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## Table of Contents

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## Contents

- Bits and Bytes from the Chair .....1
- Appropriate Testing and Resolution:  
How to Determine Whether  
Appropriation Art is Transformative  
“Fair Use” or Merely an Unauthorized  
Derivative?.....2
- Publicly Available Websites for IT  
Lawyers .....24
- Mission Statement Information  
Technology Law Section, State Bar of  
Michigan.....24
- The State of Information Technology Law  
– 2011 ..... 25
- 2013 Edward F. Langs Writing Award ..37

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## Bits and Bytes from the Chair

By Charlie Bieneman, *Rader, Fishman & Grauer PLLC*

Greetings, everyone,

I will make my last “Bits and Bytes” a short one. I have had a great year as Section Chair, and I am looking forward to working with all of you in the Section for the years to come. Thanks to everyone who has contributed and participated in the past year. We have a great group.

I hope to see everyone at our Annual Meeting and Fifth Annual IT Law Seminar next week, Thursday, September 27, 2012, at the St. John’s Inn in Plymouth. We have a great lineup of speakers and topics, plus excellent networking opportunities at our seminar luncheon and post-seminar cocktail hour. If you haven’t yet registered, you can do so by going to the ICLE website, [www.icle.org](http://www.icle.org). To sign up for the center, select the “Store” tab, choose “Seminars” from the “Search” drop-down box, and then enter “information technology” for your search. Or just go to this link: [http://www.icle.org/modules/store/seminars/schedule.aspx?PRODUCT\\_CODE=2012CI1158](http://www.icle.org/modules/store/seminars/schedule.aspx?PRODUCT_CODE=2012CI1158)

Once again, thanks to everyone for a great year!

Charlie Bieneman

2011-2012 Section Chair



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The *Michigan IT Lawyer* is pleased to present “Appropriate Testing and Resolution: How to Determine Whether Appropriation Art is Transformative ‘Fair Use’ or Merely an Unauthorized Derivative?” by Eric D. Gorman. The article was previously published in January 2012, in the *St. Mary’s Law Journal*, Volume 43, Issue 2, [http://www.stmaryslawjournal.org/recent\\_issues.aspx](http://www.stmaryslawjournal.org/recent_issues.aspx), and is reprinted here by permission of the author.

The statements made and opinions expressed in this essay are strictly those of the author, and not the State Bar of Michigan or the Information Technology Law Section. Comments regarding this article can be forwarded to the *Michigan IT Lawyer*, care of [michael@gallo.us.com](mailto:michael@gallo.us.com). Enjoy!

## Appropriate Testing and Resolution: How to Determine Whether Appropriation Art is Transformative “Fair Use” or Merely an Unauthorized Derivative?

By Eric D. Gorman

### I. Introduction

“Art . . . is the desire of a man to express himself, to record the reactions of his personality to the world he lives in.”<sup>1</sup> But what if this original expression was taken away from the artist for all the wrong reasons? What if the work was wrongfully sold for money or portrayed as an appropriation artist’s own work? Art cannot be taken away from its creator unless there is fair use of that product. At the same time, appropriation art creates new works of art by utilizing common images found in society, thereby aiming to change the way we think about these images.<sup>2</sup> Does appropriation art deprive the original artists and creators of their copyrighted material? This Article will examine the fair use of appropriation art and discuss whether an appropriation artist has infringed upon an artist’s original work when it comes to creating “new” appropriation art. After all, “art is either plagiarism or revolution,”<sup>3</sup> and appropriation art might or might not be “making something out of nothing and selling it.”<sup>4</sup> Courts need to determine whether the fair-use defense is suitable for this specific type of art through the application of existing boundaries and tests.

This Article addresses the copyright concerns in appropriation art today and concludes that copyright law should be amended to address the complex issues found in this area of the law. Part II provides a background on appropriation art and the different facets of copyright law, including the doctrine of fair use. Part



Eric D. Gorman

III analyzes whether appropriation art can even be considered “fair use” under the current exceptions of copyright infringement. Part IV discusses various legal tests to determine whether appropriation art that utilizes copyrighted material can exercise the doctrine of fair use against alleged copyright infringement. It also proposes a change to copyright legislation in order to offer more guidance for appropriation art legal issues with regard to the doctrine of fair use and potential copyright infringement. This Article concludes by looking back at copyright infringement versus the doctrine of fair use with regard to appropriation art and how the adoption of the proposed legislation will be more in line with the goals and fairness sought for copyright law.

## II. Background

### A. Appropriation Art

To examine the doctrine of fair use with regard to appropriation art, one must understand what each of the relevant terms means. The term “appropriation art” essentially involves the taking of an image garnered from a “real object or even an existing work of art” and using the borrowed elements to form a new piece of art.<sup>5</sup> “Appropriation art borrows images from popular culture, advertising, the mass media, other artists[,] and elsewhere” and forges them into a new work.<sup>6</sup> Appropriation art has commonly been described “as getting the hand out of art and putting the brain in.”<sup>7</sup> Some appropriation art does not incorporate items subject to copyright protection; however, the appropriation artist risks infringing upon an owner’s right if that work is copyrighted.<sup>8</sup> Appropriation art embraces the maxim touted by modernist artists who question the nature or meaning of art by blurring the lines of originality, creation, and authenticity.<sup>9</sup>

### B. Original Work, Copying, and Copyright Infringement

In order to obtain a copyright for a work, that work must be original.<sup>10</sup> To qualify as original, a work must be “independently created” and have only “some minimal degree of creativity.”<sup>11</sup> Though an artist’s portrayal may closely resemble another’s work, it retains its originality as long as the similarity is fortuitous and not the result of intentional copying.<sup>12</sup> However, “[c]opyright law protects an author’s [or artist’s] expression; facts and ideas within a work are not protected.”<sup>13</sup>

To establish copyright infringement, a party must show that he had valid ownership of a copyright for the original work and that the “constituent elements of the work that are original” were copied by another party.<sup>14</sup> Thus, to prove infringement, a plaintiff with a valid copyright must demon-

strate that “(1) the defendant has actually copied the plaintiff’s work; and (2) the copying is illegal because a substantial similarity exists between the defendant’s work and the protectable elements of plaintiff’s.”<sup>15</sup>

A claim for copyright infringement cannot survive unless a copying has occurred.<sup>16</sup> A work is considered copied when an accused had access to protected material, and the work in question is substantially similar to the ideas protected under copyright law.<sup>17</sup> No artist may combat accusations of plagiarism by demonstrating how much of the work he has not pirated.<sup>18</sup> Where a substantial similarity exists between different works, small changes made by the copying party are unavailing.<sup>19</sup>

A violation of any of the copyright owner’s exclusive rights constitutes infringement.<sup>20</sup> These exclusive rights include the right to reproduce the work, the right to prepare derivative works, the right to distribute copies of the work to the public, and the right to display the work publicly.<sup>21</sup> A derivative work is one that is “based upon one or more preexisting works, such as a translation, musical arrangement, dramatization, fictionalization, motion picture version, sound recording, art reproduction, abridgment, condensation, or any other form in which a work may be recast, transformed, or adapted.”<sup>22</sup>

The United States Code provides that the use or reproduction of a copyrighted work is “not an infringement of copyright” if it is used “by reproduction in copies or phonorecords or by any other means specified by [§ 106], for purposes such as criticism, comment, news reporting, teaching (including multiple copies for classroom use), scholarship, or research.”<sup>23</sup>

The immediate question then becomes whether appropriation art is copyright infringement. This is where the fair-use defense can help counter allegations of copyright infringement based on the creation of appropriation art.

#### 1. Copyright Protection

The United States Constitution has recognized copyright protection since its inception.<sup>24</sup> The Constitution gives Congress the power “[t]o promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries.”<sup>25</sup> The purpose of copyright law is “to secure ‘the general benefits derived by the public from the labors of authors[,]’” and to motivate authors and inventors by giving them a reward.<sup>26</sup> The Copyright Act of 1790 was the first federal copyright act instituted in the United States.<sup>27</sup> Currently, the Copyright Act of 1976 is the most recent enactment by Congress.<sup>28</sup> The Act gives legal protection to the authors

of original works that are “fixed in any tangible medium of expression.”<sup>29</sup> Furthermore, the Copyright Act preempts state law, therefore, any conflicting state law is considered invalid.<sup>30</sup>

## 2. Copyright Infringement

To prove copyright infringement, the owners must show (1) ownership, (2) unauthorized copying, and (3) unlawful appropriation.<sup>31</sup> Ownership is the first element that copyright owners must demonstrate.<sup>32</sup> The initial copyright is granted to the author of the original work.<sup>33</sup>

The second element needed to prove infringement is unauthorized copying.<sup>34</sup> Copying can be illustrated by either direct or indirect proof.<sup>35</sup> Direct proof is evidenced when a defendant admits to copying the work or through eyewitness testimony that the defendant copied the work.<sup>36</sup> Direct admission is not common in copyright infringement cases; therefore, the plaintiff usually must show indirect proof.<sup>37</sup> Indirect proof of copying is established through circumstantial evidence showing the defendant had access to the plaintiff's work,<sup>38</sup> the work was readily accessible to certain groups of people or the general public,<sup>39</sup> or that there is a sufficient similarity between the two works.<sup>40</sup> Proving access to the plaintiff's work may involve establishing that the defendant viewed the work or had knowledge of the work.<sup>41</sup> If similarities and evidence of access are apparent when comparing the two works, those factors may be sufficient for the court or jury to conclude that there was copying.<sup>42</sup>

The third and last element of copyright infringement is unlawful appropriation or misappropriation.<sup>43</sup> Misappropriation is shown by establishing substantial similarity between two works.<sup>44</sup> There are several tests used among federal circuit courts to establish substantial similarity, which include, but are not limited to, the average-lay-observer test,<sup>45</sup> the recognizability test,<sup>46</sup> and the fragmented-literal-similarity analysis.<sup>47</sup> Unlawful appropriation lies at the heart of proving copyright infringement.<sup>48</sup> To prove unlawful appropriation, the plaintiff must demonstrate that defendant's use of his work was substantial and material.<sup>49</sup> To determine whether there is unlawful use of the plaintiff's work, courts typically utilize the “substantial-similarity” standard.<sup>50</sup> Under this standard, courts will determine whether a lay observer could recognize the plaintiff's original within the defendant's work.<sup>51</sup> If a fact finder determines that the copying is substantial and material, the defendant's work may infringe upon another's copyright.<sup>52</sup> If the defendant's work is not found to be substantial and material under the substantial-similarity standard, then the defendant's use is *de minimis*.<sup>53</sup> When copying qualifies as *de minimis*, the copied portion of the original work is

considered too small and immaterial for the law to recognize a legal remedy.<sup>54</sup> However, pleading *de minimis* use is only one way to avoid copyright infringement.<sup>55</sup> Another common method used to avoid copyright infringement is the fair-use defense.

## C. Doctrine of Fair Use with Regard to Appropriation Art

Now that the terms original work, appropriation art, derivative work, copied work, and copyright infringement have been discussed, there are two aspects of the doctrine of fair use that should be examined. The doctrine is a statutorily recognized defense to copyright infringement; it uses a number of factors that are applied to a set of facts to determine whether the copying of a work qualifies as fair use.<sup>56</sup> The initial inquiry regarding a fair-use determination measures the “purpose and character of the use.”<sup>57</sup> Courts have recognized two factors that are necessary to measure purpose and character: “(1) the degree to which the challenged use has transformed the original; and (2) the profit or nonprofit character of the use.”<sup>58</sup> These factors consider, “in other words, whether and to what extent the challenged work is transformative” and whether the transformed work is used for commercial value.<sup>59</sup>

Therefore, if a piece of appropriation art fulfills the two conditions of the fair-use defense, copyright infringement may not be held against the appropriation artist because the use may qualify as fair.<sup>60</sup> Thus, fair use protects appropriation artists from copyright infringement if they properly use elements of a prior work to create a truly unique work.

### 1. Transformative Use

The first aspect to consider in the analysis of fair use centers on whether the new work merely “supersede[s] the objects’ of the original creation, or instead adds something new, with a further purpose or different character, altering the first with new expression, meaning, or message.”<sup>61</sup> Works that qualify as transformative are more likely to promote and further the original purpose of copyright, whereas works that simply mimic the original often do not qualify as transformative use and more likely to be ruled an infringement.<sup>62</sup> Though transformative value is not essential for fair use, if a work is considered transformative, the other statutory factors may be less significant when determining whether a fair use exists.<sup>63</sup>

The transformative inquiry can be reformed to include: (1) creative works beyond the enumerated examples; (2) expressive purpose beyond mere functional purpose; (3) the sufficiency of minimal aesthetic changes; and (4) less weight

accorded to market harm after establishment of transformation.<sup>64</sup> This proposed reformation will be demonstrated later when discussing *Bill Graham Archives v. Dorling Kindersley Ltd.*<sup>65</sup>

## 2. Commercial Use

The other aspect to consider in determining whether fair use exists is “whether [an artist’s use of another’s work] is of a commercial nature or is for nonprofit educational purposes.”<sup>66</sup> In fair-use analysis, the critical question is “whether the [artist] stands to profit from [the] exploitation” of another’s work.<sup>67</sup>

In the Copyright Act of 1976,<sup>68</sup> the “purpose and character” fair-use factor asks whether the original was copied in good faith to benefit the public or primarily for the commercial interests of the infringer.<sup>69</sup> Although commercial gain and fair use are not mutually exclusive, a court may ascertain which of these was the artist’s primary objective.<sup>70</sup> “Knowing exploitation of a copyrighted work for personal gain militates against a finding of fair use.”<sup>71</sup>

Copies made for commercial or profit-making purposes are presumptively unfair.<sup>72</sup> “The crux of the profit/nonprofit distinction is not whether the sole motive of the use is monetary gain[,] but whether the user stands to profit from exploitation of the copyrighted material without paying the customary price.”<sup>73</sup>

## D. The Fair-Use Breakdown

This section will conduct a more in-depth examination of the four fair-use doctrine factors. An explanation will be given for each fair-use factor and how that particular part pertains to copyright infringement. The fair-use defense may be used in an action for copyright infringement.<sup>74</sup> One of the first significant copyright infringement cases in the United States was *Folsom v. Marsh*<sup>75</sup> in 1841.<sup>76</sup> In *Folsom*, the court held that a concern of copyright infringement is the “degree [that] the [defendant’s] use may prejudice the sale, or diminish the profits, or supersede the objects, of the [plaintiff’s] original work.”<sup>75</sup> *Folsom* also held that copyright infringement is determined by “look[ing] to the nature and objects of the selections made, [along with] the quantity and value of the materials used.”<sup>78</sup> Later, the *Folsom* holding was codified in § 107 of the Copyright Act of 1976.<sup>79</sup> Today, § 107 is known as the doctrine of fair use.<sup>80</sup> The doctrine provides that the use of an original work “for purposes such as criticism, comment, news reporting, teaching, . . . scholarship, or research” does not infringe upon a copyright.<sup>81</sup> Determining whether a work qualifies as fair use hinges upon the consideration of four

factors.<sup>82</sup> These four factors include:

- (1) [T]he purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;
- (2) the nature of the copyrighted work;
- (3) the amount and substantiality of the portion used in relation to the copyright work as a whole; and
- (4) the effect of the use upon the potential market for or value of the copyrighted work.<sup>83</sup>

The fair-use doctrine will only be applied after the court has found copyright infringement.<sup>84</sup> Therefore, the *de minimis* analysis used in an infringement case is separate from the fair-use exception because *de minimis* use is found when two works are not considered substantially similar.<sup>85</sup>

The fair-use doctrine permits parties to use copyrighted material, without the owner’s consent, in a reasonable manner for certain purposes.<sup>86</sup> The doctrine is important because it helps to determine whether a copied work is done legally or not through the use of four different factors.<sup>87</sup>

The use of a copyrighted work will not generally be considered reasonable if the work “extensively copies or paraphrases the original or bodily appropriates the research upon which the original was based.”<sup>88</sup> However, under the Copyright Act,<sup>89</sup> fair use prevents copyright owners from restricting distribution of their copyrighted works to the public.<sup>90</sup> To determine whether a use is fair, courts evaluate and apply the aforementioned four statutorily created factors; further, the court will determine whether each factor supports the claim based on the facts at hand.<sup>91</sup> These four factors, however, are not exhaustive in determining fair use.<sup>92</sup>

## 1. Purpose and Character

The first factor in the fair-use analysis deals with the “purpose and character of the use” in question.<sup>93</sup> One necessary consideration when analyzing purpose and character considers whether the work has a commercial purpose or a nonprofit motive.<sup>94</sup>

**Commercial Value.** The fair-use doctrine employs the “purpose and character” factor to determine whether the original was copied in an attempt to further the public good or merely to further the private interests of the infringer at the expense of the copyright owner.<sup>95</sup> The Copyright Act directs courts, when weighing the “purpose and character” factor,

to focus on whether the work is “of a commercial nature or is for nonprofit educational purposes.”<sup>96</sup>

In fair-use analysis, “[t]he crux of the profit/nonprofit distinction is not whether the sole motive of the use is monetary gain[,] but whether the user stands to profit from exploitation of the copyrighted material without paying the customary price.”<sup>97</sup> While a party’s commercial use of a work does not always negate fair use, the party’s use of that work for private gain, as opposed to public good, is nonetheless a factor to be considered.<sup>98</sup> Thus, an alleged infringer cannot profit by exploiting another party’s protected work without compensating the owner of the copyright for that privilege.<sup>99</sup>

**Transformative Work.** A stronger consideration for determining a work’s nature and purpose asks whether the accused’s work has transformed the original into something new.<sup>100</sup> A transformative work does not merely imitate the original creation; instead, the work must portray the creation in a different character, or add something new to further the author’s purpose all while injecting the first work “with new expression, meaning, or message.”<sup>101</sup> Though courts recognize that the transformative test is critical when analyzing fair use, the lack of transformative use does not bar a determination of fair use in all circumstances.<sup>102</sup> Indeed, the goal of copyright is to promote science and the arts and is generally furthered by the creation of transformative works.<sup>103</sup> To that end, works that merely copy the original are less likely to further the purpose of copyright protection and will likely constitute infringement.<sup>104</sup>

Transformation, therefore, is indicative of fair use.<sup>105</sup> Consequently, the definition of a transformative inquiry can be expanded by “(1) defining transformative purpose beyond . . . examples to include creative works[;] (2) considering a secondary work’s expressive purpose not just its functional purpose[;] (3) considering minimal aesthetic changes as sufficient for transformation[;] and (4) deemphasizing any market harm once transformation is found.”<sup>106</sup> Basically, transforming a work means giving it a different meaning than the original author intended.

## 2. Nature of Copyrighted Work

The second fair-use factor considers whether the copyrighted work includes a creative element.<sup>107</sup> According to the Copyright Act, courts must examine “the nature of the copyrighted work”<sup>108</sup> while recognizing that some works are “closer to the core of intended copyright protection than others.”<sup>109</sup> This means creative works have broad copyright protection as compared to factual works, which garner

only limited protection.<sup>110</sup> Indeed, “[a] use is less likely to be deemed fair when the copyrighted work is a creative product.”<sup>111</sup> Courts also consider whether the original work is more factual than fictional.<sup>112</sup> Creative and fictional works are given greater protection than factual works.<sup>113</sup>

## 3. Amount Taken

The third fair-use factor looks at the amount of the appropriated work that is substantially copied from the original.<sup>114</sup> Essentially, this means that the less an original work is copied, the more likely the use will be fair.<sup>115</sup> This can be taken as a quantitative analysis.<sup>116</sup> An impermissible level of copying may occur when the original is copied more than necessary.<sup>117</sup> Nonetheless, fragmentary copying is permissible, as it is more likely to indicate a transformative process (a positive fair-use factor) than wholesale copying, which amounts to copyright infringement.<sup>118</sup>

However, one should not look solely at the quantitative aspect of copying; a qualitative analysis must take place.<sup>119</sup> The qualitative degree of the copying is the degree to which the essence of the original is copied in relation to the whole.<sup>120</sup>

Regardless of whether a court is using quantitative or qualitative analysis, the key issue regarding substantiality revolves around the amount the infringing work “‘copied verbatim’ from the copyrighted work.”<sup>121</sup> Essentially, this third factor examines whether the “heart” of the original work was taken.<sup>122</sup>

## 4. Effect on Potential Market

The fourth and final mandatory consideration used when conducting a fair-use analysis involves the effect of the secondary work on the potential market for the original.<sup>123</sup> This factor examines the market harm caused by the alleged infringer’s copying.<sup>124</sup> One should measure harm by analyzing whether the infringer’s work usurps or softens the market demand of the original.<sup>125</sup> While a copied work may not supplant the potential market for the original, suppressing market value may be allowed.<sup>126</sup> Fair use, therefore, is limited to an author’s work that *does not* materially impair the marketability of the copyrighted work.<sup>127</sup>

A concern exists when there is an excessively widespread dissemination of derivative works that will cause potential harm to any work’s potential market.<sup>128</sup> Hence, “a balance must sometimes be struck between the benefit the public will derive if the use is permitted and the personal gain the copyright owner will receive if the use is denied.”<sup>129</sup> If the unauthorized use becomes “widespread,” then a copyright owner

only needs to demonstrate it would prejudice the potential market for his work.<sup>130</sup> Accordingly, “where the use is intended for commercial gain[,] some meaningful likelihood of future harm is presumed.”<sup>131</sup> This presumption of harm is in harmony with the doctrine of fair use and copyright protection’s core principles: to ensure original creators are encouraged to continue in their creative ventures and to allow the public to benefit from works that further science and the arts.<sup>132</sup>

### III. Analysis

#### A. Appropriation Art: Fair Use or Unauthorized Derivative?

Once a court determines that a work is appropriation art, it constitutes a transformative work, and it is intended for nonprofit use or ancillary commercial gain, the question then becomes, When does appropriation art become a fair use of a copyrighted work through transformation and at what point should a court find copyright infringement through unauthorized derivative use?<sup>133</sup>

Key examples of appropriation art dealing with alleged copyright infringement involve famous appropriation artist Jeff Koons. Two cases in particular address some of the concerns that arise in determining whether appropriation art qualifies as fair use. These two cases dealt with similar facts, yet reached different results regarding infringement.

In the first case, *Rogers v. Koons*,<sup>134</sup> Koons instructed artisans to copy and sculpt Rogers’s copyrighted notecard portrayal of a couple and their puppies.<sup>135</sup> Koons tore the copyright notice off the notecard before sending the card to the artisans.<sup>136</sup> The court held the copies were made primarily for Koons’s commercial benefit and would damage the market of the copyrighted photograph.<sup>137</sup> The court granted summary judgment against Koons for copyright infringement because the blatant copying of Rogers’s photographic work was for Koons’s profit rather than for a criticism, parody, or other fair use.<sup>138</sup>

Koons’s copying of Rogers’s copyrighted photograph was not considered fair use because:

[C]opying that is complementary to the copyrighted work (in the sense that nails are complements of hammers) is fair use, but copying that is a substitute for the copyrighted work (in the sense that nails are substitutes for pegs or screws), or for derivative works from the copyrighted work, is not fair use.<sup>139</sup>

Therefore, the copying of Rogers’s work was not considered fair use because Koons copied the expression of the copyrighted photograph, not the idea of the photograph.<sup>140</sup>

In determining whether the two pieces of art are substantially similar or whether copying has occurred, the focus must be on the similarity of the *expression* of an idea or fact, not on the similarity of the facts, ideas, or concepts themselves.<sup>141</sup> Koons’s expression was copied verbatim from the expression that Rogers copyrighted in his photograph.<sup>142</sup> If Koons’s art had changed the idea of Rogers’s similar piece, then the fair-use defense would have applied.<sup>143</sup> Copyright protection from infringement is afforded only “to the expression of the idea—not the idea itself.”<sup>144</sup>

The distinction between idea and expression has led one court to comment that “the ‘marketplace of ideas’ is not limited by copyright because copyright is limited to protection of expression.”<sup>145</sup> Koons chose to disregard the copyright by tearing off the notice before having the sculptors create the piece of art.<sup>146</sup> As previously stated, appropriation art creates new works by taking images from various sources found throughout the media, society, and elsewhere.<sup>147</sup> Koons did not transform the already-existing piece of art into a new piece of art but rather just copied the copyrighted work exactly as it was expressed.<sup>148</sup> Because Koons chose not to follow accepted appropriation art principles, he could not use the fair-use defense to protect his art from claims of copyright infringement.<sup>149</sup>

In the other well-known incident involving Koons’s art, the court ruled that Koons’s re-creation of a copyrighted work qualified as fair use. In *Blanch v. Koons*,<sup>150</sup> the court of appeals affirmed the trial court’s determination that Koons’s painting, *Niagara*, did not infringe upon Blanch’s copyrighted photograph, *Silk Sandals*, because Koons’s incorporation of the photograph in a collage painting constituted fair use under the Copyright Act of 1976.<sup>151</sup> Koons intended his appropriation of the photograph to be transformative because the exhibition of the painting could not fairly be described as commercial exploitation and Koons had injected originality into the work.<sup>152</sup> Koons altered the borrowed work “with new expression, meaning, or message.”<sup>153</sup> Compared to Blanch’s original photograph, Koons completely inverted the legs’ orientation, painting them to surreally dangle or float over the other elements of the painting.<sup>154</sup> Koons also changed the coloring and added a heel to one of the feet, which had been completely obscured in Blanch’s photograph.<sup>155</sup>

By recontextualizing the image, Koons had, in fact, altered and transformed it in an attempt to force viewers to see the original work and its significance differently.<sup>156</sup> The doctrine of fair use, therefore, could properly be executed because Koons’s use of Blanch’s photograph transformed the expression of the art. Koons’s purposes for using Blanch’s image

were sharply different from Blanch's goals in creating the piece of art.<sup>157</sup> Koons's intentions confirm the transformative nature of his use.<sup>158</sup> Koons was "using Blanch's image as fodder for his commentary on the social and aesthetic consequences of mass media," rather than for purposes of making money.<sup>159</sup>

The test to determine if *Niagara's* use (Koons's work) of *Silk Sandals* (Blanch's image) was transformative was whether it "merely supersede[d] the objects of the original creation, or instead add[ed] something new, with a further purpose or different character, altering the first with new expression, meaning, or message."<sup>160</sup> Koons changed the size, colors, details and background of Blanch's piece of art.<sup>161</sup> Koons's art also had an entirely different purpose and meaning compared to Blanch's art.<sup>162</sup> Therefore, the work was considered transformative. The purpose of Blanch's photograph changed from an advertisement to a comment on society when Koons transformed the picture into appropriation art.<sup>163</sup> Because Koons altered the meaning, purpose, and expression of the copyrighted photograph, he was able to successfully plead the fair-use defense.<sup>164</sup>

The essential purpose of a fair-use test is to require courts to "look to the nature and objects of the selections made, the quantity and value of the materials used, and the degree to which the use may prejudice the sale, or diminish the profits, or supersede the objects, of the original work."<sup>165</sup> "For a fair-use analysis to be effective, courts must compare the degree of intrusion upon an artist's incentive to produce the original work with the public contribution the appropriationist work makes as criticism or comment."<sup>166</sup> The court gave the proper ruling for a fair-use defense in *Blanch* because Koons did not use the art for commercial revenue and because he also changed the copyrighted photograph to have a new purpose and meaning, even though there was a similarity in the idea.<sup>167</sup> In *Blanch*, Koons followed the standards that allowed him, as an appropriation artist, to successfully plead fair use. The same cannot be said for the circumstances in *Rogers*, where a fair-use defense was not accepted because Rogers's work was not transformed at all by Koons, and Koons's sculptures were created to generate a personal monetary gain.<sup>168</sup>

The more a party adds or changes an item, the more likely the secondary work is transformative because the effect on the plaintiff's market decreases and the secondary work comes closer to copyright's goals of spurring further creativity.<sup>169</sup> Moreover, "[a]lthough such transformative use is not absolutely necessary for a finding of fair use, the goal of copyright, to promote science and the arts, is generally furthered by the creation of transformative works."<sup>170</sup> Based

on these principles, *Blanch* is just an affirmation of the goal of copyrights and furthers the boundaries of appropriation art.

## IV. Proposal

What guidelines can be used to determine whether appropriation art is fair use or copyright infringement? Again, the goal of copyright is to promote and further the creativity of art,<sup>171</sup> but there have to be boundaries and limits to control appropriation artists so that they do not have the free will to copy and take whatever they want.

### A. Tests of Appropriation Art

There are seven main tests that courts have recognized that can be applied in appropriation art cases to determine whether the use of the copyrighted work by the artist was transformative and for commercial gain. These tests help determine whether there is fair use for the appropriation art. The tests are: (1) the fragmented-literal-similarity test; (2) the abstractions test; (3) the patterns test; (4) the extrinsic-intrinsic test; (5) the total-concept-and-feel test; (6) the transformative-value test; and (7) the ordinary-observer test. Application of any of these tests would likely not change the result in either *Rogers* or *Blanch*.

#### 1. Fragmented-Literal-Similarity Test

The fragmented-literal-similarity test for potential copyright infringement assists the court in determining "whether the similarity relates to matter that constitutes a substantial portion of [the] plaintiff's work[—]not whether such material constitutes a substantial portion of [the] defendant's work."<sup>172</sup> In *Rogers*, the appropriation art related exactly to Rogers's copyrighted photograph, so a court applying the fragmented-literal-similarity test would lean in favor of Rogers because Koons's work related to a substantial portion, if not all, of Rogers's work.<sup>173</sup> However, in *Blanch* there was little similarity between the portions taken from each of the copyrighted works.<sup>174</sup> Therefore, a court applying the fragmented-literal-similarity test would rule in favor of the appropriation artist if that artist indeed used the appropriated work to create something new. If a court applied the fragmented-literal-similarity test to *Rogers* and *Blanch*, the outcome would not be any different than was ruled.

#### 2. Abstraction Test

The abstraction test, developed by Judge Learned Hand in *Nichols v. Universal Pictures Corp.*,<sup>175</sup> allows the court to compare the similarities between two works as a "series of abstractions" of increasing generality to determine whether

there is copyright infringement.<sup>176</sup> In *Steinberg v. Columbia Pictures Industries, Inc.*,<sup>177</sup> the Second Circuit applied the abstraction test and concluded that the defendant's movie poster was infringing because it was substantially similar to the plaintiff's magazine cover illustration.<sup>178</sup> Comparing the two works, the court stated that "one can see the striking stylistic relationship between the posters, and since style is one ingredient of 'expression,' this relationship is significant."<sup>179</sup> The similarities between Steinberg's cover and the infringing poster included both style and subject matter, in that both works depicted cities and the surrounding earth through a "parochial" point of view.<sup>180</sup>

In *Rogers*, through the use of the abstraction test, the court would have determined that there was copyright infringement, just as it ruled, because the similarities between the two works would render the copyrighted photograph and appropriation art the same series of abstractions.<sup>181</sup> In *Blanch*, comparing the similarities, or lack thereof, between the appropriation art and the copyrighted photograph would produce an outcome of no copyright infringement according to the definition of the abstraction test because the two works have different expressions and style.<sup>182</sup>

### 3. Patterns Test

The patterns test allows the court to examine the pattern of the work, "the sequence of events[,] and the development of the interplay of the characters" to establish whether there is copyright infringement.<sup>183</sup> In *Bill Graham Archives*, the Second Circuit held that the defendants' complete reproduction of seven of the plaintiff's graphic images in a biographical book constituted fair use.<sup>184</sup> Bill Graham Archives (BGA) owned the copyright in seven graphic images depicting the famous rock band, the Grateful Dead.<sup>185</sup> Dorling Kindersley (DK) published *Grateful Dead: The Illustrated Trip*, a 480-page book that chronicled the history of the famous rock band, which included seven BGA images.<sup>186</sup> DK significantly reduced the image size, surrounded each image with explanatory text, and placed the images on a Grateful Dead timeline as a graphic representation of these historic moments.<sup>187</sup> The court held that DK's use of all seven images was transformative because these works are examples of fair use such as criticism and comment.<sup>188</sup>

Courts using the patterns test would have most likely found copyright infringement in *Rogers* because the character of each of the works was developed exactly the same since the appropriation art was an unauthorized derivative of the copyrighted photograph.<sup>189</sup> In *Blanch*, however, application of the patterns test by the court would show that patterns of the original copyrighted work and the appropri-

ation art had different development to their respective works. The legs, feet, heels, and coloring in Koons's appropriation art were different in character when compared to Blanch's copyrighted photograph.<sup>190</sup> Therefore, no copyright infringement could be found under the patterns test.

### 4. Extrinsic–Intrinsic Test

A court using the extrinsic–intrinsic test examines the similarity of general ideas and specific expressions between two works to conclude whether there is copyright infringement.<sup>191</sup> The first step in this examination is the extrinsic test, which compares the general ideas of the two works through "specific criteria which can be listed and analyzed."<sup>192</sup> The second step in the evaluation utilizes the intrinsic test, which considers the "similarity between the forms of expression" and relies on the "response of the ordinary reasonable person."<sup>193</sup>

In *Franklin Mint Corp. v. National Wildlife Art Exchange, Inc.*,<sup>194</sup> the court held that the defendant's painting, *The Cardinal*, did not infringe the plaintiff's copyright in an earlier work, also by the defendant, entitled *Cardinals on Apple Blossom*.<sup>195</sup> The court found that the later painting of cardinals did not infringe upon the earlier work, holding that "while the ideas are similar, the expressions are not," and that the differences between the works are "sufficient to establish a diversity of expression rather than only an echo."<sup>196</sup>

Applying this test to *Rogers* would likely yield the same result. In the first part of the test, the court would probably rule that the two works are extrinsically the same because of the similarity between the subject matter and setting.<sup>197</sup> An ordinary, reasonable person would likely see these works as intrinsically the same because of the degree to which Koons copied Rogers's photograph.<sup>198</sup> Likewise, *Blanch* would be unaffected by use of the extrinsic–intrinsic test. The two works were not extrinsically similar because the subject matter, setting, materials, and type of artworks were all different.<sup>199</sup> Koons's work is also intrinsically dissimilar to Blanch's because a reasonable person would likely find these pieces to be different.<sup>200</sup>

### 5. Total-Concept-and-Feel Test

Using the total-concept-and-feel test, a court describes the similarity between the copyrighted work and the alleged infringing material.<sup>201</sup> "The total 'concept and feel' of a work considers the idea of the work and its formal elements as a whole."<sup>202</sup> However, "[t]he inclusion of concepts in determinations of substantial similarity" can create issues for courts because it compares ideas that are not recognized under copyright law.<sup>203</sup>

A German court held that George Pusenkoff's painting, which incorporated "the outline of a nude from a Helmut Newton photograph, a distinctive bright blue background from an Yves Klein monochromatic painting, and a small yellow square from the late Russian artist Casimir Malevich," was a free adaptation rather than copying and, therefore, did not constitute copyright infringement.<sup>204</sup> Pusenkoff's work was considered "a productive or transformative use that did not substitute for the original photograph."<sup>205</sup> Pusenkoff's work, under transformative use, was meant to be a new idea or expression; it was achieved by combining parts from different arts and using different elements to create something totally new.<sup>206</sup> Hence, his taking constituted fair use.

In *Rogers*, Koons infringed on Rogers's copyrighted photograph without fair use because he did not create a new concept with the creation of his sculpture, but rather just imitated the copyrighted photograph of Rogers.<sup>207</sup> However, in *Blanch*, Koons changed the positioning, size, and coloring of Blanch's copyrighted photograph; therefore, a court applying the total-concept-and-feel test would most likely determine that Koons's use was considered to be fair.<sup>208</sup>

#### 6. Transformative-Value Test

A court applying the transformative-value test would only consider the quantitative or visible alterations to the image that "may reasonably be perceived."<sup>209</sup> This test, first conceived by Judge Pierre N. Leval<sup>210</sup> and established in *Campbell v. Acuff-Rose*,<sup>211</sup> assists a court in determining "whether the new work merely 'supersede[s] the objects' of the original creation, or instead adds something new, with a further purpose or different character, altering the first with new expression, meaning, or message."<sup>212</sup> This test embraces the aesthetic principle that a secondary user may legitimately use imitation to communicate new meaning about its target without the effect of superseding it—a dynamic central to appropriationism.<sup>213</sup>

Accordingly, in the area of appropriation art, if a court finds that an allegorical work reveals little or no physical alteration of the copyrighted image and adds no explicit criticism of the original composition, the work's commercial aspects bear increased significance in a fair-use determination.<sup>214</sup> As a result there would likely be a finding of unfair use on the basis of the presumed harm to an original work's actual or potential markets.<sup>215</sup>

In *Nunez v. Caribbean International News Corp.*,<sup>216</sup> the court held that a fair use existed when the defendant transformed a photograph from a promotional modeling purpose into a depiction of an important news story.<sup>217</sup> Thus, the function of the secondary work, which was to inform, was

transformatively different from the function of the original work, which served to illustrate the model's talent.<sup>218</sup>

Koons's work in *Rogers* "merely 'supersede[s] the objects of the original creation'" in the photograph.<sup>219</sup> Koons did not alter or transform Rogers's copyrighted photograph,<sup>220</sup> so under the application of the transformative-value test, a court would render the same outcome and not rule in favor of fair use.

The same cannot be said when a court applies the transformative-value test in *Blanch*. A court using the test would give a ruling in favor of the fair-use defense because Koons "add[ed] something new, with a further purpose or different character, altering the first [piece of art] with new expression, meaning, or message."<sup>221</sup> Koons followed the true meaning of appropriation art<sup>222</sup> by altering the legs, feet, heels, and coloring of the original copyrighted work to make his new transformed piece of art.<sup>223</sup>

Also, in *Leibovitz v. Paramount Pictures Corp.*,<sup>224</sup> the plaintiff's subject was pregnant, nude, and in profile.<sup>225</sup> The defendant's advertisement was of a nude, pregnant woman, similarly "posed so that her posture and hands precisely matched those of the [plaintiff's model]."<sup>226</sup> The court granted the defendant's motion for summary judgment, holding that the factors used in determining fair use under the Copyright Act of 1976<sup>227</sup> favored the defendant because the advertisement commented on the plaintiff's photograph by contrasting the serious expression in the plaintiff's photograph with a smirking face.<sup>228</sup> The plaintiff was not harmed by the defendant's use because the defendant did not affect the plaintiff's potential markets.<sup>229</sup> The defendant's advertisement constituted fair use under the Copyright Act as a parody because the defendant's advertisement commented on the seriousness of the plaintiff photographer's work.<sup>230</sup>

#### 7. Ordinary-Observer Test

To determine whether and to what extent a work was copied, a court may choose to implement the ordinary-observer test.<sup>231</sup> The inquiry asks whether an ordinary observer would see and recognize the amount copied or appropriated from the original work.<sup>232</sup> More simply put, this test asks whether "the ordinary observer, unless he set out to detect the disparities, would be disposed to overlook them, and regard their aesthetic appeal as the same."<sup>233</sup> "Thus, [an] allegation that a trial judge uneducated in art is not an appropriate decision-maker misses the mark; the decision-maker, whether it be a judge or a jury, need not have any special skills other than to be a reasonable and average lay person."<sup>234</sup>

In *Rogers*, an average person would have recognized that the sculptures Koons created were copied exactly from a

note card that had Rogers's copyrighted photograph on it.<sup>235</sup> Therefore, a court's use of the ordinary observer test in *Rogers* would most likely have rendered the same ruling and held that Koons was not entitled to the fair-use defense.<sup>236</sup> The court would detect that the two works had no disparities and that their aesthetic appeals were essentially the same.<sup>237</sup>

However, in *Blanch*, the ordinary-observer test would have allowed a court to determine that a fair-use defense was necessary because an average observer would have recognized the difference between the original copyright work and the appropriation art.<sup>238</sup> Again, Koons changed the legs, feet, heels and coloring from Blanch's photograph to create his appeal.<sup>239</sup> Any ordinary observer would most likely have detected the disparities between the two works. Accordingly, applying the ordinary-observer test can greatly assist a court in determining whether fair use exists.

### B. Solution

This Article suggests a different approach to balance the interests of both the copyright owners and appropriation artists. The best initiative is to draft legislation creating a new section under the Copyright Act that focuses specifically on appropriation art. The proposed statute should state the following:

Upon the alleged copyright infringer being unable to prove that the appropriation art is proper "fair use" of a copyrighted item via one of the seven tests—(1) fragmented-literal-similarity test; (2) abstractions test; (3) patterns test; (4) extrinsic-intrinsic test; (5) total-concept-and-feel test; (6) transformative-value test; or the (7) ordinary-observer test—a holding of copyright infringement and damages must be resolved by the court. After a determination of copyright infringement by the court, or agreement of copyright infringement by the parties, analysis under 17 U.S.C. § 107 may not be applied in regards to suits involving appropriation art or copying of artistic images. Instead, the copyright owner of the original work and the appropriation artist of the original work will share profits of the appropriation artist's new work based upon a formula. That formula is that one-third of the sales profits from the new work multiplied by the percentage of the original work used in the new work must be paid to the copyright owner of the original work.

For example, if one-fourth of the copyright owner's original work (e.g., one item from a row of four items) were included in the appropriation artist's new work, then the copyright

owner of the original work is entitled to one-fourth multiplied by one-third of the appropriation artist's profits from that art (e.g., single sale of piece, exhibition profits). Additionally, if the appropriation artist uses ten single different items from ten different original pieces of work, (e.g., ten different copyrighted images), then each of the ten copyright owners of the ten different original pieces of work is entitled to one-tenth multiplied by one-third of the appropriation artist's profits from that art (e.g., single sale of piece, exhibition profits).

This proposed statute is radical, yet necessary. This new legislation eliminates the fair-use exception from being used as a defense for appropriation art and provides clear-cut guidance to the artistic community and art industry. Federal courts have yet to create firm ground for appropriation art litigation and, in fact, have issued polar-opposite rulings in these cases.<sup>240</sup> The law needs to be uniform, and it is apparent that the courts have been unwilling to provide this uniformity.

Moreover, this proposed statute promotes the purposes of copyright law. The proposed statute allows appropriation artists to create new works that may be disseminated to the public.<sup>241</sup> By allowing these works into the public, others may benefit and draw inspiration from these new works.<sup>242</sup>

### C. Counterarguments

In some regards, it can be argued that this proposal goes against one of the purposes of the Copyright Act by taking away some of the exclusive rights granted to the original author.<sup>243</sup> The original author would no longer be able to deny others from using his copyrighted work, but after the appropriation artist turns a profit from his work, the copyright owner also begins collecting its portion of the profits.<sup>244</sup> This proposal would no longer hinder appropriation artists from using a copyrighted work because they do not have to fear a flat denial from the copyright owner. Furthermore, appropriation artists would only have to pay the copyright owner once their work returned a profit. If the appropriation artists never return a profit, then it is unlikely that their works are well known among the public or other artists. This would calm the fear among copyright owners that the marketplace would be saturated with samples of the copyright owner's work.

However, another potential argument against the proposed statute is that it may be considered arbitrary and unfair for the copyright owners. Nevertheless, the proposed statute furthers the purposes of copyright law for appropriation artists by giving them an incentive to create new works. For artists who use copyrighted work for their appropriation

art, such as Jeff Koons, a large portion of profits must be set aside for them to have any incentive to create new works. Without this large portion of profits, artists who use copyrighted work in their art would be almost entirely pushed out of the appropriation art industry.

## V. Conclusion

Although appropriation art copyright infringement cases must be handled on a case-by-case basis, what can be gathered from these tests are teachings or principles to apply to each case as it appears. These seven different tests have worked in the past to help solve appropriation art cases that involved potential copyright infringement and, thus, provide guidance for future cases involving alleged copyright infringement for appropriation art.

Copyright law looks to balance the interests of copyright owners' economic incentives and the creation of new ideas by other authors. Cases like *Rogers* and *Blanch* show how courts have struggled to come to grips with the appropriation art problem. This judicial confusion has led the art industry to enter the market with a degree of caution for appropriation art. Moreover, the Copyright Act was created before appropriation art surfaced.

What courts can now gather from appropriation art and the allegation of copyright infringement is that works need to be creative, original, and transformative. This appropriation art needs to also serve a beneficial purpose for society rather than for an individual commercial gain. Without this, appropriation artists are infringing upon the very art that they are trying to create.

"Copyright law's ultimate purpose is to foster new creative works."<sup>245</sup> In fact, the Supreme Court stated that fair use should not be susceptible to bright-line rules, but instead, should be interpreted according to a case-by-case analysis.<sup>246</sup> These seven tests simply serve as tools or recommendations to help solve the legal problems that occur between appropriation art and copyright infringement. In no way are these tests the only methods to solve these specific types of cases, but they are guidelines to help determine the proper ruling and apply the correct law.

To better balance the needs of appropriation artists and copyright owners, Congress must step in and create guidance for artists to follow. The statute proposed by this Article fosters guidelines for everyone. Artists need unlimited access to copy-righted material in order to build and create new works. As the proposed statute illustrates, it would only come into effect if the appropriation artists are successful (in a monetary sense). The proposed statute would not take away

from the copyright owner if the new work was not a success due to the fact that it would not be widely known to the public. The existing market has been perfected over a number of years. The schemes of the art industry have sufficed thus far, but to continue this positive trend, Congress must give further guidance in order for appropriation art to gain traction. To continue moving the art industry in the right direction, new statutes must be enacted that embrace appropriation art by artists.

This Article has not attempted to analyze or refute such an argument due to the inherently fact-based determinations that a proper fair-use analysis requires. However, the argument should give courts pause—pause to think. ■

## About the Author

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22. *Id.* § 101.
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28. Copyright Act of 1976, Pub L. No. 96-517, 90 Stat. 2541 (codified as amended at 17 U.S.C. §§ 101–1332 (2006 & Supp. III 2009)); *accord Mary B. Percifull*, Note, *Digital Sampling: Creative or Just Plain “Cheez-Oid?”*, 42 CASE W. RES. L. REV. 1263, 1271 (1992) (acknowledging the Copyright Act as the controlling law regarding copyright protection).
29. 17 U.S.C. § 102(a) (2006); see also 1 WILLIAM F. PATRY, PATRY ON COPYRIGHT § 1:82 (2008) (discussing the most important aspects of the Copyright Act 811, F.3d at ft Corp.fringement that a plaintiff is required to show.”minds to produce great works)811, F.3d at ft Corp.fringement that a plaintiff is required to show.”minds to produce great works), such as the limited timeframe a copyright exists, the fair-use privilege, and a Copyright Royalty Tribunal). Congress enacted the first copyright act in 1790, which granted merely fourteen years of protection to authors of maps, charts, and books. 1 WILLIAM F. PATRY, PATRY ON COPYRIGHT § 1:82 (2008). Congress passed the next copyright act in 1909. *Id.* § 1.45.
30. See 17 U.S.C. § 301(a) (2006) (“[N]o person is entitled to any such right or equivalent right in any such work under the common law or statutes of any State.”); *accord John Schietinger*, Note and Comment, *Bridgeport Music, Inc. v. Dimension Films: How the Sixth Circuit Missed a Beat on Digital Music Sampling*, 55 DEPAUL L. REV. 209, 216 (2005) (“[A]ny conflicting state law is invalid.”); 1 WILLIAM F. PATRY, PATRY ON COPYRIGHT § 1:82 (2008) (discussing how preemption of state law is one of the most important aspects of the Copyright Act).
31. *Tuff ‘N’ Rumble Mgmt. Inc. v. Profile Records Inc.*, 42 U.S.P.Q.2d 1398, 1400 (S.D.N.Y. 1997) (citing *M.H. Segan Ltd. P’ship v. Hasbro, Inc.*, 924 F. Supp. 512, 518 (S.D.N.Y. 1996)); *accord Jarvis v. A & M Records*, 827 F. Supp. 282, 288 (D.N.J. 1993) (listing the three elements of copyright infringement); *Lucille M. Ponte*, *The Emperor Has No Clothes: How Digital Sampling Infringement Cases Are Exposing Weaknesses in Traditional Copyright Law and the Need for Statutory Reform*, 43 AM. BUS. L.J. 515, 526–27 (2006)

- (addressing the elements of copyright infringement); Mary B. Percifull, Note, *Digital Sampling: Creative or Just Plain "Cheez-Oid?"*, 42 CASE W. RES. L. REV. 1263, 1272–76 (1992) (noting what a plaintiff must prove to support a claim for infringement); John Schietinger, Note and Comment, *Bridgeport Music, Inc. v. Dimension Films: How the Sixth Circuit Missed a Beat on Digital Music Sampling*, 55 DEPAUL L. REV. 209, 217–19 (2005) (conducting an in-depth discussion of the elements of copyright infringement); see also Kelly, 336 F.3d at 817 (stating that the Ninth Circuit requires proof of copyright infringement by a showing that the plaintiff retains ownership of the copyright and that there was copying by the defendant).
32. Lucille M. Ponte, *The Emperor Has No Clothes: How Digital Sampling Infringement Cases Are Exposing Weaknesses in Traditional Copyright Law and the Need for Statutory Reform*, 43 AM. BUS. L.J. 515, 526 (2006); accord Mary B. Percifull, Note, *Digital Sampling: Creative or Just Plain "Cheez-Oid?"*, 42 CASE W. RES. L. REV. 1263, 1272 (1992) ("Ownership of the copyright is the first element of infringement that a plaintiff is required to show."); see also *Bridgeport Music, Inc. v. Dimension Films*, 383 F.3d 390, 393 (6th Cir. 2004) (announcing that ownership of the copyright was established by the plaintiffs because there was no dispute among the parties), amended by 410 F.3d 792 (6th Cir. 2005); Kelly, 336 F.3d at 817 (conceding that the plaintiff had a prima facie case of infringement); *Williams v. Broadus*, 60 U.S.P.Q.2d 1051, 1051 (S.D.N.Y. 2001) (denying a claim for infringement because the plaintiffs had no valid copyright); *Tuff 'N' Rumble Mgmt.*, 42 U.S.P.Q.2d at 1399 (indicating that 17 U.S.C. § 410(c) provides prima facie evidence of a valid copyright if registration occurs within five years of first publication); John Schietinger, Note and Comment, *Bridgeport Music, Inc. v. Dimension Films: How the Sixth Circuit Missed a Beat on Digital Music Sampling*, 55 DEPAUL L. REV. 209, 217–18 (2005) (addressing how copyright registration may constitute prima facie evidence of ownership of a valid copyright).
  33. See Lucille M. Ponte, *The Emperor Has No Clothes: How Digital Sampling Infringement Cases Are Exposing Weaknesses in Traditional Copyright Law and the Need for Statutory Reform*, 43 AM. BUS. L.J. 515, 526 (2006) (noting that copyrights are granted to the original composers of a work and that derivative works are not protected under the original copyright); cf. Mary B. Percifull, Note, *Digital Sampling: Creative or Just Plain "Cheez-Oid?"*, 42 CASE W. RES. L. REV. 1263, 1272 (1992) (explaining that "authors of a sound recording often include the performer, engineer, and producer"); John Schietinger, Note and Comment, *Bridgeport Music, Inc. v. Dimension Films: How the Sixth Circuit Missed a Beat on Digital Music Sampling*, 55 DEPAUL L. REV. 209, 217 (2005) (recognizing that sound recording copyright owners have limited copyright protections compared to the those who composed the work). *But see Tuff 'N' Rumble Mgmt.*, 42 U.S.P.Q.2d at 1399–1400 (explaining that although Roy C. Hammond was listed as the original author of the work, the party failed to produce evidence that established Hammond maintained any copyright interest).
  34. *Tuff 'N' Rumble Mgmt.*, 42 U.S.P.Q.2d at 1400; accord Lucille M. Ponte, *The Emperor Has No Clothes: How Digital Sampling Infringement Cases Are Exposing Weaknesses in Traditional Copyright Law and the Need for Statutory Reform*, 43 AM. BUS. L.J. 515, 526 (2006) (listing the elements of copyright infringement); Mary B. Percifull, Note, *Digital Sampling: Creative or Just Plain "Cheez-Oid?"*, 42 CASE W. RES. L. REV. 1263, 1273 (1992) (noting that a party must show unauthorized copying to succeed in an infringement claim) *Sampling Infringement Cases* aiff the inference of copying where party could not show defendant had sufficient access to the w *Sampling Infringement Cases* aiff the inference of copying where party could not show defendant had sufficient access to the w; John Schietinger, Note and Comment, *Bridgeport Music, Inc. v. Dimension Films: How the Sixth Circuit Missed a Beat on Digital Music Sampling*, 55 DEPAUL L. REV. 209, 217 (2005) (recognizing that a party must show "proof of copying" in an infringement claim).
  35. *Arnstein v. Porter*, 154 F.2d 464, 468 (2d Cir. 1946); *Jarvis*, 827 F. Supp. at 289; accord Lucille M. Ponte, *The Emperor Has No Clothes: How Digital Sampling Infringement Cases Are Exposing Weaknesses in Traditional Copyright Law and the Need for Statutory Reform*, 43 AM. BUS. L.J. 515, 526 (2006) (stating that a party must either show direct evidence of copying or provide evidence supporting an inference of copying); Mary B. Percifull, Note, *Digital Sampling: Creative or Just Plain "Cheez-Oid?"*, 42 CASE W. RES. L. REV. 1263, 1273 (1992) ("Copying can be proven either directly or indirectly." (citing WILLIAM F. PATRY, *LATMAN'S THE COPYRIGHT LAW* 191 (6th ed. 1986))); John Schietinger, Note and Comment, *Bridgeport Music, Inc. v. Dimension Films: How the Sixth Circuit Missed a Beat on Digital Music Sampling*, 55 DEPAUL L. REV. 209, 218 (2005) (holding that copying can be proven through admission or by showing that the infringing party had access to the work sufficient to support an inference of copying); see also *Tuff 'N' Rumble Mgmt.*, 42 U.S.P.Q.2d at 1401 (denying plaintiff the inference of copying where the party could not show that the defendant had sufficient access to the work).
  36. Lucille M. Ponte, *The Emperor Has No Clothes: How Digital Sampling Infringement Cases Are Exposing Weaknesses in Traditional Copyright Law and the Need for Statutory Reform*, 43 AM. BUS. L.J. 515, 526–27 (2006); Mary B. Percifull, Note, *Digital Sampling: Creative or Just Plain "Cheez-Oid?"*, 42 CASE W. RES. L. REV. 1263, 1273 (1992); John Schietinger, Note and Comment, *Bridgeport Music, Inc. v. Dimension Films: How the Sixth Circuit Missed a Beat on Digital Music Sampling*, 55 DEPAUL L. REV. 209, 218 (2005); cf. Kelly, 336 F.3d at 817 (stating the defendant conceded that the plaintiff established a prima facie case of infringement); *Williams*, 60 U.S.P.Q.2d at 1051 (revealing defendants admitted to using part of the plaintiffs' song); *Grand Upright Music Ltd. v. Warner Bros. Records, Inc.*, 780 F. Supp. 182, 183 (S.D.N.Y. 1991) (providing an example of how courts have found direct admission of unauthorized copying).
  37. John Schietinger, Note and Comment, *Bridgeport Music, Inc. v. Dimension Films: How the Sixth Circuit Missed a Beat on Digital Music Sampling*, 55 DEPAUL L. REV. 209, 218 (2005).
  38. *Id.*; accord Mary B. Percifull, Note, *Digital Sampling: Creative or Just Plain "Cheez-Oid?"*, 42 CASE W. RES. L. REV. 1263, 1273 (1992) (recognizing that access to an author's work could suffice as indirect proof of infringement).
  39. See *Tuff 'N' Rumble Mgmt.*, 42 U.S.P.Q.2d at 1402 (assert-

- ing that indirect proof may be established by showing widespread access to the work); see also *Bright Tunes Music Corp. v. Harrisongs Music, Ltd.*, 420 F. Supp. 177, 180–81 (S.D.N.Y. 1976) (noting that under copyright laws, indirect proof of copying could be shown where a widely disseminated song was virtually identical to a song recorded by the infringing party even if the copying was done subconsciously), *aff'd sub nom. ABKCO Music, Inc. v. Harrisongs Music, Ltd.*, 722 F.2d 988 (2d Cir. 1983).
40. *Tuff 'N' Rumble Mgmt.*, 42 U.S.P.Q.2d at 1401.
  41. See *Selle v. Gibb*, 741 F.2d 896, 901 (7th Cir. 1984) (discussing that a widely disseminated work may support a claim of access) (citing *ABKCO Music*, 722 F.2d at 998); *Tuff 'N' Rumble Mgmt.*, 42 U.S.P.Q.2d at 1402 (“As proof of access, a plaintiff may show that ‘(1) the infringed work has been widely disseminated or (2) a particular chain of events exists by which the defendant might have gained access to the work’” (quoting *Favia v. Lyons P’ship*, No. 94 CIV. 3277 (SS), 1996 WL 194306, at \*3 (S.D.N.Y. Apr. 23, 1996))); John Schietinger, Note and Comment, *Bridgeport Music, Inc. v. Dimension Films: How the Sixth Circuit Missed a Beat on Digital Music Sampling*, 55 DEPAUL L. REV. 209, 218 (2005) (noting that access to a work may be used as indirect evidence of copying).
  42. *Arnstein v. Porter*, 154 F.2d 464, 468 (2d Cir. 1946); *Tuff 'N' Rumble Mgmt.*, 42 U.S.P.Q.2d at 1401.
  43. *Williams v. Broadus*, 60 U.S.P.Q.2d 1051, 1053 (S.D.N.Y. 2001); e.g., *Tuff 'N' Rumble Mgmt.*, 42 U.S.P.Q.2d at 1402 (reiterating that absent a showing of improper appropriation, the plaintiff could not sustain a claim of infringement even if copying were proven).
  44. *Williams*, 60 U.S.P.Q.2d at 1053; *Tuff 'N' Rumble Mgmt.*, 42 U.S.P.Q.2d at 1402; *accord Newton v. Diamond*, 349 F.3d 591, 594 (9th Cir. 2003) (“For an unauthorized use of a copyrighted work to be actionable, there must be substantial similarity between the plaintiff’s and the defendants’ works.”), *amended by* 388 F.3d 1189 (9th Cir. 2004); see, e.g., *Bright Tunes Music*, 420 F. Supp. at 180–81 (finding that although the defendant did not intend to copy the original work, a substantial similarity existed nonetheless, which supported a finding of infringement).
  45. See *Tuff 'N' Rumble Mgmt.*, 42 U.S.P.Q.2d at 1402 (“The test for determining whether substantial similarity is present is ‘whether an average lay observer would recognize the alleged copy as having been appropriated from the copyrighted work.’” (emphasis added) (quoting *Ideal Toy Corp. v. Fab-Lu Ltd.*, 360 F.2d 44, 51 (2d Cir. 1966))).
  46. Mary B. Percifull, Note, *Digital Sampling: Creative or Just Plain “Cheez-Oid?”*, 42 CASE W. RES. L. REV. 1263, 1276 (1992). The recognizability test asks whether an author’s work is recognizable in any way to the copyrighted work. *Id.*
  47. *Id.* at 1275; John Schietinger, Note and Comment, *Bridgeport Music, Inc. v. Dimension Films: How the Sixth Circuit Missed a Beat on Digital Music Sampling*, 55 DEPAUL L. REV. 209, 219 (2005). Fragmented literal similarity denotes the copying of portions of a work rather than the entire work. Mary B. Percifull, Note, *Digital Sampling: Creative or Just Plain “Cheez-Oid?”*, 42 CASE W. RES. L. REV. 1263, 1275 (1992).
  48. Lucille M. Ponte, *The Emperor Has No Clothes: How Digital Sampling Infringement Cases Are Exposing Weaknesses in Traditional Copyright Law and the Need for Statutory Reform*, 43 AM. BUS. L.J. 515, 527 (2006); see also Mary B. Percifull, Note, *Digital Sampling: Creative or Just Plain “Cheez-Oid?”*, 42 CASE W. RES. L. REV. 1263, 1274 (1992) (recognizing that a plaintiff must show impermissible use through unlawful appropriation to support a copyright infringement claim); John Schietinger, Note and Comment, *Bridgeport Music, Inc. v. Dimension Films: How the Sixth Circuit Missed a Beat on Digital Music Sampling*, 55 DEPAUL L. REV. 209, 217 (2005) (listing unlawful appropriation as an essential element in proving infringement).
  49. See *Newton*, 388 F.3d at 1192–93 (requiring that copying be substantial in order for a plaintiff to support an infringement action); Mary B. Percifull, Note, *Digital Sampling: Creative or Just Plain “Cheez-Oid?”*, 42 CASE W. RES. L. REV. 1263, 1274 (1992) (echoing that unlawful appropriation requires that a copy be substantially and materially similar in its use); see also *Williams*, 60 U.S.P.Q.2d at 1054 (ruling in favor of the defendant where a “reasonable finder of fact” could determine that the copying was not substantial and material); *Tuff 'N' Rumble Mgmt.*, 42 U.S.P.Q.2d at 1401–02 (holding that although defendant’s work was similar to the plaintiff’s, the similarity was not so material as to be considered unlawful appropriation).
  50. Mary B. Percifull, Note, *Digital Sampling: Creative or Just Plain “Cheez-Oid?”*, 42 CASE W. RES. L. REV. 1263, 1274 (1992); *accord Funky Films, Inc. v. Time Warner Entm’t Co.*, 462 F.3d 1072, 1076 (9th Cir. 2006) (“Absent evidence of direct copying, ‘proof of infringement involves fact-based showings that the defendant had access to the plaintiff’s work and that the two works are substantially similar.’” (quoting *Three Boys Music Corp. v. Bolton*, 212 F.3d 477, 481 (9th Cir. 2000)) (internal quotation marks omitted)). The substantial-similarity standard looks at the work as a whole and asks whether unlawful appropriation exists, rather than focusing on individual portions. See Lucille M. Ponte, *The Emperor Has No Clothes: How Digital Sampling Infringement Cases Are Exposing Weaknesses in Traditional Copyright Law and the Need for Statutory Reform*, 43 AM. BUS. L.J. 515, 527 (2006) (discussing how substantial similarity examines the “‘total concept and feel’ of the disputed works” (citing *Newton v. Diamond*, 349 F.3d 591, 594 (9th Cir. 2003); *Williams*, 60 U.S.P.Q.2d at 1054; *Tuff 'N' Rumble Mgmt.*, 42 U.S.P.Q.2d at 1401; *Jarvis v. A & M Records*, 827 F. Supp. 282, 289 (D.N.J. 1993))). *But see* *Bridgeport Music, Inc. v. Dimension Films*, 383 F.3d 390, 397–99 (6th Cir. 2004) (determining that use of the substantial-similarity test was not required since the owner of the sound recording had the exclusive right to sample his own recording).
  51. *Tuff 'N' Rumble Mgmt.*, 42 U.S.P.Q.2d at 1401; see *Newton*, 388 F.3d at 1193 (concluding that no substantial similarity existed where “the average audience would not recognize the appropriation” (quoting *Fisher v. Dees*, 794 F.2d 432, 434 n.2 (9th Cir. 1986))); see also *Williams*, 60 U.S.P.Q.2d at 1053 (noting that no substantial similarity exists if an average listener would not recognize similarities between two works (citing *Castle Rock Entm’t, Inc. v. Carol Publ’g Grp., Inc.*, 150 F.3d 132, 139 (2d Cir. 1998))); Lucille M. Ponte, *The Emperor Has No Clothes: How Digital Sampling Infringement Cases Are Exposing Weaknesses in Traditional Copyright Law and the Need for Statutory Reform*, 43 AM. BUS. L.J. 515, 528 (2006) (indicating that the substantial-

- similarity standard is determined by looking at the work “from the perspective of the average lay audience”) (citations omitted); Mary B. Percifull, Note, *Digital Sampling: Creative or Just Plain “Cheez-Oid?”*, 42 CASE W. RES. L. REV. 1263, 1274 (1992) (“Substantial similarity has traditionally been determined by using the impressions of the ‘lay listener.’” (citing *Arnstein v. Porter*, 154 F.2d 464, 473 (2d Cir. 1946))); John Schietinger, Note and Comment, *Bridgeport Music, Inc. v. Dimension Films: How the Sixth Circuit Missed a Beat on Digital Music Sampling*, 55 DEPAUL L. REV. 209, 219 (2005) (referring to the average listener test as the “ordinary observer test”).
52. Lucille M. Ponte, *The Emperor Has No Clothes: How Digital Sampling Infringement Cases Are Exposing Weaknesses in Traditional Copyright Law and the Need for Statutory Reform*, 43 AM. BUS. L.J. 515, 528 (2006); *accord Diamond*, 349 F.3d at 594 (pointing out that legal consequences will not follow unless the work is substantially copied), *amended by* 388 F.3d 1189.
  53. Lucille M. Ponte, *The Emperor Has No Clothes: How Digital Sampling Infringement Cases Are Exposing Weaknesses in Traditional Copyright Law and the Need for Statutory Reform*, 43 AM. BUS. L.J. 515, 528 (2006). The term *de minimis* has been used to exemplify injuries that are not sufficient to allow the law to provide a remedy. See *Ringgold v. Black Entm’t Television, Inc.*, 126 F.3d 70, 74 (2d Cir. 1997) (defining *de minimis* as a “technical violation of a right so trivial that the law will not impose legal consequences”); John Schietinger, Note and Comment, *Bridgeport Music, Inc. v. Dimension Films: How the Sixth Circuit Missed a Beat on Digital Music Sampling*, 55 DEPAUL L. REV. 209, 218–19 (2005) (describing *de minimis* as “copying so trivial that it does not gain copyright protection” (citing Stephen R. Wilson, *Music Sampling Lawsuits: Does Looping Music Samples Defeat the De Minimis Defense?*, 1 J. HIGH TECH. L. 179, 189 (2002))); *see also Newton*, 388 F.3d at 1189 (defining the legal term, *de minimis non curat lex* to mean that “the law does not concern itself with trifles” (citing *Ringgold*, 126 F.3d at 74–75) (internal quotation marks omitted)); *Bridgeport Music, Inc. v. Dimension Films LLC*, 230 F. Supp. 2d 830, 841 (M.D. Tenn. 2002) (6th Cir. 2004) (recognizing that the *de minimis* copying of a work is allowable), *rev’d on other grounds*, 383 F.3d 390 (6th Cir. 2004).
  54. *See Lucille M. Ponte, The Emperor Has No Clothes: How Digital Sampling Infringement Cases Are Exposing Weaknesses in Traditional Copyright Law and the Need for Statutory Reform*, 43 AM. BUS. L.J. 515, 528 (2006) (indicating that copied material “too meager” for an average person to notice may be *de minimis*); Mary B. Percifull, Note, *Digital Sampling: Creative or Just Plain “Cheez-Oid?”*, 42 CASE W. RES. L. REV. 1263, 1281 (1992) (identifying small, trivial changes as possibly *de minimis*). There is no bright-line rule controlling whether copying is *de minimis*; the determination must be done on a case-by-case basis. *Sandoval v. New Line Cinema Corp.*, 147 F.3d 215, 217 (2d Cir. 1998).
  55. *See Sandoval*, 147 F.3d at 217 (recognizing that in addition to pleading *de minimis*, a defendant may also establish the fair-use defense).
  56. 17 U.S.C. § 107 (2006).
  57. *Id.* § 107(1).
  58. *Storm Impact, Inc. v. Software of the Month Club*, 13 F. Supp. 2d 782, 788 (N.D. Ill. 1998).
  59. *Id.* (quoting *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 579 (1997)). Courts have recognized transformative works are often used for educational or artistic purposes, whereas a work that lacks transformative value often only furthers commercial gain and is likely to be an infringement. *Id.* (quoting *Campbell*, 510 U.S. at 579).
  60. *See Warner Bros. Entm’t Inc. v. RDR Books*, 575 F. Supp. 2d 513, 540 (S.D.N.Y. 2008) (describing the transformative test as “[m]ost critical”); Jeannine M. Marques, Note, *Fair Use in the 21st Century: Bill Graham and Blanch v. Koons*, 22 BERKELEY TECH. L.J. 331, 347 (2007) (“[T]he transformative inquiry dominates the fair[-]use analysis.”).
  61. *Campbell*, 510 U.S. at 579 (1994) (citations omitted) (quoting *Folsom v. Marsh*, 9 F. Cas. 342, 348 (D. Mass. 1841) (No. 4,901)).
  62. *Id.*; *Storm Impact*, 13 F. Supp. 2d at 788; *see U.S. CONST.* art. I, § 8, cl. 8 (declaring that the purpose of copyright is “[t]o promote the Progress of Science and useful Arts”).
  63. *Storm Impact*, 13 F. Supp. 2d at 788 (citing *Campbell*, 510 U.S. at 579).
  64. Jeannine M. Marques, Note, *Fair Use in the 21st Century: Bill Graham and Blanch v. Koons*, 22 BERKELEY TECH. L.J. 331, 347 (2007).
  65. *Bill Graham Archives v. Dorling Kindersley Ltd.*, 448 F.3d 605 (2d Cir. 2006); *see infra* Part IV.A.3 (describing the *Bill Graham* case).
  66. *Sony Corp. of Am. v. Universal Studios, Inc.*, 464 U.S. 417, 496 (1984) (quoting 17 U.S.C. § 107(1) (2006) (internal quotation marks omitted)); *Davis v. Gap, Inc.*, 246 F.3d 152, 174 (2d Cir. 2001) (quoting 17 U.S.C. § 107(1)) (internal quotation marks omitted).
  67. *Harper & Row, Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 562 (1985).
  68. 17 U.S.C. § 107.
  69. *See generally id.* § 107(1) (factoring whether a work was used in “a commercial nature” or “for nonprofit educational purposes” to determine purpose and character).
  70. *MCA, Inc. v. Wilson*, 677 F.2d 180, 181 (2d Cir. 1981).
  71. *Rogers v. Koons*, 960 F.2d 301, 309 (2d Cir. 1992).
  72. *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 449 (1984).
  73. *Harper & Row, Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 562 (1985) (citing *Roy Export Co. Establishment v. Columbia Broad. Sys., Inc.*, 503 F. Supp. 1137, 1144 (S.D.N.Y. 1980)).
  74. 17 U.S.C. §§ 106, 107 (2006); *accord Kelly v. Arriba Soft Corp.*, 336 F.3d 811, 817 (9th Cir. 2003) (recognizing that copyright infringement can be rebutted by invoking the fair-use exception).
  75. *Folsom v. Marsh*, 9 F. Cas. 342 (D. Mass. 1841) (No. 4,901).
  76. This case dealt with whether the use of letters written by President Washington constituted piracy. *Id.* at 345. Of the 866 pages of the defendant’s book, 353 were identical to the plaintiff’s book. *Id.* Plaintiff acquired an interest in President Washington’s letters, and it was held that the plaintiff owned these letters along with the exclusive copyright and

- that the defendant infringed upon these rights. *Id.* at 345, 356.
77. *Id.* at 348.
78. *Id.*
79. Copyright Act of 1976, Pub L. No. 96-517, § 107, 90 Stat. 2541, 2546 (codified as amended at 17 U.S.C. § 107); see also Mary B. Percifull, Note, *Digital Sampling: Creative or Just Plain “Cheez-Oid?”*, 42 CASE W. RES. L. REV. 1263, 1278 (1992) (announcing that the common law fair-use defense is codified in the Copyright Act).
80. 17 U.S.C. § 107.
81. *Id.*; see Mary B. Percifull, Note, *Digital Sampling: Creative or Just Plain “Cheez-Oid?”*, 42 CASE W. RES. L. REV. 1263, 1278 (1992) (discussing how Congress’s use of the words “such as” signals that the statute’s list is non-exclusive).
82. 17 U.S.C. § 107(1)–(4); accord Mary B. Percifull, Note, *Digital Sampling: Creative or Just Plain “Cheez-Oid?”*, 42 CASE W. RES. L. REV. 1263, 1278 (1992) (listing the factors stated in the statute); John Schietinger, Note and Comment, *Bridgeport Music, Inc. v. Dimension Films: How the Sixth Circuit Missed a Beat on Digital Music Sampling*, 55 DEPAUL L. REV. 209, 220 (2005) (providing the statutory factors used in determining fair use). Courts implement these factors by determining whether each subsection is supported negatively or positively by the facts; after weighing each factor, the court makes a determination regarding fair use. *E.g.*, *Kelly v. Arriba Soft Corp.*, 336 F.3d 811, 822 (9th Cir. 2003) (ruling that two factors weighed positively in favor of fair use, one factor was not applicable, and one factor weighed against a holding of fair use and determining that the fair-use defense was applicable).
83. 17 U.S.C. § 107(1)–(4). The four factors have been recognized as “direct[ing] attention to a different facet of the problem” of determining whether fair use exists. Pierre N. Leval, *Toward a Fair Use Standard*, 103 HARV. L. REV. 1105, 1110 (1990).
84. See *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 594 (1994) (holding that the fair-use defense allows a party to infringe upon another’s protected creation if punishing the infringement “would stifle the very creativity [that copyright law] is designed to foster” (quoting *Stewart v. Abend*, 495 U.S. 207, 236 (1990)) (internal quotation marks omitted)); *Kelly*, 336 F.3d at 817 (noting that the doctrine of fair use is a statutory exception to copyright infringement that may be pleaded after a plaintiff establishes a prima facie case of infringement); John Schietinger, Note and Comment, *Bridgeport Music, Inc. v. Dimension Films: How the Sixth Circuit Missed a Beat on Digital Music Sampling*, 55 DEPAUL L. REV. 209, 220 (2005) (stating that courts will only implement fair-use analysis after determining that the works are substantially similar); see also *Fisher v. Dees*, 794 F.2d 432, 440 (9th Cir. 1986) (holding that the works were substantially similar but that, as a matter of law, the parodic use of the work constituted fair use); Lucille M. Ponte, *The Emperor Has No Clothes: How Digital Sampling Infringement Cases Are Exposing Weaknesses in Traditional Copyright Law and the Need for Statutory Reform*, 43 AM. BUS. L.J., 515, 528 (2006) (opining about instances of parodies in disputes that have brought out the fair-use defense).
85. John Schietinger, Note and Comment, *Bridgeport Music, Inc. v. Dimension Films: How the Sixth Circuit Missed a Beat on Digital Music Sampling*, 55 DEPAUL L. REV. 209, 220 (2005); see, e.g., *Ringgold v. Black Entm’t Television, Inc.*, 126 F.3d 70, 77 (2d Cir. 1997) (showing that once the *de minimis* threshold has been crossed, the defendant’s next possible defense is fair use).
86. *Harper & Row, Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 549 (1985) (quoting HORACE G. BALL, LAW OF COPYRIGHT AND LITERARY PROPERTY 260 (1944)) (recognizing that the fair-use defense traditionally allowed a party the ability to use copyrighted material without the copyright owner’s consent in certain situations).
87. See 17 U.S.C. § 107 (providing the four factors for determining whether use of a work constitutes fair use); *Sony Corp. of Am. v. Universal Studios, Inc.*, 464 U.S. 417, 432–33 (1984) (stating that copyright owners are not given exclusive control over their work and that parties “may reproduce a copyrighted work for a ‘fair use’” without fear of infringement). The doctrine of fair use has always been respected as a legal defense to infringement because it protected actions thought to further the purpose of copyright. See *Campbell*, 510 U.S. at 575 (“From the infancy of copyright protection, some opportunity for fair use of copyrighted materials has been thought necessary to fulfill copyright’s very purpose.”).
88. *MCA, Inc. v. Wilson*, 677 F.2d 180, 183 (2d Cir. 1981); accord *Rosemont Enters., Inc. v. Random House, Inc.*, 366 F.2d 303, 310 (2d Cir. 1966) (holding that it would not be reasonable under the fair-use defense for a party to “utilize the fruits of another’s labor” without using independent effort); see also *Walt Disney Prods. v. Air Pirates*, 581 F.2d 751, 757–58 (9th Cir. 1978) (determining that by copying the plaintiff’s images in their entirety, defendants took more than was necessary to place firmly in the reader’s mind the parodied work and the specific attributes that were to be satirized). The court held that because the amount of the defendants’ copying exceeded permissible levels, summary judgment was proper as to the copyright infringement claims. *Id.* at 758.
89. 17 U.S.C. § 107.
90. See *id.* (providing that fair use of a work does not constitute copyright infringement in certain situations).
91. See *id.* (listing the four factors that courts will use to determine fair use); *Davis v. Gap, Inc.*, 246 F.3d 152, 173–75 (2d Cir. 2001) (reviewing the defendant’s claim and applying the four factors to make the determination); *MCA*, 677 F.2d at 182 (recognizing that because a definition of “reasonable and fair” is not provided by statute, courts must weigh the criteria provided and decide whether the fair-use defense is supported); see also *Meeropol v. Nizer*, 560 F.2d 1061, 1069 (2d Cir. 1977) (applying the four factors to an investigation of copyright infringement involving a book about the Rosenberg trial); *Tiffany Design, Inc. v. Reno-Tahoe Specialty, Inc.*, 55 F. Supp. 2d 1113, 1123–24 (D. Nev. 1999) (utilizing the four factors to determine whether a computerized precursor image of Las Vegas constituted infringement); *Storm Impact, Inc. v. Software of the Month Club*, 13 F. Supp. 2d 782, 787–90 (N.D. Ill. 1998) (noting that the four factors should be weighed against the facts “on a case-by-case basis” (citing *Campbell*, 510 U.S. at 577–78)); *Dr. Seuss Enters., L.P. v. Penguin Books USA, Inc.*, 924 F. Supp. 1559, 1566 (S.D.

- Cal. 1996) (regarding the four factors as a “careful balancing” test that is “fact intensive”); *Horn Abbot Ltd. v. Sarsaparilla Ltd.*, 601 F. Supp. 360, 368 (N.D. Ill. 1984) (ruling that the impact upon the potential market factor weighed very negatively against defendant’s use); *Metro-Goldwyn-Mayer, Inc. v. Showcase Atlanta Coop. Prods., Inc.*, 479 F. Supp. 351, 358 (N.D. Ga. 1979) (stating that certain factors may be “more significant” than others depending on the nature of the claim and the infringed work); Pierre N. Leval, *Toward a Fair Use Standard*, 103 HARV. L. REV. 1105, 1111–25 (1990) (commenting on how the more copyrighted matter is at the center of the protected concerns of the copyright law, the more the other factors, including justification, must favor the secondary user in order to support a fair-use holding).
92. *Harper & Row, Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 560 (1985) (“The factors enumerated in [the Copyright Act] are not meant to be exclusive . . . .”); *accord* 17 U.S.C. § 107 (requiring only that the four factors be included in a fair-use analysis and not incorporating limiting language); *cf.* Pierre N. Leval, *Toward a Fair Use Standard*, 103 HARV. L. REV. 1105, 1125 (1990) (suggesting that the language of the Copyright Act allows for additional factors to be considered).
  93. 17 U.S.C. § 107(1); *accord Campbell*, 510 U.S. at 577 (stating the first factor used to determine fair use).
  94. 17 U.S.C. § 107(1); *Campbell*, 510 U.S. at 578; *accord Storm Impact*, 13 F. Supp. 2d at 786 (noting that the “the other element” of the purpose and character factor involves determining whether the infringing party sought to profit from the work being infringed).
  95. *Rogers v. Koons*, 960 F.2d 301, 308 (2d Cir. 1992); *accord MCA*, 677 F.2d at 182 (recognizing that although a finding of commercial interest does not negate the fair-use defense, if a party copies for private rather than public gain there is no fair use).
  96. 17 U.S.C. § 107(1); *accord Davis*, 246 F.3d at 174 (repeating the requirement specified in the second clause of the “purpose and character” factor). The *Davis* court cautioned, however, that giving too much weight to whether the infringer sought profit was not in line with the Supreme Court’s interpretations of the “purpose and character” factor. *Davis*, 246 F.3d at 174.
  97. *Harper & Row, Publishers*, 471 U.S. at 562 (1985). *Davis* recognized that courts had given “dispositive weight” to dicta from prior Supreme Court holdings, and as a result, the monetary gain recognized by the infringer was often overstated. *Davis*, 246 F.3d at 167 (citing *Campbell*, 510 U.S. at 584). In fact, the Supreme Court has recognized that “the mere fact that a use is educational and not for profit does not insulate it from a finding of infringement, any more than the commercial character of a use bars a finding of fairness.” *Campbell*, 510 U.S. at 584.
  98. *MCA*, 677 F.2d at 182; *accord Davis*, 246 F.3d at 174–75 (noting that although the majority of allowable uses specified in the Copyright Act are performed for profit, commercial purpose is nevertheless a factor that should be considered in fair-use analysis); *Meeropol v. Nizer*, 560 F.2d 1061, 1069 (2d Cir. 1977) (determining that although a profit-seeking motive does not always disqualify a party from pleading fair use, whether a work was used “predominantly for commercial exploitation” is relevant to determine whether the defense applies); *see, e.g., Rosemont Enters., Inc. v. Random House, Inc.*, 366 F.2d 303, 307–09 (2d Cir. 1966) (stating that information used in a biography of Howard Hughes constituted a fair use as it served a “considerable public interest” and outweighed the commercial nature of the use).
  99. *Rogers*, 960 F.2d at 309 (quoting *Harper & Row, Publishers*, 471 U.S. at 562).
  100. *Storm Impact, Inc. v. Software of the Month Club*, 13 F. Supp. 2d 782 (N.D. Ill. 1998) (“[T]he more transformative the new work, the less will be the significance of other factors which may weigh against a finding of fair use.” (citing *Campbell*, 510 U.S. at 579); *accord Campbell*, 510 U.S. at 579 (acknowledging that the transformative test “lies at the heart of the fair[-]use doctrine”).
  101. *Campbell*, 510 U.S. at 579 (citing Pierre N. Leval, *Toward a Fair Use Standard*, 103 HARV. L. REV. 1105, 1111 (1990)); *Blanch v. Koons*, 467 F.3d 244, 251–52 (2d Cir. 2006) (affirming there is no infringement where an appropriation of the copyrighted material “adds value to the original” for the betterment of society (quoting *Castle Rock Entm’t, Inc. v. Carol Publ’g Grp., Inc.*, 150 F.3d 132, 142 (2d Cir. 1998)) (internal quotation marks omitted)); *accord Davis*, 246 F.3d at 174 (refusing to recognize transformation where a work was portrayed in the same manner as the original without adding more); *see also* Laura A. Heymann, *Everything Is Transformative: Fair Use and Reader Response*, 31 COLUM. J.L. & ARTS 445, 447–51 (2008) (suggesting that the best way to determine whether the new work is transformative would be to examine evidence from the view point of the reader); Matt Williams, *Recent Second Circuit Opinions Indicate that Google’s Library Project Is Not Transformative*, 25 CARDOZO ARTS & ENT. L.J. 303, 314 (2007) (discussing the Supreme Court’s articulation of the transformative standard).
  102. *Campbell*, 510 U.S. at 579 (citing *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 455 n.40 (1984)); *accord* Matt Williams, *Recent Second Circuit Opinions Indicate that Google’s Library Project Is Not Transformative*, 25 CARDOZO ARTS & ENT. L.J. 303, 318–19 (2007) (“[T]he Supreme Court stated that ‘transformative use is not absolutely necessary for a finding of fair use’” (quoting *Campbell*, 510 U.S. at 579).
  103. *Campbell*, 510 U.S. at 579; *Davis*, 246 F.3d at 167; *see also* Laura A. Heymann, *Everything Is Transformative: Fair Use and Reader Response*, 31 COLUM. J.L. & ARTS 445, 451, 466 (2008) (stating that the transformative test was derived from an article authored by Judge Pierre N. Leval, who asked whether a copied work was created in a way that would further the purpose of copyright protection, which is to promote science and the arts).
  104. *Campbell*, 510 U.S. at 579 (“[T]he more transformative the new work, the less significance that will be put on the other factors, like commercialism, that may weigh against a finding of fair use.”).
  105. *See Blanch*, 467 F.3d at 251 (recognizing that transformation lies at “[t]he heart of the fair[-]use inquiry” (quoting *Davis*, 246 F.3d at 174)); *Warner Bros. Entm’t Inc. v. RDR Books*, 575 F. Supp. 2d 513, 540 (S.D.N.Y. 2008) (describing the transformative test as “[m]ost critical”); Jeannine M. Marques, Note, *Fair Use in the 21st Century*; Bill Graham and *Blanch v. Koons*, 22 BERKELEY TECH. L.J. 331, 347

- (2007) (noting that “the transformative inquiry dominates the fair[-]use analysis”).
106. Jeannine M. Marques, Note, *Fair Use in the 21st Century: Bill Graham and Blanch v. Koons*, 22 BERKELEY TECH. L.J. 331, 347 (2007). In *Blanch*, Koons recontextualized the image in dispute, seeking to alter and transform Blanch’s photograph in an attempt to force viewers to see the original work and its significance differently. *Blanch*, 467 F.3d at 248. Koons was using Blanch’s image as fodder for his commentary on the social and aesthetic consequences of mass media, rather than for purposes of making money. See *id.* (noting that Koons sought to “further his purpose of commenting on the ‘commercial images . . . in our consumer culture’”); see also *Bill Graham Archives v. Dorling Kindersley Ltd.*, 448 F.3d 605, 609–10 (2d Cir. 2006) (holding that the defendants’ complete reproduction of seven of the plaintiff’s graphic images in a biographical book constituted fair use because the images were used “as historical artifacts to document and represent . . . actual occurrence[s]”); Jeannine M. Marques, Note, *Fair Use in the 21st Century: Bill Graham and Blanch v. Koons*, 22 BERKELEY TECH. L.J. 331, 332 (2007) (pointing out a consistent problem in the application of the fair[-] use doctrine’s balancing test when courts fail to consistently weigh the economic rights of the author against the benefit of secondary use to society as a whole); Roxana Badin, Comment, *An Appropriate(d) Place in Transformative Value: Appropriation Art’s Exclusion from Campbell v. Acuff-Rose Music, Inc.*, 60 BROOK. L. REV. 1653, 1668–69 (1995) (stating that an artist may not assert a “fair[-]use defense to protect the art work as publicly useful communication and criticism” once the “piece fails to meet the definition of a parody”).
  107. See *Sony Corp. of Am.*, 464 U.S. at 496–97 (expressing that under the second factor of the fair-use analysis, works that involve creativity or originality are more apt to be protected by copyright law); *Davis*, 246 F.3d at 175 (finding that plaintiff’s work fell within the bounds of copyright protection for purposes of the second fair-use factor because the plaintiff’s work was an artistic creation).
  108. 17 U.S.C. § 107(2) (2006).
  109. *Davis*, 246 F.3d at 175 (quoting *Campbell*, 510 U.S. at 586); accord *Storm Impact, Inc. v. Software of the Month Club*, 13 F. Supp. 2d 782, 789 (N.D. Ill. 1998) (recognizing that “fair use is more difficult to establish when the work being used is [closer to] the core of intended copyright protection” (citing *Campbell*, 510 U.S. at 586). The “core” of copyright protection seems to be directed toward furthering progress in artistic and creative avenues, which, in turn, allow society to reap the benefits of that progress. Pierre N. Leval, *Toward a Fair Use Standard*, 103 HARV. L. REV. 1105, 1107 (1990).
  110. See *Campbell*, 510 U.S. at 586 (allowing for greater copyright protection for works that involve “creative expression” and highlighting case law that distinguishes between creative works and those that merely involve factual compilations); *Davis*, 246 F.3d at 175 (finding that an artistic creation fell close to the copyright’s protective purpose).
  111. *Stewart v. Abend*, 495 U.S. 207, 237 (1990) (quoting *Abend v. MCA, Inc.*, 863 F.2d 1465, 1481 (9th Cir. 1988)) (internal quotation marks omitted); see also Pierre N. Leval, *Toward a Fair Use Standard*, 103 HARV. L. REV. 1105, 1111 (1990) (suggesting that a critical determination regarding fair-use analysis asks whether works seek to “stimulate creativity”).
  112. *Stewart*, 495 U.S. at 237; accord *New Era Publ’ns Int’l, ApS v. Carol Publ’g Grp.*, 904 F.2d 152, 157 (2d Cir. 1990) (“[T]he scope of fair use is greater with respect to factual than non-factual works.” (citing *Harper & Row, Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 563 (1985))).
  113. *Stewart*, 495 U.S. at 237; accord *Campbell*, 510 U.S. at 586 (stating that creative works “fall[] within the core of the copyright’s protective purposes,” thereby making it more difficult to prove fair use in relation to creative work).
  114. 17 U.S.C. § 107(3) (2006).
  115. Pierre N. Leval, *Toward a Fair Use Standard*, 103 HARV. L. REV. 1105, 1122 (1990); accord *Davis*, 246 F.3d at 175 (2d Cir. 2001) (recognizing that works created through fragmentary copying are often more likely to be found transformative than works that copy in entirety).
  116. *New Era Publ’ns Int’l, ApS*, 904 F.2d at 158.
  117. *Rogers v. Koons*, 960 F.2d 301, 311 (2d Cir. 1992); *Salinger v. Random House, Inc.*, 811 F.2d 90, 97 (2d Cir. 1987); accord *New Era Publ’ns Int’l, ApS*, 904 F.2d at 158 (discussing that courts have found “use was not fair where the quoted material formed a substantial percentage of the copyrighted work” (citing *Salinger*, 811 F.2d at 98)).
  118. *Davis*, 246 F.3d at 175; see also 17 U.S.C. § 107(3) (requiring the court to consider “the amount and substantiality of the portion used in relation to the copyrighted work as a whole”); *Walt Disney Prods. v. Air Pirates*, 581 F.2d 751, 757 (9th Cir. 1978) (implementing a threshold determination assessing “the substantiality of copying”); *Tiffany Design, Inc. v. Reno-Tahoe Specialty, Inc.*, 55 F. Supp. 2d 1113, 1124 (D. Nev. 1999) (ruling that the defendant could not establish fair use where defendant “scanned all or most” of the original image); *Eveready Battery Co. v. Adolph Coors Co.*, 765 F. Supp. 440, 447–48 (N.D. Ill. 1991) (holding that the defendant established a fair-use defense because the use was not verbatim, but merely fragmentary).
  119. *Nihon Keizai Shimbun, Inc. v. Comline Bus. Data, Inc.*, 166 F.3d 65, 73 (2d Cir. 1999); accord *New Era Publ’ns Int’l, ApS*, 904 F.2d at 158 (“[The third] factor has both a quantitative and a qualitative component . . .”).
  120. See *Rogers*, 960 F.2d at 308 (stressing that an the expression of an idea, and not the idea itself, determines the quantity of an original work); *Salinger*, 811 F.2d at 98–99 (expounding upon quantitative analysis by noting that the copied work pirated the “heart of the [work]” (quoting *Harper & Row, Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 565 (1985)) (internal quotation marks omitted)); see also *New Era Publ’ns Int’l, ApS*, 904 F.2d at 159 (holding that the quotations in the book’s text, which amounted to the bulk of the allegedly infringing passages, did not essentially copy the heart of the original works).
  121. See *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 587–88 (1994) (supporting the idea that a work that copies an original verbatim often signifies deficiencies in other fair-use factors and will likely lack transformative

- value). Even where a work offers some variation to the original author's ideas, the substantiality of copying can override the fair-use support garnered by the variation. See, e.g., *Salinger*, 811 F.2d at 98 (indicating that although the defendant introduced a "degree of creativity" to the copied work, the work "track[ed] the original so closely as to constitute infringement").
122. *Dr. Seuss Enters., L.P. v. Penguin Books USA, Inc.*, 924 F. Supp. 1559, 1567 (S.D. Cal. 1996), *aff'd*, 109 F.3d 1394 (9th Cir. 1997); see Jonathan M. Fox, Comment, *The Fair Use Commercial Parody Defense and How to Improve It*, 46 IDEA 619, 627 (2006) (discussing the Supreme Court's expansion of the "amount and substantiality" factor regarding parodies by recognizing that whether a copied work takes the "heart" of an original is not the sole question needed; rather, courts should ask whether the infringing party added something further to the work).
123. 17 U.S.C. § 107(4).
124. See *id.* (stating the court shall consider "the effect of the use upon the potential market for or value of the copyrighted work"); *Storm Impact, Inc. v. Software of the Month Club*, 13 F. Supp. 2d 782, 789 (N.D. Ill. 1998) (claiming that the fourth fair-use factor specifically examines whether the conduct of copying, if unrestricted and widespread, would adversely affect the copyright owner's potential market (citing *Campbell*, 510 U.S. at 590)).
125. *Eveready Battery Co. v. Adolph Coors Co.*, 765 F. Supp. 440, 448 (N.D. Ill. 1991).
126. See *Davis v. Gap, Inc.*, 246 F.3d 152, 175 (2d Cir. 2001) (directing courts to look not to whether market value for an original was merely suppressed by a work, but rather whether the demand was supplanted by the copied work (quoting *Campbell*, 510 U.S. at 591)). Therefore, according to the court in *Davis*, determining whether the fourth factor is met requires a court to "examine the source of the harm." *Id.* The court in *Eveready Battery* recognized the necessity for this determination and went on to state:
- In assessing the economic effect of the parody, the parody's critical impact must be excluded. Through its critical function, 'a parody may quite legitimately aim at garroting the original, destroying it commercially as well as artistically . . . .' Accordingly, the economic effect of a parody with which we are concerned is not its potential to destroy or diminish the market for the original . . . but rather whether it *fulfills the demand* for the original. Biting criticism suppresses demand; copyright infringement usurps it.
- Eveready Battery*, 765 F. Supp. at 448 (emphasis in original) (citations omitted) (quoting *Fisher v. Dees*, 794 F.2d 432, 437–38 (9th Cir. 1986)).
127. See *Campbell*, 510 U.S. at 592 (highlighting the distinction between disparagement of a work's potential market, which may still qualify as fair use, and displacement, which most likely will not be protected under fair use); *Storm Impact*, 13 F. Supp. 2d at 789 (determining that the critical question regarding the fourth factor asks whether the copied work had a "substantially adverse impact" on the market for the original work (citing *Campbell*, 510 U.S. at 590)).
128. See *Campbell*, 510 U.S. at 590 (holding that the defendants' fair-use defense to copyright infringement was impaired because they did not address the potential for their work to harm the market for derivative works that the plaintiffs had an exclusive right to prepare).
129. *MCA, Inc. v. Wilson*, 677 F.2d 180, 183 (2d Cir. 1981); *accord Williams & Wilkins Co. v. United States*, 487 F.2d 1345, 1352 (Ct. Cl. 1973) (declaring that courts must sometimes subordinate the copyright holder's right to compensation in order to further the public good), *aff'd by an equally divided court*, 420 U.S. 376 (1975). If a court does not determine that a work was used to further the public good, then a work that diminishes the market for the original work while solely benefitting the fiscal interest of the infringing party will not be protected under fair use.
- E.g.*, *Publ'ns Int'l, Ltd. v. Bally Mfg. Corp.*, 215 U.S.P.Q. 861, 862 (N.D. Ill. 1982) (concluding that the publisher stole the cover of the copyright holder's arcade game; because illustrations on the covers of one of the publisher's books were non-educational and were only meant to lure buyers, they infringed the copyright, and the fair-use exception did not apply).
130. *Harper & Row, Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 568 (1985) (quoting *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 451 (1984)).
131. *Rogers v. Koons*, 960 F.2d 301, 312 (2d Cir. 1992).
132. See *Sony Corp. of Am.*, 464 U.S. at 449–50 (stating that copyright's purpose is to "create incentives for creative effort" yet recognizing that a use that does not affect the market for the original work does not dampen this incentive; therefore, a work that is intended for commercial gain is presumed harmful because this use would seem to deprive a copyright owner of the fruits of the protection that Congress intended).
133. As discussed above, transformative use typically requires that a work "add[] something new [to a copied work], with a further purpose or different character, altering the first with new expression, meaning, or message." *Campbell*, 510 U.S. at 579 (quoting Pierre N. Leval, *Toward a Fair Use Standard*, 103 HARV. L. REV. 1105, 1111 (1990)). A derivative work is defined as "a work based upon one or more preexisting works, such as a translation, musical arrangement, dramatization, fictionalization, motion picture version, collage, sound recording, art reproduction, abridgment, condensation, or any other form in which a work may be recast, transformed, or adapted." 17 U.S.C. § 101 (2006). "A work consisting of editorial revisions, annotations, elaborations, or other modifications which, as a whole, represent an original work of authorship, is a 'derivative work.'" *Id.* "A derivative work thus must either be in one of the forms named or be 'recast, transformed, or adapted.'" *Ty, Inc. v. Publ'ns Int'l Ltd.*, 292 F.3d 512, 520 (7th Cir. 2002) (quoting *Lee v. A.R.T. Co.*, 125 F.3d 580, 582 (7th Cir. 1997)).
134. *Rogers v. Koons*, 960 F.2d 301 (2d Cir. 1992).
135. *Id.* at 305.
136. *Id.*
137. *Id.* at 312.
138. *Id.* at 307.

139. Ty, Inc. v. Publ'ns Int'l, 292 F.3d 512, 517 (7th Cir. 2002) (citing 4 MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT § 13.05[B][1] (rev. ed. 2000)).
140. See *Rogers*, 960 F.2d at 307 (holding that Koons's copying usurped "the very details of the photograph that embodied plaintiff's original contribution").
141. Durham Indus., Inc. v. Tomy Corp., 630 F.2d 905, 912 (2d Cir. 1980).
142. *Rogers*, 960 F.2d at 308.
143. See *id.* (recognizing that Koons's incorporation of the original work's essence prevented his fair-use defense).
144. Mazer v. Stein, 347 U.S. 201, 217 (1954).
145. Sid & Marty Krofft Television Prods., Inc. v. McDonald's Corp., 562 F.2d 1157, 1170 (9th Cir. 1977), *superseded on other grounds by* 17 U.S.C. § 504(b) (2006).
146. *Rogers*, 960 F.2d at 305.
147. William F. Patry, *Appropriation Art and Copies*, PATRY COPYRIGHT BLOG (Oct. 20, 2005, 10:22 AM), <http://williampatry.blogspot.com/2005/10/appropriation-art-and-copies.html>.
148. *Rogers*, 960 F.2d at 311.
149. See *id.* ("Koons went well beyond the factual subject matter of the photograph to incorporate the very expression of the work created by Rogers.").
150. *Blanch v. Koons*, 467 F.3d 244 (2d Cir. 2006).
151. *Id.* at 249.
152. See *id.* at 252–53 (identifying Koons's attempt to use the work to further a different purpose and noting that the work's overall objective was to comment upon consequences of the mass media).
153. *Id.* (quoting *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 579 (1994)) (internal quotation marks omitted).
154. *Id.* at 248.
155. *Id.*
156. See *Campbell*, 510 U.S. at 579 (citations omitted) (requiring that a copied work add or alter some additional element or expression to be found transformative (quoting *Folsom v. Marsh*, 9 F. Cas. 342, 348 (D. Mass. 1841) (No. 4,901))); *Blanch*, 467 F.3d at 248 ("[Koons] considered this typicality to further his purpose of commenting on the 'commercial images . . . in our consumer culture.'").
157. See *Blanch*, 467 F.3d at 248 (noting *Blanch*'s original photograph was used in an ad featured in a magazine and Koons's purpose in copying the image was to "comment[] on the 'commercial images . . . in our consumer culture'").
158. See *id.* at 247, 256 (determining that Koons's intention was to alter social perceptions concerning the mass media).
159. *Id.* at 253.
160. *Davis v. Gap, Inc.*, 246 F.3d 152, 174 (2d Cir. 2001) (quoting *Campbell*, 510 U.S. at 579) (internal quotation marks omitted).
161. *Blanch*, 467 F.3d at 253.
162. *Id.*
163. *Id.* at 256.
164. *Id.* at 259.
165. Pierre N. Leval, *Toward a Fair Use Standard*, 103 HARV. L. REV. 1105, 1105 (1990) (quoting *Folsom v. Marsh*, 9 F. Cas. 342, 348 (D. Mass. 1841) (No. 4,901)).
166. Roxana Badin, Comment, *An Appropriate(d) Place in Transformative Value: Appropriation Art's Exclusion from Campbell v. Acuff-Rose Music, Inc.*, 60 BROOK. L. REV. 1653, 1677 (1995).
167. *Blanch*, 467 F.3d at 259.
168. *Rogers v. Koons*, 960 F.2d 301, 308, 310 (2d Cir. 1992).
169. See *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 577 (1994) (stating that copyright protection will be relaxed where rigid application would "stifle the very creativity which that law was designed to foster" (quoting *Stewart v. Abend*, 495 U.S. 207, 236 (1990)) (internal quotation marks omitted)); *Meeropol v. Nizer*, 560 F.2d 1061, 1069–70 (2d Cir. 1977) (declaring that if the effect on the market of the copyrighted work is minimal, a copying artist's use will receive greater privilege); *accord Perfect 10, Inc. v. Amazon.com, Inc.*, 487 F.3d 701, 721 (9th Cir.) (considering a work transformative where the author changes aspects of a copyrighted work so as to alter the context or expression of the work), *amended by* 508 F.3d 1146 (9th Cir. 2007).
170. *Campbell*, 510 U.S. at 579 (citations omitted).
171. *Id.* at 577 (citing *Stewart*, 495 U.S. at 236).
172. Arjun Gupta, Comment, "I'll be your Mirror"—*Contemporary Art and the Role of Style in Copyright Infringement Analysis*, 31 U. DAYTON L. REV. 45, 51 (2005) (quoting 4 MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT § 13.03(A)(2) (2004) (internal quotation marks omitted)).
173. See *Rogers*, 960 F.2d at 307 (agreeing with the trial court that Koons's copying of the "original elements of creative expression" was blatant).
174. See *Blanch v. Koons*, 467 F.3d 244, 247–48 (2d Cir. 2006) (comparing the two works and recognizing that Koons's work was intended as a commentary on consumer culture while *Blanch*'s photograph was used for an advertisement in a magazine).
175. *Nichols v. Universal Pictures Corp.*, 45 F.2d 119 (2d Cir. 1930).
176. *Id.* at 121; JAY DRATLER, JR., INTELLECTUAL PROPERTY LAW: COMMERCIAL, CREATIVE, AND INDUSTRIAL PROPERTY § 5.01(2)(c) (1995).
177. *Steinberg v. Columbia Pictures Indus., Inc.*, 663 F. Supp. 706 (S.D.N.Y. 1987).
178. *Id.* at 715.
179. *Id.* at 712.
180. *Id.* at 713–14.
181. See *Rogers v. Koons*, 960 F.2d 301, 311 (2d Cir. 1992) ("Koons went well beyond the factual subject matter of the photograph to incorporate the very expression of the work created by Rogers.").

182. See *Blanch v. Koons*, 467 F.3d 244, 253 (2d Cir. 2006) (finding that Koons’s work was transformative because it altered the original work’s colors, size, background, and expression).
183. Zechariah Chafee, Jr., *Reflections on the Law of Copyright*, 45 COLUM. L. REV. 503, 513–14 (1945).
184. *Id.* at 615.
185. *Id.* at 607.
186. *Id.*
187. *Id.* at 609–11.
188. *Id.* at 615.
189. See *Rogers v. Koons*, 960 F.2d 301, 311 (2d Cir. 1992) (“[T]he essence of Rogers’s photograph was copied nearly *in toto* . . .”).
190. See *Blanch v. Koons*, 467 F.3d 244, 248 (2d Cir. 2006) (noting the changes in Koons’s appropriation art that distinguished it from Blanch’s original image).
191. *Sid & Marty Krofft Television Prods., Inc. v. McDonald’s Corp.*, 562 F.2d 1157, 1164 (9th Cir. 1977), *superseded on other grounds by* 17 U.S.C. § 504(b) (2006).
192. *Id.*
193. *Id.*
194. *Franklin Mint Corp. v. Nat’l Wildlife Art Exch., Inc.*, 575 F.2d 62 (3d Cir. 1978).
195. *Id.* at 63–64.
196. *Id.* at 67.
197. See *Rogers v. Koons*, 960 F.2d 301, 305 (2d Cir. 1992) (describing how Koons’s work copied Rogers’s in terms of setting and subject matter). However, the type of artwork and materials used were different because Koons created a sculpture from Rogers’s photograph. *Id.*
198. See *id.* at 311 (“[T]he essence of Rogers’[s] photograph was copied nearly *in toto* . . .”).
199. See *Blanch v. Koons*, 467 F.3d 244, 247–48 (2d Cir. 2006) (stating that Koons created his painting by adding several images to Blanch’s photograph, changing the setting, and using only a portion of the photograph).
200. *Cf. id.* at 257–58 (holding that Koons’s use of the photograph was reasonable in part because Koons did not use a substantial amount of the photograph).
201. See *Sid & Marty Krofft Television Prods., Inc. v. McDonald’s Corp.*, 562 F.2d 1157, 1167 (9th Cir. 1977) (determining that the copied work “captured the total concept and feel” of the original after viewing and comparing samples of both works (quoting *Roth Greeting Cards v. United Card Co.*, 429 F.2d 1106, 1110 (9th Cir. 1970))), *superseded on other grounds by* 17 U.S.C. § 504(b) (2006).
202. Arjun Gupta, Comment, “*I’ll Be Your Mirror*”—*Contemporary Art and the Role of Style in Copyright Infringement Analysis*, 31 U. DAYTON L. REV. 45, 52 (2005) (footnote omitted); accord *Sid & Marty Krofft Television Prods.*, 562 F.2d at 1167 (using the total-concept-and-feel test to render judgment regarding the defendant’s work (quoting *Roth Greeting Cards*, 429 F.2d at 1110)).
203. Arjun Gupta, Comment, “*I’ll Be Your Mirror*”—*Contemporary Art and the Role of Style in Copyright Infringement Analysis*, 31 U. DAYTON L. REV. 45, 52 (2005) (footnote omitted).
204. WILLIAM M. LANDES & RICHARD A. POSNER, *THE ECONOMIC STRUCTURE OF INTELLECTUAL PROPERTY LAW* 267 (2003).
205. *Id.*
206. See *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 579 (1994) (identifying that transformative works “add[] something new, with a further purpose or different character, altering the first with new expression, meaning, or message.” (quoting *Folsom v. Marsh*, 9 F. Cas. 342, 348 (D. Mass. 1841) (No. 4,901))).
207. See *Rogers v. Koons*, 960 F.2d 301, 307 (2d Cir. 1992) (agreeing with the trial court that Koons’s copying was “so blatantly apparent as not to require a trial”).
208. See *Blanch v. Koons*, 467 F.3d 244, 248 (2d Cir. 2006) (illustrating the differences between Koons’s work and Blanch’s work).
209. See *Campbell*, 510 U.S. at 582–83 (comparing the two works and finding that the copied work “reasonably could be perceived” as altering the original for another purpose).
210. Pierre N. Leval, *Toward a Fair Use Standard*, 103 HARV. L. REV. 1105, 1111 (1990).
211. See *Campbell*, 510 U.S. at 579 (1994) (“[T]he more transformative the new work, the less will be the significance of other factors . . . that may weigh against a finding of fair use.”).
212. See *id.* (citations omitted) (quoting *Folsom v. Marsh*, 9 F. Cas. 342, 348 (D. Mass. 1841) (No. 4,901)).
213. See *Blanch*, 467 F.3d at 251–52 (recognizing that a copied work may add something to the original that furthers the creative endeavors sought through copyright law and prevents the copied work from infringing upon an existing copyright).
214. See *Campbell*, 510 U.S. at 579 (stating that a finding of transformative use shields the infringing party somewhat against the other factors that determine fair use, including whether a work is used for commercial gain).
215. See *id.* at 591 (indicating that a presumption of market harm may exist where a work is merely duplicated for the commercial gain of the party and contrasting that with a work that goes beyond mere copying, which might not require a presumption of market harm).
216. *Nunez v. Caribbean Int’l News Corp.*, 235 F.3d 18 (1st Cir. 2000).
217. *Id.* at 23.
218. *Id.*
219. *Campbell*, 510 U.S. at 579.
220. See *Rogers v. Koons*, 960 F.2d 301, 307 (2d Cir. 1992) (describing Koons’s work as “blatant[]” copying).
221. *Campbell*, 510 U.S. at 579 (citing Pierre N. Leval, *Toward a Fair Use Standard*, 103 HARV. L. REV. 1105, 1111 (1990)); see *Blanch v. Koons*, 467 F.3d 244, 253 (2d Cir. 2006) (finding that Blanch changed various aspects of the original work and used his work to convey an “entirely different purpose and meaning”).

222. See William M. Landes, *Copyright, Borrowed Images, and Appropriation Art: An Economic Approach*, 9 GEO. MASON L. REV. 1, 1 (2000) (“Appropriation art borrows images from popular culture, advertising, the mass media, other artists and elsewhere, and incorporates them into new works of art.”).
223. *Blanch*, 467 F.3d at 248.
224. *Leibovitz v. Paramount Pictures Corp.*, 137 F.3d 109 (2d Cir. 1998).
225. *Id.* at 111.
226. *Id.*
227. 17 U.S.C. § 107 (2006).
228. *Leibovitz*, 137 F.3d at 114.
229. *Id.* at 116–17.
230. *Id.* at 116.
231. *E.g.*, *Ideal Toy Corp. v. Fab-Lu Ltd.*, 360 F.2d 1021, 1022–23 (2d Cir. 1966) (observing that the trial court correctly implemented the ordinary-observer test).
232. *Id.* at 1022.
233. *Peter Pan Fabrics, Inc. v. Martin Weiner Corp.*, 274 F.2d 487, 489 (2d Cir. 1960).
234. *Rogers v. Koons*, 960 F.2d 301, 308 (2d Cir. 1992).
235. See *id.* at 307 (“We agree that no reasonable juror could find that copying did not occur in this case.”).
236. See *Ideal Toy Corp.*, 360 F.2d at 1022–23 (discussing the ordinary-observer test and its use in determining whether substantial similarity is present in alleged copyright infringement cases).
237. See *Rogers*, 960 F.2d at 311 (“Koons went well beyond the factual subject matter of the photograph to incorporate the very expression of the work created by Rogers. We find that no reasonable jury could conclude that Koons did not exceed a permissible level of copying under the fair[-]use doctrine.”).
238. See *Blanch v. Koons* 467 F.3d 244, 252 (2d Cir. 2006) (stating that Koons’s purpose in creating his work was “sharply different” than Blanch’s objectives when creating the original work).
239. *Id.* at 248.
240. See *supra* Part II.A (contrasting the outcomes of *Rogers* and *Blanch*).
241. See *N.Y. Times Co. v. Tasini*, 533 U.S. 483, 519 (2001) (Stevens, J., dissenting) (“[T]he primary purpose of copyright is not to reward the author, but is rather to secure the general benefits derived by the public from the labors of authors.” (internal quotation marks omitted) (citing 1 MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT § 1.03[A] (rev. ed. 2000)); *Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 429 (1984) (“[Copyright] is intended to motivate the creative activity of authors and inventors by the provision of a special reward, and to allow the public access to the products of their genius after the limited period of exclusive control has expired.”); *Mazer v. Stein*, 347 U.S. 201, 219 (1954) (discussing how the Copyright Clause encourages individuals by reward-
- ing them through economic personal gain, which then advances the public welfare); see also *Feist Publ’ns, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 359–60 (1991) (holding that “sweat of the brow” from one’s labor does not provide copyright protection); Lucille M. Ponte, *The Emperor Has No Clothes: How Digital Sampling Infringement Cases Are Exposing Weaknesses in Traditional Copyright Law and the Need for Statutory Reform*, 43 AM. BUS. L.J. 515, 521 (2006) (“In fashioning copyright laws, Congress has sought to promote creativity by rewarding artists with ownership and control over their works for specific time periods and allowing them to receive revenues through licensing fees or royalty payments.”); Bryan Bergman, Comment, *Into the Grey: The Unclear Laws of Digital Sampling*, 27 HASTINGS COMM. & ENT. L.J. 619, 643 (2005) (“The Copyright Act looks to balance the competing interests of ensuring progress of science and the arts through widespread public dissemination of ideas and expressions while ensuring that authors will have exclusive economic rights in their works as incentive to create the expressions that ensure this progress.”); Mary B. Percifull, Note, *Digital Sampling: Creative or Just Plain “Cheez-Oid?”*, 42 CASE W. RES. L. REV. 1263, 1270 (1992) (discussing how the primary benefits of a copyright owner obtaining a copyright are for economic reasons because artists are granted a limited monopoly for their work, which leads to artists continuing their creativity to create a good that benefits the public); John Schietinger, Note and Comment, *Bridgeport Music, Inc. v. Dimension Films: How the Sixth Circuit Missed a Beat on Digital Music Sampling*, 55 DEPAUL L. REV. 209, 215 (2005) (“Copyright law has two major purposes: (1) to encourage people to devote themselves to intellectual and artistic creation for the betterment of society and (2) to protect the authors of copyrightable works from the theft of the fruits of their labor.” (internal quotation marks omitted) (citing Michael L. Baroni, Comment, *A Pirate’s Palette: The Dilemmas of Digital Sound, Sampling and a Proposed Compulsory License Solution*, 11 U. MIAMI ENT. & SPORTS L. REV. 65, 75 (1993); 4 MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT § 13.03[E][2] (1987))).
242. See U.S. CONST. art. I, § 8, cl. 8 (declaring that the purpose of copyright is to “[t]o promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries”).
243. See Bryan Bergman, Comment, *Into the Grey: The Unclear Laws of Digital Sampling*, 27 HASTINGS COMM. & ENT. L.J. 619, 644 (2005) (“[M]any feel that artists should still compensate those prior musicians that created the work, as it would otherwise be theft.” (citing Robert M. Szymanski, *Audio Pastiche: Digital Sampling, Intermediate Copying, Fair Use*, 3 UCLA ENT. L. REV. 271, 289 (1996))).
244. See *id.* at 645 (“[A]n artist may agree to buy out the copyright owner for a flat fee, negotiate an agreement whereby the copyright owner receives a royalty off of each record sold, or enter a co-publishing deal where the owner of the sampled composition retains an interest in the work . . . .” (citing Jeffrey H. Brown, Comment, “*They Don’t Make Music the Way They Used To*”: The Legal Implications of Sampling in Contemporary Music, 1992 WISC. L. REV. 1941, 1956 (1992))).

245. Roxana Badin, Comment, *An Appropriate(d) Place in Transformative Value: Appropriation Art's Exclusion from Campbell v. Acuff-Rose Music, Inc.*, 60 BROOK. L. REV. 1653, 1691 (1995).
246. *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 569 (1994).



## Publicly Available Websites for IT Lawyers

Following are some publicly available websites relating to varying aspects of information technology law practice. Some of these websites may require payment for certain services. Neither the State Bar of Michigan nor the IT Law Section endorses these websites, the providers of the website, or the goods or services offered in connection therewith. Rather these websites are provided for information purposes only and as possible useful tools for your law practice.

Please provide any feedback or recommendations for additional websites to [michael@gallo.us.com](mailto:michael@gallo.us.com)

### Legal Sites

- <http://www.doingbusiness.org/law-library> - Large, free online collection of business laws and regulations.
- <http://swipreport.com> - The Software Intellectual Property Report, reports from the nexus of software and intellectual property law. Free subscription to a bi-weekly newsletter is available. The 'For Non-Lawyers' section overviews common questions regarding software patents, software copyright, software licensing and software development.
- <http://unintellectualproperty.com> - UnIntellectual Property (or UnIP, a term coined by the publisher of this blog) is the opposite of intellectual property. Whereas intellectual property typically affords the owner exclusive rights, unintellectual property affords no one owner exclusive rights. This blog, UnIntellectualProperty.com, highlights instances where an owner attempted to claim exclusive intellectual property rights in a trademark, copyright, or trade secret (and to a lesser extent patent) only to have a court of law, or other authority, declare no intellectual property rights exists.
- <http://www.knowconnect.com/mirln> - MIRLN is "Miscellaneous IT-Related Legal News", a free e-newsletter begun in 1997. MIRLN is delivered every three weeks to members of the American Bar Association's Business Law Section via Business Law Today, and to other subscribers and listservs. Among about 2000 individual subscribers are two former Attorneys General of the United States. On the web site are current and past issues of the e-newsletter and a number of podcasts. ■



## Mission Statement Information Technology Law Section, State Bar of Michigan

The purposes of the Section are to review, comment upon, and appraise members of the State Bar of Michigan and others of developments in the law relating to information technology, including:

- (a) the protection of intellectual and other proprietary rights;
- (b) sale, leasing, distribution, provision, and use of, hardware, software, services, and technology, including computer and data processing equipment, computer software and services, games and gaming, information processing, programming, and computer networks;
- (c) electronic commerce
- (d) electronic implementation of governmental and other non-commercial functions;
- (e) the Internet and other networks; and
- (f) associated contract and tort liabilities, and related civil and criminal legal consequences.

# The State of Information Technology Law – 2011

By David R. Syrowik, Brooks Kushman P.C., Southfield, Michigan

## Introduction

On September 16, 2011, President Obama signed the Leahy-Smith America Invents Act (AIA) (H.R. 1249). The AIA is the most sweeping modification of the Patent Act since 1952. Among the various objects of the AIA is to “reform” the patent law to provide greater certainty to inventors and to promote greater international patent harmonization.

While the AIA does not alter the fundamental requirements of patentability and infringement, the AIA moves the United States from a first-to-invent system to a first-inventor-to-file (FITF) system like the rest of the world. The AIA also limits the one-year “grace period” for pre-filing disclosures to disclosures derived from the inventor that is applying for a patent.

The AIA further modifies and creates procedures for examining patentability issues of both issued patents and patent applications at the U.S. Patent and Trademark Office (PTO), potentially avoiding patent litigation in the federal courts. Multiple sections of the AIA are directed towards this end including the creation of a new PTO-based, decision-making body called the Patent Trial and Appeal Board.

The AIA also adds statutory provisions specific to individual industries or technologies. Business method patent owners in the financial service industry who bring infringement claims in court are likely to see their litigation stayed while the PTO reexamines patent validity. Tax strategy patents are essentially nullified.

Finally, the AIA required the PTO to open a branch office in Detroit which opened on July 13, 2012 at The Elijah J. McCoy Patent office. McCoy was an African-American engineer and inventor who is the named inventor on numerous U.S. patents. He was born free in Ontario, Canada in 1844 and lived in Detroit where he died in 1929.

The Federal Circuit was quite busy in 2011, with the post-*Bilski* contours of patent eligibility under Section 101 taking center stage. In *CyberSource*, one Federal Circuit panel denied patent eligibility to patent claims on internet-based credit card fraud detection. The panel not only found the method steps ineligible as computational methods which can be performed entirely in the human mind, it added that so-called Beauregard claims, adding a “computer-readable medium” to the preamble, did not change the analysis.

In *Ultramercial*, a different Federal Circuit panel, with Judge Rader writing the opinion, held that claims directed to internet advertising are applications of an abstract idea that advertising can be monetized and so are patent eligible.

The court distinguished *CyberSource* by stating: “The eligibility exclusion for purely mental steps is particularly narrow,” the court said. “Unlike the claims in *CyberSource*, the claims here require, among other things, controlled interaction with a consumer via an Internet website, something far removed from purely mental steps.”

In *Perfect 10 Inc. v. Google Inc.*, the court refused a request for an injunction to stop Google from using thumbnail images of Perfect 10’s nude photos.

## PATENTS – Case Law – U.S. Courts of Appeal

### *MySpace Inc. v. GraphOn Corp.*, 83 BNA’s PTCJ 648

The U.S. Court of Appeals for the Federal Circuit ruled on March 2, 2012 that GraphOn Corp.’s patents asserted against Myspace and Craigslist are affirmed invalid as anticipated or obvious. GraphOn has sued many internet companies and purportedly has succeeded in obtaining patent licensing agreements worth nearly \$10 million for use of its claimed system.

### *Digital-Vending Services International LLC v. University of Phoenix Inc.*, 83 BNA’s PTCJ 694

The U.S. Court of Appeals for the Federal Circuit on March 7, 2012 ruled that while the architecture claims for several patents directed to regulating access to content delivered through a computer network specifically required that a registration server be free of managed content, the method claims of the patents contained no such restrictive language, and therefore it was an error to construe all of the claims similarly.

### *Ergo Licensing LLC v. Carefusion 303 Inc.*, 83 BNA’s PTCJ 767

The U.S. Court of Appeals for the Federal Circuit on March 21, 2012 ruled, with certain exceptions, that “control means” as it relates to computer processing must be described by an algorithm. Consequently, computer-based, means-plus-function patent claims may be at greater risk today.

***Noah Systems Inc. v. Intuit Inc.*, 83 BNA's PTCJ 872**

The U.S. Court of Appeals for the Federal Circuit on April 8, 2012 ruled that a patent specification must include the supporting algorithm for each and every functional limitation in a computer system claim, affirming a lower court ruling that patents asserted against Intuit Inc.'s popular Quicken and QuickBooks personal finance software products were invalid for indefiniteness.

***In re EMC Corp.*, 84 BNA's PTCJ 57**

The U.S. Court of Appeals for the Federal Circuit on May 4, 2012 ruled that the lower court must apply a more stringent standard in deciding whether a cloud storage patent owner can join 18 defendants. The ruling only applies to those cases filed prior to September 16, 2011, the enactment date of the AIA.

***Leader Technologies, Inc. v. Facebook, Inc.*,  
84 BNA's PTCJ 62**

The U.S. Court of Appeals of the Federal Circuit on May 8, 2012 ruled that Facebook had successfully showed that a software patent was invalid under the On-Sale bar.

***Apple Inc. v. Samsung Electronics Co.*, 84 BNA's PTCJ 95**

The U.S. Court of Appeals for the Federal Circuit on May 14, 2012 upheld a district court's denial of Apple Inc.'s request for a preliminary injunction against Samsung's Android-based smart phones but the possibility of an injunction against the Galaxy Tab 10.1 tablet computer remains.

***Inventio AG v. ThyssenKrupp Elevator Americas Corp.*,  
82 BNA's PTCJ 257**

The U.S. Court of Appeals for the Federal Court on June 15, 2011, ruled on a patent involving computing functions. Reversing a summary judgment of invalidity for indefiniteness under 35 U.S.C. § 112, the Court determines that the patent challenger failed to show that the disputed terms were "so structurally devoid that we should rewrite them in means-plus-function format."

***In re Aoyama*, 99 USPQ2d 1936**

The U.S. Court of Appeals for the Federal Circuit on August 29, 2011 ruled that claims in application for system and method for distribution chain management, which recite "reverse logistics means for generating transfer data," are unpatentable as indefinite under 35 U.S.C. § 112, since only portion of specification linked to recited function is flowchart in figure in application, and since figure provides high level process flow, but it fails to describe, even at high level, how computer could be programmed to produce structure that provides results described in flowchart.

***CyberSource Corp. v. Retail Decisions Inc.*,  
82 BNA's PTCJ 528**

The U.S. Court of Appeals for the Federal Circuit on August 16, 2011 ruled that a method for detecting fraud in credit card transactions over the Internet is not patent-eligible subject matter. Affirming a lower court's judgment, which relied on the machine-or-transformation test used prior to the Supreme Court's decision in *Bilski v. Kappos*, the Court's analysis differs sharply from that of the only other panel to rule on patent eligibility under 35 U.S.C. § 101 since the *Bilski* ruling. The Court also reached this conclusion about the corresponding article of manufacture claim (*i.e.* Beauregard claim) because the steps of the method that would be carried out by the computer program are nothing more than an unpatentable method that can be performed entirely in the human mind or by a human using a pen and paper.

***Cordance Corp. v. Amazon.com Inc.*, 82 BNA's PTCJ 729**

The U.S. Court of Appeals for the Federal Circuit on September 23, 2011 held that online purchasing and order review patents, including U.S. Patent No. 6,088,717, are invalid and not infringed by Amazon.com.

***CBT Flint Partners LLC v. Return Path Inc.*,  
82 BNA's PTCJ 536**

The U.S. Court of Appeals for the Federal Circuit on August 10, 2011 ruled that the asserted claim of a patent directed to method and system for charging fees for sending "spam" e-mail is not invalid as indefinite, despite a drafting error in phrase "the computer being programmed to detect analyze the electronic mail communication sent by the sending party to determine whether or not the sending party is an authorized sending part or an unauthorized sending par."

***Ultramercial LLC v. Hulu LLC*, 82 BNA's PTCJ 689**

The U.S. Court of Appeals for the Federal Circuit on September 15, 2011, overturned a lower court decision by holding that claims in U.S. Patent No. 7,346,545 directed to a method of monetizing and distributing copyrighted products over the Internet are applications of the abstract idea that advertising can be monetized and so are patent eligible.

***Dealertrack Inc. v. Huber*, 83 BNA's PTCJ 405**

The U.S. Court of Appeals for the Federal Circuit on January 20, 2012 ruled that adding a "computer-aided" limitation to a patent claim does not turn a claim on a preemptive abstract idea into patent eligible subject matter under 35 U.S.C. § 101. The majority holds that the patent owner asserted claims on

an internet-based credit application clearinghouse system that represented an abstract idea with preemptive effect on a fundamental concept.

***Fort Properties Inc. v. American Master Lease L.L.C.,*  
83 BNA's PTCJ 608**

The U.S. Court of Appeals for the Federal Circuit on February 27, 2012 ruled that patent claims on buying and selling real estate properties with a computer without incurring a tax liability are not patent eligible under 35 U.S.C. § 101, likening the invention to the claims rejected by the U.S. Supreme Court in its *Bilski* decision.

***Typhoon Touch Technologies Inc. v. Dell Inc.,*  
83 BNA's PTCJ 42**

The U.S. Court of Appeals for the Federal Circuit on November 4, 2011 ruled that it is not necessary for a means-plus-function claim pertaining to a computer-implemented innovation to include the mathematical algorithm so long as the algorithm is recited in the specification. The court reverses a lower court's decision of invalidity that was based on the claim's failure to disclose the "specific algorithm" that was to be used.

***Fuzzysharp Technologies Inc. v. 3DLabs Inc.,*  
83 BNA's PTCJ 49**

The U.S. Court of Appeals for the Federal Circuit on November 4, 2011 ruled that Section 101 patent eligibility must be determined independently for each claim of a computer-implemented graphics patent.

**PATENTS – Case Law – U.S. District Courts**

***SmartGene Inc. v. Advanced Biological Laboratories SA,*  
83 BNA's PTCJ 811**

The U.S. District Court for the District of Columbia on March 30, 2012 ruled that a computer-based method of presenting expert medical knowledge is not patent eligible under 35 U.S.C. § 101.

***Oracle America Inc. v. Google Inc., 84 BNA's PTCJ 175***

A jury in the U.S. District Court for the Northern District of California determined on May 7, 2012 that Oracle failed to prove Google Inc.'s infringement of patents on the Java operating system by Android-based cell phones.

***Apple Inc. v. Motorola Inc., 84 BNA's PTCJ 252***

Judge Richard A. Posner, a judge in the U.S. District Court for the Northern District of Illinois stopped proceedings on June

7, 2012, in a cell phone patent battle between Apple Inc. and Motorola Mobility Inc. on the eve of a scheduled trial.

***Silicon Graphics Inc. v. ATI technologies Inc.,*  
99 USPQ2d 1508**

The U.S. District Court for the Western District of Wisconsin on October 5, 2010 ruled that infringement defendants have rebutted presumption of shared confidences under Seventh Circuit's standard for determining whether law firm should be disqualified based on its attorney's prior representation of opposing party, since, among other measure, law firm's screening procedures instructed litigation team members not to discuss case with disqualified lawyer or in his presence, denied disqualified lawyer access to records in case, and protected electronic records by computer security protocol.

***Iconfind Inc. v. Google Inc., 83 BNA's PTCJ 407***

The U.S. District Court for the Eastern District of California on January 18, 2012 ruled that a computer-implemented method of categorizing website pages as to the copyright status of material on the pages is patentable subject matter under Section 101 of the Patent Act, rejecting Google Inc.'s "abstract idea" challenge under 35 U.S.C. § 101.

***Lucent Technologies Inc. v. Microsoft Corp.,*  
83 BNA's PTCJ 87**

The U.S. District Court for the Southern District of California on November 10, 2011 stated that Microsoft Corp. will have to pay \$26.3 million for patent infringement, instead of the half-billion dollar award first levied in 2008.

***Apple Inc. v. Samsung Electronics Co., 83 BNA's PTCJ 264***

The U.S. District Court for the Northern District of California on December 2, 2011 ruled that Apple failed to show irreparable harm that would justify taking competitors to its iPhone and iPad products off the market even though they likely infringe valid design and utility patents asserted by the company. The court thus denied Apple's motion for a preliminary injunction against Android-based phones made by Samsung.

**PATENTS – Case Law – International Trade Commission (ITC)**

***In re Certain Mobile Devices, Associated Software, and  
Components Thereof, 84 BNA's PTCJ 1421***

The International Trade Commission on May 18, 2012 issued an order barring imports of Motorola Android-based phones that infringe a Microsoft patent.

***In the Matter of Certain Personal Data and Mobile Communications Devices and Related Software, 83 BNA's PTCJ 263***

The International Trade Commission on December 19, 2011 issues an order banning imports by HTC Corp. of Android smart-phones as infringing a valid patent held by Apple Inc. The commission gives HTC until April 19, 2012 to comply with the order, "to provide a transition period for U.S. carriers."

**PATENTS – Legislation**

***Leahy-Smith America Invents ACT (AIA), 82 BNA's PTCJ 681***

President Barack Obama signed the Leahy-Smith America Invents Act (AIA) on September 16, 2011. The AIA presents the first significant revision to the U.S. patent system since 1952. The AIA will have far-reaching effects in both patent prosecution and litigation. Some aspects of the law will take effect immediately, although many of the primary features will be implemented one year or 18 months after enactment.

**PATENT/ANTITRUST/BANKRUPTCY – Case Law - U.S. District Court**

***Apple Inc. v. Samsung Electronics Co., 82 BNA's PTCJ 892***

The U.S. District Court for the Northern District of California on October 18, 2011, dismissed Apple's antitrust allegations against Samsung on wireless standard behavior with respect to Samsung's patents. Plaintiff's claim that defendants violated Sherman Act's Section 2 by affirmatively misrepresenting their intention to license patented technology on fair, reasonable, and nondiscriminatory terms, in order to induce standard-setting organization to adopt standards-essential patents, fails to meet heightened pleading standard for fraud set forth in Fed. R. Civ. P. 9(b).

**PATENT/ANTITRUST/BANKRUPTCY – Case Law - U.S. Bankruptcy Court**

***In re Nortel Networks Inc., 82 BNA's PTCJ 392***

The U.S. Bankruptcy Court for the District of Delaware on July 11, 2011 issued an order approving the sale of \$4.5 billion of Nortel Networks Inc.'s IT patents and related assets to Apple Inc. and Rockstar Bidco LP.

**COPYRIGHTS – Case Law - U.S. Courts of Appeal**

***Airframe Systems Inc. v. L-3 Communications Corp., 82 BNA's PTCJ 697***

The U.S. Court of Appeals for the First Circuit on September 14, 2011 ruled that an infringement claim failed for absence of copy of registered source code to compare for similarity.

***Barclays Capital Inc. v. Theflyonthewall.com Inc., 82 BNA's PTCJ 253***

The U.S. Court of Appeals for the Second Circuit on June 21, 2011 ruled that a claim of "hot news" misappropriation under New York law was preempted by federal copyright law in a dispute between financial institutions and an online financial news service. Reversing in part a judgment of infringement and misappropriation, the Court determines that the claim is preempted because under a test for exceptions to preemption, a website that is summarizing the investment recommendations of major investment banks is not a "free rider" and is reporting the news, something that the banks were not doing.

***Nova Design Build Inc. v. Grace Hotels LLC, 82 BNA's PTCJ 463***

The U.S. Court of Appeals for the Seventh Circuit on July 26, 2011 ruled that the deposit requirement of the Copyright Act can be satisfied by "re-created" copies based on hard copies and restored computer files.

***In re Literary Works in Electronic Databases Copyright Litigation, 82 BNA's PTCJ 526***

The U.S. Court of Appeals for the Second Circuit on August 17, 2011 ruled that a 2005 class action settlement between freelance authors and electronic publishers—which could have paid out up to \$18 million—is voided because the class should not have been certified.

***Perfect 10 Inc. v. Google Inc., 99 USPQ2d 1533***

The U.S. Court of Appeals for the Ninth Circuit on August 3, 2011 ruled that the long-standing rule that irreparable harm is presumed in copyright infringement action if there has been showing of reasonable likelihood of success in merits is effectively overruled by *eBay Inc. v. MercExchange LLC*, 78 USPQ2d 1577; propriety of injunctions in copyright cases must be evaluated on case-by-case basis in accordance with traditional equitable principles and without aid of presumption.

***Sony BMG Music Entertainment v. Tenenbaum, 82 BNA's PTCJ 691***

The U.S. Court of Appeals for the First Circuit on September 16, 2011 ruled that a federal district court that drastically reduced a damages award against Harvard student Joel Tenenbaum for online file sharing erred in making its decision based on the Fifth Amendment without addressing Tenenbaum's motion for remittitur under common law, reinstating the award but remanding the case to consider the remittitur.

**COPYRIGHTS – Case Law - U.S. District Courts**

***Shropshire v. Canning, 82 BNA's PTCJ 603***

The U.S. District Court for the Northern District of California on August 22, 2011 ruled that uploading infringing video from Canada to YouTube in the United States is not wholly extrajurisdictional and is, consequently, infringing.

***First Time Videos LLC v. Does 1-76, 82 BNA's PTCJ 565***

The U.S. District Court for the Northern District of Illinois on August 16, 2011 ruled that file sharers' First Amendment protection does not cover copyright infringement.

***Brocade Communications Systems Inc. v. A10 Networks Inc., 82 BNA's PTCJ 568***

The U.S. District Court for the Northern District of California on August 16, 2011 denied a TRO motion filed by a maker of networking hardware and software because of lack of irreparable harm even though there was a likelihood of success on the merits.

***Authors Guild Inc. v. HathiTrust, 82 BNA's PTCJ 642***

A complaint was filed in the Southern District of New York on September 12, 2011 wherein a global group of authors sued several prominent universities (including the University of Michigan) participating in the HathiTrust digital library through agreement with Google Inc. The complaint alleges that the universities have engaged in widespread digitization of copyrighted works, in blatant derogation of copyright owners' rights.

***Oracle USA Inc. v. SAP AG, 82 BNA's PTCJ 654***

The U.S. District Court for the Northern District of California on September 1, 2011 dropped Oracle's \$1.3 billion copyright damages award for lack of factual support.

***Real View LLC v. 20-20 Technologies Inc., 82 BNA's PTCJ 267***

The U.S. District Court for the District of Massachusetts on June 9, 2011 ruled that declaratory defendant's claim for unfair trade practices under Mass. Gen. Laws Ch. 93A, as pleaded, is not preempted by federal copyright law, since defendant alleges that plaintiff circumvented password-protected area of defendant's website in order to view video tutorials for defendant's computer-aided design program, and if substantiated, this claim would include "extra element" of illegal "hacking" that makes it qualitatively different from copyright claim; however, defendant has not proved sufficient facts to establish plaintiff's liability under Chapter 93A.

***Disney Enterprises Inc. v. Hotfile Corp., 82 BNA's PTCJ 359***

The U.S. District Court for the Southern District of Florida on July 8, 2011 ruled that a digital "storage locker" website that generated unique URLs for user uploaded works and encouraged users to broadly distribute those links didn't commit a volitional act and was not liable as direct infringer.

***Alexander v. Murdock, 82 BNA's PTCJ 395***

The U.S. District Court for the Southern District of New York on July 14, 2011 ruled that thumbnail images lack detail for copyright shield; byline removal no basis for DMCA liability.

***Capitol Records Inc. v. Thomas-Rassett, 82 BNA's PTCJ 411***

The U.S. District Court for the District of Minnesota on July 22, 2011 ruled that a jury award of \$1.5 million in statutory damages for willful copyright infringement arising from an individual's act of downloading 24 sound recordings for personal use is "appalling" and unconstitutional because it is too severe, oppressive, and disproportionate to the offense. After finding the jury's award of \$62,500 for each infringed recording to be unconstitutionally harsh, the Court reduces the damage award to \$2,250 per song—three times the minimum statutory penalty allowed for willful infringement under the Copyright Act.

***Flava Works Inc. v. Gunter, 82 BNA's PTCJ 462***

The U.S. District Court for the Northern District of California on July 27, 2011 ruled that a web host failing to axe infringers cannot use the DMCA statute's safe harbor to avoid contributory liability.

***Adobe Systems Inc. v. Kornumpf, 82 BNA's PTCJ 464***

The U.S. District Court for the Northern District of California on July 25, 2011 ruled that an E-Bay vendor accused of unpacking and selling software from second-hand computers cannot pursue counterclaim of copyright misuse duplicating a misuse defense.

***Zynga Inc. v. Vostu USA Inc., 82 BNA's PTCJ 540***

The U.S. District Court for the Northern District of California on August 11, 2011 granted a temporary restraining order allowing a competitor to Zynga Inc.'s popular online games to ignore a Brazilian court's injunction for copyright infringement.

***Liberty Media Holdings LLC v. Swarm of November 16, 2010, 99 USPQ2d 1620***

The U.S. District Court for Southern District of California on April 21, 2011 ruled that infringement plaintiff seeking expedited

discovery to identify defendants who allegedly reproduced and distributed plaintiff's copyrighted motion picture using "BitTorrent" file transfer protocol has made satisfactory showing that there are real persons or entities behind alleged infringing acts who would be amenable to suit, that plaintiff has made good-faith effort to comply with requirements of service of process, and that its infringement claim can withstand motion to dismiss.

***Oracle America Inc. v. Google Inc.*, 82 BNA's PTCJ 693**

The U.S. District Court for the Northern District of California on September 15, 2011 ruled that application programming interfaces, or APIs, used by Google Inc., in its Android operating system are not necessarily "methods of operation" that would be exempt from copyright protection under 17 U.S.C. § 102(b).

***Authors Guild v. Google Inc.*, 82 BNA's PTCJ 694**

The U.S. District Court for the Southern District of New York on September 16, 2011 allowed plaintiffs in a years-long lawsuit against Google Book Search to file a new amended complaint and class certification motion.

***Adobe Systems Inc. v. Norwood*, 99 USPQ2d 1954**

The U.S. District Court for the Northern District of California on July 7, 2011 dismissed copyright misuse counterclaim alleging that defendant was entitled to resell plaintiff's software pursuant to first sale doctrine, since defendant was licensee, not owner, of plaintiff's copyrighted software.

***Capitol Records Inc. v. MP3tunes LLC*, 83 BNA's PTCJ 16**

The U.S. District Court for the Southern District of New York on October 31, 2011 ruled that the safe harbor provision set forth in Section 512 of the Copyright Act applies to Internet users' infringement of sound recordings created before 1972, according to an amended decision.

***Liberty Media Holdings LLC v. Swarm Sharing Hash File*,  
83 BNA's PTCJ 23**

The U.S. District Court for the District of Massachusetts on October 27, 2011 ruled in a file sharing case that a copyright owner was permitted to proceed collectively against multiple BitTorrent users through participation in the same "swarm."

***Adobe Systems Inc. v. Hoops Enterprise LLC*,  
83 BNA's PTCJ 486**

The U.S. District Court for the Northern District of California

on February 1, 2012 ruled that the pre-installation of software onto computer hard drives was governed by licensing agreements, rejecting an eBay seller's first-sale defense to copyright infringement.

***Brownmark Films LLC v. Comedy Partners*,  
100 USPQ 2d 1844**

The U.S. District Court for the Eastern District of Wisconsin on July 6, 2011 ruled that the Defendants' use of portion of copyrighted music video in episode of television cartoon program was fair use, since defendants used parts of video to lampoon recent craze of watching video clips on internet that are of low artistic sophistication and quality, since such use is classic parody, and thus is truly transformative, in that it uses parts of original work to not only poke fun at original, but to comment on bizarre social trend, since use of copyrighted work in defendants' television episode was relatively insubstantial, and since there is little risk that defendants' use will somehow usurp market demand for original plaintiff's complaint is dismissed with prejudice.

***Liberty Media Holdings LLC v. BitTorrent Swarm*,  
100 USPQ2d 1786**

The U.S. District Court for the Southern District of Florida on November 1, 2011 ruled that plaintiff's permissive joinder of Doe defendants, in action alleging that they illegally reproduced and distributed plaintiff's copyrighted motion picture as participants in "BitTorrent swarm," is improper under Fed. R. Civ. P. 20(a)(2), since record shows that defendants used BitTorrent on different days and at different times over two-month period, and even if defendants had used BitTorrent at same time, this fact alone would not imply that defendants participated in or contributed to downloading of each other's copies of work at issue.

***Scholz Design Inc. v. Sard Custom Homes LLC*.  
100 USPQ2d 1782**

The U.S. District Court for the Southern District of Connecticut on July 15, 2011 ruled that copyright protection extends to component images of architectural designs only to extent that those images allow copier to construct protected design; in presence case, plaintiff has failed to state claims for copyright infringement that are plausible on their face, since plaintiff alleges that defendants copied, and placed on web pages, thumbnail images depicting front elevation views of homes in plaintiff's architectural designs, but these images do not convey sufficient information with respect to designs to allow construction of homes; infringement claims, and related claim under Digital Millennium Copyright Act, are dismissed.

***Brownmark Films LLC v. Comedy Partners,*  
83 BNA's PTCJ 183**

The U.S. District Court for the Eastern District of Wisconsin on November 30, 2011 awarded attorneys' fees against a small business whose YouTube video was clearly parodied by a South Park episode.

***Elsevier Ltd. v. Chitika Inc., 83 BNA's PTCJ 184***

The U.S. District Court for the District of Massachusetts on December 2, 2011 ruled that failure to establish that an online ad company knew it was engaging in infringement defeats the copyright owner's claim.

***Boy Racer Inc. v. Does 1-52, 101 USPQ2d 1449***

The U.S. District Court for the Northern District of California on September 13, 2011 ruled that plaintiff alleged that unidentified defendants illegally reproduced and distributed its copyrighted motion picture over the internet, which was previously granted leave to subpoena internet service providers linked to internet protocol addresses listed in complaint in order to obtain subscriber information associated with each IP address, will not be granted additional expedited discovery in form of inspection of each subscriber's electronically stored information, and computers of those sharing subscriber's network.

***Oracle America Inc. v. Google Inc., 84 BNA's PTCJ 53***

The U.S. District Court for the Northern District of California on May 7, 2012 returns a split verdict in Oracle America Inc.'s lawsuit, finding that Google infringed Oracle's copyrights in the Android wireless operating system, yet not answering the key question of whether there is a fair use.

***Cambridge University Press v. Becker, 84 BNA's PTCJ 138***

The U.S. District Court for the Northern District of Georgia on May 11, 2012 ruled that to the extent that the copyright owners of scholarly works had not made digital excerpts available for licensing to students conveniently and at reasonable costs, unauthorized online access to such excerpts constituted fair use.

***Oracle America Inc. v. Google Inc., 84 BNA's PTCJ 218***

The U.S. District Court for the Northern District of California on May 31, 2012 ruled that Java application programming interfaces are not eligible for copyright protection.

***Budsgunshop.com LLC v. Security Safe Outlet Inc.,  
84 BNA's PTCJ 237***

The U.S. District Court for the Eastern District of Kentucky on

May 23, 2012 ruled that a conversion claim over website data is not necessarily preempted by Copyright Act.

***GlobeRanger Corp. v. Software AG, 101 USPQ2d 1869***

The U.S. District Court for the Northern District of Texas on August 15, 2011 ruled that Plaintiff software developer's claims for tortious interference with contract and conversion are preempted by federal copyright law in action alleging that defendants misused plaintiff's copyrighted software, and claim for civil conspiracy, which is "derivative tort," is also dismissed.

**COPYRIGHTS – Case Law – Federal Claims Court**

***Aviation Software Inc. v. United States, 100 USPQ2d 1943***

The Federal Claims Court on December 5, 2011 ruled that prior adverse decisions in lawsuits against third party bar present infringement action against U.S. government based on alleged use of software program, which purportedly contained plaintiffs' copyrighted source code, to maintain and service government-owned aircraft.

**COPYRIGHTS/CRIMINAL – Case Law – U.S. District Courts**

***United States v. Tomorrow Now Inc., 82 BNA's PTCJ 695***

The U.S. District Court for the Northern District of California on September 14, 2011 fined a defunct SAP subsidiary \$20M for criminal infringement of Oracle software.

***United States v. Megaupload Ltd., 83 BNA's PTCJ 573***

The Department of Justice on February 16, 2012 filed a superseding indictment against the operators of the website Megaupload.com, adding additional criminal copyright infringement charges, and five counts of wire fraud. It was earlier reported at 83 BJA's PTCJ 402 that the Department of Justice on January 5, 2012 charged the same operators with copyright infringement and other claims and seized \$50 million in assets.

***U.S. v. Jones, 82 BNA's PTCJ 517***

The U.S. District Court for the Eastern District of Michigan on August 16, 2011 sentenced a woman from Ypsilanti, Michigan to two years in prison and ordered her to pay over \$440,000 in restitution for selling stolen computer software worth over \$2 million.

**COPYRIGHTS/DMCA – Case Law – U.S. Courts of Appeal**

***Viacom International Inc. v. YouTube Inc., 83 BNA's PTCJ 864***

The U.S. Court of Appeals for the Second Circuit on April 5, 2012 ruled that "Red flag" knowledge of infringement under

Section 512(c) of the Digital Millennium Copyright Act is determined by a subjective reasonableness standard, affirming the district court's interpretation that general awareness of infringement cannot trigger an internet service provider's duty to remove content.

***UMG Recordings Inc. v. Shelter Capital Partners LLC*, 83 BNA's PTCJ 289**

The U.S. Court of Appeals for the Ninth Circuit on December 20, 2011 ruled that Video-sharing website Veoh Inc.'s acts of formatting, advertising, and organizing user uploads—including infringing content—did not take it beyond the reach of the Digital Millennium Copyright Act's safe harbor. The court reaches several conclusions that reinforce the statute's broad protections against intermediary liability under 17 U.S.C. § 512(c).

***Murphy v. Millennium Radio Group LLC*, 82 BNA's PTCJ 255**

The U.S. Court of Appeals for the Third Circuit on June 14, 2011 ruled that removal of a photographer's credit line from an image may be a violation of Section 1202 of the Digital Millennium Copyright Act of 1998, which prohibits the removal of copyright management information from creative works. Vacating an award of summary judgment favoring a radio station that copied an image from a magazine article and posted it on the Internet, the Court says that the plain text of Section 1202, as well as the purpose of the DMCA, supported the photographer's position.

**COPYRIGHTS/DMCA – Case Law – U.S. District Courts**

***Wolk v. Kodak Imaging Network Inc.*, 83 BNA's PTCJ 330**

The U.S. District Court for the Southern District of New York on January 3, 2012 ruled that the safe harbor provisions of the Digital Millennium Copyright Act do not require an online service provider to scour its servers for all infringing versions of an image when a copyright owner gives it notice of a specific instance where a copyrighted work is depicted on the site without permission.

***Dish Network LLC v. Whitehead*, 101 USPQ2d 1198**

The U.S. District Court for the Middle District of Florida on December 13, 2011 ruled that plaintiff satellite television companies are granted summary judgment that defendant violated anticircumvention provisions of Digital Millennium Copyright Act by distributing piracy software for circumvention of plaintiffs' security system and interception of their satellite broadcasts using "free to air" satellite receivers, since trafficking in satellite television decryption devices violates DMCA, since plaintiffs' security system is "access control measure" within meaning of DMCA,

and since piracy software files had no commercially significant purpose other than circumvention of security system.

***Capitol Records Inc. v. MP3tunes LLC*, 82 BNA's PTCJ 559**

The U.S. District Court for the Southern District of New York on August 22, 2011 ruled that an online music locker service must delete from its users' accounts unauthorized copies of works identified in takedown notices sent pursuant to the Digital Millennium Copyright Act. The Court, however, applies the DMCA's safe harbor to other allegedly infringing copies, which the copyright owners had not identified.

**COPYRIGHTS/LICENSING – Case Law – U.S. Court of Appeals**

***Edgenet Inc. v. Home Depot USA Inc.*, 82 BNA's PTCJ 695**

The U.S. Court of Appeals for the Seventh Circuit on September 2, 2011 ruled Home Depot held valid license to use inventory database until it was terminated.

***Apple Inc. v. Psystar Corp.*, 82 BNA's PTCJ 770**

The U.S. Court of Appeals for the Ninth Circuit on September 28, 2011 ruled that Apple's distribution of its Mac OS X software is under a license, rather than as a sale, and the company did not misuse its copyright when it prohibited the installation of licensed software on non-Apple computers.

**COPYRIGHTS/PERSONAL JURISDICTION – Case Law – U.S. Court of Appeals**

***Mavrix Photo Inc. v. Brand Technologies*, 99 USPQ2d 1562**

The U.S. Court of Appeals for the Ninth Circuit on August 8, 2011 ruled that nonresidents named as defendants in infringement action have purposefully directed their activities a forum state of California, since defendants committed "intentional act" by posting allegedly infringing photographs on their website, "expressly aimed" their intentional act at forum state, and have caused harm that they know is likely to be suffered in forum state.

**COPYRIGHTS/STANDING – Case Law – U.S. District Courts**

***Righthaven LLC v. Hoehn; Righthaven LLC v. Democratic Underground LLC.*, 82 BNA's PTCJ 264, 266**

The U.S. District Court for the District of Nevada on June 20, 2011 and June 14, 2011, respectively, twice determines that the copyright litigation firm Righthaven LLC lacked standing to sue for infringement over newspaper articles posted online.

**TRADEMARKS – Case Law – U.S. Court of Appeals**

***Rosetta Stone Ltd. v. Google Inc.*, 83 BNA's PTCJ 861**

The U.S. Court of Appeals for the Fourth Circuit on April 9, 2012 ruled that Google, Inc. may have intended to create confusion by selling trademarks as advertising keywords, based on the record in the AdWords infringement litigation, so a federal trial court should not have granted the search giant's motion for summary judgment.

**TRADEMARKS – Case Law – U.S. District Courts**

***L&A Designs LLC v. Extreme ATVs Inc.*, 84 BNA's PTCJ 67**

The U.S. District Court for the Southern District of New York ruled on July 22, 2010 that an Internet registrar did not induce a hacker's trademark infringement and so was not contributorily liable.

***Groupon LLC v. Groupon Inc.*, 84 BNA's PTCJ 150**

The U.S. District Court for the Northern District of California on May 8, 2012 ruled that Groupon software customers are not likely to be confused by Groupon daily deals.

***Apple Inc. v. Amazon.com Inc.*, 100 USPQ2d 1835**

The U.S. District Court for the Northern District of California on July 6, 2011 ruled that Plaintiff has not established likelihood of success on its claim that defendant's use of "Appstore," to refer to defendant's service offering mobile software applications, infringes plaintiff's "App Store" trademark, even though both parties offer downloads of software applications for mobile devices, and marks are identical in sight, sound, and meaning, since plaintiff has not shown that "App Store" is strong mark, and since applications offered by parties may be similar in use and function, but "apps" offered by defendant can only be used on "android" device's whereas plaintiff's apps are used on "Apple" devices, and thus parties' services are not purchased by same class of consumers.

***Kinbook LLC v. Microsoft Corp.*, 83 BNA's PTCJ 483**

The U.S. District Court for the Eastern District of Pennsylvania on January 25, 2012 ruled that Microsoft's "Kin" and "Kinect" are not likely to create confusion with "Kinbox".

***Mazelmints Inc. v. It's A Wrap LLC*, 101 USPQ2d 1268**

The U.S. District Court for the Eastern District of Virginia on July 20, 2011 ruled that defendants have infringed plaintiff's registered "Engagemints" mark for candy and for metal containers used as novelty gift items, and plaintiff's registered "Announce-

ments" mark for metal containers used as novelty gift items, by using "EngageMints" description to sell personalized metal containers used for novelty gift items, and by offering "Announce-Mints" for sale on defendants' website.

***Carnivale v. Staub Design LLC*, 100 USPQ2d 1778**

The U.S. District Court for the District of Delaware on December 12, 2010 ruled that plaintiff has established that defendants acted with bad faith intent to profit from plaintiff's trademark "The Affordable House" in registering their "theaffordablehouse.com" Internet domain name; defendants' knowing and wholesale inclusion of plaintiff's mark in their domain name, parties' status as competitors in house design business, and similarities between parties' domain names implies that defendants may have sought to divert customers from plaintiff's website.

***Weather Underground Inc. v. Navigation Catalyst Systems Inc.*, 100 USPQ2d 1778**

The U.S. District Court for the Eastern District of Michigan on November 9, 2011 ruled that plaintiff asserting claim for cybersquatting under 15 U.S.C. § 1125(d) cannot prove bad faith intent to profit from registration and use of domain name merely by showing "willful blindness" on defendant's part.

***Ascentive LLC v. Opinion Corp.*, 83 BNA's PTCJ 271**

The U.S. District Court for the Eastern District of New York on December 13, 2011 ruled that host of negative product, company review website has Communication Decency Act (CDA) immunity does not infringe trademarks.

***Groupon LLC v. Groupon Inc.*, 101 USPQ2d 1341**

The U.S. District Court for the Northern District of California on November 28, 2011 ruled that lack of similarity between infringement plaintiff's "Groupon" mark, for business groupware services used to unify functions of businesses dealing with customer information, and defendant's "Groupon" mark for website offering discounted goods and services from variety of merchants, weighs against finding likelihood of confusion, since marks are similarly spelled, but they are presented differently in terms of colors, capitalization, and addition of plaintiff's tag line "Business Groupware and CRM for the Cloud," and since marks suggest different meanings.

***Facebook Inc. v. Various Inc.*, 99 USPQ2d 1300**

The U.S. District Court for the Northern District of California on June 17, 2011 ruled that plaintiff alleging infringement of its

“Facebook” mark by unidentified website operators has failed to demonstrate good cause for taking expedited discovery from named defendants in order to identify as-yet unnamed defendants, and to facilitate plaintiff’s submission of motion for preliminary injunction, since plaintiff can obtain discovery to identify unnamed defendants during normal course of discovery, and has not argued that relevant information may be in danger of destruction, and since nothing has prevented plaintiff from filing motion for preliminary injunction that it could later amend once identities of unnamed defendants are known.

***Maremont v. Susan Fredman Design Group Ltd.,*  
99 USPQ2d 1384**

The U.S. District Court for the Northern District of Illinois on March 15, 2011 ruled that plaintiff professional interior designer has sufficiently alleged Lanham Act claim for false endorsement in action brought against defendant competitors, since plaintiff alleges that she created popular personal following on social networking websites, that her posts to websites relate to her work in commercial context, and that she was engaged in commercial marketing of her skills when defendants wrongfully used her name and likeness by writing posts under her name.

***Jurin v. Google Inc.,* 99 USPQ2d 1367**

The U.S. District Court for the Eastern District of California on February 15, 2011 ruled that a claim for false designation of origin under 15 U.S.C. § 1125(a)(1)(A) does not require defendant to be “direct competitor” of plaintiff; defendant Internet search engine provider’s motion to dismiss false-designation claim, based on defendant’s use of plaintiff’s “Styrotrim” mark as keyword that plaintiffs competitors may bid on to secure “sponsored link” that appears on search results page when uses search for “Styrotrim,” is denied.

***Facebook Inc. v. Teachbook.com LLC,* 82 BNA’s PTCJ 774**

The U.S. District Court for the Northern District of Illinois on September 26, 2011 held that Facebook uses the suffix “book” to refer to its social networking services, and thus use of the same suffix may be trademark infringement.

**TRADEMARKS – Case Law –  
U.S. Patent and Trademark Office**

***Research in Motion Limited v. Defining Presence Marketing  
Group Inc.,* 102 USPQ2d 1187**

The Trademark Trial and Appeal Board on February 27, 2012 ruled that assertion of parody as defense to dilution claim does not place “increased burden” on trademark oppose to

demonstrate that distinctiveness of its famous mark is likely to be impaired by parody; applicants’ alleged parody use of applied-for “CrackBerry” mark does not insulate applicants from opposer’s claim for dilution of its “BlackBerry” marks by blurring, since public itself, not applicants’ adopted and popularized “CrackBerry” as nickname for opposer’s “BlackBerry” wireless handheld communication devices.

***In re TheDot Communications Network LLC,*  
83 BNA’s PTCJ 145**

The Trademark Trial and Appeal Board on November 22, 2011 ruled that the term “.music” is merely descriptive of a broad range of internet services relating to music, and thus the term is not eligible to be registered as a trademark.

***In re ING Direct Bancorp.,* 82 BNA’s PTCJ 860**

The Trademark Trial and Appeal Board on September 27, 2011 held that “Person2Person payment” is a generic term referring to electronic transfers via electronic communications network from one party to another and, consequently, is not entitled to trademark protection.

**TRADEMARKS – Case Law – State Court – Wisconsin**

***Habush v. Cannon,* 83 BNA’s PTCJ 223**

The Wisconsin Circuit Court for Milwaukee County on June 8, 2011 ruled that a law firm’s use of the names of two competing trial attorneys as keywords to trigger online advertising invaded privacy, but was not unreasonable.

**TRADEMARKS/CLASS ACTIONS – Case Law –  
U.S. District Courts**

***FPX LLC v. Google,* 82 BNA’s PTCJ 852**

The U.S. District Court for the Eastern District of Texas on September 29, 2011 ruled the Lanham Act’s initial interest confusion analysis is extremely fact-intensive, so class certification in a lawsuit alleging that Google infringed brands’ marks by selling them to competitors as invisible advertising triggers is inappropriate. Denying a group of plaintiffs’ motion for class certification, the court adopts a magistrate judge’s report in its entirety.

**TRADEMARK/COPYRIGHTS – Case Law –  
U.S. Court of Appeals**

***Louis Vuitton Malletier v. Akanoc Solutions Inc.,*  
82 BNA’s PTCJ 645**

The U.S. Court of Appeals for the Ninth Circuit on September

12, 2011 upholds a jury's finding that a web hosting company and its manager were contributorily liable for permitting their customers to build websites that infringed Louis Vuitton trademarks and copyrights.

**TRADEMARK/CYBERSQUATTING – Case Law – U.S. Court of Appeals**

***GoPets Ltd. v. Hise*, 100 USPQ2d 1292**

The U.S. Court of Appeals for the Ninth Circuit on September 22, 2011 ruled that re-registration of Internet domain name is not "registration" within meaning of 15 U.S.C. § 1125(d)(1), which states in relevant part that it is a violation of Anticybersquatting Consumer Protection Act to register, with bad faith intent to profit, domain name that is identical or confusingly similar to a trademark that is distinctive "at the time of registration" of domain name, since, viewing ACPA in light of traditional property law, "registration" is meant to refer only to initial registration.

**TRADEMARK/CYBERSQUATTING – Case Law – U.S. District Court**

***American University of Antigua College of Medicine v. Woodward*, 83 BNA's PTCJ 226**

The U.S. District Court for the Eastern District of Michigan on December 5, 2011 ruled that gripe site's use of medical school's mark does not violate the ACPA or Lanham Act.

***Petroliam Nasional Berhad v. GoDaddy.com Inc.*, 83 BNA's PTCJ 331**

The U.S. District Court for the Northern District of California on January 3, 2012 ruled that GoDaddy's forwarding of domain name traffic to other websites does not make it liable under Anticybersquatting Consumer Protection Act; plaintiff also failed to prove "bad faith" element of ACPA claim.

**TRADEMARKS/PERSONAL JURISDICTION – Case Law – U.S. District Court**

***Shymatta v. Papillon*, 99 USPQ2d 1854**

The U.S. District Court for the District of Idaho on April 21, 2011 ruled that defendant's operation of "Cell Phone Junkie" website, which reviews cell phones and their accessories and provides related podcasts and free links to retailers of related podcasts and free links to retailers of related products, is insufficient for exercise of specific personal jurisdiction over defendant in Idaho action alleging infringement of plaintiff's "Cell Junkie" mark, since defendant's operation of blog accessible in Idaho does not constitute intentional act expressly aimed at Idaho.

**TRADEMARKS/UNFAIR COMPETITION – Case Law – U.S. District Courts**

***Doctor's Data Inc. v. Barrett*, 83 BNA's PTCJ 187**

The U.S. District Court for the Northern District of Illinois on November 22, 2011 ruled that unfair competition, but not dilution claim, fails because website not a competitor.

**TRADE SECRETS – Case Law – U.S. Court of Appeals**

***United States v. Aleynikov*, 83 BNA's PTCJ 910**

The U.S. Court of Appeals for the Second Circuit on April 11, 2012 ruled that theft of source code to create a competing program does not violate the federal Economic Espionage Act.

**TRADE SECRETS – Case Law – U.S. District Courts**

***United States v Jin*, 83 BNA's PTCJ 531**

The U.S. District Court for the Northern District of Illinois on February 8, 2012 noted that a former Motorola Inc. software engineer who attempted to pass proprietary information to the Chinese military is guilty of trade secret theft.

***Wells Fargo Bank N.A. v. Clark*, 82 BNA's PTCJ 604**

The U.S. District Court for the District of Virginia on August 23, 2011 granted a bank a preliminary injunction against ex-employee fired for misuse of e-mail.

***Agency Solutions.com LLC v. Trizetto Group Inc.*, 82 BNA's PTCJ 702**

The U.S. District Court for the Eastern District of California on September 13, 2011 ruled that insights about software function and workflow shared during partnership are not trade secrets.

***Dracon Wireless Solutions Inc. v. Garmin International Inc.*, 84 BNA's PTCJ 118**

The U.S. District Court for the Western District of Virginia on May 9, 2012 ruled that lack of code "use" defeats trade secrets claim.

***Mentor Worldwide LLC v. Craigo*, 102 USPQ2d 1602**

The U.S. District Court for the District of Colorado on April 26, 2012 denied Plaintiff preliminary injunction in action for trade secret misappropriation against defendant sales representative, who worked for plaintiff under confidentiality agreement but resigned to work for competitor; defendant e-mailed customer lists to her husband while she was still working for plaintiff, but lists have been removed from husband's computer, and there

is little evidence that defendant is using plaintiff's trade secret information in making customer contacts on behalf of her current employer.

**ANTICYBERSQUATTING CONSUMER PROTECTION ACT –  
Case Law - U.S. District Court**

***Fagnelli Plumbing Co. v. Gillece Plumbing and Heating Inc.,  
98 USPQ2d 1997***

The U.S. District Court for the Western District of Pennsylvania on February 15, 2011 ruled that defendants, in registering and using Internet domain name [www.fagnelli.com](http://www.fagnelli.com), acted with bad faith intent to profit from use of plaintiff's "Fagnelli" mark for plumbing, heating, and cooling business in Western Pennsylvania, since defendants have no intellectual property rights in domain name, they have not used name in non-commercial or fair-use manner, and their domain name is variation of plaintiff's official [www.fagnelli-plumbing.com](http://www.fagnelli-plumbing.com) website.

**LANHAM ACT – Case Law - U.S. Court of Appeals**

***Traffic-School.com Inc. v. Edriver Inc., 82 BNA's PTCJ 472***

The U.S. Court of Appeals for the Ninth Circuit on July 28, 2011 ruled that injunction issued in action which defendants were found to have actively fostered false belief among consumers that their "DMV.org" website is official state department of motor vehicles (*i.e.* DMV) website, or is affiliated with or endorsed by state DMV, impermissibility burdens protected speech by requiring defendants to display "splash screen" disclaimer on their website.

**LANHAM ACT – Case Law - U.S. District Court**

***Eppley v. Iacovelli, 99 USPQ2d 1040***

The U.S. District Court for the Southern District of Indiana granted summary judgment on August 17, 2010 to plaintiff plastic surgeon on Lanham Act claim for false designation of origin, asserted against former patient who used Internet to disparage and divert trade from plaintiff, since defendant used plaintiff's name, "Dr. Barry Eppley," throughout her campaign of Internet disparagement, with conscious design of driving Internet traffic away from plaintiff's authorized websites and toward her own sites.

**RIGHT OF PUBLICITY – Case Law -  
U.S. District Court**

***Cohen v. Facebook Inc., 100 USPQ2d 1767***

The U.S. District Court for the Northern District of California on June 28, 2011 ruled plaintiffs have failed to sufficiently

plead injury element of their right of publicity claims in alleging that defendant proprietor of "social networking" Internet site misappropriated plaintiffs' names and "profile pictures" for use in promoting defendant's "Friend Finder" service; plaintiffs must, at minimum, plead mental anguish supported by plausible factual basis, and misappropriation claims are dismissed with leave to amend.

***Fraleigh v. Facebook Inc., 101 USPQ2d 1348***

The U.S. District Court for the Northern District of California on December 16, 2011 ruled that plaintiffs asserting claims under California's Right of Publicity Statute, Cal. Civ. Code § 3344, challenging defendant social networking website's "Sponsored Stories" advertising practice, have pleaded sufficient injury under statute, since plaintiffs allege that they were not compensated for defendant's commercial use of their names and likenesses in targeted advertisements, and since, even if noncelebrities are subject to heightened pleading standard, plaintiffs have alleged with sufficient specificity that they enjoy commercially exploitable opportunities to advertise among their immediate friends and associates.

**FOREIGN CASES/COURTS – Case Law -  
Europe/European Union**

***Interflora Inc. v. Marks & Spencer PLC, 82 BNA's PTCJ 479***

The European Court of Justice on September 22, 2011 ruled that a mark as an AdWord may be infringing, but diversion, comparison won't tip scales.

***Scarlet Extended SA v. Societe belge des auteurs,  
compositeurs et editeurs SCRL, 83 BNA's PTCJ 189***

The European Court of Justice on November 24, 2011 ruled in a file sharing case that IP addresses are personal data and thereby rejects forced ISP monitoring.

***SAS Institute Inc. v. World Programming Ltd.,  
83 BNA's PTCJ 151***

The European Court of Justice on November 24, 2011 ruled that internet service providers cannot be forced to filter illegal downloads.

***SAS Institute Inc. v. World Programming Ltd.,  
83 BNA's PTCJ 151***

The European Union's Legal Advisor on November 29, 2011 ruled that software language "functionalities" are not protected by copyright.

***SAS Institute Inc. v. World Programming Ltd.,  
84 BNA's PTCJ 72***

The European Union High Court (i.e. European Court of Justice) on May 2, 2012 restricts copyright protection for software programming by stating that functionality of the software cannot be protected by copyright.

**FOREIGN CASES/COURTS – Case Law – France**

***eBay Inc. v. LVMH, 84 BNA's PTCJ 118***

A French high court on May 3, 2012 found eBay liable for counterfeit sales.

***YouTube LLC v. Television Francaise S.A., 84 BNA's PTCJ 238***

The Paris First Instance Court on May 29, 2012 found that YouTube prevails against French TV group seeking \$180 million for video uploads.

***eBay International A.G. v. Burberry Ltd., 83 BNA's PTCJ 704***

The Paris Court of Appeals on March 6, 2012 ruled that eBay is liable for the sale of counterfeit luxury goods and fined it 200,000 euros.

**FOREIGN CASES/COURTS – Case Law – United Kingdom**

***Newspaper Licensing Agency Ltd. v. Meltwater Holdings Ltd., 82 BNA's PTCJ 460***

The England and Wales Court of Appeals on July 27, 2011 ruled that a user's act of making an unauthorized copy of a news article that has been flagged by a web news media clipping service is an infringement of the news publisher's copyright. The Court of Appeals on July 28, 2011 ordered the biggest U.K. ISP to block all user access to an infringing website.

***Twentieth Century Fox Film Corp. v. British Telecommunications PLC, 82 BNA's PTCJ 479***

The England and Wales Court of Appeals on July 28, 2011 ordered the biggest U.K. ISP to block all user access to an infringing website. ■



## 2013 Edward F. Langs Writing Award

### Essay Competition Rules

1. Awards will be given to up to three student essays, which in the opinion of the judges make the most significant contribution to the knowledge and understanding of information technology law. Factors to be taken into consideration include: originality; timeliness of the subject; depth of research; accuracy; readability; and the potential for impact on the law.
2. Essay must be original, deemed to be of publishing quality, and must not have been submitted to any other contest within the previous 12 months.
3. Essay must be typed, double spaced, at least ten pages in length, must contain proper citations listed as either endnotes or footnotes, and must have left, right, top, and bottom margins of one inch.
4. Essay must include the submitter's name, email address, mailing address, telephone number, and school attended.
5. A total of \$1,500 in US dollars shall be divided between the award winning essays, and all rights to award winning essays shall become the property of the State Bar of Michigan.
6. The Information Technology Section of the State Bar of Michigan reserves the right to make editorial changes, and to publish award winning essays in the Section's newsletter, the *Michigan IT Lawyer*.
7. Essay must be submitted as a Microsoft Word document, postmarked by June 30, 2013, and emailed to [dsyrowik@brookskushman.com](mailto:dsyrowik@brookskushman.com). ■