

HAPPY BIRTHDAY STATUTE OF ANNE: THE DANCE BETWEEN THE COURTS AND CONGRESS¹

Hon. M. Margaret McKeown[†]

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It is an honor to give the David Nelson Memorial Lecture.² I thank Elizabeth Nelson and the family for the opportunity to address this remarkable gathering of copyright scholars, thinkers, and practitioners. It is also heartening to see so many students who represent the next generation of copyright experts.

I was thrilled to find out that we are having a birthday cake at the end of this session because that validates the title of my talk, “Happy Birthday to the Statute of Anne.” Although I have been involved in copyright for more than thirty-five years—just a fraction of copyright’s 300 years of history—the last few decades represent an acceleration and sea change in the copyright world.

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1. This article is adapted from the David Nelson Memorial Lecture given on April 9, 2010, at the Copyright @ 300 Conference sponsored by the Berkeley Center for Law and Technology. In a nod to law journal style, humor, cartoons, and anecdotes from the speech have been deleted.

2. David Nelson started his practice in Silicon Valley in the 1960s with the firm that became Morrison & Foerster LLP. He was renowned not only for his knowledge of and interest in high tech law, but also for his remarkable memory for popular culture trivia. J.L. Pimsleur, *David E. Nelson*, SFGATE.COM, Feb. 4, 1999, http://articles.sfgate.com/1999-02-04/news/17678718_1_morrison-foerster-mr-nelson-douglas-s-nelson (last visited June 29, 2010).

When I started college, I had a job analyzing snowflakes on a mainframe computer that used IBM punch cards. When I started practicing law, it was the cusp of the digital revolution, and by the time I became a judge, the Internet had been in common currency for only a few years. Google had just been incorporated and “mashup” at that time just meant potatoes.

Viewing technological innovation and copyright law from a judicial perspective, the relationship between Congress and the courts resembles a dance where it is unclear which partner is taking the lead. Taking a cue from Justice Holmes, who once said “a page of history is worth a volume of logic,”³ I first address the history of this dance between the courts and Congress, and then offer some thoughts on what I see as the next frontiers from my knothole as a judge.

The cases that choreograph the dance fall into two groups: the first where courts take the lead and Congress follows, and the other where Congress takes the lead and the courts follow. In the development of the Statute of Anne—the mother ship of copyright law—we see both dance steps.

The Statute of Anne,⁴ enacted in 1710,⁵ is considered by many to be the first English copyright statute, a view that is not entirely accurate.⁶ It is, however, “the foundation upon which the concept of modern copyright was built.”⁷ The statute gave the general public, rather than the Stationers’ Guild of the day, the ability to secure a copyright right for a limited term of fourteen years, while the author obtained a renewal term of fourteen additional years.⁸ Even at this early stage of copyright protection, technology was the moving force. The Statute of Anne would have been unnecessary but for the innovation of the moveable type press, which made the mass production of books possible.

Lord Mansfield provided an early judicial analysis of the statute in *Millar v. Taylor*, where he held that common law copyright protection outlasted the

3. *New York Trust Co. v. Eisner*, 256 U.S. 345, 349 (1921). Justice Ginsburg referenced this phrase in analyzing the history of Congressional extensions of copyright duration in *Eldred v. Ashcroft*, 537 U.S. 186, 200 (2003).

4. Act for the Encouragement of Learning (Statute of Anne), 8 Ann., c. 19 (1710) (Gr. Brit.).

5. Lionel Bentley & Jane C. Ginsburg, “*The Sole Right . . . Shall Return to the Authors*”: *Anglo-American Authors’ Reversion Rights from the Statute of Anne to Contemporary U.S. Copyright*, 25 BERKELEY TECH. L.J. 1475 (2010).

6. LYMAN R. PATTERSON, COPYRIGHT IN HISTORICAL PERSPECTIVE 12 (1968).

7. *Id.*

8. 8 Ann., c. 19. For works already in print, authors or owners could secure protection for a single twenty-one-year term.

limited duration of the Statute of Anne.⁹ Five years later, the House of Lords essentially reversed Lord Mansfield's ruling in *Donaldson v. Beckett* and concluded that common law copyright protection did not last beyond the Statute of Anne's fourteen-year grant.¹⁰ This decision was the first time that a lawmaking body overruled a judicial interpretation of a copyright statute in the modern world. So began the dance between the courts and the legislature in the copyright arena.

I. WHEN COURTS LEAD AND CONGRESS FOLLOWS

History provides several examples where courts in the United States determine the scope of copyright protection for a new technology, and Congress decides how (and whether) to respond. When I think about courts or judges taking the lead in interpreting copyright statutes, I think of Justice Holmes, who repeatedly interpreted statutory protections broadly enough to reach new uses of copyrighted works in new media. Justice Holmes' general philosophy with regard to copyright law is best captured in the case of *Herbert v. Shanley*, in which he concluded, "there is no need to construe the [copyright] statute so narrowly."¹¹ In *Herbert*, Justice Holmes stepped into a dispute between hotels that played music to dining patrons and the newly minted American Society of Composers, Authors and Publishers ("ASCAP"). ASCAP sought licensing fees for the performance of live music. The copyright act of the day granted the author the exclusive right "to perform the copyrighted [musical] work publicly for profit."¹² The defendants, a hotel and a restaurant, argued that because they did not charge for the music, the performance was not "for profit" and therefore did not violate the statute. Ruling in ASCAP's favor, Justice Holmes seized on a now common refrain: "If music did not pay it would be given up."¹³ That same theme frames the debate we are having a century later.

Justice Holmes' copyright legacy began in 1903 with his first copyright opinion, *Bleistein v. Donaldson Lithographing Co.*¹⁴ There, Justice Holmes wrote

9. *Millar v. Taylor*, (1769) 98 Eng. Rep. 201 (K.B.) 232, 252.

10. *Donaldson v. Beckett*, (1774) 1 Eng. Rep. 837 (H.L.). While it is disputed whether the Law Lords narrowly recommended sustaining or rejecting a perpetual common law copyright, the House of Lords voted twenty-two to eleven to reject perpetual copyright protection. See PAUL GOLDSTEIN, *COPYRIGHT'S HIGHWAY: FROM GUTENBERG TO THE CELESTIAL JUKEBOX* 50 (1994).

11. *Herbert v. Shanley Co.*, 242 U.S. 591, 594 (1917).

12. 17 U.S.C. § 1(e) (1909) (current version at 17 U.S.C. § 106 (2006)).

13. *Herbert*, 242 U.S. at 595. Holmes continued, "If it pays it pays out of the public's pocket. Whether it pays or not the purpose of employing it is profit and that is enough." *Id.*

14. 188 U.S. 239 (1903).

for the Court as it expanded the reach of copyright protection from a statutory provision covering only those engravings, cuts, prints, or chromolithographs (a method for making multicolor prints) that are “pictorial illustrations or works connected with the fine arts”¹⁵ to reach more than mere illustrations in the text of a book.¹⁶ He interpreted the phrase “connected with the fine arts” as sufficiently broad to include works with a “pictorial quality [that] attracts the crowd and therefore gives them a real use—if use means to increase trade and to help to make money. A picture is none the less a picture and none the less a subject of copyright that it is used for an advertisement.”¹⁷ It is no surprise that the iconic phrase “a picture is worth a thousand words” also emerged as a popular American phrase in the early twentieth century.¹⁸

Equally interesting is Justice Holmes’ concern that in trying to determine which works were “connected with the fine arts,” judges were ill-suited “to constitute themselves final judges of the worth of pictorial illustrations.” Justice Holmes suggested that at “one extreme some works of genius would be sure to miss appreciation” while “[a]t the other end, copyright would be denied to pictures which appealed to a public less educated than the judge.”¹⁹ This discomfort about the limits of judicial competence is echoed often by courts in copyright cases. Judges must make a decision on cases put before them and yet there is some disquiet about making technological as well as artistic assessments in the judicial forum.

Justice Holmes also extended existing copyright law beyond its express reach to cover motion pictures in a 1911 case, *Kalem Co. v. Harper Brothers*.²⁰ The defendants first created a screenplay from the novel *Ben Hur* without authorization, and then filmed the action. The silent film was purchased by various theaters and shown to the public. The copyright statute of the day gave authors the exclusive right to dramatize their works,²¹ but Congress had not yet expressly extended copyright protection to motion pictures. The plaintiffs argued that the film violated the authors’ dramatization rights, but the defendants countered that dramatization rights extended only to a performance where the actors were present, and that a motion picture was

15. *Id.* at 250.

16. *Id.* at 251.

17. *Id.*

18. This phrase is commonly attributed to Fred Barnard, an advertising manager who used variations on the theme on streetcars in the 1920s. FRANK LUNTZ, WORDS THAT WORK: IT’S NOT WHAT YOU SAY, IT’S WHAT PEOPLE HEAR 7–8 (2007).

19. *Id.* at 251–52.

20. 222 U.S. 55 (1911).

21. 17 U.S.C. § 1(d) (1909) (current version at 17 U.S.C. § 106 (2006)).

more like an exhibition, in pictures, of some of the ideas in the novel, which would fall outside the dramatization right.²²

Likening a motion picture to the special effect occasionally used in the theater of projecting the mirror image of the actor on stage as a ghostly special effect, Justice Holmes stepped in to bridge the gap between statutory coverage and technological innovation. He noted that in both cases, there was a real actor at the heart of the dramatization, and whether the actor was simply offstage or his performance was committed to film, the infringement of the dramatization right was the same.²³

The film version of *Ben Hur* became a blockbuster both as a box office hit and a prize on the copyright scoreboard. Justice Holmes might have been surprised to learn that in our day, books are cheap but movie rights are expensive. Derivative works and licensing have become an important battlefield in the copyright world.

Justice Holmes' generous interpretation of copyright provisions to protect the ability of copyright holders to exploit new technological formats did not always win the day. Stepping back in time to 1908, the Supreme Court, in *White-Smith Music Publishing Co. v. Apollo Co.*, elected not to extend copyright protection to perforated piano rolls for use with player pianos.²⁴ The Court held that the copyright statute barred the unauthorized copying of a musical composition "in intelligible notation," and that it would be "strained and artificial" to consider musical sounds coming from an instrument to be a copy.²⁵ If the perforated piano roll was "not intended to be read as an ordinary piece of sheet music, which to those skilled in the art conveys, by reading, in playing or singing, definite impressions of the melody," then it was not a copy as defined by the statute.²⁶ Because a piano roll was not like sheet music, copyright protection did not apply. This is a classic case of the Court considering a new technology and reasoning through analogy that it does not fall within the reach of the existing statute.

The *Apollo* case is also interesting because the Court essentially sent a missive to Congress, inviting Congress to correct course legislatively. The Court made note of three key facts: First, Congress knew of player pianos, and several lower court opinions which held that creating player piano rolls did not constitute copyright infringement, but had not corrected that "error" despite having multiple opportunities to amend the current copyright

22. *Kalem*, 222 U.S. at 55–57.

23. *Id.* at 61–63.

24. 209 U.S. 1 (1908).

25. *Id.* at 17.

26. *Id.* at 18.

statute.²⁷ Second, the Berne Convention explicitly declined protection against the manufacture and sale of instruments that mechanically reproduced music, and while the United States was not a party, Congress must have understood that U.S. artists abroad would have no protection against such mechanical reproduction. Thus, “[i]t could not have been the intention of Congress to give to foreign citizens and composers advantages in our country which according to [the Berne C]onvention were to be denied to our citizens abroad.”²⁸

Finally, the Court noted that the sale and use of player pianos had become widespread, with roughly 1.5 million rolls sold in 1902 to play on about 75,000 player pianos.²⁹ Copyright scholar Paul Goldstein speculates that the Court was reluctant to step in because it recognized that “a finely tuned law was needed, not the blunt instrument of a judicial injunction that would disrupt the expectations of thousands of people who owned [player pianos].”³⁰

Justice Holmes concurred with the result in *Apollo*, although he made clear as a policy matter that he thought copyright protection should extend to anything that can “mechanically reproduce[] that collocation of sounds” that makes a musical composition, whether or not that reproduction requires “continuous human intervention.”³¹ Justice Holmes naturally agreed with the Court’s recommendation that Congress should step in if the Court construed the statute too narrowly.³² Congress intervened almost immediately. Just one year after *Apollo*, Congress enacted the Copyright Act of 1909, pulling both musical compositions played on player pianos and phonograph players within the scope of authors’ rights.³³

Due to a surprising dearth of technology-driven Supreme Court copyright opinions in the mid-twentieth century,³⁴ we fast forward roughly

27. *Id.* at 12–14.

28. *Id.* at 14–15.

29. *Id.* at 9.

30. GOLDSTEIN, *supra* note 10, at 66.

31. *Apollo*, 209 U.S. at 20 (Holmes, J., concurring).

32. *Id.*

33. 17 U.S.C. § 1(e) (1909) (current version 17 U.S.C. § 106 (2006)). Congress also established a two cent mechanical reproduction license, once the copyright holder used, permitted, or knowingly acquiesced in the use of the copyrighted work on instruments capable of mechanically reproducing the work. *Id.* The license ostensibly mitigated a potential corner on the market by Aeolian, the leading company in the player piano market, by allowing competitors to enter the market if they were willing to pay the mechanical license. GOLDSTEIN, *supra* note 10, at 67.

34. There are a few exceptions. In *Buck v. Jewell-La Salle Realty Co.*, 283 U.S. 191, 200–01 (1931), the Court held that rebroadcast of musical compositions received from a radio

fifty years from the Holmes era to a pair of landmark cases where the Court undertook to “read the statutory language of 60 years ago in the light of drastic technological change.”³⁵ Two cases, *Fortnightly Corp. v. United Artists Television, Inc.*,³⁶ and *Teleprompter Corp. v. CBS*,³⁷ dealt with the retransmission of television broadcasts without permission under the 1909 Act. That Act granted copyright holders an exclusive right to perform works, a right exercised by licensed broadcasters.³⁸

In *Fortnightly*, Fortnightly ran a community antenna television system in West Virginia, running cables from broadcasting stations to subscribers who otherwise had difficulty receiving the broadcast signals.³⁹ The Court concluded that viewers in their homes did not “perform” the works broadcast into their homes and thus did not infringe the authors’ performance right.⁴⁰ In holding that Fortnightly’s cable television service (“CATV”) did not infringe the performance right either, the Court characterized Fortnightly more like a viewer than a broadcaster because it did nothing more than enhance viewers’ ability to receive a broadcaster’s programs. “CATV equipment is powerful and sophisticated, but the basic function the equipment serves is little different from that served by the equipment generally furnished by a television viewer.”⁴¹ The only difference between CATV and the viewer running the cable to the broadcast tower herself was that here, “the antenna system is erected and owned not by its users but by an entrepreneur.”⁴² Thus, just as in the *Apollo* case, the Court reasoned by analogy and distinguished the new technology from those covered by the statute. The Solicitor General invited the Court to make a

broadcast throughout the hotel by means of public speaker system was a “performance” under 17 U.S.C. § 1(e), in part because “complicated electrical instrumentalities [were] necessary for its . . . reception and distribution.” The Court held in *Manners v. Morosco*, 252 U.S. 317, 325–26 (1920), that a contract that explicitly conveyed only the right to represent the play as a spoken drama did not convey the right to represent the play in moving pictures. The Court sidestepped another technology-driven question when an equally divided Court affirmed in a one-line opinion the decision of the Court of Claims dismissing the publisher’s copyright infringement claim on the ground that photocopies made in government libraries for the exclusive professional use of researchers were fair use, and not copyright infringement. *Williams & Wilkins Co. v. United States*, 487 F.2d 1345 (Ct. Cl. 1973), *aff’d by an equally divided court*, 420 U.S. 376 (1975) (per curiam).

35. *Fortnightly Corp. v. United Artists Television, Inc.*, 392 U.S. 390, 396 (1968).

36. *Id.*

37. 415 U.S. 394 (1974).

38. 17 U.S.C. § 1(d) (1909) (current version at 17 U.S.C. § 106 (2006)).

39. *Fortnightly*, 392 U.S. at 391–92.

40. *Id.* at 398–400.

41. *Id.* at 399–400.

42. *Id.* at 400.

compromise ruling, such as implementing a compulsory license Congress enacted for music performances, but the Court demurred, stating that such a maneuver was for Congress, and that it would instead “take the Copyright Act of 1909 as we find it.”⁴³

Justice Fortas dissented in a hand-wringing lament about the Court’s limited capacity to decide disputes involving technology. According to Justice Fortas, applying the 1909 Act to the recent development of cable television was a role for which the Court was not suited, as it “call[ed] not for the judgment of Solomon but for the dexterity of Houdini.”⁴⁴

The Court returned to the topic in *Teleprompter*,⁴⁵ holding that the distance traversed by CATV providers in bringing signals to consumers was immaterial, and even over long distances, the signals, already released to the public, were merely carried by the CATV systems to consumers who might not normally have received them.⁴⁶ Once again, the Court invited Congress to provide detailed regulation.

Congress responded, like in the aftermath of *Apollo*, with another compulsory license, apparently concluding that cable operators should be required to pay royalties to the owners of copyrighted programs retransmitted by their systems, but that the transaction costs for direct negotiations would be too high. Section 111 of the 1976 Act thus permits cable systems to retransmit distant broadcast signals without securing permission from the copyright owner and, in turn, requires each system to pay royalty fees to a central royalty fund based on a percentage of its gross revenues.⁴⁷

This judicial-legislative interplay typifies cases where Congress jumps in to correct the courts’ interpretation of the copyright law.⁴⁸ These cases also

43. *Id.* at 401–02.

44. *Id.* at 402–03 (Fortas, J., dissenting). Justice Fortas was also concerned that the *Fortnightly* holding conflicted with *Buck v. Jewell-LaSalle Realty Co.*, 283 U.S. 191 (1931). *Id.* at 404–05.

45. 415 U.S. 394 (1974).

46. *Id.* at 412–13.

47. 17 U.S.C. § 111 (2006). Section 111 also resolves the *Buck* question, *see Buck*, 283 U.S. at 191, explicitly excepting secondary transmission by “the management of a hotel . . . of signals transmitted by a broadcast station licensed by the [FCC], within the local service area of such station, to the private lodgings of guests or residents of [the hotel].” § 111(a)(1).

48. Congress has also stepped in to correct perceived missteps by the courts in copyright disputes that are not driven by new technologies. Justice Grier held, as a circuit judge, that the copyright statute of his day did not give an author the exclusive right to control translations of a copyrighted work. *Stowe v. Thomas*, 23 F. Cas. 201, 206 (C.C.E.D. Pa. 1853) (No. 13,514). Congress later decided to correct this step and revised the copyright

highlight an additional form of congressional-judicial dialogue—the Supreme Court invited action by Congress. Congress does not always step in right away, perhaps in part because courts often become the incubator for legal disputes ahead of the policy debate, allowing Congress to observe how things develop, then step in once the lay of the land begins to take shape.

It is a truism that “[i]t is emphatically the province and duty of the judicial department to say what the law is,”⁴⁹ but that refrain fails to elucidate how to construe the Copyright Act in a manner consistent with its underlying constitutional principles. *Apollo*, *Fortnightly*, and *Teleprompter* can all be read as cases where the Court read the Copyright Act narrowly and resisted the urge to expand its reach. The notion that courts should take a hands-off approach is not universal, particularly when it comes to the question of whether old statutory provisions should reach new technological innovations.

Shortly after the passage of the Copyright Act of 1976, the Seventh Circuit considered, in *WGN Continental Broadcasting Co. v. United Video, Inc.*, whether the copyright in a news program—an audio-visual work under the statute—also covered “teletext” that accompanied the news program.⁵⁰ The court analyzed the breadth of the term “audiovisual work” in § 101, as well as the legislative history, to conclude that teletext was part of the audiovisual work, and that a licensee cable company could not replace the broadcaster’s teletext with information of the cable company’s choosing. In reaching that conclusion, the Seventh Circuit observed that “Congress probably wanted the courts to interpret the definitional provisions of the [Copyright Act of 1976] flexibly, so that it would cover new technologies as they appeared, rather than to interpret those provisions narrowly and so force Congress periodically to update the act.”⁵¹ The Seventh Circuit followed that logic in a later case as well, *Midway Mfg. Co. v. Arctic International, Inc.*⁵² Arctic sold “speed-up” kits to modify arcade games like those owned by Midway so the elements moved faster, making the game more challenging. In holding that Arctic infringed Midway’s copyrights, the court “stretched” the language of § 101 of the Copyright Act to “accommodate speeded-up video games”

statute in 1891, granting to “authors or their assigns . . . exclusive right to dramatize and translate any of their works for which copyright shall have been obtained under the laws of the United States.” 26 Stat. 1107 (1891) (codified at R.S. § 4952).

49. *Marbury v. Madison*, 5 U.S. (1 Cranch) 137, 177 (1803).

50. 693 F.2d 622 (7th Cir. 1982). Teletext is “the use of the vertical blanking interval [in an analog television picture] to carry material intended for the television viewer” and can include subtitles or other textual information. *Id.* at 623–24

51. *Id.* at 627.

52. 704 F.2d 1009 (7th Cir. 1983).

within the definition of “derivative work.”⁵³ Several papers presented at this conference shared evidence indicating that statutory expansion of this nature happens frequently in the courts, but one might also ask, is this how the Copyright Act *should* be interpreted?

The “Betamax” case, *Sony Corp. of America v. Universal City Studios, Inc.*,⁵⁴ is perhaps the most prominent recent example of the Court choosing a more restrained approach to reading the Copyright Act in light of technological change.

In *Sony*, the Court rested its finding of no infringement on the notion that the Betamax video tape recorder was capable substantial noninfringing uses.⁵⁵ The Court said to rule otherwise would “block the wheels of commerce,”⁵⁶ and thus declined to enjoin Sony’s marketing of the Betamax. Congress did not step in and modify the result, instead letting the case law and technology play out and develop. The Supreme Court also often acts in this manner, letting cases develop and incubate in the lower federal courts to see what disputes percolate up.⁵⁷ We can see the percolation concept in practice by comparing the Ninth Circuit’s decision in *A&M Records, Inc. v. Napster, Inc.*⁵⁸ with the Supreme Court’s eventual take on the question of peer-to-peer file sharing services in *Metro-Goldwyn-Mayer Studios Inc. v. Grokster, Ltd.*⁵⁹ Both cases provide nice examples of courts grappling with copyright

53. *Id.* at 1014 (citing 17 U.S.C. § 101 (1976)).

54. 464 U.S. 417 (1984).

55. *Id.* at 442. The substantial noninfringing uses test comes from the Patent Act, which expressly provides that the sale of a “staple article or commodity of commerce suitable for substantial noninfringing use” does not expose the seller to liability for contributory infringement. *Id.* at 440 (citing 35 U.S.C. § 271(c)). The Court concluded that it could import the substantial noninfringing use test due to the similarities between patent and copyright law, because “in both areas the contributory infringement doctrine is grounded on the recognition that adequate protection of a monopoly may require the courts to look beyond actual duplication of a device or publication to the products or activities that make such duplication possible.” *Id.* at 442.

56. *Id.* at 441–42, (quoting *Henry v. A. B. Dick Co.*, 224 U.S. 1, 48 (1912), *overruled on other grounds by* *Motion Picture Patents Co. v. Universal Film Mfg. Co.*, 243 U.S. 502, 517 (1917)).

57. Peter L. Strauss, *One Hundred Fifty Cases Per Year: Some Implications of the Supreme Court’s Limited Resources for Judicial Review of Agency Action*, 87 COLUM. L. REV. 1093, 1107 (1987) (“The Supreme [Court] . . . [recognizes] that an important conflict between two or more lower courts is a virtual necessity for (but no guaranty of) securing review.”); Ernest A. Young & Erin C. Blondel, *Does the Supreme Court Follow the Economic Returns? A Response to a Macrotheory of the Court*, 58 DUKE L.J. 1759, 1779 n.84 (2009) (noting that “the Court’s discretionary certiorari policy . . . encourages the Court not to take the *first* case from a court of appeals raising a given issue, but rather to wait until a circuit split develops”).

58. 239 F.3d 1004 (9th Cir. 2001).

59. 545 U.S. 913 (2005).

and new technology.⁶⁰ In *Napster*, the Ninth Circuit affirmed the district court's grant of preliminary injunction, concluding that the district court did not err in finding that the plaintiffs were likely to prevail in establishing that Napster was liable for contributory⁶¹ and vicarious copyright infringement.⁶² No petition for certiorari followed the Ninth Circuit's decision in *Napster*.⁶³ Without direct Supreme Court review, *Napster* functioned as the law of the land and had a dramatic effect on filesharing. By focusing on the centralized nature of the central indexing system, *Napster* arguably "offered a roadmap for software designers seeking to limit their potential liability as secondary infringers."⁶⁴ KaZaa, Grokster, and other peer-to-peer software providers shifted to a decentralized indexing system⁶⁵ unlike the centralized Napster system.⁶⁶ The Ninth Circuit applied the *Napster* principles to what it thought was distinguishable services provided by the *Grokster* defendants, because, "as

60. Napster provided users with MusicShare software that allowed them to use the Napster system to make MP3 files stored on the user's computer available for copying by other Napster users, search for MP3 files stored on other users' computers, and transfer exact copies of other users' MP3 files from computer to computer via the Internet. *Napster*, 239 F.3d at 1011. Napster used a centralized indexing system, and users seeking a file would submit a search request to the Napster server. *MGM Studios, Inc. v. Grokster Ltd.*, 380 F.3d 1154, 1159 (9th Cir. 2003), *rev'd*, 545 U.S. 913 (2005). Like Napster, Grokster and co-defendant StreamCast provided free software that allowed users to share files. *Id.* However, unlike Napster, Grokster and StreamCast did not host a centralized indexing system. *Id.* Grokster used a supernode model, where a number of select computers on the network operated as indexing servers. *Id.* StreamCast instead used a decentralized index model, where users searching for content conduct a search of all the computers in the network. *Id.*

61. *Napster*, 239 F.3d at 1019–22. The Ninth Circuit held that the record supported the district court's finding that Napster had knowledge requisite for contributory liability because "Napster ha[d] actual knowledge that specific infringing material [was] available using its system, that it could block access to the system by suppliers of the infringing material, and that it failed to remove the material." *Id.* at 1022.

62. *Id.* at 1022–24 (finding the record supported injunctive relief for vicarious liability because Napster financially benefitted where the availability of infringing material could draw customers in, and where Napster had the right and ability to supervise its users' conduct).

63. While Napster did not petition for writ of certiorari, Aimster, another peer-to-peer file sharing service, did petition after losing in the Seventh Circuit. *In re Aimster Copyright Litigation*, 334 F.3d 643 (7th Cir. 2003). The Supreme Court denied Aimster's petition for certiorari in *Deep v. Recording Industry Ass'n of America, Inc.*, 540 U.S. 1107 (2004), perhaps because it was not yet done letting the scope of groundbreaking Internet file sharing take shape.

64. Randal C. Picker, *Revisiting Sony: The Evolving Product, Phoning Home and the Duty of Ongoing Design*, 55 CASE W. RES. L. REV. 749, 760 (2005). Picker summarizes the advice software providers might glean from *Napster* as: "Don't be at the center of the [peer-to-peer] network and be sure not to have any ability to police the network. Intentionally relinquish control over the software." *Id.*

65. See *Grokster*, 380 F.3d at 1159; *Napster*, 239 F.3d at 1011–12.

66. See *Grokster*, 380 F.3d at 1163.

the district court observed, even if the [*Grokster* defendants] ‘closed their doors and deactivated all computers within their control, users of their products could continue sharing files with little or no interruption.’”⁶⁷ The Supreme Court reversed, concluding unanimously that the *Grokster* defendants intentionally induced infringement,⁶⁸ but disagreeing as to the applicability of the *Sony* substantial noninfringing uses test⁶⁹ or the proper analysis of contributory and vicarious liability.⁷⁰ Congress has not stepped in to offer a competing view in the aftermath of *Grokster*.

Congress makes the most overt corrections on those rare occasions when it passes legislation in the middle of litigation, as it did during the dispute that erupted over the CleanFlicks and ClearPlay business models. CleanFlicks sold edited movies to consumers over the Internet, while ClearPlay sold a set-top box that edited obscenity from movies as users watched them.⁷¹ While these cases were being litigated, Congress intervened and passed the Family Entertainment Copyright Act (“FECA”),⁷² which exempted from liability technologies like ClearPlay that edited movies on the fly, but not the CleanFlicks practice of editing, copying, and selling the edited copies of movies. The passage of FECA was a direct response to the business models that were being tested in the marketplace and the litigation percolating in the courts.

Throughout this history of technological innovation, the courts often take the first step, sometimes tentatively, and sometimes confidently. Where

67. *Id.* (quoting *MGM Studios, Inc. v. Grokster, Ltd.*, 259 F. Supp. 2d 1029, 1041 (C.D. Cal. 2003)).

68. *MGM Studios, Inc. v. Grokster, Ltd.*, 545 U.S. 913, 940 (2005) (“The unlawful objective [of the defendants] is unmistakable.”).

69. *Id.* at 941 (distinguishing *Sony*); *id.* at 942 (Ginsburg, J., concurring) (arguing that the Ninth Circuit misapplied *Sony* and that there is at least a genuine issue of material fact regarding the defendants’ liability for contributory infringement); *id.* at 956–57, 965–66 (Breyer, J., concurring) (arguing that the Ninth Circuit correctly applied *Sony* and that Justice Ginsburg’s reading of *Sony* would restrict technological innovation).

70. *Id.* at 937 (majority opinion) (“[M]ere knowledge of infringing potential or of actual infringing uses would not be enough here to subject a distributor to liability.”); *id.* at 948 (Ginsburg, J., concurring) (“On this record, the District Court should not have ruled dispositively on the contributory infringement charge by granting summary judgment to *Grokster* and *StreamCast*.”); *id.* at 956 (Breyer, J., concurring) (citing favorably to *Doe v. GTE Corp.*, 347 F.3d 655, 661 (7th Cir. 2003) (“A person may be liable as a contributory infringer if the product or service it sells has no (or only slight) legal use”)).

71. *See* *Clean Flicks of Colorado, LLC, v. Soderbergh*, 433 F. Supp. 2d 1236, 1238 (D. Colo. 2006) (describing the business model of declaratory judgment plaintiffs and similarly situated businesses); Second Amended Complaint and Jury Demand at 4, *Huntsman v. Soderbergh*, No. 02-M-1662(MJW), 2002 WL 32153735 (D. Colo. Oct. 28, 2002).

72. 17 U.S.C. § 110(11) (2006).

Congress perceives a misstep, it pulls the courts back, most often when it sees the courts failing to provide copyright holders with the ability to control the use of existing works in new media and on new technological platforms.

II. WHEN CONGRESS LEADS AND THE COURTS FOLLOW

In contrast to the courts being in the vanguard, there are times when Congress takes the first step legislatively in dealing with a new technology or innovation, and the courts follow Congress's lead, considering whether Congress is constitutionally permitted to strike out in a new direction—or farther in the same direction.

A snapshot of the legislative evolution of copyright legislation provides an instructive overview of the push and pull between the courts and Congress and among competing interest groups, industry, and industrial policy. The 1909 Act was amended twenty-five times in sixty-eight years. The 1976 Act has been amended sixty times—the staggering rate of an amendment every 209 days since the Act took effect.

Many of the post-1976 amendments focus on copyright piracy and a trip through these amendments is, in many ways, a trip through American industrial policy. For example, Congress tasked the National Commission on New Technological Uses of Copyrighted Works (“CONTU”) with analyzing whether computer programs were copyrightable subject matter. CONTU recommended explicitly extending copyright protection to computer programs, and Congress codified the recommendation in the Computer Software Copyright Act of 1980,⁷³ a mere two years after the 1976 Act took effect.⁷⁴ While there was some initial disagreement in the courts over issues like the copyrightability of object code and whether copyright protected computer programs against non-literal infringement,⁷⁵ the field stabilized somewhat when the Third Circuit upheld the 1980 amendments in a case where Franklin Computer Corporation copied verbatim Apple Computer's operating system.⁷⁶ Franklin resurrected the argument embraced by the Supreme Court in *Apollo*, namely that object code was not copyrightable because it could not be read by a human. The Third Circuit ruled in favor of

73. 17 U.S.C. § 101, 117 (2006); see also J. Corey Asay, *Patching the Loophole: How Copyright Can Help Solve § 271(f)'s Patently Obvious Problem with Computer Software*, 17 U. BALT. INTELL. PROP. L.J. 1, 14 (2008).

74. The Copyright Act of 1976 took effect on January 1, 1978, pursuant to section 102 of Pub. L. No. 94-553, 90 Stat. 2541 (1976) (codified as amended at 17 U.S.C. § 101 et seq. (2006)).

75. MARK A. LEMLEY ET AL., *SOFTWARE AND INTERNET LAW* 3–4 (3d ed. 2006).

76. *Apple Computer, Inc. v. Franklin Computer Corp.*, 714 F.2d 1240 (3d Cir. 1983).

Apple, noting that Congress made clear in the 1976 Copyright Act that copyright extends to works fixed in a tangible medium of expression which can be perceived “either directly or with the aid of a machine or device.”⁷⁷

Congress followed the Computer Software Copyright Act with a multitude of amendments to the 1976 Copyright Act, including the Record Rental Amendment of 1984,⁷⁸ the Semiconductor Chip Protection Act of 1984,⁷⁹ the Satellite Home Viewer Act of 1988,⁸⁰ the Computer Software Rental Amendments Act of 1990,⁸¹ the Audio Home Recording Act of 1992,⁸² the Uruguay Round Agreements Act (“URAA”),⁸³ the Digital Performance Right in Sound Recordings Act of 1995,⁸⁴ the No Electronic Theft (NET) Act (“NET Act”),⁸⁵ the Digital Millennium Copyright Act (“DMCA”),⁸⁶ the Digital Theft Deterrence and Copyright Damages Improvement Act of 1999,⁸⁷ the Small Webcaster Settlement Act of 2002,⁸⁸ the Fraudulent Online Identity Sanctions Act,⁸⁹ the Artists’ Rights and Theft Prevention Act of 2005,⁹⁰ the Family Movie Act of 2005,⁹¹ and most recently, the Webcaster Settlement Acts of 2008⁹² and 2009.⁹³

77. *Id.* at 1247 (quoting 17 U.S.C. § 102(a)).

78. Pub. L. No. 98-450, 98 Stat. 1727 (1984) (codified in scattered sections of 17 U.S.C.).

79. Pub. L. No. 98-620, Title III, 98 Stat. 3335, 3347 (1984) (codified at 17 U.S.C. § 901 et seq. (2006)).

80. Pub. L. No. 100-667, Title II, 102 Stat. 3935, 3949 (1988) (codified in scattered sections of 17 U.S.C.).

81. Pub. L. No. 101-650, Title VIII, 104 Stat. 5089, 5134 (1990) (codified at 17 U.S.C. § 101, 109, 205 (2006)).

82. Pub. L. No. 102-563, 106 Stat. 4237 (1992) (codified in scattered sections of 17 U.S.C.).

83. Pub. L. No. 103-465, Title V, 108 Stat. 4809, 4973 (1994) (codified in scattered sections of 17 U.S.C.).

84. Pub. L. No. 104-39, 109 Stat. 336 (1995) (codified in scattered sections of 17 U.S.C.).

85. Pub. L. No. 105-147, 111 Stat. 2678 (1997) (codified in scattered sections of 17 & 18 U.S.C.).

86. Pub. L. No. 105-304, 112 Stat. 2860 (1998) (codified in scattered sections of 17 U.S.C.).

87. Pub. L. No. 106-160, 113 Stat. 1774 (1999) (codified at 17 U.S.C. § 504 (2006)).

88. Pub. L. No. 107-321, 116 Stat. 2780 (2002) (codified at 17 U.S.C. § 114 (2006)).

89. Pub. L. No. 108-482, § 203, 118 Stat. 3912, 3916 (2004) (codified at 17 U.S.C. § 504(c) (2006)).

90. Pub. L. No. 109-9, Title I, 119 Stat. 218 (2005) (codified in scattered sections of 17 U.S.C.).

91. Pub. L. No. 109-9, Title II, 119 Stat. 218, 223 (2005) (codified at 17 U.S.C. § 110 & 15 U.S.C. § 1114 (2006)).

92. Pub. L. No. 110-435, 122 Stat. 4974 (2008) (codified at 17 U.S.C. § 114 (Supp. 2008)).

With each amendment, Congress took the lead, making copyright policy through legislative force. Perhaps the earliest example of Congress taking the lead occurred when it extended copyright protection to photographs in 1865.⁹⁴ Nearly twenty years later in 1884, the Supreme Court held in *Burrow-Giles Lithographic Co. v. Sarony* that this subject matter extension was within the reach of the Copyright Act.⁹⁵ Sarony was a photographer who took a portrait of Oscar Wilde. Burrow-Giles reproduced the photo in a lithograph without permission. Burrow-Giles argued that Congress could not extend copyright protection to photographs because “a photograph [is] a reproduction on paper of the exact features of some natural object or of some person, [and thus] is not a writing of which the producer is the author.”⁹⁶ The Court held instead that photographs were indistinguishable from “maps, charts, designs, engravings, etchings . . . and other prints,” to which statutory protection was extended in the first two iterations of a copyright statute in 1790 and 1802.⁹⁷ The Court reasoned that if the legislators contemporary with the formation of the Constitution extended protection to maps, charts, and artistic prints, there was no ground for denying protection to photographs.⁹⁸ The Court looked at the developing technology and concluded it was analogous to the technology extant near in time to the passage of the Constitution and thus “that the Constitution is broad enough to cover an act authorizing copyright of photographs, so far as they are representatives of original intellectual conceptions of the author.”⁹⁹

More than a century later, *Eldred v. Ashcroft*¹⁰⁰ provides another example of the Court approving Congressional exercise of its Article I power to provide monopoly rights to authors. Our Constitution is relatively brief. I carry it in my purse. You can contrast this small booklet with the draft European Constitution, which is several hundred pages and fifteen times the length. Despite its brevity, our Constitution explicitly empowers Congress “[t]o promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective

93. Pub. L. No. 111-36, 123 Stat. 1926 (2009) (codified at 17 U.S.C. § 144 (2006 & Supp. 2009)).

94. Ch. 126, 13 Stat. 540–41 § 1 (1865).

95. 111 U.S. 53 (1884).

96. *Id.* at 56.

97. *Id.* at 57.

98. The Court suggested that the only reason photographs were not included in the act of 1802 “is probably that they did not exist, as photography as an art was then unknown, and the scientific principle on which it rests, and the chemicals and machinery by which it is operated, have all been discovered long since that statute was enacted.” *Id.* at 58.

99. *Id.*

100. 537 U.S. 86 (2003).

Writings and Discoveries.”¹⁰¹ Congress exercised a frequently questioned aspect of its legislative authority under the Copyright Clause when it passed the 1998 Sonny Bono Copyright Term Extension Act (CTEA), extending for twenty years the grant of copyright protection.¹⁰² In *Eldred*,¹⁰³ the Court concluded that Congress had a rational basis for extending the duration of the monopoly grant. The Court’s reasoning in *Eldred* was similar to its rationale in *Burrow-Giles*. In both cases, the Court looked to Congress’s historical behavior, concluding that because Congress had repeatedly exercised its authority to extend the duration of copyright protection, there was nothing inconsistent about it doing so again.¹⁰⁴

Eldred is exemplary of the Court’s deference to Congress’s authority in the copyright demesne, and that deference is not surprising. Promoting the progress of science is a very big tent for rational basis analysis,¹⁰⁵ and lower courts have concluded, following *Eldred*, that they are not permitted to interfere with the exercise of Congressional authority, so long as there is a rational basis for that exercise.¹⁰⁶

The Digital Millennium Copyright Act (“DMCA”)¹⁰⁷ is another landmark exercise of Congressional authority. It could be called “the Copyright Lawyer Relief Act” because it will keep the courts and lawyers busy for years to come. We saw the tip of the iceberg in the last presidential campaign, with John McCain’s campaign using “Running on Empty” in campaign appearances, and Jackson Browne complaining.¹⁰⁸ The Associated Press sued Shepard Fairey over his use of a copyrighted photograph to create the iconic Obama “Hope” posters, presenting the question of whether Fairey’s use of the photo was fair use.¹⁰⁹ Copyright disputes have also emerged during the 2010 election cycle, as Don Henley recently prevailed in a motion for summary judgment against Charles DeVore, a candidate for the Senate from

101. U.S. CONST. art. I, § 8, cl. 8.

102. Pub. L. No. 105-298, Title I, 112 Stat. 2827 (1998) (codified at 17 U.S.C. §§ 108, 203, 301–04 (2006)).

103. 537 U.S. 186 (2003).

104. *Id.* at 204–05.

105. *Id.* at 208.

106. *Golan v. Gonzales*, 501 F.3d 1179, 1187 (10th Cir. 2008) (“The clear import of *Eldred* is that Congress has expansive powers when it legislates under the Copyright Clause, and [courts] may not interfere so long as Congress has rationally exercised its authority.”).

107. Pub. L. No. 105-304, 112 Stat. 2860 (1998) (codified in scattered sections of 17 U.S.C.).

108. Complaint, *Browne v. McCain*, No. 08-05334 (C.D. Cal. Aug. 14, 2008).

109. Complaint, *Fairey v. Assoc. Press*, No. 09-1123 (S.D.N.Y. Feb. 9, 2009).

California who rewrote a Henley song to mock incumbent Barbara Boxer.¹¹⁰ The first salvo during the internet era was fired during the 2004 campaign, when JibJab's parody video of George Bush and John Kerry insulting one another to the tune of "This Land is Your Land" led to a cease and desist letter from the putative copyright owner, Ludlow Music.¹¹¹ Once Ludlow learned the copyright in "This Land is Your Land" had expired, the suit settled somewhat amicably.¹¹²

In some ways, the notion of campaigns and copyright has also taken on a whole new meaning as a result of the DMCA. The ability under the DMCA to fire off takedown notices to websites that host content has automated the process and led to some surprising results. For example, during the 2008 presidential election, CBS, Fox, and the Christian Broadcasting Network sent takedown notices to YouTube over McCain campaign videos that included snippets from the broadcasters' programming, and NBC targeted Obama campaign videos with its own takedown notices.¹¹³ We have also seen the election machine vendor Diebold use DMCA takedown notices to remove e-mails posted by students that discussed defects in Diebold voting machines.¹¹⁴

What lessons can we learn in stepping back from this back and forth between the courts and Congress? First, as noted before, the courts have given substantial deference to Congress in the copyright area, as *Eldred* evidences.¹¹⁵

Second, statutory construction tools are often not very useful when talking about the basic provisions of copyright law like the § 106 rights or the enumerated fair use factors in § 107, because those provisions are drafted in a minimalistic fashion.¹¹⁶ There is hardly anything to interpret or to occasion

110. *Henley v. DeVore*, No. 09-481, 2010 WL 2533388 (C.D. Cal. June 10, 2010); Ben Sheffner, *It's Official: Don Henley Wins Summary Judgment Over Chuck DeVore on Copyright Claims*, COPYRIGHTS & CAMPAIGNS, June 14, 2010, <http://copyrightsandcampaigns.blogspot.com/2010/06/its-official-don-henley-wins-summary.html> (last visited Aug. 22, 2010).

111. Bill Thompson, *Keeping How the Net Works Open to All*, BBC NEWS, Sept. 3, 2004, <http://news.bbc.co.uk/2/hi/technology/3624798.stm> (last visited July 1, 2010).

112. Katie Dean, *JibJab Is Free for You and Me*, WIRED, Aug. 24, 2004, <http://www.wired.com/entertainment/music/news/2004/08/64704> (last visited July 5, 2010).

113. *TV Networks Must Stop Blocking Election Videos on YouTube: Public Interest Coalition Outlines Steps to Protect Online Political Speech*, ELECTRONIC FRONTIER FOUNDATION, Oct. 20, 2008, <http://www.eff.org/press/archives/2008/10/20> (last visited July 1, 2010).

114. *Online Policy Grp. v. Diebold, Inc.*, 337 F. Supp. 2d 1195 (N.D. Cal. 2004).

115. *Eldred v. Ashcroft*, 537 U.S. 186 (2003).

116. I do not mean to say the statute favors a "copyright minimalist" approach as compared to a "copyright maximalist" approach. See, e.g., Jessica Litman, *Billowing White Goo*,

the application of these fancy rules of construction. The later amendments are different in kind. Many of these statutes are very complicated, and just as the law is amended, it is outstripped by technology.¹¹⁷ Courts are thus often tasked with taking a complicated amendment and definitions and trying to shoehorn new technology into those definitions, when their applicability is often far from clear. Perhaps this conundrum is among the reasons the Seventh Circuit concluded Congress could not have intended courts to wait for an amendment before applying the Copyright Act to new technologies.¹¹⁸

In *Cartoon Network LP, LLLP v. CSC Holdings, Inc.*,¹¹⁹ the Second Circuit recently wrestled with this same difficulty, considering whether Cablevision's proposed Remote Storage Digital Video Recorder (RS-DVR), which would record programs broadcast to Cablevision subscribers and store the recordings remotely, directly infringed the plaintiffs' exclusive right to copy and publicly perform their programming. The RS-DVR features a streaming buffer which captures authorized broadcast content in tenth-of-a-second increments, continually rewriting the buffers as the program progresses. When recording, the RS-DVR runs content from the streaming buffer to an off-site storage system so the subscriber can watch it later.¹²⁰ The issue in *Cartoon Network* was whether this streaming buffer constituted a fixation

31 COLUM. J.L. & ARTS 587, 600 (2008) (assuming for the sake of argument that the stereotypical "copyright maximalist favors unbounded exclusive rights and a small, flexible fair use privilege . . . [while the] copyright minimalist favors bounded exclusive rights and a broad and encompassing fair use privilege."). Provisions like 17 U.S.C. § 107, which governs fair use, could be considered minimalist in the sense they leave significant room for interpretation. An earlier draft copyright bill left even more to interpretation, stating in its entirety that "Notwithstanding the provisions of section 106, the fair use of a copyrighted work is not an infringement of copyright." H.R. 4347, 89th Cong. (1st Sess. 1965) (quoted in William A. Patry and Shira Perlmutter, *Fair Use Misconstrued: Profit, Presumptions, and Parody*, 11 CARDOZO ARTS & ENT. L.J. 667, 678 n.53 (1993)); S. 1006, 89th Cong. (1st Sess. 1965) (same). Some copyright scholars complain that as a result, the fair use provision protects less speech than it should. See, e.g., Robert Kasunic, *Preserving the Traditional Contours of Copyright*, 30 COLUM. J.L. & ARTS 397, 403–04 (2007) ("The uncertainty of the fair use defense, at a minimum, forces users toward a minimalist approach even if First Amendment interests support more expansive use. . . . As a result, fair use tends to promote careful, minimalist speech rather than robust free speech.").

117. See, e.g., Joseph P. Liu, *Regulatory Copyright*, 83 N.C. L. REV. 87, 126–32 (2004) (discussing how the 1976 Copyright Act and later amendments incorporate complex industry-specific exemptions); David Nimmer, *Appreciating Legislative History: The Sweet and Sour Spots of the DMCA's Commentary*, 23 CARDOZO L. REV. 909, 988 n.447 (2002) ("[O]f late, the Copyright Act has attracted technically complex amendments even more often than once a year.").

118. See *Midway Mfg. Co. v. Arctic Int'l, Inc.*, 704 F.2d 1009 (7th Cir. 1983); *WGN Cont'l Broad. Co. v. United Video, Inc.*, 693 F.2d 622 (7th Cir. 1982).

119. 536 F.3d 121 (2d Cir. 2008).

120. *Id.* at 124–25.

sufficient to infringe the content owners' exclusive right under 17 U.S.C. § 106(1) to copy their programs. To decide that question, the court had to determine whether the work was fixed as it passed through the buffer. Fixation has two elements: it must be embodied in a way that it can be perceived or reproduced, and the embodiment must be "for a period of more than transitory duration."¹²¹ The court concluded that while an entire program would run through the buffer, no part of the program would be there for more than 1.2 seconds, and thus the embodiment was only for a transitory duration.¹²² Certainly this case required the exercise of both the wisdom of Solomon and the dexterity of Houdini! The fine art of statutory interpretation takes on a new meaning in this context.

Third, when courts send a message to Congress, as we often do, such as, "we're not sure; this isn't our arena, Congress, it's yours," by and large, Congress listens to that message and there is often a direct response, with the court calling out and the Congress answering. Courts are willing to step up to the plate on the many novel and uncharted issues that come before the judicial branch but there is always a nagging discomfort about some of the downstream consequences. In some cases, the courts are less well suited than Congress to weigh the competing interests of copyright holders and technology innovators. When considering injunctive relief, as we often do in copyright litigation, courts must balance the needs of the parties against the public interest,¹²³ but that is not a determination that comes with crystal clarity, in part because we lack the means to gather crucial information regarding the "public interest."

Finally, courts and copyright aficionados should beware of the judicial entrenchment factor, where an early case or an early refrain becomes repeated so often that the mantra becomes the law of the land. Two examples serve to illustrate this point. *Zippo Manufacturing Co. v. Zippo Dot Com, Inc.* was one of the first cases to rule on the question of personal jurisdiction based on an internet presence.¹²⁴ The court in *Zippo* used the framework of active versus passive websites to determine whether a website had sufficient contacts with the forum state to support personal

121. 17 U.S.C. § 101 (2006).

122. *Cartoon Network*, 536 F.3d at 130.

123. *See eBay, Inc. v. MercExchange, L.L.C.*, 547 U.S. 388 (2006) (holding that the well-established rules of equity, including a determination that "the public interest would not be disserved by a permanent injunction," should be applied in patent litigation); *Salinger v. Colting*, 607 F.3d 68 (2d Cir. 2010) (holding that the *eBay* standard applies with equal force to preliminary injunctions issued in copyright litigation).

124. 952 F. Supp. 1119 (W.D. Pa. 1997).

jurisdiction.¹²⁵ The active-passive test was relatively easy to articulate and soon courts across the country were measuring every website against the active-passive rubric, regardless of whether it bore any relation to what the website was actually doing.¹²⁶ Once launched, that framework became the jurisdictional mantra¹²⁷ that continued to prevail, even as the technology and application changed around it.

Another oft-repeated trope in copyright law is that copyright protection incentivizes the creation of expressive works. This incentives mantra gets repeated by courts and scholars ad infinitum, with some voices challenging statutory provisions because they could not possible create incentives to innovate¹²⁸ and others defending those same provisions as capable of incentivizing meaningful creation.¹²⁹ When these tropes become entrenched,

125. *Id.* at 1124.

126. *Zippo* has been cited by every court of appeals and followed, as Lexis defines the term, in 217 cases. *See also* Toys “R” Us, Inc. v. Step Two, S.A., 318 F.3d 446, 452 (3d Cir. 2003) (“The opinion in [*Zippo*] has become a seminal authority regarding personal jurisdiction based upon the operation of an Internet web site.”).

127. For example, a mere eleven months after the *Zippo* decision, the Ninth Circuit adopted it, noting that “[c]ourts that have addressed interactive sites have looked to the ‘level of interactivity and commercial nature of the exchange of information that occurs on the Web site’ to determine if sufficient contacts exist to warrant the exercise of jurisdiction.” *Cybersell, Inc. v. Cybersell, Inc.*, 130 F.3d 414, 418 (9th Cir. 1997) (quoting *Zippo*, 952 F. Supp. at 1124); *see also, e.g.*, *Lakin v. Prudential Secs., Inc.* 348 F.3d 704, 711 (8th Cir. 2003) (holding that *Zippo* applies in cases where the court must determine whether there are “minimum contacts”); *Toys “R” Us*, 318 F.3d at 452 (adopting the *Zippo* reasoning in the Third Circuit); *ALS Scan, Inc. v. Digital Serv. Consultants, Inc.*, 293 F.3d 707, 713–14 (4th Cir. 2002) (same); *Neogen Corp. v. Neo Gen Screening, Inc.*, 282 F.3d 883, 890–91 (6th Cir. 2002) (same); *Soma Med. Int’l v. Standard Chartered Bank*, 196 F.3d 1292, 1296–97 (10th Cir. 1999) (same); *Mink v. AAAA Dev. LLC*, 190 F.3d 333, 336–37 (5th Cir. 1999) (same).

128. *See, e.g.*, Robert P. Merges, *One Hundred Years of Solicitude: Intellectual Property Law, 1900–2000*, 88 CAL. L. REV. 2187, 2236 (2000) (“The Sonny Bono Copyright Term Extension Act of 1998 is a prime example of legislation that strongly favored a narrow class of copyright owners, broadly but mildly affected many present and future consumers, was intensively lobbied, and became law with little opposition. . . . From an incentive point of view, the Act is virtually worthless.”).

129. *See, e.g.*, *Luck’s Music Library, Inc. v. Gonzales*, 407 F.3d 1262, 1264 (D.C. Cir. 2005). The court stated:

[C]hanges in the law of copyright cannot affect the structure of incentives for works already created. But the knowledge that Congress may pass laws like the URAA in the future does affect the returns from investing time and effort in producing works. All else equal, the expected benefits of creating new works are greater if Congress can remedy the loss of copyright protection for works that have fallen accidentally into the public domain. . . . To be sure, the extra incentive afforded by [the URAA] is meager. But to the extent that Eldred required any direct incentive, it plainly need not be great.

Id.

either by Congressional fiat or through the accretion that comes from our common law practice of reasoning by analogy, extra effort is required to make sure that, to the extent that this dance with Congress leaves us with a central role in shaping copyright law, we shape it consistent with its constitutional *raison d'être*—to promote the progress of science and useful arts.

III. CHALLENGES AND ISSUES FOR THE COURTS IN THE COMING YEARS

Courts often must fit the square peg of innovation into the round holes Congress has provided us in the Copyright Act, as demonstrated in cases like *Apollo*¹³⁰ and *Cartoon Network*.¹³¹ Indeed, the development of law and the development of technology often move in different directions. Courts rule incrementally, reasoning by analogy from precedent. Cutting edge technology can burst on to scene in dramatic fashion, and the best innovation often does not resemble that which came before. In dealing with change, technology looks forward and the courts look backward to precedent and past conduct or events. Technological development is about realizing what has never been done before, while reasoning by analogy requires determining how new phenomena fit in with things we readily understand. This inherent tension will remain with us, and as courts, we must be cognizant of our institutional handicaps in discerning how best to deal with new technologies.¹³²

130. See *White-Smith Music Publishing Co. v. Apollo Co.*, 209 U.S. 1 (1908).

131. See *Cartoon Network LP, LLLP v. CSC Holdings, Inc.*, 536 F.3d 121 (2d Cir. 2008).

132. See Richard A. Posner, *Against Constitutional Theory*, 73 N.Y.U. L. Rev. 1, 12 (1998) (“The capability of the courts to conduct scientific or social scientific research is extremely limited, and perhaps nil.”); Timothy L. Skelton, *Internet Copyright Infringement and Service Providers: The Case for a Negotiated Rulemaking Alternative*, 35 SAN DIEGO L. REV. 219, 223, 340 (1998) (arguing that courts are ill-suited to resolve copyright disputes over internet behavior because “even the best informed judges cannot be expected to render consistent decisions when they are presented with an intensely technical and constantly evolving factual setting, which they are then required to apply to a statutory framework that has been outpaced by technology”); Jane Winn & Nicolas Jondet, *A New Deal for End Users? Lessons from a French Innovation in the Regulation of Interoperability*, 51 WM. & MARY L. REV. 547, 557 (2009) (reporting the conclusion of French lawmakers that the civil courts were unsuited to enforce interoperability requirements “because they would lack the expertise, speed, and secrecy required to deal with highly sensitive and fast-evolving technologies”); see also Susan D. Ross, *A Decade After Divestiture: Regional Bells, Video Programming and the First Amendment*, 21 RUTGERS COMPUTER & TECH. L.J. 143, 156 (1995) (noting that courts attempting to determine how new communication media match established First Amendment categories “must either apply unsuitable First Amendment doctrine to new technologies possessing a hybrid of characteristics, or they must craft new doctrine”).

It is nevertheless unsurprising to see courts reasoning by analogy in a technology case because our other tools are limited. Our traditional tools have been supplemented by economic and policy analysis done by Pamela Samuelson and others.¹³³ Those tools are enormously helpful to the extent they allow the courts to think about the law on multiple levels, constrained of course by precedent, analogy, and our incrementalist nature.

We also often look to lawyers for assistance, particularly in providing technical tutorials, technical expertise, and elaboration of the practical ramifications of potential decisions. Courts are looking for rules and principles that make sense going forward. Often during oral argument, we invite counsel to tell us how they would write the rule or decision. I am stunned when lawyers shrink from the opportunity. The beauty of the advocacy system is that lawyers help advance the law and assist the courts in crafting rules and principles. It is crucial for counsel to articulate the downstream effects of the position they endorse, and the ripples that might spread outward from the opinion we will write to resolve the case before us. To be sure, lawyers do not write our opinions, but our system is geared to synthesize the perspective that each side marshals in its favor.

Justice Breyer's disagreement with Justice Ginsburg over how to apply *Sony* in the *Grokster* case highlights both our concrete need for assistance from counsel in understanding new technologies, and the occasional difficulty of this task.¹³⁴ Justice Breyer pointed out that content owners argued that an add-on could easily filter out infringing content, while *Grokster* argued it was neither easy nor efficient to do so.¹³⁵ Justice Breyer noted that judges have no specialized technical ability to answer the questions, either about present or future technological feasibility and commercial viability.¹³⁶ At the same time, technology professionals, engineers, and venture capitalists themselves often radically disagree, and technological feasibility may shift, depending on whether you focus on the time the product is first developed, or when it is ready for distribution. It is

133. See, e.g., Pamela Samuelson & Suzanne Scotchmer, *The Law and Economics of Reverse Engineering*, 111 YALE L.J. 1575, 1626–27 (2002).

134. *MGM Studios Inc. v. Grokster, Ltd.*, 545 U.S. 913, 949 (2005) (Breyer, J., concurring) (agreeing with the plurality opinion that *Grokster* and *StreamCast* were potentially liable for inducing infringement, but disagreeing with Judge Ginsburg's concurrence and arguing that the Ninth Circuit correctly applied the *Sony* test in granting *Grokster's* motion for summary judgment based on the substantial capacity of the peer-to-peer service to be used for noninfringing purposes).

135. *Id.* at 958 (arguing that under the correct reading of *Sony*, a judge need not make a determination regarding which account to credit).

136. *Id.*

significant that Justice Breyer, whose tenure work as a professor was in the copyright area,¹³⁷ so aptly captures that discomfort faced by the courts.

Apart from the precedent that develops in intellectual property cases, we often see technology issues first emerge in criminal and constitutional cases. A good example is provided by *Kyllo v. United States*, the thermal imaging case, which involved the use of a device that detected heat signatures emanating from buildings to look for telltale signs of marijuana cultivation.¹³⁸ The Supreme Court considered whether the technology should be conceptualized as going *through* the wall, like walking through the house, or conceptualized as if it goes *off* the wall.¹³⁹ Justice Scalia said the rule that we adopt must take into account both systems already in play, and more sophisticated systems in development.¹⁴⁰ We must also consider the next technological step when we resolve intellectual property disputes.

We also see some overlap in the technical issues involving the dissemination of child pornography and the term “distribution” as it is defined in the Copyright Act. In attempting to persuade the district court to adopt the “making available” definition of the distribution right, i.e., that an individual violates the copyright owner’s exclusive right to distribute the copyrighted work by putting the work online where it can be downloaded, Capitol Records invited the district court to interpret the Copyright Act in light of the statute addressing criminal penalties for distributing child pornography, which defined “distribute” to include placing pornographic material in a shared folder on a peer-to-peer network.¹⁴¹ The court concluded there that the plain meaning of “distribution” in the Copyright Act did not include making available, but instead required actual dissemination.¹⁴²

Courts and scholars are currently trying to fit the Electronic Communications Privacy Act of 1986 (“ECPA”)¹⁴³ to the new realities of the

137. Stephen G. Breyer, *The Uneasy Case for Copyright: A Study of Copyright in Books, Photocopies, and Computer Programs*, 84 HARV. L. REV. 281 (1970).

138. 533 U.S. 27 (2001).

139. The dissent argued that there was a principled distinction between “off-the-wall” observations and “through-the-wall” surveillance. *Id.* at 43–44 (Stevens, J. dissenting). The majority disagreed, holding that while the crude status of current technology prevented “through-the-wall” surveillance, using that metric “would leave the homeowner at the mercy of advancing technology—including imaging technology that could discern all human activity in the home.” *Id.* at 35–36 (majority opinion).

140. *Id.* at 36.

141. *Capitol Records, Inc. v. Thomas*, 579 F. Supp. 2d 1210, 1218 (D. Minn. 2008) (comparing 17 U.S.C. §§ 101 and 106(3) with 18 U.S.C. § 2252A(a)(2)).

142. *Id.* at 1218–19.

143. Pub. L. No. 99-508, 100 Stat. 1848 (1986) (codified in scattered sections of 18 U.S.C. (2006)).

Internet. For example, ECPA was written in an era when users downloaded e-mails to their personal computers from servers. The provision allowing the government to access e-mails stored 180 days with only an administrative or grand jury subpoena made some sense, as a user who had not downloaded the e-mail effectively abandoned it.¹⁴⁴ This 180 day window makes little sense in a world where much important, and arguably private information—and nearly every e-mail—is stored remotely.¹⁴⁵

Recently, my good friend Chief Judge Kozinski and I debated the scope of the Communications Decency Act of 1996 (the “CDA”)¹⁴⁶ in *Fair Housing Council of San Fernando Valley v. Roommates.com, LLC*.¹⁴⁷ Roommates.com was sued for violating the Fair Housing Act.¹⁴⁸ Roommates.com provided rental listings, with profiles assembled and housing recommendations made based on each user’s disclosures about gender and whether the user would bring children to the household, along with each user’s preferences for roommates in these various categories. Chief Judge Kozinski and I disagreed about whether CDA, which immunizes providers of interactive computer services against liability arising from content created by third parties,¹⁴⁹ also immunized Roommates.com from liability for the format of its rental questionnaire and how responses to it shaped apartment listings.¹⁵⁰

These non-intellectual property cases are important to the future of copyright law because they provide an insight into judicial reasoning in the technology arena and also are so numerous that they dwarf in number and dimension the technology-driven cases dealing with intellectual property disputes.

A second set of challenges revolves around educating the courts and keeping pace with technology, both through inside education and outside education. Consider the following with respect to inside education: If a judge does internet research on a factual matter in connection with a pending

144. Matt Tokson, *Automation and the Fourth Amendment*, 96 IOWA L. REV. (forthcoming 2011).

145. *Id.*

146. 47 U.S.C. §§ 230, 560, 561 (2006).

147. 521 F.3d 1157 (9th Cir. 2008) (en banc).

148. 42 U.S.C. § 3601 et seq.

149. 47 U.S.C. § 230(c).

150. *Compare* 521 F.3d at 1164–65 (Kozinski, C.J.) (holding Roommates.com is both a service provider and a content provider because it selected the questions users would answer and filtered search results based on roommate-seekers’ preferences and the characteristics of prospective roommates), *with id.* at 1177 (McKeown, J., dissenting in part) (arguing that the majority misconstrued the CDA, as “Congress intended . . . the collection, organizing, analyzing, searching, and transmitting of third-party content . . . to be beyond the scope of traditional publisher liability”).

matter, is that background research, or is it extra-record evidence? The Code of Conduct for United States Judges, and similar provisions found in state codes, state that judges may not have “initiate, permit, or consider ex parte communications . . . that are made outside the presence of the parties or their lawyers.”¹⁵¹ Outside ex parte consultation is prohibited, which is why we cannot call up a professor and ask what she thinks about a pending case—we may, however, call on special masters and experts. This principle is not new, but the Internet makes volumes of information easily accessible. But what happens if I want to find out how the Slingbox really works, and I cannot divine it from the briefs, or I want to figure out how Google Scholar functions, or how the new iPad technology interfaces with the iPhone applications? Can I use the Internet and find out a little background information that would enhance my understanding so I could make a more informed decision?¹⁵² Recently, the Second Circuit answered that question in the affirmative, concluding that a district judge’s internet search to confirm his intuition about the variety of yellow rain hats available for sale was not reversible error in a criminal trial.¹⁵³ But in federal courts the issue is far from clear and judges, scholars, and lawyers are not in agreement.

The U.S. Patent and Trademark Office provides some guidance on internet searches. The Patent Office cut off the practice of examiners using Wikipedia, due to concerns about its reliability.¹⁵⁴ The Trademark Trial and Appeal Board did essentially the same thing.¹⁵⁵ I suggest to you that the problem does not stop with Wikipedia. The general accessibility of information on the Internet, much of which is not vetted, raises the same concerns. Courts have not yet tackled the question of what internet research, if any, is permissible, and what the role of the Internet can and should play, as a “treatise,” in deciding intellectual property cases. The lines blur between

151. CODE OF CONDUCT FOR UNITED STATES JUDGES Canon 3(A)(4).

152. See generally David H. Tennant & Laurie M. Seal, *Judicial Ethics and the Internet: May Judges Search the Internet in Evaluating and Deciding a Case?*, PROF. LAW., Spring 2005.

153. *United States v. Bari*, 599 F.3d 176, 180–81 (2d. Cir. 2010).

154. Peter Lattman, *PTO on Wikipedia: Patently Unreliable*, WALL ST. J. LAW BLOG (Aug. 25, 2006), <http://blogs.wsj.com/law/2006/08/25/pto-on-wikipedia-patently-unreliable/tab/article/> (last visited Apr. 22, 2010).

155. See Trademark Manual of Examining Procedure (TMEP) § 710.01(b), (c) (6th ed. May 2010). The Trademark Trial and Appeal Board has also recognized the “inherent problems regarding the reliability of Wikipedia entries” in particular “because Wikipedia is a collaborative website that permits anyone to edit the entries.” Evidence from Wikipedia is treated as having limited probative value, and should be corroborated. *In re IP Carrier Consulting Group*, 84 U.S.P.Q.2d 1028, 1032 (T.T.A.B. 2007). The Board has also refused to take judicial notice of online dictionary definitions not available in printed form, due to concerns about reliability. See *In re Red Bull GmbH*, 78 U.S.P.Q.2d 1375, 1378 (T.T.A.B. 2006).

importing information ex parte on the one hand and the court taking judicial notice or simply enhancing its background knowledge on the other hand.

Let me address now outside education, by which I mean efforts by those who are outsiders to educate the court. We have seen a proliferation of groups that appear as amici in the technology-driven copyright cases. We always have had the old line groups, like the Motion Picture Association of America, with which Jack Valenti was closely identified for so many years, or the Business Software Alliance, or the Software & Information Industry Association. Now we see organizations that did not exist twenty years ago, like the Electronic Frontier Foundation, Public Knowledge, the Sunlight Foundation, or IP Justice. To understand the proliferation of amici, one need only consider *Eldred*, where forty-two different amicus briefs were filed, or *Grokster*, where fifty-three were filed.¹⁵⁶ I view this increased interest and participation as a positive development. By constitutional necessity, our jurisdiction is constrained by standing principles, A v. B, or several As v. several Bs. We often contemplate the broader consequences of particular rulings, although we can only decide the case before us. These organizations provide the courts with valuable perspectives to the extent they supplement the analysis and information conveyed by the parties, explain downstream consequences, and provide valuable context.

Law schools and their students are new and valuable participants in the amicus process. The Samuelson Law, Technology & Public Policy Clinic at Berkeley, the Berkman Center for Internet & Society at Harvard University, the Stanford Center for Internet and Society, the University of San Francisco Internet and Intellectual Property Justice Clinic, and the Intellectual Property Law Clinic at Maine Law, among others, provide law students an opportunity to participate in intellectual property and cyberlaw clinics. Like the civil rights organizations in the 1950s and 1960s, these organizations are growing into litigation machines. They are not only training lawyers, but they are incubators for new and different kinds of cases. But as Paul Goldstein has said, “[c]opyright is about money,”¹⁵⁷ so I would not endow copyright

156. Further, during the 2003 Supreme Court term, a record 107 briefs were filed in *Grutter v. Bollinger*, 539 U.S. 306 (2003) and *Gratz v. Bollinger*, 539 U.S. 244 (2003), “while an impressive 33 amicus briefs were filed in . . . *Lawrence v. Texas*], 539 U.S. 558 (2003)].” Kelly J. Lynch, *Best Friends? Supreme Court Law Clerks on Effective Amicus Curiae Briefs*, 20 J. L. & POL. 33, 33–34 (2004); see Joseph D. Kearney & Thomas W. Merrill, *The Influence of Amicus Curiae Briefs on the Supreme Court*, 148 U. PA. L. REV. 743, 749, 754 (2000) (reporting that from 1946 to 1995, amicus brief filings increased 800%, and that in the last decade of the study, a mean of 4.23 briefs were filed per case). The dozens of amicus briefs filed in *Eldred* and *Grokster* represent a significant range of filings.

157. GOLDSTEIN, *supra* note 10, at 4.

litigation with the same moral stature as civil rights litigation. It is fair to say, however, that the role of academic institutions as the test bed for frontier litigation is the wave of the future.

I cannot close without looking to coming attractions that courts will see in the coming years. One key area that will be a blockbuster is metadata. We started with *Feist Publications, Inc. v. Rural Telephone Service Co.*¹⁵⁸ and learned from the Supreme Court what compilations in data meant and the extent to which they fall outside the scope of copyrightable subject matter. We now see cases where the generation of data raises questions about how much protection various copyrighted works get online. The Google Books dispute is a pending matter,¹⁵⁹ so I cannot comment other than to note it raises the metadata issue. Another recently decided case also illustrates the issue. The website Turnitin.com collected papers from high school and college students for grading purposes, but also checked whether the papers were plagiarized by comparing them to other works in the database. The students disliked the inclusion of their papers in the plagiarism database, so they sued. The Fourth Circuit concluded that the papers just added grist to the plagiarism detection mechanism, and thus Turnitin.com did not infringe the student's copyright because including their papers in the database to detect plagiarism was a transformative use.¹⁶⁰ What is transformative has bedeviled the courts for years and I think it will continue to do so in a more sophisticated way in the metadata context.

Although much of the emphasis today is about intellectual property rights, another phenomenon to focus on is the accelerated evolution of distribution mechanisms. Copyright cases historically turn on whose ox is gored. Even in the courts, we see cases played out like movie scripts with the white hats and the black hats, authors versus pirates, or individuals versus big business. Certainly, when I stood before the jury to argue a case, I tried to figure out a moral theory that would highlight the merits of my client's case.

It is natural to focus on the extent of intellectual property rights, but economists have long reminded us that optimal bargains can emerge from any set of property rights.¹⁶¹ Inefficient transactions and market exchanges, however, can make it difficult to bargain and contract efficiently.¹⁶² Like any

158. 499 U.S. 340 (1991).

159. Author's Guild, Inc. v. Google Inc., No. 05-8136 (S.D.N.Y. filed Sept. 20, 2005).

160. A.V. ex rel. Vanderhye v. iParadigms, LLC, 562 F.3d 630, 641 (4th Cir. 2009).

161. See generally Ronald H. Coase, *The Nature of the Firm*, 4 *ECONOMICA* 386 (1937).

162. Oliver Williamson has extensively explored the implications of these transaction costs. See generally OLIVER E. WILLIAMSON, *THE ECONOMIC INSTITUTIONS OF CAPITALISM: FIRMS, MARKETS, RELATIONAL CONTRACTING* (1985).

system that distributes property, the copyright system has its own inefficiencies, both with regards to presumptions of infringement and traditional licensing regimes. Transactions between potential licensors and licensees may be too slow or too costly. The information available to market participants may be flawed. Contracts may not be effectively enforceable. Institutions that simplify transaction problems, such as stock markets and commodities future markets, illustrate how market institutions are created to address these challenges. In the coming years, copyright lawyers and scholars can count on the development of innovative transaction and distribution models. Legal analysts should pay as much attention to the transaction innovations as they do to the development of property rights at issue.¹⁶³

As the frequency of technological change accelerates, the debate may also shift from rights to principles of competition, antitrust, and practices that unfairly impact consumers. We may continue to see moral dilemmas of “good vs. bad,” but insofar as copyright cases can be understood through the lens of competition policy, we can then analyze them with our well-known and well-tread principles from the antitrust and unfair competition arenas. Antitrust laws have not been amended as often as the copyright laws in order to keep pace with technology, and courts are quite comfortable in dealing in markets, antitrust, and anticompetitive issues. Competition law is an area where courts have deeper experience and we may see more attempts to understand or justify copyright law by looking through the lens of competitive effects.

The final challenge I suggest to you is in the international arena. For centuries, our law has been characterized by physical boundaries, whether political frontiers or even physical barriers. Extraterritorial application of domestic law has always been the exception, but the Internet is changing the landscape. We still have national courts, but the Internet is a medium that knows no bounds. This reality is manifest in the ongoing skirmish between China, which hopes to control what its populace can learn online, and Google, which became so uncomfortable with its role in China’s censorship policies that it backed away from the relationship.¹⁶⁴

163. *See generally* PETER F. COWHEY & JONATHAN D. ARONSON, *TRANSFORMING GLOBAL INFORMATION AND COMMUNICATIONS MARKET: THE POLITICAL ECONOMY OF INNOVATION* (MIT Press 2009).

164. *See, e.g.*, Miguel Helft & Michael Wines, *Google Faces Fallout as China Reacts to Site Shift*, N.Y. TIMES, Mar. 23, 2010, http://www.nytimes.com/2010/03/24/technology/24google.html?_r=1&hp (last visited June 30, 2010); Nicholas D. Kristof, *China and Google*, N.Y. TIMES BLOGS, Mar. 24, 2010, <http://kristof.blogs.nytimes.com/2010/03/24/china-and-google/> (last visited Aug. 6, 2010).

One case recently before the Ninth Circuit, *Yahoo! Inc. v. La Ligue Contre Le Racisme et L'Antisemitisme*,¹⁶⁵ captures the complexities of the combination of the Internet, competing principles of free speech, foreign law, domestic courts, and jurisdiction. In that case, the court considered the promotion, advertisement, and sales of Nazi memorabilia online, which pitted First Amendment rights under the U.S. constitution against French law making those sales flatly illegal. The Internet is not designed to distinguish between French consumers and others who might see this merchandise online.¹⁶⁶ Nevertheless, two French anti-racism groups¹⁶⁷ successfully sued Yahoo! in the Tribunal de Grande Instance de Paris, securing an interim order requiring Yahoo! to “take all necessary measures to dissuade and render impossible any access” to Nazi memorabilia from France.¹⁶⁸ Yahoo! sought declaratory relief in the United States, and the Ninth Circuit affirmed the district court’s exercise of jurisdiction in a fractured opinion.¹⁶⁹ The *Yahoo!* case is emblematic both of the difficulty of ascertaining jurisdiction in a world where the Internet has created a global marketplace, and the substantive issues our courts must be prepared to resolve under conflicting legal regimes.

In another example, European newspapers have successfully obtained injunctions against¹⁷⁰ or negotiated licenses with¹⁷¹ Google in disputes over whether Google can post headlines, photographs and news summaries without permission. This principle runs counter to Ninth Circuit precedent in *Perfect 10, Inc. v. Amazon.com, Inc.*, where we concluded that the inline linking of images was not infringement.¹⁷² Again, when it comes to downloading or linking to websites, the Internet does not distinguish between news stories generated in Belgium or Germany, and those generated within the United States.

165. 433 F.3d 1199 (9th Cir. 2006) (en banc).

166. *Id.* at 1202.

167. La Ligue Contre Le Racisme et L'Antisemitisme (“LICRA”) and L'Union des Etudiants Juifs de France (“UEJF”).

168. *Yahoo!*, 433 F.3d at 1202.

169. A majority of the en banc panel held that the district court properly exercised personal jurisdiction over LICRA and UEJF, while a plurality concluded the case was not ripe. *Id.* at 1201.

170. *Copiepresse v. Google, Inc.*, No. 06/10.982/C (Court of First Instance Feb. 2, 2007). The Court of First Instance “ruled that ‘Google had infringed the copyright of Belgian newspapers by publishing links to their stories on Google News.’” Dan Tammuz, *On the Perils of Inadequate Analogies*, 2008 DUKE L. & TECH. REV. 4, 27 (internal quotation marks and citation omitted).

171. Caroline McCarty, *Agence France-Presse, Google Settle Copyright Dispute*, CNET NEWS, Apr. 6, 2007, http://news.cnet.com/Agence-France-Presse,-Google-settle-copyright-dispute/2100-1030_3-6174008.html (last visited June 30, 2010).

172. 487 F.3d 701 (9th Cir. 2007).

It is also important for courts, lawyers and scholars to understand that for intellectual property, the concept of a “global economy” is not mere rhetoric. The Internet is global, and so is access to copyrighted works via the Internet. Michael Traynor, President Emeritus of the American Law Institute (“ALI”), has suggested that as we prepare for a future where the laws of the United States will begin to bump against foreign law, that we “[d]evelop the principle . . . of identifying and eliminating ‘false conflicts’ in significant part through the forum’s restrained and enlightened view of forum law.”¹⁷³ The goal of a “restrained and enlightened view” is to “use restraint in the determination of the content and scope of [forum] policies, and to apply principles common to [all] the [fora] involved in a particular case.”¹⁷⁴ We cannot make the mistake of concluding that the United States is the global court for the Internet, or for other international disputes that may find their way before our courts. Not long ago, the ALI drafted principles of international intellectual property jurisdiction.¹⁷⁵ This important document lays the framework for how U.S. courts might begin to handle international intellectual property cases in a way that is consistent with our jurisprudence, but also recognizes our responsibility to fairly consider the regimes and systems of other fora.

These are but a handful of the challenges that the judiciary will face in the coming decades. Before long, *Napster*, *Grokster*, and *Cartoon Network* will be historical references in some treatise. The rapid pace of technological change will undoubtedly transform copyright law accordingly. I trust that all of you, with your excellent scholarship, commitment to the rule of law, and enthusiasm, will keep us sharp in the courts and help us negotiate law on the cutting edge of technology. We don’t mind going to the cutting edge in our dance with Congress, but don’t let us fall off.

173. Michael Traynor, *The First Restatements and the Vision of the American Law Institute, Then and Now*, 32 S. ILL. U. L.J. 145, 152 (2007) (referencing Brainerd Currie, *Married Women’s Contracts: A Study in Conflict-of-Laws Method*, 25 U. CHI. L. REV. 227 (1958)).

174. Michael Traynor, *Conflict of Laws: Professor Currie’s Restrained and Enlightened Forum*, 49 CAL. L. REV. 845, 855 (1961).

175. See INTELLECTUAL PROPERTY PRINCIPLES GOVERNING JURISDICTION, CHOICE OF LAW, AND JUDGEMENTS IN TRANSNATIONAL DISPUTES (2008).