Access vs. Ownership in U.S. Copyright Law

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Eldred v. Ashcroft

Earlier this year the U.S. Supreme Court handed down a 7-2 decision upholding the 1998 Sonny Bono Copyright Term Extension Act (CTEA). Named for the former celebrity-turned-Congressman that sponsored the bill, CTEA changed the term of protection for most copyrights from life of the author plus fifty years to life of the author plus seventy years. Because the bill applied to both new and existing copyrights, it had the effect of adding twenty years to the lives of many copyrights that were due to pass into the public domain. The case of Eldred v. Ashcroft, was brought by a Web publisher who makes public domain books and short stories available online.

Although media reports suggested that the constitutionality of the entire CTEA was at stake, in fact the Court considered a narrower question. The petitioner, Eldred, did not challenge Congress's constitutional authority to set the term of copyright protection at life plus seventy years; rather, he asserted that the Court had exceeded its authority in adding life to the terms of existing copyrights. Eldred advanced two arguments: first, that the CTEA violated the First Amendment's guarantee of free speech; second, that the act violated the copyright clause's "limited times" prescription. If Congress could extend the lives of copyrights by adding twenty years to their terms, what would prevent Congress from extending the lives of copyrights repeatedly? A succession of "limited times" strung together would result in copyrights that would survive in perpetuity, a result clearly contrary to the intentions of the Constitution's drafters. The Court majority rejected both of Eldred's claims. As to the First Amendment challenge, they ruled that the Copyright statute's built-in free speech protections are adequate; as to the latter, the Court reasoned that a twenty-year expansion of copyright terms remained a term of "limited time." The Court refused to second-guess the wisdom of Congress's judgment in setting such a term.

Eldred v. Ashcroft was widely seen as a victory for copyright owners and a defeat for users. The Durham Herald-Sun, for instance, praised the majority opinion, saying, "The high court was right to reject the reasoning of free-access advocates and to rule in favor of intellectual property rights." But this assessment, which places free access advocates against property rights advocates seems obviated, particularly in light of the narrower legal questions that the Court considered. Yet, my purpose here is not to pick apart Eldred or either of the two dissents that accompanied the majority opinion; nor is it to make prognostications for a post-Eldred future. Both of those tasks are better left to scholars of Constitutional law and the eager authors of law review articles. Rather, my purpose is to set the opinion within a brief overview of copyright law. For those of us loosely grouped together in the academic and visual resources commu-

nities, Eldred offers an opportunity to reassess our position in relation to the law and, in particular, to the "fair use," which has been our rallying cry in recent years.

The fountainhead of U.S. copyright law is the federal Constitution, which grants to Congress the exclusive power to "promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries." Found at Title 17 of the U.S. Code, the Copyright Act grants to a rights holder what amounts to a limited legal monopoly over the exploitation of his or her intellectual property. The copyright holder's interest has been compared to a personal property interest; but there are fundamental distinctions between a copyright and other property rights. Rights in intellectual property are created by statute; they are not "inalienable," and their primary objective is not the protection of the copyright holder's economic interests. Rather, a broader public policy goal is envisioned. Justice O'Connor's explanation in Feist is often quoted:

The primary objective of copyright is not to reward the labor of authors, but to promote the progress of Science and useful Arts. To this end, copyright assures authors the right to their original expression, but encourages others to build freely upon the ideas and information contained by a work. This result is neither unfair nor unfortunate. It is the means by which copyright advances the progress of science and art.

Consequently, copyright must strike a difficult balance between protecting the rights of authors with society's need for a "free market" in ideas. In recent years, technological innovations have upset a balance struck in the context of older technologies. The current struggle between rights holders and users may be seen as an attempt to rationalize these changes within the context of the law.

Copyright Act, Section 102(a)

One of the ways that copyright law encourages users to "freely build on ideas and information" is by limiting the copyright monopoly it grants to holders. To begin with, not all creations are protected by copyright. The subject matter eligible for protection under the Copyright Act is set out in Section 102(a):

Copyright protection subsists... in original works of authorship fixed in any tangible medium of expression, now known or later developed, from which they can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device.

There are, then, three basic requirements for copyright protection: originality, creativity, and fixation. To be original, a work must be one of independent creation. There is no requirement that the work be novel or ingenious, but courts have found that the work must possess a modicum of creativity—"even a slight amount with suffice." (It follows from this
requirement that copyright will protect neither facts nor ideas, but only their creative expression.) The final requirement is fixation in a tangible medium of expression. Protection attaches automatically to an eligible work the moment the work is sufficiently fixed. A work is fixed “when its embodiment in a copy or phonorecord is sufficiently permanent and stable to permit it to be perceived, reproduced or otherwise communicated for a period of more than transitory duration.”

As the readership of this Bulletin is well aware, in the context of visual resources collections, sorting out who owns the rights in any particular image can be challenging. Barbara Hoffman, an attorney who has represented artists, photographers, and art associations, writes,

Visual images can be original works, reproductions of other works, or, if a reproduction includes original elements, they can be both. Often a digital image is many generations removed from the original work that it reproduces. For example, a digital image may have been scanned from a slide that was copied from a published book, which contained a photographic transparency that reproduced an original work of art. The term ‘surrogate’ is often used in practice to define a reproduction of an original visual image. Each stage of reproduction in this chain may involve an additional layer of rights.

Since obtaining rights in one layer does not automatically grant rights to a user in another, each layer in the chain must be considered separately. The potential difficulties posed by these multiple layers of rights becomes particularly important when considering the onus that would be placed on potential users if they are required to secure permissions from individual rights-holders.

Copyright Act, Section 102(a) and Exclusive Rights

If an applicant meets the threshold requirements of Section 102(a), copyright law grants a cluster of exclusive rights to the copyright holder. The exclusive grant includes: (1) the right to make reproductions in copies or phonorecords; (2) the right to prepare derivative works based on the copyrighted work; (3) the right to distribute copies by sale or other ownership transfer; (4) the right to perform the work publicly; (5) the right to display the work publicly; and (6) the right to perform publicly a sound recording by digital transmission. In addition, the Visual Artists’ Rights Act grants visual artists a right of attribution and the right to preserve the integrity of their work by preventing unauthorized alterations. Whether digitizing slides and posting them on a course website violates the copyright holder’s right of reproduction, right of distribution, and/or right to display remains unclear.

The Right of Reproduction

For a work to be reproduced, its fixation in tangible form must be “sufficiently permanent or stable to permit it to be perceived, reproduced or otherwise communicated for a fixed period of more than transitory duration.” In digital form, a work is generally “fixed” as a sequence of binary digits using media specific encoding. Under U.S. law the placement of copyrighted material into a computer’s memory is a reproduction of that material because the work in memory may then be perceived, reproduced, or communicated. Consequently, the Department of Commerce’s Working Group on Intellectual Property Rights (discussed more fully below) concluded that the right of reproduction “will be implicated in most National Information Infrastructure transactions.”

The Right of Distribution

The Copyright Act does not provide a statutory definition of the term “distribute.” Normally, one thinks of a tangible item changing hands, such as when a copy of a book or compact disc is distributed to a purchaser by a retail store. The right to distribute copies of a copyrighted work is limited significantly by the “first sale” doctrine:

Notwithstanding the provisions of section 106(3), the owner of a particular copy or phonorecord lawfully made under this title, or any person authorized by such owner, is entitled, without the authority of the copyright owner, to sell or otherwise dispose of the possession of that copy or phonorecord.

This doctrine, which reflects the American legal system’s abhorrence of restraints on the alienation of property, means that the copyright owner has only the right to authorize or prohibit the initial distribution of a particular lawful copy of a copyrighted work. However, the distribution of an infringing copy will subject any distributor to liability for infringement. In the digital arena this can lead to some fairly complex legal analysis.

At least one court decision has construed the unauthorized downloading of digitized photographic images on the Internet as “implicating” the distribution right. Playboy Enterprises, Inc. v. Frena involved the transfer of visual files by subscribers to a computer bulletin board system. Subscribers to the bulletin board uploaded copyrighted images from the pages of Playboy magazine; other subscribers viewed the copyrighted images and were able to download them onto their own computers. The operator of the bulletin board system was not involved in the uploading of the infringing images. The court’s opinion stated, Public distribution of a copyrighted work is a right reserved to the copyright owner, and usurpation of that right constitutes infringement. . . . [Playboy Enterprises’] right under 17 U.S.C. sec. 106 to distribute copies to the public has been implicated by Defendant Frena [the operator of the bulletin board system]. Section 106(3) grants the copyright owner ‘the exclusive right to sell, give away, rent or lend any material embodiment of his work.’ There is no dispute that Defendant Frena supplied a product containing unauthorized copies of a copyrighted work. It does not matter that Defendant Frena claims it did not make the copies itself.
The court did not discuss the reproduction right, apparently because it was uncertain whether the operator of the bulletin board system could be held to have "reproduced" a work that was uploaded by one user and then downloaded by another. It is clear that at the end of the transaction a Frena subscriber had a copy of a Playboy photograph; it is less clear whether Frena "distributed" it and whether it was Frena or the subscriber who "reproduced" it. The case illustrates how complex the analysis can become in cases where more than one right is potentially implicated.

The Right to Display

To "display a copy publicly" is defined as "show[ing] a copy of it, either directly or by means of a film, slide, television, image or any other device or process or, in the case of a motion picture or other audiovisual work, to show images non-sequentially." The potentially complex analysis required to determine whether a particular transmission amounts to a "distribution" in the digital arena would rarely be necessary in the context of the right to display. The definition clearly encompasses, for instance, the actions of all of the defendants in the Playboy case and, as in that case, both the right of distribution and the right to display may be implicated on the same facts. Consequently, when an Internet user visually "browses" through images of works in any medium, a public display of at least a portion of that browsed work occurs. It should be added that the Copyright Act's definition of "public" is considerably broader than the colloquial use of the term, and can apply to multiple individual users, even though they view the work in a variety of locations and at different times.

Copyright Act, Section 110(1) and Section 110(2)

The Copyright Act provides a number of important exceptions to the exclusive rights of copyright owners by specifying that certain uses of copyrighted works are outside the control of owners. Although these are commonly referred to as "user's rights," as a technical matter of law they are outright exemptions from liability or affirmative defenses to what would otherwise be infringing acts. Terminology aside, Eldred v. Ashcroft has largely been perceived as a definitive defeat for user's rights; however, the majority opinion invoked the strength of user's rights under current law in their rejection of Eldred's First Amendment claim.

There are two specific educational exemptions. Section 110(1) exempts from infringement liability the performance or display of a copyrighted work in the course of face-to-face teaching activities by a non-profit educational institution in a classroom or similar setting. Section 110(2) exempts the transmission of a performance of a non-dramatic literary or musical work or display of any copyrighted work if (1) the performance or display is a regular part of the systematic instructional activities of the non-profit educational institution; (2) the performance or display is directly related and of material assistance to the teaching content of the transmission; and (3) the transmission is made primarily for reception in classrooms or similar places or to persons to whom the transmission is directed because of their disabilities.

However, the practice of copystand photography by visual resources collections has relied for its legality on neither of these provisions, but rather on the doctrine of fair use.

Fair Use

Fair use provides an affirmative legal defense to an action for copyright infringement. Like other doctrines developed under the common law, the doctrine of fair use has flexible boundaries. The classic example of fair use is the quoting of portions of a book in order to incorporate them into a book review. When fair use exists, the user does not have to seek permission from the copyright owner or pay a license fee for the use. The doctrine has been codified by Section 107 of the Copyright Act:

Notwithstanding the provisions of sections 106 and 106A, the fair use of a copyrighted work, including such use by reproduction in copies or phonorecords or by any other means specified by that section [sic], for purposes such as criticism, comment, news reporting, teaching (including multiple copies for classroom use), scholarship, or research, is not an infringement of copyright. In determining whether the use made of a work in any particular case is a fair use the factors to be considered shall include—(1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes; (2) the nature of the copyrighted work; (3) the amount and substantiality of the portion used in relation to the whole; and (4) the effect of the use upon the potential market for or value of the copyrighted work.

This list of factors is non-exclusive and each of them is considered separately below.

The Purpose and Character of the Use

The first factor contrasts "commercial" uses with "scholarly" and "non-profit educational" uses, but there is a continuum between these two poles, with most uses having characteristics of both. The U.S. Supreme Court has decided only four fair use cases: one non-commercial, non-educational use was found to be fair; two commercial uses were found to be unfair; and one commercial use was found to be "potentially fair." The Sony case declared that all commercial uses were to be presumed unfair; this presumption is particularly strong in cases of verbatim copying. Although the Supreme Court has yet to address the question in the educational context, other courts applying the Copyright Act have rejected the fair use defense in such cases of "mere reproduction" even in educational contexts. Within the context of visual resources collections, the use will generally be both educational and non-commercial, factors that presumably weigh in favor of fair use. However, the character of the use is merely providing a "surrogate" imagine for the art object. A premium is placed on faithfulness; there is little room for "transformation."
The Nature of the Copyrighted Work

Courts have held that this factor weighs in the copyright holder’s favor when portions of works of fiction and unpublished works are copied, and in the defendant’s favor when factual works and published works are copied. Works of art by living artists are generally accorded a high level of copyright protection; however, the majority of works considered by art historians will be within the public domain and only the (non-copyright) rights of the museum holding the painting will be at issue. At least in the case of paintings, case law suggests that slide reproductions will rarely receive separate copyright protection. In the case of Bridgeman v. Corel, a federal court held,

_in this case, plaintiff by its own admission has labored to create “slavish copies” of public domain works of art. While it may be assumed that this required both skill and effort, there was no spark of originality—indeed the point of the exercise was to reproduce the underlying works with absolute fidelity. Copyright is not available in these circumstances._

The court went on to add that a copy of an original in a new medium is “copyrightable only where, as often but not always is the case, the copier makes some original contribution.” The court’s analysis suggests that photographs of three-dimensional objects or spaces would more readily secure copyright protection because the photographer has a greater degree of freedom in framing the subject. The same photographer taking slides of Michelangelo’s _Doni Tondo_ in the Uffizi and, a few blocks away, his _Pietà_ in the Museo dell’Opera del Duomo, would perhaps receive copyright protection for the one, but not for the other.

The Amount and Substantiality of the Portion Used

In its assessment, the Department of Commerce’s Working Group on Intellectual Property suggested that this was “probably the least important factor, given that the taking of even a small amount—if it is considered the ‘heart’ of the work—can lead to a finding of infringement.” However, in the context of visual images this is question begging. In most situations, the entire image will be appropriated because a reproduction of a smaller portion of a larger work of art is of limited utility without reference to the whole work. This factor, then, might weigh heavily against fair use.

The Effect on the Potential Market for or Value of the Work

Although protecting the economic interests of the copyright holder is not the ostensible purpose of copyright, courts have repeatedly identified this as the most significant factor in fair use cases. The factor weighs against a defendant not only when a current market exists for a particular use, but also when a potential market could be exploited by the copyright owner. In the case of newly purchased art slides, there would clearly be a market effect if visual resources collections made multiple slide copies from a single purchased copy. Copystand reproduction, by contrast, can be argued to have either no effect on the book or journal market or even to have a positive effect through visually educating a new audience. It could be argued that in converting slides purchased from vendors to digital form, users are smothering an emerging vendor market in digital images. However, vendors’ experiments in marketing digital images historically have been unsatisfactory from the point of view of slide curators, whose need for digital images has arrived well in advance of an adequate commercial supply of digital images. In this context, it is also easily anticipated that the demand for copystand photography will continue for the foreseeable future.

Conference on Fair Use

The central unresolved question facing the visual resources community continues to be whether the digitization of analog slides, acquired by whatever means, constitutes fair use under the Copyright Act. This was one of the questions that the Department of Commerce’s Conference on Fair Use (CONFU) was charged with answering. CONFU first convened in September 1994 and finished with a final meeting in May 1998. The goal of the conference was to produce a set of five guidelines for the fair use of information in the digital realm, known in CONFU parlance as “the National Information Infrastructure” or NII. The guidelines were to cover Image Archives, Multimedia, Interlibrary Loan, Electronic Reserves, and Distance Learning; and representatives from commercial, educational, and public interest groups were brought together to participate in the drafting.

The conference had a precedent in the National Commission on New Technological Uses of Copyrighted Works (CONTU) convened by Congress in 1978 to address copyright issues raised by photocopiers and computers. CONTU produced the interlibrary loan guidelines that were published in the Conference Report that accompanied the 1976 Act. The earlier conference had drafted workable guidelines and it was hoped that CONFU would enjoy a similar degree of success. However, it is now widely agreed that this hope was disappointed. Kathe Hicks Albrecht, slide curator at American University and a conference participant, wrote the following in an earlier edition of this Bulletin:

_Although CONFU ultimately failed to achieve its goal of creating a series of acceptable guidelines for educational fair use, there were many lessons learned during the process. Primary among these was the fact that museum and academic participants began to recognize the similarities of our missions and we came to an understanding of each other’s special needs._

Perhaps significantly, the players left out of Albrecht’s assessment of this learning process are the publishers and other commercial rights holders. Indeed, the suggested guidelines heavily favored commercial rights holders and this bias resulted in a failure to reach consensus with educators and museum professionals.
In addition to a general introduction on fair use, CONFU’s draft guidelines38 tried to achieve consensus and solutions in two areas: first, the digitization of existing (non-digital) analog slide collections and, second, the fair use of newly-acquired digital images. As to the latter, the guidelines would permit digitization of “newly, lawfully acquired images,”39 unless copies of the images are available in digital form for purchase or license, and would also allow the images to be posted on secure university networks.40 This much was relatively uncontroversial. Much more controversial was guideline 2.3.2: “The institution may display such images on its secure electronic network only during the semester or term in which that academic course is given.” Not only is this guideline narrower than the traditional understanding of fair use, it may also be practically unworkable. Consider the following comments from Robert Baron, a museum computer consultant, and Judith Sobre, of the University of Texas, San Antonio, respectively:

There is nothing that I see in the fair use statute stipulating that second uses are not fair uses. Using a single copy multiple times in a lecture or educational situation is not the same as making and distributing multiple copies....

Am I to understand that if we digitize images for study purposes only...they are good only for a one-shot course in one semester, and that afterwards we must obtain permission or license to use them again? If so, the idea is impractical. It took me three months of my own time (unpaid) to digitize images for a course that lasts four months.... What’s the point of so much labor-intensive effort if we must then discard it?

Perhaps the most contentious paragraphs of the guidelines come under Section 5: “Important Reminders and Fair Use Limitations Under These Guidelines.” Although lengthy, it is worthwhile setting out the full text of those provisions:

1.1 Creation of Digital Image Collections
When digitizing copyrighted images, as permitted under these guidelines, an educational institution should simultaneously conduct the process of seeking permission to retain and use the images. Where the rights-holder is unknown, the institution should pursue and is encouraged to keep records of its reasonable inquiry....

1.2 Reasonable Inquiry
A reasonable inquiry by an institution for the purpose of clearing rights to digitize and use digital images includes, but is not limited to, conducting each of the following steps [my emphasis]: (1) checking any information within the control of the educational institution, including slide catalogs and logs, regarding the sources of the visual image; (2) asking relevant faculty, departmental staff, and librarians, including the visual resource collections administrators, for any information regarding the source of the image; (3) consulting standard reference publications and databases for information regarding the source of the image; and (4) consulting rights reproduction collectives and/or major professional associations representing image creators in the appropriate medium.

The implications of this burden shifting would be particularly onerous when read in conjunction with guideline 6.1, regarding pre-existing analog collections: “...educational institutions should begin to identify the rights-holders and seek permission to retain and use the digitized images for future educational purposes. Continued use depends on the institutions’ making a reasonable inquiry (see Section 5.2) to clear the rights in the digitized image.”

CONFU’s drafters seemed unable or unwilling to recognize the reality of the lack of staff and lack of funding for most visual resources collections. Professor Jeffrey Muller, an art historian at Brown University, put his finger on this significant reality for many slide collections when he asked, “Who is going to pick up the costs of the enormous amount of labor involved in seeking permission?”41 Perhaps adding insult to injury, the guidelines further provide at 6.2.1 that “Educational institutions may digitize images from pre-existing analog image collections during a reasonable period of 7 years (the approximate useful life of a slide) from [December 31, 1996].”42

Although the guidelines claimed to seek “to strike a reasonable balance and workable solution for copyright holders and users who otherwise may not agree on precisely what constitutes fair use in the digital era,”43 it has now generally been conceded that the guidelines are unworkable and that their adoption would be particularly burdensome for smaller educational institutions, libraries, and archives. The CONFU negotiations gave publishers an opportunity to describe in vivid detail what they believe the scope of fair use in the digital realm should be. It is narrow and rigid. “The proposed guidelines constitute for the indeterminate, flexible boundaries of the fair use doctrine, the very rigidity that the doctrine was designed to eliminate.”44

Conclusion
Although I am disappointed in the outcome, the Supreme Court was probably correct to view Eldred v. Ashcroft as a separation of powers case. The Constitution having granted the power to set the terms of copyrights to the legislative branch, the Supreme Court felt that it was beyond the authority of the judicial branch to second-guess the wisdom of Congress’ exercise of that power. U.S. copyright and patent law shows a historical pattern of extending the terms of protection—and these extensions have applied to both new and existing works. If petitioner’s arguments in Eldred are correct, then many of these past extensions were also un-Constitutional. This argument has been made. However, in this case the Court chose to follow, rather than to repudiate, historical precedent.

My assertion that the majority’s reasoning is probably correct should not be misunderstood as an endorsement of CTEA. If anything becomes clear from the two dissents in this case, it is that CTEA is an extraordinarily bad piece of legislation.
in his dissent, Justice Breyer notes, "in conjunction with official figures on copyright renewals, the [Congressional Research Service] Report indicates that only about 2 percent of copyrights between fifty-five and seventy-five years old retain commercial value—i.e., still generate royalties after that time." Consequently, the CTEA benefits only 2 percent of copyright owners. The other 98 percent of works, which retain little commercial value, will be kept from enriching the public domain, in order to benefit a mere 2 percent. But when that 2 percent includes copyrights as valuable as Steamboat Willie, the first Walt Disney cartoon featuring Mickey Mouse, I suppose that we should be not be surprised at this legislation. The Sonny Bono Act is a testament to the extent to which our legislative process is captive to big business—and to Congress's willingness to craft legislation that is bad for the majority, in order to benefit an influential minority.

Unfortunately, the long-term prospects for fair use after Eldred remain cloudy. The majority opinion cited the fair use in support of its assertion that U.S. copyright law has adequate, built-in protections for free speech. We can only hope that the Court will back up this assertion by ruling strongly in favor of fair use the next time a fair use case comes before the Court.

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Notes
3 Durham Herald-Sun, Friday, January 17, 2003.
4 U.S. Const. art. I, sec. 8, cl. 8.
6 ibid., 349.
7 Some scholars advance the view that copyright has always been based on the private property rights of authors and that the quid pro quo view of copyright set out here is a creation of the last fifty years. See Thomas B. Nachbar, "Constructing Copyright's Mythology.Ó 6 Green Bag 2d 37 (Autumn 2002).
9 ibid., supra note 5, 345.
12 In his dissent in Eldred, Justice Breyer noted concerns expressed in amicus briefs from the American Association of Law Librarians and the College Art Association that permissions requirements might be prohibitively high or so onerous as to discourage use. Eldred v. Ashcroft, supra note 2, at page 9 of Breyer's dissent. Justice Breyer seems to have been the only member of the Court that found this concern compelling.
14 17 U.S.C. sec. 106A.