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Recent Development

RECENT DEVELOPMENTS IN COPYRIGHT LAW

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**I. Introduction**

In recent months, trial and appellate courts have decided a number of interesting copyright cases. Several of these decisions addressed relatively novel topics, while others provided guidance concerning the application of established law to unusual

fact patterns. Significant cases from Volumes 35 and 36 of the United States Patent Quarterly, Second Series, are summarized below.

## **\*322 II. Case Reviews**

### **A. Scope of Protection**

#### **1. Copyrightable Subject Matter: The Idea/Expression Dichotomy and the Merger Doctrine**

Four district court cases explored the uncertain boundaries between noncopyrightable ideas and copyrightable expressions from a variety of perspectives.

In *Hart v. Dan Chase Taxidermy Supply Co.*,<sup>1</sup> the district court for the Northern District of New York held that the plaintiff's highly realistic animal mannequins used in the practice of taxidermy comprised copyrightable sculptural works because the mannequins were not merely simplistic depictions of the animals, but rather reflected numerous creative decisions by the sculptor.<sup>2</sup> Alternatively, the court held that even if the mannequins constituted "useful articles,"<sup>3</sup> as defined in Section 101 of the Copyright Act,<sup>4</sup> the pose, attitude, gesture, muscle structure, facial expression, and skin wrinkles of the mannequins were separable artistic parts worthy of copyright protection.<sup>5</sup> The court further concluded that the merger doctrine did not preclude a finding that the works were copyrightable since there are numerous ways to express the "idea" of a complete animal or the upper body and head of an animal.<sup>6</sup>

The application of the merger doctrine to motorcycle parts led to an opposite result for a would-be registrant. In *Custom Chrome, Inc. v. Ringer*,<sup>7</sup> the district court for the District of Columbia upheld the Copyright Office's refusal to issue copyright registrations for plaintiff's twenty-three motorcycle parts. The Copyright Office had concluded that there were no artistic elements that were conceptually separable from \*323 the utilitarian aspects of the parts, and the district court found that to be a reasonable conclusion.<sup>8</sup>

Similarly, in *Sassafras Enterprises, Inc. v. Roshco, Inc.*,<sup>9</sup> the district court for the Northern District of Illinois granted defendant's motion for summary judgment on plaintiff's copyright infringement claim involving written instructional materials pertaining to the use and care of pizza stones.<sup>10</sup> The court ruled that these materials did not constitute copyrightable subject matter because "[c]leaning and other instructions dictate themselves and flow from the characteristics and intended use of the product, not from the imagination of any independent author."<sup>11</sup> Even if the materials had been protectable, the court found that plaintiff failed to prove that the allegedly infringing work was substantially similar to plaintiff's work, noting that "[w]here fact-based works are involved, 'substantial similarity' generally exists only where there has been verbatim or near-verbatim copying. And that is not the case here."<sup>12</sup>

The idea/expression dichotomy formed the heart of a dispute involving a curious type of fashion statement: hats designed to mimic the hide of a cow. In *Beaudin v. Ben & Jerry's Homemade, Inc.*,<sup>13</sup> the district court for the District of Vermont granted the defendant's motion for summary judgment in a copyright infringement action. The plaintiff contended that the defendant's caps depicting the hide of a Holstein cow infringed the plaintiff's own copyrighted "cow hats," and that, while the defendant did not precisely replicate any of the plaintiff's designs, the hats were substantially similar to the plaintiff's hats.<sup>14</sup>

The court held that copyright protection would only extend to plaintiff's particular designs, and not to all "permutations of irregular black spots on white articles of clothing."<sup>15</sup> The court then found that "any reasonable jury properly instructed would find that the defendant's hats represent different manifestations of the same idea, an element of plaintiff's work which is noncopyrightable," and granted the defendant's motion for summary judgment.<sup>16</sup>

#### **\*324 2. Visual Artists Rights Act of 1990 (VARA)**

In a case of first impression, the district court for the Southern District of New York ruled in *Pavia v. 1120 Avenue of the Americas Associates*<sup>17</sup> that the Visual Artists Rights Act of 1990 (VARA)<sup>18</sup> does not bar post-enactment display of eligible works that were mutilated prior to the enactment of the statute.<sup>19</sup> The court noted that the statute addresses the *act* of

mutilation, but does not explicitly refer to the consequences of a mere *display* of a mutilated work.<sup>20</sup> While VARA reflects Congress' intent to accord artists limited "moral rights" associated with their work, the language of the statute also indicates an intent to balance these rights "against the prior expectations of other parties."<sup>21</sup> This concern with "prior expectations" led Congress to exempt acts occurring before VARA's effective date, as Congress "recognize[d] that the law modifies important understandings and responsibilities of the parties, and that it would not be appropriate to apply new standards to conduct occurring before the effective date."<sup>22</sup> The court dismissed the plaintiff's claims under VARA.<sup>23</sup>

## B. Notice and Registration

### 1. Registration as a Prerequisite to Filing Suit

The Fifth Circuit ruled in *Szabo v. Errisson*<sup>24</sup> that copyright registration for a collection of unpublished works functions as a registration for each individual work in the collection, regardless of whether the names of each work are specifically listed in the copyright registration.<sup>25</sup> Describing the question as an "issue of first impression" in the Fifth Circuit,<sup>26</sup> the court reversed the district court's dismissal of an infringement suit filed by a songwriter whose registration for a collection of unpublished songs did \*325 not reference the particular song in question (although the song appeared on the tape deposited with the application).<sup>27</sup>

The district court for the Northern District of California considered a different aspect of the registration requirement in *Ashlar, Inc. v. Structural Dynamics Research Corp.*<sup>28</sup> The defendant filed a counterclaim for copyright infringement several weeks before it filed an application to register the work in question, despite the fact that Section 411(a) of the Copyright Act provides that an infringement action cannot be instituted until a work is registered.<sup>29</sup> The defendant argued that strict application of Section 411(a) would be wasteful since the defendant would simply refile the lawsuit if the court dismissed the present action.<sup>30</sup>

The court recognized that previous courts had split on the issue of whether copyright infringement actions instituted prior to filing for federal registration should invariably be dismissed, and observed that the issue was one of first impression within the Northern District of California and the Ninth Circuit.<sup>31</sup> The court found guidance, however, in the words of Justice Kozinski of the Ninth Circuit (from an opinion addressing the same subject that was written when he was Chief Judge of the Court of Claims): "In this case the language is clear. A suit for copyright infringement is conditioned on obtaining (or being denied) a certificate of registration. Moreover, the requirement does not appear to be an oversight or mistake on the part of Congress."<sup>32</sup> Consequently, the court dismissed the defendant's counterclaim.

## C. Ownership and Term

*Shoptalk, Ltd. v. Concorde-New Horizons Corp.*<sup>33</sup> involved a 1983 license agreement between the owner of the copyright in the 1960 film *Little Shop of Horrors* and the author and composer of a musical play based upon the film. The licensor failed to renew the film copyright, and it expired in 1988.<sup>34</sup> The plaintiffs sued to obtain a declaration that they were not obligated to pay future royalties based upon the 1983 license, since that agreement was premised upon a now defunct copyright.<sup>35</sup> The district court for the Southern District of New York agreed, ruling that, in the absence \*326 of express contractual language to the contrary, the expiration of the film copyright terminated the plaintiffs' duty to continue paying royalties associated with that copyright.<sup>36</sup>

The court also considered the continued viability of a separate license agreement, pursuant to which the plaintiffs were required to pay royalties to the defendant for the use of the underlying screenplay from which the 1960 film was derived.<sup>37</sup> The defendants argued that the screenplay had remained unpublished in 1960 notwithstanding the release of the film, and that the copyright in the screenplay was not subject to the same termination date as the now-expired film copyright.<sup>38</sup> The court agreed, observing that the publication of a derivative work (i.e., the film) "does not vitiate the common law copyrights in the original work."<sup>39</sup> The plaintiffs countered that the film and the screenplay were virtually identical and should therefore be deemed to have been published simultaneously (thus making the screenplay copyright subject to the same expiration date).<sup>40</sup> The court disagreed and observed that "no court has gone so far as to hold that [a screenplay and a film] are, by definition, one work."<sup>41</sup> Since the screenplay copyright would remain in force for several more years, the plaintiff was ordered to continue paying any contractual royalties based upon the screenplay license.<sup>42</sup>

## **D. Infringement**

### **1. Protectability of Telephone Controller Command Codes**

In *Mitel, Inc. v. Iqtel, Inc.*,<sup>43</sup> the district court for the District of Colorado grappled with the copyrightability of command codes used in connection with telephone call controllers.<sup>44</sup> The defendant admitted copying the plaintiff's command codes for use in its controllers, but argued that this copying was necessary in order to \*327 effectively compete with the plaintiff, which had a dominant share of the call controller market.<sup>45</sup> The plaintiff sued to prevent this use.<sup>46</sup>

The court first addressed the defendant's argument that the plaintiff was not entitled to claim copyright protection for the command codes because they appeared in materials that had been published for more than five years without bearing the requisite copyright notice.<sup>47</sup> The court rejected this argument, ruling that under the "unit publication doctrine,"<sup>48</sup> the plaintiff's failure to provide copyright notice on abbreviated manuals and reference cards was not fatal.<sup>49</sup> The court therefore concluded that the copyright in the plaintiff's manual was valid.<sup>50</sup>

The court then considered whether the command codes themselves were protected expression. The court reasoned that the plaintiff's command codes were analogous to the parts numbers at issue in *Toro Company v. R&R Products Co.*<sup>51</sup> [Plaintiff's] command codes serve the same function as the parts numbers in *Toro Company*. The parts numbers in *Toro Company* permitted the competing company to ensure product uniformity to the customer. The command codes here allow [defendant] to ensure functional uniformity to the customer. They are also compatible with the technical requirements of the long-distance carrier. The command codes are simply a procedure, process, system, and method of operation by which the customer can match the call controller functions to the long-distance carriers' technical needs and the end-user's choices. Without the command codes the function would not occur and the result would not be achieved. Consequently, I conclude and hold that the command codes are not protected components of [plaintiff's] copyrighted material.<sup>52</sup>

\*328 The court also employed the "scenes a faire" doctrine<sup>53</sup> to support its conclusion that the command codes were not copyrightable, finding that the defendant was entitled to copy the plaintiff's command codes because the codes had evolved into "a common practice or industry standard in the call controller market."<sup>54</sup> Finally, the court held that, even if the command codes were otherwise copyrightable, the defendant's use of the codes constituted a "fair use" under Section 107 of the Copyright Act<sup>55</sup> because the defendant, in seeking to compete with the plaintiff, "had a 'legitimate non-exploitative purpose' for copying the command codes."<sup>56</sup>

### **2. Copying of Computer Programs by Independent Service Organizations**

Independent service organizations (ISOs) provide maintenance services for their clients' third party computer hardware and software products. These services often compete with the maintenance services offered by the hardware and software vendors. In recent years, the vendors have employed copyright principles to place significant restrictions on the business practices of ISOs. This trend continued with *Triad Systems Corp. v. Southeastern Express Co.*,<sup>57</sup> in which the Ninth Circuit held that the defendant ISO infringed a vendor's copyrights in software programs by copying the vendor's entire programs in the course of providing competing maintenance and support services for customers of the vendor's computer systems.<sup>58</sup> The court relied upon its prior ruling in *MAI Systems Corp. v. Peak Computer, Inc.*<sup>59</sup> that an ISO loading a vendor's software into the random access memory of its client's computer makes a "copy" for purposes of the Copyright Act.<sup>60</sup> In *Triad*, the court concluded that because \*329 the defendant had copied entire software programs, the protected elements of the software were inevitably copied.<sup>61</sup>

Rejecting defendant's fair use defense, the court also held that the copies made by the defendant had "undoubtedly diminished the value" of the vendor's copyright.<sup>62</sup> The court believed that the defendant was getting a "free ride" when using the vendor's software to provide the same maintenance services provided by the vendor.<sup>63</sup> Moreover, the court emphasized that, unlike the fact situation presented in *Sega Enterprises Ltd. v. Accolade, Inc.*,<sup>64</sup> the defendant's service activities were "neither creative nor transformative and [did] not provide the marketplace with new creative works."<sup>65</sup>

### **3. Fair Use**

The Church of Scientology played a leading role in two other cases interpreting the boundaries of the fair use defense. In *Religious Technology Center v. F.A.C.T.NET, Inc.*,<sup>66</sup> the district court for the District of Colorado that an Internet bulletin board operator's distribution of unpublished works authored by the founder of the Church of Scientology was a fair use.<sup>67</sup> Reviewing Section 107's<sup>68</sup> fair use factors, the court found that the distribution was a noncommercial use made in the context of public debate regarding the allegedly harmful impact of certain church practices, and that the evidence did not show that the defendant's use would have an effect on the market for plaintiff's works.<sup>69</sup> The court also determined that it could not assess the "substantiality of the portion used" factor<sup>70</sup> because the plaintiff did not introduce the entirety of the works into evidence.<sup>71</sup> The court concluded that, in general, "the \*330 postings may well be considered as having been made for the purposes of criticism, comment or research falling within the fair use doctrine."<sup>72</sup>

Meanwhile, in *Religious Technology Center v. Lerma*,<sup>73</sup> the district court for the Eastern District of Virginia denied a request by the Church of Scientology for a temporary restraining order (TRO) prohibiting the WASHINGTON POST and its reporters from any future use of excerpts of Church documents obtained from the previously unsealed records of a lawsuit pending before the Central District of California.<sup>74</sup> At the outset, the court balanced "the risk of irreparable harm to the plaintiff if relief is denied" against "the risk of harm to the defendants if relief is granted." The court noted that the plaintiff must sustain a heavy burden in order to be entitled to a remedy which is so highly disfavored, since the TRO sought by the plaintiff would essentially place a prior restraint on the media defendants' expression protected by the First Amendment.<sup>75</sup> Citing the Supreme Court's "Pentagon Papers" case, the court observed that "[i]f a threat to national security was insufficient to warrant a prior restraint in *New York Times Co. v. United States*, the threat to plaintiff's copyrights and trade secrets is woefully inadequate."<sup>76</sup> In view of the low probability of irreparable injury, it then became essential for the plaintiffs to establish a high probability of success on the merits. The court's analysis of the defendants' Section 107 fair use defense led it to conclude that the plaintiff would not be able to satisfy this requirement.<sup>77</sup>

The court found that the purpose of the defendants' use was an integral part of their news reporting activities--a type of activity which is favored from a public policy standpoint and is explicitly referenced in Section 107.<sup>78</sup> With respect to the nature of the original work,<sup>79</sup> the court acknowledged that rulings by other courts reached differing conclusions as to whether the works of Church of Scientology founder L. Ron Hubbard should be characterized as "informational" or as "creative fiction."<sup>80</sup> Ultimately, the court adopted the Second Circuit's view that these writings are factual or informational, and are thus entitled to a relatively narrow scope of protection.<sup>81</sup> \*331 Discussing the third and fourth factors of fair use,<sup>82</sup> the court noted that only a minute portion of the plaintiff's work was actually quoted in an article published in the WASHINGTON POST (despite the fact that a large number of pages were initially copied in the course of the defendants' background research),<sup>83</sup> and that the appearance of these short quotes in a newspaper article could hardly serve as a substitute for obtaining the full texts from the Church.<sup>84</sup> Thus, no damage to the market for the work could be shown. The court concluded that since all of the fair use factors favored the defendants, the plaintiff could not demonstrate the necessary likelihood of success on the merits.<sup>85</sup>

## **E. Remedies and Procedure**

### **1. Attorneys' Fees**

In *Charles Garnier, Paris v. Andin International, Inc.*,<sup>86</sup> the district court for the District of Rhode Island granted the defendants' motion for summary judgment as to the plaintiff's copyright infringement count after finding that the plaintiff had forfeited its copyright in a piece of jewelry by omitting the requisite copyright notice and subsequently failing to make reasonable efforts to rectify the omission pursuant to the cure provisions of Section 405(a) of the Copyright Act.<sup>87</sup> Defendants then moved for an award of attorneys' fees.<sup>88</sup>

The court stated that the Supreme Court's opinion in *Fogerty v. Fantasy, Inc.*<sup>89</sup> was the "guiding beacon lower courts look to for guidance in determining entitlement \*332 to attorneys' fees in copyright infringement suits."<sup>90</sup> It observed, however, that *Fogerty* "does not reveal a clear cut and detailed view of the course to be followed."<sup>91</sup> For additional guidance, the court looked to the factors articulated by the Third Circuit in *Lieb v. Topstone Industries, Inc.*,<sup>92</sup> since these factors had been cited with approval by the Supreme Court in *Fogerty*.<sup>93</sup> Applying the *Lieb* factors, the court denied the defendants' request for attorneys' fees because the plaintiff's copyright infringement claim was (i) not frivolous (as it required the court to engage in careful factual and legal analysis to clarify the application of the cure provision of Section 405(a));<sup>94</sup> (ii) not unreasonable (as it required the court to determine what constituted "discovery" of the omission of copyright notice for purposes of Section

405(a));<sup>95</sup> and (iii) not motivated by bad faith.<sup>96</sup>

In *Creations Unlimited, Inc. v. McCain*,<sup>97</sup> the defendants sought attorneys' fees after the Southern District of Mississippi entered summary judgment in their favor. The defendants argued that they were entitled to receive reimbursement of their attorneys' fees under Section 505 of the Copyright Act<sup>98</sup> and the Fifth Circuit's 1994 opinion in *McGaughey v. Twentieth Century Fox Film Corp.*<sup>99</sup> In particular, the defendants urged the court to consider the Fifth Circuit's comment in *McGaughey* that “[a]lthough \*333 attorney's fees are awarded in the trial court's discretion [in copyright cases], they are the rule rather than the exception and should be awarded routinely.”<sup>100</sup>

The district court concurred with the plaintiff's contention that the Supreme Court's decision in *Fogerty*<sup>101</sup> effectively “softened the Fifth Circuit command”<sup>102</sup> in *McGaughey* that attorneys' fees in copyright cases should be awarded as a matter of course. The court went on to consider the defendants' request for attorneys' fees and costs in light of the four *Lieb* factors<sup>103</sup> and ultimately determined that an award of attorneys' fees and costs was not appropriate.<sup>104</sup>

## 2. Printer Liability for Infringing Copies

The liability of printers was considered by the district court for the Northern District of Illinois in *Respect Inc. v. Fremgen*.<sup>105</sup> The plaintiff argued that three printers should be held jointly and severally liable for all actual damages suffered as a result of the unlawful reproduction, distribution, and sale of copies of the plaintiff's book, even though those printers were not involved in a third party's wrongful distribution of the infringing copies.<sup>106</sup> The printers countered that, since they only infringed the plaintiff's *reproduction* right,<sup>107</sup> they should not be held jointly and severally liable with respect to any actual damages flowing from the third party's infringement of the plaintiff's *distribution* right.<sup>108</sup> Consequently, the printers believed that they should only be liable for disgorgement of their own profits or for statutory damages. The court agreed, stating that the printer's infringement of the reproduction right was distinct and separable from the third party's infringement of the distribution right, and that to hold the printers liable for the acts of their independent customers “would be a socially preposterous and commercially disastrous doctrine.”<sup>109</sup>

## \*334 3. Federal Court Jurisdiction to Enforce Settlement Agreements

*O'Connor v. Colvin*<sup>110</sup> examined the limits of a federal court's authority to enforce settlement agreements. Two parties to a software infringement suit resolved their differences and entered into a settlement agreement, which was then filed with the court along with a stipulation of dismissal.<sup>111</sup> The stipulation stated that it was “based on” the settlement agreement, but it did not recite the terms of that agreement.<sup>112</sup> A dispute then erupted over defendant's alleged noncompliance with the settlement agreement, and the district court ultimately sanctioned the defendant and ordered that he comply with various terms of the agreement.<sup>113</sup>

On appeal, the Ninth Circuit held that the district court did not have jurisdiction to enforce the settlement agreement. The court cited the Supreme Court's ruling in *Kokkonen v. Guardian Life Insurance Co. of America*<sup>114</sup> for the proposition that “federal courts do not have inherent or ancillary jurisdiction to enforce a settlement agreement simply because the subject of that settlement was a federal lawsuit.”<sup>115</sup> Instead, a motion to enforce a settlement agreement is a separate contract dispute requiring its own independent basis for jurisdiction.<sup>116</sup> The plaintiff acknowledged this general rule, but pointed out that the *Kokkonen* decision recognized that federal jurisdiction can exist where the dismissal order incorporates the settlement terms, thereby affording the court ancillary jurisdiction to vindicate its authority.<sup>117</sup> The plaintiff further contended that because the dismissal recited that it was “[b]ased on the Settlement Agreement amongst the parties,” the district court retained jurisdiction.<sup>118</sup> The Ninth Circuit rejected the plaintiff's argument, and held that “an order ‘based on’ the settlement agreement, without more, does not ‘embody the settlement contract,’ and is insufficient to create ancillary jurisdiction.”<sup>119</sup> The court concluded that the settlement terms must be part of the dismissal in order for a violation of the settlement agreement to constitute a violation of the court's order.<sup>120</sup>

## Footnotes

<sup>a1</sup> Arnold, White & Durkee, Austin, Texas.

aa1 Arnold, White & Durkee, Austin, Texas.

1 884 F. Supp. 71, 35 U.S.P.Q.2d (BNA) 1846 (N.D.N.Y. 1995).

2 *Id.* at 75, 35 U.S.P.Q.2d at 1849.

3 The defendants argued that the primary purpose of the mannequins was to serve a “useful” function, i.e., as mounts for the actual animal skins. *Id.* at 77, 35 U.S.P.Q.2d at 1851.

4 17 U.S.C. § 101 (1994).

5 *Hart*, 884 F. Supp. at 77, 35 U.S.P.Q.2d at 1851.

6 *Id.* at 77, 35 U.S.P.Q.2d at 1851. While the court recognized the copyrightability of the plaintiff’s full-body and head and shoulder animal mannequins, the court held that the merger doctrine barred protection of the plaintiff’s small fish mannequins (which lacked heads, fins, gills, and tails). *Id.* at 76-77, 35 U.S.P.Q.2d at 1850-51. Because there are only a few ways in which to express the idea of a realistic fish body in a mannequin, the court found that the expression necessarily merged with the idea. *Id.* at 77, 35 U.S.P.Q.2d at 1851.

7 35 U.S.P.Q.2d (BNA) 1714 (D.D.C. 1995).

8 *Id.* at 1715. Reviewing a case based upon the Administrative Procedure Act, 5 U.S.C. §§ 701-06 (1988), the court observed that it must affirm the refusal of copyright unless it is “arbitrary, capricious, or an abuse of discretion, or otherwise not in accordance with the law.” *Id.* at 1716 (citing 5 U.S.C. § 706(2)(A) (1988)).

9 889 F. Supp. 343, 36 U.S.P.Q.2d (BNA) 1194 (N.D. Ill. 1995).

10 *Id.* at 348, 36 U.S.P.Q.2d at 1198.

11 *Id.* at 347, 36 U.S.P.Q.2d at 1197.

12 *Id.*

13 896 F. Supp. 356, 36 U.S.P.Q.2d (BNA) 1574 (D. Vt. 1995).

14 The parties did not dispute that the actual design of the defendant’s cap was different from the plaintiff’s designs; in addition, although the defendant clearly had access to the plaintiff’s cow hats, it did not directly refer to any of the plaintiff’s caps when designing its own cap. *Id.* at 358, 36 U.S.P.Q.2d at 1575.

15 *Id.*

16 *Id.* at 359, 36 U.S.P.Q.2d at 1575.

<sup>17</sup> 901 F. Supp. 620, 36 U.S.P.Q.2d (BNA) 1622 (S.D.N.Y. 1995).

<sup>18</sup> VARA is codified in Section 106A of the Copyright Act, 17 U.S.C. § 106A (1994), and in various other sections of the Act.

<sup>19</sup> *Pavia*, 901 F. Supp. at 628-29, 36 U.S.P.Q.2d at 1628-29.

<sup>20</sup> *Id.* at 628, 36 U.S.P.Q.2d at 1628.

<sup>21</sup> *Id.* at 629, 36 U.S.P.Q.2d at 1628.

<sup>22</sup> *Id.* (quoting H.R. REP. NO. 514, 101st Cong., 2d Sess. at 23 (1990), reprinted in 1990 U.S.C.C.A.N. 6915, 6933).

<sup>23</sup> *Id.* at 630, 36 U.S.P.Q.2d at 1629. The court refused to dismiss certain of plaintiff's claims under a somewhat analogous New York state law, N.Y. Arts & Cult. Aff. Law Section 14.03, finding that, unlike VARA, the New York statute expressly barred *display* of altered works. The court also concluded that this statute was not preempted by VARA. *Id.* at 627, 36 U.S.P.Q.2d at 1627.

<sup>24</sup> 68 F.3d 940, 36 U.S.P.Q.2d (BNA) 1721 (5th Cir. 1995).

<sup>25</sup> *Id.* at 944, 36 U.S.P.Q.2d at 1724.

<sup>26</sup> *Id.* at 943, 36 U.S.P.Q.2d at 1723.

<sup>27</sup> *Id.* at 944, 36 U.S.P.Q.2d at 1724.

<sup>28</sup> 36 U.S.P.Q.2d (BNA) 1402 (N.D. Cal. 1995).

<sup>29</sup> *Id.* at 1405 (citing 17 U.S.C. § 411(a) (1994)).

<sup>30</sup> *Id.*

<sup>31</sup> *Id.*

<sup>32</sup> *Id.* at 1406 (quoting *International Trade Mgmt., Inc. v. United States*, 553 F. Supp. 402, 402-03 (Cl. Ct. 1982)).

<sup>33</sup> 897 F. Supp. 144, 36 U.S.P.Q.2d (BNA) 1567 (S.D.N.Y. 1995).

<sup>34</sup> *Id.* at 145, 36 U.S.P.Q.2d at 1568.

<sup>35</sup> *Id.*

<sup>36</sup> *Id.* at 146, 36 U.S.P.Q.2d at 1569.

<sup>37</sup> *Id.*

<sup>38</sup> *Id.*

<sup>39</sup> *Id.* (citing *Jim Henson Prods., Inc. v. John T. Brady & Assocs., Inc.*, 867 F. Supp. 175, 186 (S.D.N.Y. 1994)).

<sup>40</sup> *Id.* at 146-47, 36 U.S.P.Q.2d at 1569.

<sup>41</sup> *Id.* at 147, 36 U.S.P.Q.2d at 1569.

<sup>42</sup> *Id.*, 36 U.S.P.Q.2d at 1570.

<sup>43</sup> 896 F. Supp. 1050, 36 U.S.P.Q.2d (BNA) 1703 (D. Colo. 1995).

<sup>44</sup> A call controller is a device which, among other things, permits the end user telephone service customer to receive equal access to long distance service without having to manually dial cumbersome access codes. The command codes at issue were four-digit combinations of numbers and/or letters that specify particular functions of telephone call controllers. *Id.* at 1052, 36 U.S.P.Q.2d at 1704.

<sup>45</sup> At the time defendant introduced its competing call controller, the evidence demonstrated that plaintiff's call controllers represented seventy-five to ninety percent of the relevant market. *Id.* at 1053, 36 U.S.P.Q.2d at 1705.

<sup>46</sup> *Id.* at 1051-52, 36 U.S.P.Q.2d at 1704.

<sup>47</sup> *Id.* at 1054, 36 U.S.P.Q.2d at 1706. The court observed that Section 405 of the Copyright Act requires that "an author of a work must place a notice of copyright on his work within five years of publication in order to claim a copyright." *Id.* (citing 17 U.S.C. § 405 (1994)). Note that the materials in question were published prior to the effective date of the Berne Convention Implementation Action of 1988, which liberalized notice requirements in the United States.

<sup>48</sup> *Id.* According to the court, "[t]he unit publication doctrine provides that copyright notice affixed to one element of a publication containing various elements gives protection to all elements of the publication." *Id.* (citing *Koontz v. Jaffarin*, 787 F.2d 906, 229 U.S.P.Q. (BNA) 381 (4th Cir. 1986)).

<sup>49</sup> Because these supplemental materials referenced the original manual (which displayed a proper copyright notice), the supplemental materials satisfied the unit publication doctrine's requirement that the materials be combined with others to comprise a single publication. *Id.*

<sup>50</sup> *Id.*

<sup>51</sup> *Id.* at 1055, 36 U.S.P.Q.2d at 1706-07. In *Toro Company*, 787 F.2d 1208, 229 U.S.P.Q. (BNA) 282 (8th Cir. 1986), "the plaintiff claimed a copyright to its replacement parts numbering system. Plaintiff alleged that defendant's use of a catalog which indexed various replacement parts by the original manufacturer's part number and name violated this copyright." *Mitel*, 896 F. Supp. at 1055, 36 U.S.P.Q.2d at 1706-07 (citing *Toro Company*, 787 F.2d at 1210, 229 U.S.P.Q. at 283).

<sup>52</sup> *Id.* at 1055, 36 U.S.P.Q.2d at 1707. The court also reached the same conclusion applying the “abstraction-filtration-comparison” test of *Gates Rubber Co. v. Bando Chem. Indus., Ltd.*, 9 F.3d 823, 28 U.S.P.Q.2d (BNA) 1503 (10th Cir. 1993). Application of the abstraction-filtration-comparison test was inappropriate since the test was adopted to determine the scope of protection available for computer programs, and the plaintiff conceded that its command codes were not computer programs. *Mitel*, 896 F. Supp. at 1055, 36 U.S.P.Q.2d at 1706.

<sup>53</sup> The court stated that the “scenes a faire” doctrine required the court to exclude from copyright protection “those elements that have been dictated by external factors. In the area of computer programs these external factors may include: hardware standards and mechanical specifications, software standards and *compatibility requirements*, computer manufacturer design standards, target industry practices and demands, and *computer industry programming practices*.” *Id.* at 1056, 36 U.S.P.Q.2d at 1707 (citations omitted) (emphasis in original).

<sup>54</sup> *Id.*, 36 U.S.P.Q.2d at 1707-08.

<sup>55</sup> 17 U.S.C. § 107 (1994).

<sup>56</sup> *Mitel*, 896 F. Supp. at 1057, 36 U.S.P.Q.2d at 1708 (quoting *Sega Enters. Ltd. v. Accolade, Inc.*, 977 F.2d 1510, 1523, 24 U.S.P.Q.2d (BNA) 1561, 1570 (9th Cir. 1992)).

<sup>57</sup> 64 F.3d 1330, 36 U.S.P.Q.2d (BNA) 1028 (9th Cir. 1995).

<sup>58</sup> *Id.* at 1335-37, 36 U.S.P.Q.2d at 1032-33.

<sup>59</sup> 991 F.2d 511, 26 U.S.P.Q.2d (BNA) 1458 (9th Cir. 1993), *cert. dismissed*, 114 S. Ct. 671, 26 U.S.P.Q.2d (BNA) 1458 (1994).

<sup>60</sup> *Triad*, 64 F.3d at 1335, 36 U.S.P.Q.2d at 1032 (citing *MAI*, 991 F.2d at 519, 26 U.S.P.Q.2d at 1464).

<sup>61</sup> *Id.*

<sup>62</sup> *Id.* at 1337, 36 U.S.P.Q.2d at 1033.

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

<sup>64</sup> 977 F.2d 1510, 24 U.S.P.Q.2d (BNA) 1561 (9th Cir. 1992).

<sup>65</sup> *Triad*, 64 F.3d at 1336, 36 U.S.P.Q.2d at 1033.

<sup>66</sup> 901 F. Supp. 1519, 36 U.S.P.Q.2d (BNA) 1690 (D. Colo. 1995).

<sup>67</sup> *Id.* at 1525-26, 36 U.S.P.Q.2d at 1695.

<sup>68</sup> 17 U.S.C. § 107 (1994).

<sup>69</sup> *F.A.C.T.NET*, 901 F. Supp. at 1525-26, 36 U.S.P.Q.2d at 1695. The court reasoned that since the Church provided intensive counseling and instruction in the implementation of the texts, the mere publication of the texts themselves would not serve as a substitute for the services provided by the Church. *Id.* at 1525, 36 U.S.P.Q.2d at 1695.

<sup>70</sup> 17 U.S.C. § 107(3) (1994).

<sup>71</sup> *F.A.C.T.NET*, 901 F. Supp. at 1525, 36 U.S.P.Q.2d at 1695.

<sup>72</sup> *Id.* at 1526, 36 U.S.P.Q.2d at 1695.

<sup>73</sup> 897 F. Supp. 260, 36 U.S.P.Q.2d (BNA) 1649 (E.D. Va. 1995).

<sup>74</sup> *Id.* at 267, 36 U.S.P.Q.2d at 1654.

<sup>75</sup> *Id.* at 262, 36 U.S.P.Q.2d at 1650-51.

<sup>76</sup> *Id.* at 263, 36 U.S.P.Q.2d at 1651 (citing *New York Times Co. v. United States*, 403 U.S. 713 (1971)).

<sup>77</sup> *Id.* at 266, 36 U.S.P.Q.2d at 1654.

<sup>78</sup> *Id.* at 263-64, 36 U.S.P.Q.2d at 1652 (citing 17 U.S.C. § 107 (1994)).

<sup>79</sup> 17 U.S.C. § 107(2) (1994).

<sup>80</sup> *Lerma*, 897 F. Supp. at 264, 36 U.S.P.Q.2d at 1652.

<sup>81</sup> *Id.* The court also distinguished the equities in this case from those present in *Harper & Row Publishers Inc. v. Nation Enters.*, 471 U.S. 539, 225 U.S.P.Q. (BNA) 1073 (1984), which was another case involving the scope of protection to be afforded to an unpublished factual work.

In the *Harper & Row* decision the defendant timed publication of its article to deprive the planned publication of its full impact. Here, no such motivation exists. Moreover, the Article contained only minimal excerpts from plaintiff's documents and can in no way be said to have deprived the plaintiff of the right of first publication, on which the *Harper & Row* decision is largely based.

*Lerma*, 897 F. Supp. at 264, 36 U.S.P.Q.2d at 1652.

<sup>82</sup> 17 U.S.C. § 107(3)-(4) (1994).

<sup>83</sup> *Lerma*, 897 F. Supp. at 265, 36 U.S.P.Q.2d at 1652.

<sup>84</sup> *Id.*, 36 U.S.P.Q.2d at 1653.

<sup>85</sup> *Id.* at 266, 36 U.S.P.Q.2d at 1654. The plaintiff also asserted that the copy found in the records of the Central District of California had been obtained from the Church by unlawful means. They then argued that a fair use defense should not be available to anyone who copied that copy, citing *Atari Games Corp. v. Nintendo of America, Inc.*, 975 F.2d 832, 843, 24 U.S.P.Q.2d (BNA) 1015, 1025 (Fed. Cir. 1992). The court rejected this argument because, whatever the lineage of the copy in question, the actions of the

present defendants were perfectly legal and within the well-established right of the public to have access to facts in public court records. 897 F. Supp. at 265, 36 U.S.P.Q.2d at 1653.

86 884 F. Supp. 58, 36 U.S.P.Q.2d (BNA) 1485 (D.R.I. 1995).

87 *Id.* at 59, 62, 36 U.S.P.Q.2d at 1486, 1488 (citing 17 U.S.C. § 405(a) (1994)).

88 *Id.* at 59, 36 U.S.P.Q.2d at 1485.

89 114 S. Ct. 1023, 29 U.S.P.Q.2d (BNA) 1881 (1994).

90 *Charles Garnier*, 884 F. Supp. at 63, 36 U.S.P.Q.2d at 1489.

91 *Id.*

92 788 F.2d 151, 229 U.S.P.Q. (BNA) 426 (3d Cir. 1986).

93 *Charles Garnier*, 884 F. Supp. at 59-60, 36 U.S.P.Q.2d at 1486. The *Lieb* factors include “frivolousness, motivation, objective unreasonableness (both in the factual and in the legal components of the case), and the need in particular circumstances to advance considerations of compensation and deterrence.” *Id.* (quoting *Lieb*, 788 F.2d at 156, 229 U.S.P.Q. at 429). The Supreme Court approved the application of the *Lieb* factors “so long as [they] are faithful to the purposes of the Copyright Act and are applied to prevailing plaintiffs and defendants in an evenhanded manner.” *Fogerty*, 114 S. Ct. at 1033 n.19, 29 U.S.P.Q. at 1888-89 n.19.

94 *Charles Garnier*, 884 F. Supp. at 61, 36 U.S.P.Q.2d at 1488.

95 *Id.* The court also noted that the plaintiff had taken “a reasonable stand on an unsettled principle of law.” *Id.* at 62, 36 U.S.P.Q.2d at 1489.

96 *Id.* at 63, 36 U.S.P.Q.2d at 1489. The court considered the fourth *Lieb* factor--the need to advance consideration of compensation and deterrence--to be irrelevant since it had already concluded that the defendants were not entitled to attorneys’ fees. However, the court went on to state that if it *had* found the defendants to be entitled to attorneys’ fees, “the recovery would not be denied because of [a defendant’s] wealth, more especially so in light of [plaintiff’s] obvious resources.” *Id.*

97 889 F. Supp. 952, 36 U.S.P.Q.2d (BNA) 1670 (S.D. Miss. 1995).

98 Section 505 of the Copyright Act provides:

In any civil action under this Title, the court in its discretion may allow the recovery of full costs by or against any party other than the United States or officer thereof. Except as otherwise provided by this Title, the court may also award a reasonable attorney’s fee to the prevailing party as part of the costs.  
17 U.S.C. § 505 (1994).

99 *Creations Unlimited*, 889 F. Supp. at 952-53, 36 U.S.P.Q.2d at 1671 (citing *McGaughey*, 12 F.3d 62, 29 U.S.P.Q.2d (BNA) 1552 (5th Cir. 1994)).

100 *Id.* at 952, 36 U.S.P.Q.2d at 1671 (quoting *McGaughey*, 12 F.3d at 65, 29 U.S.P.Q.2d at 1555 (5th Cir. 1994)).

<sup>101</sup> 114 S. Ct. 1023, 29 U.S.P.Q.2d (BNA) 1881 (1994).

<sup>102</sup> *Creations Unlimited*, 889 F. Supp. at 954, 36 U.S.P.Q.2d at 1672.

<sup>103</sup> *See supra* note 92.

<sup>104</sup> *Creations Unlimited*, 889 F. Supp. at 955, 36 U.S.P.Q.2d at 1672.

<sup>105</sup> 897 F. Supp. 361, 36 U.S.P.Q.2d (BNA) 1278 (N.D. Ill. 1995).

<sup>106</sup> The evidence showed that the acts of improper distribution were committed by a third party that had ordered the books from the printers (plaintiff had sued and settled with this third party). *Id.* at 363, 36 U.S.P.Q.2d at 1279. The court noted that “the Printer Defendants did not participate in the [third party] Committee’s infringement. They had no connection with and had no control over the [third party] Committee’s distribution of the Textbooks, and it is this infringement for which plaintiff attempts to hold them liable.” *Id.* at 363, 36 U.S.P.Q.2d at 1280.

<sup>107</sup> The reproduction right is set forth in 17 U.S.C. § 106(1) (1994).

<sup>108</sup> The distribution right is set forth in 17 U.S.C. § 106(3) (1994).

<sup>109</sup> *Respect*, 897 F. Supp. at 363, 36 U.S.P.Q.2d at 1280 (citing *Maloney v. Stone*, 171 F. Supp. 29, 32, 121 U.S.P.Q. (BNA) 257, 259 (D. Mass. 1959)).

<sup>110</sup> 70 F.3d 530, 36 U.S.P.Q.2d (BNA) 1730 (9th Cir. 1995).

<sup>111</sup> *Id.* at 531, 36 U.S.P.Q.2d at 1731.

<sup>112</sup> *Id.* at 532, 36 U.S.P.Q.2d at 1731.

<sup>113</sup> *Id.* at 531, 36 U.S.P.Q.2d at 1731.

<sup>114</sup> 114 S. Ct. 1673 (1994).

<sup>115</sup> *O’Connor*, 70 F.3d at 532, 36 U.S.P.Q.2d at 1731 (citing *Kokkonen*, 114 S. Ct. at 1676-77).

<sup>116</sup> *Id.*

<sup>117</sup> *Id.* (citing *Kokkonen*, 114 S. Ct. at 1676).

<sup>118</sup> *Id.*

<sup>119</sup> *Id.*, 36 U.S.P.Q.2d at 1731-32 (citing *Kokkonen*, 114 S. Ct. at 1677).

<sup>120</sup> *Id.*, 36 U.S.P.Q.2d at 1732. The Ninth Circuit went on to hold that “the facts that the settlement agreement was filed with the court and that the court supervised the settlement negotiations [do not] create jurisdiction.” Similarly, “even a district court’s expressed intention to retain jurisdiction is insufficient to confer jurisdiction if that intention is not expressed in the order of dismissal.” *Id.*