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Recent Development

RECENT DEVELOPMENTS IN COPYRIGHT LAW

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Table of Contents

I. Case Law Developments	446
A. Procedural Issues	446
1. Preemption of Certain State Law Claims	446
2. Pleading Requirements for Copyright Claims	446
3. Personal Jurisdiction Arising from Internet Web Site Use	448
4. Registration of Derivative Work May Support Suit as to Pre-existing Work	450
B. Substantive Issues	450
1. Standards of Copyrightability and Originality	450
2. Copyrightability May Be Determined by the Court Independently from Findings of the Copyright Office	453
3. Plaintiff's Own Request for Copies of its Articles Does Not Make Defendant's Copying Authorized	454
4. News Clipping Agency Violated Copyrights of Newspaper Sources	455
5. Recovery of Costs and Attorney's Fees	457
C. Audio Home Recording Act of 1992 and "MP3" Technology	459
II. Conclusion	461

This article discusses some of the recent copyright-related decisions that are published in volumes 48 and 49 of the United States Patent Quarterly, Second Edition (U.S.P.Q.2d).

***446 I. Case Law Developments**

A. Procedural Issues

1. Preemption of Certain State Law Claims

In *Fairway Constructors Inc. v. Ahern*,¹ the Arizona Court of Appeals reiterated that “misappropriation” claims are preempted by the federal copyright laws, whereas a valid “passing off” claim is not. In *Ahern*, the defendant was sued for unfair competition based upon use of a home design that was copyrighted by Ludwig Engineering and licensed to Fairway.² Defendant moved to dismiss on grounds that the action arose under the Copyright Act.³ Fairway sought leave to amend its complaint, which claimed damages through defendant’s “wrongful misappropriation of intellectual property, copyright infringement, improper passing off and/or imitation by Defendants of Plaintiffs’ design.”⁴

The doctrine of unfair competition, which is based on principles of equity, encompasses several tort theories, including trademark infringement, false advertising, “palming off” and misappropriation.⁵ An unfair competition claim is generally preempted unless the claim alleges elements that make it “qualitatively different” from a copyright infringement claim.⁶ Although the plaintiff in *Ahern* sought leave to amend the complaint, the gist of the original and amended complaints was that plaintiff was damaged by the misappropriation of the Ludwig design.⁷ As a result, the action was properly dismissed.

2. Pleading Requirements for Copyright Claims

In *DiMaggio v. International Sports Ltd.*,⁸ the court reaffirmed that although Fed.R.Civ.P. 8(a)(2) requires only a short and plain statement of the claim, this rule is generally not applied to copyright infringement actions. The plaintiff was a *447 freelance photographer who alleged that his copyrighted photographs were impermissibly reproduced and published by *Boxing Illustrated*.⁹ In addition to the copyright claims, plaintiff alleged various state law claims, including breach of contract, conversion and for equitable relief.¹⁰

The court stated the basic rules for establishing a claim for copyright infringement, namely (1) that the plaintiff owns a valid copyright, and (2) that the infringer copied certain protectible elements of the copyrighted work without authorization.¹¹ The court then noted that a complaint for copyright infringement must include allegations showing: (1) identification of the specific original works that are the subject of the copyright claim; (2) that plaintiff owns the copyrights in and to these works; (3) that the copyrights are registered in compliance with the statute; and (4) by which acts and during what time defendant has infringed the copyright.¹²

The court determined that the plaintiff failed to meet the requirements of specificity in pleading a copyright cause of action. Although plaintiff alleged that he created the photographic image “The Scream” and the multiple images entitled “Mike Tyson in Ring,” and that he secured the copyright to those images, the court nonetheless found that plaintiff failed to specify which original works are the subject of the copyright claim.¹³ Of more serious concern to the court was the failure to meet the statutory compliance requirements. Plaintiff claimed that he owned the copyrights in the images, but the court found that he failed to allege with sufficient clarity that the copyrights to those images were registered pursuant to statutory requirements.¹⁴ Plaintiff amended the complaint and stated that he obtained a certificate of registration for works entitled “The Life and Times of Joe DiMaggio” (presumably for a collective work).¹⁵ The court stated, however, that no photographs were attached to the certificate and there was no indication that the certificate covers the works at issue.¹⁶ Accordingly, and demonstrating the absolute necessity of pleading a copyright claim with specificity, despite the meaning of Fed.R.Civ.P. 8, the court nonetheless dismissed the copyright claim for “failure to *448 comply with the requirements of Rule 8.”¹⁷

3. Personal Jurisdiction Arising from Internet Web Site Use

In *3DO Co. v. Poptop Software, Inc.*,¹⁸ the court returned to the issue of personal jurisdiction in an alleged copyright infringement occurring through the defendant’s Internet web site.

Plaintiff moved for a temporary restraining order to enjoin defendants from manufacturing, using, selling or distributing a computer game, portions of the code for which was allegedly appropriated from plaintiff’s copyrighted computer game.¹⁹

Plaintiff found evidence of infringement by comparing the object code, but defendants refused to reveal their source code, which would have allowed for a more exact determination.²⁰ Defendants argued that the court did not have personal jurisdiction over them, which the court rejected.²¹ The court stated that defendants posted a website that was accessible by California residents, which allowed users to download copies of the allegedly infringing computer game.²² Defendants argued, based upon *Cybersell*, that personal jurisdiction could not attach by merely posting a passive home page on the Internet, where the corporation conducted no commercial activity over the Internet in the state.²³ While such activity (or lack thereof) demonstrates no “purposeful availment,” the court found that defendants had engaged in “something more” as to allow for jurisdiction to properly attach.²⁴ The court found that defendants had posted an *interactive* web site, which encouraged *449 and facilitated users in California to download the computer game at issue.²⁵

The court also noted, in a decision reminiscent of other Internet-related cases,²⁶ that defendants had used a San Francisco-based company as a server to operate a website that distributes copies of the computer game at issue.²⁷ Finally, as its last basis for justifying personal jurisdiction, the court compared the behavior of defendants in a copyright action to that of a tort action, where jurisdiction may attach pursuant to the “effects doctrine.”²⁸ “Under the effects doctrine, personal jurisdiction may be based upon ‘(1) intentional actions (2) expressly aimed at the forum state (3) causing harm, the brunt of which is suffered—and which the defendant knows is likely to be suffered—in the forum state.’”²⁹ The court declared that defendants’ actions were likely to cause harm in California, and that defendants knew of the likelihood of such harm, because plaintiff was a California corporation with its principal place of business in California, and since “the computer game industry is primarily located in California.”³⁰

Turning to the substantive issues, the court rather summarily found that plaintiff demonstrated that it was likely to succeed on the merits, and granted the temporary restraining order.³¹ Plaintiff had received a copyright registration from the Register of Copyrights, which creates a presumption of ownership and validity in the copyright.³² Copying, which may be shown by direct or circumstantial evidence of defendant’s access to the copyrighted work prior to the creation of the defendant’s work and substantial similarity between the copyrighted work and the defendants’ work, was also established by plaintiff, in large part because of defendants’ inexplicable failure to refute the evidence presented by plaintiff of access and substantial similarity.³³

***450 4. Registration of Derivative Work May Support Suit as to Pre-existing Work**

Streetwise Maps Inc. v. Van Dam, Inc.,³⁴ involved trademark and copyright matters pertaining to competing laminated foldout city maps. Although the bulk of the opinion dealt with trademark issues, one important issue was decided with regard to copyright law. The plaintiff claimed defendant infringed its copyrighted maps by utilizing the same shade of purple to depict water and a clarified street grid.³⁵ Defendant argued plaintiff did not prove registration of a valid copyright covering the work at issue.³⁶ 17 U.S.C. Section 411(a) requires that “no action for infringement of the copyright in any work shall be instituted until registration of the copyright claim has been made in accordance with this title.”³⁷ At trial, plaintiff relied on a certificate of registration for a *derivative* map, not the earlier work that plaintiff claimed was infringed by defendant.³⁸

The court ruled, however, that because plaintiff was the owner of the copyright of both the derivative and pre-existing work, the registration certificate relating to the derivative work “will suffice to permit it to maintain an action for infringement based on defendants’ infringement of the pre-existing work.”³⁹ As a result, when the plaintiff owns the copyright to the original and the subsequent derivative work, suit may be maintained on the original work, even if only the derivative work was registered with the Copyright Office.

B. Substantive Issues

1. Standards of Copyrightability and Originality

In *Bridgeman Art Library Ltd. v. Corel Corp.*,⁴⁰ an English company brought a claim for infringement of its photographic transparencies and digital files on CD-ROM of well known works of art. Defendant was a Canadian company that also *451 produced CD-ROMs containing digital reproductions of famous artwork.⁴¹ Plaintiff alleged that defendant infringed its rights in approximately 120 of plaintiff’s images.⁴² Bridgeman conceded that the underlying works of art were in the public domain.⁴³ It nonetheless sought to prove that its transparencies, from which the digital images were produced, were the only authorized transparencies of such works, and that Corel must have copied from those transparencies.⁴⁴

Defendant contested the validity of plaintiff's copyright in the images and the actual copying of them, both of which must be established in order to prevail on a copyright infringement claim.⁴⁵

The first issue decided by the court was with regard to the application of the proper law. Plaintiff, an English company, sought the application of British law.⁴⁶ The court noted that a foreign national may seek copyright protection under the Copyright Act although the source of its rights lies abroad.⁴⁷ In the Second Circuit, however, the principle of national treatment does not express any choice of law rule.⁴⁸ That principle dictates that the country in which protection is claimed "must treat foreign and domestic authors alike."⁴⁹ Because the Berne Convention is not self-executing and the Copyright Act has no choice of law provision, the issue of how to choose the applicable law is left to federal common law.⁵⁰ Under common law principles (considering that copyright is a form of property), the court determined the interests of the parties based upon the law of the state with the most significant relationship to the parties and the property at issue.⁵¹ Under this standard, the court found that the United Kingdom had the most significant *452 relationship to the issue of copyrightability.⁵²

The court next examined the issue of copyrightability. Under United Kingdom law which requires some element of originality,⁵³ a work "need not be original or novel in form, but it must originate with the author and not be copied from another work."⁵⁴

The court found that Bridgeman's images were not copyrightable, based on the originality requirements of the UK Copyright Act, since the images were copied from the underlying works without any addition, alteration or transformation.⁵⁵ Plaintiff nonetheless argued that the variation in medium (i.e., photographic transparency created from original oil painting) established a sufficient variation to support originality.⁵⁶ The court disagreed, relying upon the law of the United States for the principle that a "mere reproduction of a work of art in a different medium should not constitute the required originality for the reason that no one can claim to have independently evolved any particular medium."⁵⁷

Plaintiff next argued that the transparencies, which consisted of photographs of the underlying artwork, were original because photography requires artistic talent and originality.⁵⁸ The court, however, compared such photography to a copier machine, and found no independent creation, distinguishable variation or distinct contribution from an author to set the reproductions apart from the images of the famous works copied by the plaintiff.⁵⁹

Having addressed the issue of copyrightability, the court then turned to the issue of infringement. The court stated that in examining derivative works such as the plaintiff's images, the similarity to be weighed in determining infringement pertains, and copyright protection extends, only to the original elements contributed by the author.⁶⁰ Although plaintiff included "color bars" with its images, the *453 defendant did not.⁶¹ Since plaintiff conceded that the only similarity between the two sets of reproductions was that both were exact reproductions of public domain works of art, there could be no infringement.⁶²

2. Copyrightability May Be Determined by the Court Independently from Findings of the Copyright Office

In *Whimsicality Inc. v. Maison Joseph Battat Ltee*,⁶³ the court granted defendant's motion for summary judgment in a copyright and trade dress infringement. The defendant had licensed the rights to market Whimsicality's children's costumes.⁶⁴ After expiration of the license agreement, defendant manufactured "virtually identical" copies of the Whimsicality costumes.⁶⁵

The court found that although certificates of copyright registration constitute *prima facie* evidence that the copyrights are valid, 17 U.S.C. Section 410(c), "a district court has discretion to make an 'independent determination in an infringement action as to whether a work is copyrightable, notwithstanding the position of the Copyright Office.'"⁶⁶ The court stated that plaintiff's claims were barred by collateral estoppel, since the enforceability of plaintiff's costume copyrights had already been litigated in a separate case against an alleged third party infringer, although the previously litigated costumes were different than the ones involved in the instant action.⁶⁷

Even if the court had not decided the issue on collateral estoppel grounds, the court stated that the defendant was entitled to summary judgment on the ground that the costumes are "useful articles" as that term is defined in 17 U.S.C. Section 101.⁶⁸ The court determined that the purpose of the entire line of costumes is to enable the wearer of them to masquerade, and stated that "a 'useful article' may be copyrightable, but only to the extent that the article 'incorporates pictorial, graphic or sculptural features that can be identified separately from, and are capable of *454 existing independently of, the utilitarian

aspects of the article.⁷⁶⁹ Even though Whimsicality's line of costumes contained certain "artistic" elements (e.g., elaborate headpieces, masks, facial details, attractive color combinations, and special fabrics and prints), the artistic elements were not separable, in the court's view, from the costumes' utilitarian aspects.⁷⁰

3. Plaintiff's Own Request for Copies of its Articles Does Not Make Defendant's Copying Authorized

In *Ryan v. Carl Corp.*,⁷¹ plaintiffs sued a document retrieval and delivery business for copying plaintiffs' respective articles without paying royalties to plaintiffs. The defendant operated an Internet database of approximately 8 million articles.⁷² Customers could order a particular title, which the defendant would then retrieve from the possessor library, copy the article, and send it to the requesting customer.⁷³ Defendant paid copyright fees to the publishers of the articles, but not to the authors themselves.⁷⁴ Before the lawsuit was filed, representatives of plaintiffs ordered copies of their respective articles from defendant, which dutifully delivered the articles pursuant to its practice, as outlined above.⁷⁵ Plaintiffs then sued (as a class action).⁷⁶ Defendants argued that plaintiffs lacked standing because the articles were not only copied at their request, but that the only copies made of plaintiffs' articles were made at the request of plaintiffs.⁷⁷ The court, however, found that although plaintiffs requested the copies, the alleged injury is that defendant failed to pay them royalties.⁷⁸ As a corollary, the defendants argued that there was no injury to plaintiffs because when they requested the copies, they authorized defendants to reproduce the articles.⁷⁹ The court, relying on the Eighth *455 Circuit decision in *Olan Mills v. Linn Photo Co.*,⁸⁰ in which the plaintiff photo studio hired an investigator to ask defendant to reproduce several photographs that were copyrighted by plaintiff, held that the plaintiffs in *Ryan* did not authorize defendant's conduct.⁸¹

4. News Clipping Agency Violated Copyrights of Newspaper Sources

In *Nihon Keizai Shimbun, Inc. v. Comline Business Data, Inc.*,⁸² the court dealt a serious blow to the defendant, a news clipping or "abstract" company, in favor of the plaintiff who published newspapers and financial and business news.⁸³ The defendant gathered news articles from various sources, including from plaintiff, and sold abstracts of those articles to its customers, after translating and editing the articles.⁸⁴ At trial, the abstracts were found to infringe the plaintiff's copyrights and statutory damages in the amount of \$220,000 and attorneys' fees in the amount of \$200,000 were awarded.⁸⁵

The defendants argued the abstracts did not infringe plaintiff's copyrights, because only unprotected facts were copied from the news articles.⁸⁶ Defendants also claimed that the abstracts constituted "fair use" of the copyrighted works.⁸⁷ The court first examined the issue of substantial similarity to determine if the abstracts were substantially similar to the protectible expression found in plaintiff's news articles.⁸⁸ Although defendants had the right to republish the facts contained in plaintiff's articles, defendants' abstracts appeared to be "direct, if not word-for-word, translations of the Nikkei articles, edited only for clarity."⁸⁹ The abstracts utilized approximately two-thirds of the protectible material in the plaintiff's *456 articles.⁹⁰

The court also rejected defendants' "fair use"⁹¹ defense by examining the purpose and character of the use, the nature of the copyrighted work, the amount and substantiality of the portion used in relation to the copyrighted work as a whole, and the effect of use upon the potential market for the copyrighted work.⁹² Although defendants' abstracts were for news reporting, they did not add something new, with a further purpose or different character, to alter the plaintiff's works with new expression, meaning or message.⁹³ Further, the court determined that the defendants' abstracts copied the "crucial facts and ideas" in plaintiff's articles, and that such copying would have an adverse effect on the marketability of plaintiff's articles.⁹⁴

As noted above, the trial court awarded significant statutory damages and attorneys' fees to plaintiff.⁹⁵ Defendants' copying was deemed willful, and Section 504(c)(2) of the Copyright Act authorizes damages of up to \$100,000 per work in the event of willful infringement.⁹⁶ The trial court awarded statutory damages of \$10,000 per work infringed.⁹⁷ The Second Circuit remanded the case on the issue of statutory damages, since two of the twenty-two articles were found to be non-infringing.⁹⁸ The trial court reduced plaintiff's attorneys' fees from \$402,033.25 to award a total of \$200,000 in such fees.⁹⁹ The Second Circuit determined this was a reasonable award after carefully examining plaintiff's records "in light of the relevant legal standards."¹⁰⁰

*457 *Nihon* serves as a warning to the many news clipping and abstracting services, who select relevant and copyrighted news articles for their customers and then edit those articles to meet their clients' needs. Without adding "something new" to make the abstracts "transformative," such abstracting is likely to be held to be a willful infringement and will potentially open the news clipping service up to serious liability exposure.

5. Recovery of Costs and Attorney's Fees

The case of *Scanlon v. Kessler*,¹⁰¹ demonstrates the benefits of copyright registration with regard to the ultimate recovery of costs and attorneys' fees. It also illustrates the downside of attempting to recover full costs and attorneys' fees in light of the judicial discretion to adjust those fees.

Scanlon involved the rather commonplace unauthorized use of copyrighted photographs on an Internet web site. The plaintiff sued the Gay Male S/M Activists, and several individual members of that non-profit organization, over the unauthorized use and placement of two copyrighted photographs on the organization's web site.¹⁰² The court held the organization liable for copyright infringement, although it determined that the infringement was not willful.¹⁰³ The individual defendants were not found liable.¹⁰⁴ The court ordered minimal statutory damages in the amount of \$1,000. Plaintiff, however, claimed \$78,475 in attorneys' fees and \$5,877.34 in costs.¹⁰⁵

The court noted that under Section 505 of the Copyright Act, the prevailing party in a copyright infringement case may recover attorney's fees.¹⁰⁶ Pursuant to *Fogerty v. Fantasy, Inc.*,¹⁰⁷ prevailing plaintiffs and prevailing defendants must be treated alike when the court determines an attorneys' fee award.¹⁰⁸ "To be deemed a 'prevailing party,' the party must succeed on a significant issue in the litigation that achieves some of the benefits the party sought in bringing suit."¹⁰⁹ In *Scanlon*, the *458 defendants argued that plaintiff was not a "prevailing party" in light of the *de minimis* statutory award of \$1,000.¹¹⁰ The court found, however, that plaintiff "was successful in proving the merits of his copyright infringement claims."¹¹¹ The fact that he secured a modest statutory damage award does not mitigate against his success."¹¹² Further, the fact that the three individual defendants were not held liable also did not militate against a recovery of fees (primarily because they were shielded from liability based upon New York's Not for Profit Corporation Law, which provides that an individual director of such an organization can only be liable if his actions were grossly negligent).¹¹³ Being shielded from liability, despite violation of the Copyright Act, was not the equivalent of being a "prevailing party."¹¹⁴ Finally, the Court found that the lack of willfulness does not prevent an award of attorneys' fees. "Wilfulness goes to the issue of damages and not to the ultimate issue of determining whether defendants violated the Copyright Act by infringing on plaintiff's copyrights."¹¹⁵

What the court may give, however, the court may also take away. The *Scanlon* court analyzed the costs and fee bill submitted by the prevailing party, and drastically curtailed the award. The court noted that under the "lodestar" approach for analyzing attorneys' fees, fees are determined by multiplying the number of hours invested in the work on a case by the hourly rate normally charged for similar work by attorneys of like skill in the area.¹¹⁶ The figure ultimately reached may be adjusted up or down, depending on factors such as the risk involved, the complexity of the litigation and the quality of the representation.¹¹⁷ In *Scanlon*, the plaintiff's attorney submitted a bill claiming a rate of \$245 per hour, which the court found "patently unreasonable," since the attorney had only been admitted to practice law since 1995 and had little experience in copyright law.¹¹⁸ The court reduced the recoverable hourly fee to \$125 per hour, which allegedly reflected "an hourly billing *459 rate charged by New York attorneys of like experience and skill."¹¹⁹ The court also determined that the case offered straightforward claims and required only one attorney's moderate amount of time. The court therefore cut the amount of hours claimed from 271.2 hours billed to 46 hours awarded.¹²⁰ The court also determined that the work billed by plaintiff's attorney's associate was not compensable at all. In all, the court allowed plaintiff's attorney a total of sixteen hours for trial time, and thirty hours for pre-trial preparation time.¹²¹ The court also noted that plaintiff's success was limited, that two causes of action were dismissed, and that plaintiff only recovered \$1,000.¹²² The court made a similar ruling regarding the costs submitted by plaintiff's attorney, and cut them drastically as well, including ruling that computer research was merely a substitute for an attorney's time and was not recoverable as an appropriate cost.¹²³

C. Audio Home Recording Act of 1992 and "MP3" Technology

In *Recording Industry Association of America, Inc. v. Diamond Multimedia Systems, Inc. (RIAA)*,¹²⁴ a case with many copyright overtones, the court interpreted the Audio Home Recording Act of 1992¹²⁵ in the context of a device (the Rio PMP 300 or Rio) used to receive, store and re-play digital audio files stored on the hard drive of a personal computer.¹²⁶ Plaintiffs sought a temporary restraining order on the sole ground that the Rio violated the Audio Home Recording Act of 1992 (AHRA).¹²⁷ At issue was whether the Rio complied with the AHRA, 17 U.S.C. Section 1002(a), which prohibits the manufacture or distribution of a digital audio recording device that does not prohibit unauthorized serial copying. The larger issue at stake in the case, though, is the very controversial downloading of copyrighted audio files from the Internet via MP3

technology.¹²⁸ The Rio receives digital audio files, but has no digital audio output capability. Thus, it cannot pass on digital *460 musical files to other Rio devices or other manufacturer's devices.¹²⁹ After receiving a digital audio file, however, the Rio can be detached from the computer and play back the audio file through headphones, while apart from the computer.¹³⁰

The court discussed the "traditional"¹³¹ and "alternative"¹³² standards for granting temporary injunctive relief, but stated that each are part of a continuum in which the court merely attempts to balance competing claims of injury and determine the potential effect on each party.¹³³

Plaintiffs in *RIAA* argued that their rights under the AHRA were linked to those provided under the Copyright Act, and that they were therefore entitled to the presumption of irreparable harm that arises in copyright actions.¹³⁴ While the court agreed that in copyright actions a "plaintiff who makes out a *prima facie* case of infringement is entitled to a preliminary without a *detailed* showing of irreparable harm,"¹³⁵ plaintiffs in *RIAA* did not assert a copyright claim.¹³⁶ In fact, if the Rio was subject to the AHRA, then a copyright infringement action could not have been brought.¹³⁷

In declining to grant plaintiffs' requested injunctive relief, the court went through a laborious discussion of the meaning of the AHRA, and examined the legislative history behind the AHRA, to determine if the Rio qualified as a digital audio recording device and whether the illegitimate copying of computer programs *461 was meant to be immunized from liability for copyright infringement.¹³⁸ In essence, however, the court determined that the AHRA does not *directly* prohibit serial copying, but demands that technology be incorporated into various devices to *prevent* serial copying.¹³⁹ In other words, although use of the Rio satisfies the definition of serial copying by means of the process involved (audio CD to computer hard drive, computer hard drive to Rio), it is the mechanism for preventing copying that is important under the AHRA, not the copying itself.¹⁴⁰ Since the Rio could not promote downstream copying (because of the lack of a digital output capability), incorporating anti-serial copying technology into the Rio would accomplish nothing. The court therefore held that plaintiffs had not established a probability of success, and thus failed to establish any irreparable or incalculable injury.¹⁴¹

II. Conclusion

Most of the reported decisions do not fundamentally alter the landscape of Copyright Law. Many of the cited cases do give some guidance, however, to the interpretation of an ever-changing Copyright Act, in an even faster moving technological world. Although copyright law may have been slow to adapt to new types of infringement, such as via the Internet, the statutes and case law have been quickly catching up. As the reliance upon new technology continues to increase, a greater body of case law will develop which hopefully will homogenize the doctrines applicable to such issues as computer program copying or the downloading of copyrighted digital audio files. But then again, "[t]he course of true anything never does run smooth."¹⁴²

Footnotes

¹ Conley, Rose & Tayon, P.C., Austin, Texas.

² 48 U.S.P.Q.2d 1951 (Ariz. App. 1998)

³ *Id.* at 1952.

⁴ *Id.*

⁵ *Id.* (citations omitted).

6 *Id.* (citations omitted).

7 *Id.* at 1953.

8 49 U.S.P.Q.2d 1215 (S.D.N.Y. 1998).

9 *Id.* at 1216.

10 *Id.*

11 *Id.* (citing *Fonar Corp. v. Domenick*, 105 F.3d 99, 103, 41 U.S.P.Q.2d (BNA) 1496, 1500 (2d Cir.), *cert. denied*, 118 S.Ct. 265 (1997)).

12 *Id.* (citations omitted).

13 *Id.* at 1216-17.

14 *Id.* at 1217.

15 *Id.*

16 *Id.*

17 *Id.*

18 49 U.S.P.Q.2d 1469 (N.D. Cal. 1998).

19 *Id.* at 1470-71.

20 *Id.* at 1471.

21 *Id.* at 1471-73. The court reiterated that the Ninth Circuit in *Cybersell v. Cybersell*, adopted a three-part test for exercising specific jurisdiction over a non-resident defendant:

(1) The nonresident defendant must do some act or consummate some transaction with the forum or perform some act by which he purposefully avails himself of the privilege of conducting activities in the forum, thereby invoking the benefits and protections; (2) [t]he claim must be one which arises out of or results from the defendant's forum-related activities [*sic*] [; and] (3) [e]xercise of jurisdiction must be reasonable. *Id.* (citing *Cybersell, Inc. v. Cybersell, Inc.*, 130 F.3d 414, 416, 44 U.S.P.Q.2d (BNA) 1928, 1930 (9th Cir. 1997)).

22 *Id.* at 1472.

23 *Id.*

24 *Id.*

25 *Id.* The court did not state, however, whether any California resident *actually had* downloaded the game via the Internet.

26 The court discussed Panavision Int'l, L.P. v. Toeppen, 141 F.3d 1316, 46 U.S.P.Q.2d (BNA) 1511 (9th Cir. 1998) and CompuServe, Inc. v. Patterson, 89 F.3d 1257, 39 U.S.P.Q.2d (BNA) 1502 (6th Cir. 1996). *Id.*

27 *Id.*

28 *Id.* (citing Panavision Int'l v. Toeppen, 141 F.3d at 1321).

29 *Id.* (citation omitted).

30 *Id.* at 1472-1473.

31 *Id.* at 1474.

32 *Id.* at 1473 (citing 17 U.S.C. § 401(c)).

33 *Id.* One of the individual defendants, for example, helped create plaintiff's computer game, and assigned his interests therein to plaintiff's predecessor in interest. Plaintiff also demonstrated substantial similarity by showing a small number of identical commands and error messages in the object codes for each respective computer game. *Id.*

34 159 F.3d 739, 48 U.S.P.Q.2d (BNA) 1503 (2d Cir. 1998).

35 *Id.* at 742, 48 U.S.P.Q.2d at 1505.

36 *Id.* at 746, 48 U.S.P.Q.2d at 1509.

37 *Id.*

38 *Id.* at 746-47, 48 U.S.P.Q.2d at 1509.

39 *Id.* at 747, 48 U.S.P.Q.2d at 1509.

40 25 F. Supp. 2d 421, 49 U.S.P.Q.2d (BNA) 1091 (S.D.N.Y. 1998).

41 *Id.* at 424, 49 U.S.P.Q.2d at 1093.

42 *Id.*

⁴³ *Id.*, 49 U.S.P.Q.2d at 1094.

⁴⁴ *Id.*

⁴⁵ *Id.* at 425, 49 U.S.P.Q.2d at 1094.

⁴⁶ *Id.*

⁴⁷ *Id.* (citing Berne Convention, Sept. 9, 1986, art. II, para. 1, 25 U.S.T. 1341, 1345 (Paris Text July 24, 1971) and Universal Copyright Convention, Sept. 6, 1952, art. II, para. 1, 6 U.S.T. 2732, 2733-34 (Paris Text July 24, 1971)).

⁴⁸ *Id.*, 49 U.S.P.Q.2d at 1094-1095.

⁴⁹ *Id.*, 49 U.S.P.Q.2d at 1095 (citing *Itar-Tass Russian News Agency v. Russian Kurier, Inc.*, 153 F.3d 82, 90 n. 8, 47 U.S.P.Q.2d (BNA) 1810, 1821 n. 8 (2d Cir. 1998)).

⁵⁰ *Id.* (citing Berne Convention Implementation Act of 1988, Pub. L. No. 100-568 §§ 4(a)(3), 2(2), 3(a)(2), 102 Stat. 2853-54 (1988)).

⁵¹ *Id.*

⁵² *Id.* at 426, 49 U.S.P.Q.2d at 1095.

⁵³ *Id.* (citing The Copyright, Designs and Patents Act, 1988, ch. 1, § 1(1) (UK)).

⁵⁴ *Id.* (citing *Interlego AG v. Tyco Indus., Inc.*, 1 A.C. 217, 261 (P.C. 1989), 3 All E.R. 949, 970 (1988) (appeal taken from Hong Kong)).

⁵⁵ *Id.*, 49 U.S.P.Q.2d at 1096.

⁵⁶ *Id.*

⁵⁷ *Id.* at 427, 49 U.S.P.Q.2d at 1096 (citations omitted).

⁵⁸ *Id.*

⁵⁹ *Id.*

⁶⁰ *Id.* at 428, 49 U.S.P.Q.2d at 1097.

⁶¹ *Id.*

62 *Id.*

63 27 F. Supp. 2d 456, 49 U.S.P.Q.2d (BNA) 1171 (S.D.N.Y. 1998).

64 *Id.* at 458, 49 U.S.P.Q.2d at 1172.

65 *Id.* at 458-59, 49 U.S.P.Q.2d at 1173.

66 *Id.* at 462, 49 U.S.P.Q.2d at 1176 (citations omitted).

67 *Id.* at 463, 49 U.S.P.Q.2d at 1176.

68 *Id.*

69 *Id.*, 49 U.S.P.Q.2d at 1177 (citations omitted).

70 *Id.*

71 23 F. Supp. 2d 1146, 48 U.S.P.Q.2d (BNA) 1626 (N.D. Cal. 1998).

72 *Id.* at 1497, 48 U.S.P.Q.2d at 1627.

73 *Id.*

74 *Id.*

75 *Id.*

76 *Id.*, 48 U.S.P.Q.2d at 1628.

77 *Id.* at 1148, 48 U.S.P.Q.2d at 1628.

78 *Id.* at 1149, 48 U.S.P.Q.2d at 1629.

79 *Id.*

80 23 F.3d 1345, 30 U.S.P.Q.2d (BNA) 1798 (8th Cir. 1994).

81 *Ryan*, 23 F. Supp. 2d at 1149, 48 U.S.P.Q.2d at 1629.

82 166 F.3d 65, 49 U.S.P.Q.2d 1516 (2d Cir. 1999).

83 *Id.* at 69, 49 U.S.P.Q.2d at 1518.

84 *Id.*

85 *Id.*

86 *Id.* at 70, 49 U.S.P.Q.2d at 1519.

87 *Id.* at 72, 49 U.S.P.Q.2d at 1520-21.

88 *Id.* at 70, 49 U.S.P.Q.2d at 1519. Under the “ordinary observer test,” the issue of substantial similarity is posed as whether an average lay observer would overlook any dissimilarities between the works and conclude that one was copied from the other. *Id.* Where the work contains both protectible and unprotectible elements, however, the test must be more discerning and omit the unprotectible elements from consideration. *Id.* (citations omitted).

89 *Id.* at 71, 49 U.S.P.Q.2d at 1519.

90 *Id.*, 49 U.S.P.Q.2d at 1519-1520. The Court did find, however, that two of the 22 abstracts at issue avoided copyright infringement by either republishing only the facts set forth in plaintiff’s articles, or by incorporating the abstracted facts into new and original sentences. *Id.*

91 17 U.S.C. § 107 states that “[t]he fair use of a copyrighted work, including such use by reproduction in copies ... for purposes such as criticism, comment, *news reporting*, teaching (including multiple copies for classroom use), scholarship, or research, is not an infringement of copyright.” 17 U.S.C. § 107 (1994) (emphasis added).

92 *Nihon*, 166 F.3d at 72, 49 U.S.P.Q.2d (BNA) at 1521.

93 *Id.* (citing *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 579, 29 U.S.P.Q.2d (BNA) 1961, 1965 (1994)).

94 *Id.* at 73, 49 U.S.P.Q.2d at 1521.

95 *Id.* at 74, 49 U.S.P.Q.2d at 1522.

96 *Id.*

97 *Id.*

98 *Id.*

99 *Id.*

¹⁰⁰ *Id.*

¹⁰¹ 23 F. Supp. 2d 413, 48 U.S.P.Q.2d (BNA) 1794 (S.D.N.Y. 1998).

¹⁰² *Id.* at 414-15, 48 U.S.P.Q.2d at 1794.

¹⁰³ *Id.* at 415, 48 U.S.P.Q.2d at 1795.

¹⁰⁴ *Id.*

¹⁰⁵ *Id.*, 48 U.S.P.Q.2d at 1794.

¹⁰⁶ *Id.*, 48 U.S.P.Q.2d at 1795.

¹⁰⁷ 510 U.S. 517, 29 U.S.P.Q.2d (BNA) 1881 (1994).

¹⁰⁸ *Id.* at 534, 29 U.S.P.Q.2d at 1888.

¹⁰⁹ *Scanlon*, 23 F. Supp. 2d at 415, 48 U.S.P.Q.2d at 1795 (citations omitted).

¹¹⁰ *Id.*

¹¹¹ *Id.*

¹¹² *Id.* at 415-16, 48 U.S.P.Q.2d at 1795.

¹¹³ *Id.* at 416, 48 U.S.P.Q.2d at 1795.

¹¹⁴ *Id.*

¹¹⁵ *Id.*

¹¹⁶ *Id.*, 48 U.S.P.Q.2d at 1796.

¹¹⁷ *Id.*

¹¹⁸ *Id.*

¹¹⁹ *Id.* at 417, 48 U.S.P.Q.2d at 1796.

120 *Id.*

121 *Id.*

122 *Id.* at 418, 48 U.S.P.Q.2d at 1797.

123 *Id.*, 48 U.S.P.Q.2d at 1798.

124 29 F. Supp. 2d 624, 49 U.S.P.Q.2d (BNA) 1024 (C.D. Cal. 1998).

125 17 U.S.C. §§ 1001 *et seq.* (1994).

126 *RIAA*, 29 F. Supp. 2d at 625, 49 U.S.P.Q.2d at 1026.

127 *Id.* at 625-26, 49 U.S.P.Q.2d at 1026.

128 MP3 is the abbreviation for “**MPEG 1 Layer 3**,” which allows for the compression of audio files at a 10:1 ratio, thereby allowing quicker downloads and the utilization of less computer hard drive space. *Id.* at 625, 49 U.S.P.Q.2d at 1026.

129 *Id.*

130 *Id.*

131 “[A] court may issue a preliminary injunction if it determines: (1) the moving party will suffer irreparable injury if the relief is denied; (2) the moving party will probably prevail on the merits; (3) the balance of potential harm favors the moving party; and depending on the nature of the case, (4) the public interest favors granting relief.” *Id.* at 626, 49 U.S.P.Q.2d at 1096 (citation omitted).

132 “[A] party may obtain a preliminary injunction by “demonstrating *either*: (1) a combination of probable success on the merits and the possibility of irreparable injury if relief is not granted; or (2) the existence of serious questions going to the merits and that the balance of hardships tips sharply in its favor.” *Id.* (citation omitted).

133 *Id.*

134 *Id.* at 627, 49 U.S.P.Q.2d at 1027.

135 *Id.* The court briefly discussed the distinction between the presumption of irreparable harm under the Copyright Act and under the AHRA, noting that irreparable harm is presumed with the infringement of a copyright, because confusion may result, the infringer’s product may be of poorer quality, and the goodwill of the copyright owner is often affected. *Id.* The instant action, to the contrary, did not raise issues such as “reputation,” “quality of goods” or “consumer confusion.” *Id.*

136 *Id.*

¹³⁷ *Id.* (citing 17 U.S.C. § 1008, which prohibits copyright infringement actions in conjunction with proceedings under the AHRA.).

¹³⁸ *Id.* at 627-631, 49 U.S.P.Q.2d at 1028-1031.

¹³⁹ *Id.* at 631, 49 U.S.P.Q.2d at 1031.

¹⁴⁰ *Id.* at 632, 49 U.S.P.Q.2d at 1031.

¹⁴¹ *Id.*, 49 U.S.P.Q.2d at 1032.

¹⁴² SAMUEL BUTLER'S, NOTEBOOKS 220 (Geoffrey Keynes & Brian Hill eds., Alden Press 1951).