at 1235–38.

<sup>93</sup> For discussion of an interpretation of the anticircumvention laws that would allow circumvention for fair use purposes, see, for example, Jerome H. Reichman, Graeme B. Dinwoodie & Pamela Samuelson, *A Reverse Notice and Takedown Regime to Enable Public Interest Uses of Technically Protected Copyrighted Works*, 22 BERKELEY TECH. L.J. 981 (2007).

<sup>94</sup> Consider, for instance, a small software startup company that is negotiating a license concerning its proprietary software with a large, well-established company; its founder may worry that the large firm will reverse-engineer the software in order to reimplement its functionality, which might put the small firm out of business. An anti–reverse engineering clause in the license would block a potential fair use, but for the small company to insist on it and for the larger company to accede to this restriction might be justifiable as a business decision. Copyright owners have a legitimate interest in using TPMs to protect against infringement, even if this protection often means that privileged uses will be made more difficult.

<sup>95</sup> Mazzone discusses amending the fair use provision to establish numerical quotas for how much of a recording may be appropriated without copyright liability (p. 65). Others have made similar recommendations. See, e.g., Gideon Parchomovsky & Kevin A. Goldman, Essay, *Fair Use Harbors*, 93 VA. L. REV. 1483, 1512–14 (2007). Although quotas would make fair use law more predictable, they would also make it more rigid. They would also set a precedent for statutory caps on the amount that can be taken as fair use, a downside that Mazzone recognizes (p. 65).

give them away to friends, or donate them to nonprofit libraries. Congress has, however, had a chance to be receptive to a similar recommendation but declined the opportunity.<sup>96</sup> Courts are a more likely venue than is Congress for achieving these two reforms. Courts could become more receptive to sampling as fair use and could draw upon common law exhaustion of rights principles to allow resales of digital copies.<sup>97</sup>

Nor is Congress likely to amend the Digital Millennium Copyright Act<sup>98</sup> (DMCA) so that users would have considerably more due process rights with respect to materials they have stored on ISP sites that copyright owners claim are infringing, as *Copyfraud* recommends (pp. 92–93).<sup>99</sup> Under Mazzone’s regime, a user would first have the chance to oppose a takedown notice, whereupon the ISP would do nothing unless and until the owner filed an infringement lawsuit (p. 93). Perhaps Mazzone is right that more should be done to encourage ISPs to take fair use and free speech principles into account when they process takedown notices, but it seems inefficient to require copyright owners to file a lawsuit when sending a letter identifying infringing works and asking the ISP to take them down would resolve most disputes. Courts are more likely than is Congress to interpret the notice-and-takedown rules in a way that takes into account public interest concerns.<sup>100</sup>

### B. *Copyfraud’s Most Innovative Proposals*

*Copyfraud* proposes two measures that, while innovative and potentially game changing, give me some pause. First, it proposes new civil actions against copyfraudsters<sup>101</sup> that could be brought by persons who themselves need not have suffered any injury from the alleged fraud (pp. 171–79). Second, it proposes a new government agency to protect fair use (pp. 190–201) and a new bureau within the

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<sup>96</sup> Mazzone would require the reseller or donor to delete his copy after transferring it to others (pp. 135–36), but a previous effort to persuade Congress to adopt this measure failed to get out of a House subcommittee. See H.R. 1066, 108th Cong. § 4 (2003).

<sup>97</sup> See MCLEOD & DICOLA, *supra* note 1, at 232–43 (discussing the application of fair use to sampling). See generally Aaron Perzanowski & Jason Schultz, *Digital Exhaustion*, 58 UCLA L. REV. 889 (2011) (arguing for common law exhaustion principles to apply to transfers of digital works).

<sup>98</sup> Pub. L. No. 105-304, 112 Stat. 2860 (1998) (codified as amended in scattered sections of 17 U.S.C.).

<sup>99</sup> Mazzone discusses several examples showing that ISPs have been too quick to take down materials stored on their servers when copyright owners challenge them as infringing (pp. 72–78).

<sup>100</sup> See, e.g., *Perfect 10, Inc. v. CCBill LLC*, 488 F.3d 1102, 1111–15 (9th Cir. 2007) (interpreting DMCA notice requirements strictly); *Online Policy Grp. v. Diebold, Inc.*, 337 F. Supp. 2d 1195, 1203–06 (N.D. Cal. 2004) (awarding damages for issuance of meritless takedown notice).

<sup>101</sup> “Copyfraudsters” is my term, not Mazzone’s.

Department of Justice (DOJ) to protect the public interest in the public domain (p. 214).

1. *Qui Tam Actions Against Copyfraudsters.* — *Copyfraud* recommends authorizing civil actions against copyfraudsters (pp. 170–71).<sup>102</sup> It would, however, allow deceptive intent to be inferred (p. 172)<sup>103</sup> as well as relax two other elements normally required to prove fraud. First, plaintiffs would not have to show detrimental reliance on a copyfraudster’s assertions (for example, that a work was in copyright when it was public domain) in order to recover damages (pp. 172–73). Second, recovery would not be limited to those who have actually suffered damages from copyfraud (pp. 175–76). The book contemplates class action lawsuits against copyfraudsters (p. 170), as well as lawsuits by state attorneys general (pp. 174–75), but it puts most faith in private attorneys general and analogizes its proposal to qui tam actions that patent law historically authorized to claim damages for false patent markings (pp. 175–78).<sup>104</sup> *Copyfraud* is concerned that copyfraudsters will tend to inflict a large number of small harms on users, making claims based only on the injury to individual victims too costly for individual suits to be brought (p. 174).

The proposed regime would, in addition, impose statutory penalties on those who commit “infringement of the public domain” (p. 178).<sup>105</sup> The penalties would be calibrated based on the number of artifacts bearing a false copyright notice and the degree of egregiousness of this infringement; for example, claiming copyright in the U.S. Constitution would be a more serious wrong than claiming copyright in a forgotten

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<sup>102</sup> Fraudulent claims of copyright are already illegal under U.S. law; indeed, they are a crime under 17 U.S.C. § 506(c) (2006). However, as Mazzone observes, there has been little enforcement of this law (p. 169). Mazzone also discusses the possibility of the RICO (Racketeer Influenced and Corrupt Organization) Act, wire and mail fraud, and various state causes of action as potentially warranted to challenge copyfraud (pp. 179–83).

<sup>103</sup> Mazzone offers an example: “because it is impossible to believe that a play by Shakespeare is copyrightable, a publisher who attaches a copyright notice to the play would easily be found to have acted with deceptive intent” (p. 172).

<sup>104</sup> See 35 U.S.C. § 292(b) (2006), amended by 35 U.S.C. § 292(b) (Supp. V 2011) (authorizing suits by private persons alleging false patent markings, with one-half of damages going to the person bringing suit and the other half to the U.S. government). The qui tam recovery for false patent markings was substantially changed by Congress as part of the Leahy-Smith America Invents Act, Pub. L. No. 112-29, 125 Stat. 284, 329 (2011) (codified at 35 U.S.C. § 292(a)–(b) (2006 & Supp. V 2011)), so that only the federal government and those competitively injured by false marking are eligible to bring actions.

<sup>105</sup> *Copyfraud* assumes that the public has a protectable interest in public domain works. It does not engage in a sustained analysis of the nature of that interest, which is curious given that recent efforts to persuade the Supreme Court to protect the public’s interest in the public domain have failed. See, e.g., *Golan v. Holder*, 132 S. Ct. 873, 878 (2012) (holding that Congress has the power to remove works from the public domain, which is not “a territory that works may never exit”); *Eldred v. Ashcroft*, 537 U.S. 186, 194 (2003) (holding that the Copyright Term Extension Act, which increased the term of copyright, was within Congress’s constitutional authority).

poem (p. 178). As in patent *qui tam* actions, “the spoils” from these lawsuits could be shared by the copyfraud plaintiff and the U.S. Treasury (p. 179).

I have some qualms about Mazzone’s means to encourage class action lawsuits against publishers who try to thwart fair use or claim copyright in public domain works — namely, allowing lawsuits by plaintiffs who no longer have to prove either detrimental reliance on the fraud or resulting injury. Concerns have arisen in recent years over copyright trolls — that is, rightsholders who threaten or bring infringement lawsuits in order to induce users to pay to settle weak claims.<sup>106</sup> A proposal to allow *qui tam* actions for obtaining damages from any publisher who tried to thwart fair uses or claimed copyright in public domain materials would likely give rise to a huge rash of litigation and shakedowns out of proportion, in my judgment, to the harm caused.<sup>107</sup> Fair use copyfraud could more usefully be deterred by considering it a form of copyright misuse, which must be purged before the misusing copyright owner can enforce claims against infringers.<sup>108</sup>

Even assuming that *Copyfraud*’s proposals for civil actions against copyfraudsters were politically viable (which, in the current environment, they are not), it is worth considering whether these reforms are sound ideas. To assess these reforms, two further questions should be addressed: First, how much societal harm is actually being caused by copyfrauds? And second, insofar as harms exist, are more modest measures available to address them than creating a host of new penal-

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<sup>106</sup> See, e.g., FIGHT COPYRIGHT TROLLS, <http://fightcopyrighttrolls.com/> (last visited Dec. 1, 2012).

<sup>107</sup> Mazzone’s examples of copyfraud focus on instances in which copyright is being claimed in plainly public domain works or in which fair use is clearly available and a copyright owner is overreaching to thwart it. While such examples support his arguments, Mazzone does not give enough credence to difficulties that sometimes attend efforts to be sure about what is public domain or in-copyright. See, e.g., Pamela Samuelson, *Questioning Copyright in Standards*, 48 B.C. L. REV. 193, 196–215 (2007) (discussing controversies about whether taxonomies and other kinds of standards are copyrightable). Nor does he acknowledge that the boundaries of fair use are often unclear. Google, for instance, contends that its systematic scanning of books from research library collections is fair use; the Authors Guild does not agree. See *Authors Guild v. Google, Inc.*, 282 F.R.D. 384, 389–90 (S.D.N.Y. 2012). Cambridge University Press would not have initiated a lawsuit against Georgia State for its electronic course reserve policy if it believed fair use law was firmly on Georgia State’s side. See *Cambridge Univ. Press v. Becker*, No. 1:08-CV-1425-ODE, 2012 WL 1835696, at \*1 (N.D. Ga. May 11, 2012).

<sup>108</sup> See, e.g., Mark A. Lemley, *Beyond Preemption: The Law and Policy of Intellectual Property Licensing*, 87 CALIF. L. REV. 111, 151–58 (1999). Public domain copyfraud may be easier to challenge if the Supreme Court reverses the Second Circuit in *Nike, Inc. v. Already, LLC*, 663 F.3d 89 (2d Cir. 2011), cert. granted, 133 S. Ct. 24 (2012), which held that Already could not challenge the validity of Nike’s trademark because Nike had promised not to sue Already for infringement after Already raised the validity issue. *Id.* at 91–93. By granting certiorari in the case, the Supreme Court has signaled an interest in allowing some challenges to invalid claims of intellectual property rights by persons not actually harmed by the assertion of these rights.

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ties for copyfraud and establishing new bureaucracies to represent the public's interest in the public domain and in fair use?

I suspect that very few people are actually deterred from making a photocopy of some pages from a book because of a prefatory notice that no part can be copied without the express written permission of the publisher. Nor would most people really feel ripped off if they paid \$1.00 for a postcard or \$10.00 for a poster of a public domain painting because the museum put a copyright notice on the reproduction. Most people do not read shrink-wrap or click-through licenses<sup>109</sup> and consequently do not feel constrained by them. Even some of those who do read the licenses are very likely to ignore any restrictions they consider to be unreasonable.

Even TPMs are not as much of a constraint on fair use as *Copyfraud* assumes. There are probably hundreds of thousands of videos on YouTube that are mashups of Hollywood movies, clips for which can be obtained only by circumventing the TPMs that protect DVDs of the movies. Some mashup creators likely know about the DMCA's anticircumvention rules, but may nonetheless believe that circumventions for fair use are lawful. Others may simply be ignorant of the anticircumvention rules. So far, no one has been sued for violating these laws in the course of creating mashups.

*Copyfraud* persuades its readers that copyright owners sometimes overreach, but there are some constraints on owner overreach already. Copyright industry groups are, for one thing, well aware that they may suffer bad publicity if they make overly aggressive claims. These groups are also aware that overreaching could lead to establishing a "bad" precedent (which Mazzone and I would consider a good precedent). Universal Music, for example, was criticized in the press and got what it considered to be a "bad" ruling when it sent a notice of infringement to YouTube because a young mother posted a short video of her toddler dancing with a sound recording of Prince playing in the background.<sup>110</sup> Some public interest organizations, law school technology or intellectual property clinics, and pro bono lawyers are willing to represent fair users when copyright owners overreach. The Electronic Frontier Foundation, for example, set a good fair use precedent when it persuaded a court to hold that Universal had an obligation to consider whether a use such as the dancing baby video is a fair

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<sup>109</sup> See generally Mark A. Lemley, *Intellectual Property and Shrinkwrap Licenses*, 68 S. CAL. L. REV. 1239 (1995).

<sup>110</sup> See, e.g., Chris Francescani, *The Home Video Prince Doesn't Want You to See*, ABC NEWS (Oct. 26, 2007), <http://abcnews.go.com/TheLaw/home-video-prince/story?id=3777651>; Greg Sandoval, *Mother Protects YouTube Clip by Suing Prince*, CNET (Oct. 30, 2007, 12:25 PM), [http://news.cnet.com/8301-10784\\_3-9807555-7.html](http://news.cnet.com/8301-10784_3-9807555-7.html).

use before sending a takedown notice to an ISP.<sup>111</sup> Resources like ChillingEffects.org,<sup>112</sup> listing excessive copyright claims, and best-practice guidelines for communities of fair users are available to mediate the balance between private and public interests in respect of copyright.

2. *New Government Oversight to Protect Fair Use and the Public Domain.* — The boldest and most ambitious of the reform proposals in *Copyfraud* are that Congress establish a new agency within the federal government to protect fair use and that the DOJ create a special bureau to protect the public's interest in the public domain.

*Copyfraud* proposes two models for the new federal agency. Model 1 would create an Agency for Fair Use (AFU) (p. 190), which would be entirely separate from the U.S. Copyright Office. In Mazzone's view, the Office has been too attentive to the interests of copyright industry representatives (pp. 189–90).<sup>113</sup> In legislation authorizing this new agency, Congress should, he believes, “make it unlawful to interfere with fair uses of copyrighted works and subject offenders to civil penalties,” as well as provide that state contract rules that interfere with fair use are preempted (pp. 190–91). The AFU would have power to engage in rulemaking to respond to various ways in which copyfraudsters attempt to bypass or thwart fair use (p. 191). These rules would have the force of law, and administrative tribunals could adjudicate disputes concerning interference with fair use (pp. 191–92).<sup>114</sup> These tribunals would have power to impose civil penalties and order wrongdoers to cease and desist their wrongful acts, with such penalties and orders reviewable by the U.S. courts of appeals (p. 192).

Model 2 would be a Copyright Infringement Review Office (CIRO), which, like the AFU, would have rulemaking and adjudicative authority on fair use issues (p. 193). The main difference between the models would be that under Model 2, copyright owners would have to submit infringement claims to CIRO before bringing a lawsuit in federal court, and alleged infringers would have the opportunity to raise fair use defenses before CIRO (pp. 193–94). CIRO would investigate and render decisions on fair use defenses raised in these disputes. Copyright owners would not be precluded from suing in federal court if they disagreed with the agency's determination that the challenged use

<sup>111</sup> See *Lenz v. Universal Music Corp.*, 572 F. Supp. 2d 1150, 1151, 1156 (N.D. Cal. 2008).

<sup>112</sup> CHILLING EFFECTS, <http://chillingeffects.org> (last visited Dec. 1, 2012).

<sup>113</sup> For example, “[c]ritics have complained that in performing its role under the DMCA,” the Office “has unduly favored content owners, particularly by failing to provide exemptions for fair use or for consumers to make backup copies of lawfully purchased media” (p. 189).

<sup>114</sup> Mazzone would also allow state agencies to take action against those who interfered with fair uses (p. 175).

was fair (p. 193), but Mazzone anticipates that courts would often defer to CIRO's decision on fair use issues (pp. 193-94).<sup>115</sup>

*Copyfraud* proffers AFU or CIRO as administrative agencies to address fair use copyfraud, while the DOJ's Public Domain Bureau (PDB) would address public domain copyfrauds (p. 214). The DOJ's PDB would be charged with monitoring improper claims of copyright in public domain materials, prosecuting offenders, and developing guidelines for schools, universities, and copy shops, as well as answering queries from the public about the public domain (p. 214).

Mazzone also wants the public domain to be more prominent in public consciousness. He calls for the creation of a database with entries for all public domain works (pp. 212-13). He would require publishers to provide the operator of this database (whoever it might be) with identifying information for every public domain work in their repertoires as a condition of being able to enforce copyrights in the works they were currently commercializing (p. 213). Mazzone would have public domain works be marked, for example, with a PD in a circle (p. 213), and publishers would be obliged to identify which parts of works that they publish are public domain and which are subject to copyright (pp. 169-70). To deter wrongful claims of copyright in public domain works, Mazzone would allow the tax-exempt status of non-profit organizations to be challenged when they engage in copyfraud (p. 214). This would include libraries that block access to public domain materials or museums that claim copyright in postcards or posters of public domain works (p. 214).<sup>116</sup>

As well-intended as these recommendations may be, perhaps more modest measures could achieve the desired results. In particular, if some agencies already exist to protect consumers' interests, perhaps this fact should be considered before creating a brand-new fair use agency or PDB in the DOJ. Insofar as copyfraud causes real harm to consumers, the Federal Trade Commission (FTC) could take action against those who engage in unfair or deceptive trade practices.<sup>117</sup> Although the FTC has not yet actively pursued copyfraud, it has taken action against some overreaching conduct of copyright owners. It challenged Sony BMG, for instance, after the firm embedded software in copy-protected CDs that made purchasers' computers vulnerable to

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<sup>115</sup> Mazzone describes several benefits of the administrative agency approach to protecting fair use, including greater flexibility to adopt regulations quickly, better positioning to specify details of uses that are fair, greater predictability, and greater ability to generate regulations that are tailored to individual sectors and contexts but still reflect a uniform body of law (pp. 197-99).

<sup>116</sup> Mazzone also suggests that lawyers should be subject to sanctions for violating professional ethics insofar as they advise clients to place copyright notices on public domain works or to take actions to thwart fair uses (pp. 222-23).

<sup>117</sup> See 15 U.S.C. § 45 (2006).

privacy and security risks.<sup>118</sup> State consumer protection agencies might also be willing to nudge copyright owners whose overreaching harms consumers.<sup>119</sup>

Perhaps Mazzone should also have given more thought to how the U.S. Copyright Office might be reformed to better represent the public's interest in fair use and the public domain.<sup>120</sup> He apparently considers the Office to have been captured by copyright industry groups and seems to recognize that capture might happen to the new agency he proposes as well (pp. 189–90). Even if a new agency avoided capture, Washington-based bureaucrats may not be well equipped to address the needs of the many types of creators, traditional as well as offbeat, who would come to them to ask for fair use rules for their practices.

Finally, it should be noted that in an era of staggering federal deficits and stiff political resistance to further expansion of federal bureaucracies, it is overoptimistic to believe that Congress would be willing to create a brand-new federal agency or a new bureau within the DOJ to address the concerns Mazzone raises.

As a longtime proponent of fair use and the public's interest in the public domain, I am uncomfortable being critical of well-intentioned proposals made by a fellow academic. Mazzone's mission to protect fair use and the public domain is commendable, but fair use and the public domain do not need to be protected as much as Mazzone proposes.<sup>121</sup>

### III. TOWARD A MORE COMPREHENSIVE REFORM OF COPYRIGHT LAW

The title of this Review asks whether copyright reform is possible. One might infer from the text thus far that the answer is no. Although

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<sup>118</sup> See Deirdre K. Mulligan & Aaron K. Perzanowski, *The Magnificence of the Disaster: Reconstructing the Sony BMG Rootkit Incident*, 22 BERKELEY TECH. L.J. 1157, 1158–71 (2007). The FTC settled the charges with Sony BMG. See *Sony BMG Settles FTC Charges*, FED. TRADE COMM'N (Jan. 30, 2007), <http://www.ftc.gov/opa/2007/01/sony.shtm>. The FTC also held a public “town hall” about whether consumers needed better notice about TPMs embedded in products they purchase. See *FTC Town Hall to Address Digital Rights Management Technologies*, FED. TRADE COMM'N (Dec. 23, 2008), <http://www.ftc.gov/opa/2008/12/drm.shtm>.

<sup>119</sup> See, e.g., Eliot Van Buskirk, *Sony BMG Settles Rootkit Scandal with Two States*, WIRED (Dec. 19, 2006, 4:21 PM), [http://www.wired.com/listening\\_post/2006/12/sony\\_settles\\_bmg/](http://www.wired.com/listening_post/2006/12/sony_settles_bmg/).

<sup>120</sup> Having economic and technology experts on staff might be helpful. See Samuelson et al., *CPP Report*, *supra* note 1, at 1205–06. The Office might also appoint an ombudsman to address public interest issues such as fair use.

<sup>121</sup> In view of his strong advocacy for the public domain, it is a surprise that Mazzone endorses adopting a *sui generis* form of legal protection for the contents of databases (pp. 115–16). Commentators have decried such legislation as an undue incursion on the public domain. See, e.g., J.H. Reichman & Pamela Samuelson, *Intellectual Property Rights in Data?*, 50 VAND. L. REV. 51, 88–90 (1997). Patry, too, is critical of the European database right (pp. 71–74).

I regard as meritorious the recommendations explored in *How to Fix Copyright* — to shorten the duration of copyright terms, to reinvigorate copyright formalities, and to establish a compensation scheme for file sharing — Part I expressed doubts that these reforms would occur any time soon. Part II praised some of *Copyfraud*'s proposals for reform, such as precluding statutory damage awards for noncommercial uses of protected works. Yet Part II was similarly skeptical about whether such proposals could be adopted in the near or medium term. Part III, however, offers a ray or two of hope for meaningful copyright reforms that could be achieved in coming years.

The conventional assumption has been that law reform is something that legislatures do. This assumption often holds true, although there are a number of other venues and modalities through which law reform can be and often is achieved. By expressing hope that copyright reform is possible, I do not mean to convey that I expect Congress to take up comprehensive copyright reform any time soon.<sup>122</sup> There are, however, several other institutions that may have roles to play in reforming copyright. Section III.A considers an array of alternative modes and venues through which reform of copyright may take place. Section III.B discusses one particular venue for reform — namely, the American Law Institute (ALI) — and suggests the contours of a substantive copyright project it might undertake. A successful ALI project articulating principles of copyright law could provide guidance to courts in the near term and make legislative reform more feasible over time.

#### A. Modes and Venues of Copyright Reform

There are several venues besides Congress and several modalities other than legislation through which copyright reform can be considered and carried out.<sup>123</sup> At a 2009 conference on copyright reform held at Southwestern Law School,<sup>124</sup> speakers identified several possi-

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<sup>122</sup> There are a number of reasons to doubt that Congress will take up comprehensive copyright reform in the foreseeable future. See, e.g., Samuelson, *Preliminary Thoughts*, *supra* note 1, at 556 (citing, for example, pressing national issues, resistance from the copyright industry, and costliness as hindrances to reform).

<sup>123</sup> The UK has adopted an interesting way to consider reforms to intellectual property laws. The Prime Minister appoints one person to conduct a review of the law, with input from stakeholders of various kinds, and to recommend changes that Parliament should adopt. For an example of such a review, see HARGREAVES, *supra* note 1. Patry suggests that the United States adopt a similar mechanism of requiring an independent review of any new copyright legislation, which would assess the change and report on the impact of any reform before it is adopted (pp. 52–56).

<sup>124</sup> The conference is described at *Reforming Copyright: Process, Policy and Politics*, SW. L. SCH., <http://www.swlaw.edu/academics/entertainmentlaw/instevents/pastevents/copyrightconf309> (last visited Dec. 1, 2012). Professor Deven Desai wrote a blog post discussing some of the substantive points presented there. See Deven Desai, *Late Recap of the Southwestern Conference*

bilities, which I will discuss in this section along with several other possible venues.

At the conference, treatise author David Nimmer suggested that Congress create a commission and charge it with developing proposals for copyright reform.<sup>125</sup> Nimmer commended an earlier commission of this sort (on which his father served), the National Commission on New Technological Uses of Copyrighted Works (known as CONTU),<sup>126</sup> for the thoughtful way it addressed some hotly contested new technology issues of the day.<sup>127</sup> CONTU II, he suggested, could take a fresh look at copyright law today and offer sound ideas for reforms.

A second possibility for reform, which Nimmer noted but did not endorse, is to give copyright reform to the U.S. Intellectual Property Enforcement Coordinator (IPEC, sometimes known as the “IP Czar”), who reports directly to the President of the United States on intellectual property matters. Victoria Espinel, who currently holds this position, has indeed recommended legislative changes to U.S. copyright law.<sup>128</sup> Although leading copyright industry groups may consider the legislative amendments she has proposed to be positive reforms to copyright law, others disagree.<sup>129</sup> The main focus of this agency is, however, on enforcement of intellectual property rights, not on the substantive law. If one is looking for a more normative and well-balanced copyright regime, IPEC is not the optimal venue through which to pursue copyright reforms, as its enforcement focus may make it less likely to consider the broader public interest in copyright rules.

A third possible venue would involve reestablishment of the Office of Technology Assessment (OTA) as an advisory body from which members of Congress could ask for reports on the desirability of copyright reforms in response to challenges posed by new technologies. Some of the best reports written about the challenges that new tech-

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*About Copyright Reform, Panel 1*, CONCURRING OPINIONS (Mar. 23, 2009, 2:29 PM), [http://www.concurringopinions.com/archives/2009/03/late\\_recap\\_of\\_t.html](http://www.concurringopinions.com/archives/2009/03/late_recap_of_t.html).

<sup>125</sup> See Desai, *supra* note 124. Nimmer has been critical of Congress’s piecemeal changes to U.S. copyright law. See, e.g., David Nimmer, *Codifying Copyright Comprehensively*, 51 UCLA L. REV. 1233, 1313–15 (2004).

<sup>126</sup> NAT’L COMM’N ON NEW TECHNOLOGICAL USES OF COPYRIGHTED WORKS, FINAL REPORT (1979), available at <http://digital-law-online.info/CONTU/PDF/index.html>.

<sup>127</sup> See Nimmer, *supra* note 125, at 1378–81.

<sup>128</sup> See, e.g., Nate Anderson, *Obama “IP Czar” Wants Felony Charges for Illegal Web Streaming*, ARS TECHNICA (Mar. 15, 2011, 12:07 PM), <http://arstechnica.com/tech-policy/2011/03/obama-ip-czar-wants-felony-charges-for-illegal-web-streaming>.

<sup>129</sup> See, e.g., John Richards, *US Stop Online Piracy Act Under Siege?*, INTELL. PROP. MAG., Feb. 2012, at 56, 57; Declan McCullagh, *Copyright Bill Controversy Grows as Rhetoric Sharpens*, CNET (Oct. 31, 2011, 4:19 PM), [http://news.cnet.com/8301-31921\\_3-20128166-281/copyright-bill-controversy-grows-as-rhetoric-sharpens/](http://news.cnet.com/8301-31921_3-20128166-281/copyright-bill-controversy-grows-as-rhetoric-sharpens/).

nologies have posed for copyright were published by OTA.<sup>130</sup> These reports identified the relevant stakeholders, the issues in contention, options for action, and the costs and benefits of such actions. The OTA left to Congress decisions about which options would best achieve the desired objectives. The principal difficulty with this reform option is that the organization no longer exists and Congress is unlikely to recreate it any time soon. The closest approximation to OTA at present is the National Academies, whose press has published several influential reports recommending intellectual property reforms.<sup>131</sup> Indeed, a copyright reform report is presently in the works.<sup>132</sup>

A fourth venue through which some copyright reforms can be achieved is the federal courts. Several important copyright reforms are possible without the need for legislative action. For the most part, this type of reform would involve judicial interpretation of rules that the copyright statute either does not address or that Congress has seemingly chosen to leave to common law interpretation.<sup>133</sup>

A fifth venue for copyright reform is the U.S. Copyright Office. Congress often asks the Copyright Office for advice when it is considering changes to copyright law.<sup>134</sup> In addition, Congress sometimes delegates rulemaking authority on copyright matters to the Library of Congress, with the Copyright Office performing a vital advisory role to the Library.<sup>135</sup> The Copyright Office played a substantial role in copyright reform in the past, and there is every reason to suppose the

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<sup>130</sup> See, e.g., OFFICE OF TECH. ASSESSMENT, INTELLECTUAL PROPERTY RIGHTS IN AN AGE OF ELECTRONICS AND INFORMATION (1986), available at <http://www.princeton.edu/~ota/disk2/1986/8610/8610.PDF>. An archive of OTA reports can be found at *The OTA Legacy*, PRINCETON UNIV., <http://www.princeton.edu/~ota/> (last visited Dec. 1, 2012).

<sup>131</sup> See, e.g., NAT'L RESEARCH COUNCIL, A PATENT SYSTEM FOR THE 21ST CENTURY (Stephen A. Merrill et al. eds., 2004); NAT'L RESEARCH COUNCIL, THE DIGITAL DILEMMA (2000) [hereinafter DIGITAL DILEMMA].

<sup>132</sup> *The Impact of Copyright Policy on Innovation in the Digital Era*, BD. ON SCI., TECH. & ECON. POLICY, <http://sites.nationalacademies.org/PGA/step/copyrightpolicy/index.htm> (last visited Dec. 1, 2012).

<sup>133</sup> A prime example of a court accomplishing copyright reform through interpretation of copyright law is *Sony Corp. of America v. Universal City Studios, Inc.*, 464 U.S. 417 (1984), which held that time-shift copying of broadcast television shows was fair use and that Sony was not secondarily liable for its customers' infringements because its videotape machine was capable of substantial non-infringing uses. The 1976 Act had no provision on secondary liability, but the Court read common law secondary liability rules into this law. See *id.* at 439–42; see also *supra* section II.A, pp. 754–57 (discussing reform proposals in *Copyfraud* that the courts could more likely effect).

<sup>134</sup> See REPORT ON ORPHAN WORKS, *supra* note 44 (describing findings of study commissioned by members of Congress to consider legislative responses to improve access to orphan works).

<sup>135</sup> See 17 U.S.C. § 1201(a)(1)(C) (2006) (conferring rulemaking authority on the Librarian of Congress to create exceptions to anticircumvention rules upon the recommendations of the Register of Copyrights).

Office will play a similar role in reform in the future. Maria Pallante, the Register of Copyrights, has recently announced that she intends to propose legislation to address the orphan work problem and to update privileges for libraries and archives.<sup>136</sup> Other small but significant reforms might include hiring a chief economist or chief technologist to assist the Office in its policymaking functions.<sup>137</sup> One nonprofit public interest organization has published a thoughtful report recommending several reforms that the Copyright Office could undertake, including modernization of the registration system.<sup>138</sup>

A sixth venue and modality in which copyright reform is already happening to some degree is the publication of treatises, which influence judicial and practitioner understandings of the law and court decisions.<sup>139</sup> Sometimes treatises are so influential that they, in effect, overrule the legislature by giving interpretations of the statute that are incorrect.<sup>140</sup>

A seventh venue and modality for copyright reform might involve the drafting of a model law or set of principles underlying copyright law by an organization such as the ALI. The ALI has already made significant contributions to clarifying and reforming the law on intellectual property through its Restatement and Principles projects.<sup>141</sup> There is some reason to be optimistic that the ALI would be interested in and well-suited to undertake a Copyright Principles project that would further contribute to sound foundations for copyright reform.<sup>142</sup>

An eighth venue and modality for copyright reform is private ordering. This is the domain in which most copyright reform is happening today. On the high-protectionist end of the spectrum, private ordering techniques include the use of TPMs, shrink-wrap licenses, and

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<sup>136</sup> Maria A. Pallante, *Keynote Address: Orphan Works & Mass Digitization*, 27 BERKELEY TECH. L.J. (forthcoming 2012) (manuscript at 2).

<sup>137</sup> Samuelson et al., *CPP Report*, *supra* note 1, at 1205–06.

<sup>138</sup> See MICHAEL WEINBERG ET AL., PUB. KNOWLEDGE, A COPYRIGHT OFFICE FOR THE 21ST CENTURY (2010), available at <http://publicknowledge.org/copyright-office-21st-century>.

<sup>139</sup> See, e.g., *Erickson v. Trinity Theatre, Inc.*, 13 F.3d 1061, 1070–71 (7th Cir. 1994) (relying on Professor Paul Goldstein's treatise interpretation to resolve an ambiguous copyright rule on joint authorship). Three notable multivolume treatises on U.S. copyright law are PAUL GOLDSTEIN, *GOLDSTEIN ON COPYRIGHT* (3d ed. 2005), MELVILLE B. NIMMER & DAVID NIMMER, *NIMMER ON COPYRIGHT* (rev. ed. 1978), and WILLIAM F. PATRY, *PATRY ON COPYRIGHT* (2007).

<sup>140</sup> See, e.g., Pamela Samuelson, *Why Copyright Law Excludes Systems and Processes from the Scope of Its Protection*, 85 TEX. L. REV. 1921, 1956–61 (2007) (explaining why the Nimmer treatise's influential interpretation of 17 U.S.C. § 102(b) is incorrect).

<sup>141</sup> See, e.g., RESTATEMENT (THIRD) OF UNFAIR COMPETITION (1995) (covering trademark, trade secret, and right of publicity law); AM. LAW INST., *PRINCIPLES OF THE LAW OF SOFTWARE CONTRACTS* (2009) [hereinafter ALI SOFTWARE CONTRACTS].

<sup>142</sup> See, e.g., Michael Traynor, *The First Restatements and the Vision of the American Law Institute, Then and Now*, 32 S. ILL. U. L.J. 145, 160–63 (2007) (discussing the ALI's selection criteria and potential future projects).

new business models.<sup>143</sup> On the low-protectionist side, private ordering efforts include Creative Commons and open source licensing, open access digital libraries of research materials, and online posting of course materials and the like.<sup>144</sup> Best practices guidelines, such as those recently promulgated by the Center for Social Media at American University, are also examples of private ordering that aim to overcome difficulties in the copyright arena that have been impeding creative reuses of copyrighted materials.<sup>145</sup> The proposed Google Book Search settlement agreement is an example of private ordering that, had it been approved, would have substantially altered the copyright landscape.<sup>146</sup> The Section 108 Study Group was a privately organized project that convened, with the encouragement of the U.S. Copyright Office, to consider proposals to update the privileges that libraries have had under the 1976 Act.<sup>147</sup>

Social norms and practices are a ninth mode of copyright reform. When there is a substantial gap between what major copyright industry groups think the law is or ought to be and what members of the general public think it is or should be, there is bound to be a struggle over which conception will prevail. The entertainment industry persuaded courts to rule that peer-to-peer file sharing of copyrighted music and movies was infringing,<sup>148</sup> but these rulings have not persuaded millions of users to discontinue this practice.<sup>149</sup> A more positive reform through social norms has been the rising acceptance of user-generated content such as remixes and mashups of copyrighted content, fan-fiction rewriting of stories, and the like.<sup>150</sup>

A tenth venue and modality for engaging in copyright reform may be international treaties or agreements. A high-protectionist initiative

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<sup>143</sup> See, e.g., DIGITAL DILEMMA, *supra* note 131, at 153–86.

<sup>144</sup> See generally OPEN CONTENT LICENSING (Lucie Guibault & Christina Angelopoulos eds., 2011).

<sup>145</sup> See, e.g., CTR. FOR SOC. MEDIA, CODE OF BEST PRACTICES IN FAIR USE FOR ONLINE VIDEO (2008), available at <http://www.centerforsocialmedia.org/fair-use/related-materials/codes/code-best-practices-fair-use-online-video>. The Glushko-Samuelsan Intellectual Property Clinic at American University participated in the drafting of these practices.

<sup>146</sup> See, e.g., Pamela Samuelson, *The Google Book Settlement as Copyright Reform*, 2011 WIS. L. REV. 479, 516–38.

<sup>147</sup> THE SECTION 108 STUDY GROUP REPORT (2008), available at <http://www.section108.gov/docs/Sec108StudyGroupReport.pdf>; see also Samuelson et al., *CPP Report*, *supra* note 1, at 1232–34 (discussing exemptions for libraries).

<sup>148</sup> See, e.g., *A&M Records, Inc. v. Napster, Inc.*, 239 F.3d 1004, 1013–14 (9th Cir. 2001) (holding music file sharing to be copyright infringement).

<sup>149</sup> See, e.g., *Metro-Goldwyn-Mayer Studios Inc. v. Grokster, Ltd.*, 545 U.S. 913, 923 (2005) (noting that well over 100 million copies of the respondents' software had been downloaded and that billions of files of mostly infringing materials were being shared with that software each month).

<sup>150</sup> See, e.g., Edward Lee, *Warming Up to User-Generated Content*, 2008 U. ILL. L. REV. 1459, 1460; Tim Wu, *Tolerated Use*, 31 COLUM. J.L. & ARTS 617, 634 (2008).

along these lines is the Anti-Counterfeiting Trade Agreement<sup>151</sup> (ACTA). ACTA is a plurilateral trade agreement that would create new obligations on the part of member states to adapt their laws and enforcement practices, which may also impose new responsibilities on those who facilitate Internet distribution of digital content.<sup>152</sup> A low-protectionist initiative of this sort is the World Intellectual Property Organization (WIPO) Development Agenda, which aims to produce an international instrument on exceptions and limitations to copyright that would liberalize and validate currently existing provisions and provide a framework for normative conceptualizations of exceptions and limitations for societal purposes.<sup>153</sup>

Of these venues and modalities, the most promising is an ALI Principles project. The ALI is uniquely situated to make a contribution to reforming copyright law through such a project. Its membership consists of prominent judges, lawyers, and professors who deliberate on law reform issues in a careful and considered way. The ALI has engaged in a wide range of law reform projects, including on intellectual property matters.<sup>154</sup> Its model law, Restatement, and Principles projects are the work products of years of research, analysis, drafting, and other processes by a reporter and a committee of experts with different perspectives and experience to bring to bear on the issues, whose work is then reviewed by the ALI membership at annual meetings.<sup>155</sup> Its model laws have been adopted by many legislatures, and its Restatements and Principles are widely cited and influential.<sup>156</sup> There is, indeed, no other institution capable of undertaking a law reform project

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<sup>151</sup> 50 I.L.M. 239 (2011) (not in force). ACTA has received harsh criticism from some scholars. Patry asserts that this treaty is neither about trade nor about counterfeiting (p. 246). *See also, e.g.,* Michael Geist, *The Trouble with ACTA: An Analysis of the Anti-Counterfeiting Trade Agreement*, in EUROPEAN PARLIAMENT DIRECTORATE-GENERAL FOR EXTERNAL POLICIES, WORKSHOP: THE ANTI-COUNTERFEITING TRADE AGREEMENT 25 (2012), available at <http://www.europarl.europa.eu/committees/fr/studiesdownload.html?languageDocument=EN&file=73311>.

<sup>152</sup> Geist, *supra* note 151, at 35–41.

<sup>153</sup> *See The 45 Adopted Recommendations Under the WIPO Development Agenda*, WORLD INT'L PROP. ORG., <http://www.wipo.int/ip-development/en/agenda/recommendations.html> (last visited Dec. 1, 2012); *see also, e.g.,* THE DEVELOPMENT AGENDA (Neil Weinstock Netanel ed., 2009); IMPLEMENTING THE WORLD INTELLECTUAL PROPERTY ORGANIZATION'S DEVELOPMENT AGENDA (Jeremy de Beer ed., 2009).

<sup>154</sup> *See, e.g.,* RESTATEMENT (THIRD) OF UNFAIR COMPETITION (1995) (distilling principles of trademark, trade secret, and right of publicity law); AM. LAW INST., PRINCIPLES OF INTELLECTUAL PROPERTY (2008) (setting forth principles governing jurisdiction, choice of law, and judgments in transnational intellectual property disputes).

<sup>155</sup> For a description of ALI project processes, see, for example, Traynor, *supra* note 142, at 160–63.

<sup>156</sup> *See* Shirley S. Abrahamson, Address, *Refreshing Institutional Memories: Wisconsin and the American Law Institute*, 1995 WIS. L. REV. 1, 3–4 (giving examples of ALI projects that have been influential and noting that ALI Restatements had been cited in over 125,000 decisions as of March 1994).

of this sort.<sup>157</sup> An ALI Principles project could bring greater normative clarity, predictability, and balance to copyright law.

*B. What an ALI Principles Project Might Do to Reform Copyright Law*

Earlier in this Review, I referred to a pervasive malaise in U.S. copyright law, which requires a deeper and broader set of reforms than Patry and Mazzone have called for.<sup>158</sup> That malaise could be at least substantially addressed by an ALI Copyright Principles project. The 1976 Act is too long and complicated; it is the outmoded work product of a mindset dating back to the 1950s; it is ill-suited to addressing most of the challenging new technology issues of the day; it is overbroad in some respects and imbalanced in others; and it lacks comprehensible normative foundations.<sup>159</sup> The stresses under which copyright law has struggled in recent years are due in no small part to:

the radical transformation of public access to information that has been brought about by changes in computing and communications technologies and accessibility of information through global digital networks. The Internet and World Wide Web, in particular, have destabilized many copyright industry sectors as the economics of creating, publishing, and disseminating information-rich works have dramatically changed.<sup>160</sup>

Articulating a set of principles that should undergird a “good” copyright law would be a desirable starting point,<sup>161</sup> following which an ALI project might assess to what extent current law is consistent with or divergent from those principles.<sup>162</sup>

An ALI project cannot change copyright durations, reinstate formalities, or establish a compensation scheme for peer-to-peer file sharing, as Patry recommends, for only Congress could make these changes. But many desirable reforms concern copyright issues that are susceptible to common law case-by-case adjudications and are therefore amenable to the kind of project that the ALI routinely undertakes. Following are some of the issues an ALI project could address.

1. *Boundaries of Copyright Subject Matter.* — Copyright is said to “subsist[] . . . in original works of authorship fixed in any tangible me-

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<sup>157</sup> In the absence of a systematic project by the ALI, courts tend to rely on treatise authors to resolve ambiguous issues, but often these authors disagree on important points. Of necessity, a treatise author’s work product cannot reflect a consensus among experts the way that an ALI project might. In addition, a treatise tends to be a multivolume work rather than a concise synthesis of the law as an ALI project would be.

<sup>158</sup> See *supra* p. 742.

<sup>159</sup> Samuelson, *Preliminary Thoughts*, *supra* note 1, at 551–56.

<sup>160</sup> Samuelson et al., *CPP Report*, *supra* note 1, at 1177.

<sup>161</sup> See *id.* at 1181–83.

<sup>162</sup> See *id.* at 1183–97.

dium of expression.”<sup>163</sup> Eight specific types of works are identified as falling within this rubric, but the list was not intended to be exhaustive.<sup>164</sup> Over the years, several disputes have arisen about whether certain types of intellectual creations are copyrightable subject matter under U.S. law.<sup>165</sup> An ALI project could offer guidance about the contours of this category.

2. *Eligibility Criteria for Copyright Protection.* — Although the Supreme Court has ruled that a modicum of creativity is required before a work of authorship qualifies for copyright protection as an “original” work,<sup>166</sup> there continue to be many disputes over originality issues.<sup>167</sup> As Mazzone points out, publishers and museums often claim copyright in smaller scale versions of public domain works or in copies in a different medium (for example, posters or postcards of paintings) (p. 2), owing in part to conflicting case law.<sup>168</sup> An ALI Principles project could consider whether such things as postcards or posters of public domain paintings or photographs have sufficient originality to qualify for copyright protection.

Original pictorial, sculptural, and graphic works are eligible for copyright protection as long as these works are physically or conceptually separable from the useful articles in which they may be embodied.<sup>169</sup> There is no consensus on the proper test or rationale for applying the conceptual separability distinction.<sup>170</sup> An ALI project could address this issue.

3. *Nature of the Public Domain.* — *Copyfraud* is among many scholarly works that have explored societal values underlying the ex-

<sup>163</sup> 17 U.S.C. § 102(a) (2006).

<sup>164</sup> See H.R. REP. NO. 94-1476, at 51 (1976).

<sup>165</sup> See, e.g., *Kelley v. Chi. Park Dist.*, 635 F.3d 290, 302–06 (7th Cir. 2011) (rejecting claim that a garden was copyrightable subject matter); Andrew W. Torrance, *DNA Copyright*, 46 VAL. U. L. REV. 1 (2011) (proposing that synthetic biology DNA sequences are copyrightable subject matter).

<sup>166</sup> *Feist Publ'ns, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 346 (1991).

<sup>167</sup> Because *Feist* said that facts are not protectable because they are “discovered,” *id.* at 347, some cases have treated original facts as protectable. See, e.g., *CDN Inc. v. Kapes*, 197 F.3d 1256 (9th Cir. 1999) (upholding claim of originality in a publication that compiled and analyzed data to generate collectible coin prices). This distinction has been criticized. See, e.g., Justin Hughes, *Created Facts and the Flawed Ontology of Copyright Law*, 83 NOTRE DAME L. REV. 43 (2007). Another controversy concerns the standard of originality for copyright protection for derivative works. See, e.g., *Gracen v. Bradford Exch.*, 698 F.2d 300, 305 (7th Cir. 1983) (requiring substantial originality). This decision has also been criticized in the law review literature. See, e.g., Russ VerSteeg, *Rethinking Originality*, 34 WM. & MARY L. REV. 801, 807 n.17 (1993).

<sup>168</sup> *Compare Bridgeman Art Library, Ltd. v. Corel Corp.*, 36 F. Supp. 2d 191, 197 (S.D.N.Y. 1999) (holding transparencies of public domain works unprotectable by U.S. copyright law because lacking in creativity), *with Ets-Hokin v. Skyy Spirits, Inc.*, 225 F.3d 1068, 1073 (9th Cir. 2000) (holding photograph of vodka bottle copyrightable).

<sup>169</sup> See 17 U.S.C. § 101 (2006) (definitions of “pictorial, graphic, and sculptural works” and “useful article”).

<sup>170</sup> See, e.g., *Carol Barnhart Inc. v. Econ. Cover Corp.*, 773 F.2d 411 (2d Cir. 1985) (majority and dissenting opinions expressing divergent views about conceptual separability).

istence of the public domain.<sup>171</sup> Although scholars do not always use the term “public domain” in a consistent manner,<sup>172</sup> it typically means that works are free from intellectual property constraints, as might result from an expired copyright or a work lacking originality.<sup>173</sup> Some scholars have asserted that the concept of a public domain has a constitutional basis and that the public has an interest in the public domain that courts should protect.<sup>174</sup> The Supreme Court thus far has not been persuaded by these arguments.<sup>175</sup> The Court has sometimes protected the public domain when plaintiffs have sought to use other laws to exercise exclusive control over publicly disseminated works that are, as a matter of copyright law, in the public domain.<sup>176</sup> An ALI Principles project could address and clarify protection issues, as well as other issues, surrounding the public domain.<sup>177</sup>

4. *Authorship Issues.* — The Supreme Court in *Community for Creative Non-Violence v. Reid*<sup>178</sup> ruled that common law agency rules should be used to determine whether someone is an employee whose creative work in the course of employment should be considered a work made for hire, which would result in the copyright being owned by the employer.<sup>179</sup> Because employment status under common law agency depends on multiple factors, it can be somewhat

<sup>171</sup> Among the most significant of these works are James Boyle, *The Second Enclosure Movement and the Construction of the Public Domain*, LAW & CONTEMP. PROBS., Winter/Spring 2003, at 33, 68; Julie E. Cohen, *Copyright, Commodification and Culture: Locating the Public Domain*, in THE FUTURE OF THE PUBLIC DOMAIN 121 (Lucie Guibault & P. Bernt Hugenholtz eds., 2006); and Jessica Litman, *The Public Domain*, 39 EMORY L.J. 965, 1012–22 (1990).

<sup>172</sup> See, e.g., Pamela Samuelson, *Enriching Discourse on Public Domains*, 55 DUKE L.J. 783 (2006) (discussing a range of conceptions of that term).

<sup>173</sup> See, e.g., Pamela Samuelson, *Mapping the Digital Public Domain: Threats and Opportunities*, LAW & CONTEMP. PROBS., Winter/Spring 2003, at 147.

<sup>174</sup> See generally Symposium, *Eldred v. Ashcroft: Intellectual Property, Congressional Power, and the Constitution*, 36 LOY. L.A. L. REV. 1 (2002) (discussing issues involved in the *Eldred* litigation and potential ramifications of the decision); Edward Lee, *The Public's Domain: The Evolution of Legal Restraints on the Government's Power to Control Public Access Through Secrecy or Intellectual Property*, 55 HASTINGS L.J. 91, 99–101 (2003) (noting a rise in the public's interest in the public domain because of the *Eldred* case); Lawrence Lessig, *Copyright's First Amendment*, 48 UCLA L. REV. 1057, 1066–73 (2001) (laying out the background of the *Eldred* litigation and endorsing a balanced approach to copyright protection).

<sup>175</sup> See, e.g., *Eldred v. Ashcroft*, 537 U.S. 186, 194 (2003) (rejecting a constitutional challenge to the CTEA).

<sup>176</sup> See, e.g., *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23, 37 (2003) (construing Lanham Act as regulating false statements about who manufactured goods, not about who created the content).

<sup>177</sup> See, e.g., Samuelson et al., *CPP Report*, *supra* note 1, at 1227–28 (noting that there is no certain way under existing law to dedicate one's work to the public domain).

<sup>178</sup> 490 U.S. 730 (1989).

<sup>179</sup> *Id.* at 750–51 (interpreting 17 U.S.C. §§ 101, 201(b) (1976)).

indeterminate.<sup>180</sup> There is also some unclarity in the copyright case law about who should be deemed a joint author of a work.<sup>181</sup> An ALI project could clarify these questions and offer guidance to courts.

5. *New Uses Not Foreseen Under Old Contracts.* — A common problem in copyright law is determining who, as between the author and her licensees or assignees, should be entitled to enjoy the benefits of new uses that technologies or new business models make possible over time. There are inconsistent rulings and standards about this in the case law. In *Random House, Inc. v. Rosetta Books LLC*,<sup>182</sup> for instance, the court interpreted a common clause in book publishing contracts as a limited grant of only those rights enumerated — particularly print rights — which meant that authors, including Kurt Vonnegut and William Styron, were free to assign e-book licenses to Rosetta.<sup>183</sup> However, other cases have interpreted contract language about new uses in a manner that favors licensees.<sup>184</sup> Irresolution about the appropriate standards creates uncertainty and disputes that may either chill the exploitation of works in new media or result in unfair windfalls.

6. *Scope of Exclusive Rights.* — An ALI project could offer guidance on a number of issues concerning the scope of the exclusive rights copyright gives to authors. These rights include exclusive rights to control the reproduction of their works in copies, the preparation of derivative works, the distribution of copies to the public, and the authorization of public performances and public displays of the works.<sup>185</sup> Controversies over the proper interpretation of several of these exclusive rights abound: Are temporary copies made in the random-access memory (RAM) of computers, for instance, within the reproduction right, or are they too ephemeral to give rise to copyright infringe-

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<sup>180</sup> See, e.g., Assaf Jacob, *Tort Made for Hire — Reconsidering the CCNV Case*, 11 YALE J.L. & TECH. 96, 108–15 (2009), available at <http://digitalcommons.law.yale.edu/cgi/viewcontent.cgi?article=1047&context=yjolt>. Courts also differ on whether, in the case of a specially commissioned work, a writing attesting to the intent of the creator to allow the work to be treated as a work for hire — hence making the commissioning party its author — must be executed prior to the work's creation. Compare *Schiller & Schmidt, Inc. v. Nordisco Corp.*, 969 F.2d 410, 412–13 (7th Cir. 1992) (holding that writing must precede creation), with *Playboy Enters., Inc. v. Dumas*, 53 F.3d 549, 559 (2d Cir. 1995) (enforcing later writing).

<sup>181</sup> See, e.g., *Erickson v. Trinity Theatre, Inc.*, 13 F.3d 1061, 1069–71 (7th Cir. 1994) (reviewing conflicting standards from the Goldstein and Nimmer treatises).

<sup>182</sup> 150 F. Supp. 2d 613 (S.D.N.Y. 2001), *aff'd*, 283 F.3d 490 (2d Cir. 2002).

<sup>183</sup> *Id.* at 614.

<sup>184</sup> See, e.g., *Boosey & Hawkes Music Publishers, Ltd. v. Walt Disney Co.*, 145 F.3d 481, 487 (2d Cir. 1998).

<sup>185</sup> 17 U.S.C. § 106 (2006).

ment?<sup>186</sup> Is making available a protected work a distribution of it or only an offer to distribute, which does not give rise to liability until consummated?<sup>187</sup> Is a digital transmission a public performance of a work?<sup>188</sup>

The scope of copyright's derivative work right has also been contentious.<sup>189</sup> The definition of derivative work in the statute includes a list of nine exemplary derivatives (such as translations and motion picture versions of novels), but goes on to say "or any other form in which a work may be recast, transformed, or adapted."<sup>190</sup> If this last clause is interpreted in light of the nine examples, then the scope of its application narrows.<sup>191</sup> Some cases have gone far beyond that approach by applying a much broader interpretation of a derivative work.<sup>192</sup> An ALI project could consider what bearing policies favoring ongoing creativity, freedom of expression, technological innovation, and competition should have on the proper scope of this right.<sup>193</sup>

7. *Relationship Between Commercial Harm and Infringement.* — Perhaps the single most important issue that an ALI Copyright Principles project might address is whether, as some commentators have suggested, infringement liability should not be found unless there is proof of commercial harm to the copyright owner.<sup>194</sup> It would be helpful al-

<sup>186</sup> Compare *MAI Sys. Corp. v. Peak Computer, Inc.*, 991 F.2d 511, 517–18 (9th Cir. 1993) (RAM copy infringed), with *Cartoon Network LP v. CSC Holdings, Inc.*, 536 F.3d 121, 130 (2d Cir. 2008) (buffer copy did not infringe).

<sup>187</sup> See, e.g., *Capitol Records Inc. v. Thomas*, 579 F. Supp. 2d 1210, 1218–19 (D. Minn. 2008) (holding that file sharer's making protected works available was not a distribution). Capitol appealed this ruling; however, the Eighth Circuit declined to consider whether making a work available violates the distribution right, holding that the issue was not properly before the court. *Capitol Records, Inc. v. Thomas-Rasset*, 692 F.3d 899, 902, 905–06 (8th Cir. 2012).

<sup>188</sup> See, e.g., *Cartoon Network*, 536 F.3d at 139 (holding that transmission was not a public performance).

<sup>189</sup> Patry recommends narrowing this right so that second comers will have more freedom to engage in ongoing creation (pp. 99–103). He does not say whether this narrowing should happen through judicial interpretation or through amending the statute.

<sup>190</sup> 17 U.S.C. § 101 (2006 & Supp. IV 2010).

<sup>191</sup> See, e.g., Pamela Samuelson, *The Quest for a Sound Conception of Copyright's Derivative Work Right*, 101 GEO. L.J. (forthcoming 2013) (manuscript at 23–26), available at [http://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=2138479](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2138479) (arguing that this kind of narrow interpretation of the derivative work right is consistent with the statutory text, the legislative history of the 1976 Act, the constitutional purpose of copyright, and free expression, competition, and consumer protection policies).

<sup>192</sup> See, e.g., *Castle Rock Entm't, Inc. v. Carol Publ'g Grp., Inc.*, 150 F.3d 132, 135 (2d Cir. 1998) (holding that trivia book based on TV show infringed).

<sup>193</sup> See, e.g., BOHANNAN & HOVENKAMP, *supra* note 1, at 203–05 (arguing for a narrow right).

<sup>194</sup> Professors Bohannon and Hovenkamp have argued that for copyright law to be consistent with competition, innovation, and free expression policies, a showing of commercial harm should be required in copyright cases. See, e.g., *id.* at 161–99. The CPP was somewhat more qualified in its recommendation but nevertheless proposed that commercial harm be given weight in determining infringement. Samuelson et al., *CPP Report*, *supra* note 1, at 1209–14.

so to consider whether or under what circumstances harm should be presumed and what kinds of harm are cognizable in copyright cases.<sup>195</sup> An ALI project could further consider what role the de minimis standard should play in relieving defendants from copyright liability.<sup>196</sup>

8. *Secondary Liability Standards.* — Unlike U.S. patent and trademark laws, U.S. copyright law does not contain a statutory provision setting forth standards for when persons or firms should be held secondarily liable for the infringing acts of others.<sup>197</sup> Through a common law process, courts have developed three different theories of secondary liability: one for contributory infringement, one for vicarious liability, and one for inducing infringement.<sup>198</sup> Secondary liability standards remain contentious, and the entertainment industry has been pressing for ever more expansive secondary liability rules.<sup>199</sup> An ALI Principles project on copyright could help to provide more stability to these rules.

9. *Refining Infringement Tests.* — It is easy and straightforward to determine that someone has infringed the reproduction right when he or she has made an exact or near-exact copy of the plaintiff's work and is selling it in direct competition in the copyright owner's market. In many instances, however, similarities between works are nonliteral in character.<sup>200</sup> There is no consensus among courts about the proper tests or mode of analysis for judging nonliteral infringement cases.<sup>201</sup> An

<sup>195</sup> See, e.g., BOHANNAN & HOVENKAMP, *supra* note 1, at 199.

<sup>196</sup> For a discussion of reform of the de minimis doctrine of copyright law, see, for example, Andrew Inesi, *A Theory of De Minimis and a Proposal for its Application in Copyright*, 21 BERKELEY TECH. L.J. 945 (2006).

<sup>197</sup> Standards for secondary liability for patent and trademark infringement are codified in 35 U.S.C. § 271(b)–(c) (2006 & Supp. IV 2010) and 15 U.S.C. § 1114(1)(b) (2006). It is possible to argue that copyright has a limited statutory secondary liability rule because it grants rights to authors “to do and to authorize” certain types of acts with their works. 17 U.S.C. § 106 (2006). Secondary liability rules in copyright are, for the most part, the product of common law adjudication. See, e.g., *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 434–42, 456 (1984) (affirming that those who contribute to infringement by others may sometimes be held liable for that infringement, although rejecting secondary infringement claims in that particular case).

<sup>198</sup> See, e.g., *Metro-Goldwyn-Mayer Studios Inc. v. Grokster, Ltd.*, 545 U.S. 913, 930, 934–35 (2005) (discussing secondary liability rules).

<sup>199</sup> See, e.g., Pamela Samuelson, *Three Reactions to MGM v. Grokster*, 13 MICH. TELECOMM. & TECH. L. REV. 177, 186 (2006) (enumerating the various secondary liability tests advanced by the *Grokster* plaintiffs, all of which the Court rejected).

<sup>200</sup> See, e.g., *Sheldon v. Metro-Goldwyn Pictures Corp.*, 81 F.2d 49, 55–56 (2d Cir. 1936) (finding infringement based on copying of detailed structure of certain scenes of a play in a movie).

<sup>201</sup> The Ninth Circuit, for instance, uses what it calls the “extrinsic-intrinsic” test first articulated in *Sid & Marty Krofft Television Productions, Inc. v. McDonald's Corp.*, 562 F.2d 1157, 1165 n.7 (9th Cir. 1977), but it sometimes uses a “total concept and feel” test, see, e.g., *Roth Greeting Cards v. United Card Co.*, 429 F.2d 1106, 1110 (9th Cir. 1970). In the Second Circuit, courts are more likely to apply the “abstractions” test from *Nichols v. Universal Pictures Corp.*, 45 F.2d 119 (2d Cir. 1930), or the “improper appropriation” test articulated in *Arnstein v. Porter*, 154 F.2d 464

ALI project could refine what test to use and what procedure should be used to determine infringement.<sup>202</sup> Such refinements would hopefully make copyright law more principled as well as more predictable.

10. *Fair Use and First Sale Privileges.* — An ALI project could help to avert the copyfrauds about which Mazzone is concerned. It could, for instance, consider whether fair use should be deemed a user right, not just a defense to claims of infringement. Determining fair use to be a user right would strengthen arguments for treating attempts to thwart fair use as a kind of copyright misuse and for invoking copyright preemption as a basis for treating mass-market contract provisions that purport to limit fair use as unenforceable as a matter of public policy. A similar strategy might be feasible to preserve first sale rights for digital copies. Such a project could also address CPP's recommendations to refine and clarify fair use, especially as it pertains to personal uses, and to clarify the exclusion of procedures, processes, systems, and methods of operation from the scope of copyright.<sup>203</sup> ALI projects often provide guidance on defenses and limitations on rights.<sup>204</sup> Additionally, an ALI project could consider whether fair use should be an affirmative defense only insofar as a defendant must raise it in responding to a complaint, or additionally as the defendant's burden to prove that the use was fair.<sup>205</sup>

11. *Guidelines for Awards of Statutory Damages.* — Under the 1976 Act, copyright owners who prevail in an infringement action are allowed to opt for an award of statutory damages at any time up until the entry of final judgment in a case.<sup>206</sup> The Act says that statutory damage awards are supposed to be in an amount the court deems "just,"<sup>207</sup> but courts have yet to develop a jurisprudence to ensure that statutory damage awards are just. Unfortunately, statutory damage awards are often arbitrary, inconsistent, and sometimes grossly exces-

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(2d Cir. 1946). The CPP expressed the view that the "non-standardization of infringement tests and analysis contributes to uncertainties about copyright's boundaries and to chilling effects on follow-on creators." Samuelson et al., *CPP Report*, *supra* note 1, at 1216.

<sup>202</sup> ALI projects do this sort of reform very well. *Cf.*, e.g., RESTATEMENT (THIRD) OF UNFAIR COMPETITION § 20 (1995) (standard for trademark infringement); *id.* at §§ 21–23 (discussing various factors to be considered in determining trademark liability).

<sup>203</sup> Samuelson et al., *CPP Report*, *supra* note 1, at 1228–32 (identifying issues that need clarification).

<sup>204</sup> *See*, e.g., RESTATEMENT (THIRD) OF UNFAIR COMPETITION §§ 28–32 (setting forth defenses and limitations to trademark liability).

<sup>205</sup> The Supreme Court in *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569 (1994), characterized fair use as an affirmative defense in both senses. *Id.* at 590. Some commentators have questioned whether defendants should bear the burden of proving that their uses were fair. BOHANNAN & HOVENKAMP, *supra* note 1, at 175.

<sup>206</sup> 17 U.S.C. § 504(c)(1) (2006).

<sup>207</sup> *Id.*

sive,<sup>208</sup> which is why Mazzone is rightly concerned about them. The potential for unjust awards is especially high in cases involving a large number of works, such as class actions against direct infringers or indirect infringement claims against technology developers.<sup>209</sup> An ALI project could develop guidelines so that statutory damage awards are more consistent, more principled, and more just.

12. *Standards for Granting and Withholding Injunctive Relief.* — Until recently, it was common for courts to presume that copyright owners were entitled to injunctive relief, either upon a finding of infringement or upon a finding of likelihood of success on the merits, when deciding whether to issue a preliminary injunction.<sup>210</sup> In the aftermath of the Supreme Court's decision in *eBay Inc. v. MercExchange, L.L.C.*,<sup>211</sup> which overturned the Federal Circuit's "automatic injunction" rule in patent cases,<sup>212</sup> some courts have begun to recognize that this ruling has implications for copyright cases as well.<sup>213</sup> However, some courts still apply a presumption of irreparable harm in copyright cases, as some commentators think they should.<sup>214</sup>

Because this presumption was common for many years, there has been relatively little careful analysis of what constitutes "irreparable harm" in copyright cases or how public interest factors should be weighed in determining whether injunctive relief is appropriate. ALI Principles could consider these matters and the circumstances under which a presumption of injunctive relief might be justified (for example, with respect to counterfeit copies). Refinement of standards for issuing (or not issuing) injunctions is commonly addressed by ALI projects.<sup>215</sup>

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<sup>208</sup> Samuelson & Wheatland, *supra* note 82, at 460–63, 481–90 (giving examples); *see also* Samuelson et al., *CPP Report*, *supra* note 1, at 1220–21 (expressing concern about excessive statutory damage awards).

<sup>209</sup> *See, e.g.*, Stephanie Berg, *Remedying the Statutory Damages Remedy for Secondary Copyright Infringement Liability: Balancing Copyright and Innovation in the Digital Age*, 56 J. COPYRIGHT SOC'Y U.S.A. 265, 307–09 (2009) (describing possible grossly excessive awards based on aggregate numbers of works or secondary infringement). One commentator has estimated the potential liability for digitizing copyrighted books stored in research libraries at \$3.6 trillion, even though the actual damages would seem to be far lower. *See* Jonathan Band, *The Long and Winding Road to the Google Books Settlement*, 9 J. MARSHALL REV. INTELL. PROP. L. 227, 229 (2009).

<sup>210</sup> *See, e.g.*, *Triad Sys. Corp. v. Se. Express Co.*, 64 F.3d 1330, 1335 (9th Cir. 1995) (presuming irreparable harm and an entitlement to injunctive relief upon a showing of likelihood of success on the merits).

<sup>211</sup> 547 U.S. 388 (2006).

<sup>212</sup> *Id.* at 391.

<sup>213</sup> The most significant is *Salinger v. Colting*, 607 F.3d 68 (2d Cir. 2010), which reversed a preliminary injunction because the lower court presumed irreparable injury rather than requiring plaintiff to prove it per *eBay*.

<sup>214</sup> *See, e.g.*, Andrew F. Spillane, Comment, *The Continuing Vitality of the Presumption of Irreparable Harm in Copyright Cases*, 15 MARQ. INTELL. PROP. L. REV. 257, 281–82 (2011).

<sup>215</sup> *See, e.g.*, RESTATEMENT (THIRD) OF UNFAIR COMPETITION §§ 44–45 (1995) (articulating standards for injunctive and monetary relief in trade secret cases).

ALI Principles could also offer guidance about under what circumstances an award of monetary compensation would be a more appropriate remedy than injunctive relief.<sup>216</sup> The Supreme Court has suggested that in close fair use cases, injunctions need not issue.<sup>217</sup> Yet courts have been reluctant to withhold injunctive relief when the defendant's use was just over the fair use line.<sup>218</sup>

### CONCLUSION

While the twelve categories of copyright reforms discussed in Part III are not exhaustive of all that could be well addressed through an ALI Copyright Principles project,<sup>219</sup> this overview of reform topics at least demonstrates that other measures beyond those recommended in *How to Fix Copyright* and in *Copyfraud* may be worth considering. Over time, if the ALI Copyright Principles proved successful with the courts, Congress might ultimately find it useful to revisit copyright reform with an ALI model law built on the Principles as a starting point.

Copyright reform has rarely been of interest to members of the general public. With the advent of the internet and the proliferation of innovative technologies allowing anyone to use copyrighted content to make and disseminate copies and remixes, this law has become a more visible, if quite puzzling, part of the lives of hundreds of millions of people. One reason that copyright law needs to be reformed is because it so pervasively regulates what we can and cannot do lawfully online.<sup>220</sup> Because the 1976 Act was not designed to meet such challenges, it should be unsurprising that this law has been under stress

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<sup>216</sup> For example, in *New York Times Co. v. Tasini*, 533 U.S. 483 (2001), the Court declared that an injunction need not result, adding that the courts and Congress "may draw on numerous models for distributing copyrighted works and remunerating authors." *Id.* at 505. Moreover, Justice Stevens in his dissent indicated that an injunction requiring removal of freelance author articles from electronic databases might be harmful to the public record. *Id.* at 519–20 (Stevens, J., dissenting).

<sup>217</sup> See *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 578 n.10 (1994).

<sup>218</sup> In conducting a study of more than 300 fair use decisions published since the effective date of the 1976 Act, I found not even one in which a court withheld injunctive relief in a close fair use case. See Pamela Samuelson, *Unbundling Fair Uses*, 77 *FORDHAM L. REV.* 2537, 2621 & n.587 (2009).

<sup>219</sup> Another good project would be to refine the preemption doctrine that governs the analysis of state laws that interfere with copyright purposes and policies. Preemption principles were of concern both to Mazzone (pp. 105–10) and to members of the CPP. See Samuelson et al., *CPP Report*, *supra* note 1, at 1235–38. Other ALI projects have considered federal preemption of state law issues. See, e.g., ALI SOFTWARE CONTRACTS, *supra* note 141, § 1.09 (noting that contract provisions are unenforceable if federal preemption applies and giving examples of troublesome clauses).

<sup>220</sup> See, e.g., John Tehranian, *Infringement Nation: Copyright Reform and the Law/Norm Gap*, 2007 *UTAH L. REV.* 537, 543–47 (demonstrating that under strict interpretations of U.S. copyright law, an ordinary person, even without engaging in file sharing, might easily commit more than eighty infringements per day, potentially facing more than \$12 million in statutory damages).

and has serious shortcomings in the internet age. Also unsurprising is that these shortcomings have led to calls for reform.<sup>221</sup>

In the introduction to *How to Fix Copyright*, Patry suggests that those of us who have studied or practiced copyright law must “unlearn” much of what we know about this law (p. 1) before we can seriously contemplate meaningful reform of copyright law. If we can purge our minds of what current law is, we may be able to entertain in a serious way proposals to shorten copyright terms, require those who care about copyright to signal their interest by registering or otherwise claiming this legal right, narrow the scope of overbroad rights, refine fair use and other exceptions and limitations, and rethink the property right conception of copyright.

Similar unlearning may be necessary to overcome the inertia we experience when confronted with copyfraud. Most of us have gotten very used to ignoring the no-part-of-this-book-may-be-copied legends printed inside of books, anti-reverse engineering, antimodification, and anti-resale mass market license restrictions on digital information resources, and TPMs that inhibit our ability to get access to public domain materials and to make fair uses. Maybe *Copyfraud* will spark a new surge of interest in challenging the overreaching that copyfraudsters have been engaged in for years.

This Review has suggested that reforms beyond those recommended in *How to Fix Copyright* and in *Copyfraud* are needed and that at least some of them may be achieved through modes other than legislation and in venues beyond Capitol Hill. Yet one can still hope that Congress will come to perceive its constitutional responsibility to enact copyright laws that truly “promote the Progress of Science.”<sup>222</sup> The fact that more than seven million Americans rose up in protest against the Stop Online Piracy Act<sup>223</sup> is an indication that if members of the public become engaged in copyright reform, it might actually happen, even in Congress. After all, legislators still have to get elected. If we have the votes, we will ultimately get the reforms that we need.

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<sup>221</sup> See, e.g., Jessica Litman, *Real Copyright Reform*, 96 IOWA L. REV. 1 (2010); see also sources cited *supra* note 1.

<sup>222</sup> U.S. CONST. art. I, § 8, cl. 8.

<sup>223</sup> H.R. 3261, 112th Cong. (2011); see *SOPA Petition Gets Millions of Signatures as Internet Piracy Legislation Protests Continue*, WASH. POST (Jan. 19, 2012), [http://www.washingtonpost.com/business/economy/sopa-petition-gets-millions-of-signatures-as-internet-piracy-legislation-protests-continue/2012/01/19/gIQAHaAyBQ\\_story.html](http://www.washingtonpost.com/business/economy/sopa-petition-gets-millions-of-signatures-as-internet-piracy-legislation-protests-continue/2012/01/19/gIQAHaAyBQ_story.html). While some measure of enforcement against egregious, unlawful activity may be warranted, a sweeping, overbroad copyright law like SOPA is not the appropriate solution. The key, as with most copyright law reforms, is in balancing the interests, “protecting authors and other copyright owners from infringement, on the one hand, and encouraging innovation, creative expression and public access to works, on the other.” Samuelson et al., *CPP Report*, *supra* note 1, at 1194.