

Texas Intellectual Property Law Journal
Spring, 1997

Recent Development

RECENT DEVELOPMENTS IN COPYRIGHT LAW

Mark D. Perdue^a Max Ciccarelli^{aaa} Barry J. Bumgardner^{aaa}

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***406 I. Introduction**

This article reviews selected copyright cases as reported in *The United States Patent Quarterly*, 2nd Series, Volume 40, Number 5 through Volume 41, Number 4. Probably the most significant case reported during the period examined was the Sixth Circuit's decision in *Princeton University Press v. Michigan Document Services*,¹ which is discussed in Section IV.A.1 of this Article. In this en banc decision, the Sixth Circuit found no fair use when a copyshop copied educational material. The cases reviewed in this article, including *Princeton University*, are arranged according to the primary issue addressed by the court in the reported decision.

***407 II. Scope of Protection**

A. Radio Contest

In *CMM Cable Rep, Inc. v. Ocean Coast Properties, Inc.*,² the First Circuit found that CMM's "payroll" radio promotion was not protectable because it was not original and because certain key words and phrases that were central to the "payroll" theme were not copyrightable.³ CMM's radio promotion was based on the general idea of enticing a listener to tune into the radio station by promising that if the listener called in when his or her name was announced, the listener would go "on the payroll" or "on the clock" as the radio station's "employee," earning an "hourly wage."⁴ If the named listener did not call within the time limit, the previous successful caller would stay "on the payroll" and continue to be paid until replaced by a named listener who did call in on time.⁵ CMM refused to license its promotional scheme to WPOR—a radio station in Portland, Maine—out of loyalty to one of WPOR's competitors, another CMM licensee.⁶ WPOR decided to create its own promotional contest based on the same theme.⁷

Both the district and appellate courts divided the materials into two categories: (1) the promotional brochure, and (2) the remaining aspects of the promotion, including the ideas, concepts, methodologies, employment metaphor, and language used in other supporting materials.⁸ The district court allowed the jury to consider the question of whether the brochure infringed CMM's promotion; the jury found no copying of any original elements but granted WPOR's summary judgment motion with respect to the other materials.⁹

In addressing the summary judgment ruling, the First Circuit confirmed that originality, although usually decided by the jury as a question of fact, can be decided by the court as a matter of law:

[S]o long as [the court does] so in accord with the familiar rules governing summary judgment: where there are no genuine issues of material fact as to the originality of the *408 work, such that no reasonable trier-of-fact could find originality, then the movant is entitled to judgment as a matter of law.¹⁰

The court found that CMM's embellishments of the employment metaphor were either insufficient to meet the minimum requirements for originality or were unprotectable elements.¹¹ In finding CMM's employment metaphor unoriginal, the court

relied heavily on the admission of the “creator” of CMM’s payroll contest that “the employment concept originated from another promotional program .”¹² The court further reasoned that even if CMM’s expansion on the scope of the promotion was found to be original, CMM could not enjoy copyright protection because “to do so would be to erroneously extend copyright protection to a method of conducting a radio promotional contest.”¹³

The court also refused to extend protection to the phraseology used by CMM in its contest because it was unoriginal to CMM and it was not protectable expression.¹⁴ Phrases such as “if you’re still ‘on the clock’ at quitting time,” “clock in and make \$50 an hour,” and “call in, clock in, and win,” are inescapably functional in that they communicate the “rules of the game.”¹⁵

B. Passing into the Public Domain

In *Cordon Art B.V. v. Walker*,¹⁶ the court answered the question of whether some of M. C. Escher’s works had entered the public domain. The defendant in the case admitted to copying some of the works in question.¹⁷ Therefore, the only question before the court was whether the works were protected such that the admitted copier would be liable for infringement.¹⁸

The first set of works included original drawings and master blocks.¹⁹ Because these works were created before the 1976 Copyright Act, the 1909 Copyright Act governed.²⁰ The court stated that the original drawings and master blocks had not been published and thereby retained state common law copyright protection under *409 the 1909 Act.²¹ The court concluded that since these works had not passed into the public domain, they were eligible for protection under 17 U.S.C. § 303.²²

The court then addressed whether some derivative works created by Escher from the original drawings and master blocks had entered into the public domain.²³ The defendant had actually copied these derivative works.²⁴ Assuming, arguendo, that the derivative works passed into the public domain, the court stated that these works would be eligible for restoration of protection under 17 U.S.C. § 104A, titled “Copyright in restored works.”²⁵ Section 104A was enacted under the General Agreement on Tariffs and Trade (GATT) to protect works created abroad that would have otherwise entered the public domain in this country for failure to comply with certain formalities of U.S. copyright law.²⁶ The court applied this law to the derivative works and concluded that the works, like the original drawings and master blocks, had not entered into the public domain and were protected.²⁷

C. Originality and Publication Under the 1909 Act

In *National Council on Compensation Insurance, Inc. v. Insurance Data Resources, Inc.*,²⁸ the court, in deciding the defendant’s motion to dismiss, held that under the Supreme Court’s decision in *Feist Publications v. Rural Telephone Service Co.*,²⁹ the job codes and formulas developed by the plaintiff were non-copyrightable subject matter.³⁰ Starting in the 1940s, the plaintiff had worked with the State of Florida as a “rating organization” to gather workers’ compensation “experience” data.³¹ For many years, the plaintiff’s business was the State’s sole designated rating organization.³² The present dispute started when the defendant announced that it was seeking approval to become another rating organization.³³ As part of the *410 approval process, the defendant submitted manuals to the State of Florida containing codes and formulas originally created by the plaintiff and previously approved by the State.³⁴ The plaintiff sued, alleging that the defendant’s conduct constituted copyright infringement.³⁵

In reviewing the plaintiff’s claim, the court found that the codes and formulas developed by the plaintiff did not meet the standards for copyright protection as explained by the Supreme Court in *Feist*.³⁶ In addition, the court noted that, although the plaintiff had registered some of its materials, it had previously published the codes and formulas without any copyright notice.³⁷ Because the publication of this material was governed by the 1909 Copyright Act (which required such copyright notice), the material had entered into the public domain and could not be protected.³⁸

III. Ownership and Term

A. Works for Hire

1. Maps

In *Armento v. Laser Image, Inc.*,³⁹ the plaintiff, an artist proceeding *pro se*, sued the defendants, a graphic design firm and its owner, alleging copyright infringement for an unauthorized reproduction of a map drawn by the plaintiff.⁴⁰ The defendants claimed ownership of the work either as a work made for hire or as a validly transferred copyright.⁴¹

The relationship between the parties was complicated, but can be summarized as follows. In 1987, the parties contracted for the plaintiff to provide the defendants with a series of illustrated maps of Asheville, North Carolina, and agreed that the maps would be the sole property of the defendants.⁴² Editions of the map for 1987, 1988, and 1989 were produced under this agreement.⁴³ In 1990, the parties executed *411 a new agreement under which further versions of the map were created and the plaintiff agreed to give to the defendants the computer files containing the artwork for the map in formats specified by the defendants.⁴⁴ Subsequently, the plaintiff was paid an additional \$1,200 to add to the map created under the 1990 agreement.⁴⁵ The plaintiff then agreed to provide third parties with the map, with the defendants' permission.⁴⁶ All correspondence between the plaintiff, the defendants, and the third parties indicated that the plaintiff was the artist, but that the defendants owned the map artwork.⁴⁷ All contracts specified that the artwork was the sole property of the defendants, and both parties performed all contracts fully.⁴⁸

When a local newspaper published the artwork without copyright notices, the plaintiff wrote to the defendants and expressed his concern, his claim to ownership of the copyright in the works, and his desire to negotiate a new contract with the defendants.⁴⁹ At this point, both parties registered copyrights in the artwork, and the plaintiff ended what remained of the relationship.⁵⁰ The plaintiff then sued for copyright infringement for the map he created for one of the third parties.⁵¹ However, in defense, the defendants claimed that they owned the copyright based on three alternative theories: (1) the artwork was a "commissioned work for hire," (2) the plaintiff transferred the copyright in writing in the agreements between the parties, and (3) the defendants were joint authors of the work.⁵²

Noting that the plaintiff's registration is only *prima facie* evidence of ownership and that the defendants amply rebutted the presumption, the court found both that the artwork was a work for hire and that the copyright was validly transferred in writing to the defendants.⁵³ Considering agency principles, the court found that the plaintiff was an independent contractor rather than an employee, focusing on the plaintiff's considerable skill, work outside the defendants' offices, control over the artwork, and lack of payroll accouterments.⁵⁴ Nevertheless, the court found that the artwork was a specially commissioned collective work *412 according to the written agreement of the parties.⁵⁵ The plaintiff did not contest the status of the artwork as a collective work, and the two contracts between the parties established that the artwork was commissioned.⁵⁶ However, the plaintiff argued that because the contracts did not contain the words "work for hire," they did not meet the requirements of section 101(2) of the Copyright Act.⁵⁷ The court dismissed this argument, noting that the agreements preceded creation of the works.⁵⁸ The court also pointed out that the writing requirement of the "work for hire" doctrine merely serves as a statute of frauds and as a means of preserving clear and marketable title; consequently, the court held that inclusion of the phrase "work for hire" was not required to satisfy the writing requirement.⁵⁹

Despite the plaintiff's argument that the contracts failed to mention copyright specifically and were not concerned with copyright at all, the court found that the language stating that the artwork was the sole property of the defendants and could not be reproduced without their permission served to convey the copyright.⁶⁰ The court also found that the plaintiff, as a *pro se* litigant, demonstrated considerable knowledge of copyright law, and that the dealings of the parties with each other and with third parties supported the interpretation of the contracts as conveying copyright in the artwork.⁶¹ The court also dismissed the plaintiff's breach of contract and unfair trade practices claims, which were based on the defendants' actions with respect to copyright notices and authorship of the work; the court held that the plaintiff had no copyright on which to base the complaint and further held that the omission of authorship was insufficiently offensive to constitute an unfair or deceptive trade practice.⁶² Finally, the court dismissed the plaintiff's trademark and trade dress claims, concluding that the plaintiff never used the trade dress or marks at issue in a trademark sense.⁶³

2. Video by Undercover Reporter/Employee

In *Food Lion, Inc. v. Capital Cities/ABC, Inc.*,⁶⁴ the court refused to find that undercover films made by ABC employees who had been working as Food Lion *413 employees were works for hire belonging to Food Lion.⁶⁵ In dismissing Food Lion's claim, the court cited section 228 of the Restatement (Second) of Agency, stating that "acts which are not the kind a person is employed to do or which are not motivated in part from a desire to serve the employer are outside the scope of employment."⁶⁶

3. Film

In a brief opinion relying on *Community for Creative Non-Violence v. Reid*,⁶⁷ the Eighth Circuit upheld a district court's ruling that the defendant owned the copyright for a movie created by the plaintiff because the movie was a work for hire completed within the scope of the plaintiff's employment.⁶⁸ The plaintiff alleged that he and the defendant had entered into an agreement whereby the plaintiff was supposed to film a movie for the defendant in exchange for 27% of the film's gross revenue, less certain costs.⁶⁹ The plaintiff sued, asserting that the copyright in the film belonged to him because the defendant failed to pay for the final product.⁷⁰ The trial court concluded that the plaintiff was an employee rather than an independent contractor because the defendant paid the plaintiff a weekly salary, was engaged in the business of making movies, retained the right to control production, supplied most of the equipment, and paid the people hired by the plaintiff to work on the movie.⁷¹

B. Works for Hire Under the 1909 Copyright Act

In *National Center for Jewish Film, Inc. v. Goldman*,⁷² the U.S. District Court of Massachusetts applied the 1909 Copyright Act's work for hire provision to songs composed before 1978.⁷³ It found that by hiring and paying the composers to compose the songs for the movie and by funding the composers' trip to Poland to write the songs, the defendant satisfied the "instance and expense" test developed in case law for determining whether a work is a work for hire.⁷⁴ The court held that the *414 film's producer (who paid the composers) was the author of the songs for copyright purposes, and any copyright registrations obtained by the composers were held in trust by them for the producer.⁷⁵

C. Usurpation of Corporate Opportunity.

In *Robinson v. R & R Publishing, Inc.*,⁷⁶ the U.S. District Court for the District of Columbia found that Robinson, a director and vice-president of the defendant corporation, had usurped the corporate opportunity by obtaining a copyright registration in her name for a work that she knew should have belonged to the corporation.⁷⁷ Robinson and other individuals created the corporation for the specific and sole purpose of publishing a medical guide.⁷⁸ As an officer and director, Robinson received compensation in excess of \$48,000 for her work.⁷⁹ She created the work using resources provided by the corporation.⁸⁰ The work was published by the corporation and bore the copyright symbol and the name of the corporation.⁸¹ As the relationship between the founders of the corporation deteriorated, and Robinson was unable to negotiate a mutually agreeable termination, she filed for and obtained a copyright registration for the medical guide.⁸² She obtained the registration in her name and for her own benefit, without the authorization of the corporation.⁸³ Robinson attempted to claim that she was an independent contractor.⁸⁴ However, the court held that regardless of whether she was a contractor or an employee, as a corporate officer and director she owed a fiduciary duty to both the corporation and its stockholders and she should have acted in utmost good faith in managing corporate affairs.⁸⁵ The court also stressed that testimony established that Robinson at all times knew that the work product was to be owned by the corporation and was to be generated for its benefit.⁸⁶ Because Robinson had usurped the corporate opportunity, the court concluded that she held *415 the copyright registration in trust for the corporation, regardless of who authored the work within the meaning of the Copyright Act.⁸⁷

D. Joint Authorship

In *Design Options, Inc. v. BellePointe, Inc.*,⁸⁸ the Southern District Court of New York granted the plaintiff's motion for summary judgment, finding the defendant liable and rejecting the defendant's affirmative defenses of joint authorship and implied license with regard to the copyrighted designs.⁸⁹ Design Options designs and sells knitwear.⁹⁰ Defendant BellePointe is a knitwear wholesaler.⁹¹ For a period of time, Design Options provided design work for BellePointe.⁹² After termination of the relationship, BellePointe copied sixteen sweater styles and arranged for the manufacture of the sweaters allegedly infringing Design Options' copyright registrations.⁹³ Design Options sued, but BellePointe asserted the affirmative defenses of joint ownership and implied license to use the designs based on BellePointe's prior relationship with Design Options.⁹⁴

Applying the Second Circuit's test for joint authorship—which requires proof that each party intended to create a work of joint authorship at the time of creation and that each party independently contributed copyrightable material—the court held that BellePointe was not a joint author.⁹⁵ The court found no evidence of an intention to create a work of joint authorship.⁹⁶ Moreover, the court noted that BellePointe's suggestions of ideas for themes, trims, and colors did not rise to the level of independent copyrightability.⁹⁷

BellePointe also asserted the affirmative defense that it had acquired rights in the copyrights by virtue of its earlier purchase of the sweaters embodying the designs at issue.⁹⁸ The court easily dismissed this claim, citing section 202 of the Copyright Act, which distinguishes physical possession of a copyrighted work from *416 ownership of the copyright itself.⁹⁹ Moreover, the court noted that any such transfer of ownership must be in writing to comply with section 204 of the Copyright Act, and no such writing existed.¹⁰⁰

Finally, the court analyzed BellePointe's defense that it had an implied license to use the copyrights because it had purchased sweaters embodying the designs during the parties' prior relationship.¹⁰¹ The court noted that the affirmative defense was not raised in BellePointe's answer and thus was waived under Rule 8 of the Federal Rules of Civil Procedure.¹⁰² Additionally, noting that an implied license cannot arise from the unilateral actions of one party, the court found that the affirmative defense failed because there was no evidence that both parties intended a license.¹⁰³

E. Royalty Rights Reserved in Assignment of Copyright.

In *Yount v. Acuff-Rose-Opryland*,¹⁰⁴ the Ninth Circuit held that royalty rights reserved in a contract transferring a copyright are a concern of state contract law as opposed to federal law.¹⁰⁵ The authors of a song granted to 4 Star Record Company "the right to secure copyright in the song throughout the entire world, and to have and to hold the said copyright and all rights of whatsoever nature thereunder existing, including any and all renewals of copyrights."¹⁰⁶ In consideration of the assignment, 4 Star agreed to pay royalties to the authors.¹⁰⁷ Later, one of the authors, Yount, assigned his royalty rights under the agreement to Stevenson in a document that read: "I, ROBERT YOUNT, do hereby sell, assign and transfer to W. S. STEVENSON, all of my rights, title and interest in and to the song entitled, 'RELEASE ME.'"¹⁰⁸

Under federal law, an assignment or transfer of the copyright in general terms, which makes no mention of the renewal rights, does not assign the renewal term.¹⁰⁹ Yount tried to claim that this federal common law rule of construction also governed *417 assignment of contractual royalty interests.¹¹⁰ The court disagreed, reasoning that because a royalty interest arises out of the contract itself, the contract governs the rights of the royalty interest holder.¹¹¹ When Yount transferred the underlying copyright, he no longer had a copyright; rather, he had a contractual right to receive royalties.¹¹² Yount's right to receive royalties included both the original term and the renewal term.¹¹³ When he later assigned "all of his rights, title and interest," construction of that assignment became a question of state contract law.¹¹⁴

IV. Infringement

A. Fair Use

1. Commercial Copyshop

In *Princeton University Press v. Michigan Document Services, Inc.*,¹¹⁵ the plaintiff publishers sued a commercial copyshop, Michigan Document Services (MDS), for reproducing, compiling, and selling excerpts of copyrighted works without permission.¹¹⁶ Specifically at issue in *Princeton* were six works, for which the amount of reproduction ranged from between five to thirty percent.¹¹⁷ The extent of the copying was undisputed.¹¹⁸

The defendant, MDS, was unusual in one particular respect: the owner of MDS had launched a crusade against the payment of "permission fees" for the limited reproduction of copyrighted works for scholastic and academic use.¹¹⁹ The owner of MDS had obtained the opinion of counsel regarding the decision of the Southern District Court of New York in *Basic Books, Inc. v. Kinko's Graphics Corp.*,¹²⁰ which held similar copying to be a violation of the Copyright Act in the *418 absence of payment of permission fees.¹²¹ The owner of MDS concluded that *Kinko's* was decided wrongly, and he published and advertised his opinion to this effect.¹²²

The district court below granted summary judgment in favor of the publishers, finding that there was no fair use by MDS.¹²³ A three-judge panel of the Sixth Circuit reversed the district court's judgment and ordered summary judgment for MDS on the issue of fair use.¹²⁴ The Sixth Circuit granted rehearing en banc and vacated the earlier three-judge panel, finding in favor of the publishers.¹²⁵ The opinion of the en banc panel was written by a dissenting judge from the original, three-judge panel.¹²⁶

The majority opinion provoked three dissents, in which a total of five judges joined.¹²⁷

In analyzing the four fair use factors provided under section 107 of the Copyright Act, the Sixth Circuit noted that the fourth statutory factor—the effect of the use upon the potential market for, or value of the copyrighted work—is the most important.¹²⁸ Further, the Sixth Circuit held that the burden of proof with respect to market effect lies with the copyright owner if the challenged use is non-commercial, but rests with the alleged infringer if the challenged use is commercial.¹²⁹

MDS argued that the course packs were used only by students and were thus non-commercial.¹³⁰ The Sixth Circuit disagreed, analogizing MDS's use of the copyrighted material with that in *Harper & Row*, where the fair use claim involved a commercially available magazine.¹³¹ Having found MDS's use to be commercial, *419 the Sixth Circuit applied *Sony* to create a presumption of unfair use, thereby shifting the burden of proof to MDS, the party asserting fair use.¹³²

After shifting the burden of proof to MDS, the Sixth Circuit found that the publishers succeeded in demonstrating an adverse effect on the market for the copyrighted works, noting that the publishers received an annual income of roughly \$500,000 collectively from permission fees paid by copyshops similar to MDS's.¹³³ The court reasoned that if other copyshops followed the lead of the defendants, this revenue stream would dwindle to nothing, and the market for copyrighted works would be adversely affected.¹³⁴

MDS argued that it is circular to base the adverse effect on the market for the copyrighted work upon a decrease in permission fees, since that predicates the fair use inquiry on the copyright holder's entitlement to permission fees, as if the fair use constituted infringement.¹³⁵ The Sixth Circuit dismissed this argument without analysis and instead referred to decisions basing adverse effects on license or permission fees, including a Second Circuit case which rejected a circularity argument "indistinguishable" from that made by MDS.¹³⁶ Furthermore, in support of its argument that the market for the copyrighted works was not adversely affected, MDS presented evidence showing that it had required each professor submitting materials for course packs to execute an affidavit stating that he or she would not have assigned the copyrighted works if, in the alternative, the students would have been required to purchase the works in their entirety.¹³⁷ The Sixth Circuit dismissed the sufficiency of these affidavits because none of them demonstrated that the professors would have refrained from assigning the copyrighted works if permission fees would have been required instead.¹³⁸

Turning to the first statutory fair use factor—namely, the purpose and character of the use—the Sixth Circuit reiterated that the challenged use was commercial in nature.¹³⁹ MDS argued that the copying, if carried out by students or professors, would be considered "non-profit educational."¹⁴⁰ Because MDS could profitably reproduce the excerpts more quickly and inexpensively than students or *420 professors, MDS argued that the purpose and character of its use was likewise non-profit educational.¹⁴¹ The Sixth Circuit noted that the proposition that it would be fair use for students or professors to make their own copies was doubtful, yet, without further analysis, found the argument to be unpersuasive.¹⁴²

As to the second statutory fair use factor, the Sixth Circuit found that the underlying works constituted creative material or expression, further undermining MDS's fair use defense.¹⁴³

Regarding the third statutory factor—amount and substantiality of the use—the court found that the quantities copied, which ranged from five and thirty percent were "not insubstantial."¹⁴⁴ Moreover, the Sixth Circuit found that the professors' selection of the excerpts was convincing evidence of the qualitative value of the material copied, citing *Harper & Row*.¹⁴⁵ Thus, the Sixth Circuit held that MDS failed to carry its burden of proof with respect to this factor.¹⁴⁶

Having found infringement instead of fair use under the four statutory factors of section 107 of the Copyright Act, the Sixth Circuit went on to examine the legislative history of the Copyright Act, particularly the legislative history of the so-called "Classroom Guidelines."¹⁴⁷ The court found that the Classroom Guidelines described the general type of educational copying contemplated by Congress as fair use.¹⁴⁸ The Sixth Circuit concluded that the "systematic and premeditated character," magnitude, content, and motivation of the copying all went well beyond anything envisioned by Congress in the Classroom Guidelines.¹⁴⁹

Finally, the Sixth Circuit analyzed its decision for consistency with the "basic purpose" of the Copyright Act, citing Justice Stewart's statement in *Twentieth Century Music Corp. v. Aiken*¹⁵⁰ that the purpose of the Copyright Act is "to secure a fair return for an 'author's' creative labor and ... to stimulate artistic creativity for *421 the general public good."¹⁵¹ On this issue, MDS presented testimony of numerous academic authors indicating that monetary gain is not their motivation for composing and that they wished to reproduce and disseminate their works freely.¹⁵² However, the Sixth Circuit found the interest of the

authors to be of lesser importance than that of the publishers in maintaining revenues from permission fees, and thereby concluded that the goals of the Copyright Act would be served by the decision in this case.¹⁵³

The majority opinion provoked three dissents. The dissent of Chief Justice Martin pointed to the public benefit provided by copyshops in advancing scholarship and higher education.¹⁵⁴ Moreover, Chief Justice Martin questioned the distinction the majority opinion made regarding the identity of the person operating the photocopier.¹⁵⁵ In Chief Justice Martin's opinion, by focusing on the identity of the person making the reproduction and on the payment of permission fees, the majority opinion will inhibit efficient and cost-effective copying, thereby hindering scholastic progress.¹⁵⁶

Justice Merritt's dissent focused on the plain language of section 107, particularly the language "including multiple copies for classroom use," as being dispositive of the issue.¹⁵⁷ Furthermore, Justice Merritt took issue with the majority's analysis of the fair use factors, noting especially the misplaced reliance on *Harper & Row* in analyzing the effect on market value in the context of permission fees.¹⁵⁸ Finally, Justice Merritt took issue with the breadth of the injunction.¹⁵⁹

Justice Ryan dissented from the majority's analysis of the fair use factors, particularly: (1) its focus on loss of permission fees as an adverse market effect; (2) its finding that permission fees provide an incentive for authors to create or publishers to publish; and (3) its use of legislative history.¹⁶⁰

***422 2. Religious Texts**

The ongoing lawsuit in the Eastern District of Virginia between the Church of Scientology (Church) and several defendants may be drawing to a close.¹⁶¹ In perhaps the last ruling in this suit, the court granted the Religious Technology Center's (RTC's) summary judgment motion for copyright infringement against Arnaldo P. Lerma.¹⁶²

The RTC is an organization that has been enforcing the Church's intellectual property rights.¹⁶³ The RTC sued Lerma after he posted several copyrighted texts of the Church on the Internet.¹⁶⁴ In response to the RTC's summary judgment motion, Lerma presented several defenses that the court addressed. First, Lerma argued that the texts were not copyrightable under the merger doctrine.¹⁶⁵ The texts in question describe processes and methods that, according to L. Ron Hubbard (the Church's founder), "provide a detailed program for warding off ... evil influences through the creation of 'free zones.'"¹⁶⁶ The texts state that the procedures described therein must be followed precisely to be effective.¹⁶⁷ Lerma's argument was that since the procedures in the texts have to be followed exactly to be effective, the ideas contained in the texts cannot be separated from the expressions of those ideas.¹⁶⁸

The court responded to Lerma's argument by identifying the ideas expressed in the texts as guides for spiritual healing.¹⁶⁹ According to the court, these ideas have been expressed in numerous ways throughout the ages, and the Church's texts are but another expression.¹⁷⁰ The court drew an analogy between the texts and a recipe in a cookbook or an auto repair manual, with the recipe and repair manual being copyrightable material that describes a series of steps that must be closely followed to obtain the desired result.¹⁷¹

Lerma then argued that his use of the texts constituted a fair use.¹⁷² Lerma first asked the court to view his actions in "the special context of modern *423 communications on the Internet."¹⁷³ The court dismissed this request, pointing out that the copyright laws have continually adapted to new technologies as they have emerged, and that the factors used by courts in determining fair use are flexible enough to encompass the Internet.¹⁷⁴

The court next rejected Lerma's fair use arguments. The court stated that even though Lerma obtained the texts from California court records, the mere fact that the texts were contained in those records did not diminish their protectability.¹⁷⁵ The court also noted Lerma's verbatim copying of large portions of the texts and his lack of scholarly commentary on the texts.¹⁷⁶ The court concluded by assessing the minimum amount of statutory damages against Lerma, as requested by the RTC.¹⁷⁷

B. Copying

1. Songs

In *Repp v. Webber*,¹⁷⁸ the Southern District Court of New York found that the plaintiff, Andrew Lloyd Webber, failed to prove that one of his songs was copied because the evidence did not justify an inference of access and there was no significant similarity.¹⁷⁹ Andrew Lloyd Webber claimed that Repp's song *Till You* infringed Webber's copyright in the song *Close Every Door* from the musical *Joseph and the Amazing Technicolor Dreamcoat* (hereinafter *Joseph*).¹⁸⁰ Webber based his claim of access primarily on the widespread dissemination of *Close Every Door* during the access period, including the release of two sound recordings, the sale of sheet music, numerous theatrical productions, and radio airplay.¹⁸¹ Webber also pointed to Repp's familiarity with Webber's other works and with the contemporary religious music genre.¹⁸²

However, Repp denied having heard Webber's song *Close Every Door* before writing *Till You*, and the court found no reason to doubt Repp's testimony.¹⁸³ The *424 court relied on several factors in making its determination, one of which was the fact that Repp could not read sheet music.¹⁸⁴ The court also found that *Joseph* and *Close Every Door* had reached the height of their success two years after Repp's writing of *Till You*.¹⁸⁵ Finally, during the radio broadcasts of *Close Every Door* in the United States, Repp was living overseas, and no evidence was presented that Repp was anywhere near the cities where *Close Every Door* was broadcast.¹⁸⁶ Based on these findings, the court found that the weight of the evidence did not support an inference of access.¹⁸⁷

The court then considered the substantial similarity issue and found that the similarities between the two works stemmed from common musical devices.¹⁸⁸ Although both songs used the "door metaphor," Repp had used that metaphor in three other songs, including works created prior to Webber's creation of *Close Every Door*.¹⁸⁹ The court also pointed to differences in the modes of the songs and in the rhythms.¹⁹⁰ The court concluded that Webber failed to prove that Repp copied *Close Every Door*.¹⁹¹

2. Photographs

In *Sharpshooters, Inc. v. Retirement Living Publishing Co.*,¹⁹² the Southern District Court of Florida considered the doctrine of *scenes à faire* with regard to certain photographs, but nevertheless found that the copyrighted and allegedly infringing works were sufficiently similar to deny the defendant's motion for summary judgment.¹⁹³ At issue were two photographs, both featuring a husband serving his wife breakfast in bed.¹⁹⁴ The defendant had reviewed certain photographs that the plaintiff (a stock photography house) had for sale.¹⁹⁵ However, the defendant did not find a photograph that conveyed the mood it desired, so it *425 commissioned its own photograph for use with an article about rekindling romance between older couples.¹⁹⁶

The plaintiff submitted a list of twenty-five similarities shared by the two photographs.¹⁹⁷ The similarities ranged from the obvious, such as the fact that both featured a man serving breakfast to a woman in bed, to the technical, such as the stylization of the cropped image itself.¹⁹⁸ The court noted that while incongruities, such as the depiction of street clothing in an intimate bedroom scene or the serving of a hamburger in a breakfast setting, could possibly give rise to liability, under the doctrine of *scenes à faire*, some similarities inhere naturally in the scene depicted.¹⁹⁹ Nonetheless, the court noted that the menu and presentation were very similar, such as the showing of coffee, a croissant, and a red flower in a crystal bud vase all served on identical wooden trays.²⁰⁰ The court additionally noted the similarity in the positioning and expressions of the couples.²⁰¹ The court concluded that sufficient similarities existed that a trier of fact could find "substantial similarity," and therefore denied the defendant's summary judgment motion.²⁰²

3. Showroom Design

In *Baldine v. Furniture Comfort Corp.*,²⁰³ the plaintiff, at the defendant's request, modified the defendant's existing showroom design and registered it.²⁰⁴ When the defendant failed to pay for the plaintiff's work, litigation ensued.²⁰⁵ The defendant moved for summary judgment, claiming that the ideas incorporated in the showroom design could not be copyrighted and that the plaintiff's design was not original because the elements were already contained in the pre-existing design.²⁰⁶ First, the court found that although the design was a modification of an existing work, the new design met the threshold originality requirement for a derivative work.²⁰⁷ The court stated that the plaintiff did not claim a copyright in the particular *426 elements included in the design, but instead claimed a copyright in the particular arrangement of those elements.²⁰⁸ Thus, although the previous design and the new design contained the same elements, such as tile, the same fabric display, and banners, the new design arrangement was sufficiently distinct to meet the minimal originality threshold.²⁰⁹

In addressing the issue of substantial similarity between the plaintiff's designs and the finished work, the court applied the two-fold test of extrinsic and intrinsic similarity.²¹⁰ In applying the extrinsic test, the court relied heavily on the plaintiff's expert witness, who testified on the many similarities between the copyrighted showroom design and the defendant's showroom design, including the similarities that extended to the arrangement of the various elements of the showroom design, which comprised the protectable subject matter.²¹¹ As to the intrinsic similarity test, the court was unable to conclude that no reasonable jury could find substantial similarity.²¹² Therefore, the court denied the defendant's motion for summary judgment.²¹³

C. Willfulness

The court in *Princeton University Press v. Michigan Document Services, Inc.*²¹⁴ considered Michigan Document Services' (MDS's) liability for willful infringement. The district court awarded \$5,000 per work infringed, calling the award "a strong admonition."²¹⁵ The parties did not dispute whether MDS believed in good faith that its conduct constituted fair use; only the reasonableness of MDS's belief was challenged.²¹⁶ Noting that fair use is among the most unsettled areas of the law and is so conceptually flexible as to defy definition, the Sixth Circuit remanded for reconsideration of the statutory damages awarded.²¹⁷

*427 D. Vicarious Liability

In *United States Media Corp. v. Edde Entertainment, Inc.*,²¹⁸ the Southern District Court of New York granted United States Media's (US Media's) motion for partial summary judgment against the non-retail defendants on the issue of copyright infringement as well as two other causes of action.²¹⁹ US Media alleged that the defendants made unauthorized copies of five films whose copyrights were owned by US Media.²²⁰ Initially, US Media acquired the rights to the films from foreign producers.²²¹ After obtaining these rights, US Media edited the films, which included dubbing the films into English.²²² For four of the five films, US Media registered the edited versions of the films and their soundtracks within five years of their acquisition, namely, within five years of each film's first possible publication in this country.²²³ The fifth film, *Forbidden Passion*, was registered five years and four months after US Media acquired it.²²⁴

The court recognized the validity of four of the five copyrights, stating that a registration certificate obtained within five years of the publication of a work is prima facie evidence of its validity.²²⁵ For the fifth film, which was registered four months after its first possible publication, the court stated that absent evidence to the contrary, its registration was also valid.²²⁶

The court then found that the defendant had access to the films of the plaintiff and that the defendants' films were substantially similar in their protectable elements.²²⁷ The court had little trouble with this aspect of the case, noting that the films were essentially identical except for some changes in the credits.²²⁸

Next, the court decided who was liable for the copyright infringement. Besides the persons identified in 17 U.S.C. § 501(a),²²⁹ the court stated that a person can be *428 vicariously liable for copyright infringement if the person had the ability to control the infringer and had a financial interest in the infringing activities.²³⁰ It is not necessary that the person have knowledge that particular acts are infringing.²³¹ The court found that Edde and several of its employees who were in charge of the acts constituting infringement were jointly and severally liable for copyright infringement.²³²

On the issue of willful infringement, the court refused to grant the plaintiff's summary judgment motion, stating that willfulness is usually a factual issue, not prone to summary judgment.²³³ The court noted that the defendants had conducted a copyright search before copying the films, but this search was unsuccessful because the films had not yet been registered.²³⁴

V. Remedies

A. Statutory Damages

1. Sound Recordings

In *Sony Music Entertainment, Inc. v. Cassette Productions, Inc.*,²³⁵ the New Jersey District Court entered judgment against the defendant in the amount of \$9,100,000, calculated at the maximum statutory damage rate of \$100,000 for each of the ninety-one copyrighted works that were infringed.²³⁶ The defendant had failed to answer or otherwise respond to the complaint.²³⁷ As a result, a default judgment was entered on behalf of the plaintiffs.²³⁸ Afterwards, the plaintiffs moved for a final judgment, which was later entered upon the recommendation of the magistrate judge.²³⁹

*429 Because the defendant defaulted, the court found all of the plaintiffs' allegations in the complaint to be true.²⁴⁰ These allegations included the plaintiffs' assertions that they owned the ninety-one copyrights in question and that the defendant willfully infringed those copyrights.²⁴¹ Because of the finding of willfulness, the court chose to impose the maximum statutory damages for each of the ninety-one copyrights.²⁴² The court also accepted the plaintiffs' affidavit that established their attorney's fees at over \$119,000, and awarded the plaintiffs that amount.²⁴³ As encouraging as this case may seem to plaintiffs, it should be noted that the court, as many courts seem to do, placed considerable weight on the fact that the defendants had defaulted.²⁴⁴

2. Videos

In *Walt Disney Co. v. Video 47, Inc.*,²⁴⁵ the defendant, Video 47, a video rental store, previously was found liable for copyright infringement for renting counterfeit videocassette copies of copyrighted motion pictures.²⁴⁶ Through an investigation carried out by the Motion Picture Association of America, Video 47 was again discovered renting counterfeit tapes.²⁴⁷ Video 47 failed to heed an investigator's warning that it should purchase videocassette tapes from legitimate distributors rather than from individuals selling videocassettes from their cars.²⁴⁸ The district court found Video 47 liable for copyright infringement on the basis of the counterfeit videocassette rentals and held Video 47 in contempt of the court's earlier injunction.²⁴⁹

In its defense, Video 47 presented evidence that it had adopted measures to inspect videocassettes and to prevent their replacement with counterfeits and that it had instituted a new numbering system to avoid rental of counterfeit tapes.²⁵⁰ Nevertheless, the court found this evidence insufficient to meet Video 47's burden of demonstrating its inability to comply with the court's prior order enjoining further *430 infringement.²⁵¹ The court also found that a corporate director, who was also the sole shareholder of Video 47, had both the ability to supervise infringing activity and a financial interest in the activity; thus, she was held personally liable for violation of the court's prior orders.²⁵²

In awarding statutory damages under section 504 of the Copyright Act,²⁵³ the court considered the defendants' profits, the plaintiff's lost revenues, and the defendants' state of mind.²⁵⁴ Based on these factors and on Video 47's repeated violation of the copyright laws, the court awarded \$50,000 per title for each of the sixteen counterfeit videocassette titles rented, for a total of \$800,000 in statutory damages.²⁵⁵ The court also determined that, as a prevailing party, Disney was entitled to attorney's fees and costs under section 505 of the Copyright Act, but reserved ruling on the amount.²⁵⁶

B. Injunctive Relief

1. Commercial Copyshop and Future Works

In *Princeton University Press v. Michigan Document Services*, the court considered, among other things, the propriety of the district court's injunction, which prohibited Michigan Document Services (MDS) from copying any of the publishers' future copyrighted works.²⁵⁷ The Sixth Circuit decided that this injunction did not exceed the powers of the district court and held that "the weight of authority supported the extension of injunctive relief to future works."²⁵⁸

2. Movies and Expired License Agreements

In *Richard Feiner & Co. v. Turner Entertainment Co.*,²⁵⁹ the Second Circuit reversed the district court's ruling that ordered the defendant to recall several thousand copies of movies from its distributors, but the Second Circuit let stand an injunction that prohibited the defendant from making and selling additional *431 copies.²⁶⁰ A renewal error had caused the license between the plaintiff and the defendant to expire.²⁶¹ Without this license, the defendant's sale of the movies became copyright infringement.²⁶²

The court found that Richard Feiner, the sole owner of the plaintiff business, knew of the terms of the license and knew of the defendant's continued actions, which resulted in copyright liability upon expiration of the license.²⁶³ The court found that because the plaintiff knew of the expired license and of the defendant's infringing actions for eighteen months, irreparable harm to the plaintiff was unlikely.²⁶⁴ Therefore, the court reversed the order requiring the defendant to recall several thousand copies of the movies from its distributors.²⁶⁵ However, the Second Circuit affirmed the temporary injunction issued by the district court against future copying.²⁶⁶

C. Sanctions

In *Zuk v. Eastern Pennsylvania Psychiatric Institute*,²⁶⁷ the Third Circuit explained the difference between sanctions under 28 U.S.C. § 1927²⁶⁸ and sanctions under Rule 11 of the Federal Rules of Civil Procedure (hereinafter Rule 11).²⁶⁹ The district court had imposed joint and several liability on the plaintiff and his counsel for sanctions in the amount of \$15,000.²⁷⁰ The district court's order relied on both Rule 11 and 28 U.S.C. § 1927, but did not state how the sanctions were apportioned.²⁷¹

The Third Circuit explained that the principal purpose of imposing sanctions under 28 U.S.C. § 1927 is for "the deterrence of intentional and unnecessary delay in the proceedings."²⁷² It further explained that imposition of attorney's fees under *432 28 U.S.C. § 1927 must be accompanied by a finding of willful bad faith on the part of the offending attorney and must be preceded by specific notice and an opportunity to be heard.²⁷³ Because the district court had made no finding of willful bad faith and because it had failed to give notice and an opportunity to defend, the Third Circuit found that the award of sanctions under 28 U.S.C. § 1927 constituted an abuse of discretion.²⁷⁴

Imposition of sanctions under Rule 11, on the other hand, focuses on whether the investigation into the facts and the law was "reasonable under the circumstances;" willfulness is not required.²⁷⁵ The Third Circuit found that the plaintiff's copyright infringement claim was clearly barred by the statute of limitations, a fact which the plaintiff would have discovered had he conducted a reasonable investigation.²⁷⁶ Therefore, the court noted that there was no error in the district court's imposition of Rule 11 sanctions.²⁷⁷ Nevertheless, the Third Circuit remanded the case because the trial court had failed to identify which portion of the sanctions was attributable to Rule 11 and which portion was attributable to 28 U.S.C. § 1927.²⁷⁸ The Third Circuit instructed the district court to include a more detailed justification of the sum of the sanctions so that an appellate court could better determine whether the award complies with the goals of Rule 11.²⁷⁹

D. Damages for Extraterritorial Copyright Infringement

In *Los Angeles News Service v. Reuters Television International, Ltd.*,²⁸⁰ the court was faced with a summary judgment motion by the defendants, Reuters and Visnews.²⁸¹ The defendants asked the court to rule that they were not liable for extraterritorial copyright infringement and that their fair use of the plaintiff's film footage precluded a finding of domestic infringement.²⁸² The plaintiff possessed various film clips of the L.A. riots, for which NBC had obtained the plaintiff's permission to broadcast.²⁸³ When NBC aired the film clips, they simultaneously transmitted the footage to Visnews, located in New York, pursuant to a news sharing *433 agreement between NBC and Visnews.²⁸⁴ Upon receiving this transmission from NBC, Visnews recorded the transmission on videotape.²⁸⁵ The court concluded that this recording by Visnews violated 17 U.S.C. § 106.²⁸⁶

After recording the NBC transmission, Visnews transmitted the recording to the European Broadcast Union (the Union), also located in New York.²⁸⁷ The court found that this transmission from Visnews constituted contributory infringement because Visnews knew that the Union would have had to record the transmission to use it.²⁸⁸ However, the court found that this transmission was not an additional violation of section 106 since there was insufficient evidence to prove that this transmission was a public performance.²⁸⁹

After the Union received the transmission from Visnews, it transmitted the footage to Reuters in London, where the material was distributed to several other organizations.²⁹⁰ However, the court found that neither Visnews nor Reuters was liable under the Copyright Act for damages arising extraterritorially, even though Visnews clearly infringed the plaintiff's copyright, and Reuters may have also done so.²⁹¹ The court explained that the plaintiff failed to bring forward evidence to link the unauthorized use of its works with the defendants' domestic infringement.²⁹² In the absence of such a link, the plaintiff could not collect actual damages suffered abroad in a U.S. forum.²⁹³

VI. Criminal Violations

In *U.S. v. Brooks*,²⁹⁴ the court explored the legality of making false statements to the Copyright Office in violation of 18 U.S.C. § 1001.²⁹⁵ The defendant, Brooks, was a cable company executive accused of submitting false Statements of Account to the Copyright Office in connection with information provided to the Tribunal *434 under section 801 of the Copyright Act.²⁹⁶ Brooks moved to dismiss the indictment on the ground that section 1001 applies only to false statements made to departments and agencies of the *executive* branch of government,²⁹⁷ citing *Hubbard v. United States*.²⁹⁸ The court agreed with Brooks,²⁹⁹ holding that *Hubbard* overruled *United States v. Bramblett*,³⁰⁰ which had previously held that section 1001 applied to departments under all three branches of government.³⁰¹ The court also noted that all decisions interpreting *Hubbard* refused to allow prosecutions under section 1001 for false statements made to the legislative or judicial branches, including the courts presiding over the trials of John Dean, Dan Rostenkowski, and James Watt.³⁰²

Finally, the court disposed of the government's argument that the Copyright Office was an agency within the meaning of section 1001.³⁰³ The court noted that the Copyright Office is a part of the Library of Congress and is thus a part of Congress and the legislative branch of government.³⁰⁴ The court also distinguished a Fourth Circuit decision³⁰⁵ that held that the Copyright Office acts in the capacity of an executive agency,³⁰⁶ stating that the case had not been cited for this holding and in any event, was not persuasive in the Third Circuit.³⁰⁷ The court found that although the Copyright Office possesses powers usually associated with executive agencies, this was not enough to bring it within section 1001.³⁰⁸ Therefore, the court dismissed the indictments against Brooks.³⁰⁹

*435 VII. Procedure

A. Personal Jurisdiction

1. No Personal Jurisdiction Found

In *McDonough v. Fallon McElligott, Inc.*,³¹⁰ the plaintiff, James McDonough, a well-known sports photographer, sued the defendant, a Minneapolis based advertising agency, for copyright infringement arising out of the defendant's unauthorized reproduction of the plaintiff's photo of professional basketball star Charles Barkley in an advertisement for Nikon cameras.³¹¹ The plaintiff sued in Los Angeles and the defendant moved to dismiss for lack of personal jurisdiction.³¹²

The court found that the defendant advertising agency was incorporated and maintained its headquarters and principal place of business in Minneapolis, had no office or employees in California, and paid no taxes in California.³¹³ However, the plaintiff argued that the defendant had hired independent contractors in California, maintained a web site on the World Wide Web that was accessible in California, and placed advertisements in California publications.³¹⁴ Nevertheless, the defendant had no clients in California and no purchases relating to the cause of action that occurred in California.³¹⁵ Based on these circumstances, the court declined to exercise general jurisdiction, holding that the defendant's contacts with California were insufficiently systematic and continuous.³¹⁶

In analyzing similar contacts under the specific jurisdiction analysis, the court found that the defendant had not purposefully availed itself of the benefits and protections of California law.³¹⁷ The only further contact that the plaintiff alleged in support of specific personal jurisdiction was that the defendant had submitted the infringing advertisement to an advertising contest that held its award ceremony in Los Angeles.³¹⁸ The court dismissed this additional contact because the bulk of the activity regarding the contest was directed at New York.³¹⁹ In so holding, the court *436 distinguished several libel decisions in which the libelous ads were drawn from California sources, concerned California activities, and were directed specifically at California.³²⁰ The court found that the magazine in which the ad appeared was distributed nationwide and was not specifically directed toward California.³²¹

Finally, the court found that the copyright infringement did not arise out of the defendant's few contacts with California and that exercise of personal jurisdiction in California was unreasonable and unfair because of the defendant's lack of presence in California.³²² Thus, the court granted the defendant's motion to dismiss for lack of personal jurisdiction.³²³

2. Personal Jurisdiction Found

In *Classic Weavers, Ltd. v. Couristan, Inc.*,³²⁴ Classic Weavers, a carpet distributor, sued Couristan, another carpet distributor, for infringing Classic's carpet design copyrights.³²⁵ Couristan counterclaimed against Classic's parent company in Thailand, Carpets International Thailand Ltd., for infringement of its carpet design copyrights.³²⁶ Carpets International moved to dismiss the counterclaims against it for lack of personal jurisdiction and improper joinder.³²⁷

The court found that Carpets International, although not physically present in the United States, maintained an exclusive distributor here and placed the infringing carpets into the stream of commerce through Classic Weavers.³²⁸ Thus, the court held that Carpets International had purposefully availed itself of the benefits of doing business in Georgia and could reasonably expect to be haled into court there.³²⁹ Further, the court held that notions of fair play and substantial justice were not offended by the exercise of personal jurisdiction in Georgia.³³⁰

*437 The court also found that Rule 13 of the Federal Rules of Civil Procedure³³¹ does not require leave of court to join a counterclaim defendant and that the joinder of Carpets International would not unnecessarily delay or complicate the case.³³² Therefore, the court denied Carpets International's motion to dismiss on all grounds.³³³

B. Appeal Bonds

In *Adsani v. Miller*,³³⁴ the Southern District Court of New York ordered the plaintiff, whose complaint had been dismissed on a motion for summary judgment, to pay a bond to cover both the costs of appeal and the possible award of attorney's fees associated with the appeal.³³⁵ Rule 7 of the Federal Rules of Appellate Procedure allows for a bond "in such form and amount as the court finds necessary to ensure payment of costs on appeal."³³⁶ Rule 39 of the Federal Rules of Appellate Procedure (hereinafter Rule 39) lists the "costs of appeal," but an award of attorney's fees is not included.³³⁷ Although the Second Circuit allows for an award of attorney's fees associated with an appeal,³³⁸ the question at issue in this case was whether an appellant could be forced to post a bond for those fees in the event they were awarded.³³⁹ The court noted that seven other circuits have held that "costs," as defined by Rule 39, do not include attorney's fees even when the underlying statute does permit such an award, such as is the case with the Copyright Act.³⁴⁰ The court held that although the "costs" provision of Rule 39 does not include attorney's fees, the court nonetheless has the authority to require the appellant to post a bond to cover both costs and attorney's fees from the appeal.³⁴¹ The fact that the appellant had not filed a supersedeas bond and had no assets in the United States may have influenced the court in this case.³⁴²

*438 C. Abuse of Process

In *T.B. Proprietary Corp. v. Sposato Builders Inc.*,³⁴³ the Eastern District Court of Pennsylvania, on a motion for judgment as a matter of law, found that the plaintiff's threats during litigation constituted sufficient evidence to support the jury's verdict on the claims of abuse of process.³⁴⁴ The plaintiff's copyright claim alleged infringement with regard to the architectural plans for a house.³⁴⁵ The court relied primarily on the following facts as supporting the jury verdict: threats during depositions that the defendant would go out of business if it did not settle; requests by the plaintiff that the defendant pay a \$90,000 license fee and still redesign its house designs; and threats by the plaintiff that it would ask the court to order that the defendant modify the houses that it had already built.³⁴⁶ The court noted that even if the plaintiff had succeeded in proving that the defendant had copied the plans, the threatened remedies, such as reconstruction of existing homes, were not among the available remedies.³⁴⁷ Combined with other actions by the plaintiff, these actions suggested that the plaintiff had motives other than protecting its copyrights.³⁴⁸ The court found that there was sufficient evidence on each of the three elements of abuse of process under Pennsylvania law: (1) an "abuse" or "perversion" of process already initiated; (2) with some unlawful or ulterior purpose; and (3) harm to the other party as a result.³⁴⁹

D. Arising Under the Copyright Act

In *Robinson v. Princeton Review, Inc.*,³⁵⁰ the Southern District Court of New York found that a copyright infringement claim was merely incidental to the breach of contract claim,³⁵¹ and thus did not arise under the Copyright Act and was insufficient to give the court federal subject matter jurisdiction.³⁵² The plaintiff, Robinson, had co-authored a series of very successful test preparation books for the SAT, LSAT, GMAT, and other standardized tests.³⁵³ Through contractual arrangements, Robinson acknowledged that the works were made for hire, and he *439 assigned any copyright interests he may have possessed in

exchange for \$200,000.³⁵⁴ Robinson entered into similar agreements for other works for which he hoped to obtain royalties.³⁵⁵ Robinson's complaint alleged four claims, the first of which was infringement of the copyrighted works, and the second of which was breach of contract for failure to pay royalties and for use of the works without permission.³⁵⁶

The court noted that it could find subject matter jurisdiction only if Robinson stated a claim arising under the Copyright Act.³⁵⁷ The court used the three-part test enumerated in *Schoenberg v. Shapolsky Publishers, Inc.*³⁵⁸ for determining when federal jurisdiction exists in a case where copyright infringement is alleged by virtue of a breach of a license agreement.³⁵⁹ The court relied primarily on the failure of the first prong, namely, whether the claim of copyright infringement is only "incidental" to the plaintiff's claim for determination of contractual rights.³⁶⁰ In this case, the plaintiff claimed that his copyrights had been infringed because the defendants had not complied with the contractual obligations of compensation, accreditation, and approval.³⁶¹ Resolution of the contractual obligations would completely resolve the copyright infringement claim.³⁶² Therefore, the court found that the copyright claim was incidental to the contract claim and thereby insufficient to confer federal subject matter jurisdiction.³⁶³

E. Arbitration Clauses

In *Desktop Images, Inc. v. Ames*,³⁶⁴ the court decided not to submit a claim of copyright infringement to arbitration, finding that the license between the two parties did not contemplate copyright infringement.³⁶⁵ The license in question allowed Ames to distribute copies of a computer training video, whose copyright was owned *440 by Desktop.³⁶⁶ The license contained a clause stating that any disputes that arose under the contract would be settled through arbitration.³⁶⁷ The license had been drafted by Desktop, who petitioned the court not to submit the case to arbitration.³⁶⁸ After conducting a factually intensive analysis regarding Desktop's claims and the language of the license, the court concluded that "a reasonable interpretation of the Agreement is that it does not contemplate arbitration of a copyright infringement action because, such action does not arise under the agreement. If there is no agreement to arbitrate such infringement, there is no basis to send the suit to arbitration."³⁶⁹

F. Effective Date of TRIPs³⁷⁰

In *Cordon Art B.V. v. Walker*,³⁷¹ the Southern District Court of California pointed out that the date of restoration for Uruguay Round Agreements Act (URAA) works is January 1, 1996.³⁷² The court had previously incorrectly stated that the date of restoration was January 1, 1995.³⁷³ Section 101(a)(2) of the URAA³⁷⁴ provides that, "in general, copyright will be restored on the date when TRIPs Agreement's obligations take effect for the United States."³⁷⁵ The TRIPs agreement in turn provides that no World Trade Organization (WTO) member "shall be obliged to apply the provisions of the Agreement until one year after the date of entry into force of the WTO Agreement with respect to" that country (January 1, 1995 for the United States).³⁷⁶ Therefore, the date on which the obligations of the TRIPs Agreement will take effect for the United States, and hence the date of restoration of URAA works, is January 1, 1996.³⁷⁷

Footnotes

^a Felsman, Bradley, Gunter & Dillon, L.L.P.

^{aa} Felsman, Bradley, Gunter & Dillon, L.L.P.

^{aaa} Felsman, Bradley, Gunter & Dillon, L.L.P.

¹ 99 F.3d 1381, 40 U.S.P.Q.2d (BNA) 1641 (6th Cir.1996) (en banc).

² 97 F.3d 1504, 41 U.S.P.Q.2d (BNA) 1065 (1st Cir.1996).

3 *Id.* at 1522, 41 U.S.P.Q.2d at 1080.

4 *Id.* at 1508-09, 41 U.S.P.Q.2d at 1068.

5 *Id.* at 1509, 41 U.S.P.Q.2d at 1068.

6 *Id.*, 41 U.S.P.Q.2d at 1069.

7 *Id.* WPOR proceeded with its promotion after its media consultant reported that the “payroll” games were not original to CMM. *Id.*

8 *Id.* at 1511-12, 41 U.S.P.Q.2d at 1070-71.

9 *Id.*

10 *Id.* at 1517, 41 U.S.P.Q.2d at 1075.

11 *Id.* at 1518, 41 U.S.P.Q.2d at 1076.

12 *Id.* at 1516, 41 U.S.P.Q.2d at 1075.

13 *Id.* at 1518-19, 41 U.S.P.Q.2d at 1077 (citing 17 U.S.C. § 102(b) (1994)).

14 *Id.* at 1520, 41 U.S.P.Q.2d at 1078.

15 *Id.*

16 40 U.S.P.Q.2d (BNA) 1506 (S.D. Cal. 1996).

17 *Id.* at 1508.

18 *Id.*

19 *Id.* at 1507.

20 *Id.* at 1509.

21 *Id.*

22 17 U.S.C. § 303 (1994) is titled “Duration of a copyright: Works created but not published or copyrighted before January 1, 1978.”

23 *Cordon Art*, 40 U.S.P.Q.2d at 1510.

24 *Id.*

25 *Id.* at 1511 (citing 17 U.S.C. § 104A(h)(6) (1994)).

26 *Id.* at 1511 (failing to fix proper copyright notice).

27 *Id.* (“Escher’s work would remain copyrighted at least through the end of 2022.”).

28 40 U.S.P.Q.2d (BNA) 1362 (S.D. Fla. 1996).

29 499 U.S. 340, 18 U.S.P.Q.2d (BNA) 1275 (1991).

30 *National Council*, 40 U.S.P.Q.2d at 1366.

31 *Id.* at 1363.

32 *Id.*

33 *Id.* at 1364.

34 *Id.*

35 *Id.*

36 *Id.* at 1365.

37 *Id.* at 1366.

38 *Id.* at 1367.

39 950 F.Supp. 719, 40 U.S.P.Q.2d (BNA) 1874 (W.D.N.C. 1996).

40 *Id.* at 721, 40 U.S.P.Q.2d at 1876.

41 *Id.* at 728, 40 U.S.P.Q.2d at 1881 (citing 17 U.S.C. § 201(b) (1994)).

42 *Id.* at 722, 40 U.S.P.Q.2d at 1876-77.

43 *Id.* at 722-23, 40 U.S.P.Q.2d at 1876-77.

44 *Id.* at 723, 40 U.S.P.Q.2d at 1877.

45 *Id.* at 724, 40 U.S.P.Q.2d at 1878.

46 *Id.*

47 *Id.* at 722-24, 40 U.S.P.Q.2d at 1876-78.

48 *Id.*

49 *Id.* at 724, 40 U.S.P.Q.2d at 1878.

50 *Id.* at 725, 40 U.S.P.Q.2d at 1879.

51 *Id.* at 726, 40 U.S.P.Q.2d at 1880.

52 *Id.* at 728, 40 U.S.P.Q.2d at 1881.

53 *Id.* at 728-29, 40 U.S.P.Q.2d at 1881-82.

54 *Id.*, 40 U.S.P.Q.2d at 1882.

55 *Id.* at 729, 40 U.S.P.Q.2d at 1882-83.

56 *Id.*, 40 U.S.P.Q.2d at 1882.

57 *Id.* at 729-30, 40 U.S.P.Q.2d at 1883 (citing 17 U.S.C. § 101(2) (1994)).

58 *Id.* at 729-30, 40 U.S.P.Q.2d at 1883.

59 *Id.* at 730, 40 U.S.P.Q.2d at 1883.

60 *Id.* at 733, 40 U.S.P.Q.2d at 1886.

61 *Id.*

62 *Id.* at 734-36, 40 U.S.P.Q.2d at 1887-88.

63 *Id.* at 736, 40 U.S.P.Q.2d at 1888-89.

64 946 F.Supp. 420, 40 U.S.P.Q.2d (BNA) 1477 (M.D.N.C. 1996).

65 *Id.* at 421-22, 40 U.S.P.Q.2d at 1478.

66 *Id.* at 422, 40 U.S.P.Q.2d at 1478.

67 490 U.S. 730, 10 U.S.P.Q.2d (BNA) 1985 (1989).

68 *Maness v. Heavrin*, 97 F.3d 1457, 40 U.S.P.Q.2d (BNA) 1541 (8th Cir.1996).

69 *Id.* at 1457, 40 U.S.P.Q.2d at 1542.

70 *Id.*

71 *Id.*

72 943 F.Supp. 113, 41 U.S.P.Q.2d (BNA) 1042 (D.C. Mass. 1996).

73 *Id.* at 116, 41 U.S.P.Q.2d at 1045.

74 *Id.* at 117-18, 41 U.S.P.Q.2d at 1045-46.

75 *Id.* at 119, 41 U.S.P.Q.2d at 1048.

76 943 F.Supp. 18, 41 U.S.P.Q.2d (BNA) 1058 (D.D.C. 1996).

77 *Id.* at 22, 41 U.S.P.Q.2d at 1061-62.

78 *Id.* at 19, 41 U.S.P.Q.2d at 1059-60.

79 *Id.* at 20, 41 U.S.P.Q.2d at 1060.

80 *Id.* at 22, 41 U.S.P.Q.2d at 1061.

81 *Id.*

82 *Id.* at 20, 41 U.S.P.Q.2d at 1060.

83 *Id.*

84 *Id.* at 22, 41 U.S.P.Q.2d at 1062.

85 *Id.* at 21, 41 U.S.P.Q.2d at 1061.

86 *Id.* at 22, 41 U.S.P.Q.2d at 1062.

87 *Id.*

88 940 F.Supp. 86, 40 U.S.P.Q.2d (BNA) 1675 (S.D.N.Y. 1996).

89 *Id.* at 87, 40 U.S.P.Q.2d at 1675.

90 *Id.*

91 *Id.*

92 *Id.* at 88, 40 U.S.P.Q.2d at 1676.

93 *Id.*, 40 U.S.P.Q.2d at 1676-77.

94 *Id.* at 90, 40 U.S.P.Q.2d at 1678.

95 *Id.* (citing *Childress v. Taylor*, 945 F.2d 500, 508-09, 20 U.S.P.Q.2d (BNA) 1191, 1197 (2d Cir.1991)).

96 *Id.*

97 *Id.*

98 *Id.* at 90-91, 40 U.S.P.Q.2d at 1678-79.

99 *Id.* at 91, 40 U.S.P.Q.2d at 1678-79 (citing 17 U.S.C. § 202 (1994)).

100 *Id.*, 40 U.S.P.Q.2d at 1679 (citing 17 U.S.C. § 204 (1994)).

101 *Id.*

102 *Id.*, 40 U.S.P.Q.2d at 1679-80 (citing FED. R. CIV. P. 8).

103 *Id.* at 92, 40 U.S.P.Q.2d at 1680.

104 103 F.3d 830, 41 U.S.P.Q.2d (BNA) 1204 (9th Cir.1996).

105 *Id.* at 834-35, 41 U.S.P.Q.2d at 1208.

106 *Id.* at 832, 41 U.S.P.Q.2d at 1206.

107 *Id.*

108 *Id.*

109 *Id.* at 833, 41 U.S.P.Q.2d at 1207.

110 *Id.* at 833-34, 41 U.S.P.Q.2d at 1207.

111 *Id.* at 834, 41 U.S.P.Q.2d at 1207-08.

112 *Id.* at 835, 41 U.S.P.Q.2d at 1208.

113 *Id.*

114 *Id.*

115 99 F.3d 1381, 40 U.S.P.Q.2d (BNA) 1641 (6th Cir.1996) (en banc).

116 *Id.* at 1383, 40 U.S.P.Q.2d at 1642. The excerpts were bound into “course packs,” which were then sold to students at the University of Michigan. *Id.*

117 *Id.* at 1384-85, 40 U.S.P.Q.2d at 1643.

118 *Id.* at 1385, 40 U.S.P.Q.2d at 1643.

119 *Id.* at 1384, 40 U.S.P.Q.2d at 1643.

120 758 F.Supp. 1522, 18 U.S.P.Q.2d (BNA) 1437 (S.D.N.Y. 1991).

121 *Princeton Univ. Press*, 99 F.3d at 1384, 40 U.S.P.Q.2d at 1653. Here, each of the publishers maintained an internal department for processing requests for permission to reproduce portions of copyrighted works and permission was otherwise available through the Copyright Clearance Center. *Id.*

122 *Id.*

123 855 F.Supp. 905, 32 U.S.P.Q.2d (BNA) 1045 (E.D. Mich. 1994).

124 Princeton Univ. Press v. Michigan Document Servs., Inc., 74 F.3d 1512, 37 U.S.P.Q.2d (BNA) 1673 (6th Cir.1996) (opinion withdrawn from official publication).

125 *Princeton Univ. Press*, 99 F.3d at 1381, 40 U.S.P.Q.2d at 1641.

126 Judge Nelson authored the opinion on rehearing. *Id.* at 1383, 40 U.S.P.Q.2d at 1642.

127 *Id.* at 1393, 40 U.S.P.Q.2d at 1650 (Martin, J., dissenting); *id.* at 1394, 40 U.S.P.Q.2d at 1651 (Merritt, J., dissenting); *id.* at 1397, 40 U.S.P.Q.2d at 1654 (Ryan, J., dissenting). Judges Moore and Daughtrey joined Judge Merritt's dissent. *Id.* at 1383, 40 U.S.P.Q.2d at 1642. Judge Daughtrey also joined Judge Ryan's dissent. *Id.*

128 *Id.* at 1385, 40 U.S.P.Q.2d at 1644 (citing Harper & Row Publishers, Inc. v. Nation Enters., 471 U.S. 539, 225 U.S.P.Q. (BNA) 1073 (1985)).

129 *Id.* at 1385-86, 40 U.S.P.Q.2d at 1644 (citing Sony Corp. v. Universal City Studios, Inc., 464 U.S. 417, 220 U.S.P.Q. 665 (BNA) (1984)).

130 *Id.* at 1386, 40 U.S.P.Q.2d at 1644.

131 *Id.*, 40 U.S.P.Q.2d at 1644-45.

132 *Id.*, 40 U.S.P.Q.2d at 1645.

133 *Id.* at 1387, 40 U.S.P.Q.2d at 1645.

134 *Id.*

135 *Id.*

136 *Id.* at 1387-88, 40 U.S.P.Q.2d at 1645-46 (citing American Geophysical Union v. Texaco, Inc., 60 F.3d 913, 35 U.S.P.Q.2d (BNA) 1513 (2d Cir.1994)).

137 *Id.* at 1388, 40 U.S.P.Q.2d at 1646-47.

138 *Id.*

139 *Id.* at 1388-89, 40 U.S.P.Q.2d at 1647.

140 *Id.* at 1389, 40 U.S.P.Q.2d at 1647.

141 *Id.*

142 *Id.*

143 *Id.*

144 *Id.*, 40 U.S.P.Q.2d at 1648.

145 *Id.* (citing 471 U.S. at 565, 225 U.S.P.Q. at 1083).

146 *Id.* at 1390, 40 U.S.P.Q.2d at 1648.

147 *Id.* The “Classroom Guidelines” refers to The Agreement on Guidelines for Classroom Copying in Not-For-Profit Educational Institutions With Respect to Books and Periodicals, H.R.REP. NO. 94-1476, at 68-71 (1976), *reprinted in* 1976 U.S.C.C.A.N. 5659, 5681-84.

148 *Princeton Univ. Press*, 99 F.3d at 1390, 40 U.S.P.Q.2d at 1648. For example, the guidelines permit multiple copies for use in the classroom if these copies meet a six-factor test. *Id.*

149 *Id.* at 1390, 40 U.S.P.Q.2d at 1648.

150 422 U.S. 151, 186 U.S.P.Q. (BNA) 65 (1975).

151 *Princeton Univ. Press*, 99 F.3d at 1381, 40 U.S.P.Q.2d at 1649 (citing *Twentieth Century*, 422 U.S. at 156, 186 U.S.P.Q. at 67).

152 *Id.* at 1391, 40 U.S.P.Q.2d at 1649.

153 *Id.*

154 *Id.* at 1393, 40 U.S.P.Q.2d at 1651 (Martin, C.J., dissenting).

155 *Id.* (Martin, C.J., dissenting).

156 *Id.* (Martin, C.J., dissenting).

157 *Id.* at 1394-95, 40 U.S.P.Q.2d at 1651-52 (italics omitted) (Merritt, J., dissenting).

158 *Id.* at 1396, 40 U.S.P.Q.2d at 1654 (Merritt, J., dissenting). Justice Merritt noted that the majority opinion sets up “a criterion that assumes that the publishers have the right to collect such fees in all cases where the user copies any portion of published works.” *Id.*

159 *Id.* at 1397, 40 U.S.P.Q.2d at 1654 (Merritt, J., dissenting).

160 *Id.* at 1398, 40 U.S.P.Q.2d at 1655(Ryan, J., dissenting).

161 Religious Tech. Ctr. v. Lerma, 40 U.S.P.Q.2d (BNA) 1569 (E.D. Va. 1996).

162 *Id.* at 1571.

163 *Id.* at 1572.

164 *Id.*

165 *Id.* at 1573.

166 *Id.* at 1572.

167 *Id.* at 1573.

168 *Id.*

169 *Id.*

170 *Id.*

171 *Id.*

172 *Id.* at 1574.

173 *Id.*

174 *Id.*

175 *Id.*

176 *Id.* at 1574-75.

177 *Id.* at 1581.

178 947 F.Supp. 105, 41 U.S.P.Q.2d (BNA) 1274 (S.D.N.Y. 1996).

179 *Id.* at 114-16, 41 U.S.P.Q.2d at 1280-82.

180 *Id.* at 107, 41 U.S.P.Q.2d at 1275.

181 *Id.* at 108-11, 114-15, 41 U.S.P.Q.2d at 1276-78, 1281.

182 *Id.* at 110-12, 114-15, 41 U.S.P.Q.2d at 1278-79, 1281.

183 *Id.* at 114-15, 41 U.S.P.Q.2d at 1281.

184 *Id.* at 110, 115, 41 U.S.P.Q.2d at 1277, 1281.

185 *Id.* at 115, 41 U.S.P.Q.2d at 1281.

186 *Id.* at 109, 115, 41 U.S.P.Q.2d at 1276, 1281.

187 *Id.* at 115, 41 U.S.P.Q.2d at 1281.

188 *Id.* at 116, 41 U.S.P.Q.2d at 1282.

189 *Id.* at 112, 116, 41 U.S.P.Q.2d at 1279, 1282.

190 *Id.* at 112-14, 115-16, 41 U.S.P.Q.2d at 1279-80, 1282.

191 *Id.* at 116, 41 U.S.P.Q.2d at 1282.

192 932 F.Supp. 286, 41 U.S.P.Q.2d (BNA) 1214 (S.D. Fla. 1996).

193 *Id.* at 289-90, 41 U.S.P.Q.2d at 1217.

194 *Id.* at 287, 41 U.S.P.Q.2d at 1215.

195 *Id.*

196 *Id.* at 287-88, 41 U.S.P.Q.2d at 1215.

197 *Id.* at 289, 41 U.S.P.Q.2d at 1217.

198 *Id.*

199 *Id.*

200 *Id.* at 290, 41 U.S.P.Q.2d at 1217.

201 *Id.*

202 *Id.*

203 41 U.S.P.Q.2d (BNA) 1290 (M.D.N.C 1996).

204 *Id.* at 1293.

205 *Id.* at 1291.

206 *Id.* at 1292-93.

207 *Id.* at 1293-94.

208 *Id.* at 1293.

209 *Id.* at 1293-94.

210 *Id.* at 1294 (“[W]orks in question are extrinsically similar because they contain substantially similar ideas ... [while the] intrinsic portion of the test ... [relates to the] substantial similarity in how those ideas are expressed.”).

211 *Id.* at 1295.

212 *Id.* at 1295-96.

213 *Id.* at 1296.

214 99 F.3d 1381, 40 U.S.P.Q.2d (BNA) 1641 (6th Cir.1996) (en banc). This case is also discussed above under the “Infringement-Fair Use” heading (Part IV.A.1)

215 *Id.* at 1392, 40 U.S.P.Q.2d at 1649.

216 *Id.*, 40 U.S.P.Q.2d at 1650.

217 *Id.*

218 40 U.S.P.Q.2d (BNA) 1581 (S.D.N.Y. 1996).

219 *Id.* at 1584 (granting summary judgment on Lanham Act and state unfair competition claims).

220 *Id.* at 1583. The films at issue were titled *Intimo*, *Top Model*, *Forbidden Passion*, *Desire*, and *The Seductress*. *Id.* at 1584 n.3.

221 *Id.* at 1584.

222 *Id.*

223 *Id.* at 1585.

224 *Id.*

225 *Id.* (citing 17 U.S.C. § 410(c) (1994)).

226 *Id.*

227 *Id.* at 1586.

228 *Id.*

229 *Id.* (“[A]nyone who violates any of the exclusive rights of the copyright owner ... is an infringer of the copyright.”) (quoting 17 U.S.C. § 501(a) (1994)).

230 *Id.* at 1587 (citing *Ez-Tixz, Inc. v. Hit-Tix, Inc.*, 919 F.Supp. 728, 732-33 (S.D.N.Y. 1996)).

231 *Id.* (citing *Peer Int’l. Corp. v. Luna Records, Inc.*, 887 F.Supp. 560, 565 (S.D.N.Y. 1995)).

232 *Id.*

233 *Id.* at 1587-88.

234 *Id.* at 1588.

235 41 U.S.P.Q.2d (BNA) 1198 (D.N.J. 1996).

236 *Id.* at 1199, 1204.

237 *Id.* at 1199-1200.

238 *Id.* at 1200.

239 *Id.* at 1199-1200, 1204.

240 *Id.* at 1200.

241 *Id.* at 1200-02.

242 *Id.* at 1203.

243 *Id.* at 1203-04.

244 *Id.* at 1200, 1202-03.

245 40 U.S.P.Q.2d (BNA) 1747 (S.D. Fla. 1996).

246 *Id.* at 1748.

247 *Id.* at 1749.

248 *Id.* at 1750.

249 *Id.* at 1752.

250 *Id.*

251 *Id.* at 1752-53.

252 *Id.* at 1753.

253 17 U.S.C. § 504(c) (1994).

254 *Walt Disney*, 40 U.S.P.Q.2d at 1753.

255 *Id.* at 1754.

256 *Id.*

257 *Princeton Univ. Press v. Michigan Document Servs., Inc.*, 99 F.3d 1381, 1392, 40 U.S.P.Q.2d (BNA) 1641, 1650 (6th Cir.1996) (en banc).

258 *Id.*

259 98 F.3d 33, 40 U.S.P.Q.2d (BNA) 1473 (2d Cir.1996).

260 *Id.* at 35, 40 U.S.P.Q.2d at 1475.

261 *Id.* at 34, 40 U.S.P.Q.2d at 1474.

262 *Id.*

263 *Id.* at 35, 40 U.S.P.Q.2d at 1474.

264 *Id.*, 40 U.S.P.Q.2d at 1474-75.

265 *Id.*, 40 U.S.P.Q.2d at 1475.

266 *Id.*

267 103 F.3d 294, 41 U.S.P.Q.2d (BNA) 1297 (3d Cir1996).

268 *Id.* at 297, 41 U.S.P.Q.2d at 1299 (citing 28 U.S.C. § 1927 (1994)).

269 *Id.* at 299, 41 U.S.P.Q.2d at 1300 (citing FED. R. CIV. P. 11).

270 *Id.* at 297, 41 U.S.P.Q.2d at 1298.

271 *Id.* at 298, 41 U.S.P.Q.2d at 1299-1300.

272 *Id.* at 297, 41 U.S.P.Q.2d at 1299 (quoting *Beatrice Foods v. New England Printing*, 899 F.2d 1171, 1177, 14 U.S.P.Q.2d (BNA) 1020, 1025 (Fed. Cir.1990)).

273 *Id.* at 297-98, 41 U.S.P.Q.2d at 1299.

274 *Id.* at 301, 41 U.S.P.Q.2d at 1302.

275 *Id.* at 299, 41 U.S.P.Q.2d at 1300.

276 *Id.*, 41 U.S.P.Q.2d at 1300-01.

277 *Id.* at 298, 41 U.S.P.Q.2d at 1300.

278 *Id.*

279 *Id.* at 301, 41 U.S.P.Q.2d at 1302.

280 942 F.Supp. 1265, 40 U.S.P.Q.2d (BNA) 1592 (C.D. Cal. 1996).

281 *Id.* at 1266, 40 U.S.P.Q.2d at 1594.

282 *Id.*

283 *Id.* at 1267, 40 U.S.P.Q.2d at 1594.

284 *Id.*

285 *Id.*

286 *Id.* at 1269-70, 40 U.S.P.Q.2d at 1596-97 (citing 17 U.S.C. § 106 (1994)).

287 *Id.* at 1267, 40 U.S.P.Q.2d at 1594-95.

288 *Id.* at 1270, 40 U.S.P.Q.2d at 1597.

289 *Id.* at 1270-71, 40 U.S.P.Q.2d at 1597-98.

290 *Id.* at 1267, 40 U.S.P.Q.2d at 1595.

291 *Id.* at 1268-69, 40 U.S.P.Q.2d at 1596.

292 *Id.* at 1269, 40 U.S.P.Q.2d at 1596.

293 *Id.* However, the court indicated that the plaintiff could seek a remedy for this infringement under applicable foreign law. *Id.*

294 945 F.Supp. 830, 40 U.S.P.Q.2d (BNA) 1948 (E.D. Pa. 1996).

295 *Id.* at 831-33, 40 U.S.P.Q.2d at 1948-50 (citing 18 U.S.C.A. § 1001 (West Supp.1997)).

296 *Id.* at 830-31, 40 U.S.P.Q.2d at 1948 (citing (17 U.S.C. § 801 (1994)).

297 *Id.* at 831, 40 U.S.P.Q.2d at 1949.

298 514 U.S. 695 (1995).

299 *Brooks*, 945 F.Supp. at 834, 40 U.S.P.Q.2d at 1951.

300 348 U.S. 503 (1955).

301 *Id.* at 507-09.

302 *Brooks*, 945 F.Supp. at 832, 40 U.S.P.Q.2d at 1949.

303 *Id.* at 834, 40 U.S.P.Q.2d at 1951.

304 *Id.*

305 *Eltra Corp. v. Ringer*, 579 F.2d 294, 198 U.S.P.Q. (BNA) 321 (4th Cir.1978).

306 *Id.* at 301, 198 U.S.P.Q. at 327.

307 *Brooks*, 945 F.Supp at 833, 40 U.S.P.Q.2d at 1950-51.

308 *Id.* at 833-34, 40 U.S.P.Q.2d at 1951.

309 *Id.* at 834, 40 U.S.P.Q.2d at 1951.

310 40 U.S.P.Q.2d (BNA) 1826 (S.D. Cal. 1996).

311 *Id.* at 1827.

312 *Id.*

313 *Id.* at 1828.

314 *Id.*

315 *Id.* at 1828-29.

316 *Id.* at 1829.

317 *Id.* at 1830.

318 *Id.*

319 *Id.*

320 *Id.* (distinguishing *Calder v. Jones*, 465 U.S. 783 (1984); *Sinatra v. National Enquirer, Inc.*, 854 F.2d 1191 (9th Cir.1988)).

321 *Id.*

322 *Id.* at 1831.

323 *Id.*

324 40 U.S.P.Q.2d (BNA) 1916 (N.D. Ga. 1996).

325 *Id.* at 1917.

326 *Id.* at 1918-19.

327 *Id.* at 1919.

328 *Id.* at 1920-21.

329 *Id.* at 1921.

330 *Id.* at 1921-22.

331 FED. R. CIV. P. 13(h).

332 *Id.* at 1922-23.

333 *Id.* at 1923.

334 41 U.S.P.Q.2d (BNA) 1154 (S.D.N.Y. 1996).

335 *Id.* at 1157.

336 *Id.* at 1156 (quoting FED. R. APP. P. 7).

337 *Id.* (quoting FED. R. APP. P. 39).

338 *Id.* (citing *Twin Peaks Prod., Inc. v. Publications Int'l*, 996 F.2d 1366, 1383, 27 U.S.P.Q.2d (BNA) 1001, 1014 (2d Cir.1993)).

339 *Id.*

340 *Id.*

341 *Id.* at 1156.

342 See *Id.*

343 41 U.S.P.Q.2d (BNA) 1120 (E.D. Pa. 1996).

344 *Id.* at 1122-23.

345 *Id.* at 1121.

346 *Id.* at 1122-23.

347 *Id.* at 1123.

348 *Id.*

349 *Id.* at 1122-23.

350 41 U.S.P.Q.2d (BNA) 1008 (S.D.N.Y. 1996).

351 *Id.* at 1012.

352 *Id.* at 1016.

353 *Id.* at 1010.

354 *Id.*

355 *Id.* at 1011.

356 *Id.*

357 *Id.* at 1012.

358 971 F.2d 926, 931, 23 U.S.P.Q.2d (BNA) 1831, 1835 (2d Cir.1992).

359 41 U.S.P.Q.2d at 1012. The three-part test consists of: “[1] whether the claim of copyright infringement is only incidental to plaintiff’s claim seeking a claim of contractual rights ... [2] whether the claim alleges a breach of a condition ... [and] [3] whether a breach of covenant is alleged.” *Id.*

360 *Id.*

361 *Id.* at 1013.

362 *Id.*

363 *Id.*

364 929 F.Supp. 1339, 40 U.S.P.Q.2d (BNA) 1513 (D.Colo. 1996).

365 *Id.* at 1345, 40 U.S.P.Q.2d at 1518.

366 *Id.* at 1340, 40 U.S.P.Q.2d at 1514.

367 *Id.* at 1342, 40 U.S.P.Q.2d at 1516.

368 *Id.* at 1343, 40 U.S.P.Q.2d at 1517.

369 *Id.* at 1345, 40 U.S.P.Q.2d at 1518.

370 TRIPs refers to the Uruguay Round Agreement on Trade-Related Aspects of Intellectual Property Rights.

371 41 U.S.P.Q.2d (BNA) 1224 (S.D. Cal. 1996).

372 *Id.* at 1224 (citing Proclamation No. 6780, 60 Fed. Reg. 15845 (1995)).

373 40 U.S.P.Q.2d (BNA) 1506, 1511 (S.D. Cal. 1996).

374 19 U.S.C. 3511(a)(2) (1994).

375 41 U.S.P.Q.2d at 1224.

376 *Id.*

377 *Id.*

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