Message from the Chair

Welcome to a spring issue of the “Computer Lawyer”. It’s March, always a time of change, and, like the weather, the “Computer Lawyer”, and the Computer Law Section, are evolving and changing.

Computer Lawyer: Perhaps the most obvious change is that this is the first issue of the “Computer Lawyer” edited solely by Matt Jakubowski. Matt has assumed the editorship from Paul Raine, who has been editor for the last several years. I would like to publicly thank Paul for his hard work and dedication to the “Computer Lawyer” and the Computer Law Section, over the last several years. I am certain that the “Computer Lawyer” will continue to thrive under Matt’s stewardship. If you are interested in writing an article or if you have any suggestions for the publication, please contact Matt at mjakubowski@brookskushman.com or me, Fred Schuchman, at sfesiii@aol.com

Electronic publication: Future issues of the “Computer Lawyer” will be sent electronically. The cost of publishing 6 issues a year in paper form is getting too high and, as the Computer Law Section, we can be assured that our members are comfortable receiving electronic publications.

Section listserv: For you to receive the “Computer Lawyer”, as well as ongoing section information, we will need a valid e-mail address to contact you. If you are not currently receiving messages from the Computer Law listserv, we need your e-mail address. To enroll, visit the Michigan Bar Association website (www.michbar.org), go to “Sections” and then hit “Computer Law”. Once there, follow the directions to join the section listserv. Too much? Then send your e-mail address to Bernie Lourim, who handles our web page, at bernie.lourim@fanucrobotics.com; to me, Fred Schuchman, at sfesiii@aol.com. We will get you registered.

Spring Networking Luncheon: Please mark May 20 on your calendars as the date when we will hold our Spring Networking luncheon at the Livonia Marriott. This year we are fortunate to have a stellar panel debating RIAA subpoenas and music copying in general. The panel, representing different perspectives of these evolving issues, will enlighten...
The TEACH Act
A History Of The Technology, Education, And Copyright Harmonization

By: Maisa Kharbush — Ed Langs Writing Contest Third Place Winner

I. INTRODUCTION
The purpose of this paper is to help the reader gain an understanding of the impacts of the Technology, Education, and Copyright (TEACH) Act on distance education programs and copyright law. This paper seeks to accomplish this by first providing a general background on distance education and the copyright laws implicated by distance education programs. An overview of the history and events leading to the TEACH Act, as well as a detailed discussion of the copyright laws implicated by distance education and the revisions made by the TEACH Act will follow. Finally, this paper will provide the intended objectives and requirements of the TEACH Act.

II. DISTANCE EDUCATION BACKGROUND
A. What is distance education?
Distance education refers specifically to “formal instruction conducted at a distance by a teacher who plans, guides, and evaluates the learning process.” Distance education allows students, teachers, employees and employers to interact with each other by means of computers, the Internet, satellite, and television broadcasting, among other technologies. Distance education programs have become an important tool in developing the education system across the globe, as many institutions, from elementary schools to universities to businesses have implemented distance education in their educational and training programs. These programs are especially important in remote areas and developing countries where academic resources are limited and budgets are tight or unavailable, since a larger number of students may be reached by a smaller amount of educators.

Many countries have implemented distance education programs in education systems in some way, shape or form. Approximately 20 countries, including England and Israel, have what are called “open universities”, which provide primarily distance education to their students. Britain’s nationally supported Open University, based in Buckinghamshire, England has one of the best-known programs, with approximately 133,000 students receiving educations entirely at a distance.

Many United States organizations, including colleges, universities, and businesses of all sizes, use distance education programs to educate millions of students. The United States Army and Air Force even offer distance education programs to military personnel around the world. Other organizations that have implemented distance education programs include the National University of Teleconference Network (NUTN), a consortium of approximately 260 colleges and universities, the Agricultural Satellite Corporation, which provides courses on agricultural topics to many colleges and universities, HealthNet, an institution operated by Boston University Medical School that carries continuing education courses for
health care professionals, and the Black College Satellite Network (BCSN), broadcasting primarily from Howard University with programs aimed at colleges around the country. Various other institutions offer complete college degrees through computer conferencing, including bachelor and master degrees in many fields such as science, technology, business and management, among others.

Although there are many types of technologies that can be used that qualify for distance education programs, such as satellite or digital television broadcasts and videoconferencing, the computer and Internet based programs are extremely popular and successful. In its 1999 Report on Copyright and Digital Distance Education, the United States Copyright Office stated “The computer is the most versatile of distance education instruments, since it can perform the same function as a television or telephone, but also provides more interactivity, delivers more content, and supports more comprehensive services. Computers can be used to transmit text and graphics, connect users in a variety of real-time and asynchronous dialogues, deliver messages between users, and receive both audio and video transmissions.”

B. How are copyright laws implicated in distance education programs?

In its 1999 Report, the United States Copyright Office also addresses how copyright laws are implicated with distance education programs. The United States Copyright Office explains that “when a performance or display of work is accomplished by means of a digital network transmission, temporary RAM copies are made in the computers through which material passes, by virtue of the technological process, and as a result, the rights of public performance or display are implicated, as well as the rights of reproduction and/or distribution.” This is not necessarily an infringement, even if an express or implied license to use the work could not be granted by the copyright owner, since there are certain exemptions in the Copyright Act of 1976 that use of the work may fall under.

The three main exemption sections that may be implicated include the instructional exemptions in Section 110, the fair use doctrine of Section 107, and the copying control limitation of Section 112. The fair use doctrine of Section 107 and the copying control limitation Section 112 remain primarily unchanged after the passage of the TEACH Act and will not be addressed in this paper. However, the TEACH Act made revisions to Section 110 that are of great importance to distance education programs. These changes are discussed in detail in Part IV below.

C. Is there relevant case law?

Although there is not yet case law directly on point with regards to distance education programs and copyright law, some courts have addressed the issue of fair use in education that may be “borrowed” in the future by courts interpreting distance education and copyright law. For example, cases such as Campbell v. Acuff-Rose Music, Inc., and Sony Corp. v. Universal City Studios, Inc., have allowed analysts to reasonably conclude that educational uses that are made by nonprofit institutions and are “transformative”, as opposed to “reproductive” or “consumptive” will fair better if the purpose and character of the use factor is evaluated. The more factual and widely released the work, the easier it is to justify the use. Also, the intended market, its availability, how much of the work is used, and what impact the use could have on the market for the original are important factors that courts have considered.

Clearly, these cases have potential impact on future cases that may arise concerning distance education programs and the TEACH Act. The determining factors in the cases discussed above may be easily applied in distance education programs situations, and courts may have to address very similar issues.

III. A HISTORY OF THE TECHNOLOGY, EDUCATION, AND COPYRIGHT HARMONIZATION (TEACH) ACT

Before the Technology, Education, and Copyright Harmonization (TEACH) Act was passed, it caused a great stir among educators, copyright owners and analysts alike. There was much speculation on the TEACH Act’s ability to properly balance the distance education demands of educators, businesses, and students, with the rights of copyright owners whose works were utilized in these distance education programs. Most reactions were positive reactions, as the Copyright Act of 1976 was reportedly “showing its age”, in light of the trend towards the use of more modern technologies in distance education, such as the Internet. Analysts claimed that although the Copyright Act of 1976 “recognized the unique position and importance of education by providing
crucial exemptions to the exclusive rights of copyright holders”\(^\text{11}\), it was still limited in that it did not address the new issues presented by more modern technology being utilized by educators around the globe. Still others claimed that the current exemptions were “working fine and that there was no need to expand the exemption”.\(^\text{12}\)

In response to concerns from both supporters of change to the Copyright Act of 1976 and those that did not support change in the Copyright Act of 1976, the Digital Millennium Copyright Act of 1998, Section 403, directed the Register of Copyrights to submit a report on the issue.\(^\text{13}\) The United States Copyright Office was instructed to consult with representatives of copyright owners, nonprofit educational institutions, and nonprofit libraries and archives, and to then submit to Congress recommendations on how to promote distance education through digital technologies, including interactive digital networks, while maintaining an appropriate balance between the rights of copyright owners and the needs of users of copyrighted works, as well as any legislation the Register considered appropriate to achieve this objective.

The United States Copyright Office, over a period of six months, then conducted an “intensive study of the copyright issues involved in digital distance education”.\(^\text{14}\) Through public hearings and comments, as well as consultations with experts in various fields, the United States Copyright Office gathered a wide range of information and views. It then issued the lengthy 1999 Report, discussed above, entitled the United States Copyright Office Report on Copyright and Digital Education.\(^\text{15}\) This report clearly had a profound impact on the passage of the TEACH Act, especially since the United States Copyright Office’s research involved the input of a diverse group of parties in drafting the report.

The United States Copyright Office also addressed the international concerns with the passage of the TEACH Act. Since the United States is a party to a number of treaties that impose obligations with respect to copyright, the TEACH Act, by revising the Copyright Act of 1976, had to take into consideration these international obligations. The United States Copyright Office specifically cites to two major multilateral treaties that were relevant to this issue of distance education and copyright law, including the Berne Convention for the Protection of Literary and Artistic Works (Paris 1971), and the World Trade Organization Agreement on the Trade-Related Aspects of Intellectual Property Rights (1994). The recommendations that were made by the United States Copyright Office in the 1999 Report took into consideration the effects of the TEACH Act on these treaties.

The United States Copyright Office, in the 1999 Report, also addressed the laws of other countries and stated that: “The general approach of other countries is to update existing statutory or collective licensing provisions on educational photocopying and/or off-air taping to include digital reproduction by educational institutions. It is not clear what types of digital reproductions would be covered or whether other rights might be included. To our knowledge, the only country that has to date enacted such legislation is Denmark, although Canada and Australia are reportedly considering similar changes.”\(^\text{16}\)

After considering the arguments of this report and others, the Senate passed the TEACH Act, then known as S. 487, on June 7, 2001. The House of Representatives Subcommittee on Courts, the Internet, and Intellectual Property followed suit and unanimously approved the bill on July 11, 2001, after hearing important witnesses present evidence on the issue.\(^\text{17}\) These witnesses included supporters of the bill S. 487 such as Mr. John C. Vaughn, Executive Vice President of the Association of American Universities, as well as those who express concern with the passage of the bill S. 487 such as Mr. Allan Robert Adler, Vice President of Legal and Governmental Affairs of the Association of American Publishers, Inc. The Register of Copyrights, Hon. Marybeth Peters, was also a witness, and presented information about the extensive research done by the U.S. Copyright Office on the proposed TEACH Act.

Mr. John C. Vaughn, Executive Vice President of the Association of American Universities, in support of § 487, testified to the importance of passing the bill. Mr. Vaughn specifically testified that: \(^\text{18}\)

The education community believes it is very important because it would go far in the direction of our fundamental goal of achieving parity of educational content between that which can be provided remotely over a computer terminal and that which can be provided through performances and displays in face-to-face classroom teaching. We think this parity is really essential to achieving the full potential of online distance education. S.
487 would change the law in a number of ways that would significantly enhance online distance education”, including expanding the categories of works, permitting the delivery of content to any location where a student can access a computer terminal, authorizing the permanences and displays to be made asynchronously, permitting the digitizing of analog works when digital versions of a work are not available, or when they were made inaccessible by technological protection measures, clarifying that the transient or temporary copies that are made as part of an automatic process of transmission do not constitute an infringement.

Mr. Vaughn also addresses the importance of protecting the copyright owner’s rights, stating in his testimony that:

§ 487 includes a number of important safeguards against the unauthorized and inappropriate use of copyrighted material. These safeguards include requiring performances and displays to be part of mediated instructional activities under the actual supervision of an instructor, including portion limitations on the new categories of works that were included in the legislation, and limiting displays to amounts typical of a live classroom setting. Safeguards include the receipt of material limited to enrolled students only, requiring institutions to use technological measures to reasonably prevent the unauthorized retention and redissemination of the work. We add the concept of accreditation to the eligibility criterion of nonprofit educational institutions.

Mr. Allan Robert Adler, Vice President of Legal and Governmental Affairs of the Association of American Publishers, Inc., then expressed concern with the passage of § 487, testifying that:

Proposals to extend the existing instructional broadcasting exemption in the Copyright Act to cover Web-based performance and display of copyright works for remote and asynchronous distance education purposes have raised potentially significant marketplace issues for publishers and other copyright owners. An overbroad, unrestricted exemption could adversely affect or even destroy both the online and offline market for some works. Chiefly, the concerns came down to two issues: One is that an improperly crafted exemption would permit the online use of entire copyrighted works in a matter that could substitute for the usual purchase or acquisition of instructional materials by or for students. Our second concern was that exposure of copyrighted works to potentially market killing risks of unauthorized reproduction and distribution on the Internet could occur if appropriate safeguards were not built into the exemption.

Perhaps the most interesting and admirable part of the testimonies discussed above is the fact that both the Mr. Vaughn, representing academia and Mr. Adler, representing the rights of copyright owners, acknowledged the importance of the opposing arguments. Simply put, educators recognized the importance of protecting copyright owner rights, and copyright owner rights recognized the importance of furthering education. As a result of admirable compromise and agreement, S. 487 was finally amended to satisfy the majority of both interested parties and the Technology, Education, and Copyright Harmonization Act was signed into law on November 2, 2002, by President Bush.

IV. THE EFFECTS OF THE TEACH ACT

As mentioned above, the main section of the Copyright Act of 1976 that was considered outdated and required revision was Section 110, specifically Section 110(1) and Section 110(2). Prior to the TEACH Act, these exemptions did not fully incorporate or take into consideration the modern technologies used in today’s distance education programs.

A. Pre-TEACH Act Section 110

Section 110(1), often called the “classroom exemption” provided an absolute exemption to the exclusive rights of the copyright holder for performances and displays in the classroom if certain conditions were met. Specifically, the performance or display (1) must occur in a non-profit educational institution, (2) must be face-to-face, that is, teachers and students must be present in the same place, (3) must occur in a classroom or similar place devoted to instruction, such as a laboratory or library, and (4) if the work is an audiovisual work, the copy that is performed or displayed must be a lawfully made copy. This section was not especially favorable to the instructional transmission used in distance education, as most distance education programs did not directly fall under the face-to-face or classroom requirements.
displays in the course of an instructional transmission, and is even more restrictive than the “classroom exemption” Section 110(1). Although any work may be displayed, performances are limited to non-dramatic literary and musical works, and the displays and performances face numerous limitations. The transmission must be (1) part of the systematic instructional activities of either a nonprofit educational institution or a governmental body, (2) directly related and of material assistance to the teaching content of the transmission, and (3) made primarily for reception in a classroom or other place normally devoted to instruction, or by disabled learners whose condition prevents attendance in a regular classroom, or by government employees as a part of their official duties. Basically, Section 110(2) restricted the types of works that may be performed, which greatly hindered educators in conducting their distance education programs, since they were required to alter the content of their courses because courses were part of a distance education program and offered material online. Some argue that the reasoning behind this restriction was based on the technology available in 1976 and the type of distance education programs envisioned at that time. Clearly, drafters did not envision the modern technology used in today’s distance education programs.

B. The Post-TEACH Act Section 110

The TEACH Act revised and clarified the copyright concerns of copyright owners and facilitated the advancement of distance education programs by making specific changes to Section 110 of the Copyright Act of 1976, including the addition of requirements that must be met to take advantage of the new distance education exemptions. The full text of the “new” Section 110, after TEACH Act revisions, may be found in Appendix A.

I. Specific TEACH Act revisions

The TEACH Act revised and clarified the copyright concerns of both educators and copyright owners in the context of today’s modern technological advances in distance education programs, and achieved a balance between online use of copyrighted works and their misuse. Specifically, it did this by repealing the earlier version of Section 101. Section 110, as revised by the TEACH Act, may be found in Appendix A.

To summarize, the TEACH Act revision of Section 110(2) consisted of the following five basic changes:

1. It expands the categories of works that can be performed in distance education beyond non-dramatic literary and musical works to reasonable and limited portions of other works, with the exception of works produced primarily for the education market.
2. It removes the concept of the physical classroom and recognizes that a student should be able to access the digital content of a course wherever he or she has access to a computer.
3. It allows storage of copyrighted materials on a server to permit asynchronous performances and displays.
4. It permits institutions to digitize works to use in distance education when digital versions do not already exist and when the digital work is not subject to technological protection measures that prevent its use.
5. It clarifies that participants in authorized distance education courses and programs are not liable for infringement for any transient or temporary reproductions that occur through the automatic technical process of digital transmission.

II. Specific TEACH Act requirements

In order to take advantage of the expanded exemption provided by the TEACH Act, institutions must comply with a number of requirements. First, the institution must be an accredited nonprofit institution. While most educational institutions will meet this requirement, small education centers, such as tutoring centers or institutes for foreign language learning, as well as some private entities such as for-profit subsidiaries of nonprofit institutions may not be duly “accredited”. Pursuant to the TEACH Act, institutions must also implement specific copyright policies. While the legislation does not provide details regarding the content of the copyright policies, it can be presumed from the context of legislation, as well as other requirements contained in the law, that such policies should specify the standards that educators must follow when incorporating copyrighted works in distance education program materials.

Second, the TEACH Act also requires educational institutions to provide information to faculty, students, and staff members that accurately describes and promotes compliance with U.S. Copyright laws. While many educational institutions may already provide
such materials, the enactment of the TEACH Act may provide further impetus for the development of comprehensive copyright information dissemination programs. Institutions with large distance education programs may wish to consider tying in information regarding copyright issues to the distribution of their educational programs.

Third, the TEACH Act requires the technology officials working on the implementation of distance education programs “to the extent technologically feasible, “limit the transmission of copyrighted materials to students enrolled in the particular course for which such information is being provided.” Accordingly, institutions may wish to consider implementing systems that will effectively limit access to protected materials on a class-by-class basis.

Fourth, the TEACH Act requires the implementation of technological measures to control the storage and dissemination of protected works. Specifically, educational institutions are called upon to apply technological measures that reasonably prevent the “retention of the work in accessible form by recipients of the transmission…for longer than the class is in session.” It is interesting to note that the legislation does not include a definition of class session. For distance education programs occurring over the course of a period of time, such as a semester, it is unclear whether “class session” would refer to a particular class of the semester during which the protected work is discussed, or the entire course semester. Institutions should make this as clear as reasonably possible to avoid any possible problems.

Fifth, institutions are also required to adopt technological measures that prevent the “unauthorized further dissemination of the work in accessible form.” Both of these requirements appear to be designed to address copyright owners’ concerns that students might receive, store and share the protected content being distributed by the educational institution.

Sixth, the TEACH Act requires the institutions to prohibit from engaging in conduct “that could reasonably be expected to interfere with technological measures used by copyright owners to prevent…retention or unauthorized further dissemination.” This section is apparently intended to address instances in which the content at issue includes restrictive code or other embedded management systems designed to place limitations on the storage and/or dissemination of such content. Accordingly, with the enactment of the TEACH Act, educational institutions may wish to consider taking the time to review their own systems to ensure that such systems do not interfere with technological measures adopted by some copyright owners to control the storage or dissemination of their works.

Seventh, the TEACH Act require schools to undertake efforts to control retention of copies of protected works. While the law exonerates schools from most acts involving the transient or temporary storage of protected materials, it also prohibits schools from maintaining copyrighted content on the school’s systems or network for availability to students for a period of time that is longer than what is reasonably necessary to facilitate the transmissions for which it is made.

Finally, the TEACH Act sets forth specific requirements of which teachers involved in distance education programs must adhere. For instance, teachers should be aware of the changes in the types of work to which the law now applies. The previous version of Section 110(2) permitted the display of any type of work but only permitted performances of non-dramatic literary works and non-dramatic musical works. Like its predecessor, the revised Section 110(2) permits performances of non-dramatic literary works, non-dramatic literary works, and non-dramatic musical works. However, it also permits performances of any other work, including dramatic and audiovisual works, provided that only “reasonable and limited portions” of such works are performed. The legislation also permits the display of any other work, provided that such work is displayed “in an amount comparable to that which is typically displayed in the course of a live classroom session.”

Instructors should also note that the TEACH Act requires the teacher’s participation in the planning and oversight of the education program. Specifically, instructors have the obligation to ensure that the performance or display of the protected content is made by, or at the direction or under the supervision of, the instructor. Teachers must also ensure that the protected materials are distributed only as an integral part of the class session and that they are directly related, and of material assistance, to the teaching content of the transmission.

An online resource for understanding copyright and distance education issues entitled The TEACH Toolkit, provided by North Carolina State University, is
a wonderful source of information on the TEACH Act. The TEACH Act, its requirements, and implementation tips are provided on this website. (See chart on page 9) Basic and expanded TEACH Act checklists are also provided to assist institutional users, faculty, staff, and students in properly implementing the requirements. The basic checklist is reproduced below, and the expanded checklist may be found in Appendix B.

C. Pre-TEACH Act Section 110 vs. Post-TEACH Act Section 110
To summarize and to help better understand the differences in the prior Copyright Act of 1976 Section 110 and revisions under the TEACH Act, a comparison chart drafted by Laura N. Gasaway as Director of the Law Library and Professor of Law at the University of North Carolina is reproduced below: (See Chart on pages 10 and 11)

V. CONCLUSION
Although the TEACH Act is “not perfect for educators”, it goes a long way toward facilitating distance education. It is an admirable attempt to further the success of distance education, while still maintaining and respecting the rights of copyright holders. It does this by making the necessary revisions to the Copyright Act of 1976 to assist in the development of distance education programs, and ensuring that institutions do not overstep or misuse these new exemptions by implementing requirements that must be met to take advantage of the new exemptions.

As discussed above, the TEACH Act benefits educators and protects copyright owners by improving the Copyright Act of 1976 to reflect the more modern technology that is used by distance education programs around the world. Specifically, it does this by restricting displays to amounts typically displayed in a live classroom setting, limiting receipt of materials to enrolled students to the extent technologically necessary, requiring the educational institution to apply technological protection measures that reasonably prevent retention of the work for longer than is necessary and that prevent downstream copying or dissemination, and requiring performances and displays be given by means of lawfully made or acquired copies of the works.

The negotiations and agreements that finally led up to the much needed revisions of the Copyright Act of 1976 are a great example of how parties with adverse interests may work together to further both interests. This is especially important when important issues such as education and copyright laws are implicated. Furthering education, while protecting copyright owner rights are clearly two very important issues that must be handled very carefully, especially since they are combined with the issue of the advancement and availability of modern technology. The TEACH Act is only one of many possible steps that must be taken to ensure the success of education programs and the success of copyright owners that are entitled to the benefits of their works.

Although there seems to be a constant struggle between copyright owners and consumers, such as with the recent case A&M Records, Inc. v. Napster, Inc., this is one situation where both interested parties have taken the right steps in compromising and agreeing on a solution. All parties involved seemed to have understood the importance of both education and the rights of copyright owners.

The TEACH Act may not be a complete solution in the struggle to balance these interests, but it is a step in the right direction. Modern technology’s exponential advancement could arguably both pose a greater threat to copyright owners, and potentially outdate even the TEACH Act revisions. However, both educators and copyright owners should take advantage of the technology available and continue to work together towards a common goal, and these problems may be avoided.

Footnotes
1 Distance Education: Introduction, Microsoft Encarta Encyclopedia Standard 2003.
2 Id.
3 Id.
4 Id.
10 Distance Education and the TEACH Act: Why Higher Education Needs It and What It Will Do, Arnold P. Lutzker, Lutzker & Lutzker, LLP, pg. 1.
11 Balancing Copyright Concerns: The TEACH Act of 2001,
Basic TEACH Act Checklist:
For Institutional Users, Faculty, Staff, and Students

<table>
<thead>
<tr>
<th>Complies</th>
<th>Requirement</th>
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<tbody>
<tr>
<td>1</td>
<td>Accredited nonprofit educational institution</td>
</tr>
<tr>
<td>2</td>
<td>Institutional copyright use and policy</td>
</tr>
<tr>
<td>3</td>
<td>Educational materials on copyright available</td>
</tr>
<tr>
<td>4</td>
<td>Work is not a digital educational work</td>
</tr>
<tr>
<td>5</td>
<td>Work is lawfully made and required</td>
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<tr>
<td>6</td>
<td>Work is integral to class session</td>
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<tr>
<td>7</td>
<td>Work is part of systematic mediated instructional activities</td>
</tr>
<tr>
<td>8</td>
<td>Work is directly related/material assistance to teaching</td>
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<tr>
<td>9</td>
<td>Work is:</td>
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<tr>
<td></td>
<td>Non-dramatic literary work (may use all)</td>
</tr>
<tr>
<td></td>
<td>Non-dramatic musical work (may use all)</td>
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<tr>
<td></td>
<td>Reasonable and limited portion of any other work (for performance)</td>
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<tr>
<td></td>
<td>Display of any work in amount analogous to live classroom setting</td>
</tr>
<tr>
<td>10</td>
<td>Reception limited to students enrolled in course</td>
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<tr>
<td>11</td>
<td>Reasonable downstream controls instituted</td>
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<td></td>
<td>No retention of work longer than class session</td>
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<td></td>
<td>No dissemination beyond recipient</td>
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<tr>
<td>12</td>
<td>For conversions of analog to digital</td>
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<tr>
<td></td>
<td>No digital version available to institution</td>
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<tr>
<td></td>
<td>Digital version available is technologically protected</td>
</tr>
<tr>
<td>13</td>
<td>Warning notice to students present on work</td>
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</table>

<table>
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<tr>
<th>Issue</th>
<th>§110(1)</th>
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<tr>
<td><strong>Eligibility</strong></td>
<td>Nonprofit educational institutions</td>
</tr>
<tr>
<td><strong>Activity</strong></td>
<td>Face-to-face teaching</td>
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<td><strong>Works Covered</strong></td>
<td>All works</td>
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<tr>
<td><strong>Limitations</strong></td>
<td>For instruction, not entertainment</td>
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<td><strong>General Limitation</strong></td>
<td>In a “classroom”</td>
</tr>
<tr>
<td><strong>Copy Restrictions</strong></td>
<td>For audiovisual works, copy must have been lawfully made</td>
</tr>
<tr>
<td><strong>Where</strong></td>
<td>In a “classroom”</td>
</tr>
<tr>
<td><strong>Who</strong></td>
<td>Students and teachers</td>
</tr>
<tr>
<td><strong>Digitizing Works</strong></td>
<td>Not mentioned</td>
</tr>
<tr>
<td><strong>Liability</strong></td>
<td>Infringement</td>
</tr>
<tr>
<td></td>
<td><strong>Old §110(2)</strong></td>
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<tr>
<td>---------------------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------------</td>
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<tr>
<td><strong>Nonprofit educational institutions and government bodies</strong></td>
<td>Accredited nonprofit educational institutions and governmental bodies</td>
</tr>
<tr>
<td><strong>Transmissions of performances and displays for instruction</strong></td>
<td>Transmissions and over digital networks</td>
</tr>
<tr>
<td><strong>Limited to performance of non-dramatic literary and musical works but display of all works</strong></td>
<td>Limited to performance of non-dramatic literary and musical works but display of all works and reasonable and limited portions of other works except works produced or marketed primarily for display as part of mediated instructional activity via digital network</td>
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<tr>
<td><strong>Systematic instruction, directly related and of material assistance to teaching content</strong></td>
<td>Any work in amount comparable to that typically displayed in live classroom</td>
</tr>
<tr>
<td><strong>Systematic instruction, directly related and of material assistance to teaching content</strong></td>
<td>1) Systematic mediated instructional activity</td>
</tr>
<tr>
<td></td>
<td>3) Integral part of class session</td>
</tr>
<tr>
<td><strong>None</strong></td>
<td>For all works, copy must have been lawfully made</td>
</tr>
<tr>
<td><strong>In a classroom or other place normally devoted to instruction, or anywhere for disabled recipients or those with other special circumstances prevent attendance in classroom</strong></td>
<td>Anywhere but with technological conditions met</td>
</tr>
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<td><strong>Students, teachers, government employees in the course of their employment</strong></td>
<td>Solely for students officially enrolled in course or officers or government employees as part of official duties or employment</td>
</tr>
<tr>
<td><strong>Not permitted</strong></td>
<td>Okay to digitize portion of work in amount authorized under §110(2) if:</td>
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<tr>
<td></td>
<td>(1) No digital version is available, or</td>
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<td></td>
<td>(2) Digital version available subject to technological measures that prevent its distance education use</td>
</tr>
<tr>
<td><strong>Infringement</strong></td>
<td>Infringement, but not for:</td>
</tr>
<tr>
<td></td>
<td>(1) Automatic transient or temporary storage, or</td>
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<td>(2) Loading copies of works that embody §110(2) authorized performances</td>
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Laura N. Gasaway, EDUCAUSE Review, November/December 2001, pg. 82.
12 Distance Learning and Copyright: Is a Solution in Sight? Laura N. Gasaway, Cause/Effect Journal, Volume 22, Number 3, 1999.
13 SEC. 403. LIMITATIONS ON EXCLUSIVE RIGHTS; DISTANCE EDUCATION.
(a) RECOMMENDATIONS BY REGISTER OF COPYRIGHTS- Not later than 6 months after the date of the enactment of this Act, the Register of Copyrights, after consultation with representatives of copyright owners, nonprofit educational institutions, and nonprofit libraries and archives, shall submit to the Congress recommendations on how to promote distance education through digital technologies, including interactive digital networks, while maintaining an appropriate balance between the rights of copyright owners and the needs of users of copyrighted works. Such recommendations shall include any legislation the Register of Copyrights considers appropriate to achieve the objective described in the preceding sentence.
(b) FACTORS- In formulating recommendations under subsection (a), the Register of Copyrights shall consider--
(1) the need for an exemption from exclusive rights of copyright owners for distance education through digital networks;
(2) the categories of works to be included under any distance education exemption;
(3) the extent of appropriate quantitative limitations on the portions of works that may be used under any distance education exemption;
(4) the parties who should be entitled to the benefits of any distance education exemption;
(5) the parties who should be designated as eligible recipients of distance education materials under any distance education exemption;
(6) whether and what types of technological measures can or should be employed to safeguard against unauthorized access to, and use or retention of, copyrighted materials as a condition of eligibility for any distance education exemption, including, in light of developing technological capabilities, the exemption set out in section 110(2) of title 17, United States Code;
(7) the extent to which the availability of licenses for the use of copyrighted works in distance education through interactive digital networks should be considered in assessing eligibility for any distance education exemption; and
(8) such other issues relating to distance education through interactive digital networks that the Register considers appropriate.
14 United States Copyright Office 1999 Report, supra, see introduction remarks by Marybeth Peters, Register of Copyrights.
16 Id.
17 The full transcript of the June 27, 2001 Technology, Education, and Copyright Harmonization Act of 2001 Hearing by the Subcommittee on Courts, the Internet, and Intellectual Property may be found at http://www.house.gov/judiciary.
18 The full text of the statements by Mr. Vaughn at the June 27, 2001 Hearing by the Subcommittee on Courts, the Internet, and Intellectual Property may be found at http://www.house.gov/judiciary.
19 The full text of the statements by Mr. Adler at the June 27, 2001 Hearing by the Subcommittee on Courts, the Internet, and Intellectual Property may be found at http://www.house.gov/judiciary.
21 The full text of “old” 17 U.S.C. 110, before the TEACH Act revisions, may be found at http://www.copyright.gov.
22 Balancing Copyright Concerns, Gasaway, supra, pg. 82.
23 Id.
24 Id.
25 Id.
26 Id.
27 Id.
28 Id.
29 Id.
30 Id.
31 Id.
32 Id.
33 Id.
34 Id.
35 Id.
36 Id.
37 Id.
38 Id.
39 Id.
40 The TEACH Toolkit may be found at http://www.lib.nscu.edu/sec/legislative/teachkit.
41 Reproduced from The TEACH Toolkit, http://www.lib.nscu.edu/sec/legislative/teachkit.
42 Reproduced from http://www.unc.edu/~unclng/TEACH.htm
43 Balancing Copyright Concerns, Gasaway, supra, pg. 82.
44 New Copyright Law for Distance Education: The Meaning and Importance of the TEACH Act, Kenneth D. Crews, Indiana University School of Law-Indianapolis, September 2002.
45 A&M Records, Inc. v. Napster, Inc., 239 F.3d 1004 (2001). Court found that the music file sharing system known as “Napster” committed repeated infringements of copyright because millions of users uploaded and downloaded copyright protected sound recordings.
Recent Developments In Computer And Internet Law

*By David R. Syrowik*

**U.S. COURT OF APPEALS**

**PATENTS**

As reported at 66 BNA’s PTCJ 509, the U.S. Court of Appeals for the Federal Circuit held on August 20, 2003 that the claim construction that resulted in the dismissal of a patent infringement claim against Palm Pilot hand-held personal digital assistants inappropriately limited the patent to credit-card sized devices. The court rejects the argument that a device designed to replace multiple credit cards must necessarily have the same dimensions as a credit card. E-Pass Technologies Inc. v. 3Com Corp.

As reported at 66 BNA’s PTCJ 564, on September 15, 2003, the U.S. Court of Appeals for the Federal Circuit held that a patent that uses sets of computer servers to deliver Web pages is anticipated by the prior art because the patent does not require the exact location of software that balances the search load for documents through the various servers. Akamai Technologies, Inc. v. Cable & Wireless Internet Services, Inc.

As reported at 66 BNA’s PTCJ 578, on September 22, 2003, the U.S. Court of Appeals for the Federal Circuit held that a patent may not be construed under Section 112, ¶6, of Title 35 to disclose computer software as corresponding structure for performing a function to one of ordinary skill in the art if the specification itself does not clearly link or associate the software and the function. Reversing the denial of a judgment as a matter of law of noninfringement, the court points out that the patentee’s duty to clearly link or associate structure with the claimed digital conversion function “is the quid pro quo for allowing the patentee to express the claim in terms of function” under Section 112, ¶6. Medical Instrumentation and Diagnostics Corp. v. Elekta AB.

As reported at 66 BNA’s PTCJ 660, on October 8, 2003, the U.S. Court of Appeals for the Federal Circuit held that errors in construing key claim limitations such as “uniform resource locator” led to an erroneous summary judgment that Walt Disney Co.’s Enhanced TV system does not literally infringe a set of patents on a system for synchronizing TV programming with the Internet. As defined by the language and the context of the claims, the appellate court says, a URL need not be absolute, and thus the file names transmitted by the ETV system fall within the scope of that term. ACTV, Inc. v. Walt Disney Co.

As reported at 68 BNA’s PTCJ 1619, on October 16, 2003, the U.S. Court of Appeals for the Federal Circuit held that a patent claim that teaches use of algorithm for computer screen recognition is properly construed to require use of at least two fields, as opposed to all fields, of data on screen to determine screen identification, even though patent in question is continuation-in-part of prior patent in which every field is used, since claim refers to use of “plurality of fields.” ReqQNet.com, Inc. v. Lansa, Inc.

As reported at 66 BNA’s PTCJ 404, the U.S. Court of Appeals for the Federal Circuit held on July 29, 2003 that a patent holder’s lease of a system similar to the claimed computerized trading system was a prior “sale” that invalidated the patent
under the “on-sale” bar at Section 102(b) of Title 35. The court rejects the patent holder’s reliance on In re Kollar, reasoning that the license agreement in that case involved only a transfer of technical know-how regarding a process that had yet to be developed for commercialization. Minton v. National Association of Securities Dealers Inc.

As reported at 67 USPQ2d 1771, on August 5, 2003, the U.S. Court of Appeals for the Federal Circuit held that a claim for method of processing client requests for resources from large World Wide Web site, in which multi-node Internet server performs step of “transmitting the requested resource to the client,” does not require that data transmission path from selected server to client bypass “load balancer” used to service incoming client requests, since requirement that data bypass load balancer on its return trip to client cannot be inferred from inventor’s failure to specify transmission path from server to client. Resonate, Inc. v. Alteon Websystems, Inc.

▪ COPYRIGHT

As reported at 66 BNA’s PTCJ 285, the U.S. Court of Appeals for the Seventh Circuit held on June 30, 2003 that the Aimster music file swapping service was properly enjoined for contributory copyright infringement because it could not produce any evidence that it has substantial noninfringing uses. In re Aimster Copyright Litigation.

As reported at 67 BNA's PTCJ 99, the U.S. Court of Appeals for the Seventh Circuit on November 25, 2003 held that the “intermediate copying” of a database in order to extract raw unprotected data is a fair use. The court ruled that the developer of a copyrighted program for compiling property tax data cannot use its copyright to block access to the data for use by real estate brokers. Assessment Technologies of WI, LLC v. WIREdata, Inc.

As reported at 66 BNA’s PTCJ 287, the U.S. Court of Appeals for the Ninth Circuit on July 7, 2003 withdrew its February 2002 opinion and held that absent a motion for summary judgment on the issue, a district court should not have ruled that an Internet “inline” link on a Web site that allows a full-sized display of copyrighted images was a fair use. The court withdraws its earlier ruling reversing a fair use summary judgment as to the inline linking because the parties did not seek summary judgment as to whether display of the images was a fair use, but retains its earlier ruling upholding a fair use defense as to thumbnail versions of the images used for retrieval of the infringing full-sized image. Kelly v. Arriba Soft Corp.

As reported at 66 BNA’s PTCJ 530, on August 26, 2003, the U.S. Court of Appeals for the Third Circuit held that the equitable misuse doctrine applies to copyright cases where the copyright holder is seeking to enforce anticompetitive licensing agreements that seek to suppress criticism. Upholding an injunction against the distribution of clip previews of copyrighted movies, the court extends the patent misuse doctrine to copyright cases, but finds no misuse by the movie producer who sought to control Internet distribution of the clips. Video Pipeline, Inc. v. Buena Vista Home Entertainment, Inc.

As reported at 67 BNA’s PTCJ 97, the U.S. Court of Appeals for the Seventh Circuit held that distributing unauthorized copies of commercially available computer software on the Internet without a fee was not a noncommercial or educational use for the purposes of fair use analysis. Affirming the trial court’s refusal to instruct the jury on fair use in a criminal conspiracy case, the court says that it “strains credulity” to argue that the use was noncommercial because members did not pay for downloaded software and educational because a professor operated the Internet site. United States v. Slater.

▪ TRADEMARKS - JURISDICTION

As reported at 66 BNA’s PTCJ 354, the U.S. Court of Appeals for the Fourth Circuit held on July 2, 2003 that a Chicago-based organization is not subject to personal jurisdiction in Maryland by operating an Internet Web site that can be accessed from Maryland and by using a Web hosting company based in Maryland. Carefirst of Maryland Inc. v. Carefirst Pregnancy Centers Inc.

▪ LANHAM ACT - DOMAIN NAMES

As reported at 66 BNA's PTCJ 349, the U.S. Court of Appeals for the Fourth Circuit held on July 9, 2003 that a domain name holder has no claim against a domain name registrar for cybersquatting or reverse hijacking under the Anticybersquatting Consumer Protection Act based on the registrar’s transfer of the domain name to a French court. Hawes v. Network Solutions Inc.

As reported at 66 BNA’s PTCJ 670, on October 9, 2003, the U.S. Court of Appeals for the Second
Circuit held that dismissal with prejudice of an earlier cybersquatting action does not prevent a trademark owner from asserting rights to a domain name under the Anticybersquatting Consumer Protection Act, or bringing a UDRP action. Storey v. Cello Holdings, LLC.

As reported at 66 BNA's PTCJ 563, on August 28, 2003, the U.S. Court of Appeals for the Sixth Circuit held that registering a famous trademark as a domain name prior to the ACPA's enactment does not absolve a registrant from liability for post-enactment trafficking of the domain name in violation of the Act. Effective date provisions of Anticybersquatting Consumer Protection Act state that it applies to “all domain names registered before, on, or after the date of enactment,” and the fact that the Internet domain name containing the famous mark was registered before enactment of ACPA thus does not absolve registrant of liability for post-enactment trafficking in or use of domain name. Ford Motor Co. v. Catalanotte.

As reported at 68 USPQ2d 1639, on October 16, 2003, the U.S. Court of Appeals for the Ninth Circuit held that defendant in action for violation of Anticybersquatting Consumer Protection Act may not appeal after entry of default judgment and raise issue of sufficiency of service without having moved to set aside default under Fed. R. Civ. P. 55(c), or for relief from judgment under Rule 60(b); fact that defendant never appeared in district court does not excuse him from following proper procedure. Consorzio Del Prosciutto di Parma v. Domain Name Clearing Co.

■ U.S. DISTRICT COURTS
  ▪ PATENTS

As reported at 66 BNA's PTCJ 452, a jury for the U.S. District Court for the Northern District of Illinois ruled on August 11, 2003 that Microsoft Corp. must pay $520.6 million for infringing U.S. Patent No. 5,838,906 owned by the University of California and licensed to an Illinois technology developer. The jury finds that the patented Web browser technology was improperly bundled by Microsoft into Internet Explorer. Eolas Technologies Inc. v. Microsoft Corp.

As reported at 66 BNA's PTCJ 432, the U.S. District Court for the Eastern District of Virginia held on April 5, 2003 that the manufacturer of the popular Blackberry handheld computers must pay damages of $53.7 million in royalties, attorneys’ fees, interest, and penalties for infringing five patents covering wireless e-mail. The court also permanently enjoins sales of nine Blackberry models and their software, but stays enforcement. NTP Inc. v. Research in Motion Ltd.

As reported at 66 BNA's PTCJ 431, the U.S. District Court for the Northern District of Illinois held on July 31, 2003 that the prohibition against supplying components of a patented invention for off-shore assembly at Section 271(f) of Title 35 applies to Microsoft Windows source code installed in computers assembled abroad that contain the allegedly infringing Windows software and Internet Explorer Web browser. The court says that source code is a made, operational to mean that simultaneous streaming webcasts of AM/FM radio programs are subject to a performance right owned by record companies. The court affirms a district court's summary judgment but on different grounds. Where the district court held that Chevron requires deference to the Copyright Office's interpretation of the DMCA, the appeals court holds that the Copyright Office's interpretation of the statute was correct. Bonneville International Corp. v. Peters.

As reported in the December 22, 2003 issue of the WALL STREET JOURNAL, on December 19, 2003 the U.S. Court of Appeals for the District of Columbia held that the subpoena provisions of the DMCA only apply to Internet service providers that store on their servers material that is infringing or the subject of infringing activity, and do not apply to ISPs acting only as a conduit for data transferred between Internet users. Recording Industry Association of America, Inc. v. Verizon Internet Services, Inc.

■ DOMAIN NAMES

As reported at 66 BNA’s PTCJ 406, the U.S. Court of Appeals for the Ninth Circuit held on July 25, 2003 that a domain name is a form of intangible property that may be subject to conversion under California law. The court rejects the argument that in order for intangible property such as a domain name to be the subject of a conversion claim the rights in that property must be embodied in a document. This principle, set forth in the Restatement (Second) of Torts, is not reflected by California case law. Kremen v. Cohen.

■ DMCA

As reported at 66 BNA's PTCJ 688, on October 17, 2003, the U.S. Court of Appeals for the Third Circuit held that the Copyright Office was correct in interpreting the Digital Millennium Copyright Act as meaning that simultaneous streaming webcasts of AM/FM radio programs are subject to a performance right owned by record companies. The court affirms a district court's summary judgment but on different grounds. Where the district court held that Chevron requires deference to the Copyright Office's interpretation of the DMCA, the appeals court holds that the Copyright Office's interpretation of the statute was correct. Bonneville International Corp. v. Peters.

As reported in the December 22, 2003 issue of the WALL STREET JOURNAL, on December 19, 2003 the U.S. Court of Appeals for the District of Columbia held that the subpoena provisions of the DMCA only apply to Internet service providers that store on their servers material that is infringing or the subject of infringing activity, and do not apply to ISPs acting only as a conduit for data transferred between Internet users. Recording Industry Association of America, Inc. v. Verizon Internet Services, Inc.
element which produces results desired by the user.
Eolas Technologies Inc. v. Microsoft Corp.

As reported at 67 USPQ2d 1263, the U.S. District Court for the Central District of California held on January 24, 2003 that infringement defendant has not met its burden of showing that asserted claim of plaintiff’s patent for ergonomic computer mouse is anticipated or rendered obvious by prior art “handpieces” for communication device. Gart v. Logitech Inc.

As reported at 67 BNA’s PTCJ 71, on November 14, 2003, a jury in the Eastern District of Virginia found that the “Whiteboard” feature of Microsoft Corp.’s Net-Meeting software infringes a patent on interactive computer conferencing held by the technology company Imagexpo, LLC. The jury awarded $62.3 million against Microsoft for infringement of the Net Conferencing patent. Imagexpo, LLC v. Microsoft Corp.

As reported at 66 BNA’s PTCJ 613, on September 24, 2003, the U.S. District Court for the Western District of Wisconsin, ruled that information embedded within hidden tags inside Microsoft Word and Excel documents and used to cross-reference key words with other data does not infringe patents on real-time hyperlinking because the embedded codes do not function as true hyperlinks. Hyperphrase Tech., LLC. v. Microsoft Corp.

As reported at 67 BNA’s PTCJ 52, on November 5, 2003, the U.S. District Court for the Southern District of New York held that merely informational communications that a patentee makes to industry members and third parties regarding a patented product and required licensing are not sufficient to provide an alleged infringer actual notice of infringement under Section 287(a) of Title 35. AT&T Corp. v. Microsoft Corp.

As reported at 66 BNA’s PTCJ 637, on September 30, 2003, the U.S. District Court for the Northern District of California held that a single-use restriction appearing on the packaging (i.e., shrink-wrap) of a printer toner cartridge amounts to a legitimate condition on sale that does not violate the patent exhaustion doctrine. Arizona Cartridge Remanufacturers Association, Inc. v. Lexmark International, Inc.

• COPYRIGHTS

As reported in the September 9, 2003 issue of the WALL STREET JOURNAL, music companies filed 261 lawsuits against individuals in courts across the country in a crackdown on users of Internet file-sharing software such as KaZaA.

As reported at 67 BNA’s PTCJ 103, a federal grand jury has indicted an Arizona man in connection with his alleged involvement in an international computer piracy organization. United States v. St. John.

As reported at 67 USPQ2d 1382, the U.S. District Court for the District of Massachusetts held on April 7, 2003 that a researcher who plans to reverse engineer defendant’s software lacks standing to bring action to confirm his right to engage in and publish such research, since claimed injury, which is based on conjecture as to defendant’s intention to bring suit, is not “imminent”; in absence of details concerning plaintiff’s research plans and ensuing publication, advisory opinion would not guide or protect plaintiff. Edelman v. N2H2 Inc.

As reported at 66 BNA’s PTCJ 561, on September 5, 2003, the U.S. District Court for the Eastern District of Virginia held that online pop-up ads that cover up or appear alongside Internet sites do not infringe the Website owner’s copyrights or trademarks. Granting a defense summary judgment motion, the court concludes that computer software that triggers the display of pop-up ads when an Internet user browses a trademark holder’s Web page is not a “use in commerce” under the Lanham Act because the software, which incorporates them, does not copy or use any of the owner’s trademark or copyright material. U-Haul International, Inc. v. WhenU.com, Inc.

As reported at 67 BNA’s PTCJ 35, on October 30, 2003, the U.S. District Court for the Eastern District of Virginia held that that online pop-up ads that cover up or appear alongside Internet sites do not infringe the Website owner’s copyrights or trademarks. Granting a defense summary judgment motion, the court concludes that computer software that triggers the display of pop-up ads when an Internet user browses a trademark holder’s Web page is not a “use in commerce” under the Lanham Act because the software, which incorporates them, does not copy or use any of the owner’s trademark or copyright material. U-Haul International, Inc. v. WhenU.com, Inc.

As reported at 68 USPQ2d 1295, on August 28, 2003, the U.S. District Court for the Southern District of New York held that collateral estoppel bars defendant from relitigating issue of whether it willfully infringed plaintiff’s copyrights in musical compositions when it created “server copies” of music compact discs, since, in previous cases, identical issues of defendant’s liability and intent were raised and resolved against defendant on multiple occasions. Country Road Music, Inc. v. MP3.com, Inc.
As reported at 68 USPQ2d 1681, the U.S. District Court of the Middle District of Florida held on July 14, 2003 that the copyright law preempts unfair competition claim on which defendant premised removal of action from state court, since computer programs at issue are within subject matter of 17 U.S.C. § 102, and plaintiff has pled garden variety claim of improper use, copying, and retention of its software that contains no “extra element” sufficient to take claim outside Copyright Act. Audio Systems of Florida, Inc. v. Simplexgrinnell LP.

As reported at 67 BNA’s PTCJ 155, the U.S. District Court for the Central District of California recently held that a notice of alleged copyright infringement sent to the Web site owner nine months prior to the incident giving rise to the current claim of infringement is no longer viable and cannot be used to prove the Web site owner had actual knowledge of subsequent infringing activity. Hendrickson v. Amazon.com Inc.

• DMCA

As reported at 66 BNA’s PTCJ 565, on August 29, 2003, the U.S. District Court for the Northern District of Illinois held that a universal garage door opener that bypasses a manufacturer’s “rolling code” security feature does not violate the anti-circumvention provisions of the Digital Millennium Copyright Act. As later reported at 67 BNA’s PTCJ 56, the same court ruled that the plaintiff in a Digital Millennium Copyright Act suit has the burden of showing that the defendant circumvented a technological measure protected under the Act. Chamberlain Group, Inc. v. Skylink Technologies, Inc.

As reported at 66 BNA’s PTCJ 458, the U.S. District Court for the District of Massachusetts ruled on August 7, 2003 that DMCA subpoenas issued in the District of Columbia against two Boston universities violate federal rules of civil procedure that limit the geographic reach of subpoenas and are therefore quashed. Massachusetts Institute of Technology v. Recording Industry Association of America.

As reported at 67 USPQ2d 1047, the U.S. District Court for the District of Hawaii held on April 29, 2003 that the Digital Millennium Copyright Act requires only that copyright holder form good faith belief of alleged infringement before requesting that Internet service provider shut down allegedly infringing site; statements on party’s site, strongly suggesting that copyrighted movies were available for downloading there, provided more than sufficient basis to form good faith belief. Rossi v. Motion Picture Association of America Inc.

• TRADEMARKS

As reported at 66 BNA’s PTCJ 267, the U.S. District Court for the Western District of Washington ruled on March 12, 2003 that a valve manufacturer infringed the trademark “Sko Ho” of a competitor by including the competitor’s trademark in metatags coded into its own Web site and by registering a domain name containing the competitor’s mark. Flow Control Industries Inc. v. AMHI Inc.

As reported at 66 BNA’s PTCJ 442, the U.S. District Court for the Eastern District of Virginia on July 16, 2003 ordered the City of Barcelona to return the domain name barcelona.com to the original American owner. Barcelona.com Inc. v. Excelentisimo Ayuntamiento de Barcelona.

As reported at 66 BNA’s PTCJ 519, the U.S. District Court for the Southern District of New York on August 14, 2003 held that an Internet search was not probative of likely confusion. 24 Hour Fitness USA Inc. v. 24/7 Tribeca Fitness LLC.

As reported at 67 BNA’s PTCJ 68, on November 20, 2003, the U.S. District Court for the Eastern District of Michigan held that the use of a company’s trademarks as keywords to trigger the display of pop-up advertisements on an Internet user’s screen does not constitute a “use in commerce” of the marks. The court also rules that the display of pop-up ads did not constitute the preparation of derivative works in violation of the plaintiffs’ copyright interests. Judge Edmunds made only passing reference to U-Haul Int’l v. WhenU.com, Inc., 279 F.Supp2d 723, wherein the defendant prevailed on the same grounds (i.e., that defendant’s pop-up ads were not a use in commerce of plaintiff’s trademarks and that the pop-up ads were not infringing derivative works). Wells Fargo & Co. v. WhenU.com, Inc.

As reported at 66 BNA’s PTCJ 591, on August 19, 2003, the U.S. District Court for the District of South Dakota held that Gateway’s mark is infringed by black/white spotted cow computer monitor wrap. Gateway, Inc. v. Companion Products, Inc.
STATE COURTS

CALIFORNIA

As reported at 66 BNA's PTCJ 504, the California Supreme Court held on August 25, 2003 that a preliminary injunction preventing publication of a code that permits descrambling of DVDs does not violate free speech rights. Reversing an appellate court decision that set aside the injunction, the court stresses that its ruling is limited to the First Amendment issue. On remand, the court of appeals must decide whether the information posted by the defendant on the Internet constitutes a trade secret, the court says. DVD Copy Control Association Inc. v. Bunner.

NAF

As reported at 68 USPQ2d 1570, the National Arbitration Forum (NAF) stated on December 16, 2002 that respondents’ 325 Internet domain names containing complainant’s “cnn” mark were registered and used in bad faith, since respondents’ domain names use same naming convention as complainant’s World Wide Web addresses by appending country or region name to “cnn,” which indicates that respondents employed the mark deliberately to confuse users and misappropriate good will inherent in “cnn” mark. Cable New Network, LP v. Khouri.

WIPO

As reported at 67 USPQ2d 1315, on January 21, 2003 it was reported that respondent in Internet domain name dispute resolution proceeding engaged in bad-faith registration and use of “minorlcauagebaseball.com” domain name, since disputed domain name is confusingly similar to complainant’s “minorleaguebaseball.com” domain name, and respondent’s “typosquatting” clearly manifests intent to capitalize on plaintiff’s mark. National Association of Professional Baseball Leagues Inc. v. Zuccarini.

U.S. PATENT AND TRADEMARK OFFICE

As reported at 67 BNA's PTCJ 28, on October 30, 2003, the U.S. Patent and Trademark Office said it would reexamine U.S. Patent No. 5,838,906 on Web browser plug-ins that Microsoft Corp. was found to have infringed, according to a director-initiated order by Stephen G. Kunin, deputy commissioner for patent examination policy. The order is issued pursuant to a request submitted by the World Wide Web Consortium regarding a patent owned by Eolas Technologies, Inc. and the University of California which was found in August 2003 to be infringed by Microsoft's Internet Explorer. The verdict ordered Microsoft to pay $520 million in damages.

As reported at 68 USPQ2d 1195, on September 11, 2003, the Trademark Trial and Appeal Board ruled that Microsoft’s “OFFICE.NET” mark is merely descriptive of applicant’s computer hardware and software products, since “office” is term used in dictionaries and by applicant's competitors to describe particular types of software, and since “.net” or “.NET” designates top level domain; applicant has not shown that average consumer recognizes “office” as mark, or would perceive “.NET” as brand name. In re Microsoft Corp.

COPYRIGHT OFFICE

As reported at 67 BNA's PTCJ 8, on October 31, 2003, the Copyright Office, in its 200-page report recommending exemptions from the Digital Millennium Copyright Act's prohibitions against circumvention of technological copyright protection measures, rejected a request by a supplier for printer cartridge remanufactures that exemptions be established allowing it to make components for after-market cartridges that are compatible with Lexmark printers. The Copyright Office rejected an exemption for computer programs embedded in computer printers and toner cartridges that control the interoperation and functions of the printer and toner cartridges. The agency pointed out that an existing exemption in Section 1201(f) addresses the concerns of remanufacturers, which makes an exemption under section 1201(a)(1)(D) unnecessary. The four classes approved for the exemption are as follows:

1. Compilations consisting of lists of Internet locations blocked by commercially marketed filtering software applications that are intended to prevent access to domains, websites or portions of websites. This does not include lists of Internet locations blocked by software applications that operate exclusively to protect against damage to a computer or computer network or lists of Internet locations blocked by software applications that operate exclusively to prevent receipt of email.

2. Computer programs protected by dongles that prevent access due to malfunction or damage and which are obsolete.
(3) Computer programs and video games distributed in formats that have become obsolete and which require the original media or hardware as a condition of access. A format shall be considered obsolete if the machine or system necessary to render perceptible a work stored in that format is no longer manufactured or is no longer reasonably available in the commercial marketplace.

(4) Literary works distributed in ebook format when all existing ebook editions of the work (including digital text editions made available by authorized entities) contain access controls that prevent the enabling of the ebook’s read-aloud function and that prevent the enabling of screen readers to render the text into a specialized format.

▪ FCC

As reported at 67 BNA’s PTCJ 7, on November 4, 2003, the Federal Communications Commission adopted a new rule intended to prevent the mass unauthorized distribution of digital broadcasts over the Internet, giving equipment manufacturers until July 1, 2005, to comply with the new requirements.

▪ FEDERAL LEGISLATION

As reported in the December 17, 2003 WALL STREET JOURNAL, on December 16 President Bush signed legislation to curb unsolicited commercial e-mails. The legislation also calls on the FTC to set up a don’t-spam list similar to that for telemarketers.

Message from the Chair...

Continued from the front page.

as offering networking opportunities for current and prospective section members.

April Meeting: Our next meeting is April 14 in Lansing, at the State Bar Building. More information will be sent electronically concerning this meeting. I hope to see you at the meetings. If you have any questions, or would like to share a comment on the section, or to ask for some changes, please contact me at sfesiii@aol.com

Fred Schuchman
Chair, Computer Law Section

Mark Your Calendars

Computer Law Council Meeting
Wednesday, April 14, 2004
6:30 pm
State Bar of Michigan, 306 Townsend St., Lansing

Computer Law Section Spring Luncheon
Thursday, May 20, 2004
Livonia Marriott at Laurel Park Place
17100 Laurel Park Drive
Livonia, MI
Topic: “The P2P Predicament- Perspectives on P2P file sharing, the lawsuit and those caught in the middle.”

Other Events of Interest
Practising Law Institute (PLI)
“24th Annual Institute on Computer Law”

New York City on March 25-26;
Go to http://www.pli.edu for further information.

“Protecting and Exploiting Internally Developed Software”
Chicago on March 22 and 23.
Call (206) 621-1938 or (800) 854-8009 for more information.

Attention

Future issues of the Michigan Computer Lawyer will be distributed electronically through the Computer Law Listserv.
If you haven’t already done so, join the Section’s listserv at: www.michbar.org
2004 Edward F. Langs Writing Award

ESSAY COMPETITION RULES

1. The award will be given to the student article, which in the opinion of the judges makes the most significant contribution to the knowledge and understanding of Computer and/or Internet Law. Factors that are taken into consideration include originality, timeliness of the subject, depth of research, accuracy, readability and the potential for impact on the law.

2. The top three papers will receive awards of $500, $300 and $200 respectively (in US dollars).

3. All entries must be original and must not have been submitted to any other contest within the last 12 months.

4. All entries must include the submitter's name(s), current address, current telephone number and college or university attended.

5. All articles must be typed, double-spaced and submitted on letter-size (8 1/2 by 11 inch) plain, white, bond paper (no onion skin).

6. Entries must be typed with margins of 10 and 70, respectively, along with top and bottom margins of no less than one inch each.

7. All entries must contain proper citations, including footnotes at the end of the entry.

8. Entry of at least 10 pages is preferred.

9. All rights to the entries shall become the property of the State Bar of Michigan.

10. The Computer Law Section reserves the right to make editorial changes and publish the article(s) in the Section Newsletter.


12. Entries are to be mailed to:

   David R. Syrowik, Chairman
   Computer Law Section Essay Competition
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